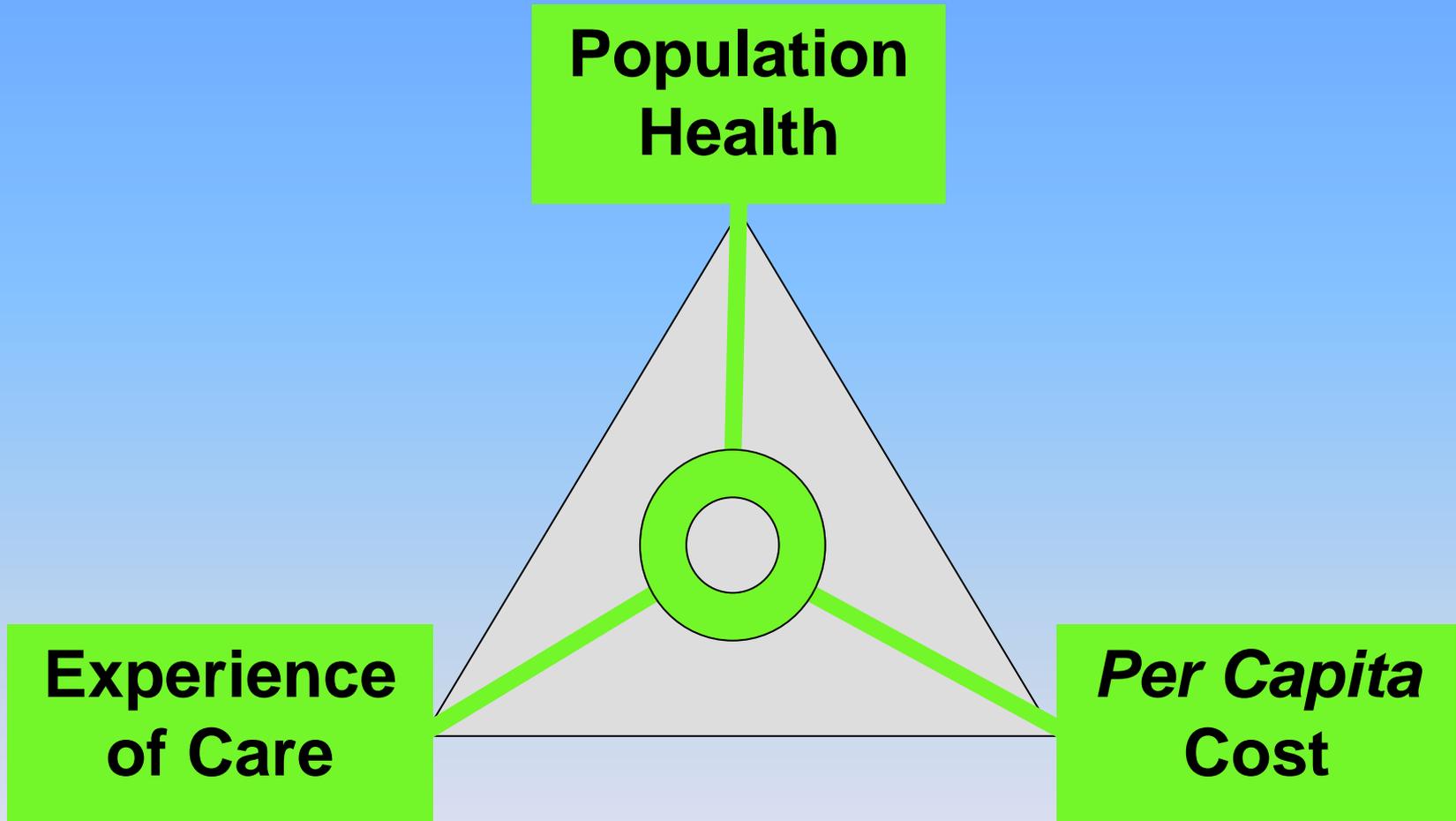


The Leadership We Need

Donald M. Berwick, MD

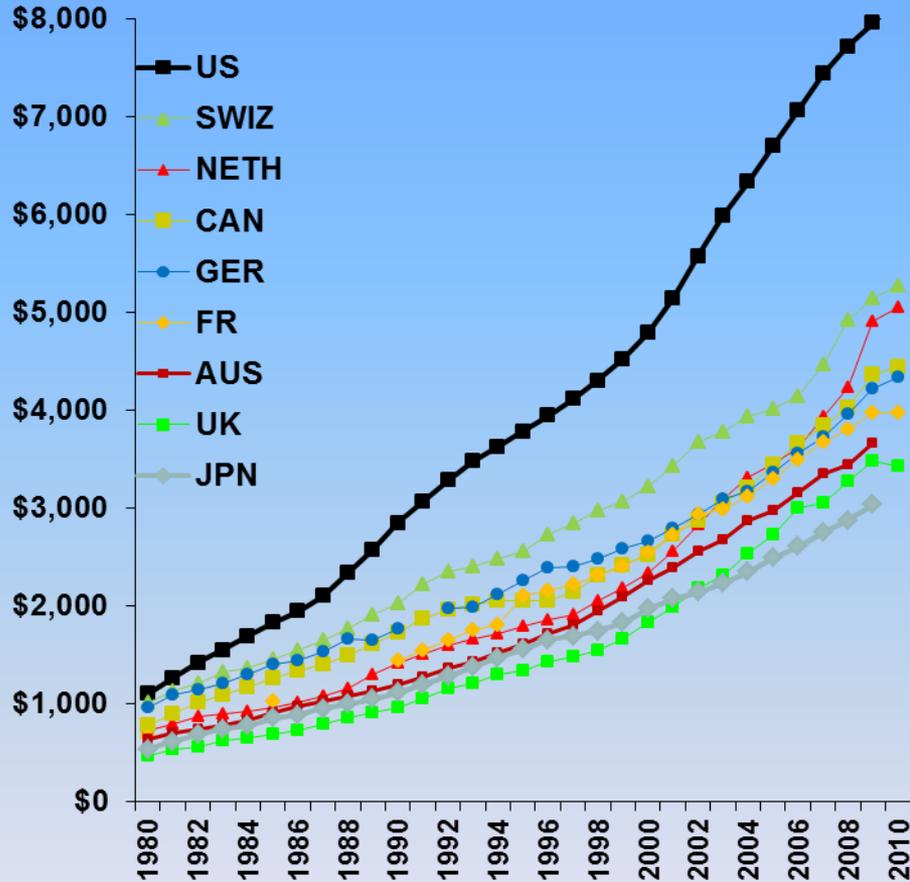
***Oregon's 2014 Coordinated Care Model Summit:
Inspiring Health System Innovation
Portland, OR – December 3, 2014***

The Triple Aim

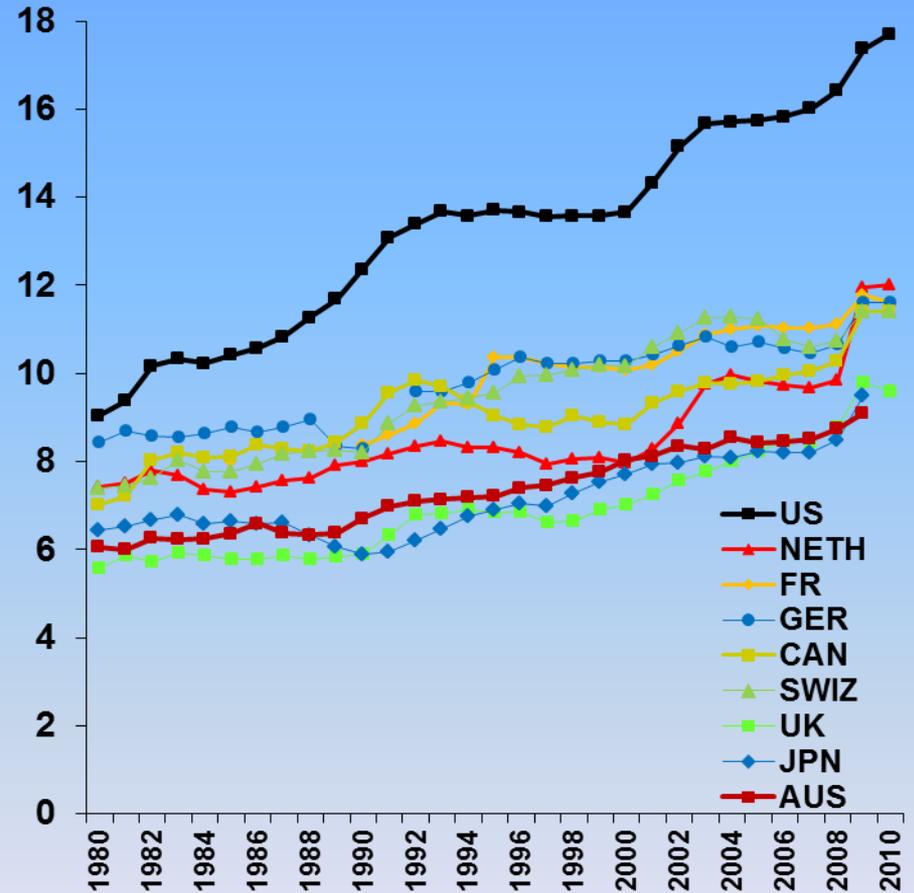


International Comparison of Spending on Health, 1980–2010

Average spending on health per capita (\$US PPP)



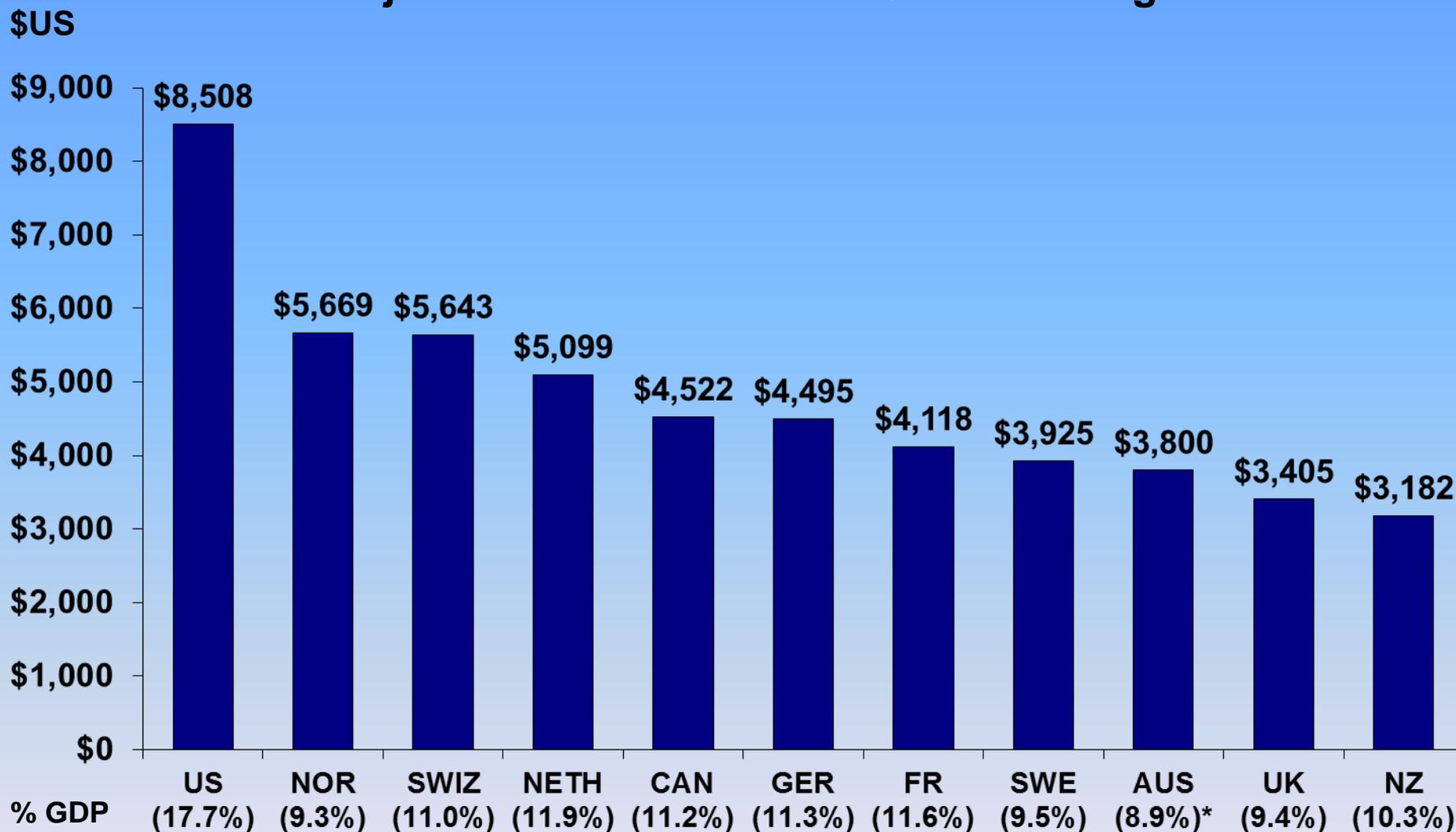
Total health expenditures as percent of GDP



Notes: PPP = purchasing power parity; GDP = gross domestic product.
 Source: Commonwealth Fund, based on OECD Health Data 2012.

Health Spending per Capita, 2011

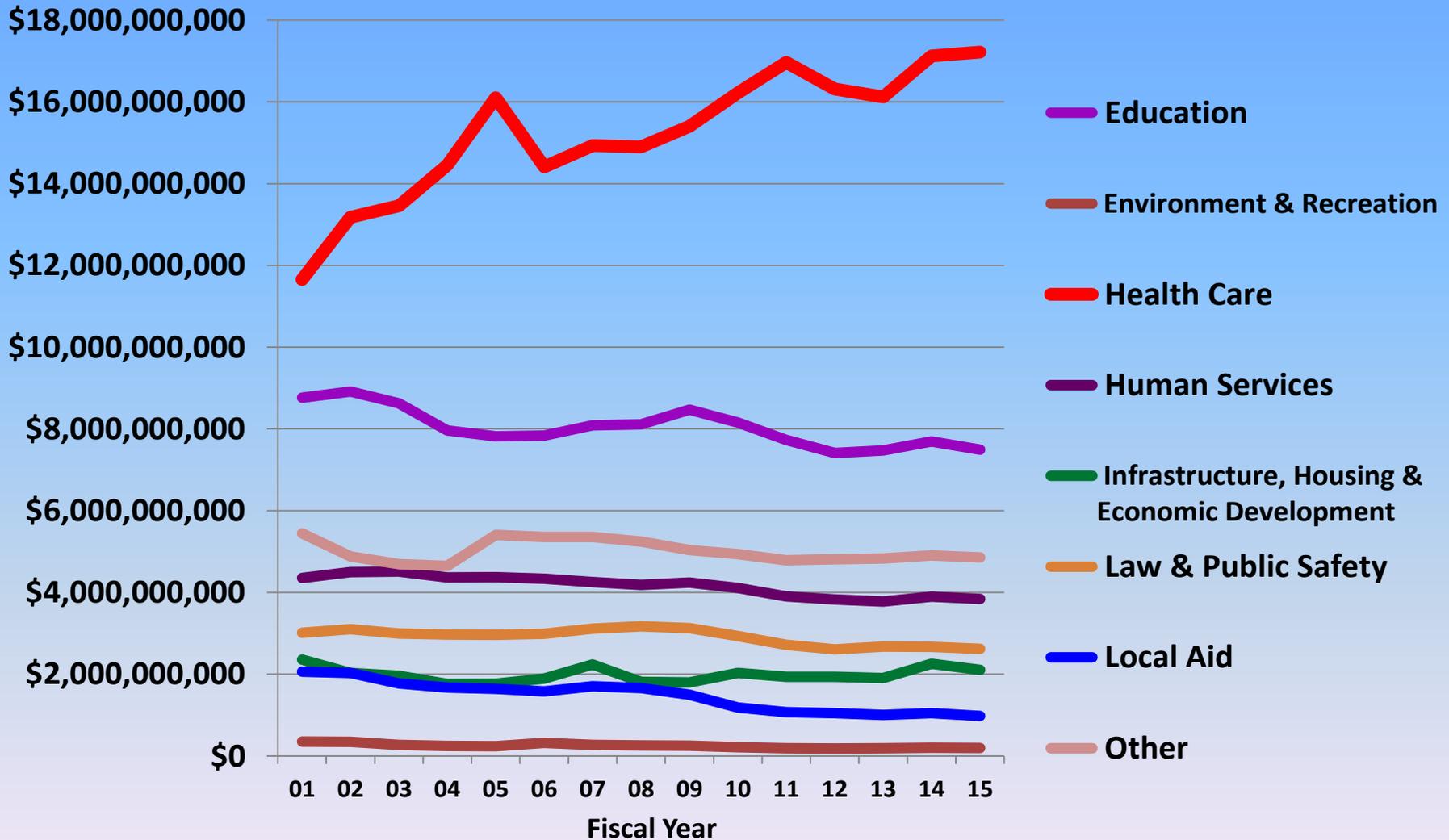
Adjusted for Differences in Cost of Living



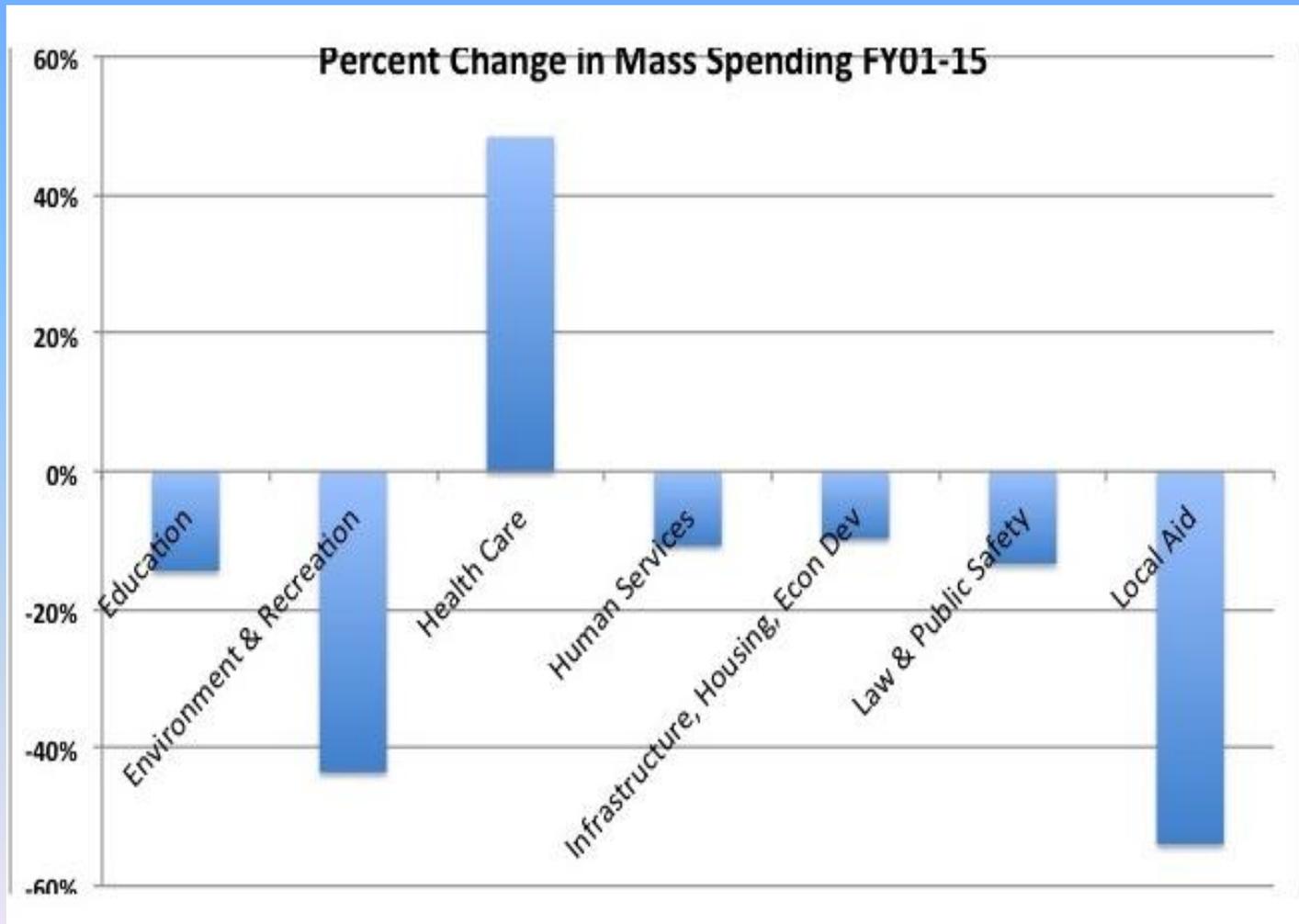
* 2010.

Source: OECD Health Data 2013.

Massachusetts Budget FY 2001 - 15



Percent Change in Massachusetts State Budget Expenditures FY2001-FY2015



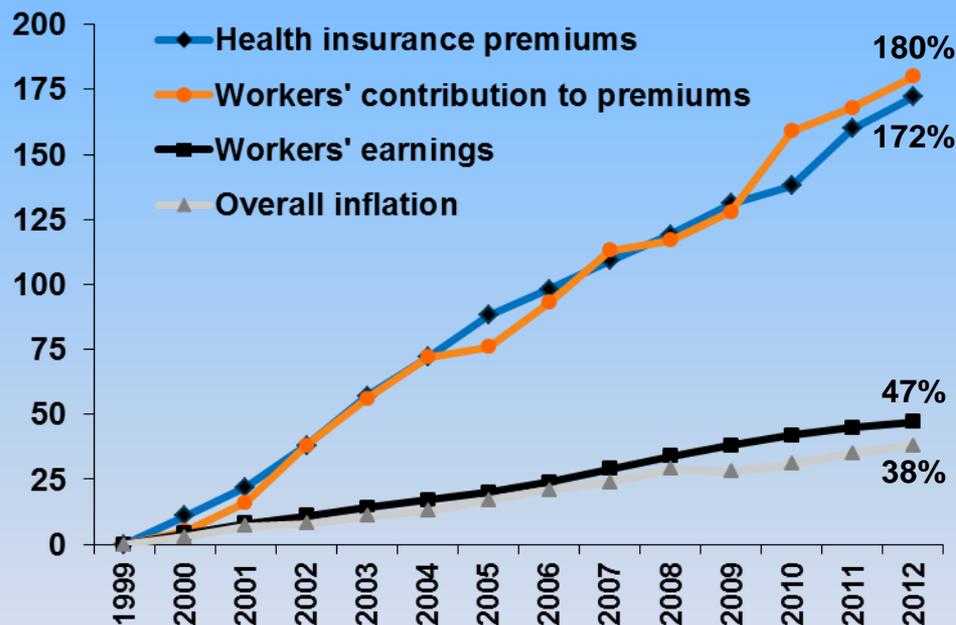
A Face Behind the Need: Gorge Sanchez



Premiums Rising Faster Than Inflation and Wages

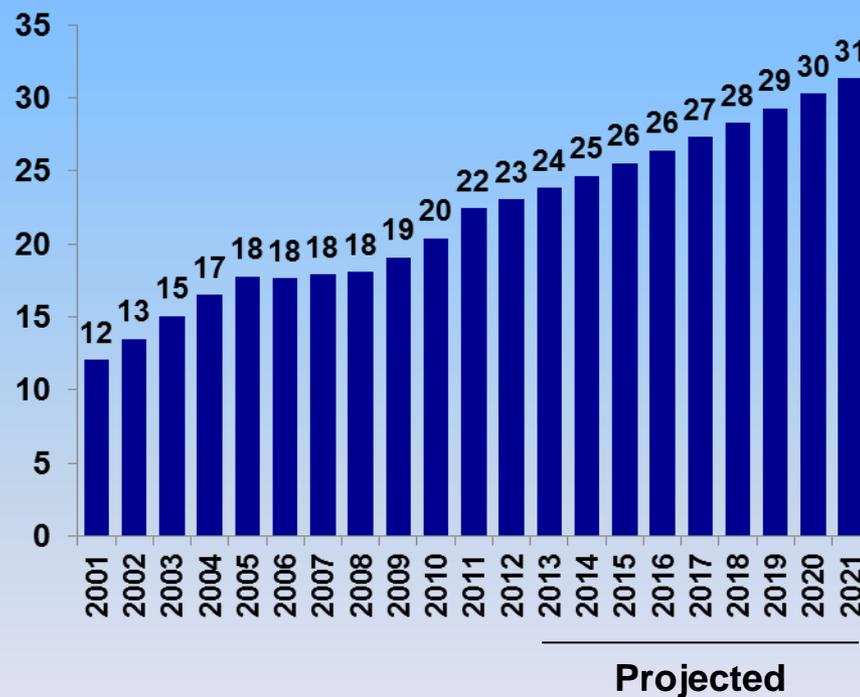
Cumulative changes in insurance premiums and workers' earnings, 1999–2012

Percent



Projected average family premium as a percentage of median family income, 2013–2021

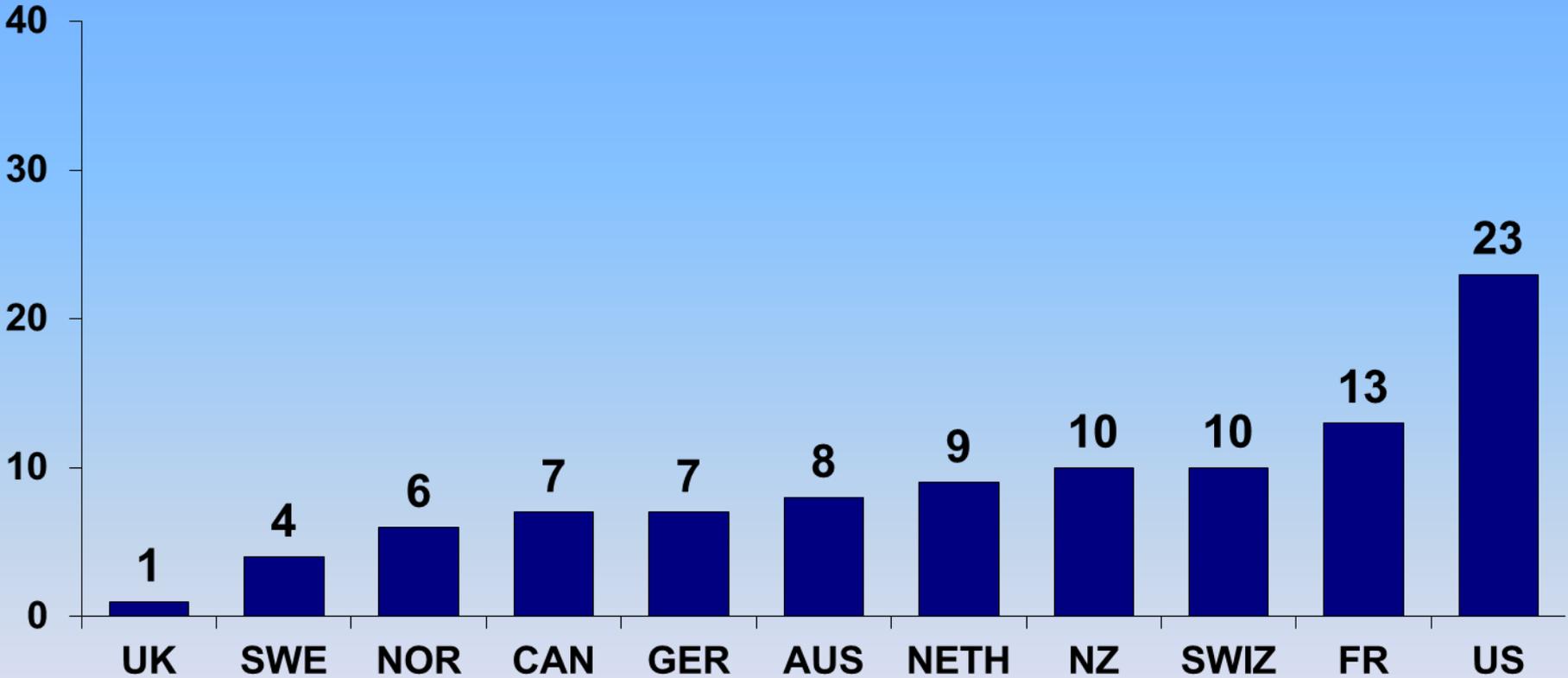
Percent



Sources: (left) Kaiser Family Foundation/Health Research and Educational Trust, *Employer Health Benefits Annual Surveys, 1999–2012*; (right) authors' estimates based on CPS ASEC 2001–12, Kaiser/HRET 2001–12, CMS OACT 2012–21.

Serious Problems Paying or Unable to Pay Medical Bills in the Past Year

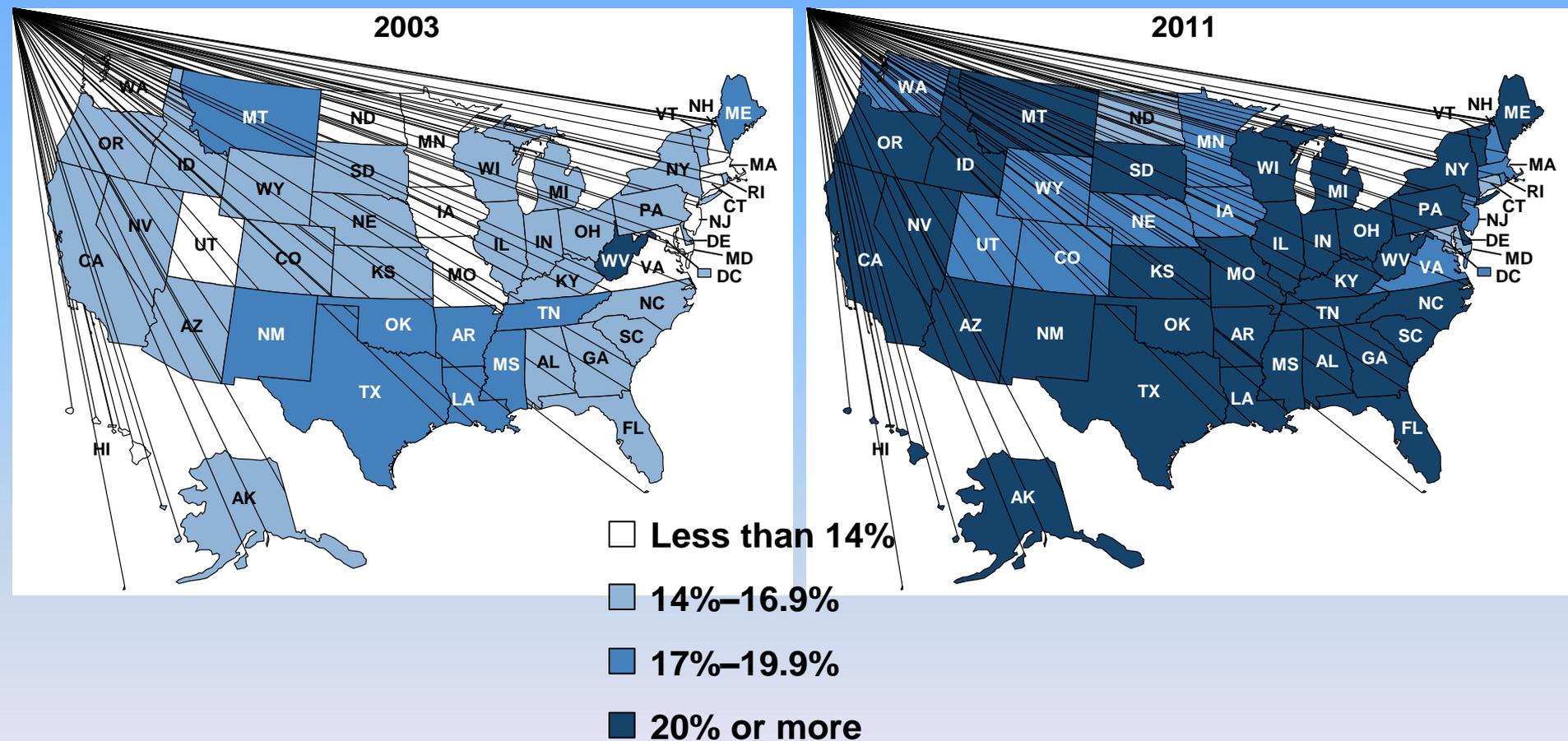
Percent



Source: 2013 Commonwealth Fund International Health Policy Survey in Eleven Countries.

Employer Premiums as Percentage of Median Household Income for Under-65 Population, 2003 and 2011

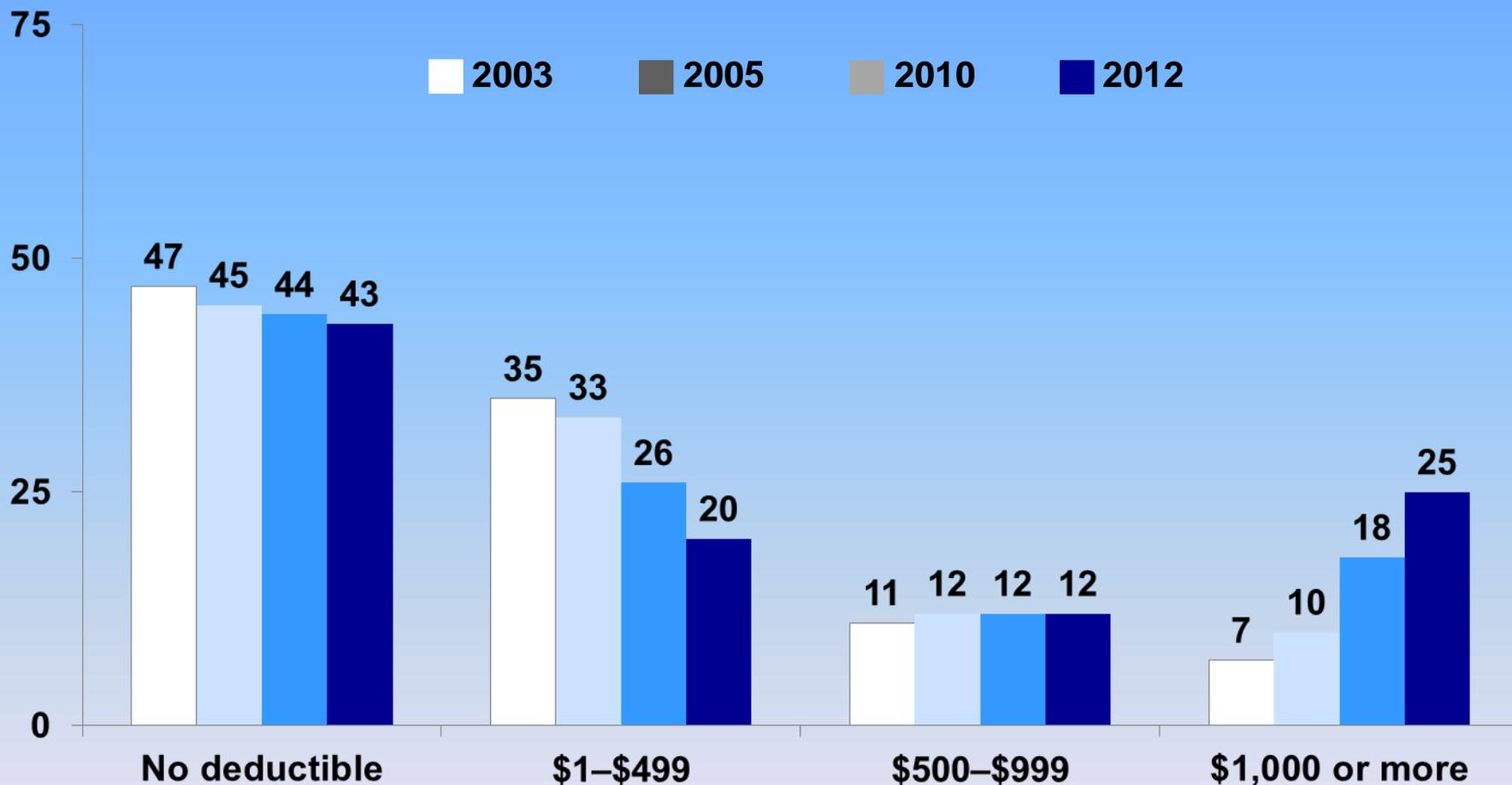
80 percent of under-65 population live where premiums are 20 percent or more of income



Sources: 2003 and 2011 Medical Expenditure Panel Survey–Insurance Component (for total average premiums for employer-based health insurance plans, weighted by single and family household distribution); 2003–04 and 2011–12 Current Population Surveys (for median household incomes for under-65 population).

Since 2003, the Proportion of Adults with High Deductibles Has More Than Tripled

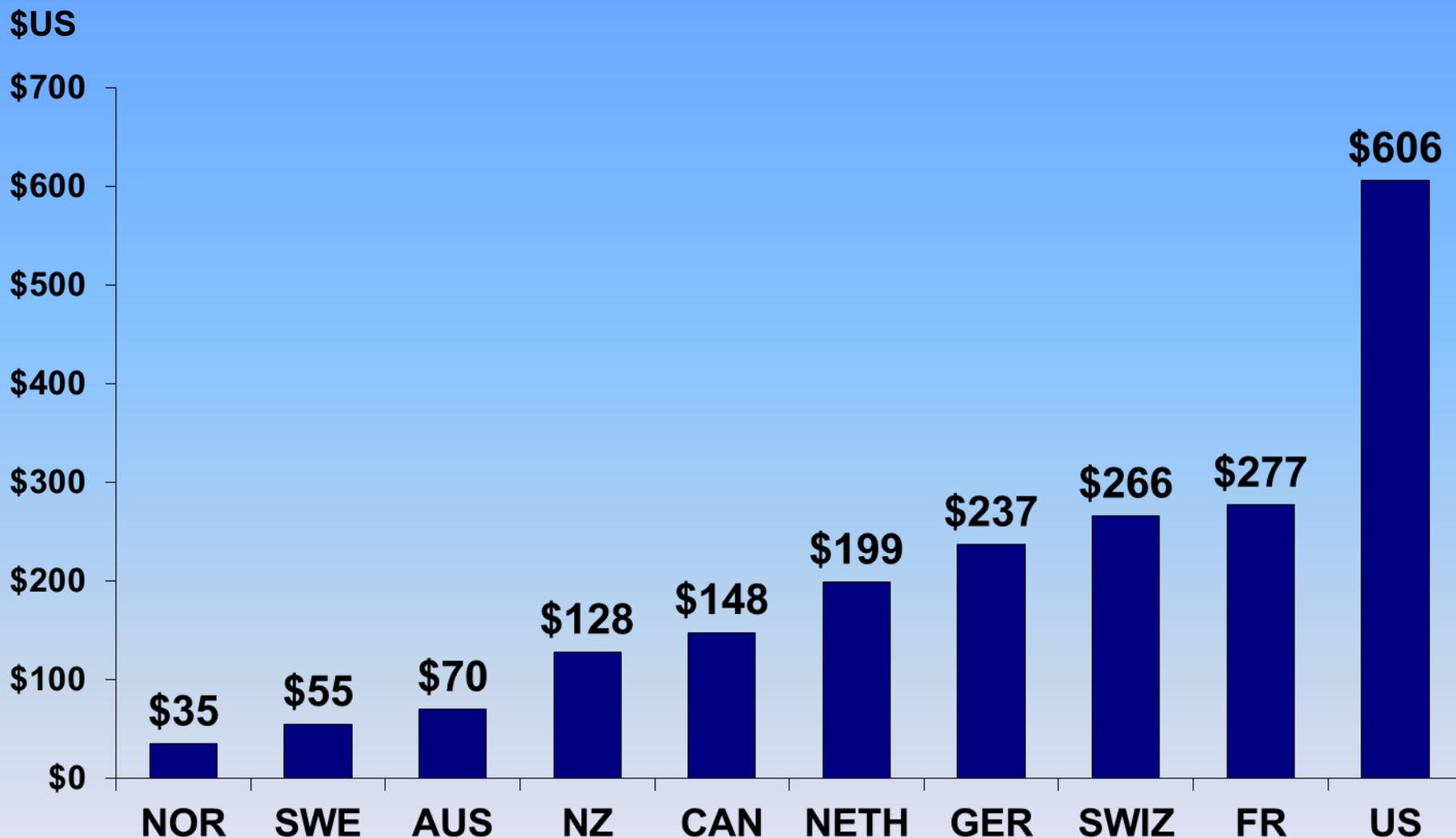
Percent of insured adults ages 19–64*



* Base: Those who reported information about a deductible.

Source: The Commonwealth Fund Biennial Health Insurance Surveys (2003, 2005, 2010, and 2012).

Spending on Health Insurance Administration per Capita, 2011 Adjusted for Differences in Cost of Living



* 2010.

Source: OECD Health Data 2013.

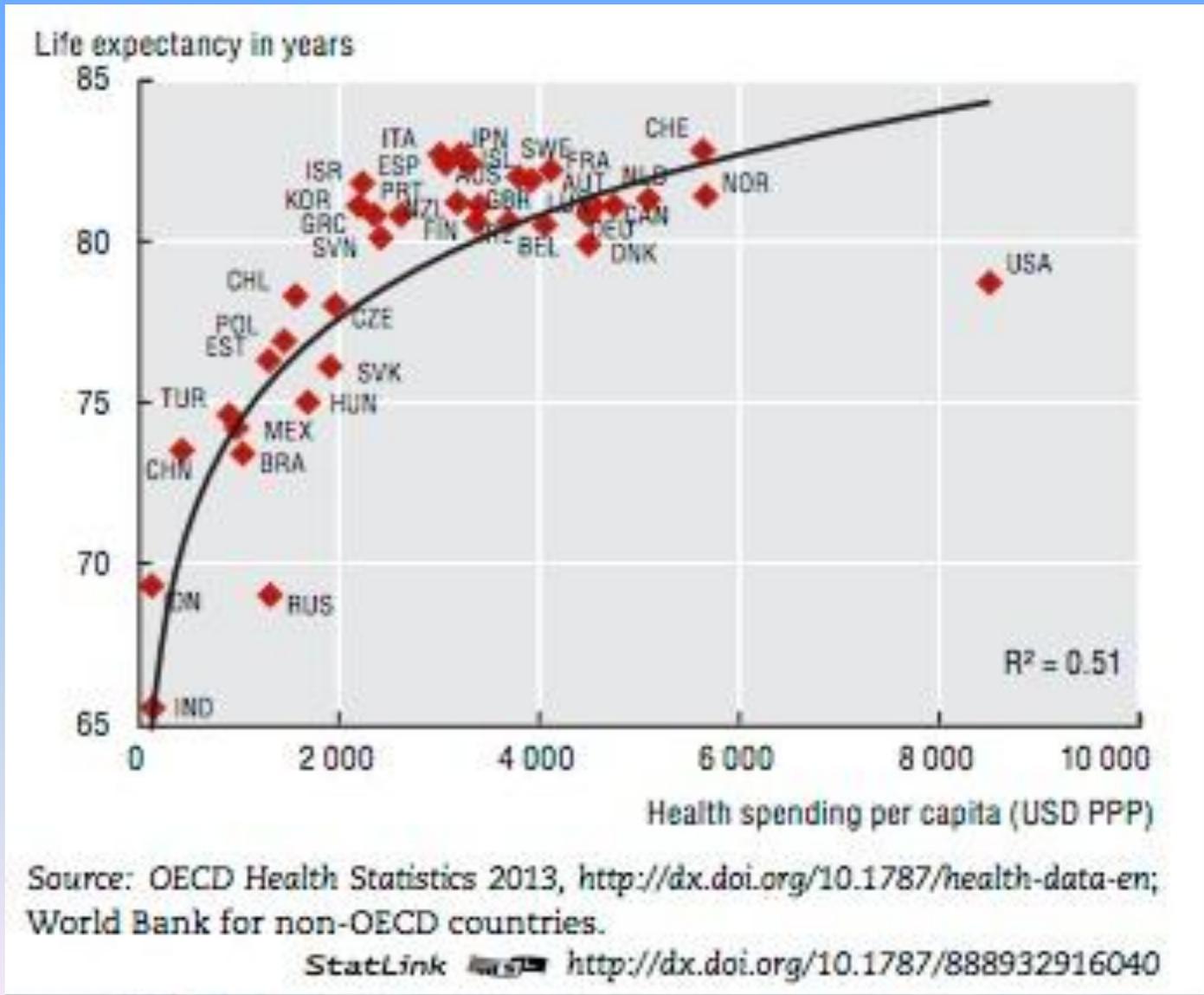
Theoretical Waste Categories

1. Overtreatment
2. Failures to Coordinate Care
3. Failures in Care Delivery
4. Excess Administrative Costs
5. Excessive Health Care Prices
6. Fraud and Abuse

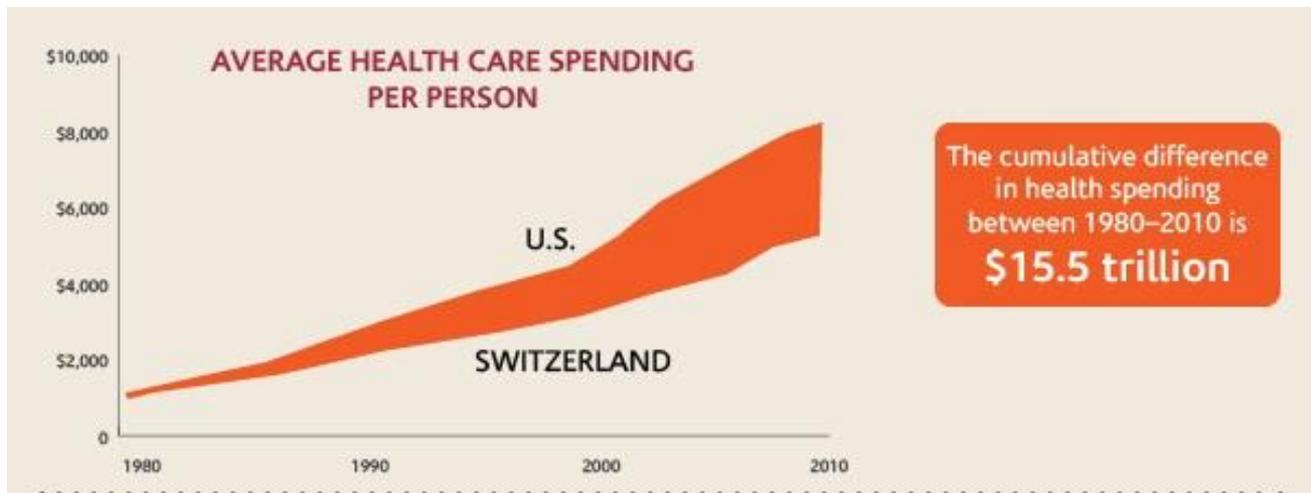
Waste Category Annual Dollar Estimates

Category	Cost to US Healthcare (2011 \$B)
Overtreatment	\$158 to \$226
Failures to Coordinate Care	\$25 to \$45
Failures in Care Delivery	\$102 to \$154
Excess Administrative Costs	\$107 to \$389
Excessive Health Care Prices	\$84 to \$178
Fraud and Abuse	\$82 to \$272
2011 Total Waste	\$558 to \$1263
% of Total Spending	21% to 47% (MED = 34%)

Health Care Expenditures and Life Expectancy - 2013



Looking Back: What We Could Have Saved If We Had Matched the Next Highest Country (Switzerland)



WITH \$15.5 TRILLION WE COULD:

Transform our \$11.6 trillion federal debt into a **\$3.9 trillion surplus**

Send **175,401,721** students to a four-year college

Cover an area the **size of South Carolina** with solar panels, generating more power than the U.S. currently uses

Buy everyone in the world **4 iPads**

Note: Per capita spending amounts adjusted for differences in cost of living, total U.S. savings adjusted for inflation. Source: D. Squires, *The Road Not Taken: The Cost of 30 Years of Unsustainable Health Spending Growth in the United States*, (New York: The Commonwealth Fund Blog, March 2013).



Choluteca River Bridge 1938...



Hurricane Mitch - 1995



But, the River Moved...



The Affordable Care Act Bottom Line

- Health care as a human right in America...
- Made sustainable through the improvement of health care as a system.

Linking Justice to Improvement

- Coverage is key to improvement.
- Improvement is key to coverage.

If We Don't Make “Triple Aim” Progress...

- The Safety Net Will Weaken
- Workers Will Have Less Income
- Businesses Will Be Less Competitive
- Research and Teaching Will Get Less
- All Payers Will Be Affected
- Other Social Aims Will Suffer

“The First Law of Improvement”

Every system is perfectly designed to achieve exactly the results it gets.

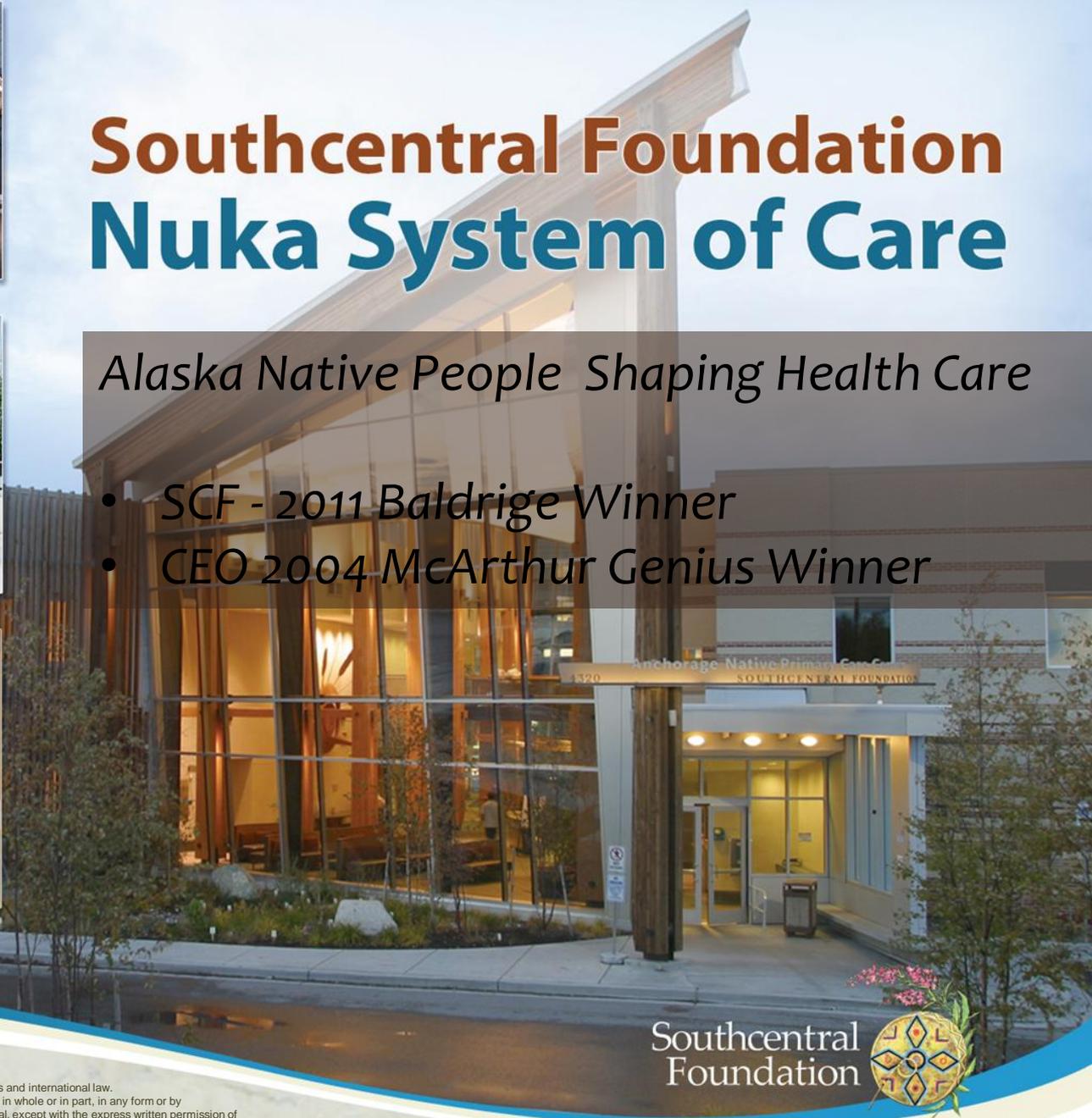


Southcentral Foundation Nuka System of Care

Alaska Native People Shaping Health Care



- SCF - 2011 Baldrige Winner
- CEO 2004 McArthur Genius Winner



Southcentral
Foundation



**“NUKA” CARE SYSTEM
Southcentral Foundation
Anchorage, Alaska, USA**



Some Nuka Results

- Urgent Care and ER Utilization = **50%** ↓
- Hospital Admissions = **53%** ↓
- Specialist Utilization = **65%** ↓
- Primary Care Utilization = **20%** ↓
- HEDIS Outcomes and Quality = **75-90%ile**
- Employee Turnover Rate < **12% per year**
- Customer and Staff Satisfaction > **90%**



ECHO Whale



PCA Espanola



Baton Rouge



Pecos Valley MC



DOH Las Cruces



SBRT-First Choice South Vc



Memorial HDX7000



LAS VEGAS ECFH



Clustering of Poor Prognostic Factors in Heavy Patients

	n (%)	n (%)
Weighted Age (yr)	78.8 (5,145)	78.8 (5,281)**
Male, n (%)	509 (59.5)	507 (58.9)
Black Race, n (%)	79 (9.3)	80 (9.5)
Age, years†	41.8 ± 10.8	42.8 ± 8.9†
HBV, n (%)‡	21 (2.5)	21.8 (2.6)
Hemoglobin, n (%)	277 (32.8)	283 (33.6)
Log10 ALT IU/L§	5.36 ± 0.37	5.40 ± 0.36§
MELD, n (%)¶	202 (23.9)	200 (23.8)
MELD, n (%)	200 (23.8)	200 (23.8)**
Bilirubin, n (%)	253 (29.8)	252 (29.8)**

Abbreviations: ALT, alanine aminotransferase; HBV, hepatitis B virus; MELD, Model for End-Stage Liver Disease; n, number of patients; %, percentage; yr, year; †, mean ± SD; ‡, number of patients with hepatitis B virus; §, mean ± SD; ¶, mean ± SD; **, P < .05; ††, P < .001.

Clustering of Poor Prognostic Factors in Heavy Patients

	n (%)	n (%)
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Bilirubin, n (%)	253 (29.8)	252 (29.8)**

Arora S, Kalishman S, Thornton K, Dion D et al: Hepatology. 2010 Sept;52(3):1124-33

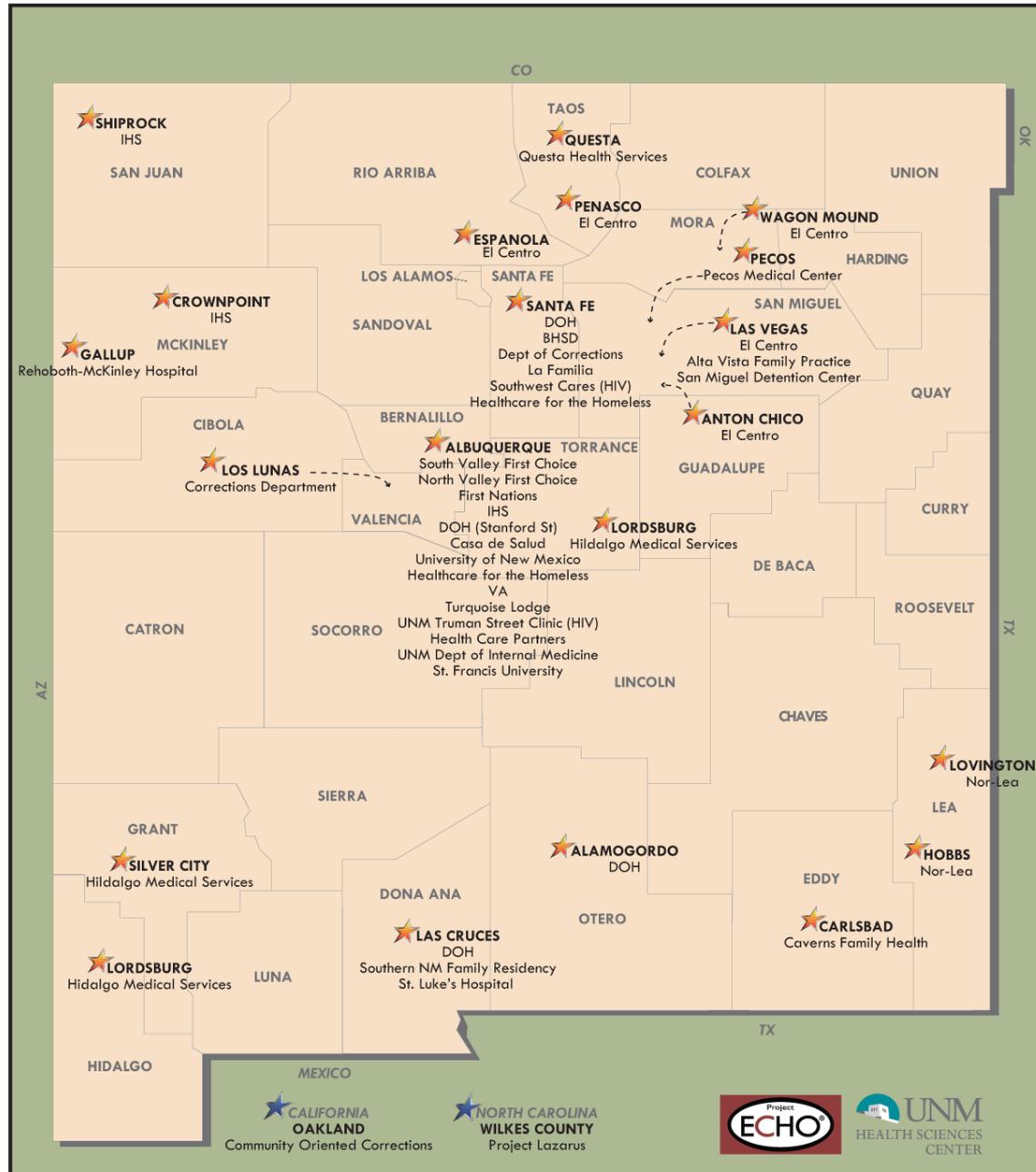
ECHO Treatment Outcomes: Equal to University Medical Center

Hepatitis C Outcome	ECHO	UNMH	P-value
	N=261	N=146	
Minority	68%	49%	P<0.01
SVR (Cure) Genotype 1	50%	46%	NS
SVR (Cure) Genotype 2/3	70%	71%	NS

SVR=sustained viral response

Arora S, Thornton K, Murata G. NEJM 2011; 364:23

IAP CLINIC PARTICIPATION SITES



Successful Expansion into Multiple Diseases

	Mon	Tue	Wed	Thurs	Fri
8-10 a.m.	<u>Hepatitis C</u> <ul style="list-style-type: none"> • Arora • Thornton 	<u>Diabetes & Endocrinology</u> <ul style="list-style-type: none"> • Bouchonville 		<u>Geriatrics/ Dementia</u> <ul style="list-style-type: none"> • Herman 	<u>Palliative Care</u> <ul style="list-style-type: none"> • Neale
10-12 a.m.	<u>Rheumatology</u> <ul style="list-style-type: none"> • Bankhurst 	<u>Chronic Pain</u> <ul style="list-style-type: none"> • Katzman 	<u>Integrated Addictions & Psychiatry</u> <ul style="list-style-type: none"> • Komaromy 		<u>Complex Care</u> <ul style="list-style-type: none"> • Neale • Komaromy
2-4 p.m.	<u>HIV</u> <ul style="list-style-type: none"> • Iandiorio • Thornton 		<u>Prison Peer Educator Training</u> <ul style="list-style-type: none"> • Thornton 	<u>Women's Health & Genomics</u> <ul style="list-style-type: none"> • Curet 	

Community Health Workers in Prison

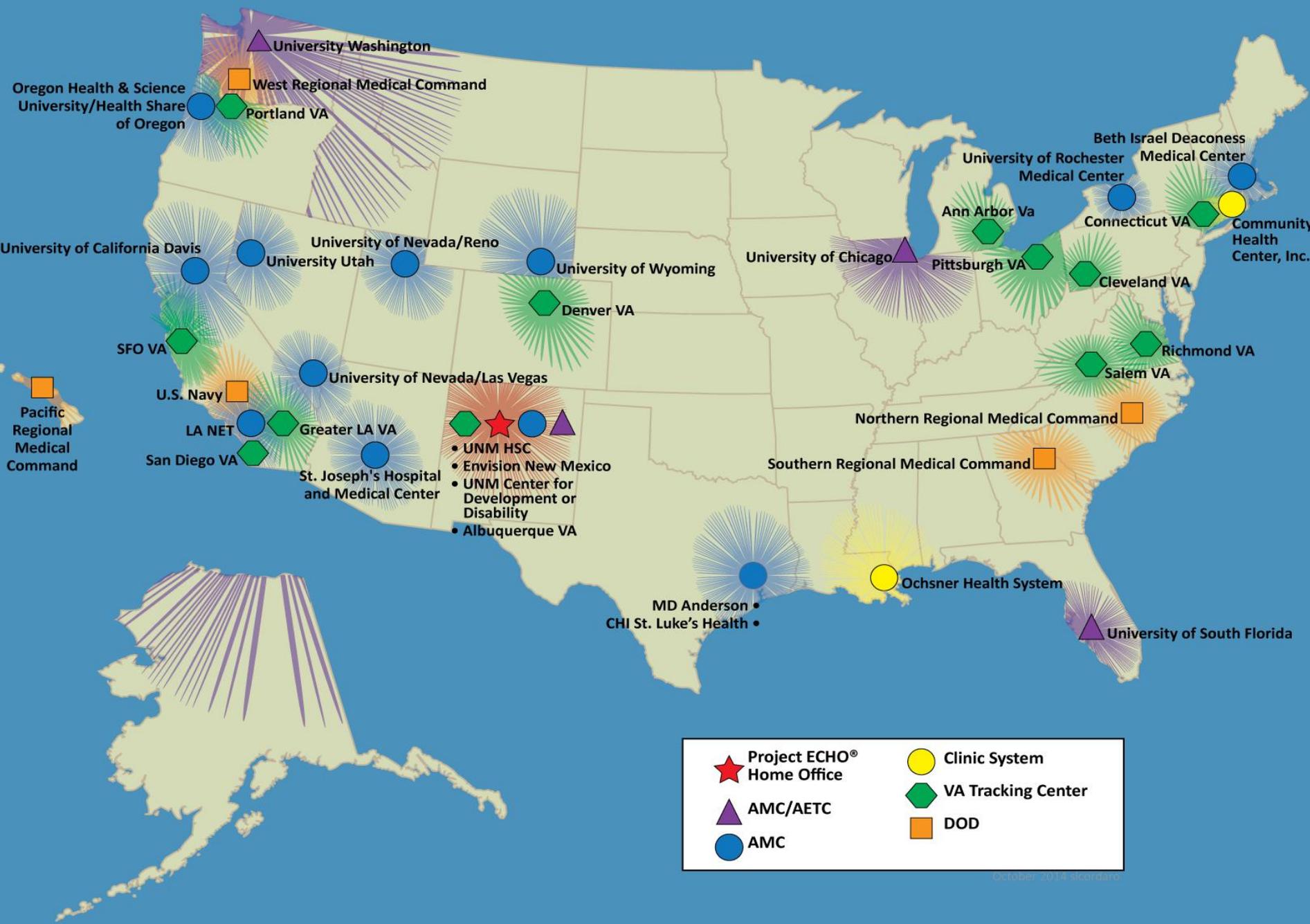
The New Mexico Peer Education Program

Pilot training cohort, CNMCF Level II, July 27-30, 2009



First day of peer educator training

Photo consents on file with Project ECHO® and CNMCF



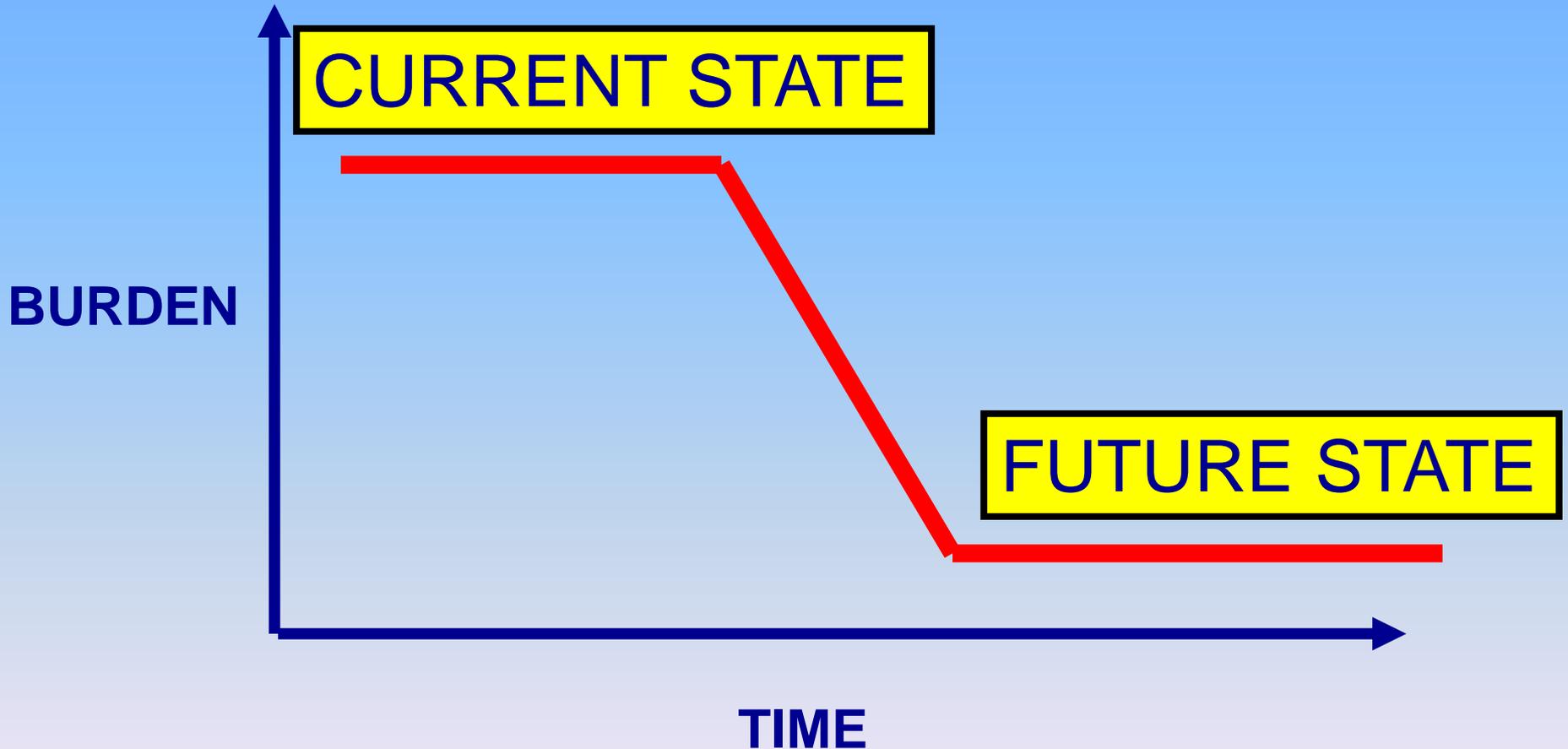
- ★ Project ECHO® Home Office
- ▲ AMC/AETC
- AMC
- Clinic System
- ◆ VA Tracking Center
- DOD

What If? – A New Care System

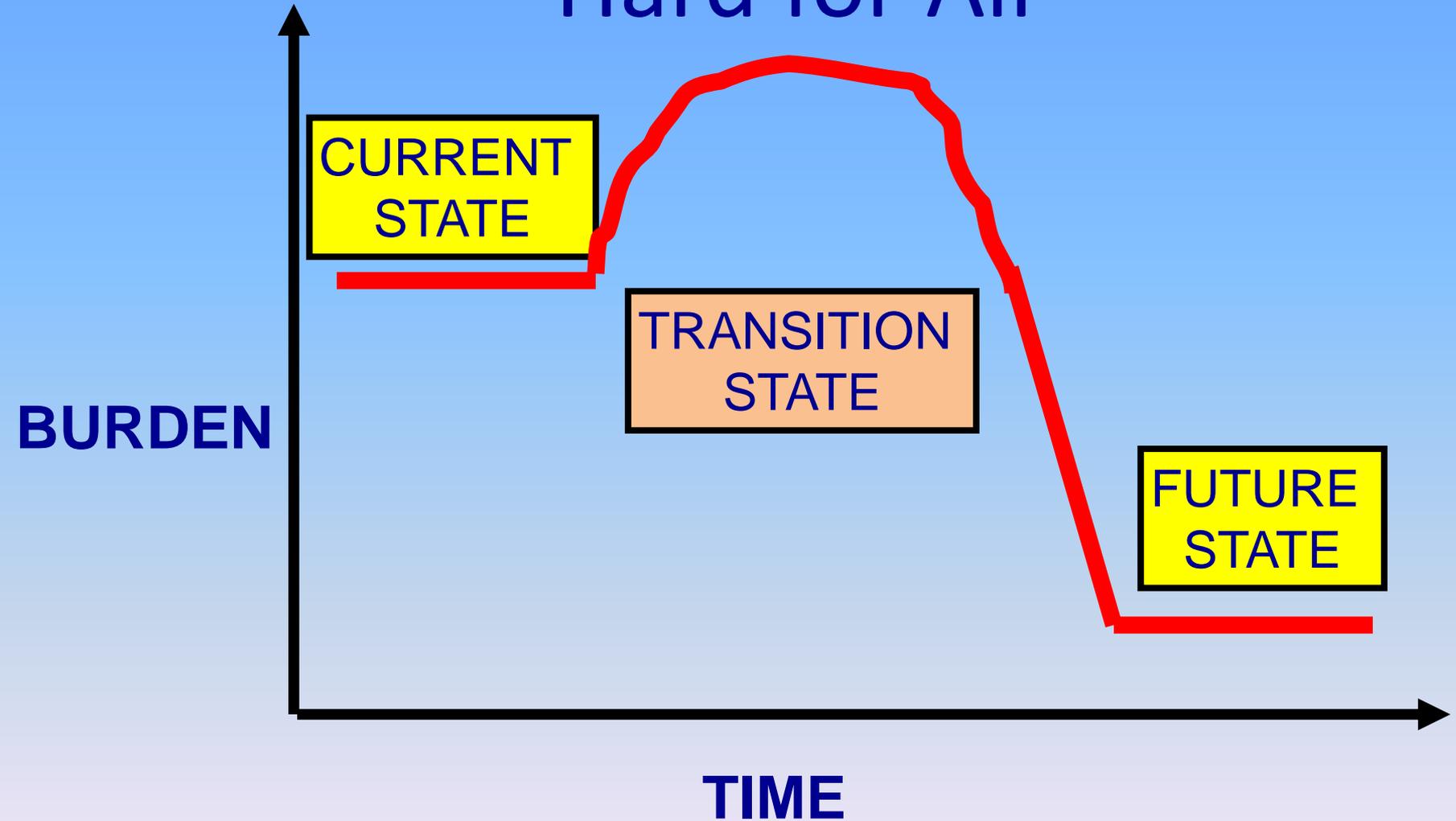
- Team (Nuka)
- Lean Production (Denver Health)
- Technology (AFHCAN)
- Expanding Scope of Practice (ECHO)
- Telehealth in the Home (Whole System Demonstrator Project)
- New Workforce (Dental Health Aide Therapists)
- New Patient-Centered Design (“Christian”)

**You can't say, “It can't be done.”
It can be done.**

The Future State – Most Can Be Winners



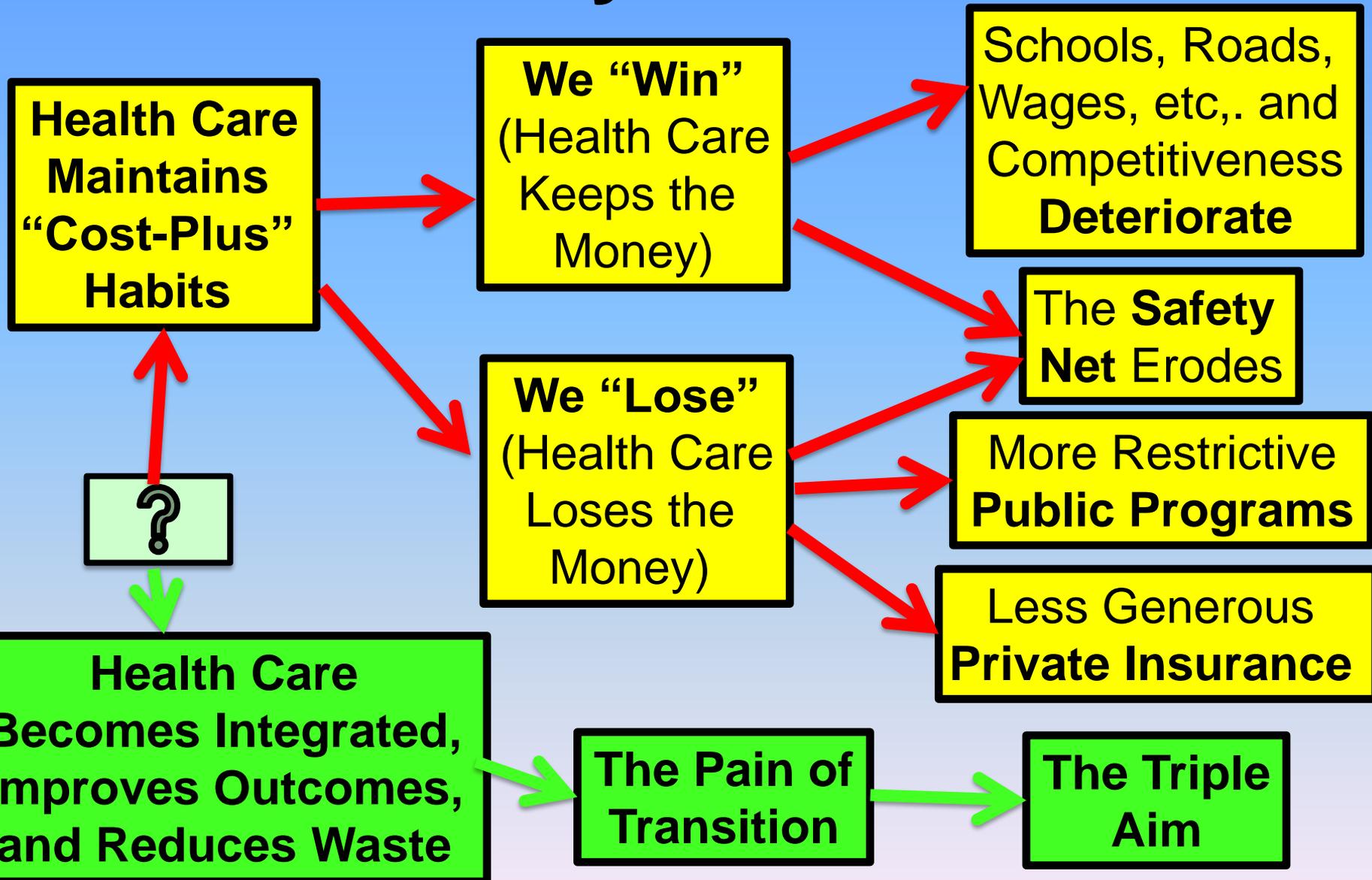
The Transition State: Hard for All



The *Status Quo* Pushes Back

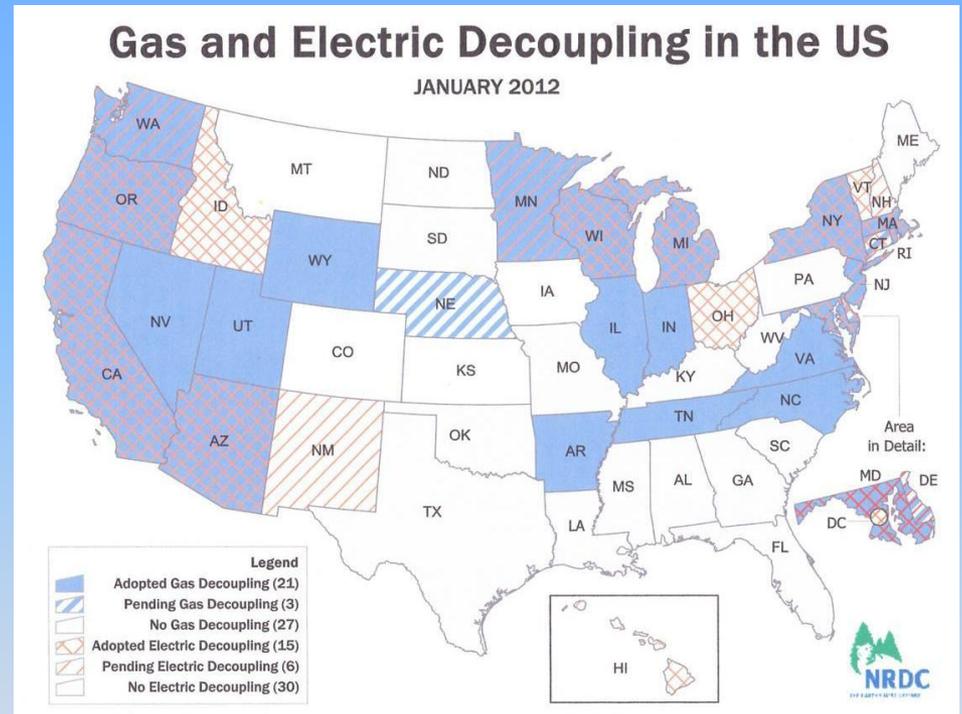
- Hospitals consolidate and increase prices
- Insurers shift costs and reduce benefits
- The public fears rationing
- Professionals and suppliers defend prices
- Stakeholders resist transparency
- Everyone uses “leverage”
- Community-based cooperation is fragile

Which Way Will We Go?



Lessons from Utility Regulation?

Decoupling refers to the dissociation of a utility's profits from its sales of the energy commodity...This makes the utility indifferent to selling less product and improves the ability of energy efficiency and distributed generation to operate within the utility environment..."



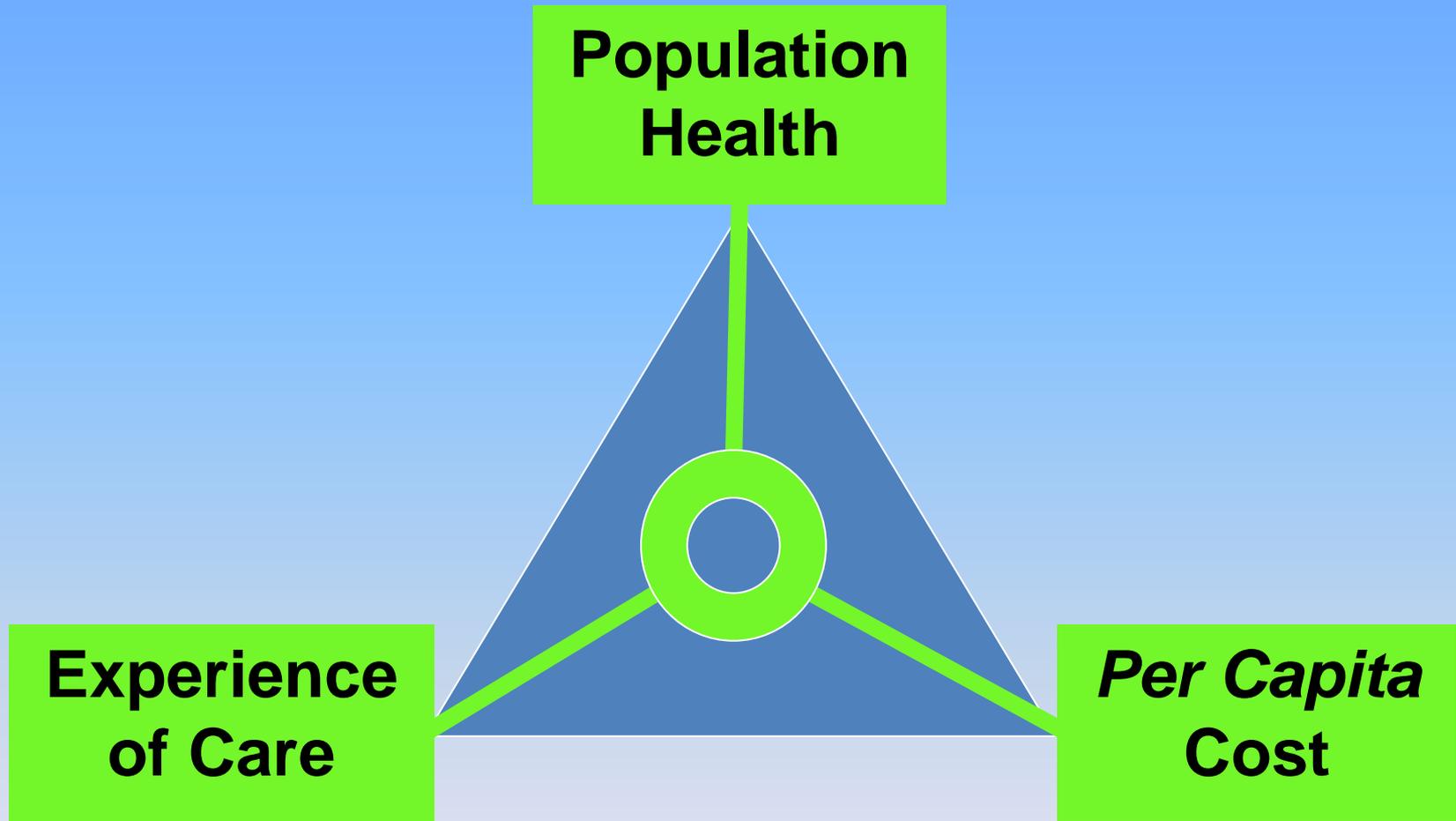
A Disruptive Question

- What would you do if an empty bed were more profitable than a full bed?

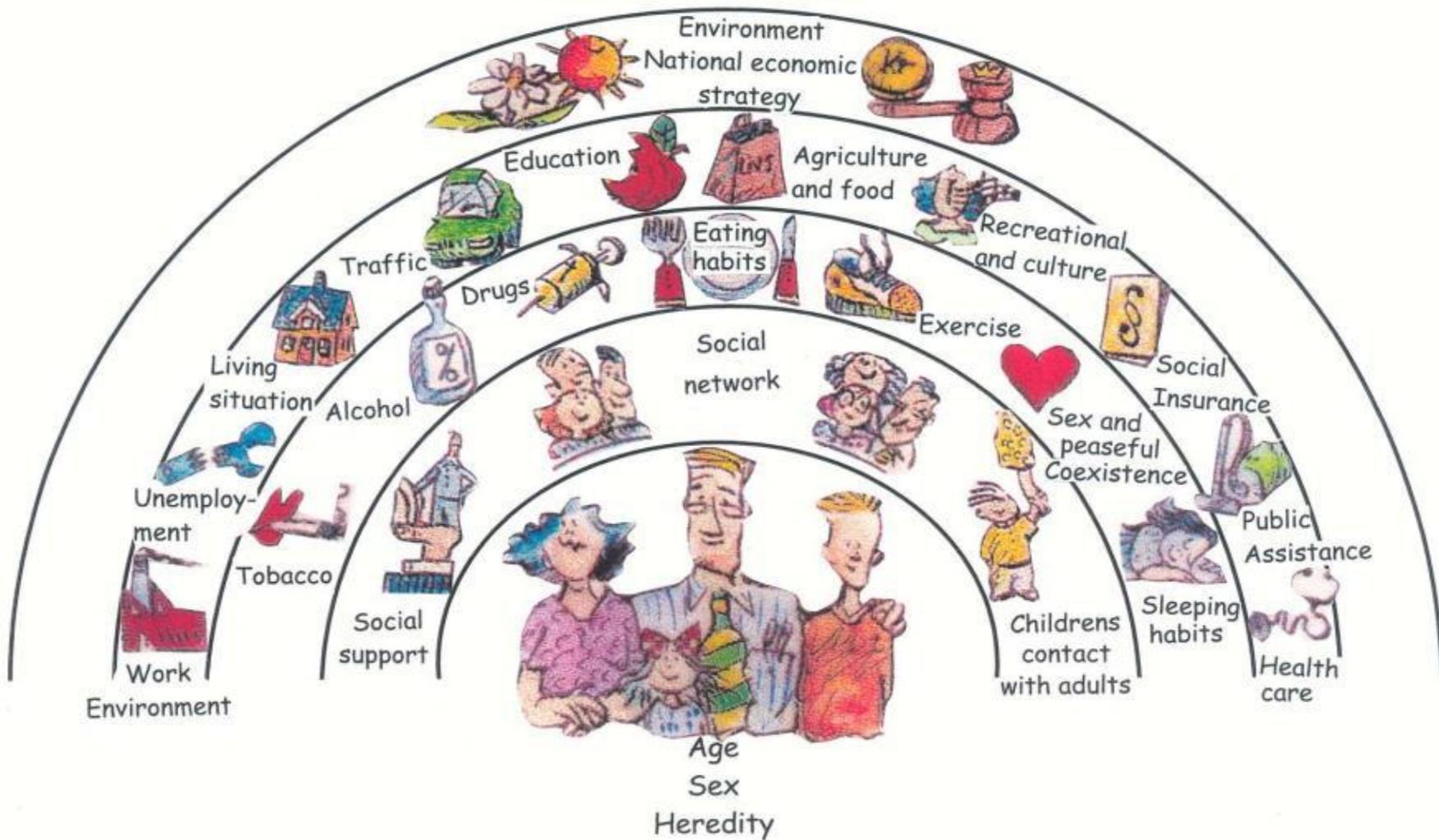
A Disruptive Question

- What would you do if an empty bed were more profitable than a full bed?
- What will you do when an empty bed becomes more profitable than a full bed?

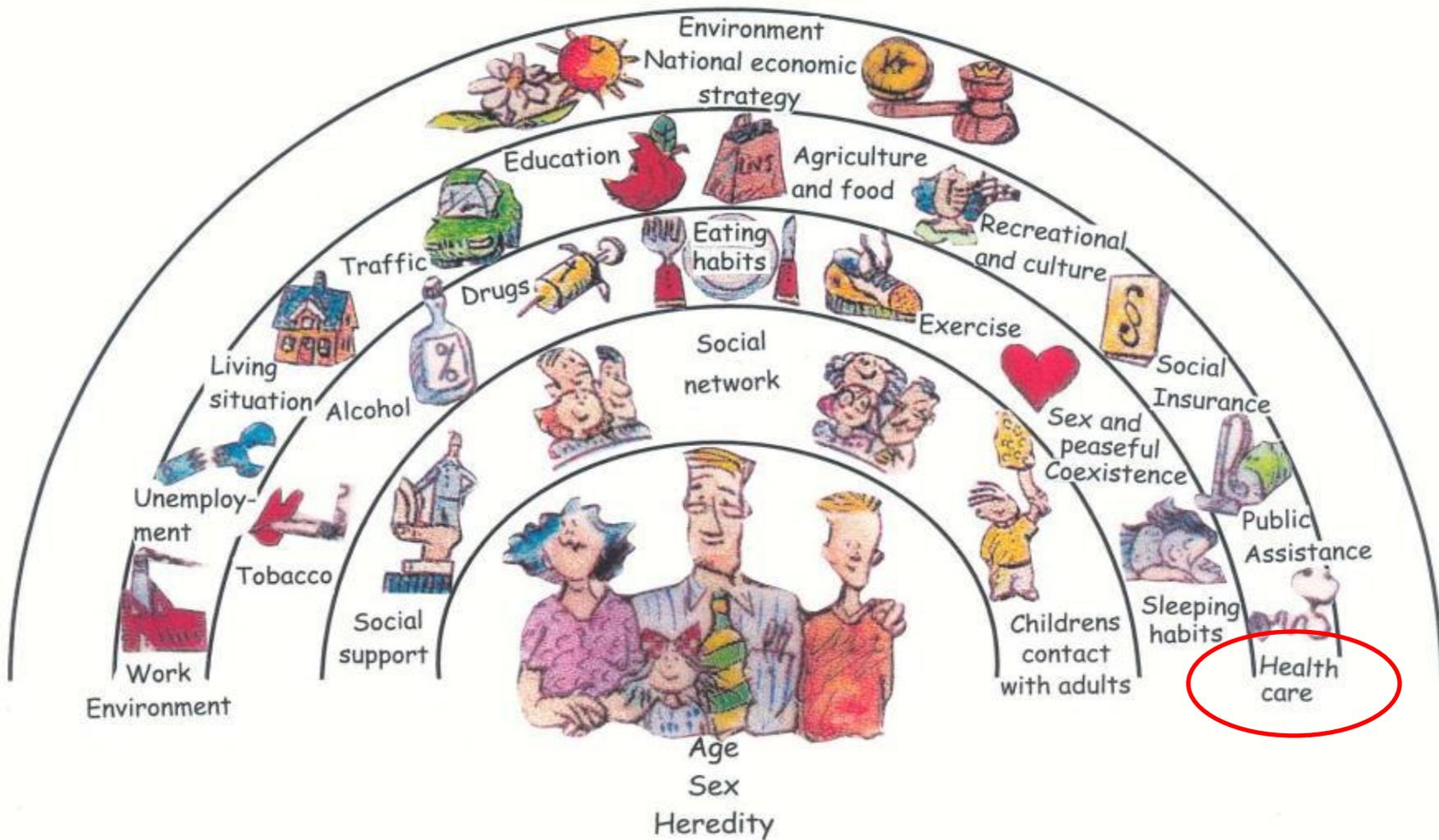
The Triple Aim



Determinants of health



Determinants of health



A Face Behind the Need: Gorge Sanchez

