

# The Healthcare Imperative: Lowering Costs and Improving Outcomes

*Institute of Medicine*

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Group Insurance Commission



# The Group Insurance Commission of the Commonwealth of Massachusetts

- Covers all state employees, authorities, higher education, some, but not all municipalities, and retirees and dependents.
- 175,000 enrollees
- 335,000 lives
- Largest purchaser in New England

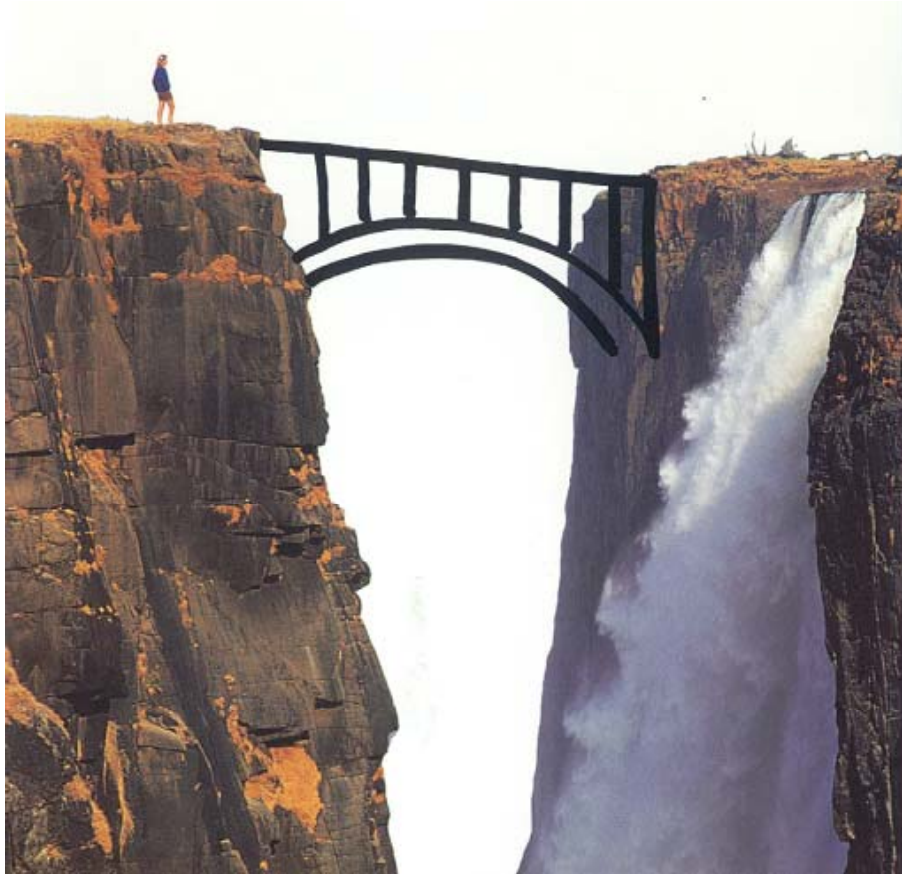
# Cost and Quality Programs

	<u>Yes</u>	<u>No</u>	<u>Pending</u>
Premium Increases	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Increased Co-pays	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Disease management Programs	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Tiered pharmaceuticals	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Pay For Performance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
High Deductible Plans	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Reduce Retiree Benefits	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
“Wellness” Programs	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Medical Home	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>



**This pen is mightier than the sword**





**“A leader takes people where they want to go. A GREAT LEADER takes people where they don’t necessarily want to go but ought to be.”**



## **The Clinical Performance Improvement (CPI) Initiative seeks to:**

- Maintain a comprehensive level of benefits
- Improve health care quality and safety
- Control cost increases for enrollees and for the Commonwealth
- Maintain participants' choice of providers
- Educate enrollees about differences in provider value and quality
- Encourage members to become informed health care consumers



# The Clinical Performance Improvement Initiative

- Put it in their contracts!  
Aggregate claims from six health plans entire Book of Business
- Concentrate on specialists
- Analyze Cost Efficiency and Quality
- Symmetry's Episode of Treatment Groups
- Resolution Health's Quality Measures

## Data Base Includes:

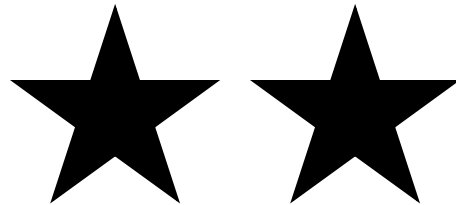
- 16,000 physicians
- 150,000,000 claim lines
- 6,000,000 complete episodes
- 2,200,000 lives



# **Standardized Physician Tier Descriptions Incorporated Across all GIC and Plan Communications**



Tier 1 (excellent)



Tier 2 (good)



Tier 3 (standard)



Make it Easy to Understand









## So – What About the Consumer/Patient?

### The Problem:

- 14% of Americans say they use comparative information about quality
- 30% - 33% believe there actually are big quality differences
- 47% associate cost with quality
- 59% want to choose a familiar hospital
- 39% would choose the higher rated hospital



## The “Solution”: The Tectonic Plates Have to Shift

- In the short term, begin with shared sacrifice.
- For the Long Term, Shared Responsibility has to replace the culture of autonomy.
- Remember that culture changes take time.
- Major Players have to be, the government and the medical profession itself.

*If They Build It,  
The Consumers/Patients  
Will Come!*