Our Physician Group’s Decision to Engage in Health System Change

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Overview

• Why health care system change?
• Medicare 646 Demonstration
• UWMF decision process
• Personal lessons learned
• Future directions
Why change?

- Medicare’s financial future is shaky
- Incentives not aligned with quality care
- Care is fragmented and uncoordinated

Fundamental Disconnect…

Dr. Eric Coleman www.academyhealth.org/2006/1
The CMS 646 Demonstration

• Purpose: to identify, develop, test & disseminate major system improvements
• Physician groups, integrated delivery systems, or regional coalitions can apply
• 10-12 organizations will be selected, and the demonstration will last 5 years
Some potential + & - aspects

• The demonstration is very flexible
  - Little prescription of interventions
  - Can change payment rules through obtaining waivers of regular CMS rules
  - Can get new things paid for

• BUT budget neutrality must be maintained at 5 years
  - Opportunity for shared savings
  - Or for financial risk

The UWMF Story: Background

• The physician practice group of the UW Health System
• In the top ten of largest physician groups
  > 1000 physician members
  > 85,000 visits from Medicare patients in 2003-2005
Basic structure- 2/06-6/06

• The CEO convened a workgroup to examine the feasibility of applying for the demonstration
• Workgroup had regular weekly meetings accompanied by intranet communication
• Stakeholder involvement was important
  – Focus groups of multidisciplinary individuals, patients and caregivers listed potential interventions
  – Several stakeholder groups represented on the workgroup or gave presentations to the workgroup

The big ?: Were cost savings and quality improvement both feasible?

• Evidence based examination of the literature
• Applying the literature to our own data
• The bottom line: We felt we could save $$$ by reducing inappropriate hospitalizations through disease management of CHF
• AND build on prior successes with care coordination and outcome measurement
Why should we do it?

- Opportunity to improve patient care
- Opportunity to increase physician satisfaction by aligning payment with doing the right thing
- Opportunity to obtain $ through cost savings that could be applied to future improvements
- Belief that we are preparing for the future

Participation creates opportunities with national implications...

- Ability to influence the direction of nationwide public quality reporting
- Ability to shape the development of pay for performance
- Opportunity to shape the way that care is reimbursed
Joining a larger coalition....7/06-

Lessons learned

• Evidence base applied to local data are critical to decision making
• AND need to coexist with political realities
• Leadership champions, communications infrastructure & individuals who are committed to the process are critical
• Cost savings and improved quality can coexist
• Early involvement allows full participation
Future directions

- Application due September 30
- If accepted, 18 month negotiation period
- Clinical workgroup member for Upper Midwest Coalition
- A manuscript describing the factors that led UWMF to decide to become “an early adopter” in potential fundamental health system change

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Questions?