

A COMMON TREK TO VALUE

While healthcare leaders need to tailor their value-based business approach to their organizations' unique characteristics and market situations, they can follow a common map to navigate toward higher quality and lower costs.

As part of its Value Project research,* HFMA worked with a diverse group of 35 hospitals and health systems to identify and understand four organizational capabilities that providers can cultivate as the marketplace continues to shift to reward value (or quality ÷ price to the purchaser):

- ⊕ People and culture: The ability to collaborate, effectively manage change, communicate a value message, and create accountability to value-driven goals
- ⊕ Business intelligence: The ability to collect, analyze, and connect quality and financial data to support organizational decision making

- ⊕ Performance improvement: The ability to eliminate clinical variation, unsafe practices, and waste
- ⊕ Contract and risk management: The ability to predict and manage different forms of patient-related risk under different payment methodologies

Turn the page to see specific strategies and tactics that organizations can adopt to navigate these four summits of value transformation.

* For more on HFMA's Value Project, visit hfma.org/valueproject.

MINI CASE STUDIES: VALUE TRANSFORMATION

These brief examples illustrate how some of the 35 hospitals and health systems involved in HFMA's Value Project are tackling the four summits of value.

PEOPLE AND CULTURE

Winona Health organized its key strategic goals around the Triple Aim, emphasizing patient satisfaction, quality and cost indicators, and community health. The health system has attached performance metrics to each component of its strategic plan, the results of which are broadly communicated. Managers regularly report their progress on key measures, and share with senior leadership ideas to improve performance on activities that are off track from the plan. Senior leaders meet on a regular basis to review measured performance and to shift resources as necessary to ensure success on the organization's highest priority initiatives.

Other leading organizations are tying physician and staff incentives to performance on the strategic plan, either at the outcomes level (e.g., patient satisfaction, operating margin) or in relation to key initiatives. For example, Nebraska Methodist Health System uses dashboards to assess individual physician adherence to clinical protocols.

BUSINESS INTELLIGENCE

Nebraska Methodist also mines data to compare physicians' performance on metrics related to diabetes, hypertension, and other diseases and conditions. The goal is to reduce clinical variation.

Many Value Project organizations report ambiguities related to data governance—that is, who defines the data, determines which data flow into the warehouse and decision support systems, and continually maintains the data to ensure they are clean, complete, and accurate. University of Alabama at Birmingham is putting a cross-functional oversight committee into place to tackle this function related to its new decision-support system.

PERFORMANCE IMPROVEMENT

To secure physician buy-in for process improvement activities, many providers first pursue projects in which clinical leaders have expressed interest. An example is a perioperative surgical home initiative at UAB Health

System. "We thought we'd get major pushback from the surgeons," says Art Boudreaux, MD, chief of staff, UAB Medicine. "However, what they found was that if they are relieved of this duty, it gives them more time to focus on their surgical operations. Now, the surgeons are totally on board."

Organizations are also pursuing innovative partnerships with other providers, particularly those that are aiming to build population management capabilities more quickly. Longmont United Hospital in Colorado has formed a coalition with several neighboring facilities and medical groups to serve the needs of local self-insured school districts, with the hope of expanding to include other self-funded employers.

Another key partner is patients and their families. Shared decision making is a key patient engagement initiative at Partners HealthCare that leaders believe will improve quality, satisfaction, and cost structure. Shared decision making begins by educating the patient about the pros and cons of each treatment option—typically through decision aids that include videos, written materials, and/or testimonials from patients about their treatment experiences. The patient is then ready to have an educated and thoughtful conversation with their provider.

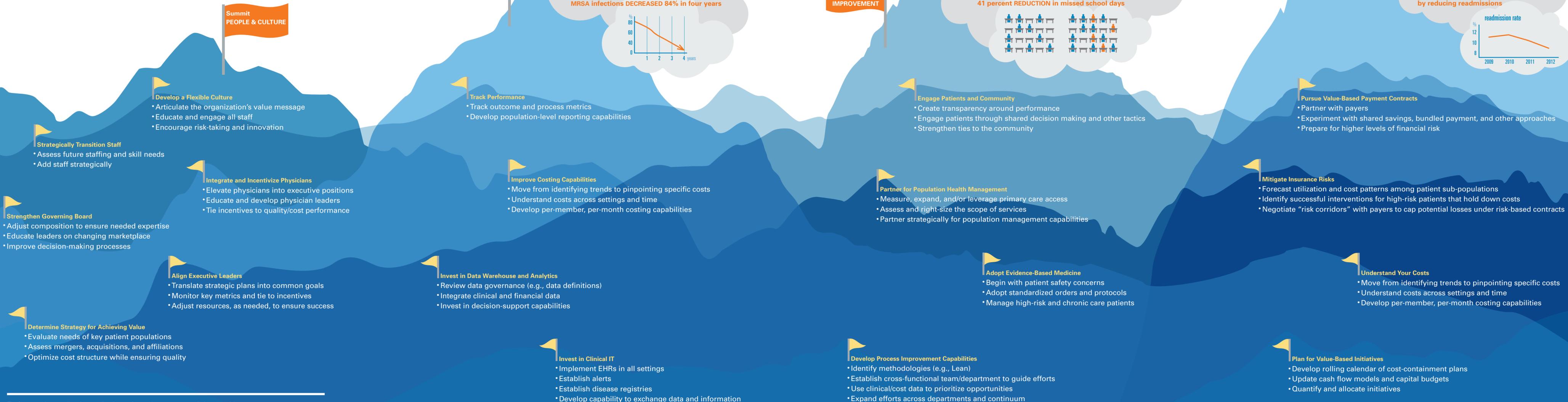
CONTRACTING AND RISK MANAGEMENT

Bon Secours Health System is relatively advanced in its ability to quantify financial impacts of care delivery changes. Its approach is to determine a focus area, such as fixed costs, and apply consistent, systemwide methodologies and principles to determine the financial impact of its efforts. Resources from financial planning assist clinical initiative leaders in this process.

Some organizations have established partnerships with payers in which insurance carriers help pay for value improvement initiatives, such as the infrastructure costs related to establishing patient-centered medical homes (PCMH). For example, Pennsylvania-based Holy Spirit Health System has partnered with Highmark Blue Cross to pilot PCMHs at two of its primary care sites. Holy Spirit received funding to hire a PCMH development nurse and transitions development nurse. Highmark pays a per-patient visit fee, with additional reimbursement available to sites that obtain PCMH certification.

THE MOUNTAIN RANGE OF HEALTHCARE VALUE

While every healthcare organization must travel down its own path to value, many cross four major summits on the way to the Triple Aim as defined by the Institute for Healthcare Improvement: improving the patient experience, advancing population health, and lowering the total cost of care.



The four summits, as well as the steps listed on each summit, are not necessarily in sequential order.

The infographic is based, in part, on *The Value Journey: Organizational Road Maps for Value-Driven Health Care*, an HFMA Value Project Phase 2 report, which provides specific advice on improving value for different types of hospitals and health systems, including academic medical centers and rural hospitals. Access the detailed report at hfma.org/valueproject.



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