

HealthCare Regional Cost Measurement & Transparency
Total Cost of Care & Resource Use

The Network for Regional Healthcare Improvement (NRHI) is coordinating a project to identify the drivers of regional health care costs and develop strategies to reduce spending at the community level. The results of this work have the potential to inform future efforts in regional and national cost reduction. It will also impact the ability of future Regional Healthcare Improvement Collaboratives (RHICs) to more efficiently create similar total cost of care and resource use reporting and use them in their community to create a business case for payment reform, value-based benefit design and changes in the organization and delivery of healthcare.

This project, supported by the Robert Wood Johnson Foundation, will be conducted over an 18-month period and will explore a common measurement standard of cost and resource use across five collaboratives including:

- Minnesota Community Measurement
- Maine Health Management Coalition
- Oregon Health Care Quality Corporation
- Center for Improving Value in Health Care (Colorado)
- Midwest Health Initiative (St Louis, MO)

The partnering RHICs will create benchmarks to reliably compare commercial regional costs and resource use, and engage in multi-stakeholder dialogue to further understand the results and come up with ways of using this information to reduce costs. Focused efforts with physician partners will create a curriculum for teaching physicians how to turn the reporting into strategies for reducing costs. The project will culminate in a national summit that will review the results of this research and its implications nationally.

This pilot is an opportunity to assess variation, try new ideas, and understand the impact of standardization. Equally important to producing the data is actually using the data to identify trends and large scale variations, which the communities can use to identify where opportunities for improvement exist and learn from high performers. This can open up a conversation among the stakeholders and lead to change.

Key Project Goals

- Implement the HealthPartners® Total Cost of Care and Resource Use measure set.
- Produce total cost and resource use information that can allow for comparisons not only inside an individual community, but that is standardized to allow for comparisons across regions.
- Share information in multi-stakeholder forums in order to identify cost drivers and strategies to reduce overall cost of care.
- Develop a physician leadership curriculum to train and support physician champions to lead the movement toward cost transparency and how to use the measures in their community.
- Build and disseminate a road map including best practices to enable additional NRHI members to produce the measure set on an accelerated timeframe.

Key Deliverables

- Regional TCoC & Resource Use benchmarks
- Roadmap –How to identify local cost drivers and create strategies
- Data presentation to multi-stakeholder forums for engagement
- Engaging Physician Leadership in TCoC data and strategies
- Barriers and solutions to obtaining and using cost and resource use data

For more information about this project, contact Ellen Gagnon, Senior Project Director, Network for Regional Healthcare Improvement at egagnon@nrhi.org or 207-747-5104.