

It Takes a Physician: Achieving the Value Equation in Healthcare

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In July 2009, I had the honor to represent The Everett Clinic in Washington D.C. at a symposium sponsored by the Institute for Healthcare Improvement titled "How Do They Do That? Low-Cost, High-Quality Health Care in America." Dave Brooks, CEO of Providence Regional Medical Center Everett, and Rich Maturi, Senior Vice President of Healthcare Delivery Services at Premera Blue Cross, joined me at the conference to represent Everett, which was selected as one of 10 communities across the country identified as providing relatively low cost and high quality care. To be successful, healthcare reform must deliver on the value equation for

our patients (Value = quality/cost) by improving quality and decreasing the trends in cost of care. In the previous two editions of *Washington Healthcare News*, Messrs. Brooks and Maturi mentioned the importance of having a culture of collaboration in order to achieve this goal, on the one hand between the hospital and the providers and on the other hand between the payers and the providers.

What struck me the most about the presentations in Washington, D.C. was not just the culture of collaboration in these communities but also the extent of physician engagement in the processes to improve healthcare delivery. The 10 communities presenting in Washington, D.C. are quite diverse, yet in all cases the physician leaders worked with their organizations to create systems of care to improve the value equation. In Everett, for example, our Heart Center has been a partnership between our physicians and the hospital since the late 1980s. Our cardiologists and surgeons have adopted best practices as they have become available and helped Providence become best in class for cardiovascular care. Premera has partnered with The Everett Clinic giving feedback on quality data and providing our physicians

with key information that has enabled them to provide better care for their patients.

It is a truism that the most expensive piece of technology in healthcare is the physician's pen (or in the electronic era, keystroke). By focusing on quality and evidence based medicine, Everett Clinic physicians have successfully reduced the cost of care in Washington state by modifying their use of the pen. In the 1990's, the Clinic banned pharmaceutical company representatives from physician offices and hired clinical pharmacists to ensure prescribing is based on scientific research and not marketing. Emphasis was placed on generic medications with equivalent outcomes to brand name drugs. Today, the Clinic's physicians have an 81% generic prescribing rate, saving over \$35 million for two commercial health plans this past year.

Several years ago, a team of Everett Clinic physicians met with our Radiology Department to develop appropriate indications for advanced imaging procedures such as MRI and CT scans. It is no longer possible for our physicians to order those procedures unless their patients meet the indications. The result is a 39% decrease in advanced imaging utili-

zation over two years.

The Everett Clinic has invested in a comprehensive electronic medical record (EMR) across the organization and has embedded tools within the EMR to help its providers better manage their patients. Pop ups remind the providers when patients are due for preventative care and follow up of chronic disease. The result has been a significant increase in the number of patients who have achieved targets for chronic disease management and are up to date for all their preventative healthcare. The long term outcome will be a reduction in complications of diseases such as hypertension, diabetes, asthma, and coronary artery disease.

The Clinic has also evaluated innovative approaches to care. It is one of 10 medical groups across the country selected by the Centers for Medicare and Medicaid Services (CMS) to participate in a multi-year national Physician Group Practice demonstration project. During the first two years of the program, we saved Medicare \$2 million while achieving 25 of the 27 quality goals required by CMS. Unlike our electronic medical record, there was little technology involved in the program we developed. We placed a nurse (hospital coach) in the hospital to meet with our Medicare patients during their admission, help with discharge planning, reconcile medications, and make a follow up phone call.

Our physicians agreed to see their patients in the office for hospital follow up within 5 business days. The hospital team completed the discharge summary on the day of discharge and communicated the key findings of the hospitalization to the patient's primary care physician. After the first year of the program, 60% of the hospitalized seniors had a doctor's appointment within days of leaving the hospital, a significant jump from 38% before the program began. The hospital coach alone resulted in a 7% cost savings.

More recently, Boeing asked the Clinic, Valley Medical Center, and Virginia Mason to participate in a pilot program to manage its employees who were high health service utilizers in an "Intensive Outpatient Care Program." The program has reduced the cost of care of these patients by 20%. A key learning of the program was that many of these patients had complex mental health issues requiring the integration of behavioral health providers into their care. As in the CMS PGP demonstration project, we found that a successful program required a nurse coordinating the care of patients with the supervision of a physician.

More than ten years ago, The Everett Clinic adopted its three Core Values: 1) doing what is right for each patient, 2) providing an enriching and supportive workplace, and 3) focusing on value: service,

quality, and cost. Our third Core Value is the value equation for healthcare. But much of what The Everett Clinic has done to improve the quality and lower the cost of care is not reimbursed. Providers are not paid today to monitor disease management. There is no RVU assigned to a hospital coach. There is no fee for service payment for a nurse care coordinator. The Everett Clinic lost over \$1.5 million last year because of its evidence based advanced imaging program. It spent over \$1 million on the CMS PGP demonstration project and received a bonus of \$250,000. A culture of collaboration, commitment to provide high quality care, and physician engagement have earned Everett a reputation for relative high quality and low cost healthcare. We have a long way to go. To further drive down cost and improve quality, we need to align financial incentives to support the value equation. Once accomplished, we have the opportunity to build on what we have learned in Everett and reform the delivery of healthcare in our country.

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