



## **Federal Leadership Needed to Advance Health Care Quality Initiatives, Panelists Say**

Local initiatives to improve health care quality--such as the Puget Sound Health Alliance in Seattle--are good first steps to reforming the nation's health care system, but the federal government should require a national set of performance standards to ensure quality is improved nationwide, panelists said Jan. 26 at a forum sponsored by the Progressive Policy Institute (PPI).

Panelists praised the development of the Puget Sound Health Alliance, saying such programs are changing the face of health care at the local level. But they said health care quality improvement programs, including pay-for-performance (P4P) systems, would be much more effective with federal quality and P4P standards in place. Adopting federal standards would include Congress setting national health care quality measures and requiring federal programs to use standardized performance measures, according to Janet M. Corrigan, president of the National Committee for Quality Health Care, a nonprofit, nonpartisan education and research institute.

"Let's have a process we all can agree to at the federal level," she said. Congress "needs to nail it down."

### **National Framework**

Corrigan said health care quality initiatives around the nation should take place in the context "of a well thought-out national framework" of quality standards and performance measures.

"The federal government is the big elephant out there," Corrigan added, referring to the amount of money spent on health care by such programs as Medicare. If federal programs incorporate pay-for-performance and other health care quality initiatives into their payment systems, private payers will follow quickly, she added. Corrigan also said Congress should remove barriers to the spread of health care quality and electronic data systems, including changing federal anti-kickback and fraud laws that prevent providers from sharing equipment.

Corrigan also urged stakeholders to move quickly to adopt electronic medical record systems. "You're never going to see big leaps [in improving health care quality] ... unless you address the infrastructure," she said. "You just can't do this on paper records anymore."

The Puget Sound initiative involves 80 members and affects 725,000 covered lives in a five-county area in the Seattle area, said panelist and King County, Wash., County Executive Ron Sims. Employers contribute \$5 per covered person to the initiative. Employer contributions range from between \$500 and \$200,000 annually, according to PPI.

Participants in the initiative are developing evidence-based clinical care guidelines; public reports on health care quality offered by providers; ways to encourage the use of electronic medical records; and a system to share best health care practices within the area's health care system.

### **Health Care Inefficiencies**

Sims said the region's payers "are tired of paying" for the inefficiencies in the health care system. "It's a waste of our money."



## BNA's Health Care Daily Report January 27, 2006

Sims said he expects annual health care inflation increases will be reduced to 5.25 percent in 2006, compared to the range of 9.5 percent to 11 percent before the initiative. The area will save up to \$40 million in health care costs over three years under the initiative, he added. Much of that drop is attributable to the patient education component of the Puget Sound initiative, in which various incentives are given employees to become smarter health care purchasers, Sims said.

For example, workers can volunteer to take health assessments and work with "coaches" to help them make healthy lifestyle changes. Those using the coaches get breaks on their health insurance deductible or other costs, he added.

### **Health Care Credit Card**

The aim of this part of the initiative is to teach employees that "health care is not a credit card," and workers should be more aware of what is being spent on health care and what they get for their money, Sims said. Panelist Anne Gauthier, senior policy director of The Commonwealth Fund's Commission on a High Performance Health System, said there are numerous examples of such quality initiatives operating at the local/regional, state, and national level.

Based on information provided by the programs to date, to be successful, the initiatives need well-defined and accepted performance criteria and adequate coordination between all involved parties, Gauthier said. Public reporting aspects of these programs has so far altered provider behavior (improving the quality of care they offer) more than consumer behavior (seeking out good providers and becoming aware of price points), she added.

Sims said Seattle-area employers, insurers and other stakeholders preferred to wait for federal action before launching their health care quality initiative, but it became clear such action was not immediately forthcoming. "We know what we need to do. We do," he said of improving health care quality. "I just don't think Washington, D.C., wants to do it yet."

"There are vehicles that take you there, and vehicles that don't," he added. "We don't see the [political] process or structure supporting it."

Sims said he was disappointed by news reports about President Bush's expected health care proposals in his State of the Union speech Jan. 31, including expanding the availability of health savings accounts. Unlike adopting health quality measures, Sims said, those actions will do little to reduce rising health care costs.

*More information about the forum is available via <http://www.ppionline.org/>. FPRIVATE*  
"TYPE=PICT;ALT=End of article graphic"