A Word from Administration: Navigating Health Care in Ever Changing Times

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Dedicated to Papa Smurf

Conflict of Interest Statement

- I had no relevant financial relationships with commercial interests over the last 12 months.
- I will present a balanced view of diagnostic or therapeutic options.
- This presentation does not contain trade names or promotes specific companies or products.
- This presentation does not contain advertising.
- Special Government Employee—No Relevance to Topic
- Personal Disclosure: New Interns

The New Interns (Or RTs)

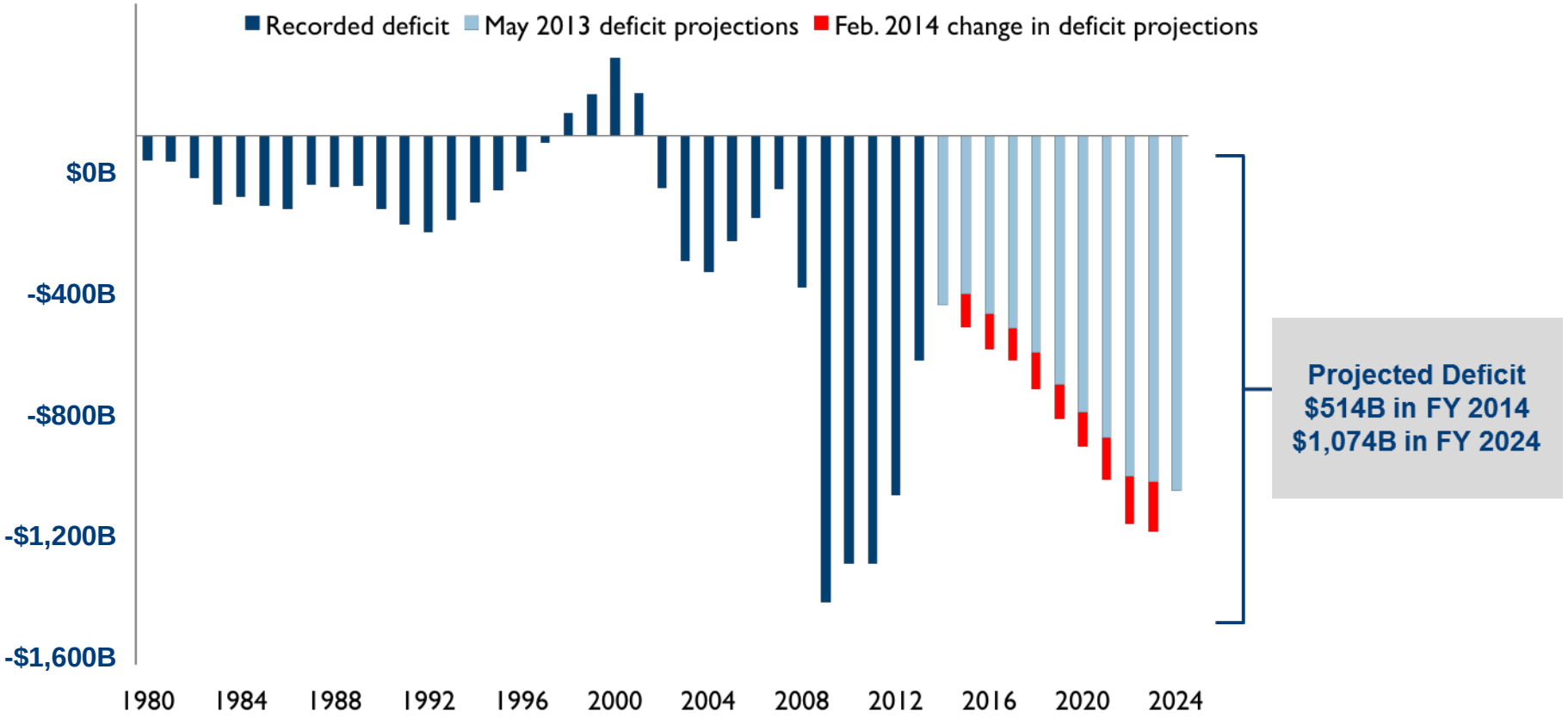
Agenda

- Review the Case for Health Care Reform
- Review the New Lens for “Heal, Teach and Discover”
- Current the “Rainbow Journey to HRO”
- Q and A

1) Review the Case for Health Care Reform

Why the Pressure?

Record Deficit

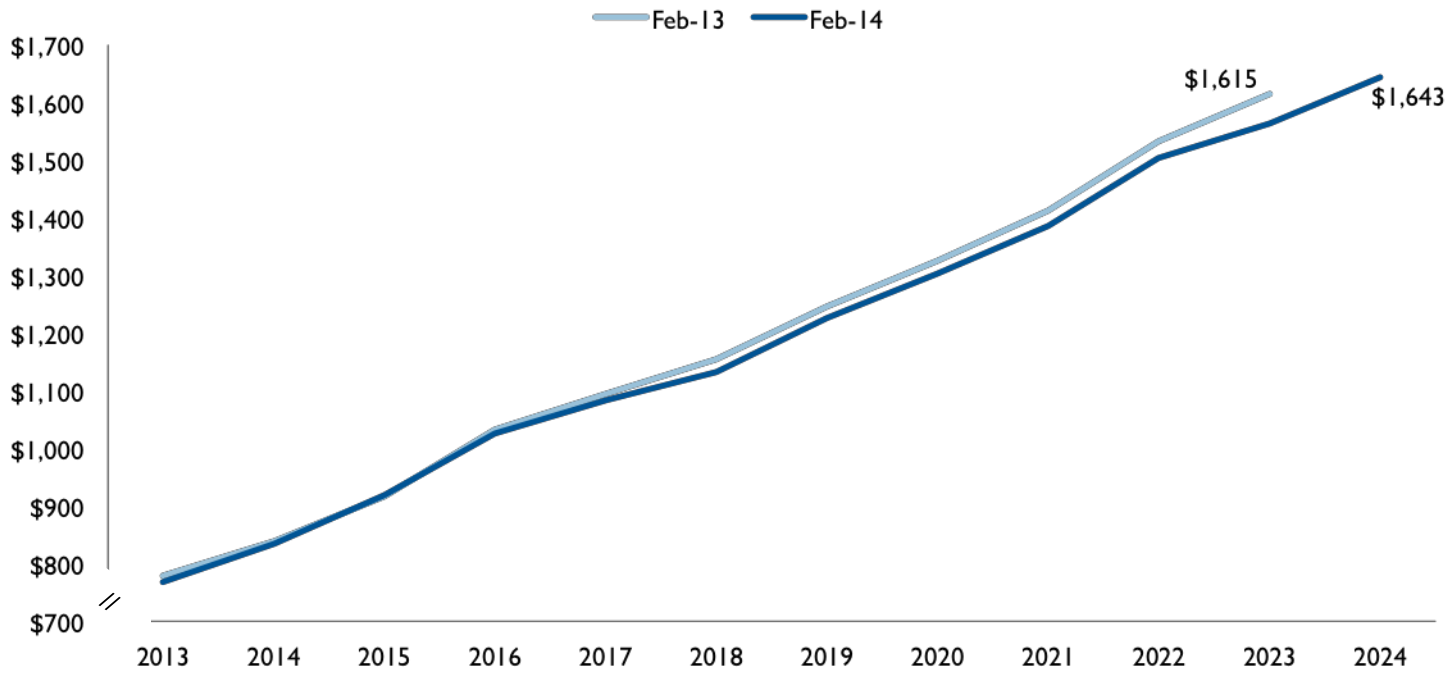


Analysis

- **Although the deficit has decreased since FY 2009 and is projected by the CBO to continue to drop through FY 2015, it remains at historically high levels**
- **The CBO projects the deficit will increase steadily from FY 2015 to FY 2023 due to *rising health care costs* and entitlement spending, interest payments on federal debt, and reduced GDP projections**

Unsustainable Spending

Projected Spending for Major Health Care Programs*
(Net of Offsetting Receipts, in Billions)



Analysis

- CBO's latest health care spending projections for 2013-2023 is $11,929B, $240B below its Feb. 2013 estimate of $12,169B
- The latest CBO figures continue the trend of declining health care spending projections; each report since at least 2012 has shown expected costs coming in lower than those of the previous report
- Experts remain unsure why the rate of health care spending's growth has slowed down; the slowing pace may be due to the recession or to longer-lasting structural changes in health care delivery and health reform legislation

Health Affairs

WEB FIRST

By Gigi A. Cuckler, Andrea M. Sisko, Sean P. Keehan, Sheila D. Smith, Andrew J. Madison, John A. Poisal, Christian J. Wolfe, Joseph M. Lizonitz, and Devin A. Stone

National Health Expenditure Projections, 2012–22: Slow Growth Until Coverage Expands And Economy Improves

DOI: 10.1377/hlthaff.2013.0721
HEALTH AFFAIRS 32,
NO. 10 (2013): –

ABSTRACT **Health spending growth through 2013 is expected to remain slow because of the sluggish economic recovery, continued increases in cost-sharing requirements for the privately insured, and slow growth for public programs. These factors lead to projected growth rates of near 4 percent through 2013. However, improving economic conditions, combined with the coverage expansions in the Affordable Care Act and the aging of the population, drive faster projected growth in health spending in 2014 and beyond. Expected growth for 2014 is 6.1 percent, with an average projected growth of 6.2 percent per year thereafter. Over the 2012–22 period, national health spending is projected to grow at an average annual rate of 5.8 percent. By 2022 health spending financed by federal, state, and local governments is projected to account for 49 percent of national health spending and to reach a total of $2.4 trillion.**

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Sheila D. Smith is a senior economist in the CMS Office of the Actuary.

Andrew J. Madison is an actuary in the CMS Office of the Actuary.

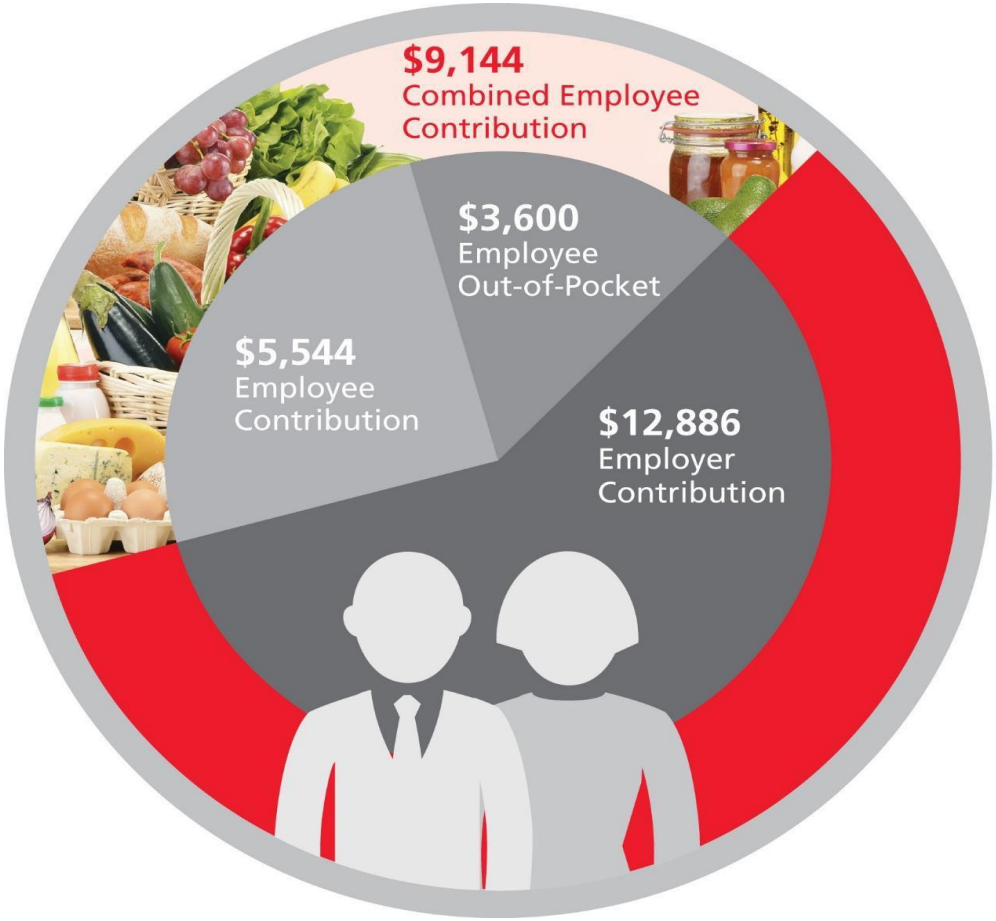
Health Care Costs Are Projected to Outpace Economic Growth

—NPR, Sept. 19, 2013

Personal Implications:

2013 Milliman Medical Index

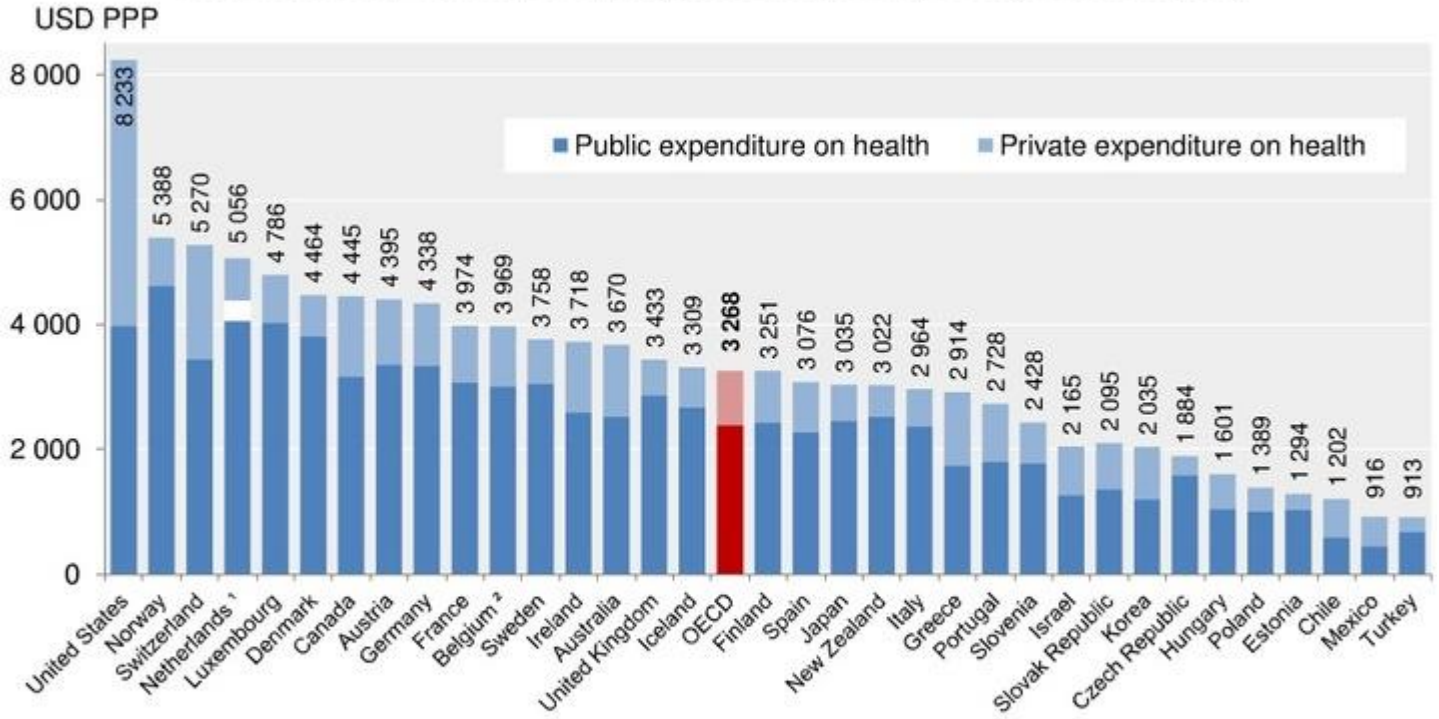
$22,030 total annual spending on health care per family



US Lagging

US spends two-and-a-half times the OECD average

Total health expenditure per capita, public and private, 2010 (or nearest year)



1. In the Netherlands, it is not possible to clearly distinguish the public and private share related to investments.
2. Total expenditure excluding investments.

Information on data for Israel: http://dx.doi.org/10.1787/888932315602.

Source: OECD Health Data 2012.

Deficits in Outcomes

U.S. Comparison to OECD Nations

2011

Life Expectancy

Bottom Quarter

78.7 yrs compared to Italy and Japan at 82.7 yrs

2011

Infant Mortality

4th Highest

6.1 deaths/1,000 births compared to average 4.1 deaths per 1,000 births

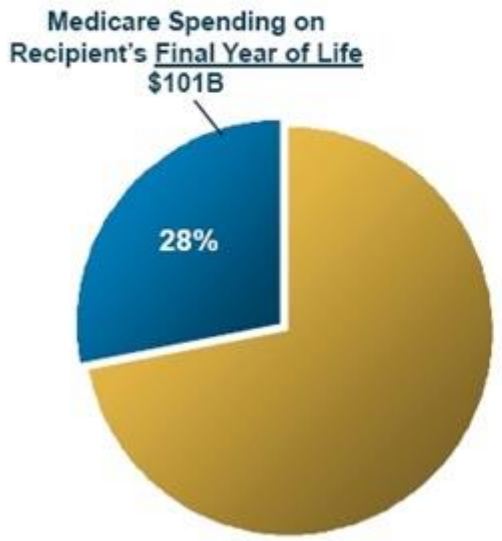
2011

Adult Obesity

Highest

33.8% obese compared to average 16.9%

2008 Medicare Total Benefit Expense
$363B



- **People 65+ spent $14,797 per year on healthcare on average in 2004, 3x what working-age people (19-64) spend.**
- It's notable that ~28% of average Medicare recipient spending occurs in the final year of life and 12% occurs in the final two months of life.

Something Has to Change

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Seidman Cancer Center
University Hospitals

To Heal

Old World

- In Patient Focused
- Long LOS
- Clinician Centered
- Fee for Service
- Fee for Volume
- Safety and Quality for Granted
- Industry and Business: Other Worlds

New World

- Wellness and Outpt Focused
- Sicker Inpts; Focused on LOS
- Value = Quality/Cost
- Reward for Wellness
- Transparency and PUBLIC Reporting
- Lessons Learned from Industry: SAFETY and Efficiency (HRO)

Value = Quality / Cost

UH/CMC - SLC

Care Delivery Innovation

UHCMC Steering Committee
(Koppelman and Anderson)

Re-admission Steering Committee

- System Subcommittees
  - HF
  - MI
  - Pneumonia/COPD
  - Psychiatry
- Hospital Subcommittees

Focus

- Process Standardization
- Risk Assessments
- Pilot Programs/Innovation
- Programmatic Criteria
  - New Roles
  - Continuum of Care
  - Community Partners
  - Grants
  - Grants/EBP

Outcome

- 30 Day Re-admits
- Cost per case per episode
- Cost per patient 12 months

Throughput/Care Coordination

- Long Stay/Palliative Care
- ICU
- Academic Model
- Excess Days (M/S, SCC, RBC/MAC, Psych)
- Post Acute

Focus

- Level of Care/Acute + Post Acute
- Efficiency/Decrease Delays & Days
- Transitions/Safety
- Process Standardization
- Alignment of Roles/Process
- Pilot programs/innovation

Outcome

- ALOS
- Transition waiting times
- % D/C orders by 11 am
- Hours on diversion

Variations in Care

- Cost per Case
- Implants/Diagnostic
- Utilization Review
- Order Sets/Care Maps
- MD Peer Comparison
- Specialty Initiatives

Focus

- Highest Cost/High Volume
- MD Variations in Care
- Process Standardization/EBP
- Product Standardization
- Pilot programs/innovation

Outcome

- Cost per case - acute
- % order set utilization
- Implant cost

Coding Documentation Steering Committee

- MD Documentation
- Mortality Review
- Co-morbids
- Admit status

Focus

- Concurrent Review
- MD Education
- Trend Reports
- Appropriate Documentation

Outcome

- CMI
- Mortality index
- Reimbursement
- Quality rankings

Right Care – Right Place – Right Time

To Heal

- Constant *Innovation*
- Quality AND Cost
- Lean Six Sigma

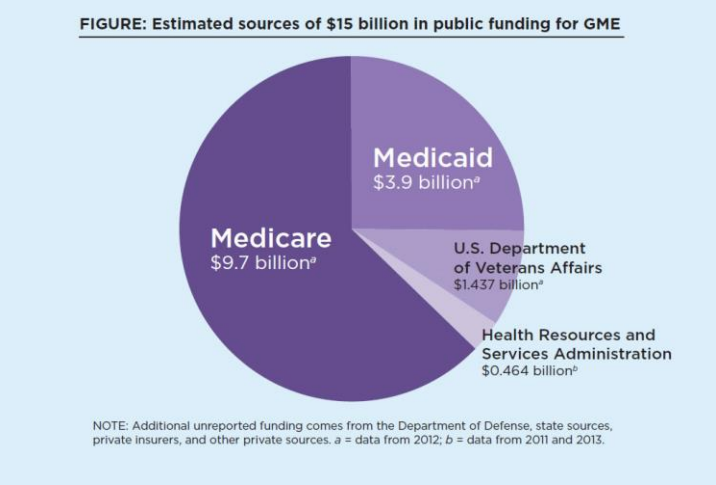
- Metrics to INCLUDE Cost

- Example of Labs: $$$ vs $

2) To Teach

- GME
  - $ 16 Billion
  - Source of all Physicians
  - BUT
    - Pressure to “Privatize”
  - Work Hours
  - Work Force
  - New Models of Evaluation

INSTITUTE OF MEDICINE
OF THE NATIONAL ACADEMIES



Learning

Premedical

Medical School

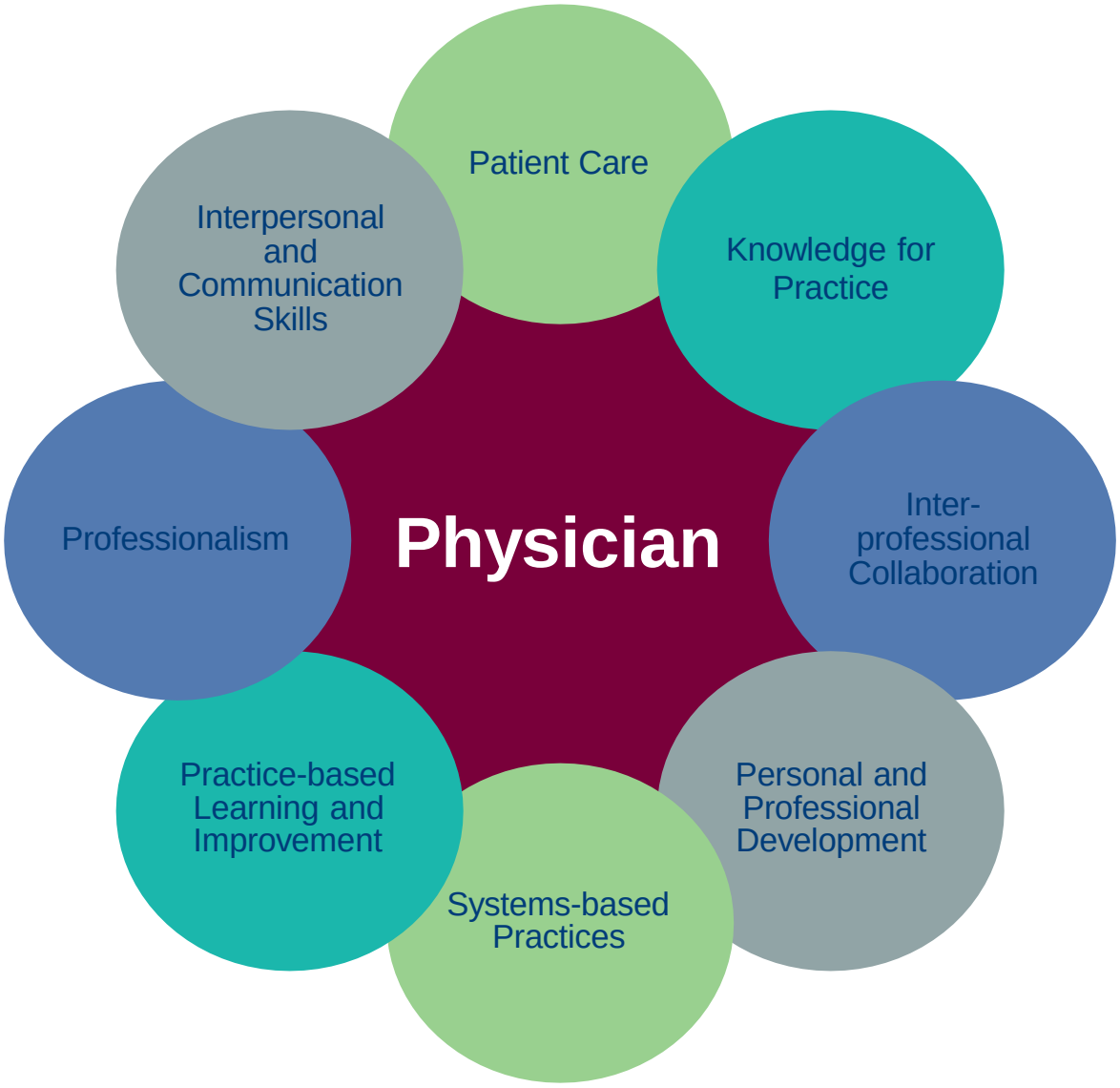
Residency and Fellowships

Practice

Assessment

The Ideal Education

Insert:
RN
RRT



3) To Discover: The New "Triple Aim" in Health Care

AAMC

Next Delicate Question for AMC: Is Our Fundamental Research Actually Linked to Improvements in Care?

AAMC

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To Heal (Safely): A New Preamble

- Keep Me Safe
- Heal Me
- Be Kind to Me
  - (Partner w me)

How Common are Mistakes?

Please stand and remain standing if:

1. You have personally been impacted by a medical error
2. You have a family member or friend who has been impacted by a medical error
3. You have contributed to a medical error
4. You have observed a medical error

In most groups, the majority of individuals are impacted.

How Big is the Problem: SSE

- Definition (Healthcare Performance Inc):
  - A *deviation from* generally accepted performance standards that reaches the patient and results in moderate to severe harm or death

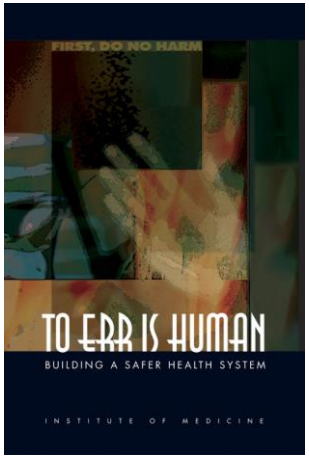
- Serious Safety Events (SSEs) occur daily in our hospitals

Harm is…Common

- The Institute of Medicine Published ***To Err is Human***

  American Hospital Association estimates that between *44,000 and 98,000* Americans die every year as a result of medical error

  The equivalent of a fatal crash of a 737 or a 747 every day!



Harm is…..Costly

- Business case for quality:$$$$

- Cost analyses for various hospital-acquired conditions—alphabet soup: VAP,CABSI,CAUTI,SSI,PU,Falls, et al.
  - Ventilator-associated pneumonia up to $50,000 additional cost
  - Catheter-associated blood stream infection around $35,000 per occurrence

Harm is *personal*

- Rainbow's Painful Journey to HRO

Harm is *Preventable*….Ohio and Rainbow Lead the Way…..

- OCHSPS network (now *National* Children's Hospital Solutions for Patient Safety Network)
  - 2 year review of all events utilizing SSE algorithm
- Shared Data and Protocols
- Journey to an HRO

High Reliability Organizations

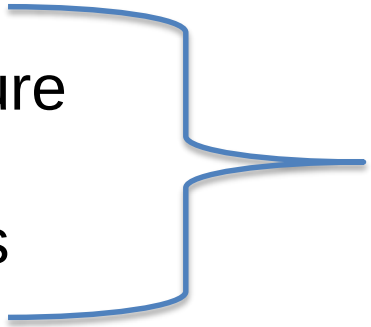
- Weick and Sutcliffe 2001: "Managing the Unexpected"

- Historically fraught with risk but have achieved excellent safety records
  - -Naval aviation/air craft carriers
  - -Nuclear power
  - -SWAT teams

- HROs "operate under very trying conditions all the time ***and yet manage*** to have fewer than their fair share of accidents."

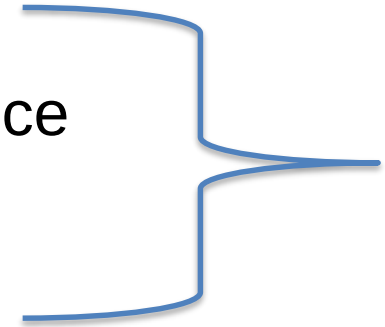
Five Principles: 2 Categories

1. Preoccupation with failure
2. Reluctance to simplify
3. Sensitivity to operations



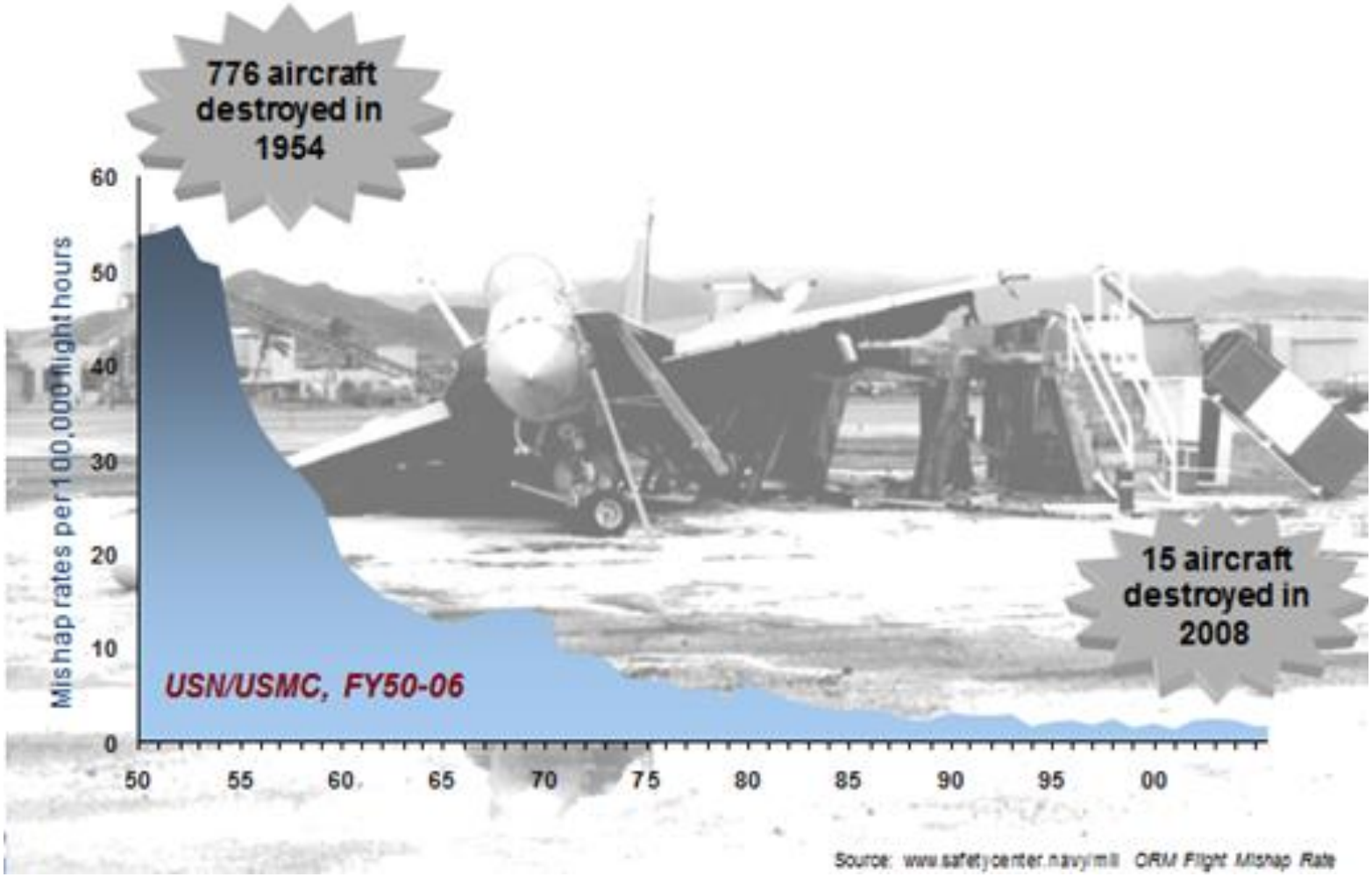
Anticipatory

4. Commitment to resilience
5. Deference to expertise



Containment

Naval Aviation Mishap Rate



HROs: 5 Keys to Success on the Journey

1. Senior Leadership Commitment
2. Training and Vigilance
   - All RBC Staff
   - Daily Safety Call
3. Culture: Openness, Transparency, DAILY
4. Programs and Processes
5. Never Ending Journey

Ohio Children's Hospitals' Solutions for Patient Safety
Every patient. Every day.

1) Leadership

- Championed by Rainbow President and VP, Corporate President and Board

- Initial pushback from some system leaders:
  - "you will never reach zero"
  - "you are setting yourselves up for failure"

"Perfection may not be attainable but if we chase it, we might catch excellence" Vince Lombardi

Leadership

- Executive leaders and unit leaders have roles
- Leaders maintain the drumbeat for safety
- Leaders must be visible
- Leaders accountable for finding and fixing system problems
- Leaders hold staff accountable to and reinforce expected safety behaviors

2) Training

- Leadership supported the mandatory training of all: clinical and non-clinical staff over a 6 month period
- 9 expected behaviors covering 3 domains:

1. Commitment to safe behavior: 200% accountability
2. Commitment to clear, concise communication
3. Commitment to supporting a *questioning attitude*

- Over 3000 employees trained in mixed groups: board members, valet, physicians at the same session

Training: Lean and 6 Sigma

- Very useful tools for bundle implementation
- Study process and determine opportunities to streamline----remove barriers to adherence with a process
- The bottom line, however, remains that people must follow the bundles
- Culture drives behavior: the desired behavior is to utilize the tools for safety

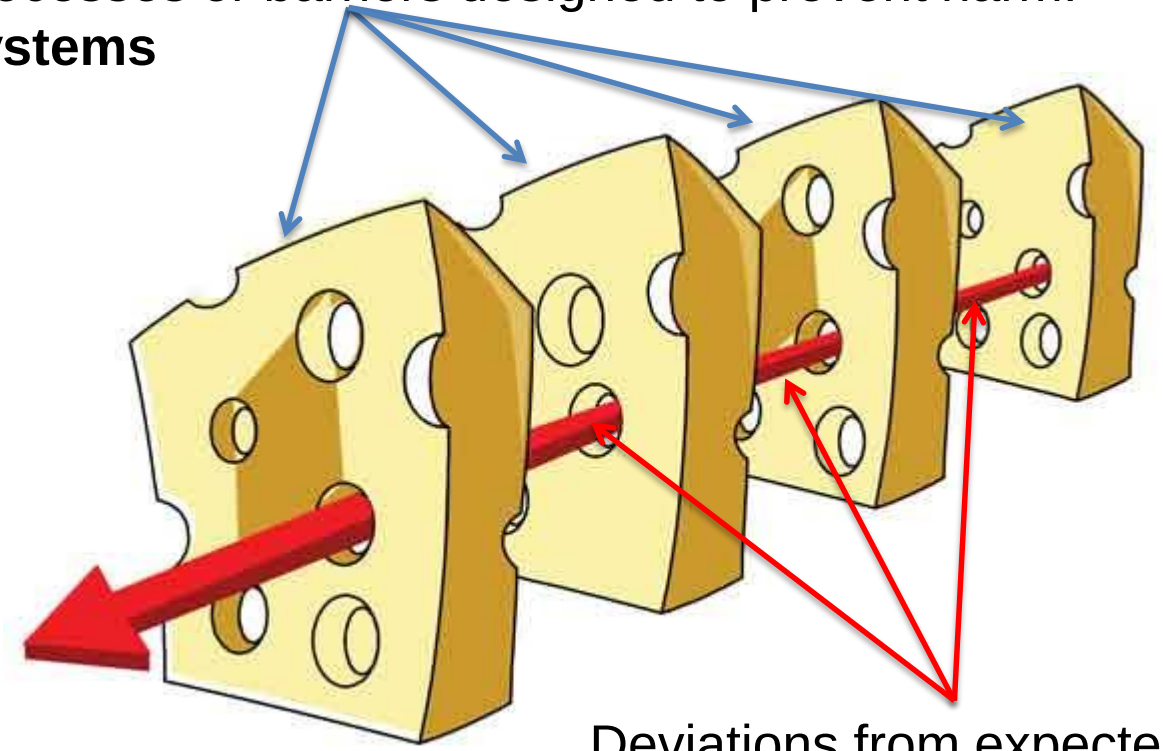
3) Culture and Behavior

- The shared values and beliefs of the individuals in the organization

--What do people do when no one is watching?

Reason's Swiss Cheese

Processes or barriers designed to prevent harm:
Systems

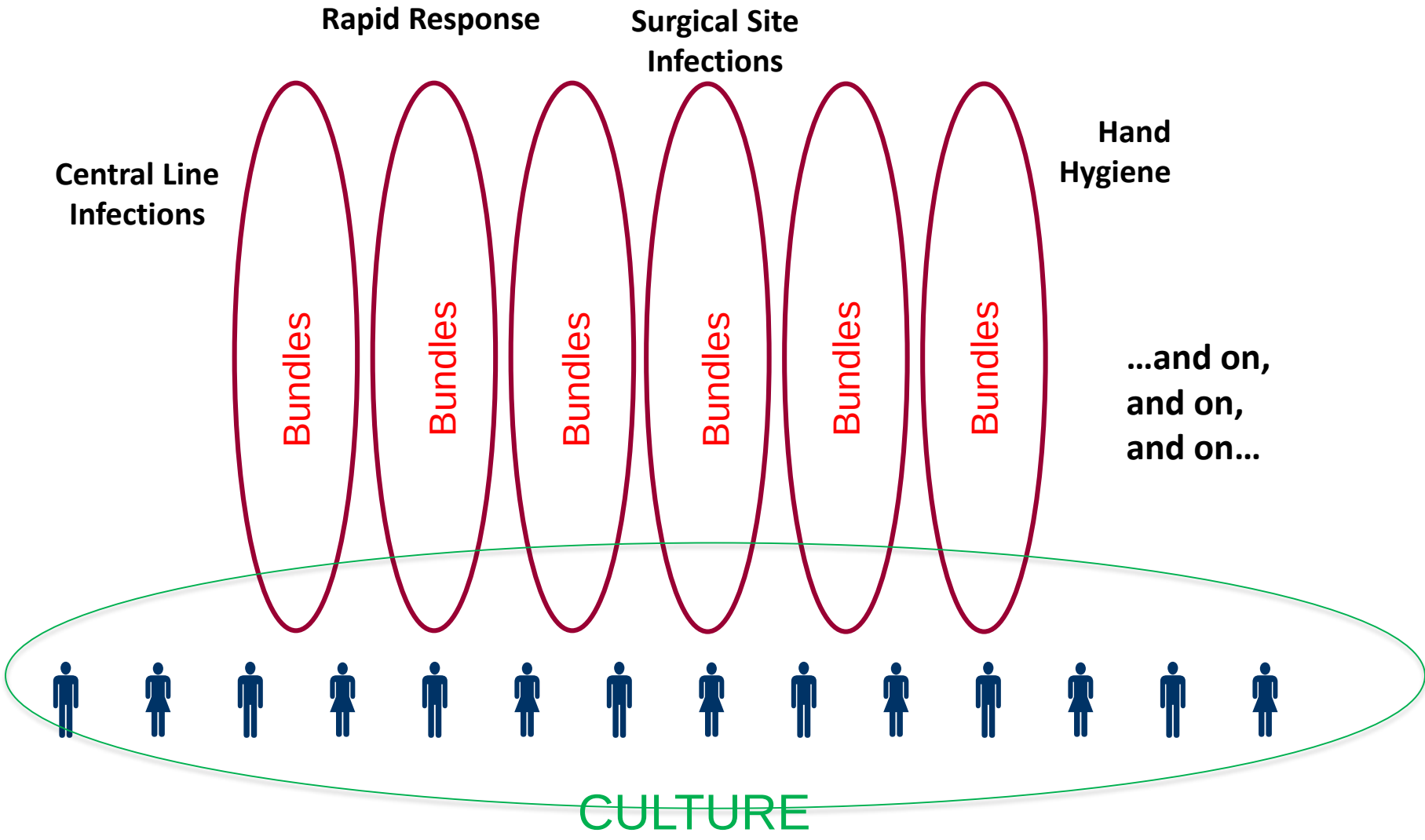


Risks

HARM

Deviations from expected behavior:
Individuals

4) Programs and Processes



Programs and Processes

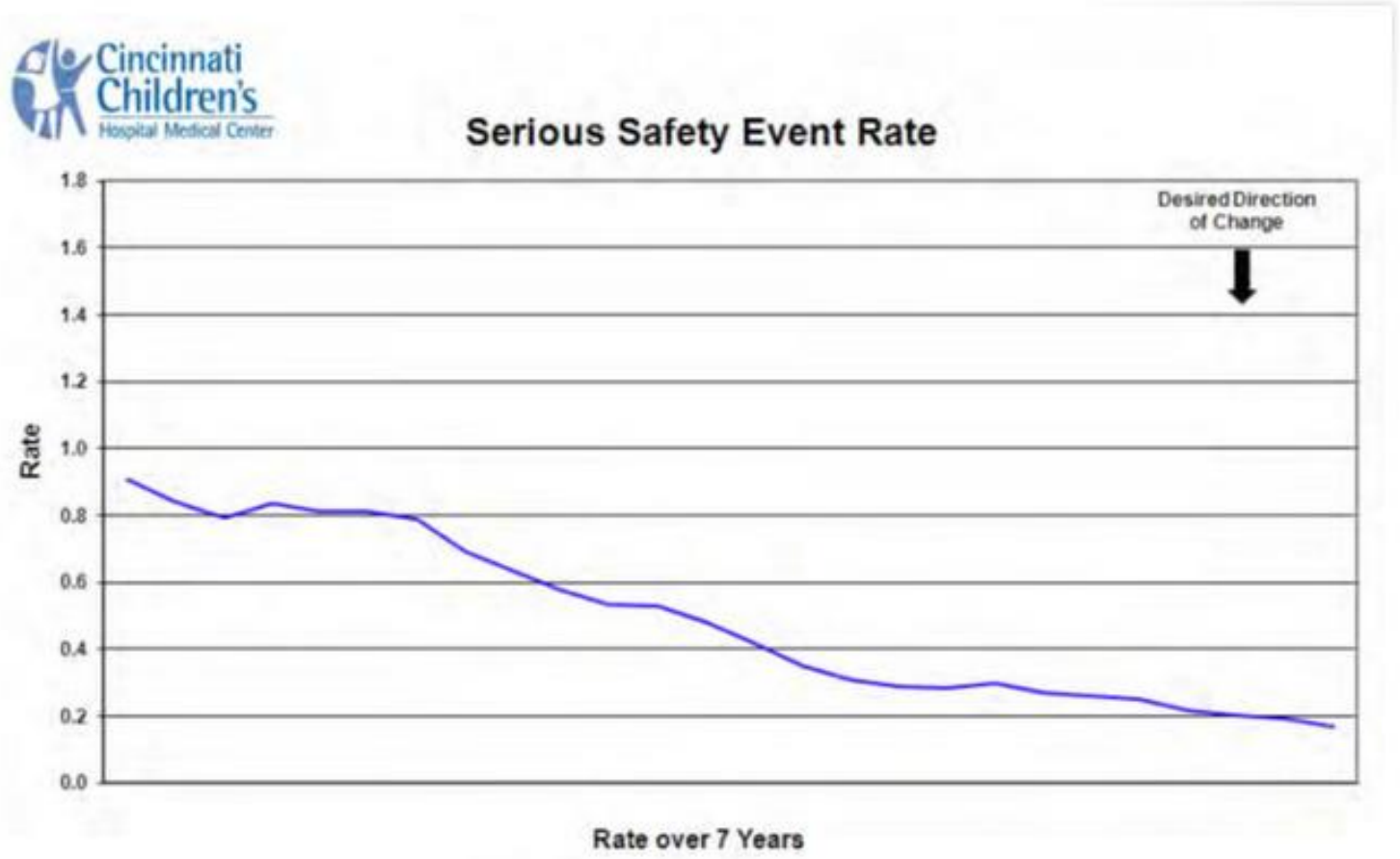
- Daily Organizational Safety Brief, 8:45 to 9AM
- Led by President or by CMO
- Always begins with days since last serious safety event

- Inpatient children's
- Inpatient women's
- Ambulatory sites
- Procedural/Respiratory
- Emergency services
- Operative services
- Pharmacy
- Radiology
- Laboratory
- Infection control
- Family relations
- Protective services
- Safety
- Facilities
- Environmental services

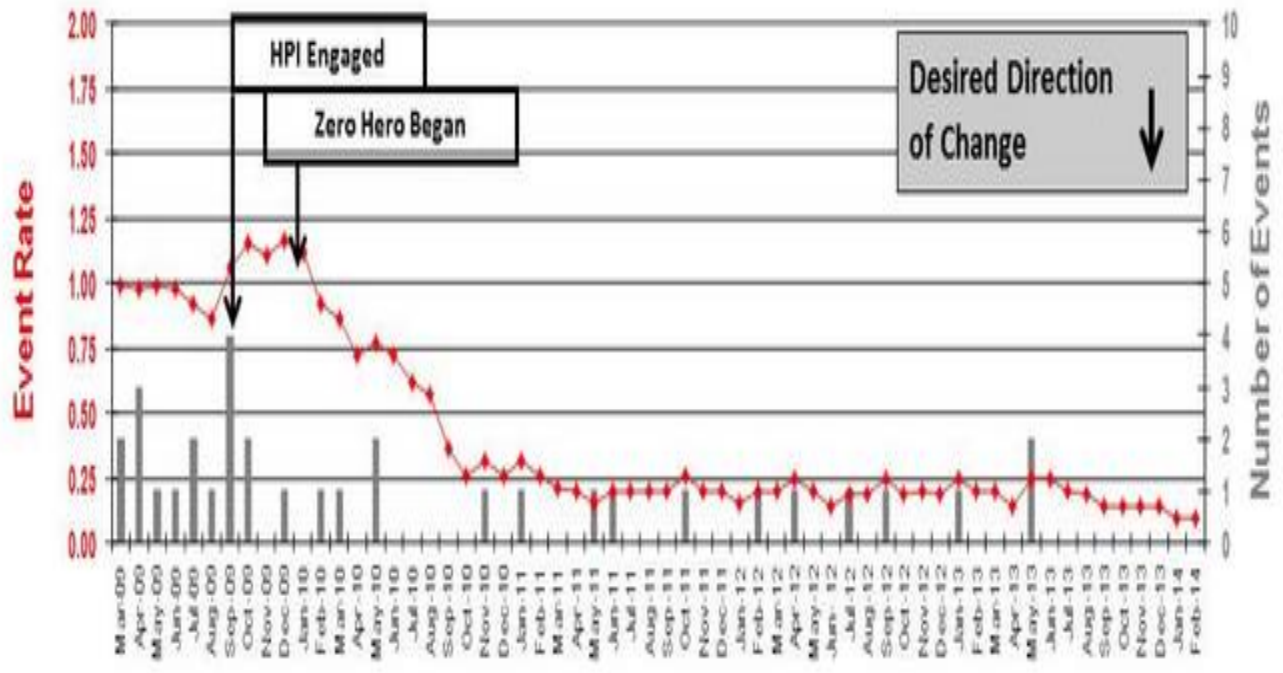
Programs and Processes

- Unit-based huddles in all clinical areas
  - Discuss concerns from previous shift and concerns for the next shift
  - The leader is able to assess potential risk and impact on the entire system
  - Resource allocation to mitigate risk or contain event
  - Leader gets inputs from front-line to mitigate issues
- We huddle around “failures” such as a line infection to learn and, hopefully, prevent the next infection

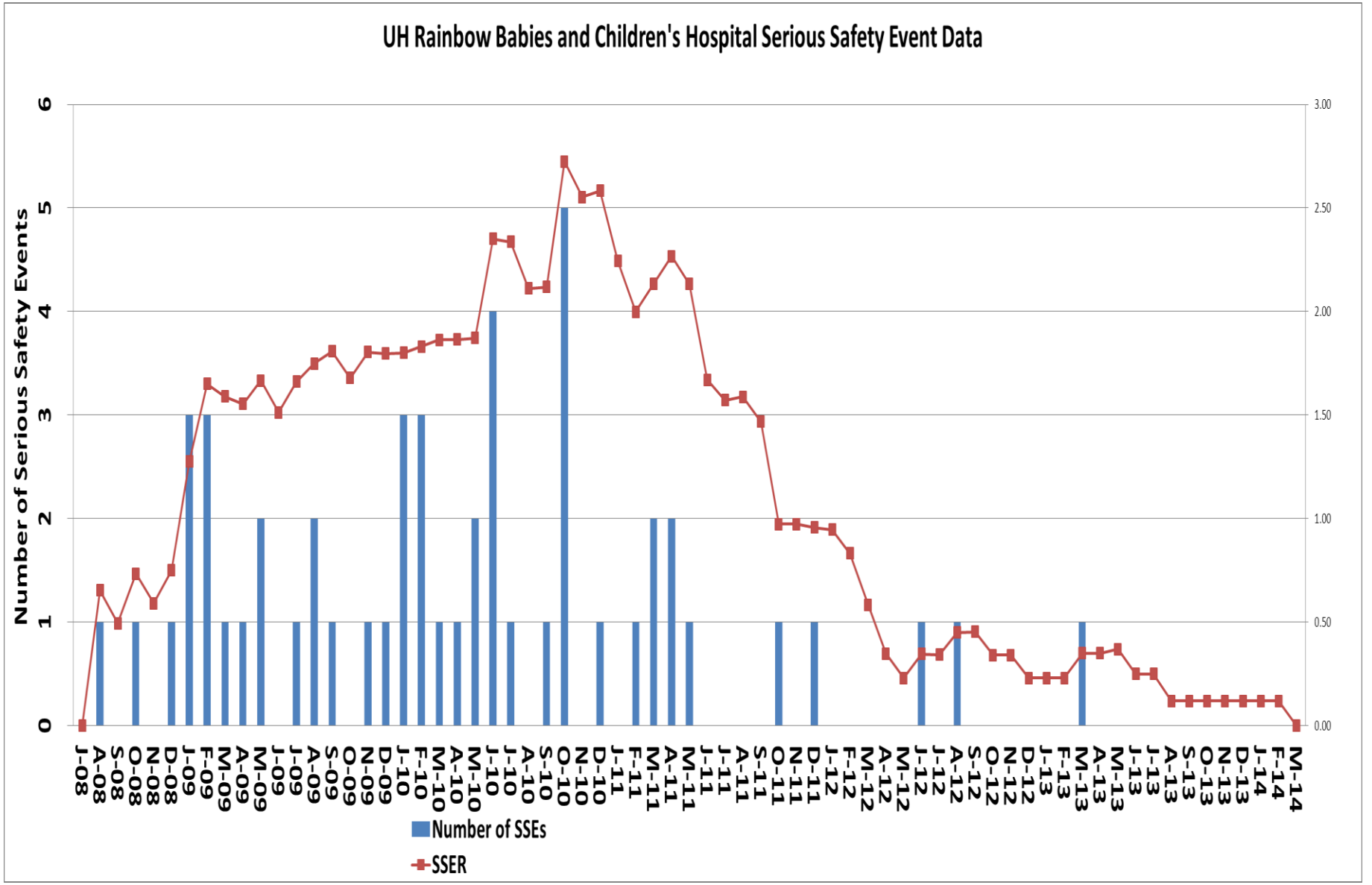
Results!!


Cincinnati Children's
Hospital Medical Center
Serious Safety Event Rate
Desired Direction of Change
Rate
1.8
1.6
1.4
1.2
1.0
0.8
0.6
0.4
0.2
0.0
Rate over 7 Years

Results!!



Nationwide Children's Hospital



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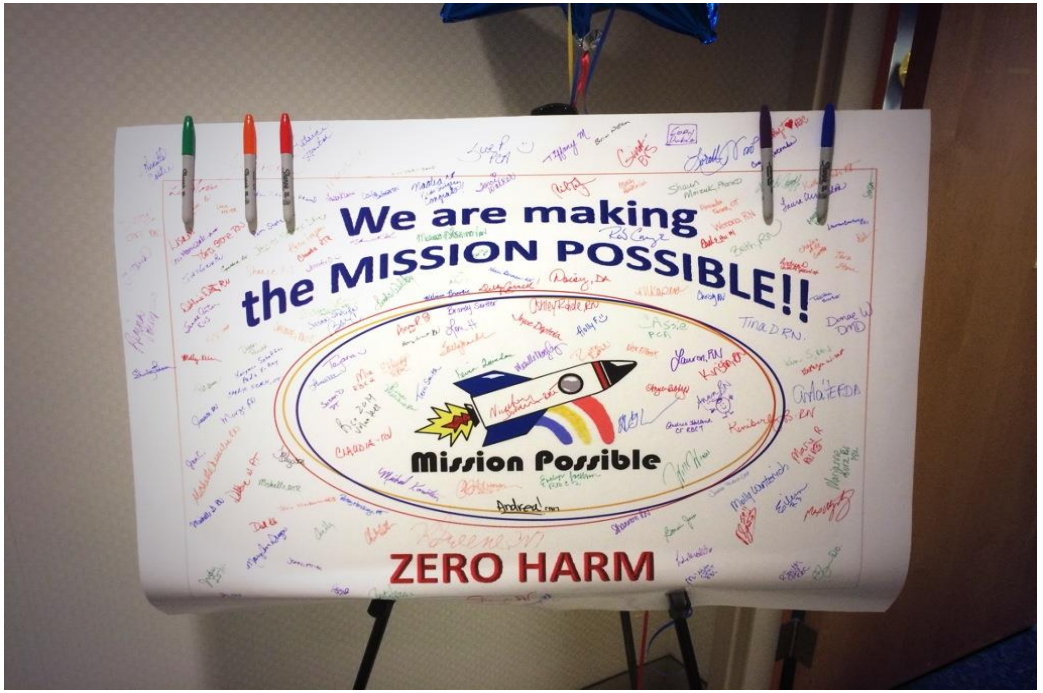
5) Never Ending Journey: SSE Rate of Zero

- March 7, 2014 we celebrate 365 days since our last SSE
- Celebrated with our staff but mindful not if, but when we will have an event and how we will respond



Summary

- Important Reasons Behind Health Care Reform
- To Heal…To Teach…To Discover have and will CHANGE
- HRO is the Goal and it IS achievable
- Fascinating time to be in our business!!!


MEDICAL
AP Photo/Elise Amendola


But Wait…there is MORE
ETRAC

University Hospitals
Case Medical Center
Cleveland | Ohio

Rainbow Babies
& Children's Hospital

SCHOOL OF MEDICINE
CASE WESTERN RESERVE
UNIVERSITY

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