

# Total Cost of Care Pilot

Ellen Gagnon, Senior Project Director  
Network for Regional Healthcare Improvement  
NCQA November 7, 2014

- Who is NRHI and what is the Total Cost of Care (TCOC) Pilot?
- Lessons learned from standardization
- Physician engagement in healthcare cost reduction
- What's next?

# Regional Health Improvement Collaboratives (RHICs)

---

- Independent, non-profit
- Multi-stakeholder governance including:
  - Healthcare providers
  - Healthcare payers
  - Healthcare purchasers
  - Healthcare consumers
- Conveners
  - Bring stakeholders together to solve dilemmas in their local healthcare system and identify ways to catalyze change for better outcomes and lower cost

# Network for Regional Healthcare Improvement (NRHI)

- National organization representing over 30 member Regional Health Improvement Collaboratives (RHICs) providing member support in:
  - Best practice sharing
  - Technical assistance
  - National updates
  - Advocacy
  - Funding opportunities
  - Coordination of member activities



# RHIC Approach to TCOC Transparency

---

- Credible data from a trusted source
- Stakeholder involvement
- Transparency with purpose:
  - Improvement
  - Community dialogue
  - Payment reform

## Project Goal

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 Health Improvement Collaboratives
  - 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
- Technical Advisors
  - HealthPartners®
  - Maine Health Management Coalition Foundation
- Support
  - Robert Wood Johnson Foundation
  - Network for Regional Healthcare Improvement

# Two Measures.....*per capita*

---

Total Cost of Care: med & pharm cost -  
price, service utilization,  
market-specific variation

Total Resource Use: resource use across inpatient,  
outpatient, professional, and  
pharmacy. uses “standard  
pricing”

---

Reliability Tested: Consistent results

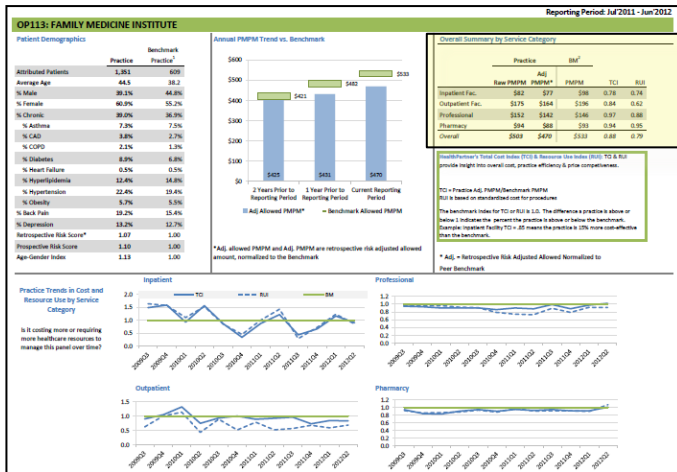
Validity Tested: Performs as intended

NQF Endorsed: Vetted, adoption,  
benchmarking

90+ licenses 26 states



# Maine Primary Care Practice Report: TCI



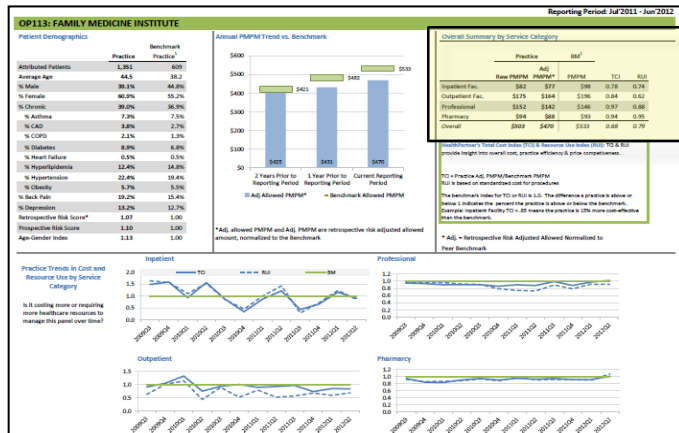
	Practice		BM <sup>2</sup>	
	Raw PMPM	Adj PMPM*	PMPM	TCI
Inpatient Fac.	\$82	\$77	\$98	0.78
Outpatient Fac.	\$175	\$164	\$196	0.84
Professional	\$152	\$142	\$146	0.97
Pharmacy	\$94	\$88	\$93	0.94
<b>Overall</b>	<b>\$503</b>	<b>\$470</b>	<b>\$533</b>	<b>0.88</b>

<sup>2</sup> BM = Peer Benchmark

Note: Retrospective Risk Score for Practice = 1.07

Displayed as an index to protect information while being transparent with relative performance.

# ...and Resource Utilization (RUI)



	Practice		BM <sup>2</sup>		
	Raw PMPM	Adj PMPM*	PMPM	TCI	RUI
Inpatient Fac.	\$82	\$77	\$98	0.78	0.74
Outpatient Fac.	\$175	\$164	\$196	0.84	0.62
Professional	\$152	\$142	\$146	0.97	0.88
Pharmacy	\$94	\$88	\$93	0.94	0.95
<b>Overall</b>	<b>\$503</b>	<b>\$470</b>	<b>\$533</b>	<b>0.88</b>	<b>0.79</b>

<sup>2</sup> BM = Peer Benchmark

Retrospective Risk Score for Practice = 1.07

Displayed as an index to protect information while being transparent with relative performance.

- 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?
- How do you **engage physicians** in leading change to reduce healthcare variation?

# Project Key Milestones

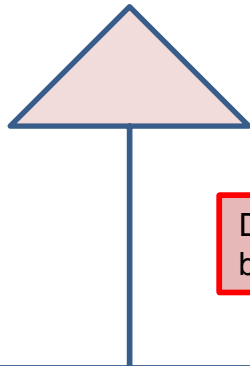
## Status: September 2014

November  
2013

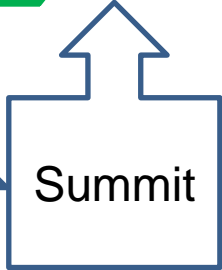
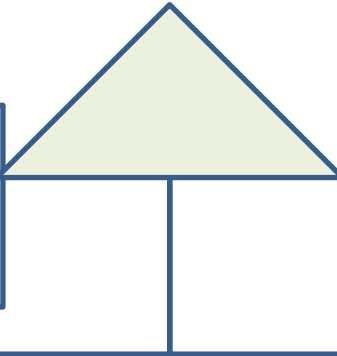
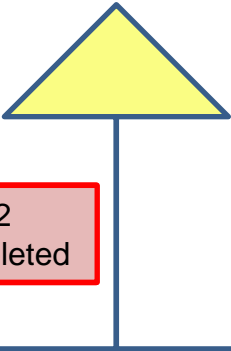
February  
2014

May  
2014

April  
2015



Deferred until 2012  
benchmarks completed

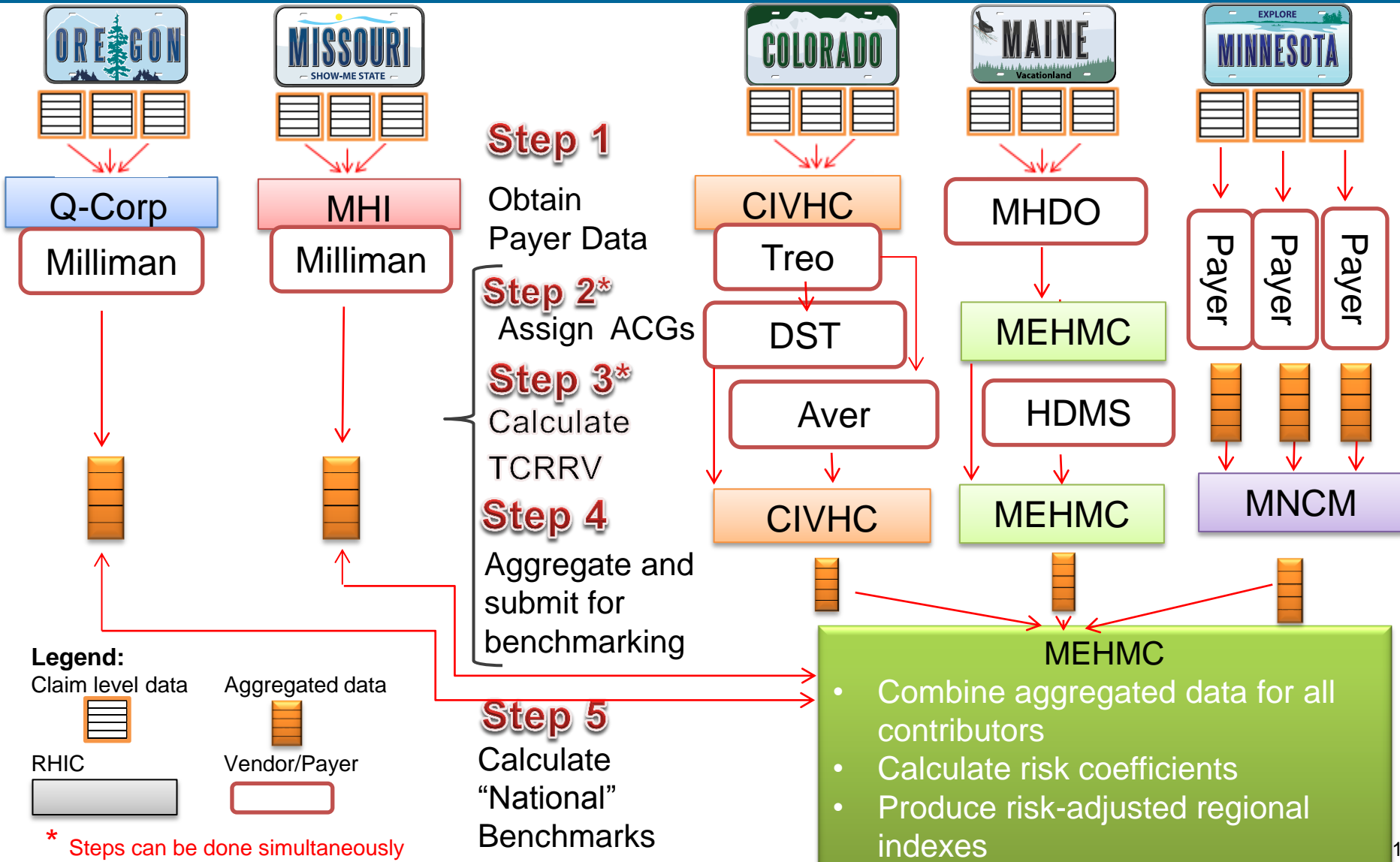


Explore characteristics of participant data to define common parameters

- Complete plan for public reporting
- Complete plan for national benchmarks

- Calculate national benchmarks
- Identify key stakeholders and engage them in reducing TCOC
- Use benchmarks in reporting
- Make reporting public

# Benchmark Data Flow



- Not all barriers are technical in nature
- Reliable results takes rigor and time
- Benefit of regional best practices
- Learn by doing

# **CONNECTING DATA TO ENGAGEMENT**

# National Physician Leadership Seminar

---

- Engaging physician leaders
- Stanford University, August 2014
- 16 physicians from five regions
- National context with regional connection



- Process improvements implementation
- Regional rollout underway
- Benchmarking 2013 data
- Disseminate project findings in Spring 2015
- Future use of TCOC results

# Thank You

Questions or comments:

Ellen Gagnon, Sr Project Director, NRHI

[egagnon@nrhi.org](mailto:egagnon@nrhi.org)