

# Achieving Breakthroughs in Health Care Value Requires New Organizational Models

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#### Quality Problems are Legendary



- Entrenched overuse, misuse, underuse
- Meager improvements in quality over time
- Focus of improvement efforts at the microsystem level
- Fundamental reform of the delivery system is necessary

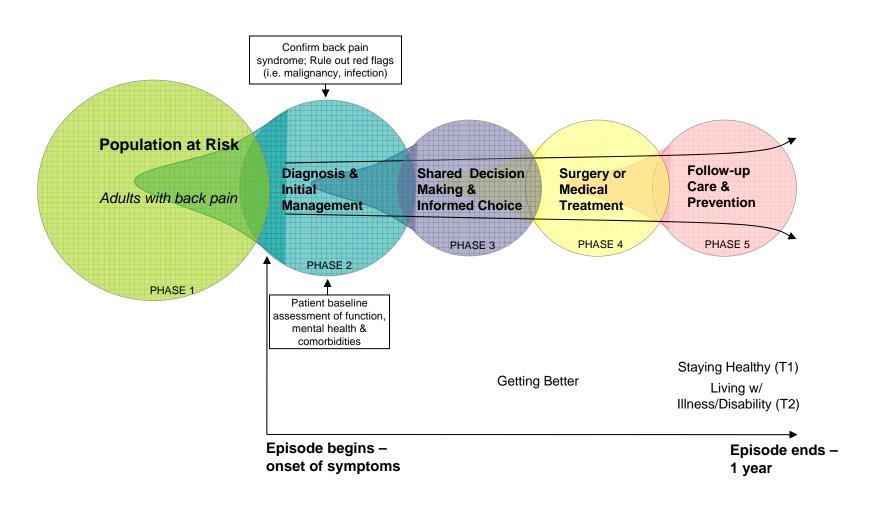
#### Delivery System Inertia



- Absurdly fragmented delivery system
- Obsession with the services, not the outcomes
- Predilection for autonomy over "systemness"
- Lack of accountability for critical aspects of care
- And so much more...

#### Patient-Focused Episode: Low Back Pain

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#### New Organizational Models: Patient-Focused Episodes



- Assume responsibility for the provision of patient-focused episodes
- Participate in new payment programs that reward achievement of best outcomes at least cost
- Publicly report performance results

# New Organizational Models: Support Care Delivery



- Investment and use of information technology
- Redesign of care processes based on "best practices"
- Knowledge and skill management
- Deployment of multi-disciplinary teams
- Coordination of care across patient conditions, services, and settings
- Performance measurement and improvement
  - » Crossing the Quality Chasm, IOM, 2001

## New Organizational Models: Population Health



- Community-wide initiatives to promote healthy lifestyles and reduce disparities
- Direct-to-consumer health management programs
- "Pay-for-population health" performance initiatives

# Opportunities and Challenges at Various Levels



**Communities** 

**Health Plans** 

**Integrated Delivery Systems** 

**Health Care Homes** 

**Micro-systems** 

#### Important Considerations



- No one "right" approach; One size will not fit all
- Many types of organizational models
  - Loosely structured to highly integrated
  - Virtual versus hardwired
  - We don't know which ones will work best
- New models will emerge at all levels

#### Important Considerations



- Ability to participate in aligned payment programs
- Economies of scale
- Access to capital
- HIT—Limitations of national standards in achieving connectivity

# **Important Considerations**



- Professional "buy-in"
- Patient engagement and choice
- Balance of power

### Policy Agenda to Promote New Organizational Constructs



- National priorities & goals that require higher levels of organizational capacity to achieve
- New generation of performance metrics
- Demonstrations/Pilot programs
- Payment reform
- HIT standards and capital investment
- Community-wide infrastructure
- Professional education
- Consumer engagement