Creating a Value-Driven Organization

@vivianleemd

#AAMC13

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Vivian S. Lee, M.D., Ph.D., M.B.A.
Senior Vice President, University of Utah Health Sciences
CEO, University of Utah Health Care
Dean, University of Utah School of Medicine

University of Utah Health Sciences

Who we are

4 HOSPITALS | **10** COMMUNITY CLINICS | **1,200** PHYSICIANS

1,000,000+ patient visits

COLLEGES

School of Medicine
College of Nursing
College of Pharmacy
School of Dentistry
College of Health

UNIVERSITY OF UTAH
HEALTH SCIENCES

$230.3m

FUNDED 637 RESEARCH GRANTS

$2.4b

ANNUAL BUDGET

University Neuropsychiatric Institute

Huntsman Cancer Institute
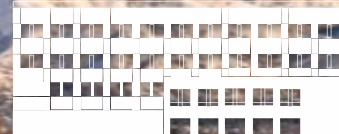
John A. Moran Eye Center

Primary Children's Hospital (IMC)

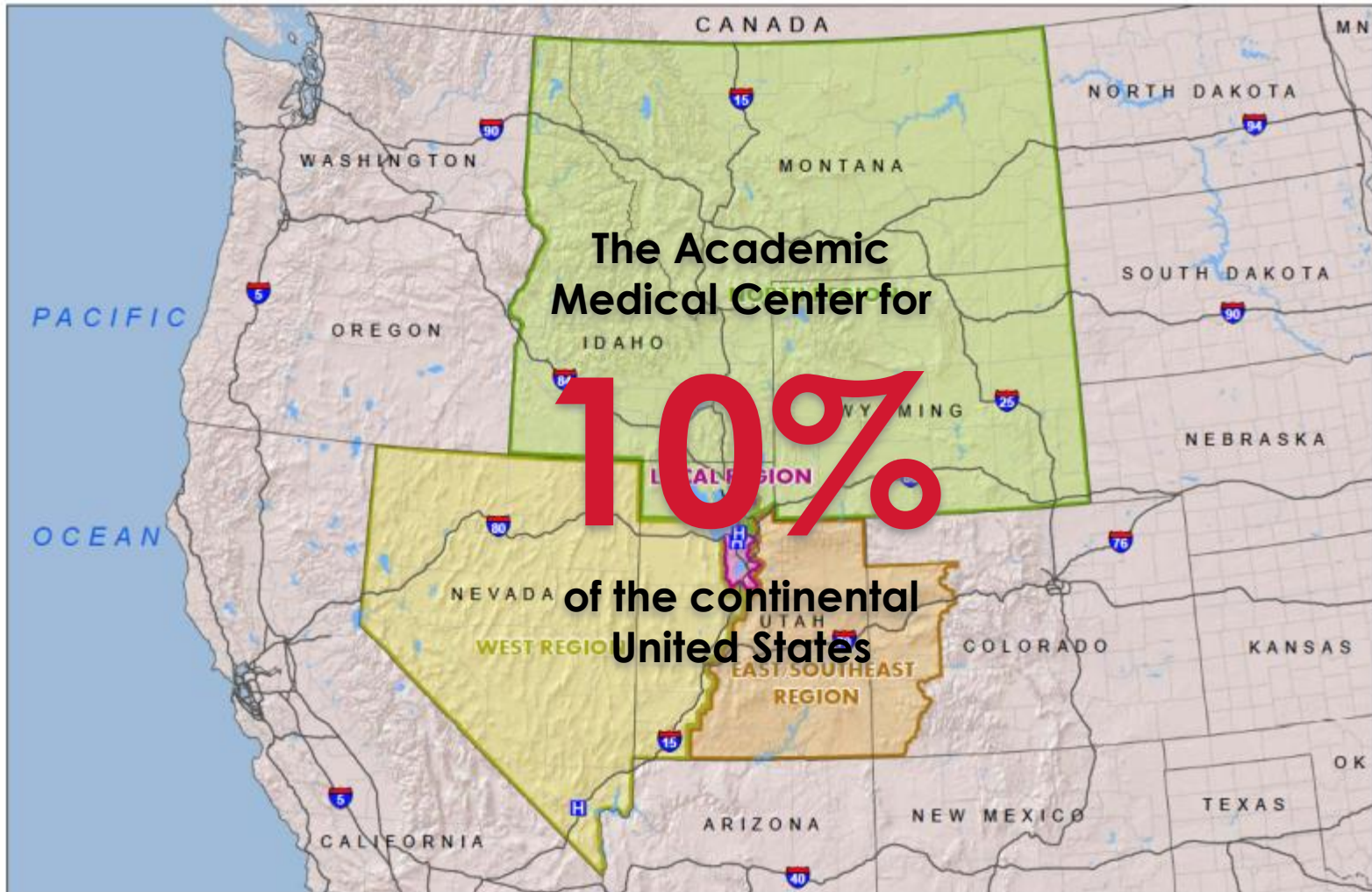**University of Utah Hospital**

University Orthopaedic Center
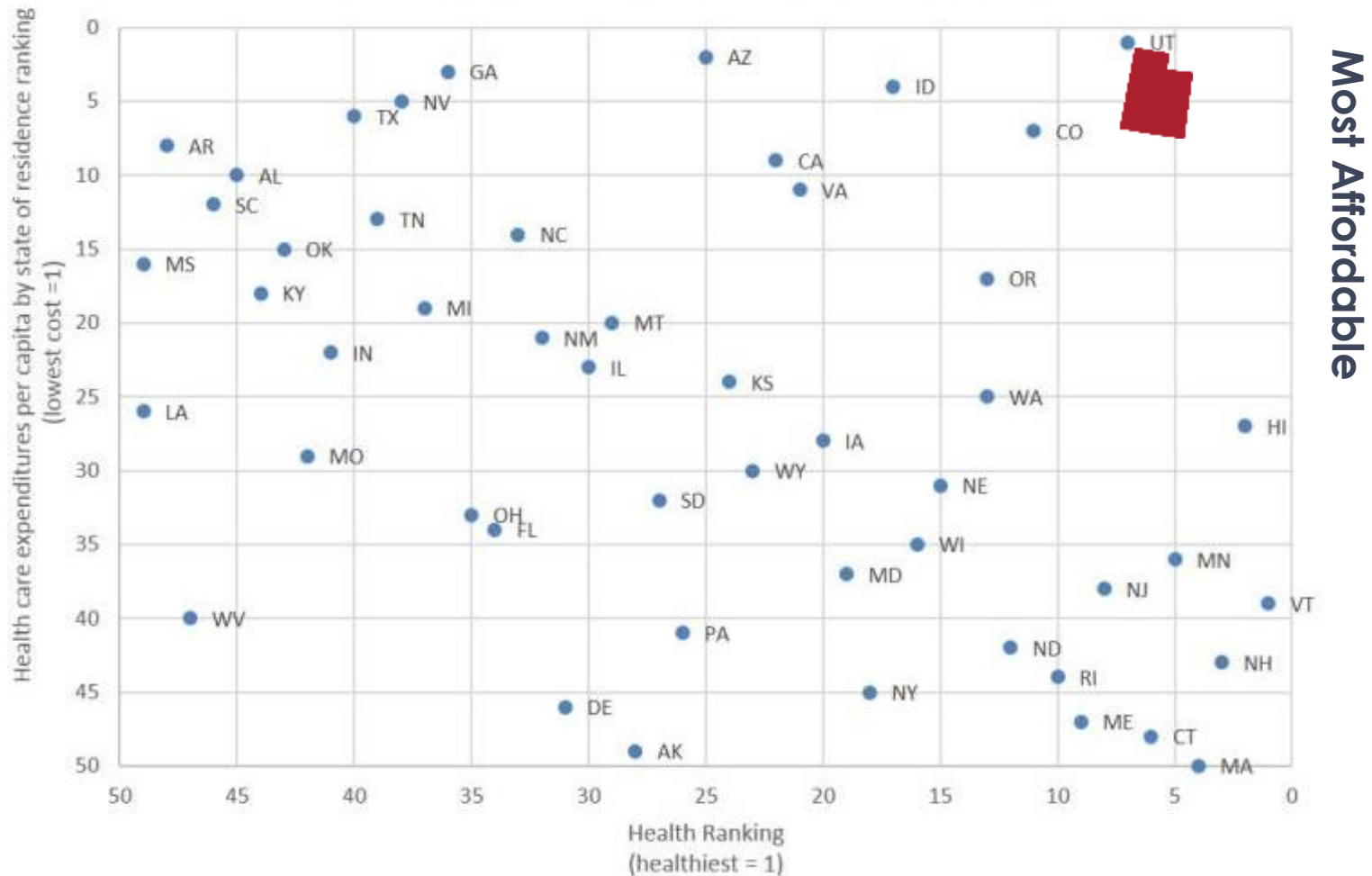
Clinical Neurosciences Center

South Jordan Health Center

The Sweet Spot

State Rankings of Healthiness v. Cost 2012

Best Health

Most Affordable

United Health Foundation, 2013; Total Health Cost – Kaiser Family Foundation, 2009

University of Utah Health Sciences

Rankings

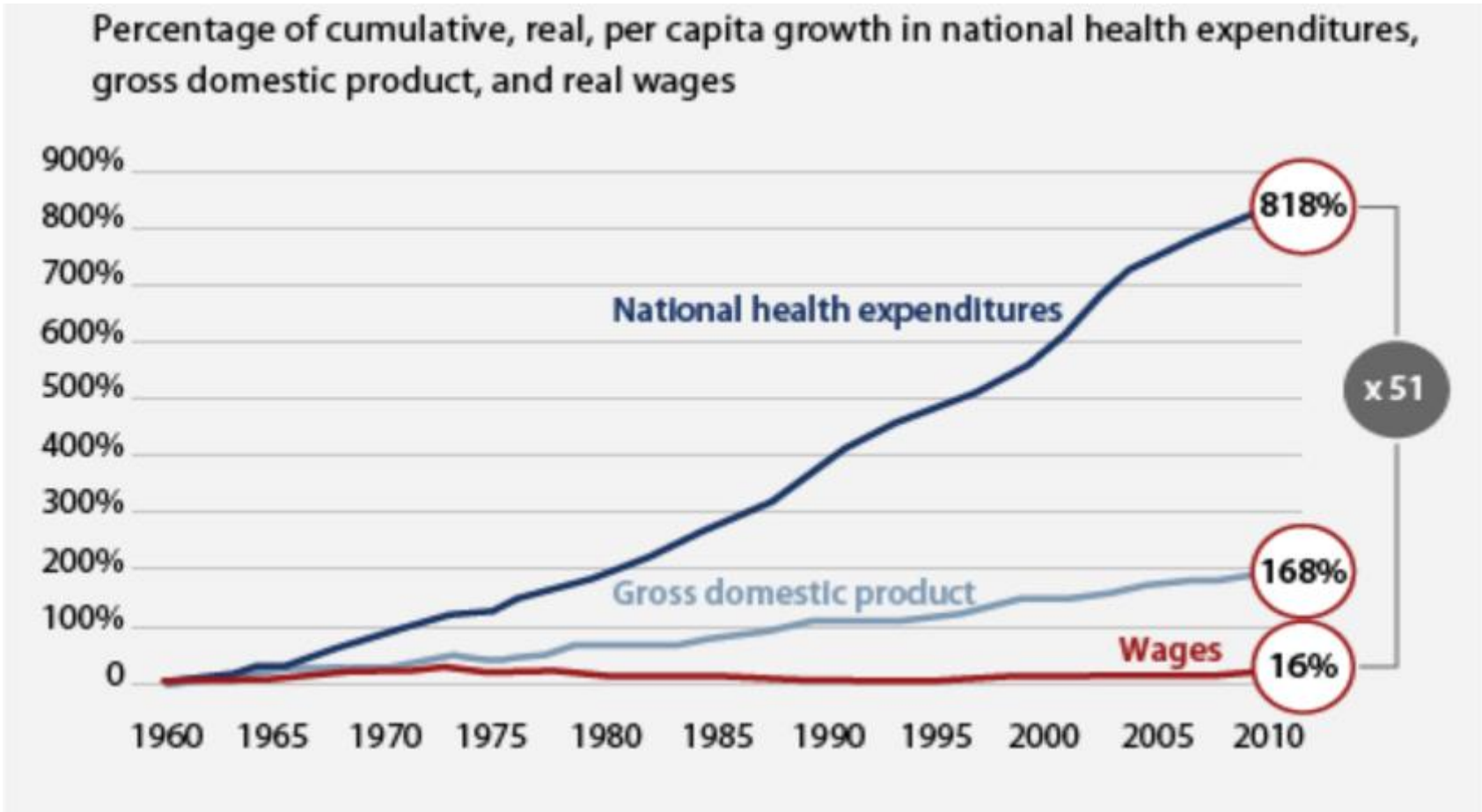
In 2010, University HealthSystem Consortium–an alliance of 107 academic medical centers–named us...

#1 IN QUALITY IN THE NATION

Among academic medical centers ranked by the University HealtSystem Consortium 2010

2013 - Top Ten 4 Years Running!

The Cost Curve

Percentage of cumulative, real, per capita growth in national health expenditures, gross domestic product, and real wages

National health expenditures — 818% — x 51

Gross domestic product — 168%

Wages — 16%

(vertical axis: 0, 100%, 200%, 300%, 400%, 500%, 600%, 700%, 800%, 900%; horizontal axis: 1960, 1965, 1970, 1975, 1980, 1985, 1990, 1995, 2000, 2005, 2010)

McKinsey, "Accounting for the cost of U.S. Health Care" 2011

A Value-Driven Organization

The "Value" Equation

$$V_{(VALUE)} = \frac{Q_{(QUALITY)} + S_{(SERVICE)}}{\$_{(COST)}}$$

CASE STUDY: PATIENT SATISFACTION

TESTING OUR ALGORITHM

Identify and Communicate
SOLVABLE PROBLEMS

Topics: Patient Care & Outcomes

Poor patient satisfaction: The easiest thing to fix

University of Utah Health Care post unfiltered patient comments online

December 19, 2012 | By Karen Cheung-Larivee

Team
COLLABORATION

Tom Miller, M.D.
Chief Medical Officer

Brian Gresh
Senior Director of Interactive Marketing and Web

Chrissy Daniels
Director of Strategic Initiatives

How Do We Transform The System?

COMMUNICATE *THE* need for CHANGE

develop **YOUR** *teams*

establish METRICS

ENGAGE *physicians* staff *and* *trainees*

NURTURE **a culture of** *continuous* INNOVATION

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How We
MEASURE SATISFACTION

CARE PROVIDER	Very Poor 1	Poor 2	Fair 3	Good 4	Very Good 5
During your visit, your care was provided primarily by a doctor, physician assistant (pa), nurse practitioner (np), or midwife. Please answer the following questions with that health care provider in mind.					
1) Friendliness/courtesy of the care provider	○	○	○	○	○
2) Explanations the care provider gave you about your problem or condition	○	○	○	○	○
3) Concern the care provider showed for your questions or worries	○	○	○	○	○
4) Care provider's efforts to include you in decisions about your treatment	○	○	○	○	○
5) Information the care provider gave you about medications (if any)	○	○	○	○	○
6) Instructions the care provider gave you about follow-up care (if any)	○	○	○	○	○
7) Degree to which care provider talked with you using words you could understand	○	○	○	○	○
8) Amount of time the care provider spent with you	○	○	○	○	○
9) Your confidence in this care provider	○	○	○	○	○
10) Likelihood of your recommending this care provider to others	○	○	○	○	○

11) Comments (describe good or bad experience):

PRESS GANEY

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FY14 Patient Satisfaction Scorecard - Entity Composite

UNIVERSITY OF UTAH HEALTH CARE

**Current QTD: 10/01/13 - 11/13/13 All scores based on RECEIVED DATE

	Executive	Medical Director	FY12 %tile	FY13 %tile	FY14%tile GOAL	Q1 FY14 %tile	Oct '13 %tile	Current QTD %tile	Current QTD n
Overall	David Entwistle	Sean Mulvihill, MD	65	71	80	72	71	76	4448
UH - 55%	Quinn McKenna	Tom Miller, MD	59	63	79	64	62	63	2861
Inpatient (60%) Recommend-HCAHPS	Quinn McKenna	Tom Miller, MD	68	63	80	63	54	53	435
Outpatient (30%)	Dan Lundergan	Tom Miller, MD	50	68	80	72	72	74	2220
Emergency (5%)	Margaret Pearce	Christy Hopkins, MD	15	43	70	44	81	84	122
Ambulatory Surgery (5%)	Margaret Pearce	Tom Miller, MD	57	59	70	52	79	87	84
UNI - 10%	Ross VanVranken	Michael Lowrey, MD	96	93	90	94	98	98	431
Huntsman Cancer -15%	Ray Lynch	John Sweetenham, MD	93	98	90	97	97	97	953
Inpatient (50%) Recommend-HCAHPS	Sue Childress	Ward/Scaife/Harris/Boyer	99	99	90	97	99	99	121
Outpatient (50%)	Don Milligan	William Dunson, MD	87	96	90	96	95	95	832
UOC - 5%	Bart Adams	Charles Saltzman, MD	40	50	60	50	44	43	676
Inpatient (30%)			72	76	80	66	60	53	98
UUOC Inpatient: Recommend-HCAHPS	Janiel Quinn	Patrick Greis, MD	97	95	90	97	96	86	12
OTSS Inpatient: Recommend-HCAHPS	Lance Littledike	Chris Pelt, MD	69	73	78	64	55	48	86
Outpatient (55%)	Ryan Vanderwerff	Patrick Greis, MD	18	28	60	28	47	49	397
Orthopaedic Surgery (80%)					60	30	53	51	518
Physical Medicine & Rehab (20%)					60	20	25	43	58
Ambulatory Surgery (15%)	Janiel Quinn	Patrick Greis, MD	35	76	90	97	1	1	2
Moran Vision Services - 5%	Wayne Imbrescia	Randall Olson, MD	54	68	74	53	49	49	1243
Community Clinics - 10%	Wayne Imbrescia	Susan Terry, MD	38	68	78	72	78	76	2674

Column Key:
11th%tile or more below goal
Within 10th%tile of goal
Met goal OR 90th%tile and above

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How We Engage Faculty by SHARING DATA

MD - Cardiology	National Rank		
	2011	2012	2013
Care Provider Section	29	63	81
Friendliness/courtesy of CP	28	59	76
CP explanations of prob/condition	29	67	80
CP concern for questions/worries	31	63	80
CP efforts to include in decisions	29	67	84
CP information about medications	28	62	74
CP instructions for follow-up care	24	52	68
CP spoke using clear language	29	59	76
Time CP spent with patient	21	55	72
Patients' confidence in CP	40	73	92
Likelihood of recommending CP	34	61	88

	National Rank		
	2011	2012	2013
Care Provider Section	48	59	72
Friendliness/courtesy of CP	46	58	72
CP explanations of prob/condition	45	54	68
CP concern for questions/worries	46	59	70
CP efforts to include in decisions	48	61	72
CP information about medications	46	57	70
CP instructions for follow-up care	39	51	62
CP spoke using clear language	62	70	76
Time CP spent with patient	38	56	68
Patients' confidence in CP	57	63	73
Likelihood of recommending CP	46	58	70

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How We
SHARE DATA WITH CONSUMERS

University of Utah Health Care | Salt Lake City, Utah

healthcare.utah.edu

Classifieds ...ng | ksl.com   White Coats ...ly Webicine   Hoot   Brian Baucom ...ity of Utah   onlineclass... /vikik21.pdf   onlineclass... /vikik21.pdf

UofU Patient *August 05, 2013*
She is an outstanding care provider

UofU Patient *June 04, 2013*
Having my daughter and husband with me at these appointments was important to me, because they hear things that I don't and they ask questions that I might not think of. My daughter is a nurse and can understand a lot of things that might go right over my head.

UofU Patient *May 31, 2013*
great information, attitudes and care

UofU Patient *May 19, 2013*
Dr. Scaife is the best.

UofU Patient *May 16, 2013*
Each professional we saw was very professional and very willing to answer all of our questions and concerns.

UofU Patient *May 07, 2013*
all good

UofU Patient *April 15, 2013*
All my concerns were fully answered and handled in a professional and caring manner.

UofU Patien
Dr. Courtney ... always very good. her support
imotionaly h

UofU Patien
Excellent car ...PA and doctor took plenty of time and gave ex...

"**Every medical system in the country should embrace online reviews.**"

medpage TODAY'S
KevinMD.com
Social media's leading physician voice

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Percentile of Providers
90TH %ILE OR ABOVE

1 out of **2** are in the top 10% nationally

% of total providers

- 50%
- 40%
- 30%
- 20%
- 10%
- 0%

2009	2010	2011	2012	2013
4%	9%	22%	27%	46%
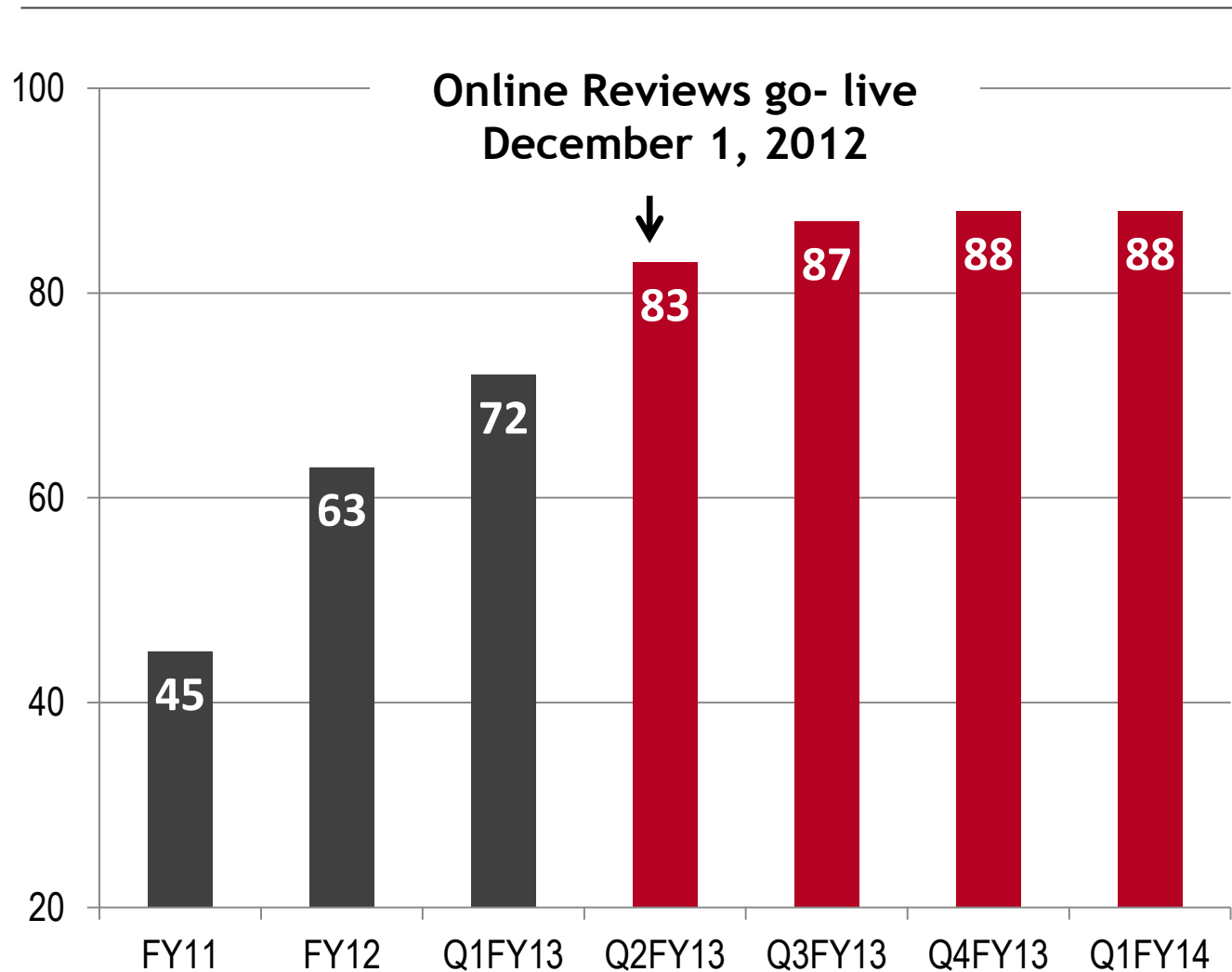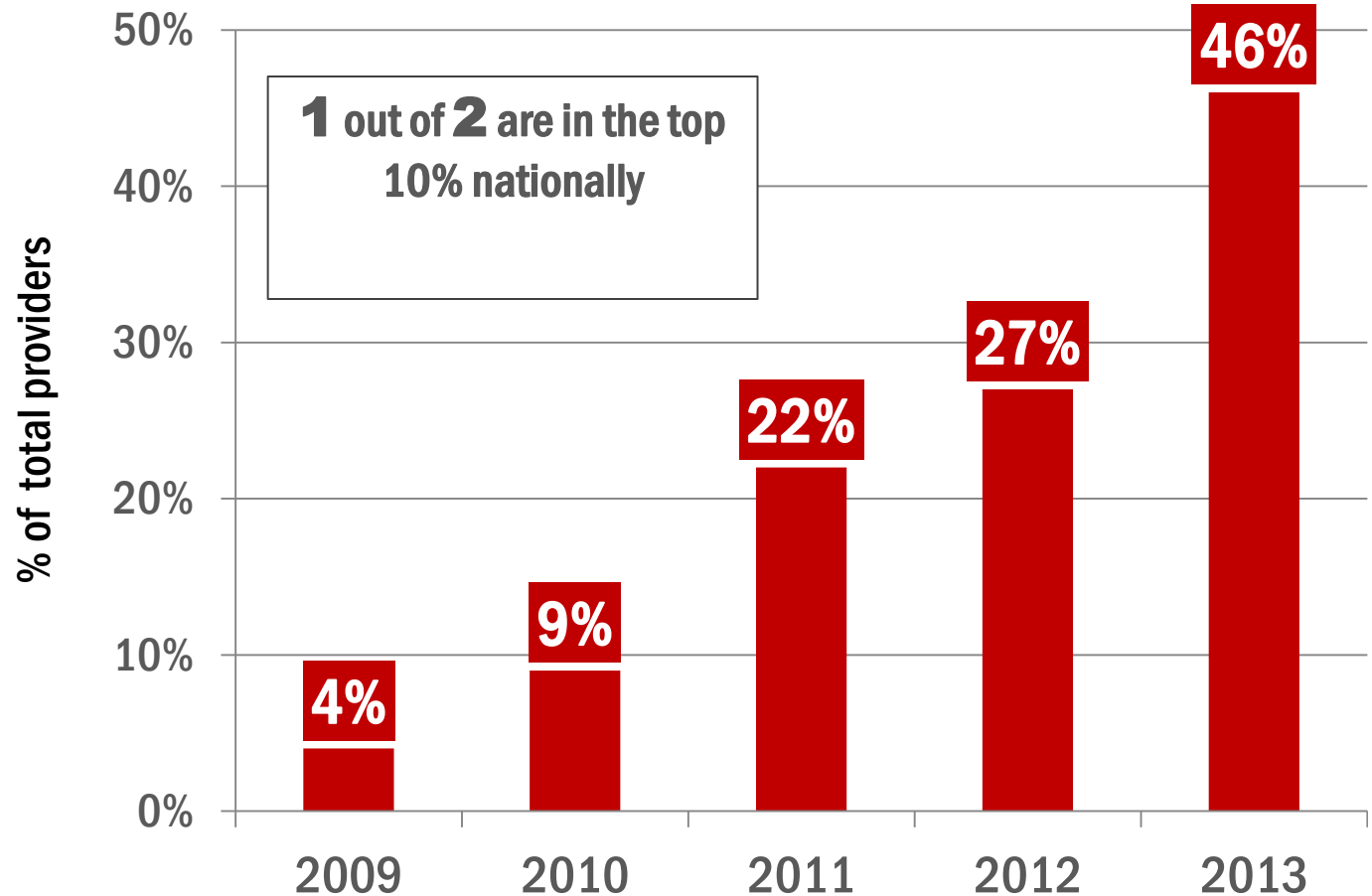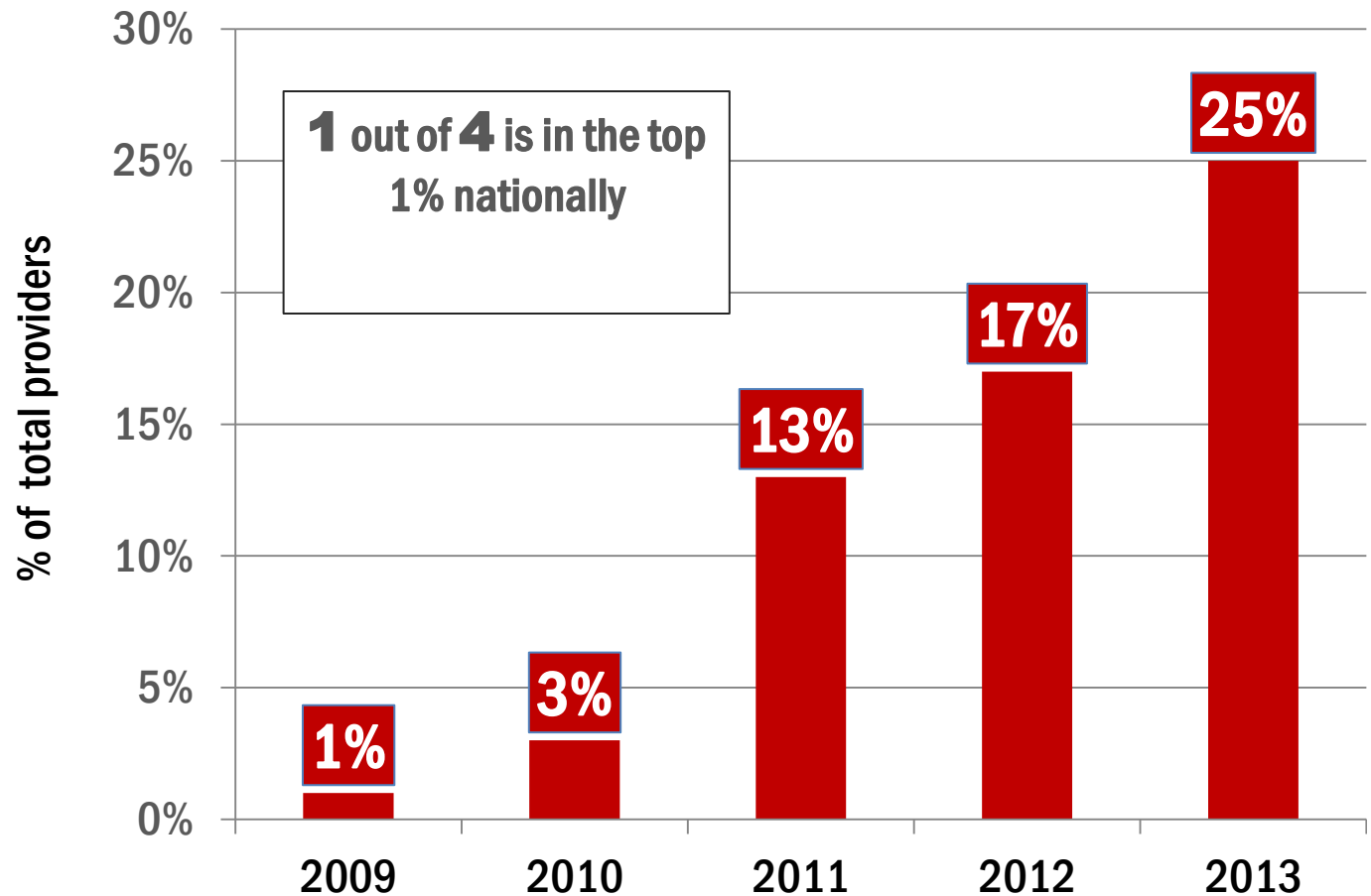
Medical Practice Survey – providers must have n=30 returned in calendar year
National Rank – compared against the Press Ganey National Database: 128,705 physicians

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CASE STUDY: VALUE DRIVEN OUTCOMES

TACKLING THE HEALTH CARE CRISIS

How Do We Transform The System?

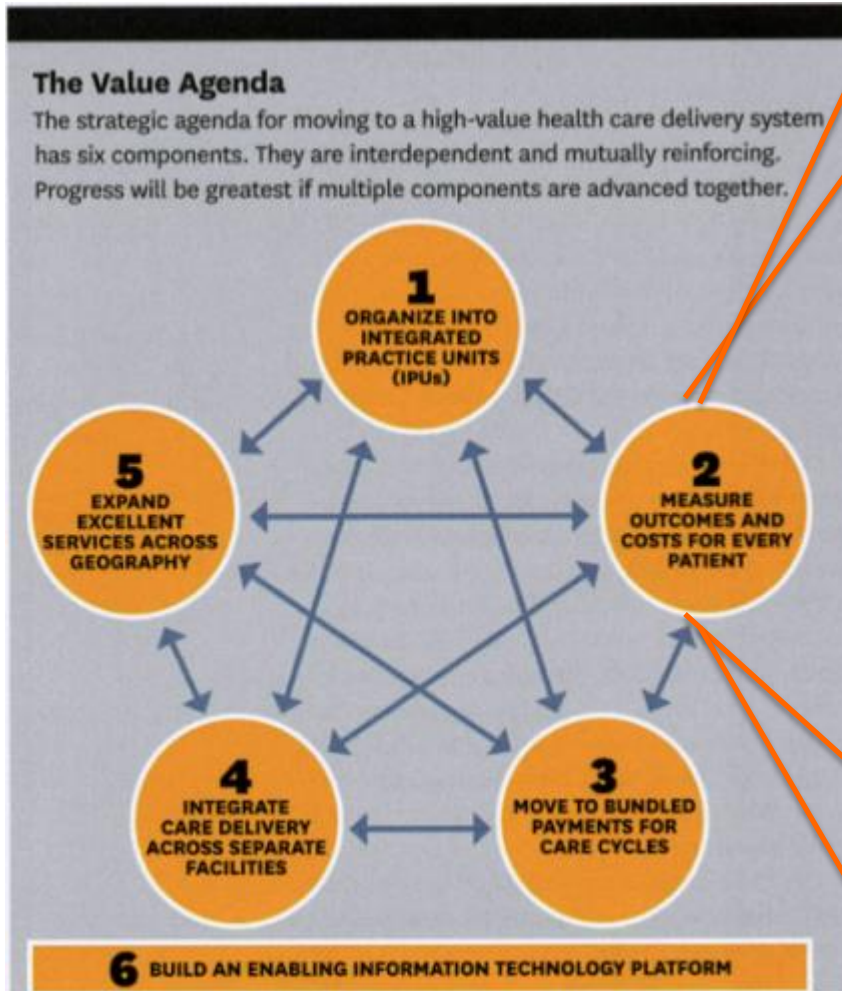**COMMUNICATE** *THE* need for **CHANGE**

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Harvard Business Review

October 2013

The Big Idea

THE STRATEGY THAT WILL FIX HEALTH CARE

PROVIDERS MUST LEAD THE WAY IN MAKING VALUE THE OVERARCHING GOAL
BY MICHAEL E. PORTER AND THOMAS H. LEE

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Harvard Business Review

October 2013

The Value Agenda

The strategic agenda for moving to a high-value health care delivery system has six components. They are interdependent and mutually reinforcing. Progress will be greatest if multiple components are advanced together.

1 ORGANIZE INTO INTEGRATED PRACTICE UNITS (IPUs)

2 MEASURE OUTCOMES AND COSTS FOR EVERY PATIENT

3 MOVE TO BUNDLED PAYMENTS FOR CARE CYCLES

4 INTEGRATE CARE DELIVERY ACROSS SEPARATE FACILITIES

5 EXPAND EXCELLENT SERVICES ACROSS GEOGRAPHY

6 BUILD AN ENABLING INFORMATION TECHNOLOGY PLATFORM

"Accurate costing also unlocks a whole cascade of opportunities, such as process improvement, better organization of care, and new reimbursement approaches that will accelerate the pace of innovation and value creation"

- Robert S. Kaplan and Michael E. Porter, "The Big Idea: How to Solve the Cost Crisis in Health Care", HBR, September 2011

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How Can We Know Our Costs?
START WITH SEQUESTRATION
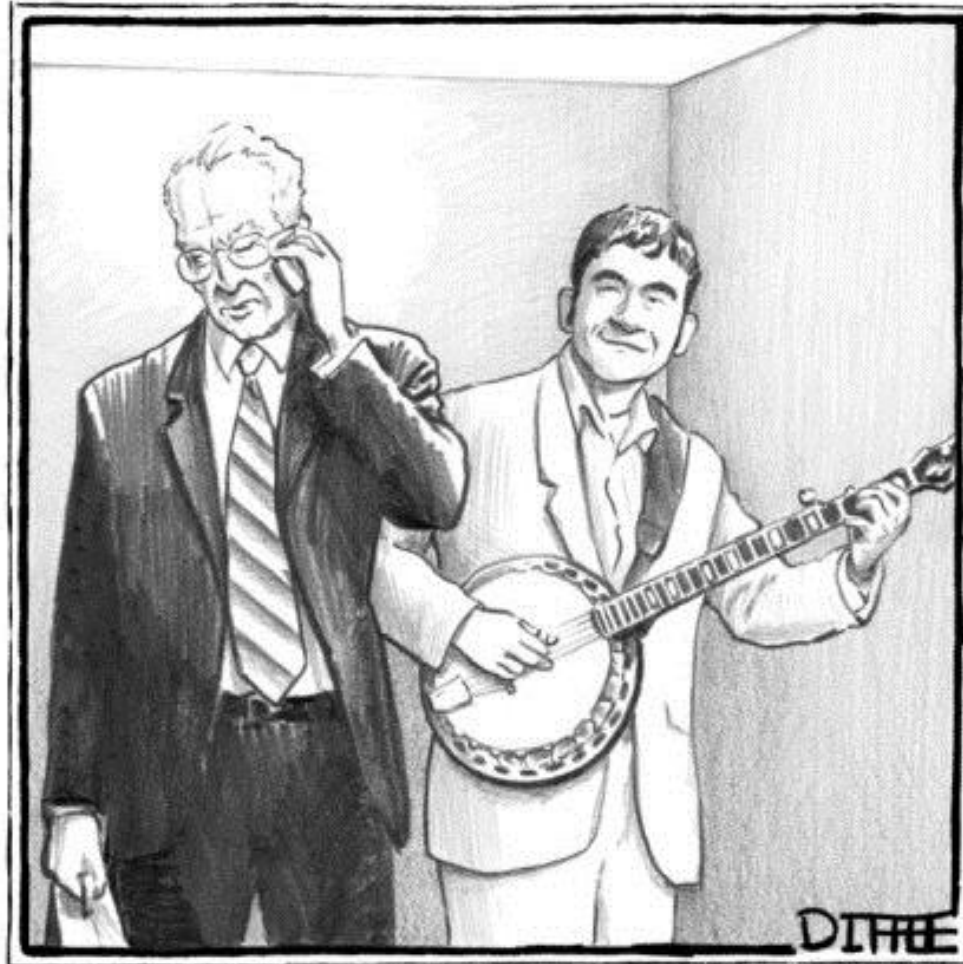
"I'm trapped in an elevator—wait, it gets worse."

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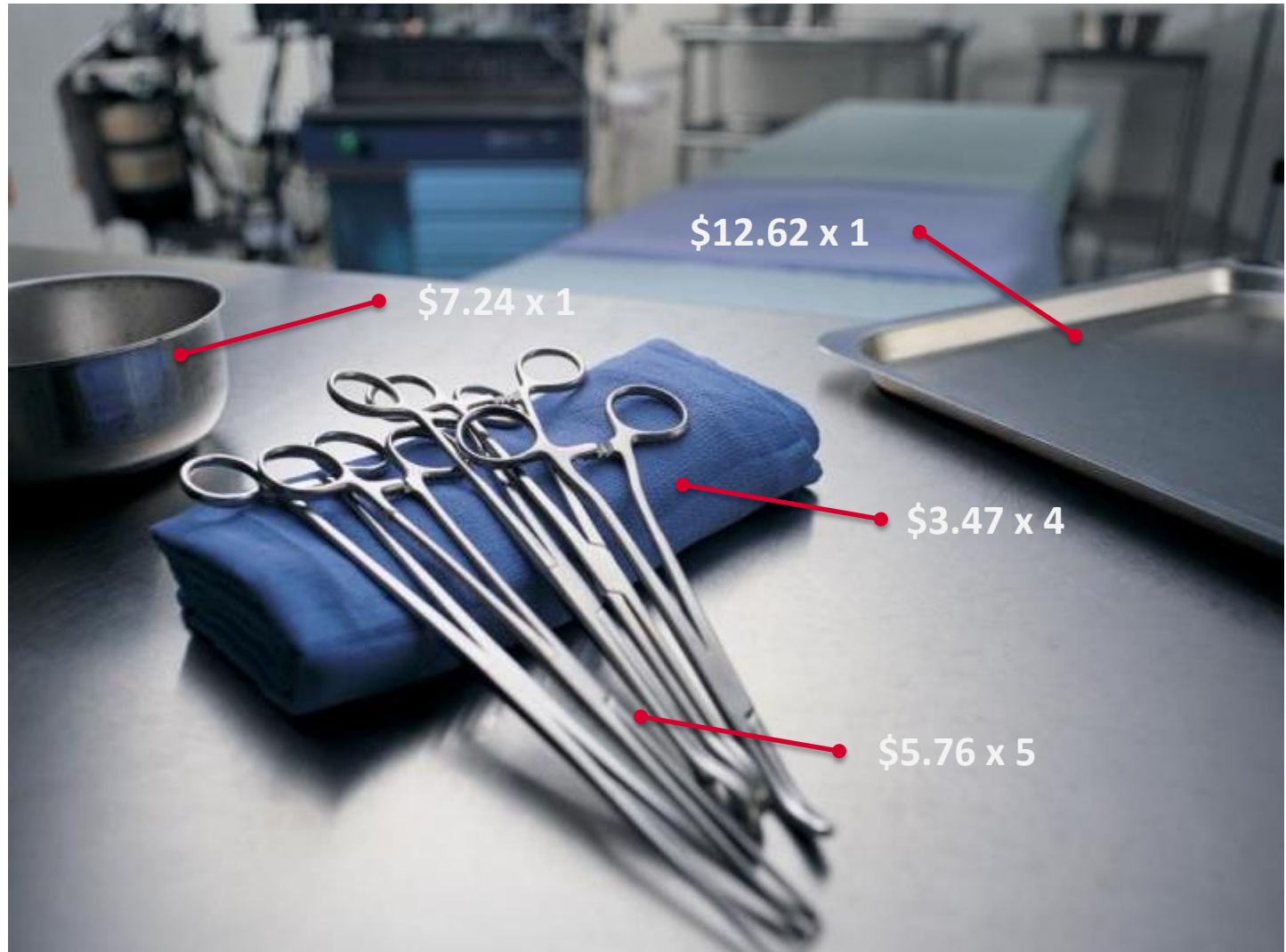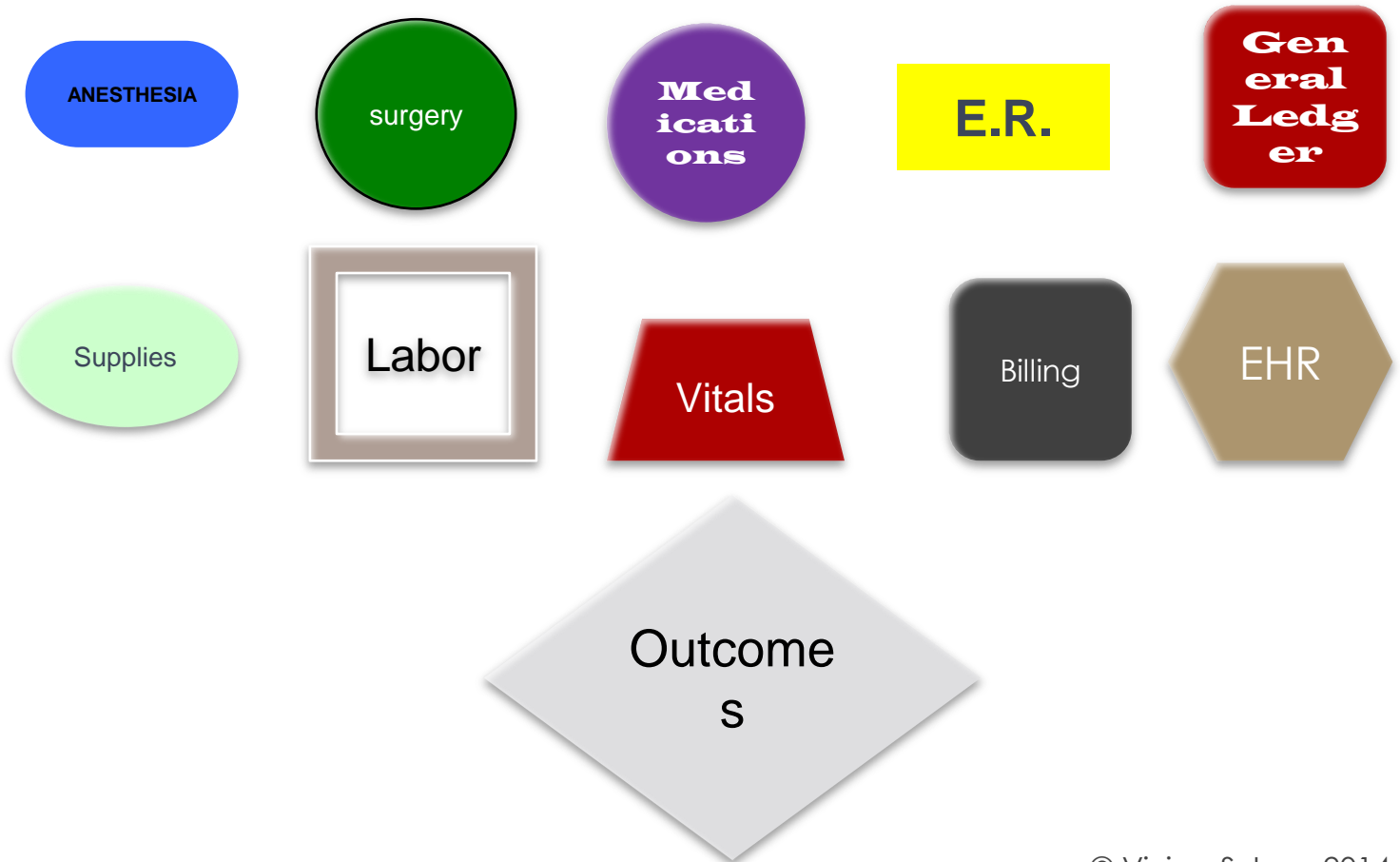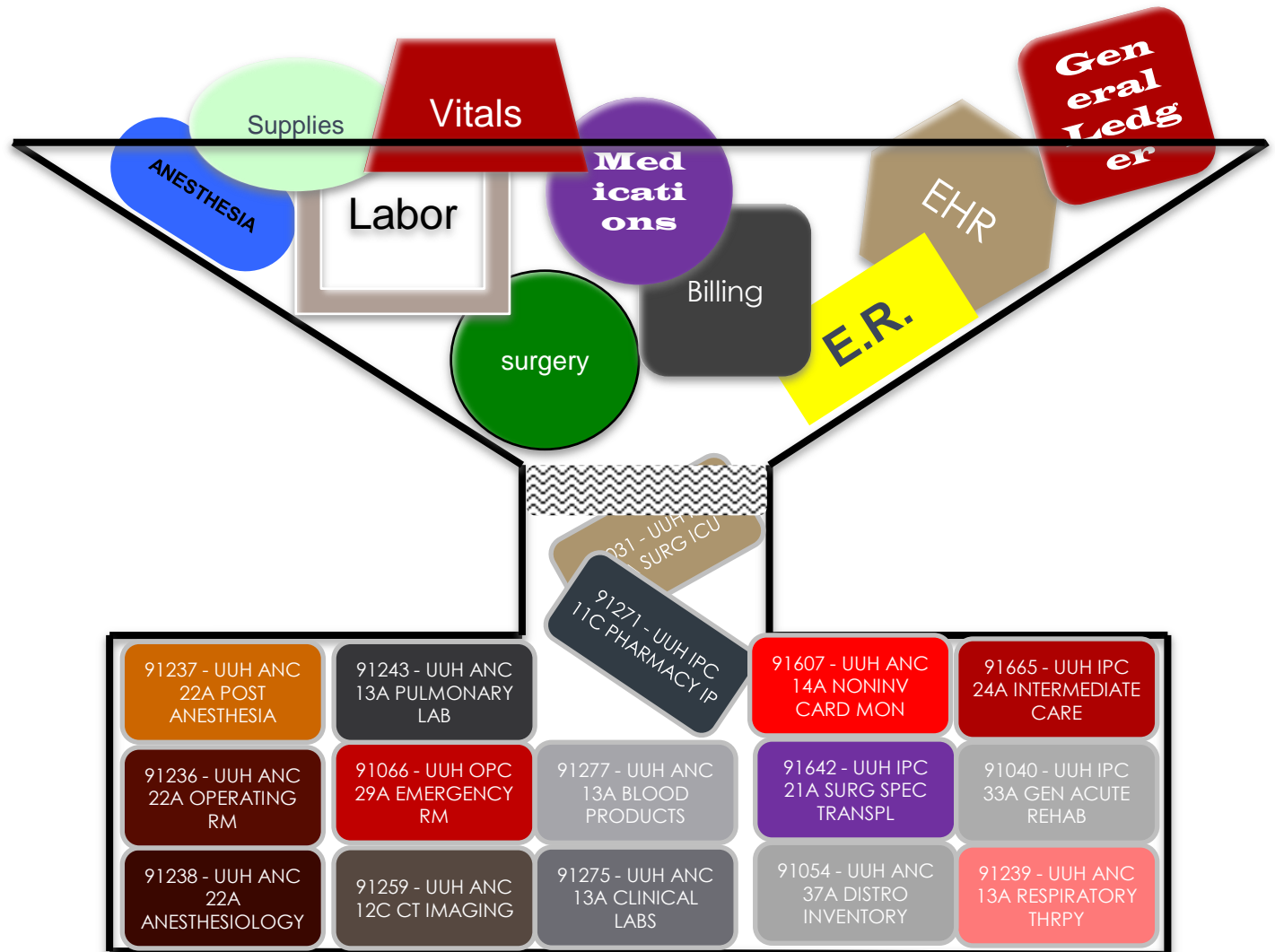
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VDO
VALUE DRIVEN OUTCOMES

$12.62 x 1

$7.24 x 1

$3.47 x 4

$5.76 x 5

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VDO: Nuts and Bolts
IDENTIFY AND GATHER DATA

ANESTHESIA

surgery

Med icati ons

E.R.

Gen eral Ledg er

Supplies

Labor

Vitals

Billing

EHR

Outcomes

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VDO: Nuts and Bolts
EXTRACT, LOAD AND TRANSLATE DATA

Supplies

Vitals

ANESTHESIA

Labor

Medications

EHR

General Ledger

Billing

surgery

E.R.

...031 - UUH... SURG ICU

91271 - UUH IPC 11C PHARMACY IP

91237 - UUH ANC 22A POST ANESTHESIA	91243 - UUH ANC 13A PULMONARY LAB		91607 - UUH ANC 14A NONINV CARD MON	91665 - UUH IPC 24A INTERMEDIATE CARE
91236 - UUH ANC 22A OPERATING RM	91066 - UUH OPC 29A EMERGENCY RM	91277 - UUH ANC 13A BLOOD PRODUCTS	91642 - UUH IPC 21A SURG SPEC TRANSPL	91040 - UUH IPC 33A GEN ACUTE REHAB
91238 - UUH ANC 22A ANESTHESIOLOGY	91259 - UUH ANC 12C CT IMAGING	91275 - UUH ANC 13A CLINICAL LABS	91054 - UUH ANC 37A DISTRO INVENTORY	91239 - UUH ANC 13A RESPIRATORY THRPY

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VDO: Nuts and Bolts
CATEGORIZE AND ALLOCATE EXPENSES

Cost Type Groupings
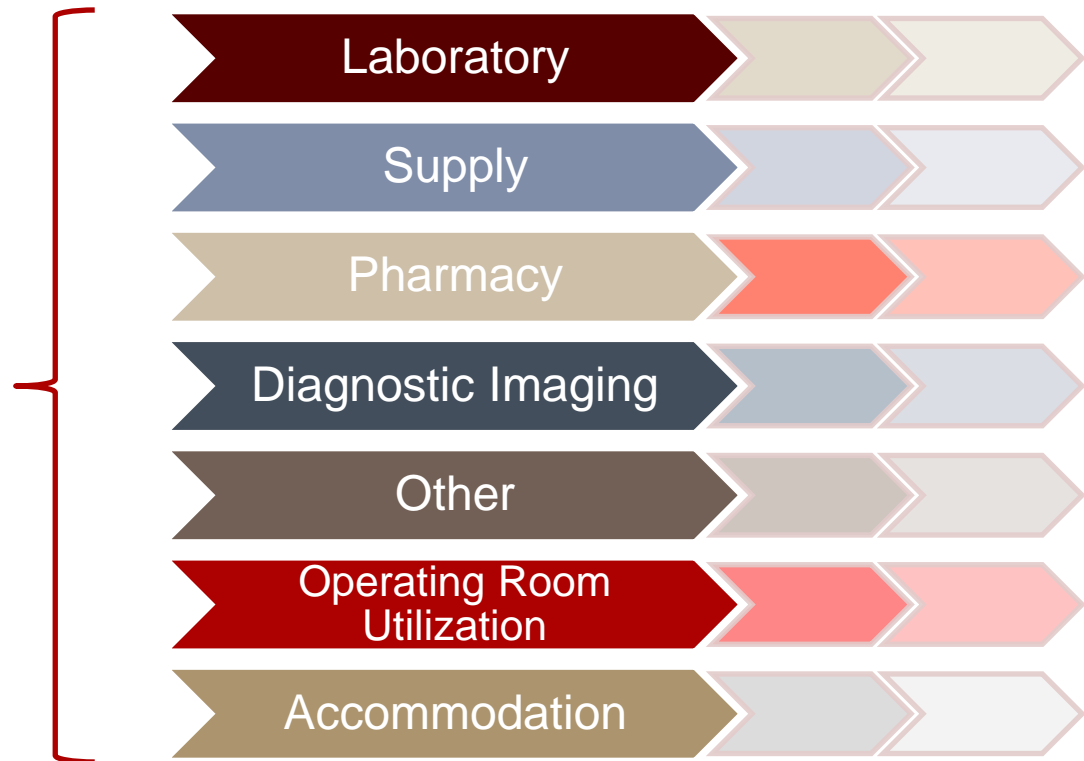
- Laboratory
- Supply
- Pharmacy
- Diagnostic Imaging
- Other
- Operating Room Utilization
- Accommodation

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Facility Cost Allocations
Emergency Appendectomy (47.01 Laparoscopic Appendectomy), 3.12 Clinical LOS
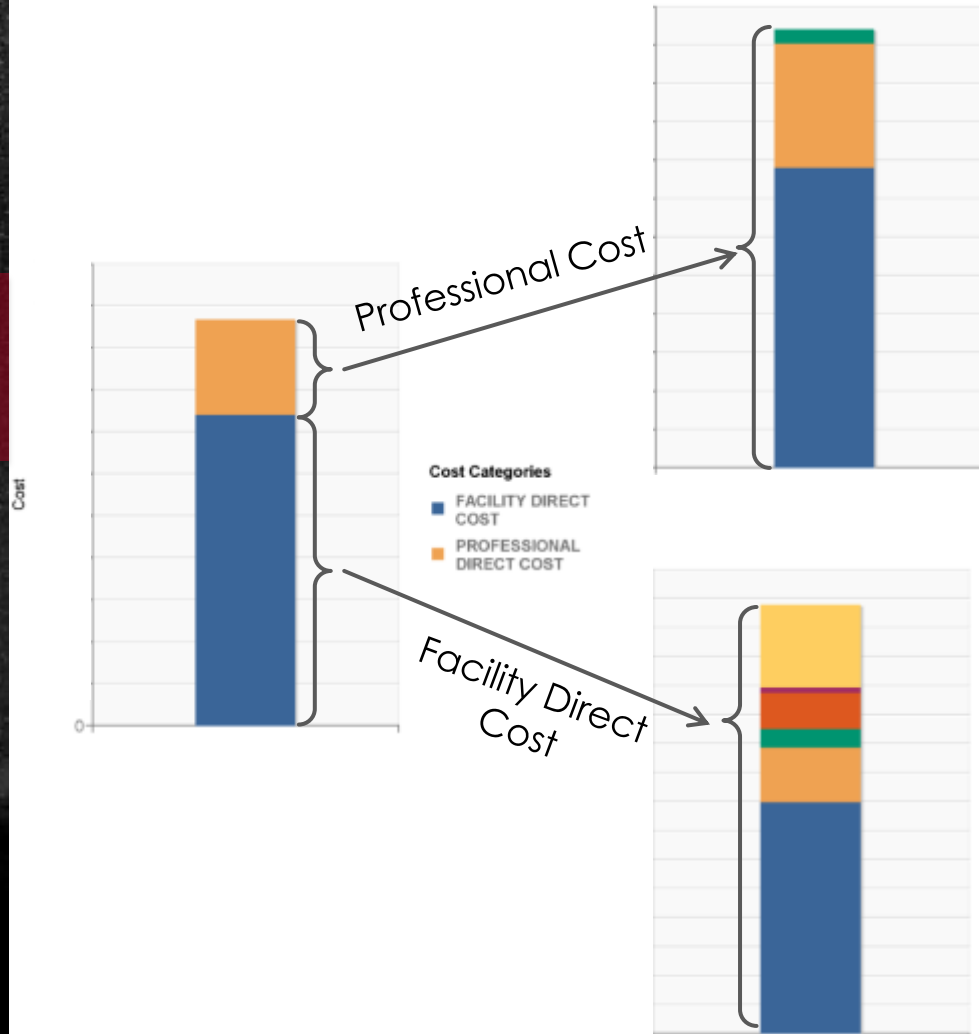
Cost Source: 5 Depts

Pathology
Anesthesiology
Surgery
Neurology
Radiology

Cost Source: 16 Orgs

Professional Cost

Facility Direct Cost

Cost Categories
■ FACILITY DIRECT COST
■ PROFESSIONAL DIRECT COST

91066 - UUH OPC 29A EMERGENCY RM	91237 - UUH ANC 22A POST ANESTHESIA	91277 - UUH ANC 13A BLOOD PRODUCTS
91259 - UUH ANC 12C CT IMAGING	91236 - UUH ANC 22A OPERATING RM	91275 - UUH ANC 13A CLINICAL LABS
91607 - UUH ANC 14A NONINV CARD MON	91238 - UUH ANC 22A ANESTHESIOLOGY	91243 - UUH ANC 13A PULMONARY LAB
91031 - UUH IPC 24A SURG ICU	91665 - UUH IPC 24A INTERMEDIATE CARE	91642 - UUH IPC 21A SURG SPEC TRANSPL
91271 - UUH IPC 11C PHARMACY IP	91040 - UUH IPC 33A GEN ACUTE REHAB	91054 - UUH ANC 37A DISTRO INVENTORY
91239 - UUH ANC 13A RESPIRATORY THRPY		

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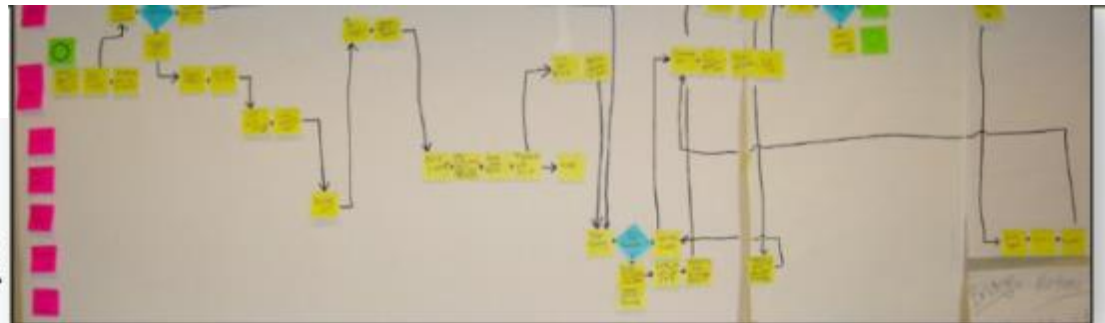## establish METRICS

ENGAGE *physicians* staff *and* *trainees*

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Use Data to
SHARE PRESENT STANDARDS

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Use Data to Create a **LEAN PROCESS**
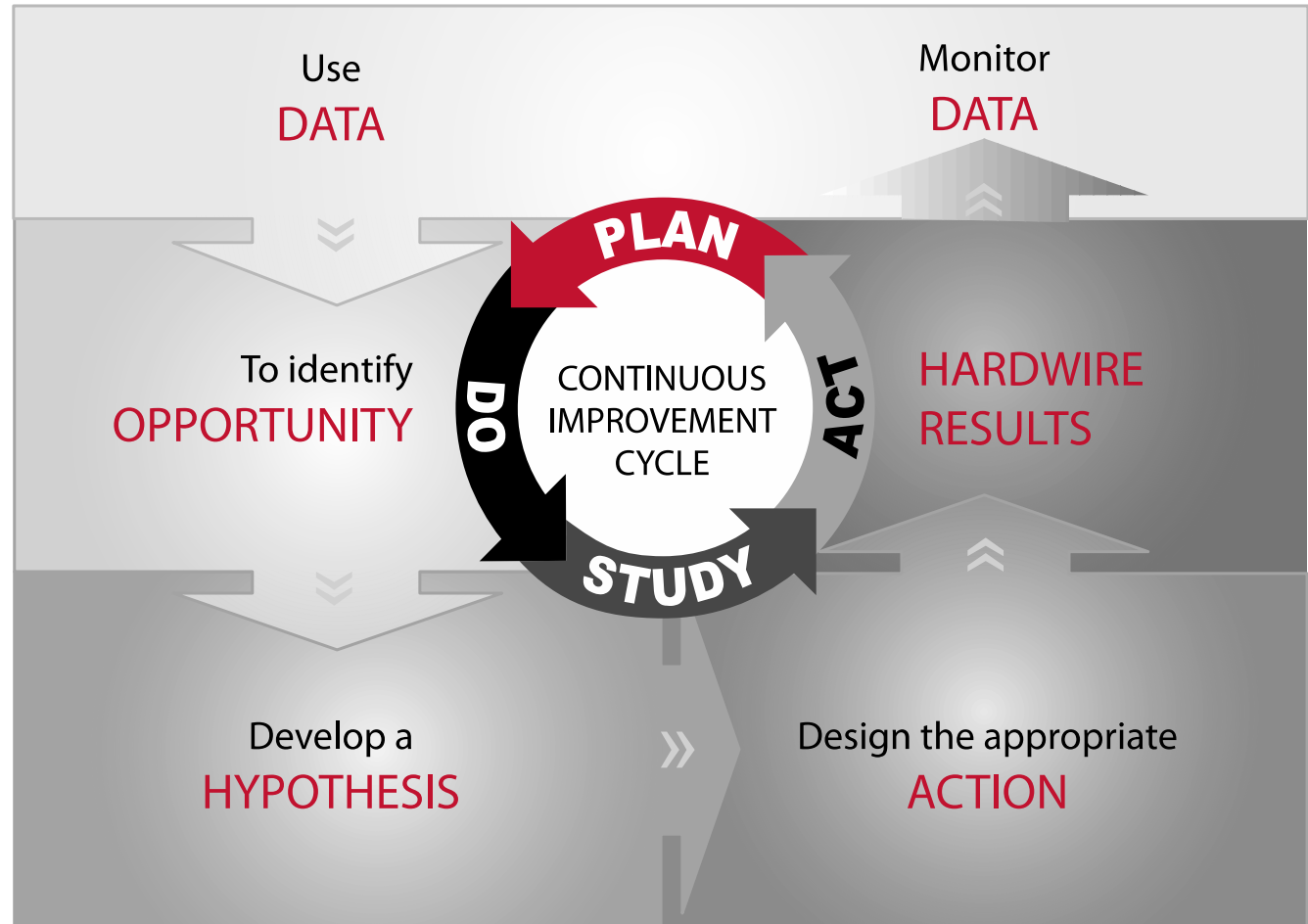
Use **DATA**

Monitor **DATA**

To identify **OPPORTUNITY**

HARDWIRE RESULTS

Develop a **HYPOTHESIS**

Design the appropriate **ACTION**

PLAN

ACT

STUDY

DO

CONTINUOUS IMPROVEMENT CYCLE

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Engage Your
FRONT LINES

Engage Everyone to
REDESIGN SYSTEMS & PROCESSES

Mapping Current State
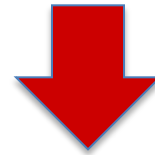
AFTER

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Use DATA to Engage
PROVIDERS TO BE PROBLEM-SOLVERS

Where Quality Goes Up & COST GOES DOWN

UNIVERSITY OF UTAH HEALTH CARE

Value Driven Outcomes
Outcomes and Cost Trend
Discharges from January 2013 through December 2013

Department: ORTHOPEDIC SUR
Division: ORTHOPEDIC SUR
Physician: 3 Physicians
Outcome Measure: Perfect Care
Primary ICD 9 Procedure: 11 Procedures

Perfect Care and Average Cost

Perfect Care

Cost

Quality Index — Discharge Month

Legend: Outcome: Perfect • % to FY 2012 Ave •

Quality Index: Percentage Of All Visits Where Selected Care Measure Was Met
Average Cost Per Visit: Average Total Direct Facility Cost

Discharge Month	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13
Perfect Care	39.6%	71.4%	63.3%	76.2%	71.2%	63.8%	73.2%	68.5%	76.6%	87.5%	77.1%
% to FY 12 Average Cost	-11.1%	-4.9%	-6.9%	6.4%	0.1%	-11.9%	-20.1%	-18.9%	-21.4%	-27.2%	-16.9%
Visit Count	53	49	49	42	66	58	41	54	64	56	48
Perfect Care Failure Count	32	14	18	10	19	21	11	17	15	7	11

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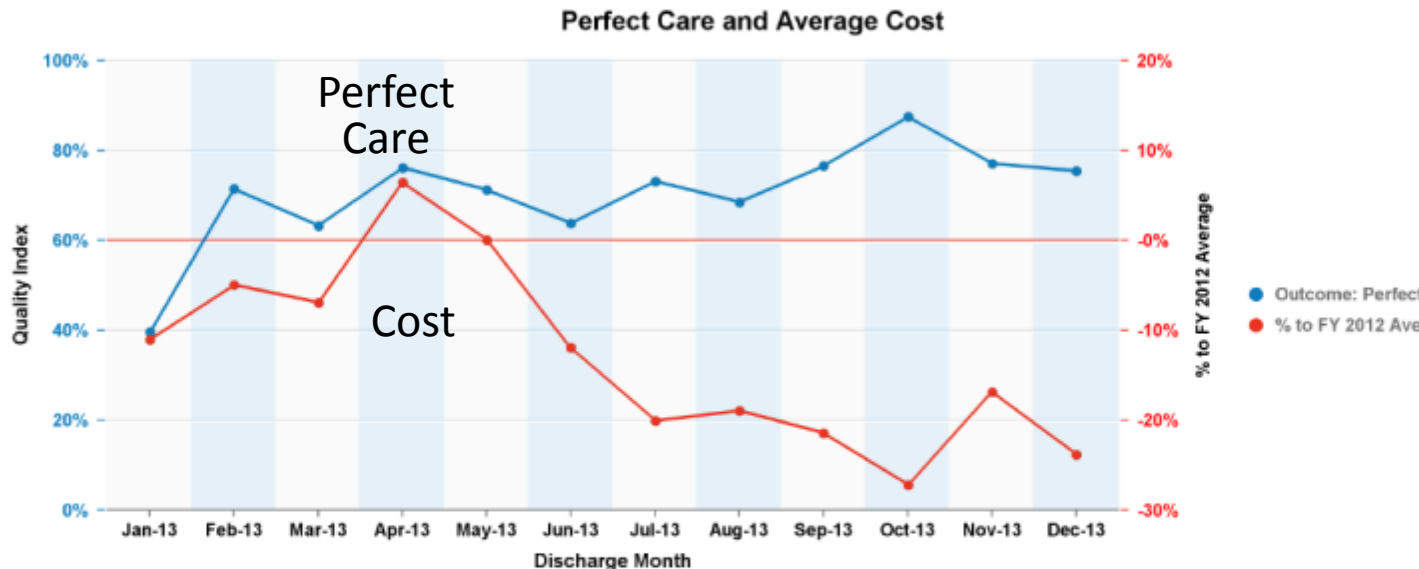- ENGAGE *physicians* staff *and* *trainees*
- NURTURE a culture of *continuous* INNOVATION
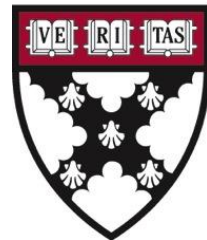
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Hard-wiring the System
THROUGH PARTNERSHIPS

David Eccles School of Business
THE UNIVERSITY OF UTAH

LEAN 101

TIME-DRIVEN
Activity-Based Costing

VE RI TAS
HARVARD
BUSINESS SCHOOL

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Share Best Practices
SPREAD THE WORD

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Call Back time for Behavioral Health **by 12%**

Care Provider National Rank: **53%ile to 77%ile**

Sterilization Process Rework & Supply Expense

Develop Baclofen Refill Clinic | **Improve ACCESS:** **38** to **13** days

Inpatient MDI waste Reduction: **$24k/yr**

Open Colectomy Fast Track **$400k savings**

Improving visit level coding accuracy **$599 k**

Unnecessary Lab use reduction: **$186k YTD**

IVIG Medicare Reimbursement 26% to **50%**

Main ENT Clinic: **1** New Patient Visit per Clinic Day

Rad. Onc.: Carbon Copy Process to Referring Providers to **100%**

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Creating a Value-Driven Organization

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