



## Nutzenorientierter Wettbewerb im schweizerischen Gesundheitswesen

In health care, the best way to contain costs  
is to improve quality.

Professor Elizabeth Teisberg  
Stoos, Switzerland  
19 June 2010

This presentation draws on Michael E. Porter and Elizabeth O'Connell Teisberg, *Redesigning Health Care: Creating Value-Based Competition on Results*, Harvard Business School Press, May 2006, and "How Physicians Can Change the Future of Health Care," *Journal of the American Medical Association* 2007; 297:1103-1111. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means — electronic, mechanical, photocopying, recording, or otherwise — without the permission of Michael E. Porter and Elizabeth O'Connell Teisberg. Further information about these ideas, as well as case studies, can be found on the website of the Institute for Strategy & Competitiveness at [www.isc.ethz.ch](http://www.isc.ethz.ch)



Surely, we can do better.

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The LAMal calls for containing costs  
*and* mandates ensuring high quality.

- Cost containment is not the only goal.
- The goal of health care is **health**.
- **Quality = health care outcomes.**

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# Healthcare

Patients and families want more health,  
not more treatment.

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## Value in Health Care

$$\text{Value} = \frac{\text{Improvement in Health Outcomes}}{\text{Money spent}}$$

Dramatic improvement in value requires redefining health care delivery.

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## Increase value by *improving* quality in ways that reduce cost

Living in good health is **inherently less expensive** than living in poor health.

**Better outcomes often drive costs down.**

- Diabetes
- Stroke
- Diagnosis

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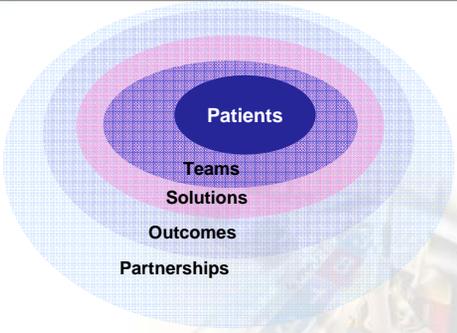
## Keys to accelerate dramatic improvement in value

- Define services from patients' perspectives.
- Organize care delivery around solutions.
- Create multidisciplinary teams.
- Measure results to accelerate learning.

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## Redefining Health Care Delivery



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## Redefining Health Care Delivery

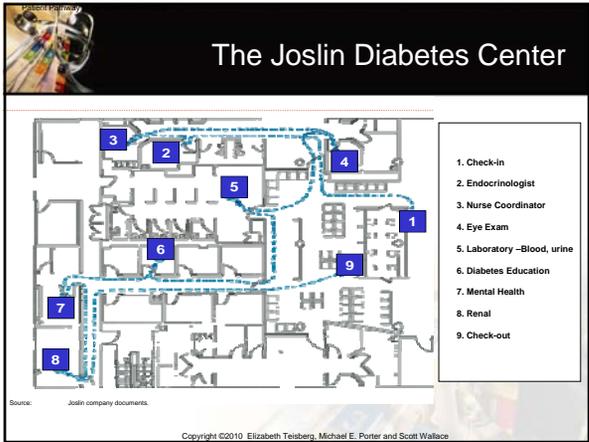
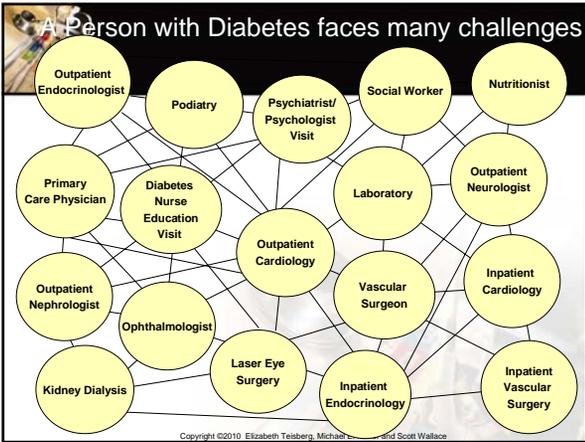
Patients

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## Design care from the patient perspective

- Define care by conditions
  - not procedures or medical specialties
  - Include common co-occurring conditions
- Extend through the full cycle of care
  - Shift attention and care earlier in the cycle
  - Late stage care is less effective and less efficient
  - U.S. drives costs **up** by limiting early stage care

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## Measurement Efforts

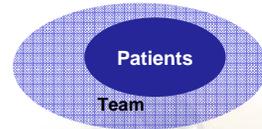
- The Joslin had patient data, but...
- Was analyzing cross sectional averages
- Needed to measure health outcomes for each patient over time

Show Improvement Over Time  
 Show the Difference your care makes  
 Show the Benefit of the Team  
 Help the Patient Experience Success

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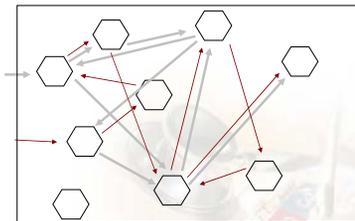
## Redefining Health Care Delivery: Multidisciplinary teams



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## Clinically Integrated Care Team or Collection of Fragmented Services?



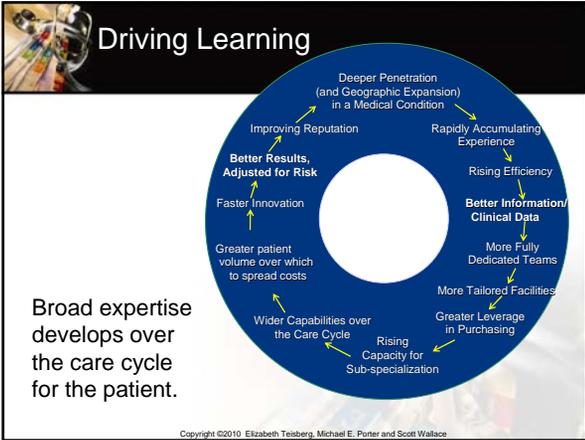
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## What is Different with Teams?

- Learning
- Clinical Judgments
- Coordination
- Satisfaction
- Health Outcomes
- Efficiency
- Research

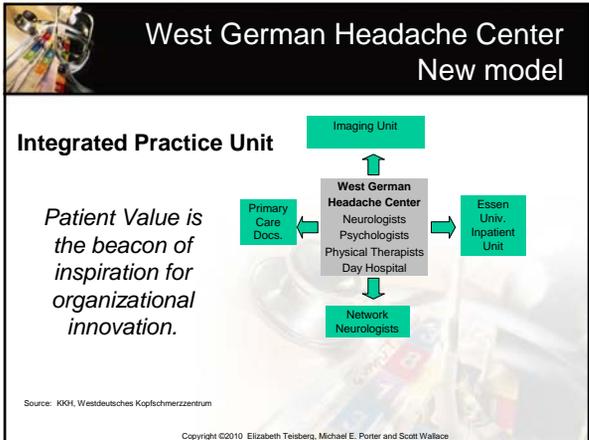
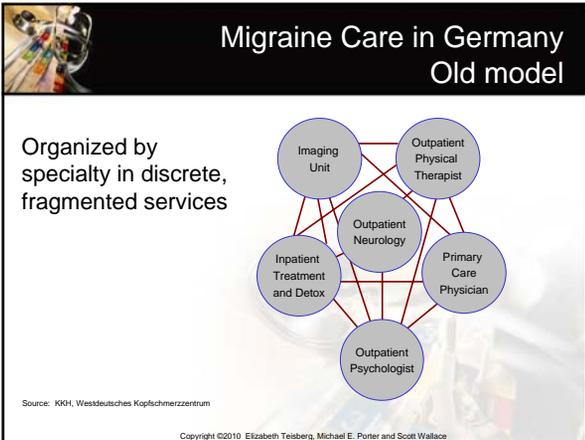
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## Evolution of measurement success

STAGE	NEW UNDERSTANDING
• Resistance & Suspicion	• For learning, not judgment
• Measurement of processes	• Controllable—experience success
• Measurement of indicators & short term outcomes	• Are the patients benefitting? Improving professional satisfaction.
• Team-wide excitement	• We CAN measure and improve!
• Improving the measures	• Outcomes for patients are better
• Evangelists for measurement	• Team inspired by improving value

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## Value Improvement Measured

### Better Health Outcomes:

- Far more days at work
- Far less pain
- High patient satisfaction that treatment works

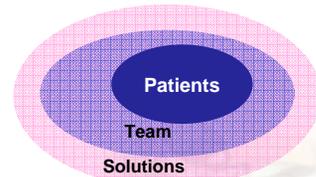
### For Less Money Spent:

- After the first year, costs are down
- Measuring all health care, not just migraines

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## Redefining Health Care Delivery: Solutions



A solution conveniently, effectively and efficiently enables better health

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## In the next example, consider...

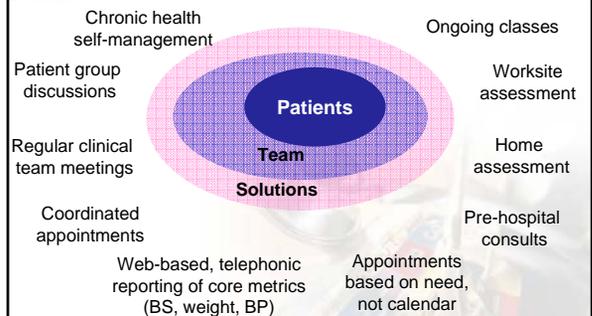
### You would never do this

- If you only measure inputs
- If you focus on process control
- If you only consider the medical perspective
- If you expect to do the same things and get different results

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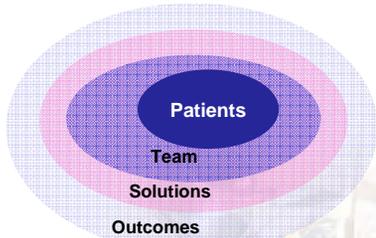


## Solutions for Type 2 Diabetes by a European company in the U.S.



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## Redefining Health Care Delivery: Outcomes



What you measure will improve, so measure outcomes and costs!

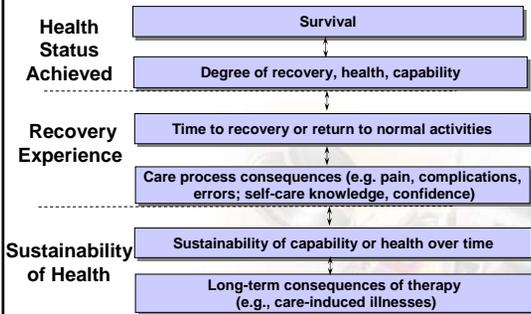
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## Quality is better health care outcomes.

- Good process is important, and
- Measuring and improving **inputs** is not sufficient.
- “Best process” may or may not improve **outcomes**.

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## Outcomes have multiple dimensions



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## Begin!

Don't wait for perfect measures.

Measurement will improve both the health outcomes and the measurements.

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## Measuring Value drives learning and improvement

**Failure to measure outcomes slows improvement and invites costly micromanagement**

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## Redefining Health Care Delivery

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## Redefinition and design for health enables a win-win dynamic

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## Dramatic improvement accompanies a (necessary) evolution

- Processes → Outcomes
- Private → Published
- Individual → Team
- Resisted → Championed

↓

These enable pay for value

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## Current vs. Redefined

- Designed around facilities, locations and physicians → Designed for **patients** with common co-occurrences
- Organized by specialties or types of practitioners → **Teams** coordinating and integrating care delivery
- Treat diseases/incidents → Create **solutions** for patients and families
- Measure volume of services (tests, treatments) → **Measure** value of services (health outcomes/costs)
- Cost shifting → **Partnerships** linking payment and value

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## Increased incidence of chronic disease requires a redefined perspective:

### Current Perspective

### Redefined

The goal is treatment → The goal is **health**  
(measure good process) (measure health outcomes)

*More treatment*  
costs more

*More health*  
often costs less

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