

# Broad Stakeholder Commitment Powers an APCD

Washington Health Alliance: Leading Health System Improvement Since 2005 Brown University School of Public Health Center for Evidence Synthesis in Health May 14, 2019



### Washington Health Alliance

- 14 year history. Grassroots effort gave us our start in 2005.
- Multi-stakeholder. 185+ member organizations statewide representing health care purchasers, health plans, providers and other health partners.
- Governed by a diverse, multi-stakeholder board of directors
- Purchaser-led. The majority of our governing members represent employers and labor union trusts.
- Non-profit. We are a designated 501(c)3.
- Non-partisan. We engage in lobbying efforts on a very limited basis and only on topics that are directly related to our mission and core work.
- Started in Puget Sound, expanded statewide in 2013.



### **Alliance: Two Main Functions**

We are a trusted convener for stakeholders, promoting a collective conversation to transform care delivery and financing.



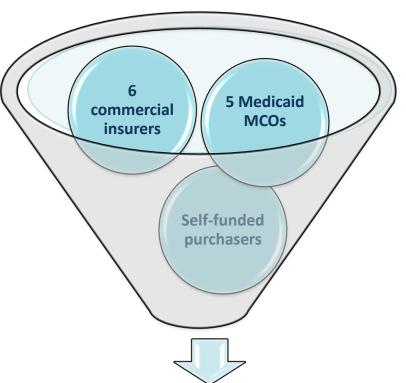


Performance measurement and reporting is a core competency of the Washington Health Alliance.

# Today: Performance Measurement is a Core Competency of the Alliance



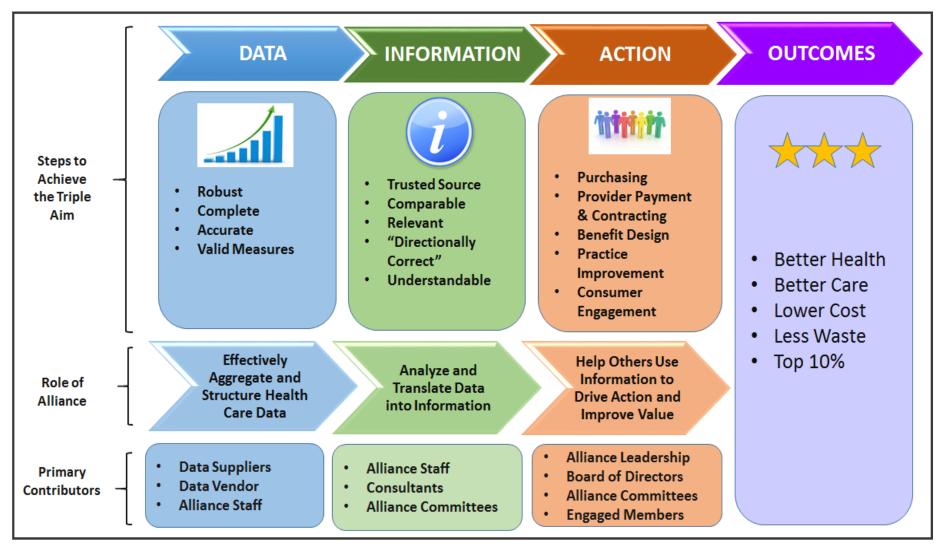
Data Sources: Washington Health Alliance All Payer Claims Database



Medical and pharmacy claims for ~4 million Washingtonians

- Began
  aggregating data
  in 2007
- Data going back to 2009
- Today: 35 Data
   Submitters





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### We do all of our work with key stakeholders

<b>Board of Directors</b>	Purchaser-led, chaired by a purchaser, multi-stakeholder, 24 members	Sets strategy direction and policy, financial oversight			
Quality Improvement Committee	24 members, all clinician leaders from medical groups, hospitals and health plans statewide	Improving transparency of quality, patient-safety, patient experience, access, and disparities in care			
Health Economics Committee	22 members, multi-stakeholder	Improving transparency of utilization and price variation			
Consumer Education Committee	15 members, multi-stakeholder	Patient-centered and culturally competent communication strategies that enable best practice in consumer education			
Purchaser Affinity Group	Open to all purchaser members of the Alliance	Information, education and alignment of strategy related to purchasing value-based health care			



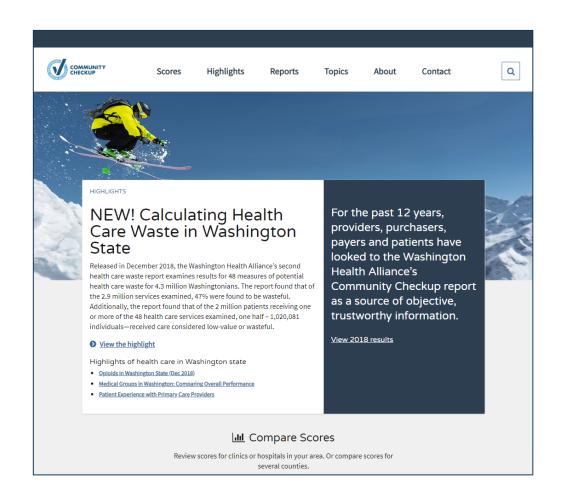
# Review of Four Alliance Reports, What They Describe, and Why They Matter for Various Stakeholders

- Community Checkup
- Reports on Price Variation
- First, Do No Harm
- Different Regions/Different Care



### **Community Checkup**

www.wacommunitycheckup.org





### Focus of Our Measurement (>100 measures)

**Patient Experience** Primary Care/Prevention – Children/Adolescents, Adults **Behavioral Health Effective Management of Chronic Illness in Outpatient Setting Effective Hospital-Based Care Overuse of Low Value Care (Waste) Geographic Variation in Care (Different Regions, Different Care)** 



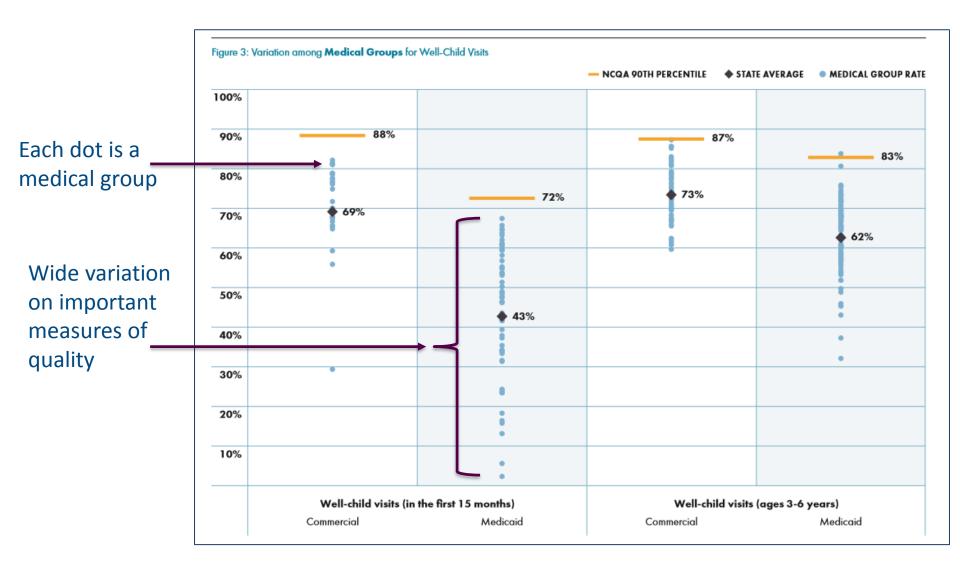
### Measurement By "Units of Analysis"



<sup>\*</sup>Primary care and some specialty medical groups and clinics, statewide

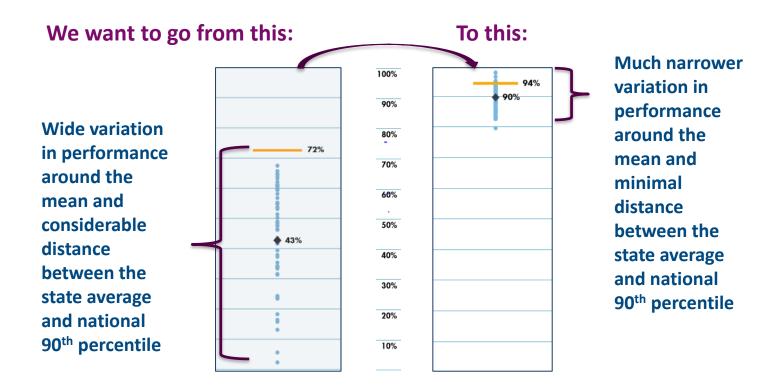


### Variation in health care





### On all important measures of quality:





### Variation in health care by medical group

Type of Care	State Average	Highest Performing Medical Group	Lowest Performing Medical Group
Eye exams for people w/ diabetes	72%	95.6%	42.7%
Blood sugar testing for people w/ diabetes	89%	95.6%	<b>63.6</b> %
Managing meds for people w/ asthma	45%	61.5%	34.4%
Monitoring patients on high blood pressure meds	79%	93.9%	<b>61.9</b> %
Statin therapy for patients w/CVD	78%	87.1%	71.9%
Staying on anti-depressants for 6 months	54%	64.0%	44.0%
Avoiding antibiotics in adults with acute bronchitis	41%	68.2%	24.5%
Avoiding imaging for low back pain during first six weeks	79%	90.5%	54.5%



### Variation in health care by county

Type of Care	State Average	Highest Performing County	Lowest Performing County
Access to Care (7-11 years old)	82%	90.1%	64.6%
Access to Care (12-19 years old)	84%	93.6%	<del>9</del> 64.6%
Vaccinations by Age 13	30%	44.2%	<del>9</del> 5.7%
HPV Vaccination Boys	29%	44.0%	10.8%
HPV Vaccination Girls	33%	47.1%	<b>3</b>



#### CONGRATULATIONS TO OUR MEDICAL GROUP TOP PERFORMERS!

The following medical groups have ranked among the top five since implementation of the Statewide Common Measure Set (2015-2018). Results differ for Commercial and Medicaid.

#### **Medical Groups (Commercial)**

- Kaiser Permanente Washington
- Swedish Medical Group
- Virginia Mason Medical Center

#### Medical Groups (Medicaid)

Kaiser Permanente Washington

Additionally, we would like to call out those medical groups that have been in the top five for three out of the four years:

#### Medical Groups (Commercial)

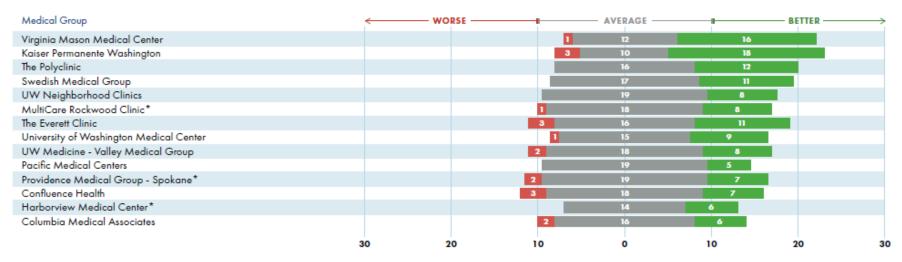
The Everett Clinic

#### Medical Groups (Medicaid)

UW Medicine -Valley Medical Group

Other clinics and hospitals have shown improvement in specific measures in the past year. It is encouraging to see where progress is being made on important quality measures across the state. Congratulations to these medical groups!

Figure 5: Ranking Medical Group Performance for Commercially-Insured: Medical Groups That Have Results for 15 or More Measures





## Why the Community Checkup matters and what you can do with this report?

- Provides a market-wide view of <u>health care provider</u> performance on quality and patient experience, including the medical groups and hospitals that purchasers include in benefit plan designs.
- Provides a market-wide view of <u>health plan</u> performance, enabling purchasers to compare their health plans with others and health plan leaders to see how they stack up in the market.
- Allows consumers/employees/members to select a primary care group based on quality performance.
- Helps medical groups benchmark against best practice in the state as they work on internal QI efforts.







Scores



Reports

**Topics** 

About

Contact



### New Alliance Pricing Reports

### Highlights

The first step to improving the health care system is measuring it so you know what to improve. Using analysis of trustworthy data—we highlight a variety of issues and trends, and share that information here so we can work together to improve the quality and affordability of health care in Washington state.







Inpatient Spending

<u>Trends in Washington</u> State



2018

<u>Calculating Health Care</u> <u>Waste in Washington</u> State (Dec 2018)



www.wacommunitycheckup.org/highlights



### **Variation in Pricing for Inpatient Treatments**

#### **Statewide results for 171 distinct inpatient treatments**

- Seven treatments account for 50% of studied spending
  - Among these, higher prices are 2.8 to 3.8 times greater than lower prices statewide
  - Example: certain spine fusion treatments ranged from \$30,000-\$118,000, a 3.8 fold difference
- Between-hospital median prices show a similar degree of variation
- Within-hospital case price variation can exceed statewide readings



### WA prices for highest-spend treatments

<b>Treatment</b> (minor severity) Hospital & physician fees	LOWER	MEDIAN	HIGHER
1. Vaginal delivery	\$6,451	\$11,060	\$18,947
2. Knee replacement	\$15,910	\$30,759	\$51,749
3. Hip replacement	\$16,405	\$31,988	\$50,631
4. Cesarean delivery	\$9,576	\$16,459	\$28,285
5. Spine fusion - dorsal/lumbar	\$30,897	\$60,620	\$118,375
6. Normal newborn	\$1,336	\$2,495	\$4,789
7. Spine fusion - cervical	\$19,370	\$37,634	\$68,747



# Price variation by hospital for total knee replacement

Admitting hospital, sorted by median price, with lower\* and higher\* prices defining the horizontal range

Hospital	Low	Median	High	S0	\$25,000	\$50,000
SWEDISH MEDICAL CENTER	\$17,703	\$36,136	\$51,603		\$36,136	
VIRGINIA MASON MEDICAL CENTER	\$18,150	\$34,903	\$52,562		\$34,903	
VALLEY MEDICAL CENTER	\$17,780	\$32,775	\$34,978		\$32,775	
OVERLAKE HOSPITAL MEDICAL CENTER	\$16,040	\$31,599	\$41,282		\$31,599	

\*Each price range represents the "middle 90%" of cases (5% most and least expensive cases have been removed)



### Hospital Price Variation – Washington State 2015-2016

3M All Patients Refined Diagnosis Related Groups – Knee Joint Replacement

Hospital	Low	Median	High	S0	\$25,000	\$50,000	\$75,000
SWEDISH MEDICAL CENTER	\$17,703	\$36,136	\$51,603	_	\$36,136	Knee Replaceme	ent Infection: 0.3
VIRGINIA MASON MEDICAL CENTER	\$18,150	\$34,903	\$52,562	-	\$34,903	Knee Replaceme	ent Infection: 0.5
VALLEY MEDICAL CENTER	\$17,780	\$32,775	\$34,978	_	\$32,775	Knee Replaceme	
OVERLAKE HOSPITAL MEDICAL CENTER	\$16,040	\$31,599	\$41,282	_	\$31,599	Knee Replaceme	nt Infection: 0.1
EVERGREENHEALTH MEDICAL CENTER	\$5,881	\$26,766	\$43,979		\$26,766	Knee Replaceme	ent Infection: 0

Knee Replacement Infection Rate: This is the rate of infections after knee replacement surgery per 100 procedures and is an important measure of quality. Results are from the WA State Department of Health. For example: 0.7 means 7 people out of 1,000 get a surgical site infection following knee surgery.



# Spending Trend Analysis: employer use case

#### **Scenario:**

Board of directors wants to know why inpatient costs rose last year. They want specifics:

"Is it our growth? Usage of healthcare? Complexity of treatments delivered? Price per unit of service?"

Directors want both big picture and treatment-specific explanations.

Not just hospital fees, but professional fees, too.



# Spending Trend Analysis: four drivers of spending change

Two VOLUME-related drivers (e.g., the number of cases)

### 1. Membership

- Insuring more people drives spending up

#### 2. Service Frequency

- Seeking care more often drives spending up

### Two PRICE-related drivers (e.g., the price per case)

#### 3. Service Intensity:

- More units of service to deliver care drives spending up (e.g., longer hospital stays, more technology, etc.)

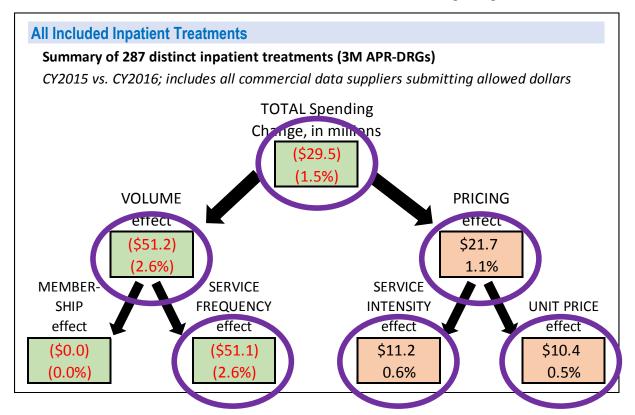
#### 4. Unit Price:

- Paying more for each unit of resource drives spending up



### Big picture findings

Note: patterns/results will differ for individual employers!





### Spending Trend Analysis – Washington State 2015-2016

**3M Major Diagnostic Categories** 

					Changes in	Changes in Service	Changes in Treatment	Changes in	Total Change
Tre	atment	2016 Spending	2015 Spending	Change (%)	Membership	Frequency	Intensity	Price Level	in Spending
Mus	culoskeletal Treatments	\$412,433,946	\$432,251,874	-4.6%	\$100,209	-\$17,688,506	-\$1,416,839	-\$812,793	-\$19,817,928
Circ	ulatory System Treatments	\$261,299,352	\$264,688,175	-1.3%	\$61,688	-\$11,530,795	\$8,262,676	-\$182,392	-\$3,388,823
Pre	gnancy, Childbirth Treatments	\$224,361,235	\$228,482,275	-1.8%	-\$381,846	-\$5,826,604	-\$1,766,745	\$3,854,154	-\$4,121,040
Dig	estive System Treatments	\$177,432,800	\$181,437,692	-2.2%	\$42,286	-\$3,370,915	\$1,673,269	-\$2,349,531	-\$4,004,892
Ner	vous System Treatments	\$156,127,348	\$146,453,945	6.6%	\$34,133	\$5,727,841	\$5,247,236	-\$1,335,807	\$9,673,403
Infe	ctious, Parasitic Disease Treatments	\$132,993,333	\$121,741,160	9.2%	\$28,373	\$11,573,068	\$2,155,522	-\$2,504,790	\$11,252,173
Nev	borns, Neonates Treatments	\$119,960,755	\$118,790,517	1.0%	\$27,475	-\$10,321,901	\$717,588	\$10,747,076	\$1,170,239

Plus an additional 14 reportable treatment categories



### Spending Trend Analysis – Washington State 2015-2016

3M All Patients Refined Diagnosis Related Groups – Pregnancy, Childbirth Treatments

Treatment	2016 Spending	2015 Spending	Change (%)	Changes in Membership	Changes in Service Frequency	Changes in Treatment Intensity	Changes in Price Level	Total Change in Spending
Vaginal Delivery	\$123,439,328	\$126,614,550	-2.5%	-\$211,602	-\$3,857,736	-\$1,263,669	\$2,157,785	-\$3,175,223
Cesarean Delivery	\$80,376,642	\$86,971,713	-7.6%	-\$145,349	-\$7,558,879	-\$217,856	\$1,327,012	-\$6,595,072
Vaginal Delivery w/ Complicating Procedures Exc Sterilization &/or D&C	\$6,410,050	\$1,938,795	230.6%	-\$3,240	\$4,013,398	\$715,964	-\$254,867	\$4,471,255
Other Antepartum Diagnoses	\$5,310,835	\$5,412,253	-1.9%	-\$9,045	-\$28,281	-\$381,428	\$317,336	-\$101,418
Vaginal Delivery w/ Sterilization &/or D&C	\$4,868,234	\$2,956,628	64.7%	-\$4,941	\$2,125,154	-\$341,482	\$132,875	\$1,911,607
Postpartum & Post Abortion Diagnoses w/o Procedure	\$1,452,404	\$1,596,278	-9.0%	-\$2,668	-\$245,402	\$123,541	-\$19,344	-\$143,873
Preterm Labor	\$813,091	\$1,091,317	-25.5%	-\$1,824	\$48,762	-\$378,141	\$52,977	-\$278,225
D&C, Aspiration Curettage or Hysterotomy for Obstetric Diagnoses	\$606,318	\$571,852	6.0%	-\$956	-\$68,360	\$10,773	\$93,009	\$34,466
Other O.R. Proc for Obstetric Diagnoses Except Delivery Diagnoses	\$535,847	\$373,474	43.5%	-\$624	\$195,480	-\$47,714	\$15,231	\$162,373
Ectopic Pregnancy Procedure	\$225,073	\$544,462	-58.7%	-\$910	-\$303,989	\$13,051	-\$27,541	-\$319,388
False Labor	\$192,302	\$91,113	111.1%	-\$152	\$48,746	-\$8,192	\$60,788	\$101,189
Abortion w/o D&C, Aspiration Curettage or Hysterotomy	\$131,110	\$319,841	-59.0%	-\$535	-\$195,497	\$8,408	-\$1,107	-\$188,731



### First, Do No Harm

Calculating Health Care Waste in Washington State

**November 2018** 

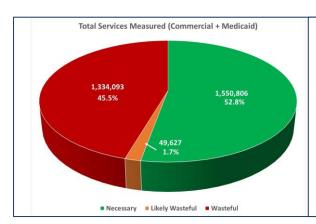


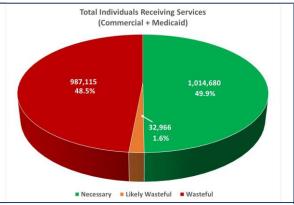


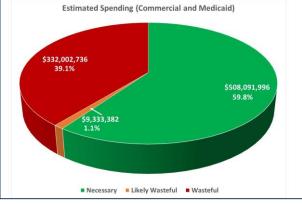


### **Health Waste Calculator\* Results**

- 1 year, **48** measures all tied to the national Choosing Wisely recommendations
- ~4.3 million insured residents of Washington
- ~2.9 million services examined totaling an estimated \$849 million







**47.2%** of <u>services</u> (1,383,720) were determined to be low value

**1,020,081 (50.1%)** <u>individuals</u> received low-value services

An estimated \$341 million (40.2%) was spent on low-value services



<sup>\*</sup>Product of Milliman MedInsight

# Health Waste Calculator – 10 out of 48 areas of care measured account for 88% of the waste found in our analysis

- 1. Opiates for Acute Low Back Pain in the First 4 Weeks
- 2. Antibiotics for Upper Respiratory and Ear Infections
- 3. Annual EKGs or Cardiac Screening for Low-Risk Individuals
- 4. Imaging Tests for Eye Disease
- 5. Preoperative Baseline Laboratory Studies Prior to Low-Risk Procedures
- 6. Two or more concurrent antipsychotic medications
- 7. Routine PSA Screening for Prostate Cancer
- 8. Too Frequent Cervical Cancer Screening for Women
- Screening for Vitamin D Deficiency
- 10. Prescribing NSAIDs for Hypertension, Heart Failure or Chronic Kidney Disease



### **DROP THE PRE-OP!**

Physicians Agree: All patients need pre-op EVALUATION, but a low-risk patient having a low-risk procedure does not need pre-op TESTING.

#### Providing high-quality care to patients includes eliminating unnecessary tests, treatments and procedures.

A recent study in Washington state<sup>1</sup>, reveals that at least 100,000 patients received unnecessary pre-op testing during a one-year period, at an estimated cost of over \$92 million—a very conservative estimate.

Routine preoperative lab studies, pulmonary function tests, X-rays and EKGs on healthy patients before low-risk procedures are not recommended because they are unlikely to provide useful, actionable information.

#### Choosing Wisely® Recommendations

- 66 Don't obtain baseline laboratory studies in patients without significant systemic disease (ASA I or II) undergoing low-risk surgery - specifically complete blood count, basic or comprehensive metabolic panel, coagulation studies when blood loss (or fluid shifts) is/are expected to be minimal."
  - -American Society of Anesthesiologists
- 66 Don't order annual electrocardiograms (EKGs) or any other cardiac screening for low-risk patients without symptoms."

-American Academy of Family Physicians

#### There are a variety of reasons why unnecessary pre-op tests are ordered, such as:

- . Broadly ordering the same pre-op tests for all patients/procedures based on habit without thoughtful reflection-regardless of a patient's health or a procedure's risk.
- . A desire to be "thorough" and/or concern that an incomplete pre-op form may delay the procedure for the patient.
- . Discomfort with uncertainty and concern about malpractice.
- . A mistaken belief that all insurers require pre-op testing.

4 First, Do No Harm. https://www.wacommunitycheckup.org/media/47156/2018-first-do-no-harm.pdf

#### Benefits of Reducing Unnecessary Pre-op Testing

#### For patients:

- · Reduces unnecessary time spent at a lab or clinic.
- · Reduces patient's financial burden.
- · Reduces waiting for test results and anxiety from false-positive results.
- · Reduces unnecessary delay before

#### For physicians:

- · Provides evidence-based care to patients and avoids unnecessary care.
- · Reduces time spent reviewing, documenting and explaining test results that add no value and won't impact a decision regarding procedure.
- · Reduces risk exposure from not carefully documenting follow-up on all pre-op tests.

wsma.org/Choosing-Wisely

For more information and resources, visit:





\*Examples of Low-Risk Procedures: arthroscopy and orthopedic procedures that only require local anesthesis; cataract, corneal replacement and other ophthalmologic procedures; cystoscopy and other minor unologic procedures; dental restorations and extractions; endoscopy; hernia repair, minor Laparaccopic procedures; userficial plastic surgery.

#### Recommended Actions



#### Physicians, Hospitals and Other Health Care Organizations

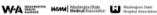
- . Educate physicians and team members (e.g. RN, MA) involved in pre-op testing decision-making
- · Delete prompts for pre-op testing in electronic health record (EHR) order sets designed for low-risk patients undergoing low-risk procedures.
- · Use evaluation checklists to optimize surgical outcomes (e.g. nutrition, glycemic control, medication management and smoking cessation).
- . In hand-off communication to the surgeon or anesthesiologist after your pre-op evaluation, add this or similar language: "This patient has been evaluated and does not require any pre-operative lab studies, chest X-ray, EKG or pulmonary function test prior to the procedure."
- · Provide prompt and clear peer-to-peer feedback when unnecessary pre-op testing occurs; make this a topic of departmental and inter-departmental quality improvement discussions, including gathering patient data to inform discussions.
- Measure current rate of pre-op testing on low-risk patients prior to a low-risk procedure and track improvement.

#### **Payers**

- · Review medical policies and priorauthorization requirements to ensure they clearly do not require routine testing prior to low-risk procedures on low-risk patients.
- · Utilize health plan data and analytics to measure and monitor use of pre-op testing on low-risk patients prior to low-risk procedures.
- Provide feedback on pre-op testing on low-risk patients prior to low-risk procedures to physicians and health care organizations.



WASHINGTON STATE TASK FORCE



For more information and resources, visit: wsma.org/Choosing-Wisely









W-A Moderation WSMI Weekington State
Weekington State
Medical Association
Weekington State
Houseal Association



# Why "First Do No Harm" matters and what you can do with this report

- The Health Waste Calculator is one of only a few tools available nationwide that helps to identify specific opportunities to address low value care. Purchasers and plans should stop paying for services in the 10 areas identified in the "First, Do No Harm" report. These areas are "low hanging fruit" for improving quality and reducing costs ACOs and delivery systems under value based contracting.
- Purchasers who are data suppliers to the Alliance can get results just for their population, and can take action through benefit design, contracting strategies and employee wellness communications. The Boeing company and the state of Washington are pursuing this work now.



### Different Regions, Different Care

- Rate variation by geographic area across the entire state, broken down by age and gender, for multiple procedures (22), in five categories:
  - Bariatric Surgery
  - Diagnostic Tests
  - Ear/Throat
  - Obstetrics/Gynecology
  - Ortho/Neuro
- Special Topic:
  - Opioid Prescribing
- Geography has an impact on how frequently patients get certain treatments and procedures. In other words, where you live matters when it comes to the care you get.



### What do we mean by geographic variation?\*

- Young women (ages 20-44) in Everett are more than 2.5 times more likely to have bariatric surgery.
- Men in Yakima (ages 45-64) are 70% more likely to have spine surgery;
   their counterparts in Seattle are 50% less likely.
- Children in Spokane are between 70% and 120% more likely to have eardrum surgery (depending on age and gender).
- Boys and girls in Puyallup, ages 12-19, are 60% more likely to have tonsils and adenoids removed
- Women in Shelton, ages 20-44, are 450% more likely to have spine injection procedures
- Women in Olympia, ages 45-64, are 60% more likely to have knee replacement surgery



<sup>\*</sup>Compared to all residents of the same age and gender living elsewhere in the state

### **Bariatric surgery**



## Bariatric Surgery Rates Increasing



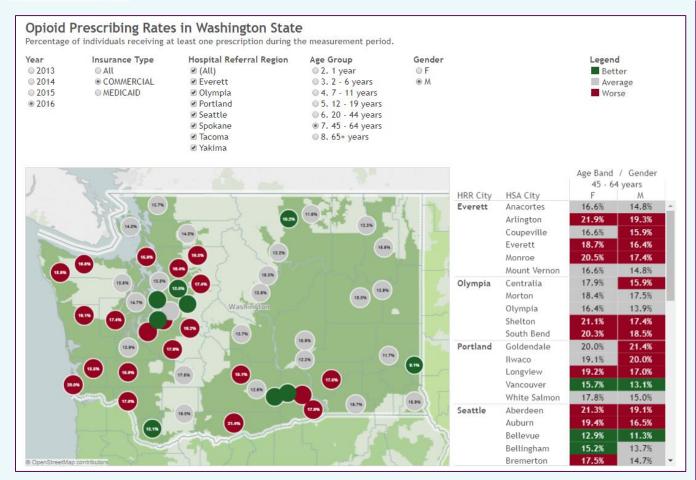
April 2018 — Bariatric surgery, also called weight loss surgery, helps people with extreme obesity to lose weight. It may be an option for people who cannot lose weight through diet and exercise or have serious health problems caused by obesity. All types of bariatric surgery have risks and complications and should be considered carefully. Our latest report shows that rates of bariatric surgery are increasing in Washington state.

See our key findings





### Opioid prescribing rates



#### 2017

#### <u>Opioids in Washington</u> State



Oct. 2017 — The opioid epidemic is widely recognized to be one of the most devastating health care problems facing the nation. Sadly, the epidemic is entirely man-made—a lethal combination of aggressive marketing on the part of pharmaceutical manufacturers, relaxed regulations and policies, and a lack of understanding of the consequences of long-term opioid use. Learn more about opioid prescribing patterns in Washington state.

See our key findings

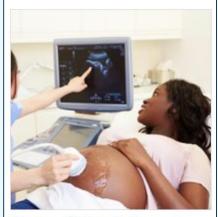


### **C-section rates**



Community (HRR)	C-Section Rate Women ages 20-44
Yakima	21%
Spokane	24%
Bellingham	25%
Seattle	25%
Everett	26%
Edmonds	27%
Tacoma	29%
Kirkland	30%
Bellevue	32%
Aberdeen	39%

# Variation in C-Section Rates



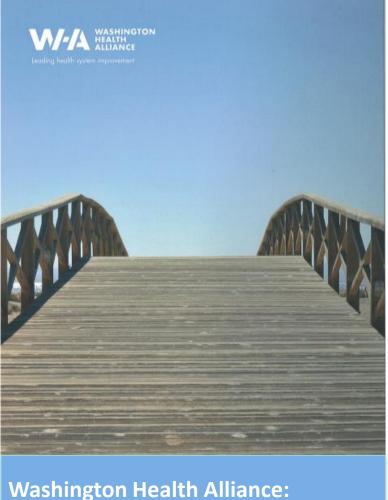
Feb. 2018 — When medically necessary, such as during a complicated birth, a C-section can help save the life of mother and/or baby. However, nearly one-third of all babies in the U.S. are born via C-section, and this is well above what most experts consider medically necessary. Learn about the C-section rates in Washington state.

See our key findings

Based on where patients live

Specific hospital C-section rates also available on Community Checkup website





#### **Questions?**



Nancy A. Giunto, Executive Director
Washington Health Alliance



