

ORAL SUMMARY STATEMENT OF ELIZABETH OLMSTED TEISBERG, Ph.D.

BEFORE THE SENATE HEALTH, EDUCATION, LABOR AND PENSIONS COMMITTEE January 29, 2009

Chairman Kennedy, Chairwoman Mikulski, Ranking Member Enzi and members of this Committee, thank you for inviting me to talk about using quality to improve health and health care value for every American.

My name is Elizabeth Teisberg. I am a professor at the University of Virginia's Darden Graduate School of Business and co-author of Redefining Health Care.¹ I'm also the mother of a child who was painfully, chronically ill for six years before his full recovery. As a professional, and as a mother, I have questioned the conventional wisdom that causes leaders to cling to a system that everyone agrees could be significantly improved. We can and should drive dramatic and ongoing improvements in value for patients— achieving far better outcomes, much more efficiently.

Lack of attention to quality in health care drives costs UP. While the costs of employee health benefits command headlines, U.S. employers spend **three times that much** on the costs of **poor health**. We can't afford to ignore quality.

We can and must use **attention to quality** to drive *costs down* and *to improve value*. **Quality** in health care is measured by the **health outcomes achieved**.

The 139 heart transplant centers in the U.S. report results – e.g. the percentage of patients who live for a year following a heart transplant. These are complex patients. For some centers, the percentage of patients that survive the first year is well over 90%. What about the centers that report the lowest results? 80%? 50% ... it's ZERO.To be fair, that center had performed only six transplants. But, who will be the seventh?

***Because there is significant variance in outcomes, reporting is essential.**

Process measures (also discussed as consensus measures) have been well developed in the past decade and are already widely used. In Minnesota, effort to improve chronic care for patients with diabetes began with measures of process. Very rapidly, 90% of clinics became top-rated for their processes. *And someone asked – are the patients better off? Are the OUTOMES better?* So outcome measures were developed. And in the first two years of public

¹ M.E. Porter and E.O. Teisberg, 2006, **Redefining Health Care**, Harvard Business School Press, Boston, MA.

outcome reporting, the percentage of patients that succeeded on all measured outcomes MORE THAN DOUBLED – from just over four percent to just under 9 percent. Great improvement, but a long way to go *in spite of* excellent process performance.

***Reporting on use of good process is not enough... reporting of OUTCOMES drives improvement in health results.**

What is measured will improve. Outcome measurement accelerates learning by clinical teams, which in turn drives better results for patients and higher health care value. The point is not consumer *shopping*. When NY state began publishing mortality rates for heart surgery by different providers, studies CLEARLY showed that consumers did not use the data. Yet, mortality DROPPED 41% in the first 4 years. **Physicians DID** use the data. And the dramatic decline in mortality surely *benefitted* patients.

Reporting can and will start with **imperfect measures**. Congress need not specify the measures, **just the requirement for teams to report outcomes**. HHS can have a not for profit organization oversee the registries, as they do for transplants, or HHS can ask the existing, expert medical Boards. Leaders from those boards tell me that they have clinically meaningful outcome measures, and they can require reporting for the renewal of credentials. Don't tie pay to the measures, just require outcome reporting. This will accelerate change. This could happen quickly.

Want to improve results and lower costs of chronic disease? Measure results.

Want to drive down disparities in health care? Measure teams' results for every patient.

Want to speed adoption of best practices? Measure results so clinical teams can compare and improve.

The fastest and most effective way to improve health outcomes for Americans – as well as to improve the measures -- is to **start** measuring and reporting OUTCOMES.

The time is now.

My thanks to the members of the Committee and to its knowledgeable staff for the opportunity to share my thoughts with you.