
Symposium puts spotlight on value in health care

By Robert Weisman

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CAMBRIDGE — With hospitals across the country launching pilot programs aimed at improving how they dispense medical care, a leading management sage is calling for a more focused and “holistic” health care delivery strategy to reshape a business sector integral to the US economy.

“In America, we have a very strong science base, and we have a very strong engine for new technology,” said Harvard Business School professor Michael Porter. “But we’re coming to understand that it’s not just about science, it’s about how we deliver health care. I’ve come to believe this is the bottleneck.”

Both the Massachusetts and US governments have passed landmark legislation to broaden health insurance coverage and boost access to care, but Porter said such steps are not enough. The true measure for success in health care is improving “value,” he said. Porter defined value as patient outcomes measured against every dollar spent.

“We have a health care system where people have been competing to divide the pie,” Porter told a health care innovation symposium at the Massachusetts Institute of Technology last week. “We have to redesign the health care system to dramatically increase value.”

To accomplish that, he said, hospitals and doctors must structure their processes around patients’ conditions, not around medical specialties.

In addition, private and government insurance plans have to change the way they pay for medical care, offering incentives for better outcomes rather than more tests and procedures.

“The most basic rule of business is you have to organize around the customer,” Porter said. “We are trapped in health care in the siloed, fragmented view.”

Some promising experiments are underway at large hospitals from Boston to Houston. Two new approaches were described at last week’s symposium, held at Kresge Auditorium, hosted by the Massachusetts Institute of Technology and sponsored by Merrimack Pharmaceuticals Inc., a Cambridge biotech company.

Brigham and Women’s Hospital, a Harvard-affiliated Boston teaching hospital, is redesigning care around patients in its cardiovascular disease, cancer, women’s health, neuroscience, and musculoskeletal practices, said Brigham president Elizabeth G. Nabel. Among other things, it is instructing “health coaches” how to advise patients on their care options.

“Conceptually, we’re on board with your agenda,” Nabel told Porter. “The challenge is how do you do the hard work of transforming practice models that have been deeply ingrained for decades?”

The Brigham and other hospitals in the Partners HealthCare System network are also shifting more basic health care to affiliates in Boston’s neighborhoods or suburbs, such as Faulkner Hospital in Jamaica Plain, said Nabel, leaving more complicated procedures at the larger teaching hospitals. “We have to be more coordinated in our care,” she said. “We are clearly on the path to no more ear tubes at the downtown academic medical center.”

Better coordination and community-based medicine have also been the focus at MD Anderson Cancer Center in Houston, hospital president John Mendelsohn told the symposium.

MD Anderson, a top national cancer-treatment hospital affiliated with the University of Texas, had a single location in Houston just over a decade ago, Mendelsohn said. Today, it has a wide network of satellite clinics

around the Houston area that perform chemotherapy and radiation treatments so patients only have to come to the main campus for more critical procedures.

The hospital also has developed a survivors' program online, enabling it to communicate with patients and their doctors across the country. And it has opened co-branded cancer clinics nationally and overseas, from Orlando, Fla., and Tucson to Spain and Turkey.

Key to the hospital's pilot programs are incentives that reward doctors for tracking and documenting patient outcomes, not only survival but quality of life, Mendelsohn said. "Once you say you have to measure the data to get paid," he said, "it gets measured."

Measurement, in fact, is central to Porter's prescription for delivering health care more efficiently and at lower costs: Organize care delivery teams around discrete patient populations, whether it's healthy adults, frail seniors, or complicated diabetics. Establish universal measurements of outcomes and costs for every patient. Move from fee for service to bundled health care prices. Integrate care delivery across separate facilities. Expand practice units through satellite branches and affiliates. And, deploy the right information technology.

Porter said it makes sense for hospitals to specialize in certain types of care and to expand outside their regions, rather than sticking with the current model — all hospitals trying to do everything.

"The metaphor for the health care system is 5,000 hospitals trying to reinvent the wheel," he said.

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