

Value Based Purchasing

Health System Reform

American College of Surgeons

Frank G. Opelka, MD FACS
**Chair, ACS Patient Safety & Quality Improvement
Committee**

Associate Dean for Clinical Affairs

Professor of Surgery

LSU New Orleans



Rising Costs
+
Gaps & Variances in Care
+
Decreasing Healthcare Benefits
+
Increasing of Uninsured
+
Health IT / Transparency
+
Multi-stakeholder alliances

*Catalyst for
US Healthcare Reform*

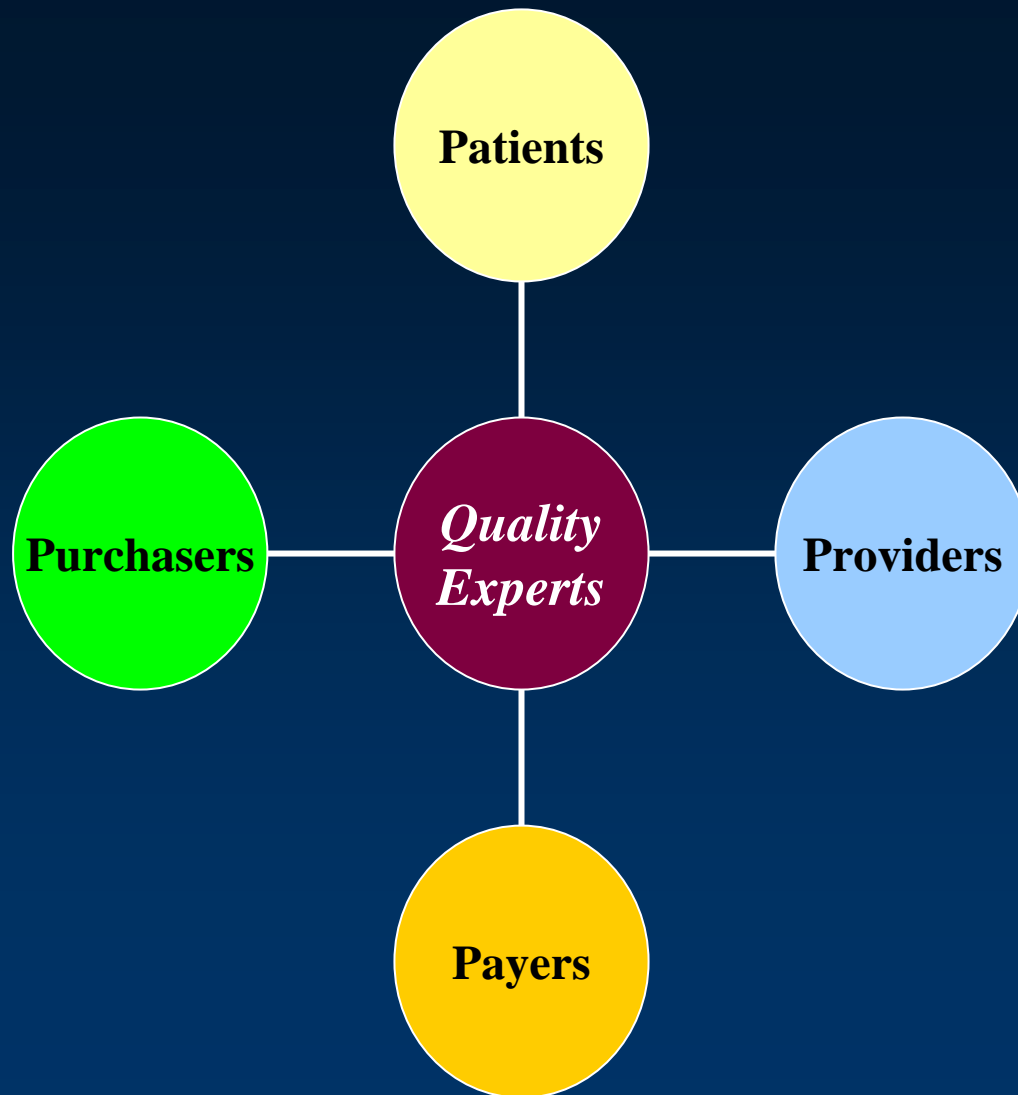


Why are we talking about Pay for Performance or Value Based Purchasing?

- ◆ Episode Based Health Care (FFS) promotes waste
- ◆ Managed Care proved to be a limited solution which also took away patient choice
- ◆ Provider buy-in increases with P4P model



Stakeholders in Healthcare Quality



Perspective



Perspective



Quality Experts A Virtual National Commission ?

AMA-PCPI

HQA

ACS-NSQIP

AQA

AHRQ

SQA

NQF

NCQA

JACHO

AHIP

AQA-HQA

CMS

Medical Societies

Patient Groups

Payer Groups

MEDPAC

QIO

SCIP



What do the stakeholders want?

- ◆ Patients, Purchasers, and Payers seek:
 - Quality
 - Transparency
 - Value
 - Cost Reduction



What do we need to achieve these goals?

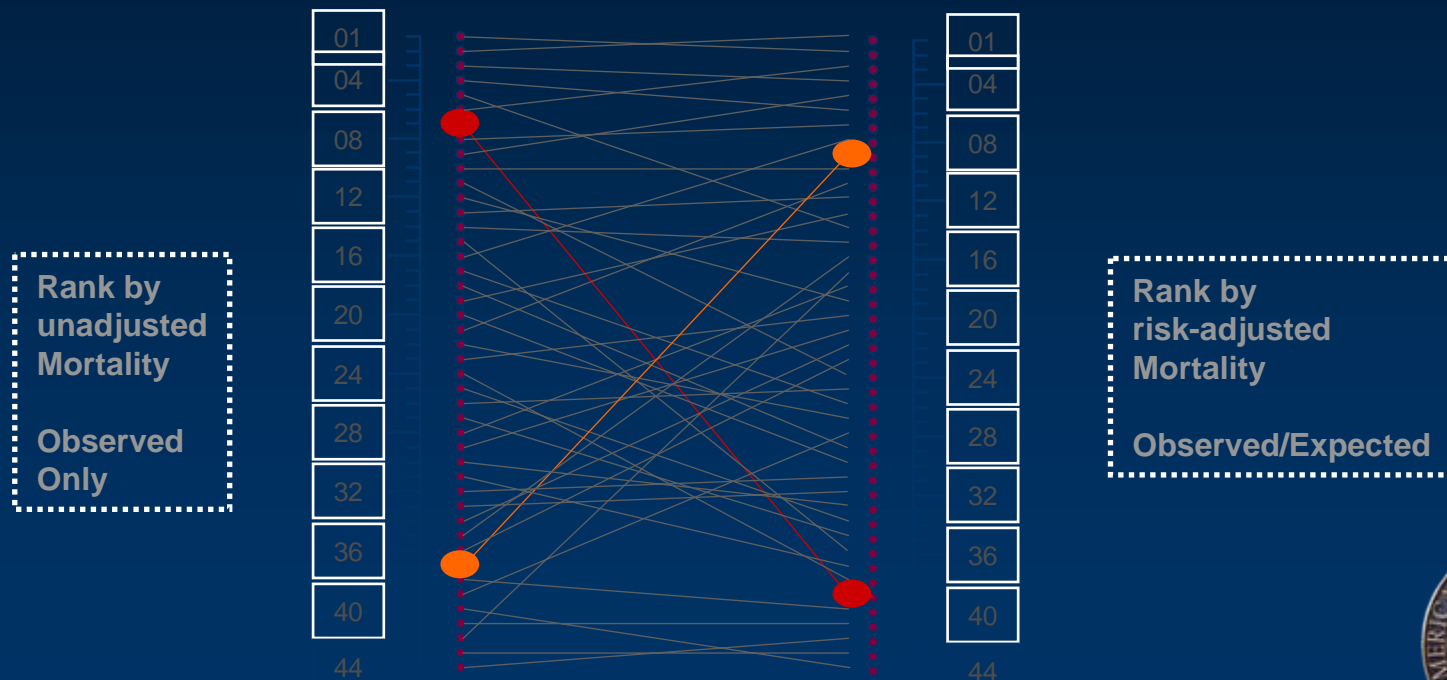
- ◆ Performance Measurements
 - Structure; Process; Outcomes; Appropriateness; Efficiency
- ◆ Infrastructure support for data aggregation
 - Registries; Inputs; Analytic Tools
- ◆ Reporting Systems
 - Providers; Purchasers; Payers and Patients



NSQIP : System Outcomes

Risk Adjustment Matters

- ◆ O/E ratios show that risk adjustment has a profound effect in determining the true performance of a medical center



Changes in Medical Center Rank (O/E Ratio) After Risk Adjustment
For 30-Day Mortality



Report Cards

Surgical Care Consumer Guide														
Procedure: Whipple														
Location (zip code): XXXXX-YYYY														
Results sorted by: <u>Distance</u> Facility Surgeon Surgeon Quality Facility Quality Cost														
Key														
Quality: ■■■■ Highest ■ Lowest														
Patient Satisfaction: <input type="text"/> ■■■■ Highest ■ Lowest														
Cost: \$ Least Expensive \$\$\$\$ Most Expensive														
				Surgeon					Surgical Team/Facility					
Distance (Miles)	Surgeon	Facility	Type of Facility	Cases Per Year	Quality	Board Certified /Year	Participates in Quality Improvement Database	Patient Satisfaction	Cases Per Year	Quality Process	Participates in Quality Improvement Database	Quality Outcomes	Patient Satisfaction	Cost
6.2	Surgeon A	Hospital 1	Hospital	50	■■■■			■■■	75	■■		■■■	■■■■	\$\$\$
13.2	Surgeon B	ASC 1	Ambulatory Surgical Center	76	■■			■	256	■■■		■■■	■■	\$\$
25.6	Surgeon C	Hospital 2	Hospital	37	■■			■■■	42	■■		■	■■■	\$
26.3	Surgeon D	Hospital 1	Hospital	25	■			■■	75	■■		■■	■	\$\$\$\$
27.3	Surgeon E	ASC 2	Ambulatory Surgical Center	7	■■■			■■■	36	■■■		■■■■	■■■	\$\$\$



Physician's Role in Healthcare:

“If we accept, as we must, that our resources are finite, then we must address this issue openly and clearly. The very concept of rationing is explosive. I prefer the concept of ‘stewardship’.”

How do we best protect human life and enhance human dignity in a situation of limited health resources.”

Joseph Cardinal Bernardin

Renowned Medical Ethicist and Terminal Cancer Patient
Late Archbishop of Chicago



Perspective





AMERICAN COLLEGE OF SURGEONS



FOUNDED IN 1913

OMNIBVS PER ARTEM
FIDEMQVE
PRODESSE

Edward George Earle Bulwer-Lytton

19th Century British Author

(whose fame stems from *Peanuts*' *Snoopy* quoting him in his novel writing as "It was a dark and stormy night...")

Healthcare Reform or Revolution?

“A reform is a correction of abuses, a revolution is a transfer of power.”

