CASTLIGHT HEALTH

"Quality" in Health Care: Understanding All the Dimensions and Components

White Paper

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"Americans should be served by a health care system that consistently delivers reliable performance and constantly improves, systematically and seamlessly, with each care experience and transition."

— Institute of Medicine. Best Care At Lower Cost: The Path to Continuously Learning Health Care In America. 2012.

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Introduction

The U.S. health care system is in crisis. Unsustainable costs, widely variable outcomes and quality, and limited access contribute to the fact that we now have the highest per capita health care costs in the industrialized world with some of the worst outcomes.[1-3] We also waste more than $300 billion every year on unnecessary and inappropriate care, preventable complications, and medical errors.[4]

Medical errors are so common, in fact, that a study published in the Journal of Patient Safety found they account for an estimated one out of six deaths in the US, making them the third leading cause of death in this country.[5]

Poor quality of care takes a tremendous toll, not just on the system as a whole, but on the patients and their families at the center of that system, as Figure 1 shows.

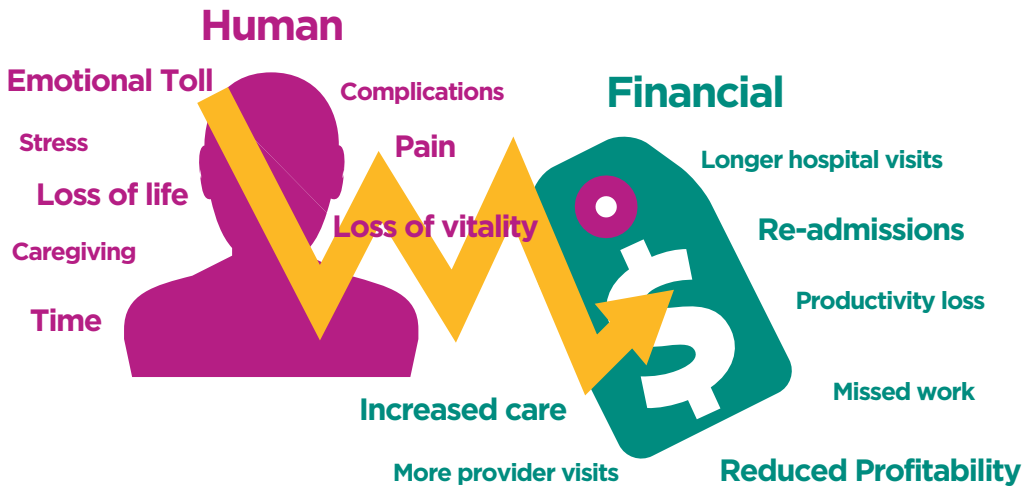

Figure 1: The Cost of Poor Quality

It also has a tremendous effect on employers, who already face unsustainable health care costs. When we evaluated one of our customer's claims, we found numerous signs of preventable complications that had cost our client significant amounts, not to mention the toll on the individual. Specifically, we identified the following preventable hospital-acquired conditions (HACs):

- Fourteen instances of stage III and IV pressure ulcers
- Twelve instances of vascular catheter-associated infections
- Thirteen instances of catheter-associated urinary tract infections
- One instance of a patient dying or experiencing a serious disability associated with intravascular air embolism
- Five instances of foreign objects remaining in patients after a procedure

"The most important single change necessary is for employers to think about health care in terms of value, not cost. . . The goal should be to increase value, not reduce the short-term costs of health benefits."

— Porter ME, Teisbert EO, Wallace S. What Should Employers Do about Health Care? *Working Knowledge*. July 16, 2008.

Nationally, such medical errors cost more than $17 billion a year, with a good part of that burden falling on employers.6 That's a major part of the reason Medicare no longer pays hospitals for HACs and, in 2014, will begin penalizing them by reducing their overall reimbursement.[7]

Employers, however, still bear the cost. Experts estimate that poor quality care costs a typical employer between $1,900 and $2,250 per employee per year.[8]

The burden occurs not just in direct medical costs, but also in increased absenteeism and presenteeism. Estimates are that poor-quality care leads to as many as 45 million avoidable sick days per year (the equivalent of 180,000 full-time employees), greater disability costs, and early retirement.[8,9]

Employers have a major role to play in reducing the waste, inefficiency, and poor quality of care in our medical system. As a group, they are the second largest purchaser of health care services after the federal government. Thus, they have tremendous power in demanding quality health care for their employees. Getting more involved in this way leads to greater cost efficiency, improved quality of care, improved employee health, and improved community health.[10]

To do this, however, employers must shift their focus from cost alone to quality. As Harvard Business School professor Michael E. Porter and his colleagues wrote in 2008: "Health care has been treated as a commodity and the dominant approach has been cost reduction." Instead, they say, "Employers should think in terms of value: Value means the health outcomes achieved for the money spent."[9] What is one important way to refocus on value? Engage employees in the quest for quality.

Defining Quality

The word "quality" appears 593 times in the Patient Protection and Affordable Care Act (ACA). In fact, the overriding goal of the Act, as stated on the first page, is "Quality, affordable, health care for all Americans."[11]

It's an outstanding goal. . . but there's one problem: What does "quality" mean??

That depends.

To health policy experts, quality is judged by the health of a population, the cost of the care, and the patient experience (Table 1).

Institute for Health Care Improvement	Institute of Medicine
The Triple Aim	**The Six Aims**
1. Improve the health of the population 2. Enhance the patient experience of care (including quality and satisfaction) 3. Reduce, or at least control, the per capita cost of care	Provide health care that is: • Safe • Effective • Patient-centered • Timely • Efficient • Equitable

Sources: Berwick DM, Nolan TW, Whittington J. The triple aim: care, health, and cost. Health Aff (Millwood). 2008;27(3):759-769; Institute of Medicine. Crossing the Quality Chasm: A New Health System for the 21st Century. 2001.

Table 1: A Quality Health Care System

To payers, quality is based on providing care that is evidence based, results in good outcomes, and is cost effective. Was the patient readmitted within 30 days of discharge? Do diabetes patients have their blood glucose levels controlled? Do patients who smoke receive smoking cessation counseling? What percentage of patients with asthma is prescribed maintenance medication?

To health care professionals, quality is also based on doing what the evidences says leads to better outcomes and actual outcomes. Did I diagnose the patient correctly? Did I prescribe the right medication? Did the patient improve?

Finally, to patients, quality is based less on quantitative components and more on qualitative assessments, which varies based on needs. How long does it take to get an appointment with my doctor? Did my doctor explain my condition to me? Is the office staff friendly and respectful? How long did it take for the nurse to answer my call bell? How quiet was the hospital?12 For specialists, the priority often becomes much more focused on outcomes. Will my patient get better? How have other patients responded to the care delivered?

Many different definitions of quality—all of which are correct.

Thus, one of the greatest challenges we face when it comes to communicating quality is incorporating those varied definitions into a single indicator that provides a holistic view of "quality" to the end user – the patient.

What Do Patients Want?

When researchers ask patients and their families what they value in health care, they learn that patients value[12]

- Communication and information
- Courtesy and emotional support
- Access to their health care provider
- Competent providers
- Care coordination

Measuring Quality

In the race to measure and report quality, numerous organizations and government agencies, particularly the Centers for Medicare and Medicaid (CMS), regularly survey and evaluate health care facilities and clinicians, (Table 1). This becomes more important as we move towards a value-based payment system in which providers are paid based on meeting certain quality indicators rather than on the amount of care provided. However, these methods vary significantly in what and how they measure to determine "quality."

The CMS measures, for instance, are built around evidence showing that meeting these quality indicators improves outcomes. Services like Healthgrades and Vitals, base physician ratings on consumer feedback and are built around responses to questions about nonclinical issues such the cleanliness of the office, friendliness of the staff, and ease of making an appointment, as well as the doctor's communication skills. Meanwhile, US News and World Report's annual hospital rankings are based on specialist interviews, death rates, patient safety, and hospital reputation.

Table 1 highlights just a few of the most common quality measurement and reporting organizations. There are dozens more, including state-based and physician organizations that collect and release their own data.

When assessing a quality report or rating, employers need to consider several things:

- **Who developed the report?** Ratings from for-profit companies that accept advertising may have inherent biases.
- **What is included in the report?** Clinical indicators, for instance, need to be adjusted for case severity.
- **Where do the indicators come from?** Clinical indicators should be based on solid evidence and endorsed by national organizations such as the National Quality Forum (NQF)
- **How clear is the data?** You should be able to see what's what's being measured, the data used, and the method for assessment.

Organization	Description
Centers for Medicare and Medicaid Services	**Hospital Compare.** Searchable database that provides quality data on hospitals that accept Medicare
	Physician Compare. Searchable database that provides quality data on physicians who accept Medicare
Bridges to Excellence	Evaluates and recognizes providers who follow evidence-based guidelines in the care of patients with chronic conditions or who have the systems and processes in place to better coordinate care.
National Committee for Quality Assurance (NCQA)	Certifies and accredits health plans, patient-centered medical homes, accountable care organizations and other healthcare entities and programs.
The Leapfrog Group	Assesses hospital performance based on national performance measures, and makes that information available to consumers through a searchable database.
US News and World Report	The magazine puts out lists of "best" hospitals, including the best hospitals for certain conditions, such as cancer and cardiovascular care.
Healthgrades	Uses patient reviews to rate physicians and identifies "designated providers" based on criteria such as board certification and malpractice claims.
Vitals	Uses patient reviews to rate physicians

Table 2: Who Is Measuring Quality?

Overwhelmed Consumers

Consumers can access data from most quality-based organizations via searchable databases and web sites. However, the evidence shows that they don't.[13]

The are several reasons: The data is not user friendly; consumers don't know which measures are most relevant to the care they need; individual quality ratings systems are inconsistent. Many are based on nonstandardized measures and a variety of sources, which makes relying on just one standard inadequate for truly judging quality.[14]

This siloed data also doesn't paint the whole picture. For instance, while the communication skills of a physician are important to most patients looking for a primary care doctor, a physician's skill in diagnosis and prevention may be more important when selecting a specialist. Thus, it is important that the information patients receive incorporate both the qualitative aspects of quality such as physician interactions and ease of access and the more quantitative aspects, such as adherence to national guidelines and outcomes.

Instead of relying on a single indicator, consumers need all the information on physicians and health care facilities aggregated into one simple-to-use, personalized dashboard that is relevant to their needs. Most important: they need it in easy-to-understand language that puts the information into context.15 Research bears this out. An analysis of three studies found that "less is more" when providing health quality information to consumers. Additionally, presentation matters. As the authors wrote: ". . . how the information is presented can be as influential as what information is presented when attempting to inform health care choices."[16]

Engaging Employees in the Search for Quality

A fundamental flaw in our current health care system is that the customer—the patient—has traditionally been on the periphery of the system itself, relegated to a passive role with little input into or ownership of their health and health care.

To take ownership, consumers need transparency around the quality of care they seek and receive, as well as cost. Unfortunately, few receive this. In fact, we have more transparency around the cost and quality of a car—and thus shop for cars based on this information—than we do about health care. Imagine if consumers shopped for cars like they shop for health care? They would just pick out a car because the salesperson was nice to them, or their friend had the same car.

This should change as the US health care system shifts towards patient-centered models of care, such as accountable care organizations and shared-decision making, both of which rely on communicating objective quality indicators to patients and focus on delivering appropriate, value-based care.

At the heart of such efforts is an engaged patient, one who is actively involved in managing their health care. These are patients with the knowledge, skills, ability, and willingness to manage their own health and care. They understand the importance of quality in their health care, and, more importantly, understand the various components that contribute to quality.[17]

Studies find that activated, engaged patients not only take better care of themselves and have better health outcomes, but also have lower medical costs and make better health-related decisions overall than less activated patients.[18-20 21]

"Employers can promote employee health and save money by encouraging employees to seek care from providers proven to give the right care at the right time."

— Robert Wood Johnson Foundation.
How Employers Can Improve Value and Quality in Health Care.

The Benefits of Activated, Engaged Patients

There are numerous benefits of activated, engaged patients, including:

- **Lower hospital readmission rates.**[21]
- **Lower costs.** One study found patients with the lowest activation levels had costs 21 percent higher in just six months than patients with the highest activation levels.[22]
- **High-value health care.** Educating patients about the quality and cost of providers leads them to choose more cost-effective, higher-quality providers.[23]
- **Improved provider performance.** Consumers who are informed about the quality of care and use that information to choose providers can motivate providers to improve their performance.[24]

One way employers can activate and better engage patients is by educating them about quality and the care they should receive, and providing them with the tools to choose higher quality providers. Many employers are doing just that. They are offering solutions that provide cost and quality transparency to their employees; training employees on how to use quality information; and teaching employees to engage in the process of finding and receiving the right care. Some are even providing financial incentives for employees who visit quality report sites before enrolling in their health plan.[8]

This, notes Judith H. Hibbard, PhD, who researches patient engagement and activation, that "patients can obtain higher quality care for themselves and stimulate quality improvement among the institutions and providers in their health care market."[24]

Conclusion

Improving the quality of the US health care system by steering patients to higher quality providers and transitioning from a fee-based reimbursement system to a value-based reimbursement system is crucial if we are to bring our health care costs and the health of our population in line with that of other industrialized countries.

Employers have a vital role to play in the quest for quality. By providing employees with transparent, easy-to-use and easy-to-understand data on the quality of health care providers, they can play an important role in improving the overall outcomes of their employees as well as seeing their health care costs decline.

However, given varying types of "quality," employers need to ensure that the data they provide comes from sources experienced in quality measurement, is based on credible quality metrics, and provides employees with the right information about the right provider at the right time.[17]

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About Castlight Health

Castlight Health enables employers, their employees, and health plans to take control of health care costs and improve care. Named #1 on The Wall Street Journal's list of "The Top 50 Venture-Backed Companies" for 2011 and one of Dow Jones' 50 Most Investment-Worthy Technology Start-Ups, Castlight Health helps the country's self-insured employers and health plans empower consumers to shop for health care.

Castlight Health is headquartered in San Francisco and backed by prominent investors including Allen & Company, Cleveland Clinic, Maverick Capital, Morgan Stanley Investment Management, Oak Investment Partners, Redmile Group, T. Rowe Price, U.S. Venture Partners, Venrock, Wellcome Trust, and two unnamed mutual funds.

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