WASHINGTON HEALTH ALLIANCE
Leading health system improvement

Health Economics Committee (HEC) Meeting
April 9, 2015

SUMMARY NOTES

The committee welcomed four new members:

- Jim Geist; CEO, Capital Medical Center
- Marc Mora, MD; CMO, Group Health Cooperative (replacing Dave McCulloch, MD)
- Jeff Liles, MD; CMO CareUnity, Division Chief of Medicine, Providence Health Care (replacing Joe Gifford, MD)
- Shashank Kalokhe; Associate Administrator, Value-Based Contracting & Coordinated Care, The Everett Clinic (replacing Rick Cooper)

Planning for a Provider-oriented Procedure Use report/analysis

A group of HEC members recently considered technical issues and usability questions for a provider-oriented Procedure Use report/analysis. This would be a quasi-private compliment to the public version released in January. Initial thinking is that recipients would be buyers and sellers of health services who represent Alliance members. A central dilemma to producing this report/analysis involves attribution to providers – not of patients, as is typically the focus of attribution, but of members (insured people who may or may not become patients in the future).

Declaring this problem intractable in a market not dominated by HMO arrangements, the group advanced two alternative potential perspectives for the report/analysis, each accompanied by a mocked-up display of how data might look.

1. A patient migration view, which would organize results for a particular procedure by the local health care markets in which patients reside, and contrast this with the local market in which service delivery occurred, and
2. A market share view – this would build on the public reporting format to include the provider organizations with the largest shares of patients/procedures/encounters/etc. in those residential zones showing unusual use rate variation for a particular procedure.

Reactions:

Overall, members saw the market share view as having better utility than the patient migration view, although neither analysis is a definitive tool for identifying poor performance or judging appropriate levels of utilization. There was a wide-ranging discussion about how a market share report/analysis could be used:

- Providers were uncomfortable with the mocked-up discussion version, in part because it focused on procedures and sub-geographies in which patterns of potential overuse appeared; they recommended including potential underuse as well.
- Providers stressed that high market shares were not necessarily correlative with potential overuse, nor was low market share always an indication of potential underuse.
- Providers reinforced the need to thoroughly revisit all terminology used in such a report/analysis, including how it is framed in any implementation, particularly if purchasers are recipients.
- The idea of using the report/analysis to identify provider organizations that employers might meet with for discussions also raised discomfort. Providers indicated this could be

misunderstood as assigning blame; it was suggested that as any implementation plans materialize, consideration should be given to mitigating these concerns, as has been the Alliance's approach over the years.

- Providers questioned the fairness of limiting recipients to the Alliance's buyer and seller members. This concern involved non-member provider organizations that may be unaware that information about their practice would be in the hands of purchasers. Decisions about this will be made by the Alliance at a later time.

Next Steps:

With caveats and concerns noted, the committee settled on a plan for exploratory next steps.

1. We will use January's population-based analysis (which the Alliance will continue to expand) to identify a limited number of procedures (e.g., 5-7) of interest to purchasers for closer analysis.
2. Using an approach similar to the market share mock-up, we will outline the provider organizations delivering the procedures. An effort will be made to include focus areas that encompass potential underuse as well as potential overuse.
3. A new dimension will be to undertake a fresh attempt at detailing the underlying characteristics of the patients involved, since patient mix could help in interpreting procedure and service rates at the provider level. Doug Conrad, PhD, offered to take up this issue and examine viable options. He invited interested HEC members to contact him. Progress on this analysis would not set the pace for the work described in numbers 1 and 2.
4. No commitments or agreements about specific implementations were made at this time. Examples that came up in discussion included helping providers with ACO contracts zero in on potential overuse issues, and giving purchasers guidance on which procedures and providers to include in efforts to reduce unwarranted variation.

Grant-related updates

The Alliance will be a partner in connection with an AHRQ grant awarded to The RAND Corporation. Details are still emerging, but the focus of this five-year project will be to characterize health systems in our region and create taxonomy to describe their evolution. Examples of questions that will drive the work are: What influences health systems' adoption of evidence-based care practices? What factors are associated with high performance? The Alliance is one of five collaborators with RAND. The others will represent Minnesota, Wisconsin, California, and Cincinnati.

The Patient-Centered Outcomes Research Institute invited the Alliance and Group Health Research Institute to apply for a comparative effectiveness grant involving Procedure Use variation. The invitation comes in response to a WHA/GHRI letter of interest submitted in April. The proposed project, "Communication Strategies to Help Consumers Care about Overused Health Services," would compare the effectiveness of communication strategies containing general versus tailored content. Tailored content would feature patient-centric population procedure use results similar to what was included in the public materials released in January. A decision on whether to accept the invitation will be made in the next week or so.