

A Glide Path to High-Value Health Care

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During the first decade of this century, the Institute of Medicine (IOM) played a major role in laying out a vision and strategic direction for change at all levels of the health system, including patients engaged as partners in their health and health care; integrated health systems capable of providing coordinated, team-based care and managing the entire patient-focused episode; and communities that support healthy lifestyles and provide access to health care for all. Creating an accountability environment of value-based payment and public reporting programs that rewards better outcomes at lower cost is critical to achieving this vision.

Although the health system has been pursuing the vision laid out by the IOM for some time, the Patient Protection and Affordable Care Act (ACA) opened up opportunities to move more rapidly. The federal government is the largest purchaser of health care services, with enormous power to drive change, especially when working in partnership with the private sector. ACA has planted the seeds for fundamental system reform through innovative care delivery models and payment programs, such as accountable care organizations, and a robust portfolio of demonstration and pilot projects accompanied by expanded authority to scale up successful innovations. Although very important over the long run—we will all learn a great deal from these pioneering programs—only a fraction of providers will likely participate in these early efforts. Given the magnitude of our quality and cost

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challenges, we cannot afford for most providers to pursue a “wait and see” approach.

Building on efforts launched during the Bush administration, ACA opened a door for widespread, *incremental* change by incorporating performance-based payment incentives into Medicare’s many traditional payment programs that touch clinicians (e.g., physicians, nurse practitioners) and settings (e.g., hospitals, home health agencies, rehabilitation centers, nursing homes). The challenge now is to chart a path that nudges all types of providers, along with other stakeholders (i.e., consumers, health plans, community organizations), outside their “comfort zones” and encourages them to consider new models of care delivery that provide the necessary organizational support to achieve better outcomes at lower costs. This will require three elements: common goals, alignment of payment incentives, and synchronization of efforts.

In 2011, the Secretary of the Department of Health and Human Services (HHS) released a [National Quality Strategy](#) (NQS) establishing a set of priorities and goals that collectively drive toward better care, healthy people and communities, and affordable

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care. The NQS was developed with input from the National Priorities Partnership, a multi-stakeholder group convened by the National Quality Forum (NQF), to provide a strong foundation for the ongoing public- and private-sector collaboration that will be necessary to achieve these goals. NQF has endorsed national standardized performance measures that will allow all stakeholders to gauge progress in meeting the goals, although there are still important measure gaps to be filled.

To send strong and consistent signals to providers and other stakeholders that change is needed *now*, efforts are under way to align the incentives of public- and private-sector payment programs with the NQS goals. The [Measure Applications Partnership](#) (MAP), a second multi-stakeholder group convened by NQF, is providing input to HHS and others on the selection of “measure sets” for use in various performance-based payment programs. MAP provided its first round of input to HHS in February 2012 on the selection of measures for use in upwards of 20 different HHS payment and public reporting programs.

In addition to common goals and alignment of public- and private-sector payment programs, greater synchronization of the many efforts under way to encourage delivery system reform will likely accelerate progress. Synchronization is defined as the coordination of events to operate a system in unison. Health care is a system—it may not be a well-designed one, but it is a system. To achieve the greatest gains, purchasers

should pursue a synchronized roll-out approach when providing payment incentives to the various types of providers who must work together and with other stakeholders to improve care. For example, incentives to hospitals to reduce avoidable readmissions might be introduced in tandem with incentives to primary care physicians and post-acute care providers to effectively manage care transitions. In addition to encouraging providers to work collaboratively, a synchronized approach has the benefit of being fairer. It explicitly recognizes that hospitals do not control all factors that contribute to readmissions and that tackling this issue is a shared responsibility. If all the providers in a geographic area have a financial stake in reducing readmissions, they may also find ways to collectively engage local governments, schools, employers, and others in their communities to improve health literacy, strengthen social supports, and address other factors that could mitigate the need for hospitalizations.

Over a period of 3 to 5 years, an incremental approach can help move us toward a high-value health system. But success relies on a shared vision, common goals, mechanisms for public- and private-sector collaboration, and the willingness of all stakeholders to work together.

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In their discussion of incentives for health care delivery system reform, Janet M. Corrigan and Thomas Valuck describe potential incentives for fully engaging providers in system change. Their discussion touches on several issues and lessons central to delivery of care that is effective, efficient, and continuously improving, including the importance of:

- Shared, common goals among all health care stakeholders, including providers, health system leaders, community organizations, and purchasers;
- Alignment of public- and private-sector payment programs incentives with these common goals, thereby facilitating more cohesive public-private collaboration;
- Synchronization of efforts to implement system change so that all stakeholders are actively involved in and share the responsibility for progress toward provision of high-value care.

Information on the IOM's Learning Health System work may be found at www.iom.edu/learninghealthsystem.