

Fourth Award

*for Excellence and Innovation
in Value Purchasing*



Martin Sepulveda, MD, Vice President for Global Well-Being Services and Health Benefits at IBM, member of the Board of Directors of the National Business Group on Health, and Chair of its Award Committee, presented the Fourth Annual Award for Excellence and Innovation in Value Purchasing at this year's Business Health Agenda to HealthPartners, Inc. After thanking Vincent Kerr, MD, Pamela Hymel, MD, and Helen Darling for serving on the Award Committee, and presenting this award, Dr. Sepulveda made the following remarks.

One of the most important criteria was that the winner must have **proven** results and a track record in increasing value in purchasing by improving quality and net health outcomes. HealthPartners demonstrated this through their **Outcomes Recognition Program** which offers rewards to primary care clinics that achieve superior results in promoting health and preventing disease. The decline in Primary Care, the lack of a medical home, is itself a major national problem. **The Outcomes Recognition Program** offers annual financial bonuses, tied to enterprise wide quality goals. The

Impact of Performance Change

Measure	2002/2003 Results	2004/2005 Results	Change	Members Effected by Change ¹
Optimal Diabetes Care—Members Managed	13.1%	22.4%	Significant Improvement	~1,700 more adults with diabetes are optimally managed
Optimal CAD Care—Members Managed	22.0%	37.8%	Significant Improvement	~1,800 more adults with CAD are optimally managed
Healthy Lifestyle Advice—Adults	60.9%	63.5%	Not a significant change	
Healthy Lifestyle Advice—Children	54.9%		Significant Improvement	~7,200 more children with healthy lifestyle advice
Pediatric Immunization Combo #1 (4 DTP, 3 Polio, 1 MMR, 3 Hib, 3 HBV)	71.2%	69.9%	Not a significant change	
Pediatric Immunization Combo #2 (4 DTP, 3 Polio, 1 MMR, 3 Hib, 3 HBV, 1 VZV)	64.2%	66.0%	Not a significant change	
Generic Drug Use—Primary Care	50.3%	57.8%	Significant Improvement	~173,200 more generic drug prescriptions
Preventive Services—Members Up to Date	75.4%	83.0%	Significant Improvement	~27,300 more members are up to date on age and gender-appropriate prev services
Tobacco—Assessment Rate	84.8%	92.4%	Significant Improvement	~27,300 more members have been asked about tobacco use
Tobacco—Adult Prevalence Rate (a lower percent is desirable)	15.2%	15.1%	Not a significant change	
Tobacco—Adult Assist Rate	55.1%	59.7%	Not a significant change	
Tobacco—Second Hand Exposure (a lower percent is desirable)	13.0%	8.6%	Significant Improvement	~4,900 fewer children exposed to 2 nd hand smoke

¹ # of additional or fewer people with the activity (the percent change multiplied by the current population at risk)

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program is unique and rewards physicians for improving actual clinical outcomes, not simply improved processes. Unique to the program are the clinical targets, which are comprehensive, not just one to two targets per disease state, and include all important care components in each priority clinical area. Combined measures are *much* harder to achieve but also more likely to reflect better patient outcomes. Their “Excellent Tobacco Treatment” metric includes assessing exposure to second hand smoke, especially important for children in smoking households.

Through their Pay for Performance and Outcomes Recognition Programs, HealthPartners has raised the standard of care provided in Minneapolis and surrounding counties. In 2004, over \$16 million was available to participating providers. The rewards are large enough to influence provider behavior, the programs work within existing infrastructures; and providers, purchasers and consumers are able to understand the benefits. They demonstrated the value aspect by including the reward payments in calculation of the rates, not on top of the rates.

Proven results were demonstrated by the following outcomes: More than one in five HealthPartners’ members with diabetes met **all** important goals, which include:

- blood pressure
- aspirin use
- cholesterol
- blood sugar
- not smoking

Over 50% met four or more. This is 38% higher than the Minnesota average of 16%. Nationally this rate is not yet reported.

For members with diabetes, the result is 80 fewer heart attacks, 120 fewer amputations and 320 fewer eye complications than would have been suffered in 1994, just 11 years ago. HealthPartners’s pioneering composite measurement was recognized by the IOM’s recent report—**Performance Measurement: Accelerating Improvement**, and IOM recommended it for the nation. HealthPartners’s was the only health plan profiled in the IOM report. CMS (Medicare) has also recognized its composite measures and added it to the “8th Scope of Work” for Medicare’s Quality Improvement Organizations (QIOs). HealthPartners’s measures were also used in the Institute for Healthcare Improvement’s, “Saving 10,000 Lives Campaign.”

Dr. Sepulveda congratulated HealthPartners on their many accomplishments, pioneering measurement work, and their “Excellence and Innovation in Value Purchasing.”

Helen Darling, President, National Business Group on Health also noted that HealthPartners was the first health plan to announce that it would not pay claim costs when a particularly egregious avoidable medical mistake occurred, one which is so severe and avoidable that it has been dubbed a “never event.”

HealthPartners’s stand is based on the belief that many hospitals will not take seriously the urgent need to create a culture of safety and maintain truly safe hospitals—which require a Six Sigma level of care like the airlines—until payers stop paying hospitals for unsafe care, due primarily to system failures. The National Business Group on Health applauds Health Partners for their courageous stand and their leadership in improving patient safety and quality.



From left to right

Row 1 (bottom row): Tammie Lindquist, Sue Gentilli, Rita Murtada, Tom Marr, George Isham, Carrie Tichey, Gail Amundson, Babette Apland

Row 2: Mary Gainey, Blake Reinke, Diane Wehrle, Jim Krizak, Chad Heim, Kim Kline

Row 3: Kevin Christopherson, Michelle Kairis, Elizabeth Vetter, Kathy Ohmann, Dan Anderson, Rich Paskach, Rene Fisher, Marty Michael