

## EDITORIAL

### Innovation and Collaboration in the New Health Care Ecosystem

Since the passing of the Affordable Care Act, many who have heard me [DBN] speak are familiar with my four-word summary of 955 pages of legislation: “No outcome, no income.” At its core, health reform legislation is an attempt to build transparency and accountability into the system. This will require a completely different mindset on everyone’s part. In order to get the optimal value from our considerable investment in health care, we must work to create a new health care ecosystem – one marked by innovation and collaboration among all of its component parts.

When you boil it down to its essence, reform is an attempt to operationalize the “triple aim,” a key component of the legislation and a concept articulated years ago by former CMS Administrator Dr. Don Berwick. The first part of the triple aim is *better care for individuals*; the second part is *better health for populations*; and the third part is *slower growth in the cost of healthcare* through improvements in care delivery. Below we deconstruct each of the three components.

*Better care for individuals* is really all about promoting use of the evidence (where it exists) to deliver better care – for example, don’t do unscientific things like prescribing antibiotics for every child with an earache or ordering an x-ray on every patient with back pain on their very first visit to the doctor. These two pretty basic things are unfortunately quite common practice, and add hundreds of millions of dollars a year in cost with little or no return on the investment.

*Better health for populations.* Population health is a critical aspect of health reform, as it requires looking at all of the elements that have an impact on the overall health and quality of life. Prevention, health promotion and wellness, and care coordination are the key points in this arena. You probably appreciate that the

care of patients with chronic illnesses like diabetes and heart disease is about 80% of the problem in our country. If we could just properly coordinate the care of patients with chronic illnesses – or better yet, encourage the healthy behaviors that would prevent people from developing these conditions – we could go a long way toward addressing the healthcare cost crisis. It’s not rocket science; it’s all about blocking and tackling. Did you see the doctor? Did you take your medicine? Are you exercising regularly? Are you following up as instructed?

*Slower growth in costs through improvements in the system of care* is a little bit more complicated. That involves taking the science that you may know as process improvement, total quality management, lean, re-engineering, and applying it to the healthcare system. A system, by the way, that’s not accustomed to using any of these tools and barely understands that language.

The idea of the triple aim is powerful and it is being operationalized by health reform in two major ways. One is by changing the economic incentives, for example, bundling the payment for services. These bundled payments are designed to cover the appropriate services for a given condition, and steers the system away from a fee-for-service model that pays based on the number of procedures. This will be an interesting endeavor moving forward, since when the size of the pie shrinks, table manners tend to deteriorate. The other way to operationalize the triple aim is to change the model of service delivery through Patient-Centered Medical Homes and Accountable Care Organizations, and a special board that’s being charged with making some final decisions on payments for doctor services. We must find an effective way to bend this cost curve, since the one thing that we know for sure is that there is no new money at the end of this rainbow.

There’s so much waste, and so much at stake. There’s a gigantic “upside opportunity” for innovators and collaborators willing to take on the challenge of reworking the system to make it function more effectively. As industry works to develop new technologies and bring new drugs to market, and we create new processes in healthcare, we’ll need to pay close attention to whether those new systems, drugs or technologies bring value to the system and help to bend the cost curve. In the new health ecosystem, yesterday’s competitor is today’s collaborator. We are all in this together, and will sink or swim collectively.

In order to function in an outcomes-based environment from a population health perspective, we must harness the power of collaboration, especially as it pertains to the exchange of crucial information that allows us to make improvements and evaluate the success of our efforts. PricewaterhouseCoopers (PwC) Health recently issued a report<sup>1</sup> underscoring the importance of collaborative partnerships among payers, providers and pharmaceutical companies in terms of sharing healthcare data. Each segment captures data differently, but when information that isolates procedure codes, prescriptions, and patient demographics is combined and observed longitudinally, it becomes easier to isolate important trends and commonalities that can improve clinical practice.

A new, richer dialogue among those who organize, deliver and pay for health care can help us to identify important gaps and understand where we need to structure supports to help patients improve their health behaviors and to manage any existing conditions to prevent them from getting worse. Leading integrated providers and payers, like

Kaiser Permanente and Pennsylvania's own Geisinger, are working to improve communications between physicians and patients as a way to reduce readmission rates and improve medication compliance. Other, more unusual, collaborations occur among non-affiliated entities. The PwC report cites a pilot collaboration between the Indianapolis-based payer Wellpoint, IBM, and California's Cedars-Sinai Samuel Oschin Comprehensive Cancer Institute to guide clinical practices as a model program

to improve outcomes and meet the unique health needs of different populations.

As we strive to create a more effective, transparent and accountable system, we must focus on encouraging radical collaboration and innovation. It is the only way to reduce waste and to create value in our industry. This blurring of the lines provides us with a huge opportunity to create a robust health care ecosystem that delivers on the promise of reform. ■

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## REFERENCES

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