3rd Annual Kaiser Permanente National Surgical Symposium

The Responsibilities of the Surgeon in the New Health Care System

Thomas R. Russell, MD, FACS
July 11, 2007
Problems With the Health System

- Quality
- Cost
- Access
  - Uninsured
  - Stakeholder Issues
  - Workforce Shortage
  - Professional Liability
What Value for the Money?

- Increasingly asked by the government, other payers, employers, and patients.

- There is mounting pressure on health care delivery systems to prove that we deliver high quality, safe, and cost effective health care.

- CMS is invested in the idea of public reporting of quality and outcome data and P4P as a tool to improve performance.
Quality

The Best Quality?

- Patients Received 54.9% of Scientifically Indicated Care (Acute: 53.5%; Chronic 56.1%; Preventive: 54.9%)

- Conclusion: The “Defect Rate” in the Technical Quality of Care is Around 45% !!

Costs are Not Only High-
They are Variable

Source: Care of Patients with Severe Chronic Disease (2006), The Center for the Evaluative Clinical Sciences, Dartmouth Medical School
Medicare Hospital 30-Day Readmission Rates and Associated Costs by Hospital Referral Regions (2003)

Rate of hospital readmission within 30 days

Readmission reimbursement as percent of total reimbursement for all admissions

Percentiles

<table>
<thead>
<tr>
<th>Quartile</th>
<th>National Mean</th>
<th>10th</th>
<th>25th</th>
<th>75th</th>
<th>90th</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>18</td>
<td>14</td>
<td>16</td>
<td>20</td>
<td>22</td>
</tr>
<tr>
<td>2</td>
<td>35</td>
<td>24</td>
<td>30</td>
<td>34</td>
<td>45</td>
</tr>
</tbody>
</table>

Quartile of regions ranked by readmission rates

Data: G. Anderson and R. Herbert, Johns Hopkins University analysis of 2003 Medicare Standard Analytical Files (SAF) 5% Inpatient Data.
Organized Medicine in the Early 20th Century

• Well Organized, Well Led
• United and Prosperous
• Sovereign
• Autonomous
• Powerful
The Sovereign Medical Profession Controlled:

- Itself
- Hospitals
- Allied Health Sciences
- Medical Education
- Residency Training
- The Pharmaceutical Industry
- The Health Insurance Industry
- The Federal Government
Government Control of Medicine

• Began Effectively in 1965
• Professional Review Organizations
• Resource-based Relative Value System
• Physician Audits at Teaching Hospitals
• Federal Regulations
• The Courts
By the End of the 20th Century the Medical Profession Did Not Control:

- Itself
- Hospitals
- Allied Health Sciences
- Medical Education
- Residency Training
- The Pharmaceutical Industry
- The Health Insurance Industry
- The Federal Government
A Summary of Healthcare in the USA in 2003

- Patients are suing doctors
- Patients are suing insurance companies
- Doctors are suing insurance companies
- Doctors are suing the government
- States are suing drug companies
- Drug companies are suing states
- Doctors are going on strike
- Union workers are going on strike
Redefining Health Care
Creating Value-Based Competition on Results

Michael E. Porter
Elizabeth Olmsted Teisberg
Level of Competition

• Wrong kind of competition
  – Health plans, hospitals, and networks compete against one another

• Right kind of competition
  – Providers compete by excelling at preventing, diagnosing, and treating specific diseases or combinations of conditions
Information

• Wrong kind of competition
  – Provide information only about health plan coverage and subscribers’ satisfaction surveys - which have little impact on value

• Right kind of competition
  – Publish information about providers’ records in treating particular conditions, such as data on post surgical mortality rates
Providers’ Incentives

• Wrong kind of competition
  – Reward providers for offering every service, referring patients within the network, and spending less time with patients

• Right kind of competition
  – Reward providers for developing areas of excellence and expertise, measuring and enhancing quality and efficiency; and acknowledging, learning from, and eradicating mistakes.
The Renewed Surgical Profession

• A Corporate Model
  – Strategic Alliances
    • Surgical Specialties
    • Anesthesiologists
    • Nurses
    • Allied Health Professionals
Changes In Health Care

• Outcomes and Quality Reporting
• Payment Reform
• Electronic Medical Record
• Transparency in Outcomes and Cost
• Prevention and Wellness
• Medical Home
Changes In Health Care – con’t.

- Training of Surgeons – Lifestyle
- Role of M.D. – Salaried
- Silo Vaporization
- Maturing Systems of Care
- Patient Education
- New Technology
- Culture Change
Cultural Shifts

- Passive patients
- Passive payment
- Autonomous physicians
- Hospital – physician relations
- Site of health care delivery
- Practice by specialty
- Lifestyle issue
- Business of medicine
External Forces on Surgery

- Increase in Regulatory Forces
- Cultural Changes
- Advances in Technology and Transformation in the Science
ACS Changes: 21st Century

- Openness (Transparent)
- Political Awareness & Activity
- Expansion of Membership
- Recruitment
- Resident and Associate Society
- Division Structure Around Core Activities
- Unity
- Add Value
- Visibility
Quality Surgical Care

- Structure
- Process
- Outcomes
Quality Surgical Care

- Correct Diagnosis
- Proper Staging
- Proper Risk Assessment
  - Disease
  - Treatment
- Proper Treatment
  - Best evidence
  - Best technology
  - Best technique

- Proper Outcome
  - Survival
  - No complications
  - Disease cured
  - Symptoms relieved
  - Function restored
  - Death with dignity

- ACS is working in all these areas
Current ACS Quality Improvement Programs

• Facility Certification Programs
  – Trauma centers
  – Cancer centers
  – Bariatric centers

• Continuous Quality Improvement
  – ACS National Surgical Quality Improvement Program (NSQIP)
  – American College of Surgeons Oncology Group

• National Outcomes Data Bases
  – National Trauma DataBank
  – National Cancer Data Base
  – NSQIP
Collaborative Efforts

- CMS Surgical Care Improvement Project (steering committee) (SCIP)
- Physicians Consortium for Quality Improvement (AMA)
  - Perioperative Care Work Group (co-chair)
- National Quality Forum (NQF)
- Ambulatory Care Quality Alliance (steering committee) (AQA)
  - Subgroup on Surgery and Procedures (chair)
- Surgical Quality Alliance (chair) (SQA)
  - Developing quality measure priorities and consensus across surgical specialties
Outcomes of Surgical Care

American College of Surgeons

NSQIP
National Surgical Quality Improvement Program

“Quality Improvement Through Quality Data”
Practice-Based Learning & Improvement
American College of Surgeons
Case Logging System
Professional Responsibility as Surgeons

- Safety and quality improvement
- Outcome tools and metrics
- Alignment – Doctors and Administration
- Maintenance of certification
- Disease management and prevention
- Cost effective care
Professional Responsibility as Surgeons

- Introduction of new technology
- Emergency room coverage
- Increased visibility
- Medical diplomacy
- Work force issues
Surgeon of the future (?)

- Work hour limits
- Progressive specialization
- Niche surgery
- Non-hospital based
- Disease management
- Lifestyle
- Employed by hospital or developed system of care
- Meet evolving needs
- Embrace new technology
- Prevention
Any Path You Choose Will Require:

- Demonstrable clinical quality and patient safety
- Expense and waste reduction
- Clinical, IT transformation
- Revenue growth
- Exceptional governance and leadership
Current Health Care Reimbursement System

- Payment is made on a per transaction basis regardless of outcomes or results
- Payment is for transactions rendered - not care coordination and results obtained
- Quality measures are immaterial to payment
- Patient-centered care is irrelevant to payment
PQRI Bonus Payments

• To be eligible for the full 1.5 percent bonus payment, participants must report on their selected measures for at least 80 percent of relevant procedures.

• The 1.5 percent bonus includes allowed charges for all services performed under the Medicare Physician Fee Schedule in the last six months of 2007.

• A cap on the payment has been created to limit the bonus for physicians who report relatively little quality data.

• A single bonus payment will be paid in mid-2008 to the holder of the taxpayer identification number.
“Together, the Departments of Defense, Health and Human Services, and Veterans Affairs and the Office of Personnel Management are the biggest purchaser of health care in the nation. Federal programs cover some 93 million people, nearly 40 percent of the nation's insured. We are using this critical mass to begin moving the marketplace.”

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U.S. Department of Health and Human Services
Healthcare Transparency Web Site
http://www.hhs.gov/transparency/federal/
<table>
<thead>
<tr>
<th>Percentage of Medicare Patients that have their anemia (low red blood cell count) under control in 2005</th>
<th>State Average</th>
<th>National Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>95%</td>
<td>93%</td>
<td>92%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percentage of Medicare Patients Who Had Enough Wastes Removed From Their Blood During Dialysis (Dialysis Adequacy) in 2005</th>
<th>State Average</th>
<th>National Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
<td>93%</td>
<td>92%</td>
</tr>
</tbody>
</table>

### Patient Survival for January 2002 to December 2005

<table>
<thead>
<tr>
<th>Survival Categories for the 4315 facilities with available data in US</th>
<th>Better Than Expected**</th>
<th>As Expected</th>
<th>Worse Than Expected**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>100</td>
<td>4038</td>
<td>177</td>
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</table>

<table>
<thead>
<tr>
<th>Survival Categories for the 110 facilities with available data in Virginia</th>
<th>Better Than Expected**</th>
<th>As Expected</th>
<th>Worse Than Expected**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0</td>
<td>106</td>
<td>4</td>
</tr>
</tbody>
</table>

DAVITA - TYSONS CORNER
Patient survival is as expected.

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**The most recent data available. If a facility was not open during this period, information will not be available on this website. (Contact the facility for more current information).

**At least 20% better or worse than the "As Expected" survival category. For more detail about this information, please view the Patient Survival Frequently Asked Questions.
Consumer Ratings

Feeds “Patient Experience Survey” information in HealthGrades reports
# Leavitt’s Vision

## Surgical Care Consumer Guide

**Search Results:** Hip Replacement

**Summary**
- Average Cost in Network Facility: $11,249 - $15,095
- Out of Network Facility: $18,889 - $23,460

### Results sorted by: Distance

**Quality:** ★★★★ Highest | ★ Lowest
**Cost:** $ Least Expensive | $$$ Most Expensive
**Patient Assessment:** ★★★★Highest | ★ Lowest

<table>
<thead>
<tr>
<th>Distance (Miles)</th>
<th>Facility Name</th>
<th>Patients per year</th>
<th>Quality</th>
<th>Cost Estimate</th>
<th>Insurer Pays</th>
<th>Patient Pays</th>
<th>Patient Assessment of Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.2</td>
<td>Clearwater General 14280 Bay Drive Clearwater, FL 22131</td>
<td>400</td>
<td>★★★</td>
<td>$5,895</td>
<td>85% ($13,011)</td>
<td>15% ($2,024)</td>
<td>★ ★★</td>
</tr>
<tr>
<td>13.2</td>
<td>All Saints Medical Center 123900 All Saints Drive Tampa, FL 22122</td>
<td>86</td>
<td>★★★★</td>
<td>$$$</td>
<td>80% ($16,560)</td>
<td>20% ($1,140)</td>
<td>★★★</td>
</tr>
<tr>
<td>25.6</td>
<td>Good Samaritan Hospital 11111 E. Samaritan Drive Tampa, FL 22222</td>
<td>292</td>
<td>★★★★</td>
<td>$15,893</td>
<td>50% ($14,306)</td>
<td>10% ($1,590)</td>
<td>★★★★</td>
</tr>
<tr>
<td>26.3</td>
<td>Tampa Hip Hospital 1400 East Tampa Boulevard Tampa, FL 22211</td>
<td>170</td>
<td>★★★</td>
<td>$$$</td>
<td>75% ($15,525)</td>
<td>25% ($5,175)</td>
<td>★★★</td>
</tr>
<tr>
<td>27.0</td>
<td>Orthopedic Clinical Hospital 1444 Goodie Drive St Petersburg, FL 22110</td>
<td>432</td>
<td>★</td>
<td>$11,600</td>
<td>70% ($8,700)</td>
<td>30% ($2,900)</td>
<td>★</td>
</tr>
<tr>
<td>33.2</td>
<td>Valley General Hospital 1400 Tampa Bay Way Tampa Bay, FL 22031</td>
<td>310</td>
<td>★★★★</td>
<td>$16,290</td>
<td>85% ($13,796)</td>
<td>15% ($2,434)</td>
<td>★★★★</td>
</tr>
</tbody>
</table>

[www.hhs.gov/transparency](http://www.hhs.gov/transparency)
Summary

• The Sovereign Autonomous Medical Profession failed to adapt to change
• The Government(s) and the Capitalists control health care
• A renewed Surgical Profession will adapt and thrive
• Quality and Safety are paramount
THANK YOU!