

# WIHI: Let's Get to Work on Waste in Health Care

Dial In: 1-877-668-4493

Code: 664 717 893



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## Madge Kaplan IHI Director of Communications



For resources and slides visit www.IHI.org/WIHI

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Madge Kaplan, IHI's Director of Communications, is responsible for developing new and innovative means for IHI to communicate the stories, leading examples of change, and policy implications emerging from the world of quality improvement — both in the U.S. and internationally. Prior to joining IHI in July 2004, Ms. Kaplan spent 20 years as a broadcast journalist for public radio – most recently working as a health correspondent for National Public Radio. Ms. Kaplan was the creator and Senior Editor of Marketplace Radio's Health Desk at WGBH in Boston, and was a 1989/99 Kaiser Media Fellow in Health. She has produced numerous documentaries, and her reporting has been recognized by American Women in Radio and Television, Pew Charitable Trusts, American Academy of Nursing and Massachusetts Broadcasters Association.

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### Derek Feeley

### President, CEO Institute for Healthcare Improvement



For resources and slides visit <a href="https://www.ihl.org/WIHI">www.ihl.org/WIHI</a>

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Derek Feeley, President and CEO of the Institute for Healthcare Improvement (IHI), previously served as IHI's Executive Vice President from 2013 to 2015, during which time he had executive-level responsibility for driving IHI's strategy to improve health and health care worldwide. Prior to joining IHI in 2013, Mr. Feeley served as Director General for Health and Social Care in the Scottish Government and Chief Executive of the National Health Service in Scotland. In that role he was the principal advisor to the Scottish Government on health and health care policy on public service improvement. He also provided leadership to NHS Scotland's 140,000 staff in their delivery of high-quality health and health care. In 2013, Mr. Feeley was made a Companion of the Order of the Bath by Her Majesty, Queen Elizabeth II, in recognition of his services to health and health care.

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### Helen Macfie

### MemorialCare Chief Transformation Officer



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Helen Macfie, PharmD is Chief Transformation Officer at MemorialCare. She is responsible for facilitation of system-level transformation and performance improvement for MemorialCare's population health, clinical quality, patient safety, Lean and strategic planning efforts. Her passion is the pursuit of safer and the highest quality care for every patient in pursuit of the Triple Aim. Receiving her PharmD degree from the University of California at San Francisco and following two post-graduate residencies, Helen practiced in hospitalbased clinical pharmacy settings for thirteen years before assuming leadership roles in three different health systems in south California for the past two decades. Helen was named one of the Top Eight Health System Chief Transformation Officers and Top 50 Patient Safety Experts Leading the Field by Becker's Hospital Review for 2016 and sits on the Joint Commission Pioneers in Quality Advisory Panel. She speaks nationally at forums focused on improving healthcare strategy, integration of lean principles, and on performance improvement and patient safety. She serves as faculty for the Institute for Healthcare Improvement's (IHI's) Patient Safety Executive course and Population Health Leadership course.

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### Joanne Roberts

### Providence St. Joseph Health Chief Value Officer



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Joanne Roberts, MD, MHA, is the Chief Value Officer for Providence St. Joseph Health (PSJH), working with clinical leaders to build improvement and leadership skills so that we can deliver the best care at the lowest costs for our communities. After spending almost 10 years in newspaper journalism, Joanne shifted to medicine, graduating from the University of Minnesota School of Medicine and completing her internal medicine residency at Abbott Northwestern Hospital in Minneapolis. She then went on to a Robert Wood Johnson Clinical Scholars Fellowship at the University of North Carolina, studying clinical ethics, economics, and clinical epidemiology. She has served as the North American editor for the BMJ, and consulted with the Annals of Internal Medicine in developing its Updates section. She also served as the director of the General Internal Medicine Residency at Johns Hopkins Bayview Medical Center. Joanne has practiced in academic medicine, primary care internal medicine, emergency medicine, longterm care, hospital medicine, and hospice & palliative medicine. Before assuming her leadership roles, she was a palliative medicine hospitalist for nine years at The Everett Clinic, posted to Providence Regional Medical Center Everett, where she later served as chief medical officer.

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### Kelly Logue

### HealthPartners Senior Director of Care Affordability



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Kelly Logue, MA, is the Senior Director of Care Affordability at HealthPartners. In this role she leads major improvement initiatives across all parts of care delivery. Organization-wide topics have included: improvement in our care affordability as measured by the Total Cost of Care measures, reducing opioid prescribing and improving access to treatment for opioid addiction, and the Children's Health Initiative. She has over 25 years of experience in health care financing, administration, and operations. She works closely with physician leaders, senior level executives, and hospital administration to align clinical practices to meet the ever changing needs to improve clinical quality, patient experience, and reduce the total cost of health care in a variety of clinical settings.

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### IHI Leadership Alliance

Care better than we've ever seen, health better than we've ever known, cost we can all afford... for every person, every time.

The IHI Leadership Alliance is a dynamic collaboration of US based health care executives who work collaboratively, creatively, and courageously. We share generously with one another, confident that by sharing and learning together, we can individually and collectively get better, faster.

Alliance Vision: Care better than we've ever seen, health better than we've ever known, cost we can all afford...for every person, every time.

Alliance Mission: In partnership with our workforces, individuals, and communities, we will deliver on the full promise of the Triple Aim.

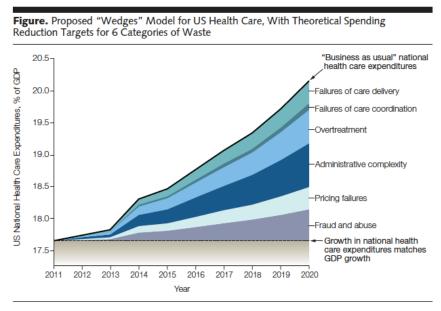


IHIAllianceTeam@ihi.org



### Who best owns BIG waste reduction?

 As a consumer of healthcare, who do you/we want to be responsible for identifying and eliminating waste in the system?



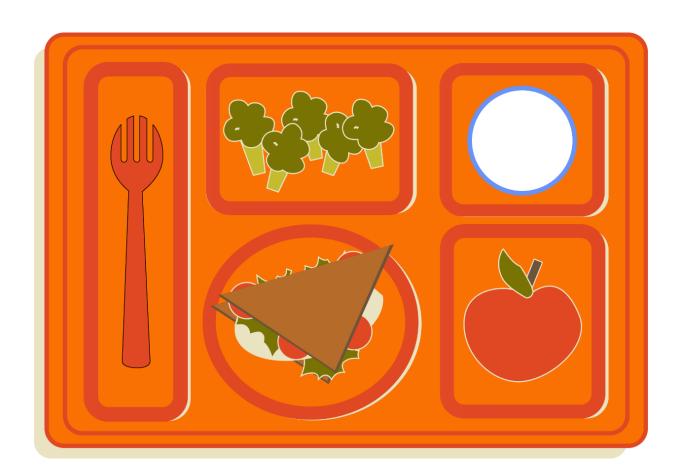
Journal of the American Medical Association. 2012;307(14):1513-1516. Copyright © 2012 American Medical Association. All rights reserved.





### Lunch Light Bulbs

- Good idea, go for it!
- We'll help you.





### Premise: "Checkbook"



- In order to return the money...we need to find the money.
- If healthcare systems, providers and payors could write a check back to the US people and "return the money," where could substantial savings come from?
- Finding a cool \$1T what if we came up with the next level list of key wastes in healthcare, a rough quantification of the potential impact (all payor) and how to get there?



Care better than we've ever seen, health better than we've ever known, cost we can all afford... for every person, every time.

#### New Rules for Radical Redesign in Health Care

Change the balance of power: Co-produce health and wellbeing in partnership with patients, families, and communities.

Standardize what makes sense: Standardize what is possible to reduce unnecessary variation and increase the time available for individualized care.

Customize to the individual: Contextualize care to an individual's needs, values, and preferences, guided by an understanding of what matters to the person in addition to "What's the matter?"

**Promote wellbeing:** Focus on outcomes that matter the most to people, appreciating that their health and happiness may not require health care.

Create joy in work: Cultivate and mobilize the pride and joy of the health care workforce.

Make it easy: Continually reduce waste and all non-value-added requirements and activities for patients, families, and clinicians.

Move knowledge, not people: Exploit all helpful capacities of modern digital care and continually substitute better alternatives for visits and institutional stays. Meet people where they are, literally.

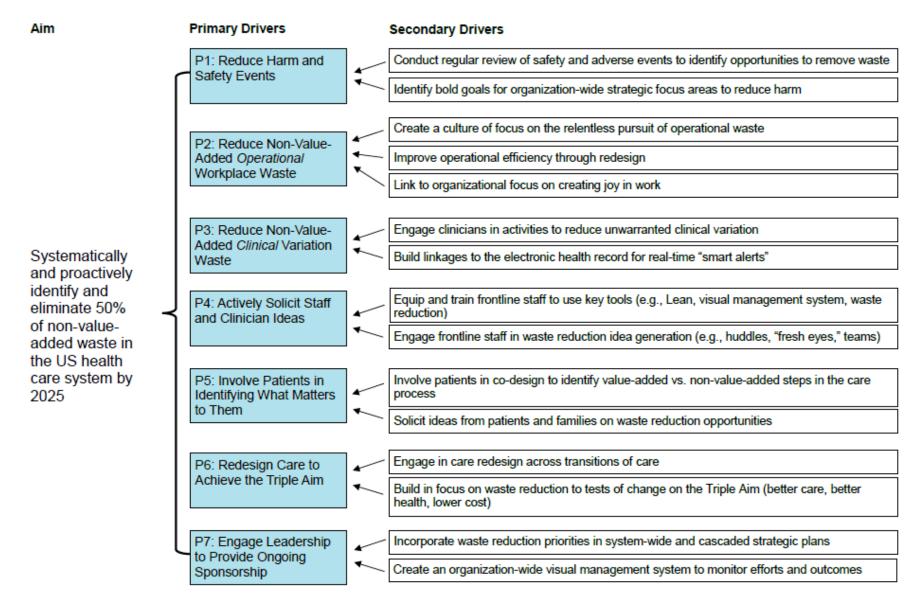
Collaborate and cooperate: Recognize that the health care system is embedded in a network that extends beyond traditional walls. Eliminate siloes and tear down self-protective institutional or professional boundaries that impede flow and responsiveness.

Assume abundance: Use all the assets that can help to optimize the social, economic, and physical environment, especially those brought by patients, families, and communities.

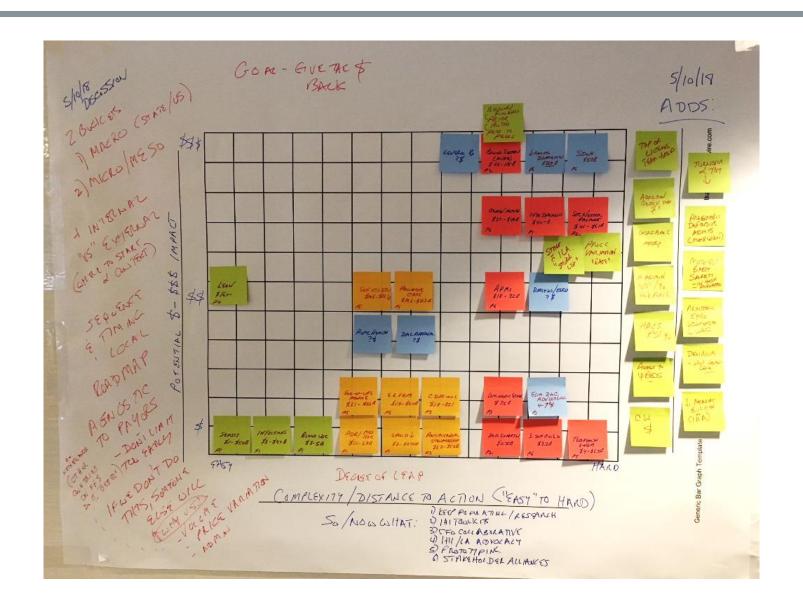
**Return the money:** Return the money from health care savings to other public and private purposes.



#### A Driver Diagram to Systematically and Proactively Identify and Eliminate Non-Value-Added Waste in the US Health Care System by 2025



### Creative Process – All In





### IHI Alliance's NEW Call to Action





#### Call to Action:

Reduce Waste in the US Health Care System and Return the Cost Savings to Patients and the Economy

IHI Leadership Alliance



#### AUTHORS:

Helen Macfie, PharmD, FABC: Chief Transformation Officer, MemorialCare Health System

 ${\it James Leo, MD, FACP, FCCP: Chief Medical Officer, Memorial Care Health System}$ 

#### Acknowledgments:

The IHI Leadership Alliance is a dynamic collaboration of US health care executives who share a goal to deliver on the full promise of the IHI Triple Aim: better care for individuals, better health for populations, and lower per capita health care costs. Sincere thanks to the IHI team for their ongoing support and thoughtful guidance of this work: Maureen Bisognano, Molly Bogan, Bozwell Bueno, Jill Duncan, and Derek Feeley.

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Sandy Nesin, Esq.: Chief Operating Officer, Community Care Partnership of Maine, and Executive Director, Community Health and Hospice, St. Joseph Healthcare

 ${\tt Joanne\ Roberts, MD, MHA: Senior\ Vice\ President\ and\ Chief\ Value\ Officer, Providence\ St.\ Joseph\ Health}$ 



### Companion piece: "Trillion Dollar Checkbook"

### **Executive Summary**

The IHI Leadership Alliance is a dynamic collaboration of US health care executives who share a goal to deliver on the full promise of the IHI Triple Aim: better care for individuals, better health for populations, and lower per capita health care costs. Alliance members believe that eliminating "waste" in health care — defined as resources expended in money, time, and/or personnel that do not add value for the patient, family, or community — is essential to providing care at an affordable cost. In some cases, this non-value-added waste can even harm patients, adding further cost.

This "Trillion Dollar Checkbook" compendium, developed by the Alliance, offers an in-depth analysis of significant and in many cases complex opportunities to reduce waste and cost in the United States health care system. The premise of the Checkbook is that successful waste reduction in the US health care system would, in effect, enable writing a "check" back to the American people or repurposing those savings to support essential patient-care services or meet community needs.

In the Checkbook, each of the specific improvement ideas for reducing waste includes:

- A summary of the literature scan;
- National estimates of total waste and potential savings across the US;
- · Suggested resources to help organizations begin work in each area; and
- Calculations that describe how the estimated cost savings are derived, inflated to 2018 impact.

This Checkbook compendium provides additional detail to the accompanying IHI Leadership Alliance Call to Action.





### P1: Sepsis

In the US, sepsis occurs in more than 750,000 patients every year and is responsible for more than 210,000 deaths.9

#### Key Literature Sources to Support Checkbook Estimates

- The AHRQ funded Healthcare Cost and Utilization Project (HCUP) reported sepsis to be the most expensive condition treated in US hospitals
  across all payers, totaling \$23.6 billion in aggregate hospital costs across 1.3 million hospital stays in 2013.<sup>10</sup>
- One 2010 study analyzed the Nationwide Inpatient Sample database to investigate healthcare-associated sepsis and found the attributable
  hospital cost per case to be \$32,900 for surgical and \$5,800 for non-surgical patients.<sup>11,12</sup> Assuming 30 percent<sup>13</sup> of cases are surgical, we can
  estimate a blended cost per case of \$13,930.
- Applying this rate and a 20 to 25 percent reduction<sup>14</sup> in cost per case to the 2013 hospital stay count yields estimated savings
  to acute care facilities of \$4.6 billion to \$5.7 billion in 2018 US dollars over a one-year period.

#### Getting Started

- Hour-1 Bundle. Surviving Sepsis Campaign. <a href="http://www.survivingsepsis.org/Bundles/Pages/default.aspx">http://www.survivingsepsis.org/Bundles/Pages/default.aspx</a>
- Early Detection and Treatment of Sepsis. Patient Safety Movement. <a href="https://patientsafetymovement.org/actionable-solutions/challenge-solutions/early-detection-and-treatment-of-sepsis/">https://patientsafetymovement.org/actionable-solutions/challenge-solutions/early-detection-and-treatment-of-sepsis/</a>

#### Checkbook Calculations (in 2018 US dollars: m = million; b = billion)

Total Number of Sepsis Hospitalizations	Cost per Case (2006)	Total Cost Burden	Estimated Cost Savings Assuming 20% Reduced Cost per Case (2018 Inflation Adjustment)	Estimated Cost Savings Assuming 25% Reduced Cost per Case (2018 Inflation Adjustment)
1,297,000	\$13,930	\$18.1b	\$4.6b	\$5.7b



### P5: Involve Patients in Identifying What Matters Most to Them

For this primary driver, "what matters most" means the value-added steps in the care processes from the patients' perspective. Health care

organizations are encouraged to solicit ideas from pat in care processes) and engage them in co-design.

#### P5: Palliative Care

In 2015, 4.8 percent of all US hospital admissions rece (FTE) staff, often varying based on number of hospita with more than 500 beds, palliative care programs pro consult. In hospitals with fewer than 150 beds, they pr

#### Key Literature Sources to Support Checkbook

- Palliative care consultation was associated with a were discharged and of almost \$5,000 per admiss containing an interdisciplinary palliative care tear translate into a net savings of \$1.3 million per yea These savings account for ICU days saved, and ph savings from length of stay (LOS) reduction, read: million hospital admissions with a LOS between 7 Applying the \$1.3 million annual cost savin billion in direct medical costs to acute care
- Another study evaluated the effectiveness of pallia outpatient settings, finding \$7,552 in savings in to ED visits and hospitalizations compared to patien for Clinical and Economic Review estimated a tar these estimates we can approximate nation

#### Getting Started

- Sokol-Hessner L, Zambeaux A, Little K, Macy L, Lally K, McCutcheon Adams K. "Conversation Ready": A Framework for Improving End-of-Life Care (Second Edition). IHI White Paper, Boston: Institute for Healthcare Improvement; 2019. http://www.ihi.org/resources/Pages/IHIWhitePapers/ConversationReadvEndofLifeCare.aspx
- Palliative Care Best Practices Guidelines. American College of Surgeons Trauma Quality Improvement Program; October 2017. https://www.facs.org/-/media/files/quality-programs/trauma/tqip/palliative\_guidelines.ashx?la=en
- National Seminar: Tools and Training for Clinicians: Palliative Care Programs. Center to Advance Palliative Care. https://www.capc.org/

Checkbook Calculations (in 2018 US dollars: m = million; b = billion)

Direct Medical Costs, In-Hospital Palliative Care Program:

Total Number of Hospital Admissions with LOS 7 to 30 Days	Lower Bound Percentage Outcomes of Hospital LOS 7 to 30 Days	Upper Bound Percentage Outcomes of Hospital LOS 7 to 30 Days	Percentage of Hospital Live Discharges Eligible for Palliative Care	Percentage of Hospital Deaths Eligible for Palliative Care	Estimated Cost Savings per Live Discharge (2004)	Estimated Cost Savings per Hospital Death (2004)	Lower Bound Total Estimated Cost Savings (2018 Inflation Adjustment)	Upper Bound Total Estimated Cost Savings (2018 Inflation Adjustment)
5,987,500	80% patients discharged alive	70% patients discharged alive	12.5%	52%	\$1,700	\$4,908	\$5.5b	\$7.3b
	20% patients died in hospital	30% patients died in hospital						

#### Ambulatory Service Costs, Utilization of Palliative Care Services:

Palliative Care per Patient Cost Savings (2007)  Total Number of Patients in the Target Population: COPD, CHF, Cancer (2013)		Estimated Cost Savings (2007)	Estimated Cost Savings (2018 Inflation Adjustment)	
\$7,552	787,000	\$5.9b	\$7.4b	

<sup>107</sup> Early palliative care is key driver in reducing costs. Medscape. O 108 Morrison RS. "Cost Savings from Palliative Care." National Palli



<sup>109</sup> Morrison RS, Penrod JD, Cassel JB, et al. Cost savings associate

<sup>110</sup> Understanding Length of Stay Benchmarks. Truven Health Ana 111 Weiss AJ, Elixhauser A. Overview of Hospital Stays in the Unite October 2014. https://www.hcup-us.ahrq.gov/reports/statbriefs/sl

<sup>122</sup> Brumley R, Enguidanos S, Jamison P, et al. Increased satisfaction with care and lower costs: Results of a randomized trial of in-home palliative care. Journal of the American Geriatrics Society. 2007;55(7):993-1000.

us Palliative Care in the Outpatient Setting. Institute for Clinical and Economic Review. March 9, 2016. https://icer-review.org/wp-content/uploads/2016/03/Palliative-Care-Revised-Draft-Report-030916.pdf



### **Health Plan**

1.8 million members

### **Medical Clinics**

1,800 physicians
55 primary care locations
55+ medical specialties
1.2 million patients
Multiple payers

#### **Dental Clinics**

60 dentists across 24 clinics 6 dental specialties

### **Hospitals**

8 hospitals
Level 1 trauma and tertiary center
Acute care hospitals
Critical access hospitals

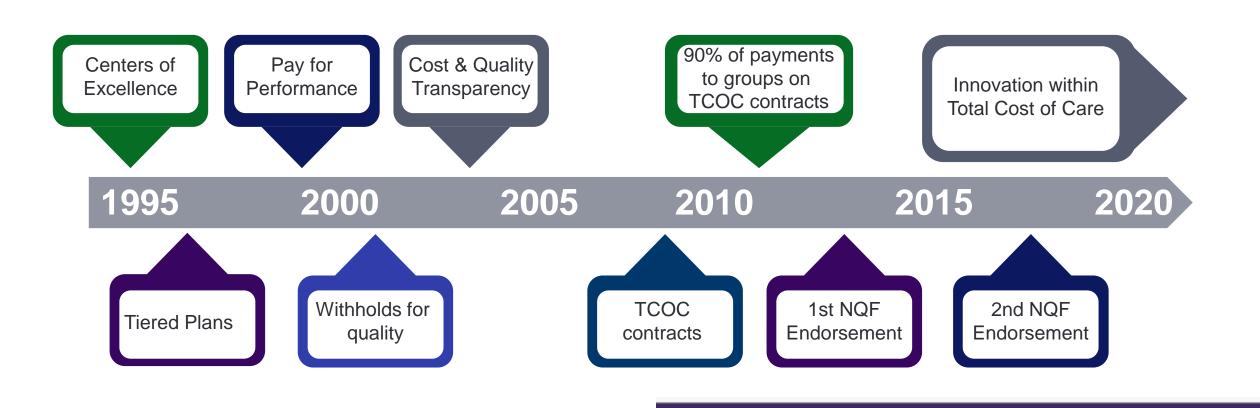
#### **HealthPartners Institute**

Consumer-governed, non-profit

Integrated care and financing

> 26,000 team members

### HealthPartners Health Plan journey to address cost



Simple. Affordable. Let's go.

### Always lead with quality in patient care





"Trillion Dollar Checkbook" Reduce Waste and Cost in the US Health Care System

IHI Leadership Alliance



>2/3 in checkbook are already imbedded into day to day operations

- Infections
- Sepsis
- Opioids
- Generic drugs, etc.



Measured and resourced in our Annual Plans and Scorecards

### Innovations in site of service

Money in healthcare is not ours, it's our patients



High Resource Use High Price

Lower Resource Use Lower Price

## My online clinic, virtuwell

Get 24/7 online treatment for over 60 common conditions.

virtuwell.com

\$49 flat rate, most plans cover at no cost



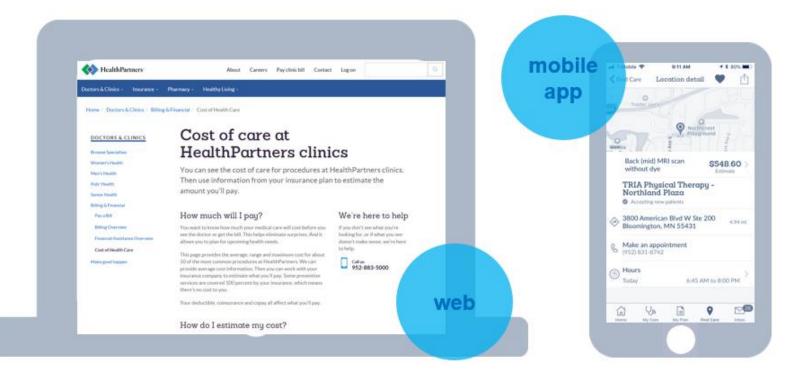
### Deliberate operational changes

- Carpal tunnel to clinic
- Epidural injections to clinic
- Total knee/hip to same day and outpatient recovery
- In lab sleep studies to home

### Where we need to do better.....

Transparency and tools to make it easier

### Tools to help estimate cost



## Finding lower cost opportunities in pharmacy

Prescription Spending: 2017



\$762.51
Total spent this year



\$110.71 Missed savings (15%)

View prescription history

### My Lowest Cost Pharmacy

Want to visit just one pharmacy for all your prescriptions? This will be your lowest price nearby.

View details





#### **Statistical overview**

TOGETHER, WE PROVIDE AN ABUNDANCE OF DIVERSE CAPABILITIES AND SERVICES TO OUR COMMUNITIES























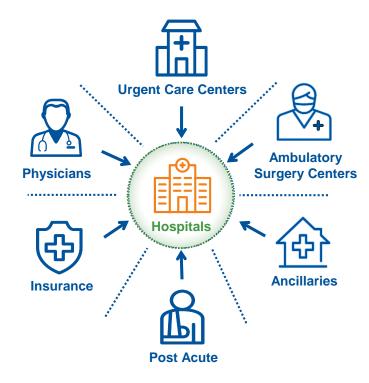




\$1.6b
COMMUNITY
BENEFIT

### **OUR BOLD TRANSITION TO HEALTH 2.0**

## HEALTHCARE 1.0 SHARE OF INPATIENT MARKET GEOGRAPHICALLY ANCHORED



### HEALTH 2.0 SHARE OF LIVES & HEALTH SPEND

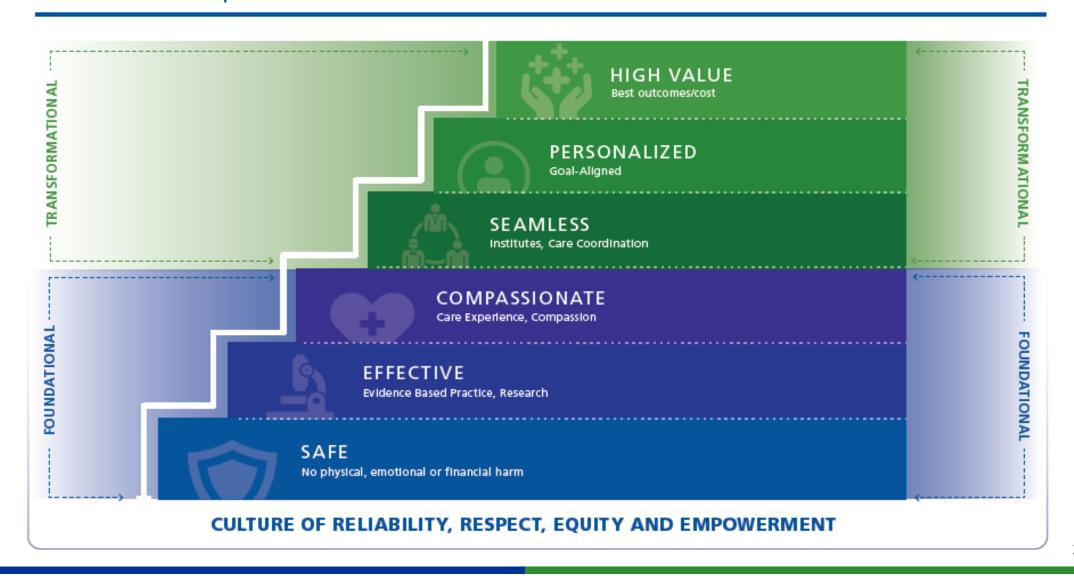




#### KNOW ME CARE FOR ME EASE MY WAY

### Simplify health for everyone









### Dec'18 YTD vs Outstanding YTD

■ Lower is Better

1,261

2,094

C. diff

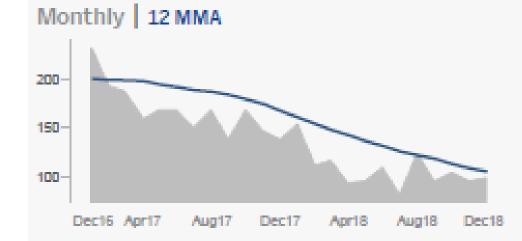
Safe

CAUTI

**CLABSI** 

SSI Colon

SSI Hyst

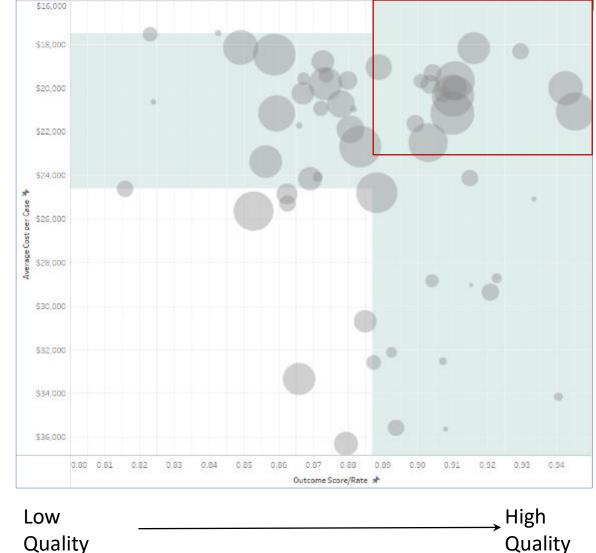




VOA: Learning through Variation and Transparency Low

Cost

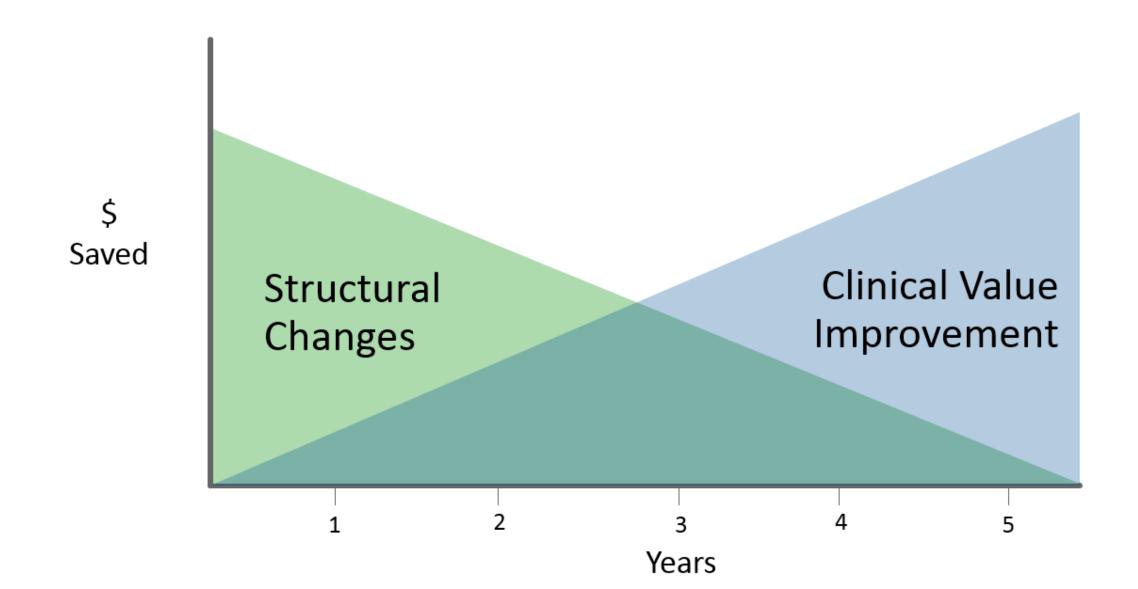
High Cost



Outcomes that matter to patients and their doctors

### Reducing Clinical Variation over Time





### Clinical Value Improvement

### Tiered Value-Improvement Journey for Every Caregiver



Executive CVI

Ministry CVI

#### **Executives**

- Lead value improvement at micro, mese, and macro levels
- Apply skills of scale, spread, and sustainability
- Set vision of the learning organization in delivering value

#### **Clinical Directors/Senior Medical Directors**

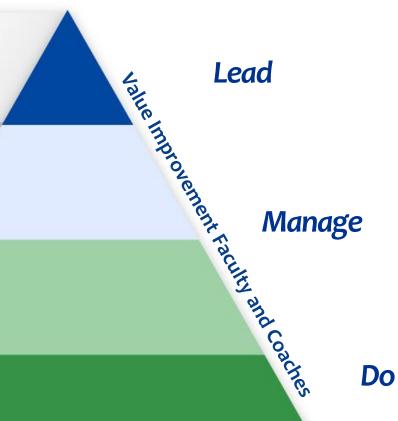
- Statistical process control (run/control charts)
- Understanding/applying variation in improvement
- Able to scale & sustain improvements
- Teach/coach other leaders

#### **Managers/Unit Leaders/Medical Directors**

- HRO Leader Toolbox
- IHI Open School Quality modules
- Coaching for improvement
- Inject CVI/Leader tools into existing forums

### **All Caregivers & Providers**

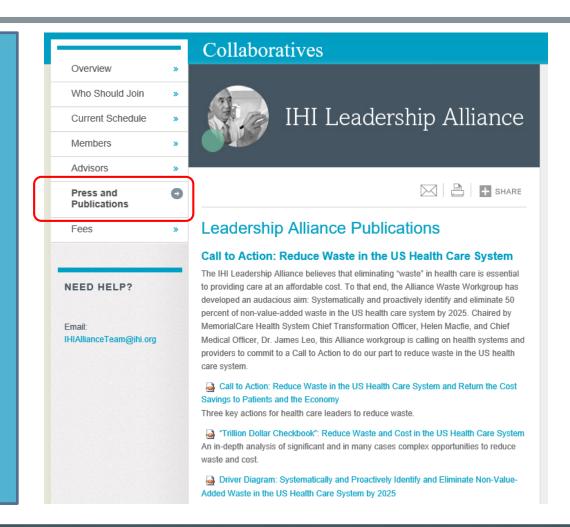
- HRO Toolbox for Everyone
- Eight wastes in healthcare
- JIT CVI skills at Huddles/Learning Boards





### Next Steps

- Download copies of Call to Action, Driver Diagram, and "Trillion Dollar Checkbook":
  - Alliance webpage of IHI.org at: ihi.org/LeadershipAlliance
- Everyone is invited to share broadly: blog, social media, policy makers, meeting agendas
- Focus at the IHI Forum 2019
  - Special Interest Breakfast Finance and Quality
  - Session D/E (Dr. Jim Leo, Helen Macfie, Bozwell Bueno)
- Next up addressing the Waste
  - Local work getting started
  - Collaborative work pursuing grant funding
  - Policy work advocacy matrix, roadshow
  - Follow up publications op-eds, articles







## Breakthrough Series College

October 16–18, 2019 Boston, MA, USA

12–14 November 2019 Melbourne, AUS

Visit ihi.org/Breakthrough



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#### Free

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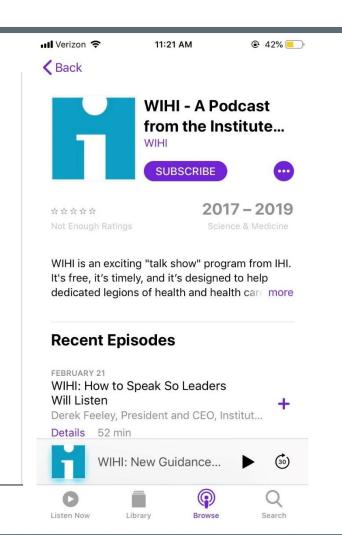
#### **Customer Ratings**

We have not received enough

#### Description

WIHI is an exciting "talk show" program from IHI. It's free, it's timely, and it's designed to help dedicated legions of health and health care improvers worldwide keep up with some of the freshest and most robust thinking and strategies for improving health and patient care. Learn more at ihi.org/wihi.

	Name	Description	Released	Price	
1	WIHI: How to Speak So Le	Derek Feeley, Preside i	2/22/2019	Free	View in iTunes >
2	WIHI: New Guidance for G	Beth Daley Ullem, MB i	1/18/2019	Free	View in iTunes ▶
3	Special Edition WIHI – Wo	Date: December 20, 2 i	12/18/2018	Free	View in iTunes ▶
4	WIHI: BUILDING THE WILL	November 8, 2018 Fe i	11/9/2018	Free	View in iTunes ▶
5	WIHI: Lowering Readmissi	Date: October 25, 201 <i>i</i>	10/26/2018	Free	View in iTunes ▶
6	WIHI: The How and Why o	Date: September 13, 2 i	9/14/2018	Free	View in iTunes ▶
7	WIHI: Connecting Patient	Date: August 9, 2018 <i>i</i>	8/9/2018	Free	View in iTunes ▶
8	WIHI: How to Build Better	Scott Zeller, MD, Vice i	7/13/2018	Free	View in iTunes ▶
9	WIHI: Addiction Treatmen	Corey Waller, MD, MS, i	6/22/2018	Free	View in iTunes ▶
10	WIHI: Strategic Pathways	Saranya Loehrer, MD, i	6/8/2018	Free	View in iTunes ▶





### Join Us At the National Forum

- Wednesday, December 11
  - Special Interest Breakfast: Finance Roundtable: Quality and finance leaders work together for care at a cost we can all afford
  - Workshop Session D/E: IHI Alliance Driving out Waste to Return the Money

Discover more at: ihi.org/forum



### Next Up on WIHI:

- The Benefits of Behavioral Health Care in the ED
  - November 14, 2019, 2:00 PM ET

