

NRHI | Getting to Affordability

Getting to Affordability is a Network for Regional Healthcare Improvement (NRHI) initiative that aligns regional partners in their efforts to produce, share and use standardized, high-quality healthcare cost information. Several regional health improvement collaboratives are collecting and analyzing data that details how much is spent on medical care for individuals each year. This “total cost of care” analysis is used to better understand healthcare costs to reduce wasteful medical spending, improve healthcare quality, and transform healthcare delivery. This collaborative multi-stakeholder approach allows for local, regional and national comparisons, and accelerates movement away from paying for volume and toward paying for value.

These efforts have the potential to overhaul how healthcare is delivered and paid for, and never has it been so necessary. America remains the most expensive place in the world to get sick, and an estimated one-third of all healthcare spending is considered wasteful. Even when Americans have insurance, 20 percent struggle to pay their medical bills¹. Understanding costs and what drives them is the first step to solving these problems.

With funding from the Robert Wood Johnson Foundation, NRHI is leading the Getting to Affordability initiative to standardize how cost information is reported in 11 regions across the U.S. While their data reflects local practices, the regional partners are producing standard provider cost measures that can be applied anywhere in the country. This cost transparency can drive the realignment of the healthcare marketplace, and competitive market forces can help redirect wasteful spending and reward high quality care.

To collect and analyze data necessary to shed light on the true total cost of care, NRHI’s regional partners are:

- **Producing standardized, high-quality data analyses:** Regional partners work collaboratively to develop standardized healthcare cost information of the highest quality, and serve as a trusted community resource
- **Sharing information and expertise:** A national network of shared expertise helps eliminate the need for regions to start from scratch. By embracing proven practices, inefficiency and duplication are avoided, allowing stakeholders to innovate and accelerate healthcare affordability.
- **Using information to transform healthcare:** Regional partners and their stakeholders can produce reports and compare their performance to their local, regional, and national peers. For example, **physicians** gain a better understanding of how their practice patterns impact cost and how their patients access medical services, so they can have more informed discussions. **Employers** can use the information to design health coverage that encourages use of high value providers, for example through network tiering, use of Centers of Excellence, and contracting with Accountable Care Organizations.

Cost transparency combined with quality reporting will advance market forces that reduce healthcare costs and eliminate unnecessary spending — estimated at up to 37 percent of all healthcare expenditures². These reductions will free up resources to meet other community needs to achieve a culture of health.

The Network for Regional Healthcare Improvement (NRHI)

is a national organization of more than thirty-five member regional health improvement collaboratives (RHICs) across the United States. These multi-stakeholder organizations are working in their regions and collaborating across regions to transform the healthcare delivery system to improve the patient experience of care, including quality and satisfaction; improve the health of populations; and reduce the per-capita cost of healthcare.

Using Total Cost of Care.

In Oregon, a total cost of care report helped reduce costs and improve how a primary care group practice managed patients with depression and other behavioral health issues. Providers could see how much was spent on each of their patients for one year, including insurance and patient out-of-pocket payments, compared to what other practices are spending. Uncomfortable treating depression and other behavioral health issues, the providers routinely sent patients to the local emergency department (ED) for care, which was extremely costly. When they saw the financial impact of their referrals, the providers quickly established a working relationship with a local behavioral health provider and reduced their ED referrals — saving the patient and insurer money, and improving the quality of care.

¹ The Burden of Medical Debt: Results from the Kaiser Family Foundation/New York Times Medical Bills Survey. The Henry J. Kaiser Family Foundation, January 5, 2016

² Reducing Waste in Health Care. A third or more of what the US spends annually may be wasteful. How much could be pared back – and how – is a key question. Health Affairs Health Policy Brief, December 13, 2012