
A Consumer Perspective on Quality & Payment

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What Do Consumers Want?

The Right *Care*

At the Right *Time*

For the Right *Reason*

And the Right *Cost*

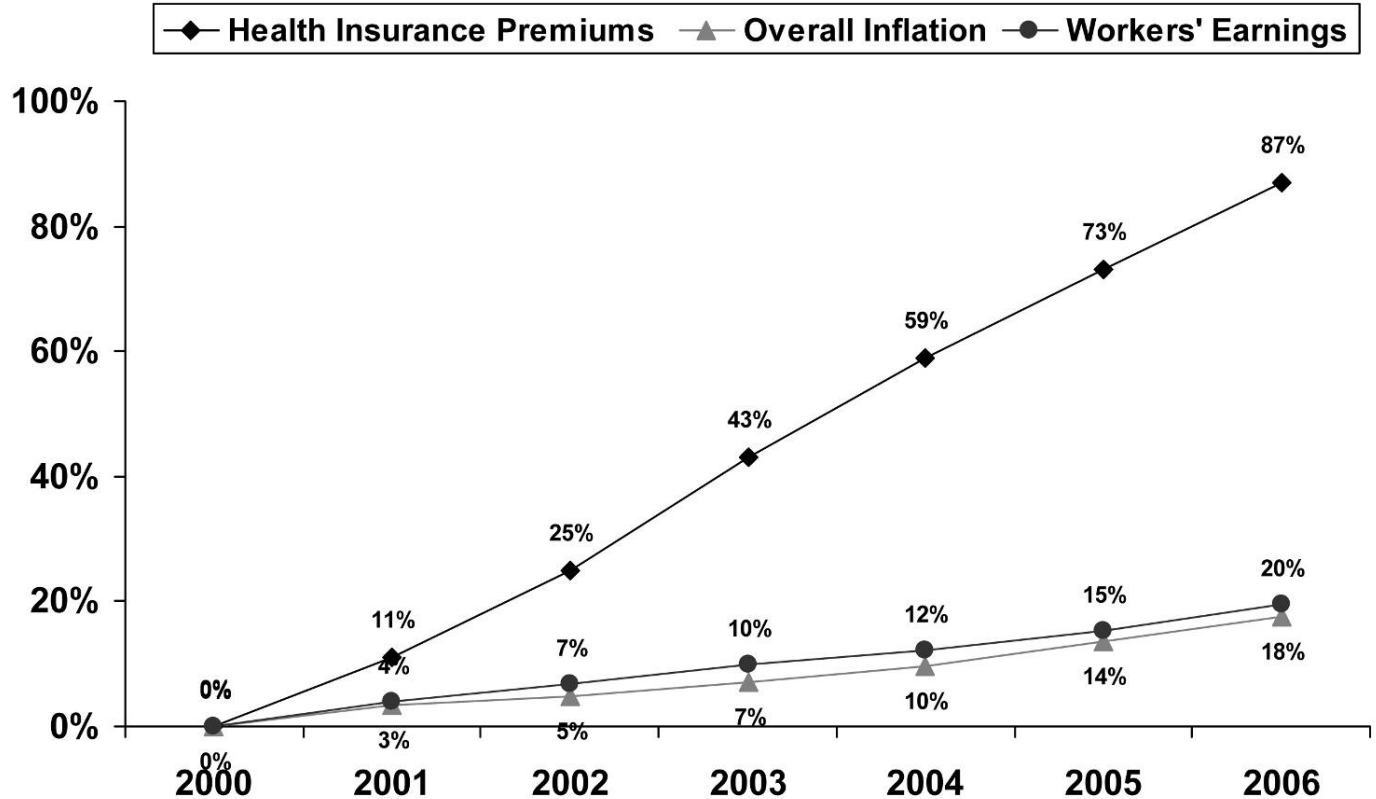


The System is Failing....

- Costs – Out of control
- Quality – Problems are rampant
- Information – Not available

COSTS RUN AWAY FROM INFLATION

Cumulative Changes in Health Insurance Premiums, Overall Inflation, and Workers' Earnings 2000 - 2006



Note: Data on premium increases reflect the cost of health insurance premiums for a family of four.

Source: KFF/HRET Survey of Employer-Sponsored Health Benefits, 2001-2006; Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 2001-2006; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey (April to April), 2001-2006.

Quality

- 50/50 chance of getting the right care
- Medical errors
- Variations
- Disparities
- 1/3 of health care spending –
poor quality/unnecessary care

Information

How do you choose?

Do you Bungee Jump?



What Needs to Happen?

- **Transparency – Measurement & Reporting**
- **Payment Reform**
- **HIT**
- **Comparative Effectiveness Research**
- **Informed Decision-Making**

Transparency

Measure

- What gets measured gets improved

Report

- What gets measured and publicly reported improves more and faster
- Consumers have “right to know”

Measurement

- **Reasonable Scientific acceptability**
 - “Good” information is better than no information
 - Can’t let the perfect be the enemy of the good

- **Feasible**
 - Currently available and minimum burden

- **Relevant to consumers**

- **Continuum of care**

- **Consistent National Standards**
 - National Quality Forum
 - AQA, Hospital Quality Alliance
 - Consumer-Purchaser Disclosure Project

Payment Reform

Current system has perverse incentives:

- Volume v. Outcome
- More Care v. Appropriate Care
- Disincentives for Primary Care
- No differentiation for quality or outcome

Today consumers pay the same for good quality and bad...

Payment Reform

- * “Pay-for-Performance” should be just one component of payment reform
- * Payment reform should be linked to quality improvement
- * Many initiatives underway linking payment and quality

Health Information Technology

- Essential platform for quality measurement and payment reform
- In addition: improve quality, reduce errors, increase coordination, reduce duplication, save dollars

Comparative Effectiveness Research

- **Essential to building the evidence base**
 - Clinical guidelines
 - Measure development
 - Shared decision-making
- **Essential to understanding what care is “appropriate”**

Consumers Making Better Decisions

Consumers need information about

Cost,

Quality, and

Appropriateness

to get to better “value” and
better health



* Change is inevitable

* We need physicians to help lead—
or others will!

Principles of Professionalism

- **Principle of primacy of patient welfare**
The principle is based on a dedication to serving the interest of the patient.
- **Principle of patient autonomy**
Physicians must have respect for patient autonomy. Physicians must be honest with their patients and empower them to make informed decisions about their treatment.
- **Principle of social justice**
The medical profession must promote justice in the health care system, including the fair distribution of health care resources.



Thank you!