



# Healthcare Regional Cost Measurement & Transparency

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- Project Overview & Status
- Pilot Questions
- Lessons Learned
- Next Steps

- To develop and produce information to enable communities to reduce the total cost of care in multiple regions with replicable, multi-stakeholder driven strategies.



*What are the barriers to producing transparent TCoC information and how can they be overcome?*

# Regional Collaborative Participants

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

*Funded by Robert Wood Johnson Foundation*

- What does it take to create meaningful TCoC and Resource Use benchmarks using commercial data? Can it be done?
- What are the challenges associated with using a centralized vs. distributed data set?
- Is there significant variation in results when you use different risk adjusters and/or attribution methods?
- What is the optimal level of standardization necessary to produce comparable results?
- How do you lead standardization through a voluntary consensus process?

# Project Timeline & Deliverables

November  
2013

February  
2014

May  
2014

April  
2015

Planning

Alignment

Evaluation & Dissemination

## Planning Outcomes (Technical)

- Standardized regional commercial cost information

## Alignment Outcomes (Reporting)

- Develop “public” reporting format of TCOC and resource use
- Establish national benchmarks

## Evaluation & Dissemination Outcomes (Engagement)

- 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
- Lessons learned and steps to avoid pitfalls
- Barriers and solutions to obtaining and using cost and resource use data

# Project Key Milestones

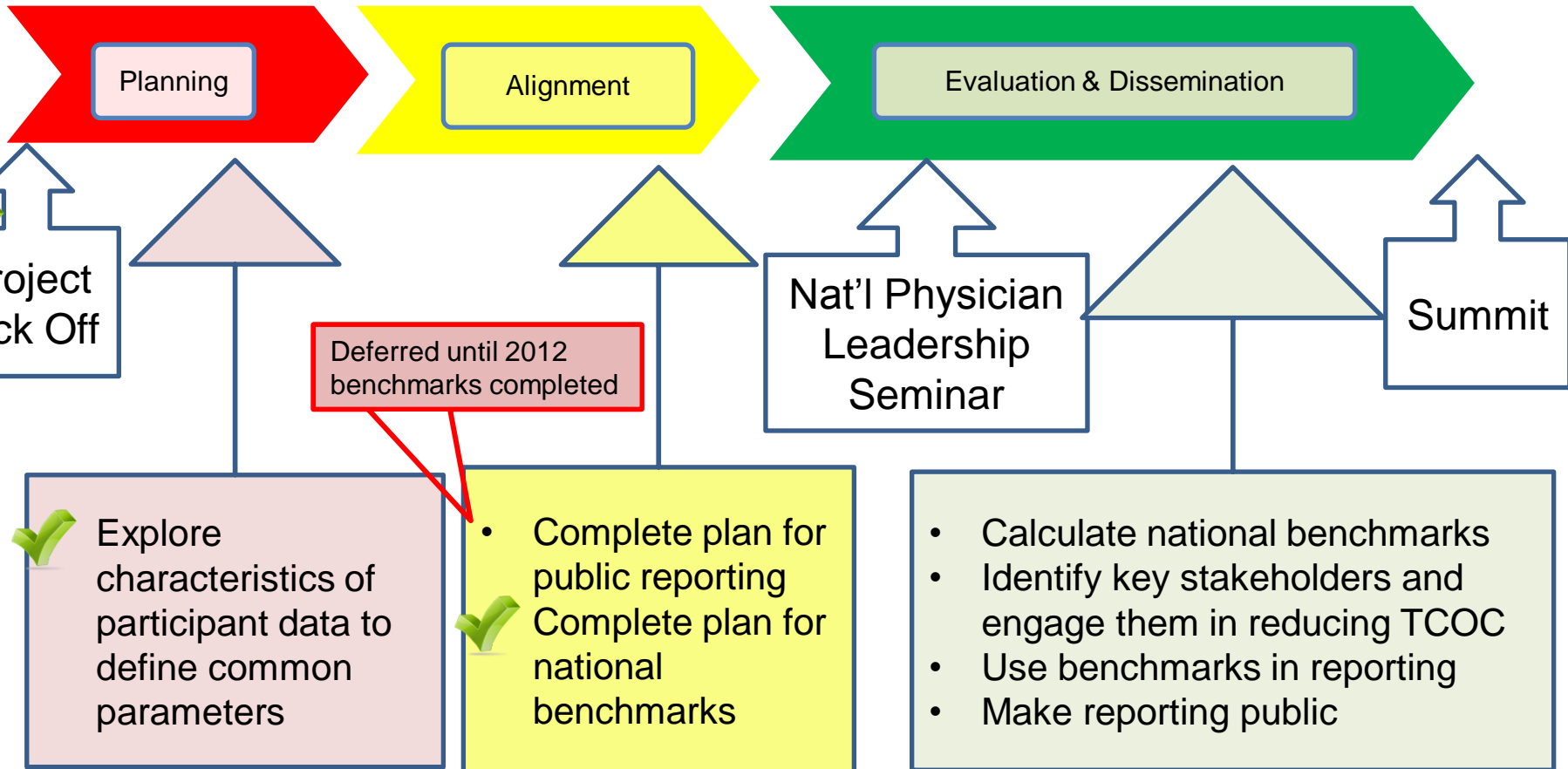
## Status: April 30, 2014

November  
2013

February  
2014

May  
2014

April  
2015



# Key Accomplishments

November 2013 – April 2014

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- Selection & approach for use of a common risk adjuster
- Developed approach for creating meaningful benchmarks
- Agreement on acceptable levels of variations to produce valid comparisons
- Completed ACG risk adjuster training and contracting
- 2012 Analysis Underway
- Nat'l Physician Leadership Summit - August 2014



- Primary barriers to producing transparent cost information are not technical.  
*Business and organizational barriers are most significant but can be overcome through effective leadership.*
- Access to multi-payer data is necessary to produce results.  
*Buy-in and cooperation from data owners is critical.*
- Variation in quality and completeness of commercial claims data impacts the ability to implement best practices or accurate comparisons.  
*For example, # of ICD codes provided by private carriers may force an artificially low threshold of acuity.*
- Very challenging to find the right balance between trying to get the data “perfect” and “good enough” to produce valid results.  
*What is the right ROI on data investment?*

- Reliance on solid relationships and full engagement.  
*Good return on time invested to understand and discuss critical issues and build consensus.*
- RHICs are learning from each other what is possible and accelerating strategies to overcome barriers.  
*Changes the dialogue at the community table.*
- Restrictions on data use and availability impacts ability to report at actionable levels.  
*Public policy and/or health plan restrictions have unintended consequences on downstream efforts.*
- Use of multiple data sources and vendors increases possibility of variation of technical interpretation, timeliness and accuracy of analysis.  
*Opportunity to consider ways to consolidate to determine best practice.*

- Variation in approaches across RHICs provides the opportunity to evaluate best practices and real-time learning.  
*There are multiple ways to address the same issue; some will vary by market.*
- What one stakeholder group views as positive, another may perceive negatively so need to anticipate and plan accordingly.  
*Productive tension of multi-stakeholder dialogue yields the most positive change.*
- A multi-stakeholder forum is important to enable focus on community rather than organizational benefit.  
*Prioritizing public benefit over individual commercial interest requires new approach.*
- RHICs must continue collaborative approach to not jeopardize multi-stakeholder relationships as more sensitive cost information is shared.  
*The stakes are rising.*

- Regional data analysis for CY 2012 claims
  - Submit for benchmarking analysis
  - Produce practice level reports
- Produce Benchmarks
  - Variation analysis
  - Incorporate into local reporting
- Key Stakeholder Engagement
- “Public” Reporting
- NRHI Member Portal Roadmap Development
- National Summit – April 2015
- Planning for use to engage communities

# THANK YOU!

For more information, contact Ellen Gagnon

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