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Forum: The solution to high health-care costs is right here

A relentless focus on reducing waste and error will lower costs while improving health, says Karen Wolk Feinstein -- and efforts in Pittsburgh are a model for the nation

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Skyrocketing health-care costs and improving health-care performance in safety, clinical care and efficiency are on everybody's mind -- putting the nation and the region in crisis mode. But right in our own back yard, health-care providers are testing a solution based on a simple health-care value proposition. Relentless attention to removing waste and error and delivering nearly perfect care will lower costs while improving health -- inevitably. It's a solution worth a closer look.

Health benefit costs have soared again this year. Average premiums paid for family coverage top $1,000 a month among 5,000 local employers, almost 25 percent higher than the national average, according to Cliff Shannon, head of the region's SMC Business Councils.

Unfortunately, quality seldom climbs with cost. For instance, many regional players score high in rates of preventable hospital-acquired infections and low in indicators of basic care for diabetes, depression and other chronic conditions.

For a decade, the nation has spun its wheels attacking high health-care costs with "mega" solutions, such as managed care, the Hillary Clinton plan or vertically integrated systems. Nationally and locally, costs continue to rise energetically and quality crawls along.

Financial issues dominate. But quality care is the grail.

Think about this: Every time a nurse gets a wrong drug from the pharmacy, can't access needed supplies, receives confusing or inappropriate instructions or works in sub-par or unsanitary conditions, we -- the patients -- pay and suffer more.

Not surprisingly, four important Pittsburgh conferences within the past month have addressed these issues. What is surprising is that multiple national and regional leaders in health system performance recommend similar solutions.

Rather than advocating a national policy fix, speaker after speaker called for improvements in basic service delivery. The current design of work, not the high cost of malpractice insurance or even the cost of prescription drugs, was identified as the major culprit.

Robert Brook of the RAND Corp. cited results from his recent study which indicate that the average American adult receives recommended health care 55 percent of the time; he argues that better diagnoses and treatment decisions would save millions of dollars and lives. Many health care costs are attributable to unnecessary tests, procedures or preventable errors.

And Dr. Paul Uhlig of the Dartmouth Medical School declared that "health care will be transformed not by laws or regulations, but as it always has been -- by people working together in news ways to give better care to their patients."

Other colleagues reached similar conclusions at the different programs hosted by Highmark, the Pennsylvania Health Care Cost Containment Council, the Pennsylvania Medical Society and the University of Pittsburgh Department of Pathology. Failures in basic service delivery go unrecognized -- even rewarded -- by the indifference of key stakeholders.

Let's face it: Trustees and even consumers get more excited about breakthroughs in transplant surgery and new technology than in improved work flow, teamwork and communication.

Michael Porter, in his recent study published in The Harvard Business Review, urges: "Information is integral to competition in any well-functioning market. ... The most fundamental and unrecognized problem in U.S. health care today is that competition operates at the wrong level. ... It should occur in the prevention, diagnosis and treatment of individual health conditions. ... Providers should be rewarded for the best value care.

"Health insurers should be rewarded for helping customers learn about and obtain care with the best value. ... The health-care system can achieve stunning gains in quality and efficiency, and employers, the major purchasers of health-care services, could lead the transformation."

Why is information so important? Because hospitals and physicians will respond to community preferences. If purchasers and patients had good information, they could signal their enthusiasm for highest quality care from lowest cost providers by voting with their feet and their wallets. The incentives to provide the right care every time would multiply. This is working in California, and it could work here. Consider the many ways the system actually diminishes the importance of efficient, safe and evidence-based patient care.

Health-care providers don't receive higher reimbursement rates for better patient outcomes. Health-care professionals don't earn academic prestige or NIH funding for improving the safety and reliability of their daily practice.

Consumers should be impatient for opportunities for exponential improvement in care. Consider what has already been achieved locally.

When work redesign is applied rigorously, the results are stunning. Take the VA Pittsburgh Health System's main hospital. One unit used PPC principles to virtually eliminate a virulent, antibiotic-resistant staph infection in just two years. Such infections cost on average $38,000 per infected patient, and more than $110 million per year in our region.

They succeeded with simple, methodical systems developed by those working at the point of patient care, from managing wheelchair and latex glove inventories, to organizing and cleaning an equipment room, to educating and reminding staff about effective hand hygiene protocol.

They regularly document their progress, sharing infection rates, sharing successes throughout their system.

Allegheny General Hospital is not only working to eliminate infections but also to track the costs of hospital-acquired infections and their impact on its bottom line. Sifting through and analyzing the financial data at their disposal (devoting hundreds of staff hours to the task) they have documented the savings of dozens of lives and millions of dollars each year if such infections were eliminated.

Through real-time problem solving at the point of service, they are well on their way to both savings.

Allegheny General is not alone. The region's hospitals have slashed the rate of central-line associated bloodstream infections by 55 percent between 2001 and 2004, saving the lives of 25 percent or more of the people who die from such infections. Across the region, infection control professionals and others have succeeded by introducing "insertion kits," which ensure that every item needed for safe

central line insertion is available when a health-care provider needs it, "procedure notes" in patient charts, which serve as checklists of recommended practice, and observations by staff teams to improve understanding of current line insertion and dressing maintenance.

Community-based health-care organizations are succeeding too.

For example, through work redesign and problem-solving at the point of service, the UPMC Lawrenceville Family Health Center has improved the care of patients with diabetes, dramatically increasing the rates of regular eye and foot examinations, blood pressure screenings and blood sugar tests.

A region can get what it wants, if we all do our part.

Health-care providers must generate good information -- making errors, dangerous practices and inefficiencies transparent, so that care teams can find root-cause solutions and implement changes rapidly.

They can also assure that their staff teams are well trained, capable of redesigning their work to incorporate the best safety science and clinical practices, and the fewest "work arounds" and daily goofs.

The Pittsburgh Regional Healthcare Initiative's Center for Shared Learning has already trained hundreds of health professionals in our region and across the country in Perfecting Patient Care, a system adapted from the Alcoa Business and the Toyota Production systems. But this work requires support, recognition and reward when incorporated in their home workplaces.

Employers, as health-care purchasers, can ask for and use data on health-care outcomes, and share it with their employees -- if health insurance plans would make the information easily available. Health insurance plans, in turn, also can reimburse facilities that have higher quality, safer care with higher payments and withhold or reduce reimbursement to facilities whose quality and safety measures falter.

Such a commitment among employers and the health plans they choose is possible. The Florida Health Care Coalition succeeded in saving their community $50 million in one year alone by supporting quality improvement efforts that benefit the over 2 million residents of central Florida. Its president, Becky Cherney, says that employers joined the coalition because "we were spending a ton of money on health care but had no idea what we were buying. ... We employers were going to be brokers of information."

We believe that information is key. Data can transform. The question is, how do we speed this along? The national debate on health care would be elevated if the policy framers had attended Pittsburgh's four regional dialogues this month. Best-practice medicine, applied rigorously, using the scientific method to measure results and produce consistently better outcomes, is the grail.

But it won't appear miraculously. It takes a region to support, expose, recognize and reward excellence.