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Paul Wallace MD

Center for Comparative Effectiveness Research, The Lewin Group

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Prescriptions for Excellence in HEALTH CARE

A COLLABORATION BETWEEN JEFFERSON SCHOOL OF POPULATION HEALTH AND LILLY USA, LLC

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A Perspective: Through the Eye of the Beholder – Gauging Health Care Value

By Paul Wallace, MD

Introduction

Few concepts in health care have promoted more discussion, prompted more interventions, and sustained more controversy than the desire to objectify and measure value. Measures of diverse attributes of value have multiplied while conceptual and action-oriented frameworks to position measurement findings and to reconcile ambiguities compete for attention. Refinement in measure development and validation is occurring in concert with generalized agreement that the ability to robustly and accurately measure attributes of value is core to evolving and sustaining an effective and equitable health system. However, as the desire and ability to reflect aspects of value has advanced, the importance of linking the meaning of value to the needs and beliefs of various key stakeholders in the health care system also has escalated. In short, the more we learn about measuring value, the more there is yet to learn about ensuring that the results of measurement are broadly informative and engaging. The following identifies some considerations about, and current gaps in, what may be involved in more completely pursuing broadly engaging value measurement and realization.

The Need to Create and Demonstrate Value...Now, More Than Ever...

The importance of demonstrating the value of health care services and delivery system change has intensified with the passage of the Patient Protection and Affordable Care Act (ACA) health reform legislation in 2010, in combination with the other extraordinary public investments in the last decade in health services (eg, the Medicare Prescription Drug Benefit, part of the 2003 Medicare Modernization Act, elements of The American Recovery and Reinvestment Act of 2009 and its Health Information Technology for Economic and Clinical Health Act).

A public focus of this amplified scrutiny is the Centers for Medicare and Medicaid Services' Center for Medicare and Medicaid Innovation, with its mission of "Better health care, better health, and reduced costs through improvement"¹ coupled with an innovation investment portfolio of several billion dollars. Other contemporary examples include the Patient-Centered Outcomes Research Institute (PCORI), a private organization created as part of health reform to promote and support comparative effectiveness research and patient-centered outcomes

research, with a planned public and private annual funding stream of several hundred million dollars, plus a wide range of initiatives driven by private health plans, care providers, and employers.²

Concurrently, defining and deriving the "value" of health care services has become substantially more complex as the number and diversity of key stakeholders has expanded. Attempts to reconcile views of value are a mix of observed or projected analytics to create clarity (and, in some cases, even presumed "certainty") juxtaposed with major political debate and substantial disagreement about the key issues and goals that should be objectified.

Although data are increasingly abundant and research and analytic tools have become more sophisticated, it also has become clear that the scope of value determination as it has been practiced in the past lacks generalizable application across the emerging concerns of the diverse set of stakeholders. More depth and dimension are needed to fully leverage the simple value equation of $V(\text{value})=Q(\text{quality})/C(\text{cost})$.

For a concept as complex as value, the evolution of its expanded meaning and application in measurement and

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prioritization of effort likely will require multiple incremental changes. The following 3 promising areas of important augmentation to the current derivation of “value” will be discussed and include:

- The importance of reflecting and respecting multiple perspectives
- Appreciating what we don’t know about the care experience, and
- Embracing that when there are multiple aims for improvement, you must address all concurrently.

The Importance of Perspective: “What Will it Take for the Patient and Payer to ‘Get’ Value?”

A few years ago at the Kaiser Permanente Care Management Institute, we systematically sought out and engaged groups of health system leaders, clinicians, patients, and payers to better understand how they perceived and evaluated “value” in health care. Initially, we wanted to know what would be required for the consumer/patient and employer/purchaser to understand “quality” and “value” as we perceived them from our perspective as managers of a large integrated delivery system. We saw value as best reflected by nested and explicitly defined measures of health care system structure, process, and health outcomes such as the Healthcare Effectiveness Data and Information Set Quality Indicators.³ However, the more complex value framework we eventually derived (Figure 1) reflected and, perhaps more importantly, *respected* the differences between key perspectives.

Clinicians and health system leaders most frequently associated value with “traditional” metrics of clinical structure, process, and health outcomes whereas patients identified aspects of the care experience, such as convenience, respectful providers, and trusting relationships with their clinicians, as most critical for them in terms of engagement and as meaningful attributes of value.

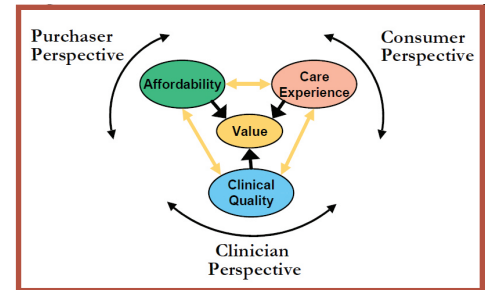
Not surprisingly, organizations and entities that provide payment for services, including public payers, private health plans, and major employers, identified financial metrics - especially affordability plus return on their health-associated investments - as their leading indicators of value. Importantly, no payer suggested reducing costs by relaxing clinical quality standards. Rather, cost impact was generally identified as attainable through improved efficiency and reduction of waste. Each stakeholder’s perspective recognized and granted importance to the elements valued by other stakeholder perspectives, albeit with lower priority. However, each stakeholder assigned prime “value” to substantially different metrics. Each stakeholder perspective did “get quality,” but in its own manner.

Other efforts also have addressed the impact of multiple perspectives on value perception and definition. A relatively encyclopedic consideration of the complexity of the challenge has recently been published by the Institute of Medicine.⁴

Appreciating What We Don’t Know: The Complex Nature of the Care Experience

Although patient-centeredness has been positioned securely as a basic element of quality, and hence value, since the sentinel Institute of Medicine quality reports of the last 2 decades, measurement frameworks to robustly reflect and capture a patient’s care experience have been problematic. Most recent progress has followed from the leadership of the Agency for Healthcare Research and Quality in developing and promoting standardized patient surveys such as the Consumer Assessment of Healthcare Providers and Systems family of instruments.⁵ Although the capability for doing such surveys is a significant achievement, additional complementary approaches to better bridge other forms of value-related measurement to the patient experience are needed. Today’s patients

Figure 1. A Model of Health Care Value



Source: Bellows J, Sullivan MP. *Could a quality index help us navigate the chasm?* http://xnet.kp.org/ihip/publications/docs/quality_background.pdf. Accessed July 11, 2012.

increasingly have multiple clinicians, often receive care in multiple locations, are responsible for major portions of their care while at home, and have little cohesion across settings other than themselves and their families. Consequently there is a need to move beyond an exclusive focus on what can be done *to and for* patients *by* providers and a health system.

At a roundtable discussion of patient-centeredness among several California and national health care leaders, the successful patient experience was equated with enabling patients to understand, participate in, and direct their own care. Examples included shared decision making, use of personal health records by patients and their clinicians, and programs for palliative and end-of-life care that require care decisions to be highly customized for, and dependent on, the patient and his or her family.⁶ Building from this discussion, a value measurement framework that is informative across the patient experience should ideally include metrics that reflect:

- Care delivered *for the patient* (eg, key prevention testing, case management, much of chronic condition management)
- Care delivered *with the patient*, (eg, shared decision making, care coordination)

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- Care “delivered” by the patient and his or her family, ideally with health system support (eg, traditional self-care, health behavior change, much of end-of-life support).

In aggregate, a credible future value framework will need to both respect and reflect the varying loci of control for different aspects of the pursuit of health and delivery of health care.

The expanded national investment in the PCORI achieved as part of the ACA offers substantial leadership and funding to better understand how to engage and inform patients about their care and care experience.

Addressing One Dimension of Value at a Time Is Not Enough - The Integrating Message of Concurrent Aims

The value model in Figure 1 is a close analog of the Triple Aim proposed by the Institute for Healthcare Improvement (IHI) with its 3 overarching goals to be addressed in pursuit of improved health system value.⁷ The IHI specific aims are to:

- Improve the health of the population;
- Enhance the patient experience of care (including quality, access, and reliability); and
- Reduce, or at least control, the per capita cost of care.⁷

Very similar concepts – Better Care, Affordable Care, and Healthy People/Healthy Communities – now form the framework for the National Quality Strategy.⁸

The Triple Aim and National Quality Strategy share a common core concept: Meaningful and sustainable value realization requires focused and coordinated improvement addressing all of the main dimensions of value at the same time. It is insufficient to focus exclusively on a single dimension – whether it be cost, quality, or the care experience – and expect the

other dimensions to fall into line. For example, a common refrain in recent years – “if quality is addressed then cost improvement will follow” – has led to initiatives that fail to identify and pursue explicit timelines for addressing cost issues. Quality, as observed by the usual measures, has arguably improved while an equivalent impact on cost has remained on a future “to follow.” Similarly, the cost-focused efforts of the 1990s failed to impact quality equally and adversely affected the care experience.

The learning embodied in the Triple Aim is that true progress toward higher value health care requires progress in multiple dimensions simultaneously, with leadership and provider focus on managing and reconciling the inevitable conflicts and ambiguities inherent in having goals embedded in such a complex framework. As a hopeful sign, a growing number of organizations are now simultaneously achieving improvement across these multiple determinants of value. Common traits across the diverse mix of payers and providers achieving cross-cutting improvement include:

- Balance of system-based and individual changes.
- New ways to engage both providers and patients.
- Focus on population care.
- Use of health information technology.

Recently, others have provided guidance about how to effectively focus evaluations to gauge the full return on these investments.⁹ The most useful evaluations will be those that:

- Focus on change that matters.
- Document innovations to support effective learning and dissemination.
- Balance flexibility and speed with rigor in developing evidence to support policy change.

Summary

As efforts to reform health care financing and delivery intensify and come under increased scrutiny by varied stakeholders, gradual but significant progress is being made in evolving a durable and sustainable framework for measuring value. Key aspects of this emerging framework are respect for varying perspectives of value and substantial investments in better understanding and characterizing all dimensions of value – those most directly reflecting the care experience in particular. A hopeful sign is that a growing number of organizations are achieving concurrent improvements in multiple aspects of quality, cost, and the patient care experience, and the attributes and practices of these leading groups are being successfully characterized and spread.

Paul Wallace, MD, is Senior Vice President and Director of the Center for Comparative Effectiveness Research, The Lewin Group. He can be reached at: paul.wallace@Lewin.com.

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