Surviving & Thriving in a Value-Based World: What Healthcare Systems Need to Know & Do

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I am not in the office at the moment. Please send any work to be translated.
My Agenda

- Quality, patient safety, and value: A 15-year historical perspective
- The need for alignment (and why is this so hard for physicians)
- Some unanticipated consequences and major challenges around transparency, P4P, IT, and value-promotion activities
- Final thoughts
The Healthcare World, Circa 2000

- Quality/safety assumed to be excellent
- Mental model for improvement largely wrong
- No business case to improve safety/quality
- No local expertise, research or best practices
- All of above led to predictable results
The Last 15 Years, in a Nutshell

- Growing business case for safety/quality/value
- Steady progression from relatively weak pressures, eventually settling on “all of the above” plus payment changes
  - With new infrastructure/enabler: digitization
- While ACA promotes these changes, vast majority are independent of “ObamaCare”
- Recognition of need to remake delivery system to survive/succeed in new healthcare world
“The Challenge That Will Dominate Your Career...”
What We Need to Do: A Few Thoughts

- The need for a new kind of physician
- Our new digital infrastructure
  - How digitization promoted transparency
  - The Productivity Paradox
  - Handing deviations from “best practices”
- Making change happen… and stick
  - Social vs. market transactions
  - Adaptive vs. technical change
- Building a new bridge
“In fact, considerable attention had been given to a plan to anesthetize or tranquilize the astronauts, not to keep them from panicking but just to make sure they would lie there peacefully with their sensors on and not do something that would ruin the flight.”

Tom Wolfe, The Right Stuff
Health IT: The Great Enabler of Systemization

“By computerizing health records, we can avoid dangerous medical mistakes, reduce costs, and improve care.”
Federal Dollars Created a Tipping Point for Health IT

~75%
Richard Baron on the Trauma of Computerizing His Philadelphia Office Practice

“The staff came to work one day and nobody knew how to do their job.”
“We have the capacity to transform health with one thunderous click of a mouse after another.”

US Secretary of Health & Human Services Michael Leavitt, in 2005

“ER physicians spent 44 percent of their time entering data into EMRs, clicking up to 4,000 times during a 10 hour shift.”

*Becker’s Health IT magazine, 2013*
Arizona General Hospital will be coming to The Grand Canyon State later this year!! Located in Laveen, Arizona, a suburb of Phoenix, Arizona General Hospital is a 40,000 square-foot boutique general hospital.

Services offered include:

• Emergency Room
• Radiology Suite inc. CT, X-Ray, and Fluoroscopy
• Two State-Of-The-Art Operating Rooms
• Outpatient Surgery
• 16 Inpatient Rooms
• NO EMR
“You can see the computer age everywhere but in the productivity statistics.”

-- Nobel Prize winning economist Robert Solow, 1986
The Two Keys for Unlocking the Productivity Paradox

Improvements in the technology

Reimagining the work itself
When Things Will **Really** Get Interesting

- Traditional Enterprise EHRs (Epic, Cerner, etc)
- Consumer-facing IT (pt portals, apps, sensors, etc)
The Big Picture:
Two Transformational Trends

Pressure to deliver high-value care

The digitization of the U.S. healthcare system

The Dominant Issue Today

Prediction: The Dominant Issue in 2025
In the Tug of War Between Forces
Promoting/Inhibiting Transparency...
...Health IT Tilts the Balance Toward Transparency
How Will Practice Deviations be Handled?

Recent guidelines suggest...

Please call the CMO for approval.

What is your reason for deviation?

Are you some kind of moron?
“When a social norm collides with a market norm, the social norm goes away for a long time... Money, as it turns out, is very often the most expensive way to motivate people. Social norms are not only cheaper, but often more effective as well.”
There Are No Shortcuts: Adaptive vs. Technical Problems

“... problems that require people themselves to change. In adaptive problems, the people are the problem and the people are the solution. And leadership then is about mobilizing and engaging the people with the problem rather than trying to anesthetize them so that you can just go off and solve it on your own.”

– Ronald Heifetz, Kennedy School of Government
So, What **Will** It Take?

- New organizational arrangements that create aligned incentives & population perspective
- Must pay attention to happiness, intrinsic motivation of clinicians
- Comparative data: individual & group level
  - Goal is to inspire intrinsic motivation
- A new skill set
  - QI/safety, Lean, teamwork, leadership
  - Understand how IT is helping, and how it’s not
  - Need improvement *and* innovation methodology
Final Words

- With change comes opportunity
- Leadership is critical to getting the job done
  - Good news: you’re not alone – lots of other forces promoting the quality/safety/value agenda
- In the end, patients are likely to benefit from all of this
- Keep our eyes on the ball