Peri-operative Medicine and Healthcare Reform: Challenges and Opportunities for Anesthesiology

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University of California, Davis

I have nothing to disclose

Outline

- “It’s the economy, stupid.”
- Payment models
- Delivering more value
- Value Based purchasing and Patient satisfaction

20 years ago we had Steve Jobs, Johnny Cash, and Bob Hope.

Now we have no Jobs, no Cash and no Hope.

Please don’t let Kevin Bacon die.
“....health care regularly fails at the fundamental job of any business: to reliably deliver what its customers need.”

Thomas H Lee, MD
Press-Ganey
Toby Cosgrove, MD
Cleveland Clinic
Harvard Business Review, June 2014

http://en.wikipedia.org/wiki/Health_care_in_the_United_States

Which country gives you less value for your money?

http://dx.doi.org/10.1787/888932382045
Concentration of Health Care Spending is Biologic, Not Economic in Origin

Percentage of national healthcare spending accounted for by costliest 10% of population

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>65%</td>
</tr>
<tr>
<td>Belgium</td>
<td>65%</td>
</tr>
<tr>
<td>Denmark</td>
<td>73%</td>
</tr>
<tr>
<td>Canada*</td>
<td>79%</td>
</tr>
</tbody>
</table>

*Macroeconomic consistency across disparate international delivery/financing systems suggests epidemiologic foundation to health care spending.

Percentage of Adults 18 to 64 Years of Age without Health Insurance, January 2012 through June 2014.


PPACA enrollment period

Percentage of Adults 18 to 64 Years of Age without Health Insurance

**More Seek Care**

Hospital admissions rose overall but fell for uninsured patients.

Percentage change for the quarter ended June 30 from a year earlier

<table>
<thead>
<tr>
<th>Hospital Type</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenet Healthcare</td>
<td>-22%</td>
</tr>
<tr>
<td>Universal Health Services</td>
<td>-12%</td>
</tr>
<tr>
<td>HCA Holdings</td>
<td>-6.6%</td>
</tr>
</tbody>
</table>

*Except for uninsured admissions for HCA Holdings, which is year-to-date.
Source: the companies

**Value = \( \frac{\text{Quality}}{\text{Cost}} \)**

Cost is “easy” to measure

Quality is in the eye of the beholder

- Patient satisfaction
- Staff satisfaction
- Clinical outcomes
- Efficiency
variation

1. the act, process, or accident of varying in condition, character, or degree.

http://dictionary.reference.com/browse/variation

Inpatient Back Surgery Rate per 1000 Medicare enrollees—2010

Source: Dartmouth Atlas

Predicting Case Volume from the Accumulating Elective Operating Room Schedule Facilitates Staffing Improvements

Tiwar, Vikram Ph.D.; Furman, William R. M.D.; Sandberg, Warren S. M.D., Ph.D.

Anesthesiology 2014; 121:171-83
Value Based Purchasing

- Prompt Antibiotic Treatment (and stopping)
- Correct antibiotic selection for surgical patients
- Controlling blood sugar
- Beta blockers for surgery patients
- Averting blood clots in surgery patients
- Prompt cessation of blood clot treatment
- Averting catheter infections

Patient Satisfaction

- Nurse communication with patients?
- Doctor communication with patients?
- Staff responsiveness to patients?
- Pain management?
- Explanation of medications?
- Hospital clean and quiet?
- Overall level of care?
Nearly 1,500 Hospitals Penalized Under Medicare Program Rating Quality

TOPICS: MEDICARE, QUALITY, HOSPITALS, HEALTH REFORM

By Jordan Reo
KHN Staff Writer
NOV 14, 2013

This KHN story was produced in collaboration with KP.

More hospitals are receiving penalties than bonuses in the second year of Medicare’s quality incentive program, and the average penalty is steeper than it was last year, government records show.

1% penalty in 2013
UC Davis -0.10% in 2014

2% penalty in 2017
UCSF -0.23% in 2014

Ouch! Patient Satisfaction Hits Physician Pay

http://www.forbes.com

Median Quality and Patient Satisfaction Metrics as a Percent of Total Compensation

Quality Metrics
Patient Satisfaction Metrics
Primary Care Specialty Care

Value = Quality/Cost

Long-term Outcomes
Hospital Stay
Preoperative Intervention
PACU
Intraoperative

The Broadening Horizons of Anesthesia Care

Value Based Purchasing

<table>
<thead>
<tr>
<th>Hospital Name</th>
<th>City</th>
<th>State</th>
<th>Value Based Purchasing</th>
<th>Roadreadmission</th>
<th>Total VBP &amp; Roadreadmission</th>
</tr>
</thead>
<tbody>
<tr>
<td>California Pacific Medical</td>
<td>San Francisco</td>
<td>CA</td>
<td>-0.33% -0.13%</td>
<td>-0.36% -0.30%</td>
<td>-0.69% -0.68%</td>
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<tr>
<td>City of St. Lukes Campus</td>
<td>San Francisco</td>
<td>CA</td>
<td>-0.42% -0.82%</td>
<td>-0.55% -0.01%</td>
<td>-0.47% -0.93%</td>
</tr>
<tr>
<td>California Pacific Medical</td>
<td>San Francisco</td>
<td>CA</td>
<td>-0.12% -0.12%</td>
<td>-0.27% 0.00%</td>
<td>-0.39% 0.12%</td>
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<tr>
<td>CP Pacific Medical Campus</td>
<td>San Francisco</td>
<td>CA</td>
<td>-0.06% -0.32%</td>
<td>-0.31% -0.11%</td>
<td>-0.41% 0.25%</td>
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<tr>
<td>Kaiser Foundation Hospital</td>
<td>San Francisco</td>
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<td>0.34% 1</td>
<td>0.00% 0.00%</td>
<td>0.34% 0.00%</td>
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<tr>
<td>UC Davis Medical Center</td>
<td>San Francisco</td>
<td>CA</td>
<td>0.35% 1</td>
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<tr>
<td>UCSF Medical Center</td>
<td>San Francisco</td>
<td>CA</td>
<td>-0.24% -0.19%</td>
<td>-0.18% -0.42%</td>
<td>-0.42% -0.61%</td>
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<tr>
<td>San Francisco General Hospital</td>
<td>San Francisco</td>
<td>CA</td>
<td>-0.23% -0.12%</td>
<td>-0.13% -0.25%</td>
<td>-0.27% -0.37%</td>
</tr>
<tr>
<td>St Mary Medical Center</td>
<td>San Francisco</td>
<td>CA</td>
<td>-0.61% -0.31%</td>
<td>-0.15% -0.01%</td>
<td>-0.46% -0.26%</td>
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<tr>
<td>VAP Medical Center</td>
<td>San Francisco</td>
<td>CA</td>
<td>0.00% -0.21%</td>
<td>-0.26% -0.46%</td>
<td>0.15% -0.21%</td>
</tr>
</tbody>
</table>

Patient Satisfaction

- How well nurses communicated with patients.
- How well doctors communicated with patients.
- How responsive hospital staff were to patients' needs.
- How well caregivers managed patients' pain.
- How well caregivers explained medication to patients before giving it to them.
- How clean and quiet the hospital room and hall were.
- How often caregivers explained to patients how to take care of themselves after discharge.
- How the hospital stay rated overall.