

Quality is the Key to Healthcare Reform

If I had to pinpoint the key to healthcare reform, I would use one word – quality. If I had to identify the focus of our efforts, it would be patients. And if I had to construct a timeline for action, it would begin today. We have no time to waste in creating a sustainable model for delivering high-quality care.

Quality care involves providing appropriate care in the appropriate setting so that we can improve the health of entire communities using available resources. We must develop an economically sustainable healthcare model.

Are we there yet? No, but we are seeing a decided shift in attitudes across the industry, and I expect discussions about providing quality patient care, adopting a value-based reimbursement model, and controlling costs to continue throughout the year.

In the past, when seeing more patients meant higher revenues, the quality of healthcare was uneven and spending levels were unsustainable. Treating more patients did not necessarily guarantee higher profits for hospitals and simply paying more did not ensure better outcomes for patients. Uncontrolled costs could easily compromise the financial health of the provider.

As we reform the system, hospitals and physicians need to collaborate and redesign delivery models to lower cost and improve quality, delivering better individual outcomes. We can't, however, expect physicians, hospitals and health systems to create a new delivery model without adequate compensation.

One of the biggest barriers to delivering high-quality care and reducing costs is that we don't reward providers for helping patients stay well. Nor do we currently reward physicians and other healthcare providers for controlling costs by reducing variations in episodes of care. Providers should be rewarded for shifting the focus to patient health. In that model, everyone wins.

Moving to a value-based reimbursement model should make delivery of care more efficient. It should lower costs and encourage patients to become healthier. Ideally, increased transparency in the system would provide patients with more information about pricing and quality measurements, which they could use to select lower-cost and higher-quality providers.

Both government and the marketplace have started creating incentives to encourage adoption of a value-based reimbursement model, and we are seeing an increasing number of participants. We estimate 30% of Medicare payments, for example, will be based on the quality of patient outcomes by the end of 2016.

What does this mean for your organization? If you haven't already begun the process of evaluating your culture, compensation, care processes and protocols, and technology, it is time to start.

We see a variety of solutions in the marketplace and no one model suits every hospital or health system, but you must join the discussion or risk being left behind.