

HOPE STREET GROUP COLLOQUIUM – March 13, 2013 HEALTHCARE BREAKOUT GROUP – EXECUTIVE SUMMARY & NEXT STEPS

Overview

Over the last several decades, U.S. healthcare spending has increased at a rapid pace, but this higher level of spending has not led to superior outcomes. The cost of U.S. healthcare is \$5,000 more per capita than the OECD country average, yet we have one of the highest cardiac mortality rates among developed nations. Unnecessary care and high costs for care received have resulted in a high-cost, low-value healthcare environment in which patients feel disempowered.

Encouraging patients to take a more active role as consumers of healthcare is an important step in addressing these challenges. However, the healthcare market is remarkably different from other well-functioning consumer markets, in which consumers (1) have relatively easy and timely access to relevant information, (2) are able to comparison shop among several suppliers. In a successful market, competition drives providers to decrease price, increase value, and improve service for consumers; in the healthcare market, too often consumers lack knowledge of pricing, options, and preventive measures.

Shifting patient behavior toward increased engagement requires identifying existing barriers and potential drivers of change. In preparation for the Colloquium's Healthcare Working Group dialogue, Hope Street Group, along with many of the participants and advisors in the room, identified the following key challenges that stand in the way of engagement behavior:

- Care that could have been avoided with appropriate prevention or wellness
- Little information for patients on quality, cost and value of services rendered
- Provider prices are too high and unrelated to costs

The above challenges acted as a backdrop for the Healthcare Working Group to discuss:

1. Will patients acting as consumers improve value in the healthcare system?
2. Why do patients not engage as active consumers today?
3. What 2-3 ideas will have the most potential to help catalyze change?

Summary of Discussion

The Healthcare Working Group included over 25 healthcare leaders, innovators, experts, practitioners, policy advisors, and business representatives. Moderated by Monique Nadeau, President & CEO of Hope Street Group, and Dr. Kavita Patel, Fellow and Managing Director at the Engelberg Center for Reform at The Brookings Institute, the group sought to explore a sometimes difficult and controversial topic: can (and should) Americans act as true consumers of healthcare?

Governor Jack Markell of Delaware introduced the working group discussion by sharing some of the challenges states are facing with rising healthcare costs and patient barriers. Governor Markell identified payment reform as one of the primary issue areas in healthcare and elaborated on some potential solutions Delaware is leading, including diverting chronic care patients to less expensive healthcare centers before going to the emergency room, supporting and realizing patient-centered medical homes, and acting on a single-vendor EMR system. However, the Governor did recognize that it is extremely challenging to convince individuals to invest significantly in their own quality of life and health, and that shifting this behavior toward active prevention requires dedicated outreach work via education and information.

Following the Governor's remarks, the group moved into short presentations by group participants Donna Thompson, CEO of Access Community Health Network, Eric Langshur, Co-Founder of Abundant Venture Partners, and Andy Slavitt, Group Executive VP of Optum, who helped frame the dialogue of determining whether value in the healthcare system would improve if patients acted more like consumers. Topics covered included:

Prevention & Wellness: How do you encourage people to own their care?

- Investing in nutrition centers, healthy food storerooms, and tangible products
- Taking local approaches to care focused on what people can control
- Using technology to get consumers the information they need more easily
- Adapting healthcare messages to faith communities and faith influence
- Making care history more inclusive and easier for consumers to document

Transparency: Why are some patients more active in seeking out healthcare information?

- More consumers are researching their options, but many still do not
- Well-informed patients are more likely to choose less aggressive/costly treatments
- Unclear whether education alone can change patient behavior in this area

Provider Prices: Why are our healthcare costs in the United States so high?

- A large population of people are unable to pay for complex chronic care
- Fee-for-service business models encourage high-cost services
- Attempt to solve price issues by putting in price controls, rather than cost controls
- Current tools too simplistic; quality is hard to evaluate and/or attach to prices

Out of this conversation on how to change patient behavior and improve healthcare options, the following themes and ideas for action were developed:

- Economic incentives must exist so that primary health actors align around cost for discussion and engagement; technology is likely the best tool to facilitate this.
- Education is desirable, but not necessarily a significant driver of tangible outcomes.
- We must manipulate the market better so that competition drives down cost, versus the current model in which insurance exchanges create forced affordability.
- Several innovative practices and institutions have grossly reduced their costs by establishing these core vision principles - we must look to these for best practices.
- It is imperative to create comfortable places for patient engagement and dialogue around healthcare (i.e. living rooms, high schools, libraries as health centers).
- Patients need better sources of, and access to, healthcare-related data.
- Patients and practitioners should share in decision-making and accountability.
- Success metrics should be more clearly defined to better understand end goals.
- In the short-term, patients are more likely to be able to improve quality over cost.

Areas of Disagreement

Many participants were skeptical that patients could fundamentally engage as consumers when they are not, generally speaking, financially invested in their healthcare costs. Given that our healthcare system is primarily based on an employer-driven model, for example, many patients do not have the ability to choose their provider. Some participants also believed that the type of patient behavior that

drives decisions around healthcare options (e.g. treatment and prevention) is actually quite different from the type of behavior that drives more traditional consumer behavior (e.g. shopping for physicians); others felt the two behaviors were more closely linked.

Almost half of the group suggested that to effect provider pricing and cost, we must focus specifically on the population that drives the largest amount of cost – the “hotspotter cohort” – and develop tools and engagement strategies tailored to this group. However, the other half of the group felt that to effect provider pricing, we must first address how to increase overall transparency, enabling all patients to make more informed healthcare decisions. There was also disagreement as to how to best define the terms “health consumer” and “health value.”

Preliminary Ideas for Action

We synthesized the ideas discussed and voted on the top two questions we believed should be better explored if our goal is to eventually enable catalytic change:

1. **How can we best serve the 10 million Americans with multiple chronic conditions?**
2. **How can we empower the whole healthcare market around shared decision-making?**

The full group then divided into two smaller breakout groups to further narrow and discuss:

Serving multiple chronic disease patients: engaging dual eligibles / high-risk individuals

Solutions need to address:

1. Defining and meeting patients where they are in terms of their healthcare.
2. Investing in identifying community-based resources to coordinate care.

Key obstacles to providing quality, affordable care to these high-risk patients include the presence of multiple chronic conditions (three or more), financing silos (e.g. lack of communication between Medicaid and Medicare), multiple/disconnected care settings/providers, increased behavioral health needs, and patients with low literacy levels and complex social needs.

The potential solutions outlined were:

- **Form a healthcare training program** (led by healthcare workers) to address appropriate utilization of care, delivery preferences, health and financial literacy, and life/social support.
- **Create a semi-controlled environment** to help address the entire scope of patient obstacles.
- **Better incorporate social determinants** of health into routine delivery of care.

Promoting shared decision-making to empower the rest of the healthcare market

Solutions need to address (1) building a private sector consortium that would agree on what aggregated data outcomes should be made broadly available, (2) making more health outcomes data publicly available via a variety of resources, and (3) allowing for data that provides measures of quality of care provided. Equipped with better knowledge, patients should then be able to opt for more conservative, step-wise decisions, and should have the ability to generate good faith estimates on how much their healthcare is likely to cost.

The potential solutions outlined were:

Eliminate restrictions to access Medicare claims data (part A, B, D) by broadening the permissible uses of Medicare data, developing a single data use agreement (DUA), or eliminating the fees for access to Medicare data.

Remove barriers blocking access to the Medicare doctor compare data. Currently, quality of care data is being collected by CMS but not being released to the public. It is believed that this data will be released in 2014 via Physician Compare, but no specific date has been set or details given on how the information will be released.

Ban the "gag clauses" that are today common with hospitals and payers. In contracts between insurers and providers, many providers prohibit insurers from publicly releasing pricing/quality information on providers and hospital; these so-called "gag clauses" and other anticompetitive clauses must be prohibited to ensure transparency and lower health costs.

Next Steps

Hope Street Group will continue to investigate the areas of agreement and disagreement voiced during the Healthcare Working Group discussion, as well as explore the opportunities that were identified in order to determine what topic areas and proposed solutions we should further address with our partners. Thus, we will be actively fundraising to generate the funds needed to continue our national-level "coalition of the reasonable" through our Healthcare Bipartisan Working Group Series, which aims to continuously develop innovative solutions to our nation's pressing healthcare challenges. Our goal is to host 3-4 meetings this year in conjunction with the development of a "deep dive" project on one of the topics discussed.

Call to Action for Healthcare Working Group Participants

We encourage you to please:

- Provide us with feedback on the content outlined in this memo and on the ideas generated together, based on your reflections from the breakout sessions, and on your own experience.
- Indicate which initiative elements you would like to be a part of and what expertise you or your organization could bring to bear on the topic.
- Suggest any existing concept, model, entity, enterprise, or individual whom or which you believe could be helpful in taking the next steps forward to develop an action plan.