

The image is a composite of two photographs. The top photograph shows a close-up of a silver stethoscope resting on a white surface, with a blurred medical chart in the background. The bottom photograph shows a stethoscope resting on a medical chart with several colorful tabs (green, blue, orange, red) labeled with numbers and letters like '5', '3', '7', '5', '3', '4', '6', and 'M'.

TRANSFORM for better Health Care Outcomes

HP Enterprise Systems

Professor Elizabeth Teisberg
Grapevine, TX
20 May 2010

This presentation draws on Michael E. Porter and Elizabeth Olmsted Teisberg: *Redefining Health Care: Creating Value-Based Competition on Results*, Harvard Business School Press, May 2006, and "How Physicians Can Change the Future of Health Care," *Journal of the American Medical Association*, 2007; 297:1103:1111. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means — electronic, mechanical, photocopying, recording, or otherwise — without the permission of Michael E. Porter and Elizabeth Olmsted Teisberg. Further information about these ideas, as well as case studies, can be found on the website of the Institute for Strategy & Competitiveness at <http://www.isc.hbs.edu>.



Surely, we can do better.



Health care reform

Insurance

Access

Health care delivery





The reform makes clear:

Spending will increase

Chronic disease needs a new approach

Outcome measurement is required



We must bend the cost curve, AND

- Cost containment is not the only goal.
- The goal of health care is **health**.
- **Quality = health care outcomes.**



Health care

Patients and families want more health,
not more treatment.



Value in Health Care

$$\text{Value} = \frac{\text{Improvement in Health Outcomes}}{\text{Money spent}}$$

Dramatic improvement in value requires redefining health care delivery.



Increase value by *improving* quality
in ways that reduce cost

Living in good health is **inherently less expensive** than living in poor health.

Better outcomes often drive costs down.

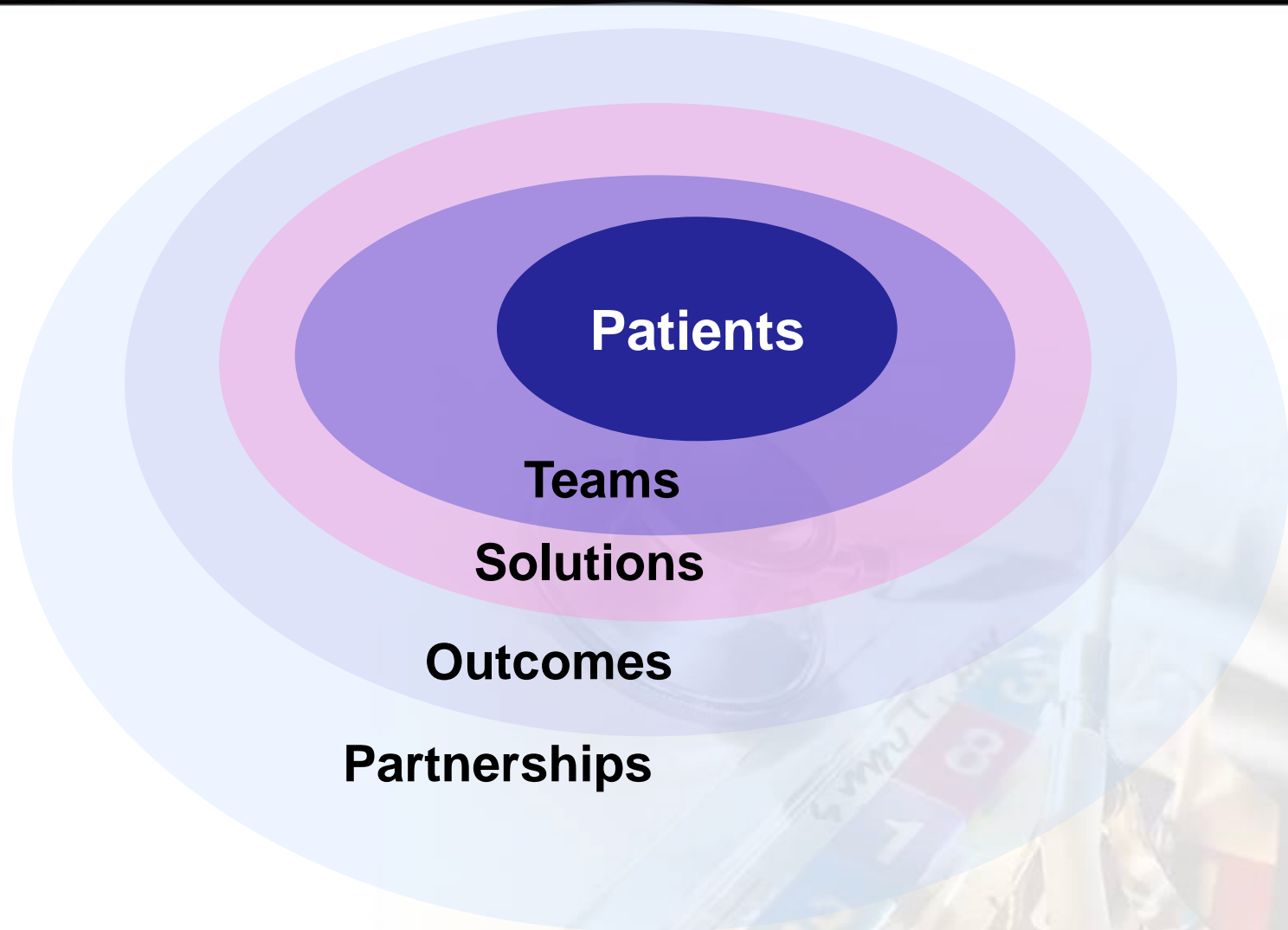
- Diabetes
- Stroke
- Diagnosis



Keys to accelerate dramatic improvement in value

- Define services from patients' perspectives.
- Organize care delivery around solutions.
- Create multidisciplinary teams.
- Measure results to accelerate learning.

Redefining Health Care Delivery



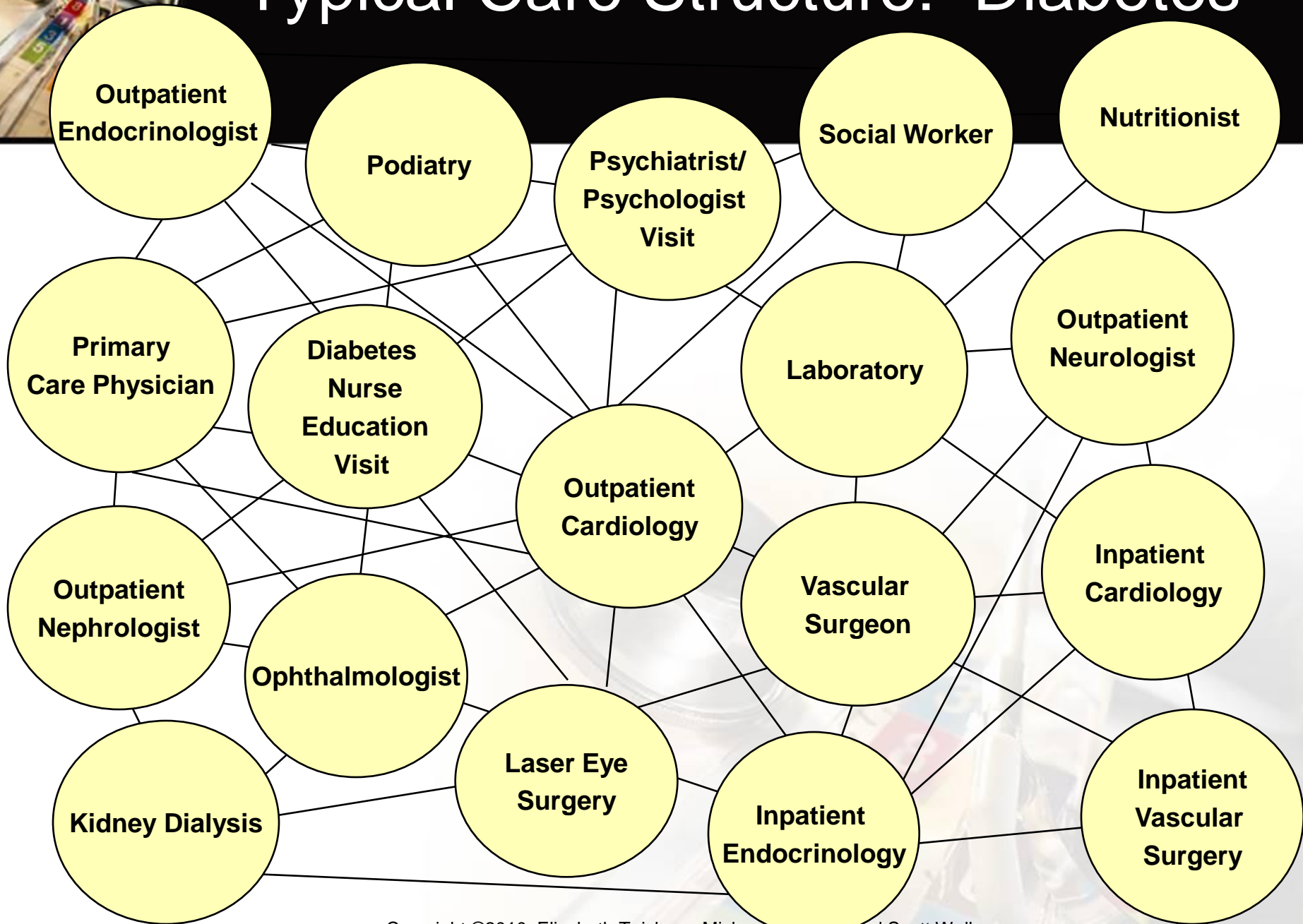


Redefining Health Care Delivery: Patients

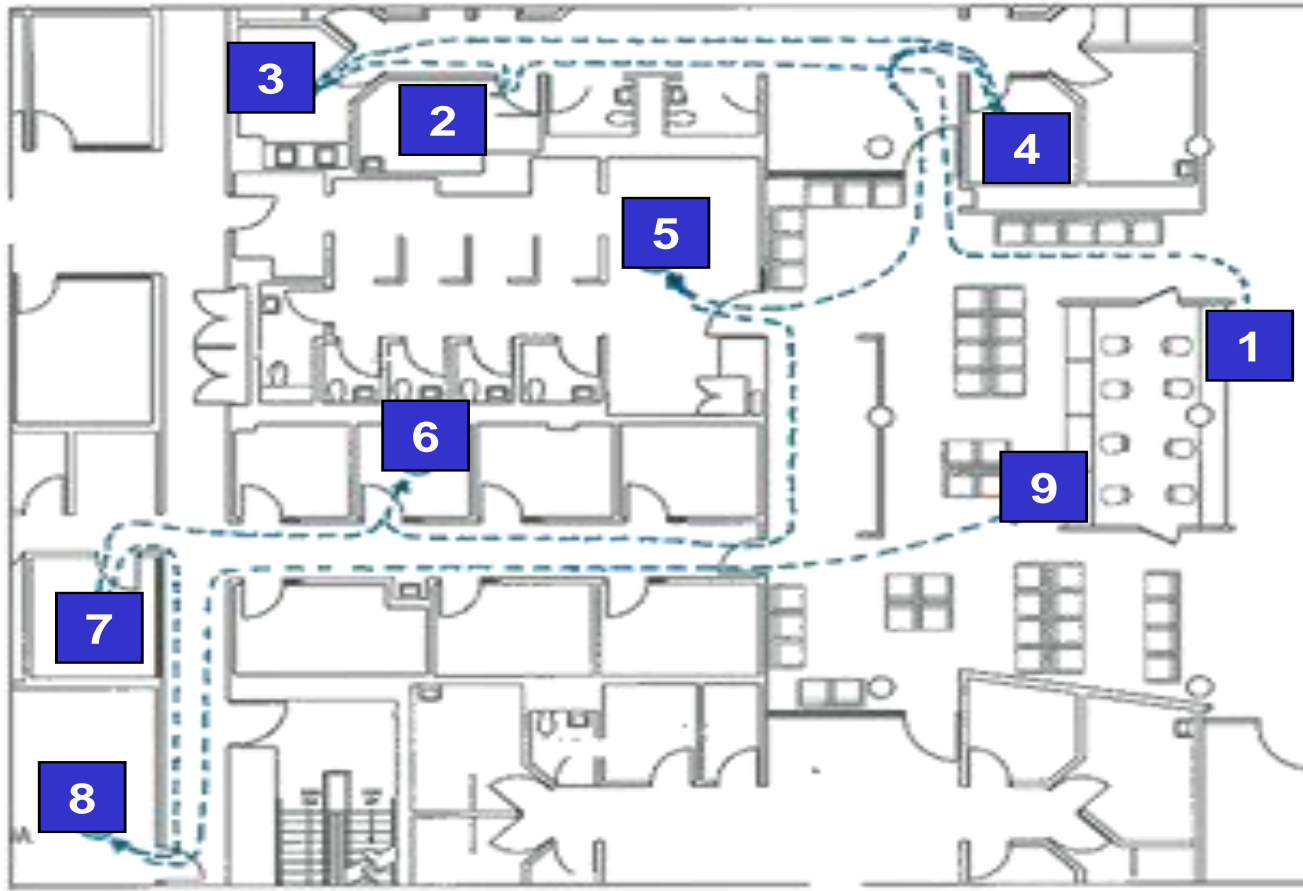


Patients

Typical Care Structure: Diabetes



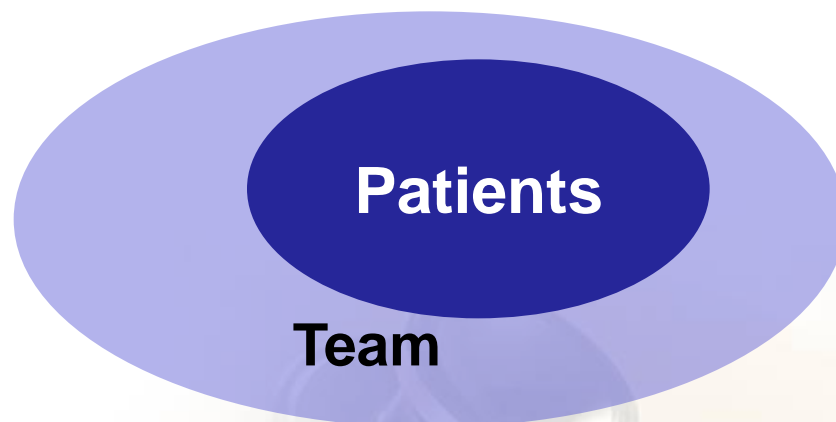
The Joslin Diabetes Center



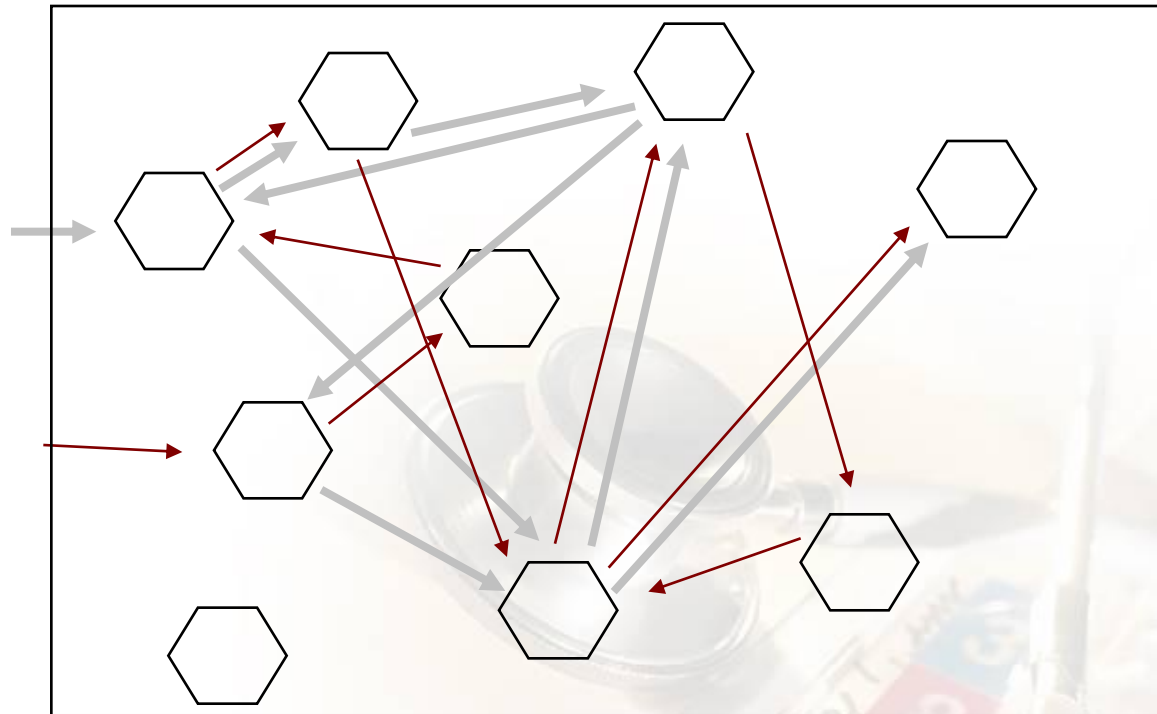
1. Check-in
2. Endocrinologist
3. Nurse Coordinator
4. Eye Exam
5. Laboratory –Blood, urine
6. Diabetes Education
7. Mental Health
8. Renal
9. Check-out

Source: Joslin company documents.

Redefining Health Care Delivery: Multidisciplinary teams



Clinically Integrated Care Team or Collection of Fragmented Services?

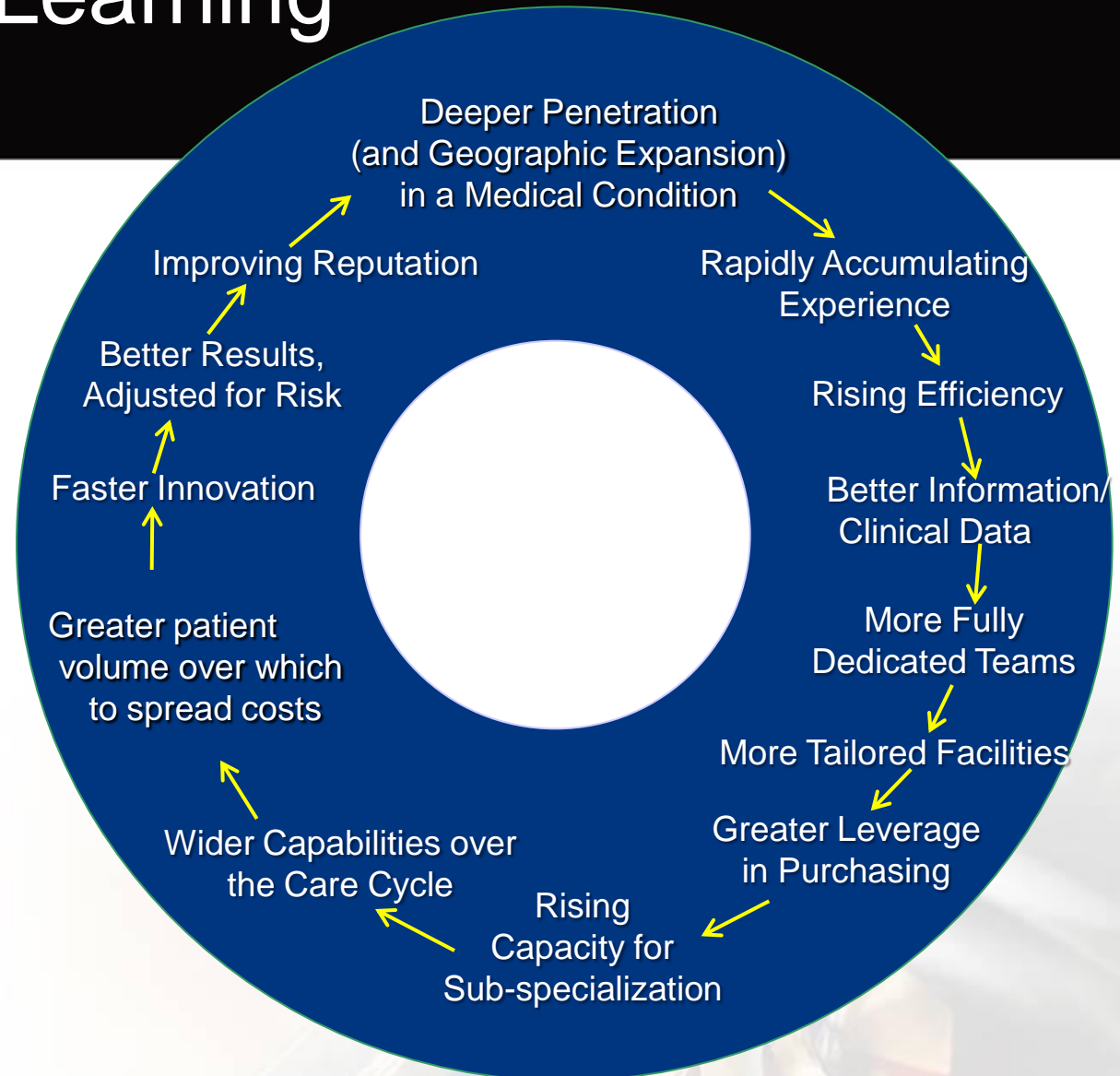




What is Different with Teams?

- Learning
- Clinical Judgments
- Coordination
- Satisfaction
- Health Outcomes
- Efficiency
- Research

Driving Learning

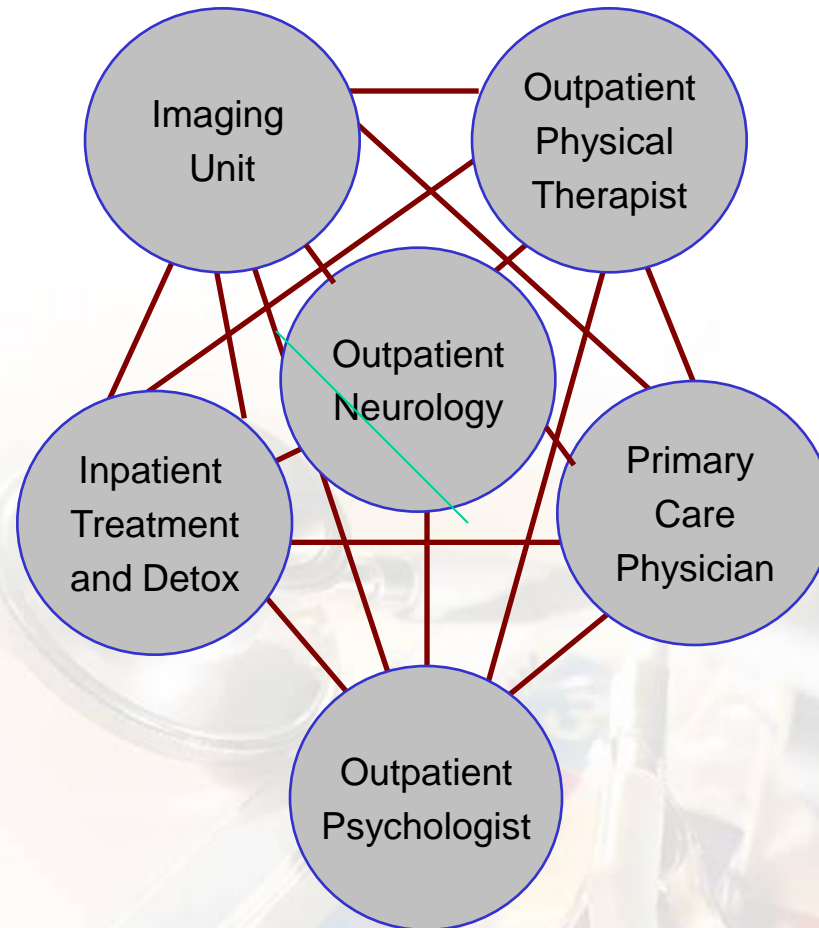


Broad expertise develops over the care cycle for the patient.

Migraine Care in Germany

Old model

Organized by specialty in discrete, fragmented services



Source: KKH, Westdeutsches Kopfschmerzzentrum



In need of a Solution...

The Usual Questions:

- How do we make everyone follow recommended processes?
- Can we add a patient coordinator?
- What IT will create timely communication?

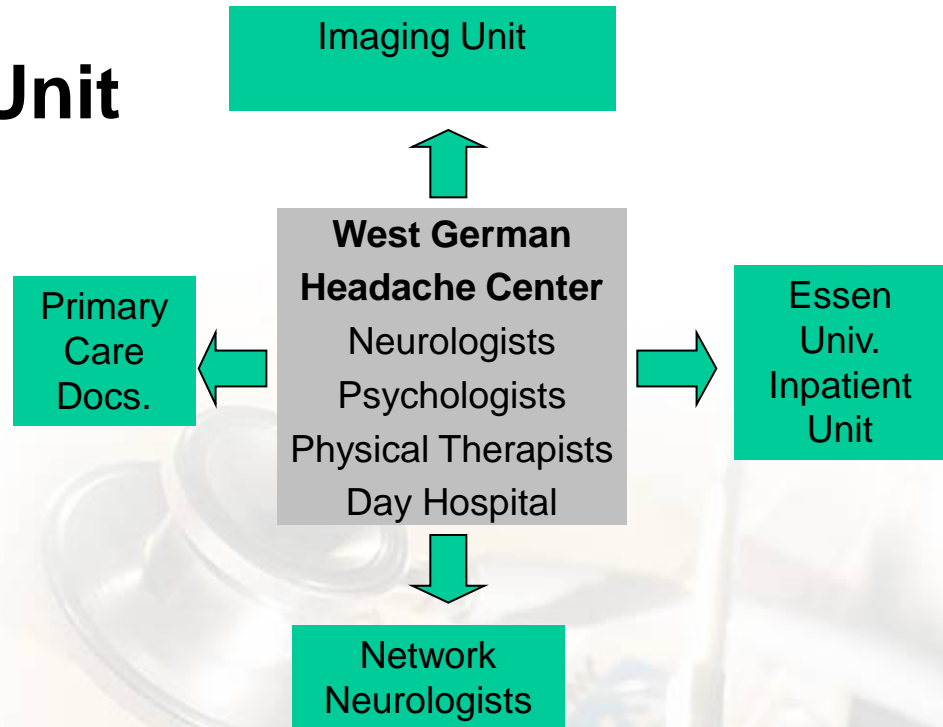
Instead, ask:

- What situations do these patient share?
- What solution will improve success for patients and clinicians?
- Who is needed on the team?
- How do we get patients well and working?
- What IT will accelerate improvement?

West German Headache Center New model

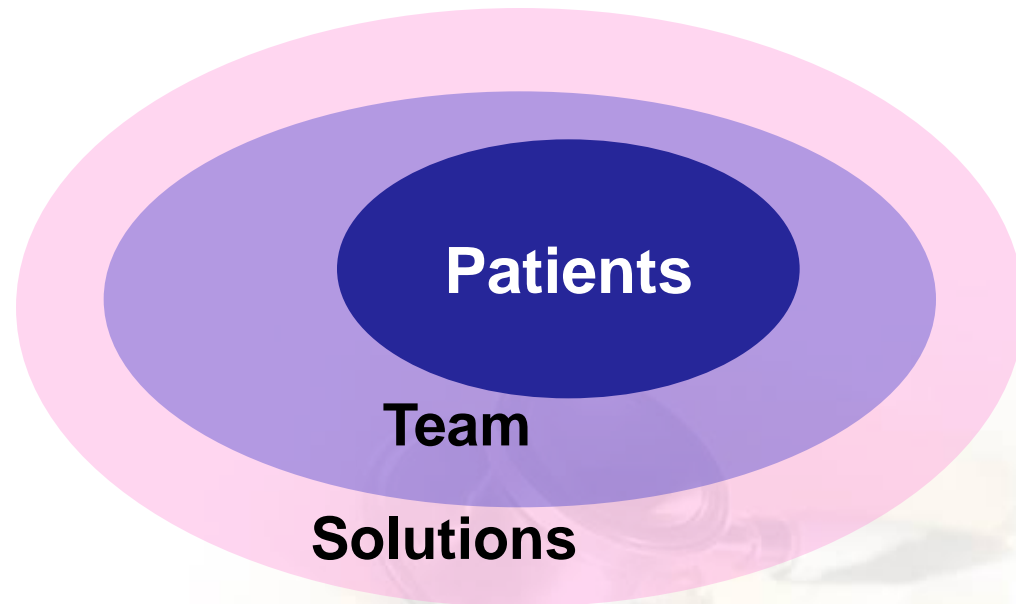
Integrated Practice Unit

*Patient Value is
the beacon of
inspiration for
organizational
innovation.*



Source: KKH, Westdeutsches Kopfschmerzzentrum

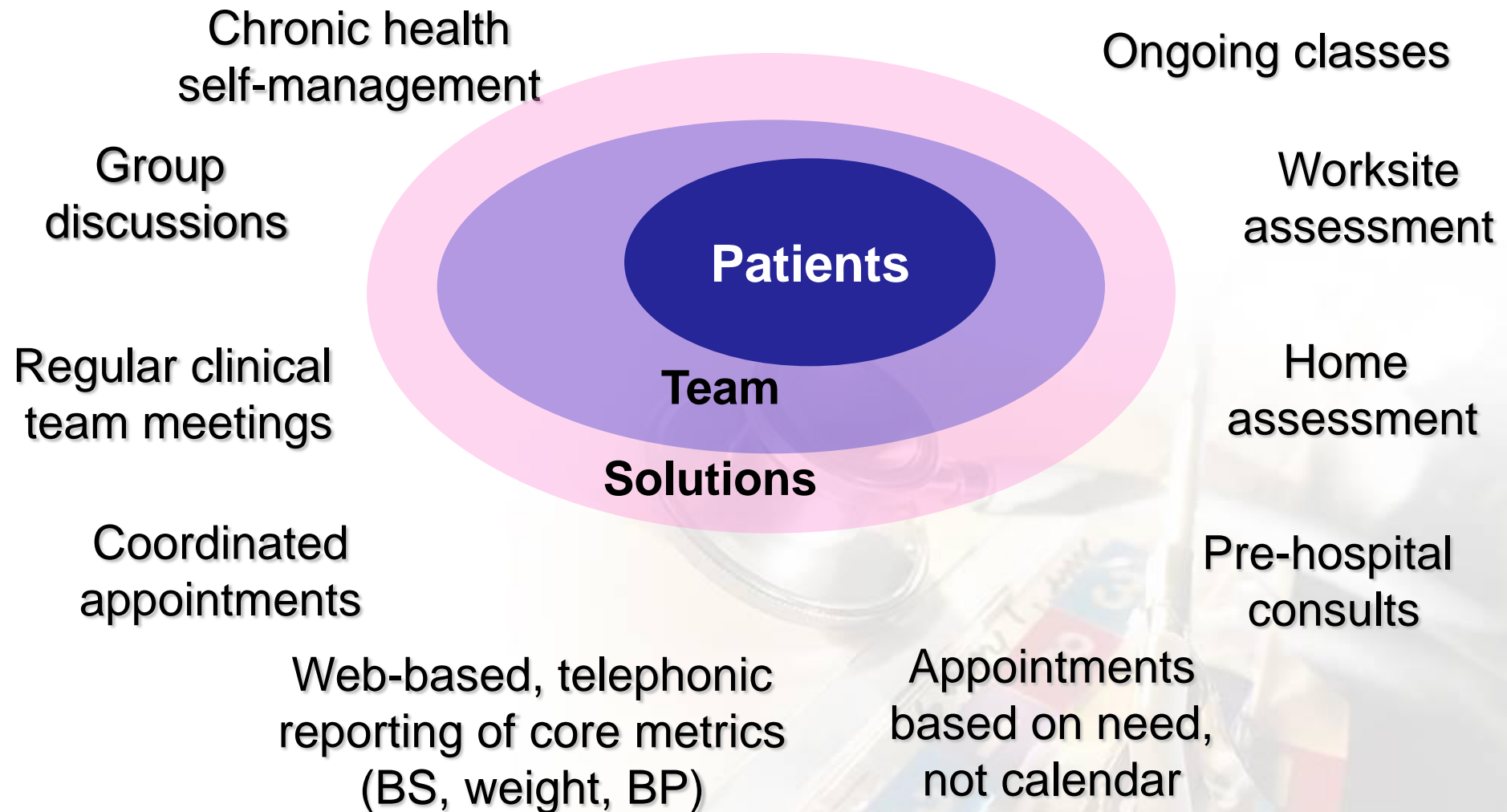
Redefining Health Care Delivery: Solutions



A solution conveniently, effectively
and efficiently enables better health

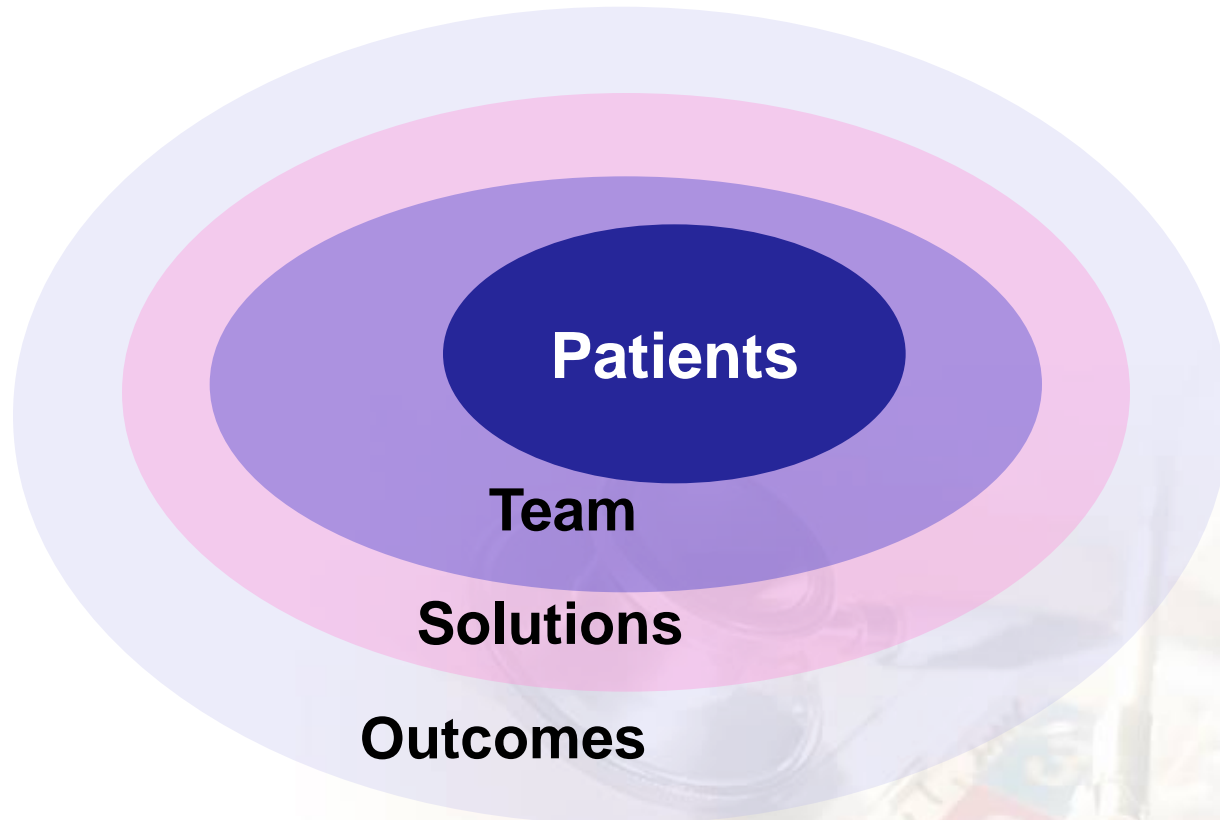


Solutions for Type 2 Diabetes by employers in the U.S.





Redefining Health Care Delivery: Outcomes



**What you measure will improve,
so measure outcomes and costs!**



Quality is better health care outcomes.

- Good process is important, and
- Measuring and improving **inputs** is not sufficient.
- “Best process” may or may not improve outcomes.



Outcomes have multiple dimensions

**Health
Status
Achieved**

Survival

Degree of recovery, health, capability

**Recovery
Experience**

Time to recovery or return to normal activities

Care process consequences (e.g. pain, complications, errors; self-care knowledge, confidence)

**Sustainability
of Health**

Sustainability of capability or health over time

Long-term consequences of therapy
(e.g., care-induced illnesses)



Measuring Value: Essential Principles

- Clinicians need to measure results.
- **Drive value improvement and learning.**
- Adjust outcomes for initial patient conditions.
- Don't wait for perfection: When used, measures and risk adjustment methods **improve rapidly.**



**Failure to measure outcomes
slows improvement and
invites costly micromanagement**



Increased incidence of chronic disease requires a redefined perspective:

Current Perspective

The goal is treatment

(and *more* treatment costs more)

Redefined

→ The goal is **health**

(and *more* health often costs less.)



Transformation for better health care outcomes

Design around facilities,
locations and physicians

→ Design for **patients** with common
co-occurrences

Organize by specialties or
types of practitioners

→ **Teams** coordinating and integrating
care delivery

Treat diseases/incidents

→ Create **solutions** for patients & families

Measure volume of services
(tests, treatments)

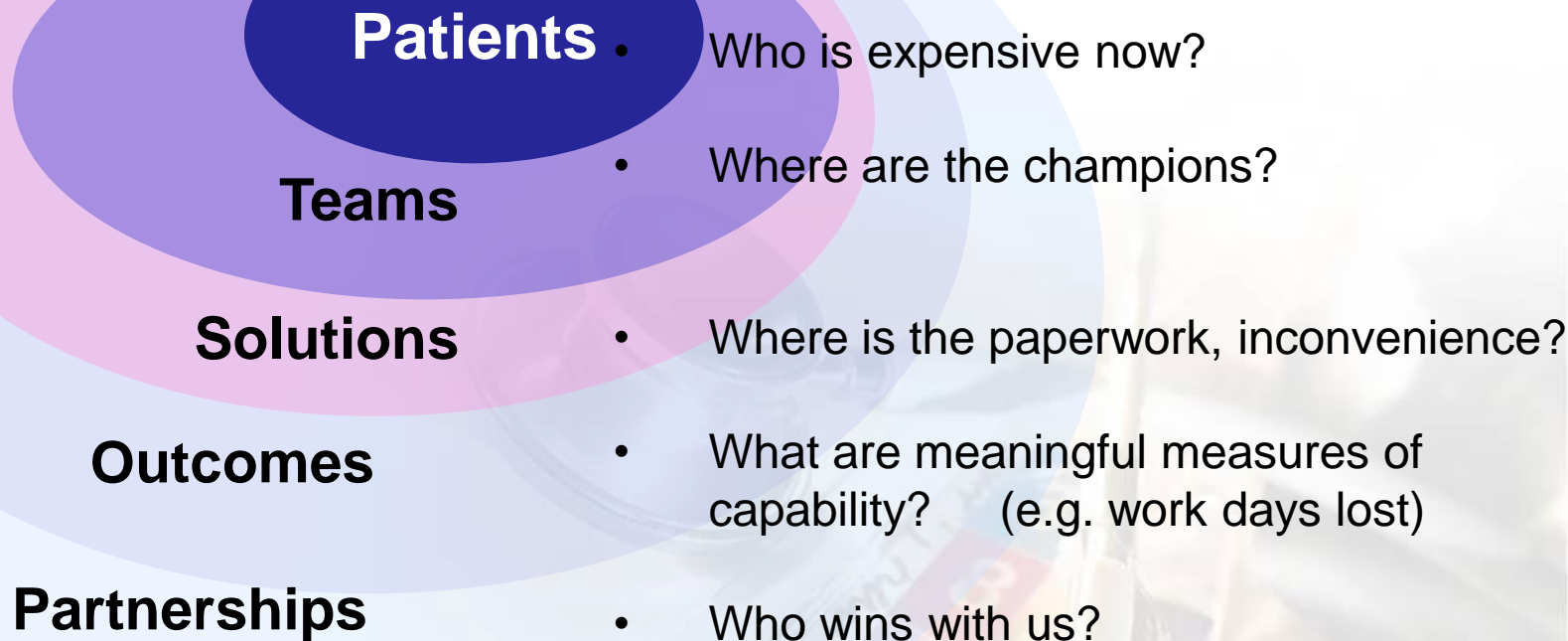
→ **Measure** value of services
(health outcomes/costs)

Cost shifting

→ **Partnerships** link payment and value



Redefining Health Care Delivery



Redefinition and design for health enable a win-win dynamic

