

# The U.S. Healthcare Revolution



## The Impact of Obamacare on American Physicians & Nurses



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Chief Medical Officer  
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# Metrics

Definition of “Provider”	Economic Drivers	Provider Needs

**“PROVIDER”**

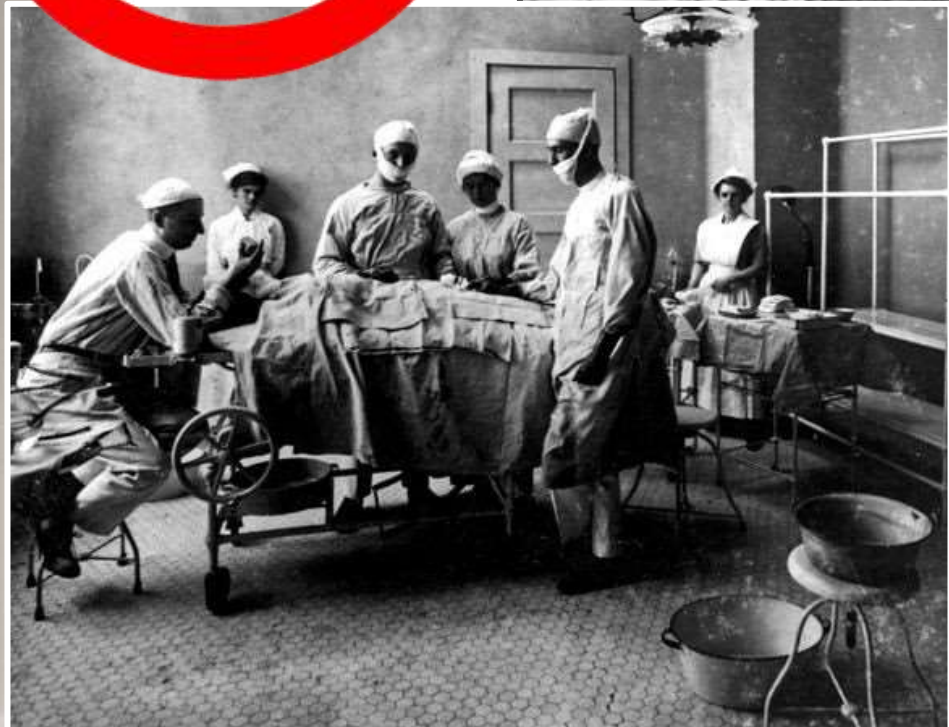
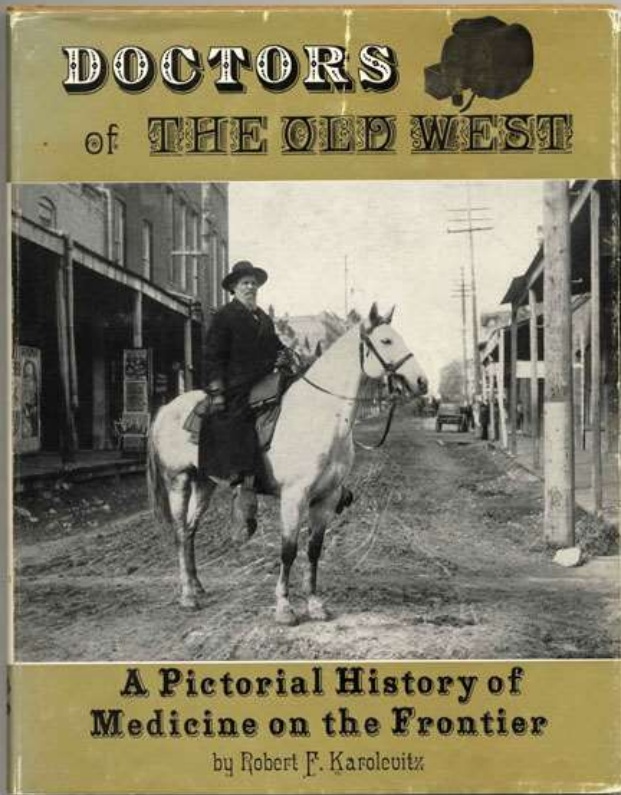
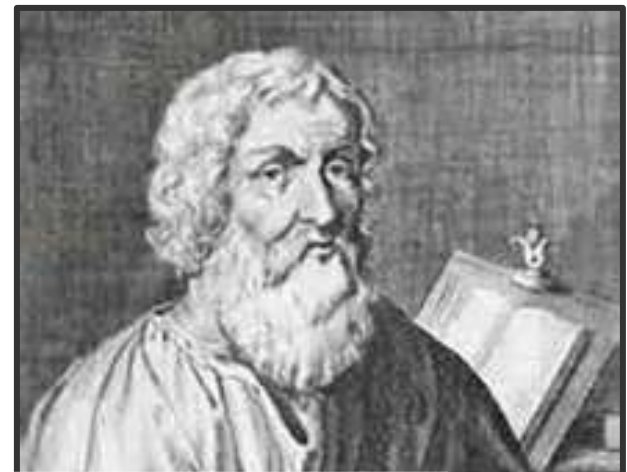
Prior to ObamaCare



**“Provider” = Physician**  
**Physician = (Medical) God**



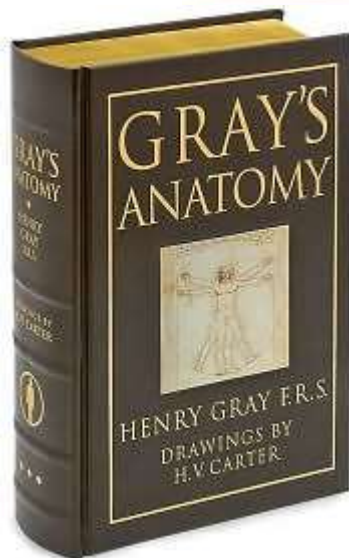
# WHY?



# NEEDS

## THE LANCET

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ORIGINAL ARTICLES	99
REVIEW ARTICLE	100



## Provider Needs



# FEE-FOR-SERVICE



	Definition of “Provider”	Economic Drivers	Provider Needs
Prior to ObamaCare	The Doctor	Volume (fee-for-service)	Books & Journals
With ObamaCare			
The Near Future			

With ObamaCare



Healthcare reform in the U.S.  
is not going away...



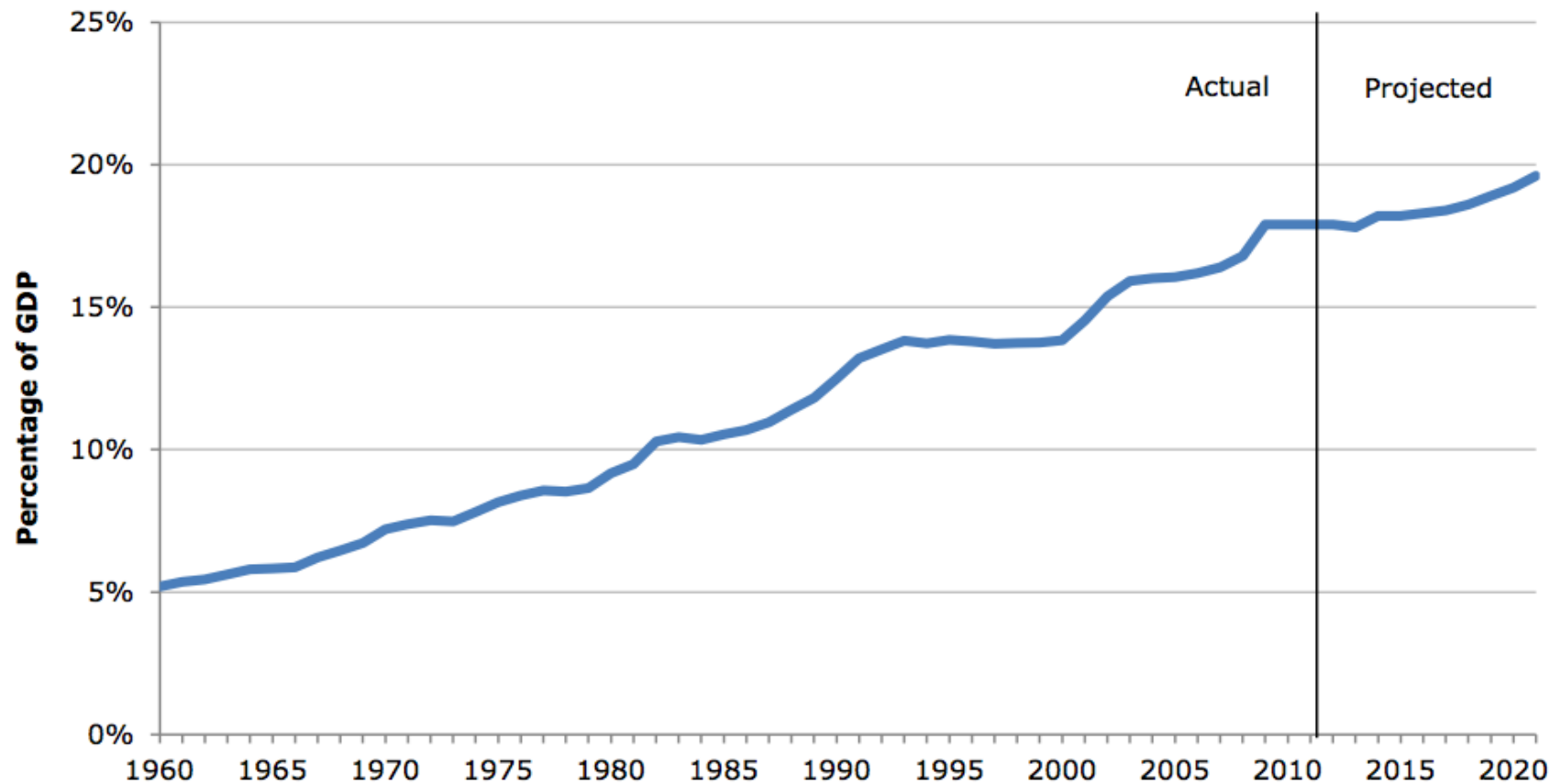
# DRIVERS

- Popular acceptance that the current US healthcare spending curve is not sustainable
- The finding of a marketable argument
- Technology allowing easy, rapid access to information for everyone
- Popular appreciation of healthcare economics



- Popular acceptance that the US current healthcare spending curve is not sustainable

**Figure 2: U.S. National Health Expenditures as a Share of GDP, 1960-2021**



Source: Centers for Medicare and Medicaid Services.

- The finding of a marketable argument

**“Preventable medical errors persist as the number 3 killer in the U.S. ...claiming the lives of some 400,000 people each year.”**

**“...a rate of outpatient diagnostic errors of 5.08%, or approximately 12 million US adults every year.**

**10,000 serious complications resulting from preventable medical errors occur each day.**

## Deaths by medical mistakes hit records



Tejal Gandhi, MCL, president of the National Patient Safety Foundation and associate professor of medicine, Harvard Medical School, spoke at the hearing.

fact that these medical errors cost the nation a colossal \$1 trillion each year.

“The tragedy that we’re talking about here (is) deaths taking place that should not be,” said Sen. Bernie Sanders, I-Vt., in his opening remarks.

The way IT is designed remains a challenge. WASHINGTON | July 18, 2014

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It’s a chilling reality – one often overlooked – preventable medical errors persist as the number three killer in the U.S., claiming the lives of some 400,000 people each year. At a Senate hearing, experts put their best ideas forward on how to put them at the center of discussions.

Hearing members, who spoke at the Senate Health and Aging, not only underscored the scale of the problem – more than 1,000 people die each day from preventable medical errors – but also highlighted the fact that these medical errors cost the nation a colossal \$1 trillion each year.

## INSTITUTE OF MEDICINE

November 1999

### TO ERR IS HUMAN: BUILDING A SAFER HEALTH SYSTEM

**H**ealth care in the United States is not as safe as it should be. At least 44,000 people, and perhaps as many as 98,000, die in hospitals each year as a result of medical errors that could have been prevented, according to estimates from the Institute of Medicine. The lower estimate, preventable medical errors, is a sobering thought. Deaths from such feared threats as motor-vehicle accidents and AIDS.

Medical errors can be defined as the failure to complete a task as intended or the use of a wrong method. The problems that commonly occur during the

## BMJ Quality & Safety

The international journal of healthcare improvement

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BMJ Qual Saf doi:10.1136/bmjqs-2013-002627

### Original research

**The frequency of diagnostic errors in outpatient care: estimations from three large observational studies involving US adult populations**



- Technology allowing easy, rapid access to information for everyone



Now you can choose a doctor based on knowledge. Not chance.  
To get the right care, you need the right doctor *and* the right hospital. Now there's a way to find them.

Right Doctor  
Healthgrade data on doctors' knowledge, skills, and patient experience

Right Hospital  
Our exclusive hospital ratings help you

Right Care  
Find out which doctor is nearest to you

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SEVIER





- Popular appreciation of healthcare economics



In the Fee-for-Service  
healthcare model...  
**we PAY MORE  
for POORER  
QUALITY**



**ECONOMIC  
DRIVER**

**In Healthcare,**

**BETTER QUALITY SHOULD COST LESS**

**Value**

**"VALUE BASED  
PURCHASING"**

“HHS Secretary Sylvia Mathews Burwell announced that by 2016 the CMS wants 30% of Medicare payments to be linked to...payment reform models, and 50% by 2018.

...a coalition of providers, insurers and employers pledged to have 75% of their members' business switched to performance-based contracts by 2020.”



- *Modern Healthcare* January 30, 2015

**Drive  
quality  
improvement  
through  
cost  
reduction**





**Providers will be at  
PERSONAL FINANCIAL RISK  
for their patients' health**



# “PROVIDER”

- Physicians
  - Nurses
  - Medical Assistants
  - Physician Assistants
  - Technicians
- 
- Hospitals & Health Systems
  - Ambulatory Centers
  - SNF & Rehab
  - Home Health



HCAHPS  
meaningful use

READMISSIONS

Press Ganey

PQRS

"NEVER EVENTS"

Core Measures

HACs



# Hospital Readmissions Reduction Program



## Medicare payment penalty for unacceptably high hospital readmissions within 30 days of hospital discharge

- Applies to hospital readmission *for virtually any medical reason*
- Unacceptably long initial hospital admission to avoid readmission is not allowed

### Penalized Conditions

- Myocardial Infarction (Heart Attack)
- Heart Failure
- Pneumonia
- COPD
- Total Hip Replacement
- Total Knee Replacement



# Hospital Readmissions Reduction Program

**2013 Penalty: up to 1% of Medicare Payments**

**2014 Penalty: up to 2% of Medicare Payments**

**2015 Penalty: up to 3% of Medicare Payments**

**2,610 penalty-eligible U.S. Hospitals will suffer a penalty in 2015**

**769 penalty-eligible U.S. Hospitals will avoid a penalty in 2015**

**Total fines in 2014: \$227,000,000**

---

***In 2011, prior to implementation of the Readmission Reduction Program, 39% of U.S. hospitals were operating at a financial loss...***

# Hospital Readmissions Reduction Program

Hospitals, doctors, and healthcare experts note that **a major contributor to early hospital readmissions is the patient's socio-economic status,** which hospitals and doctors cannot control.



Joynt KE, Orav EJ, Jha AK. Thirty-day readmission rates for Medicare beneficiaries by race and site of care. *JAMA*. 2011;305(7)

Rathore SS, Foody JM, Wang Y, et al. Race, quality of care, and outcomes of elderly patients hospitalized with heart failure. *JAMA*. 2003;289(19)

# New Healthcare Delivery Models to Address the Financial Risks of Value-Based Purchasing...

## Accountable Care Organizations (ACOs)

- > 520 ACOs as of one year ago
- Serve >15% of U.S. population
- Majority are physician driven



## Patient Centered Medical Homes (PCMHs)

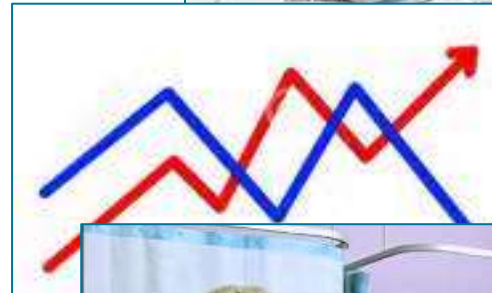
## Physician Employment

- 19% hospital-employed in 2008; 26% in 2013
- An additional 20%+ are under group contract



# New Physician & Nurse Responsibilities

- Physicians & Nurses must now rapidly learn how to function as Practice Managers, including overseeing contracts & financials
- Physicians & Nurses must now learn how to consistently implement, deliver & monitor high quality, cost-efficient care
- Nurses must rapidly expand their clinical capabilities





	Definition of “Provider”	Economic Drivers	Provider Needs
Prior to ObamaCare	The Doctor	Volume (fee-for-service)	Books & Journals
With ObamaCare	<p>Doctors, Nurses, MAs, Technicians Billers &amp; Coders</p> <hr/> <p>Hospitals, SNFs, etc.</p> <hr/> <p>ACOs, PCMHs</p>	Value (Increased quality, reduced costs)	Education Healthcare reform basics; government penalty programs; business models
The Near Future			

# Triple Aim

Improving the Patient Experience (including Quality & Satisfaction)

Improving the Health of Populations

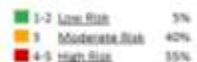
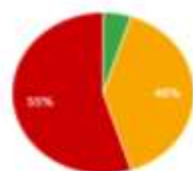
Reducing the Per Capita Cost of Healthcare

POPULATION HEALTH MANAGEMENT

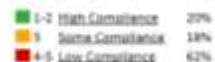
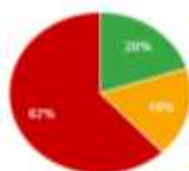
# Population Health Spectrum



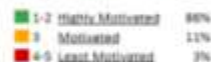
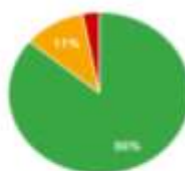
IP/ED Visit Risk



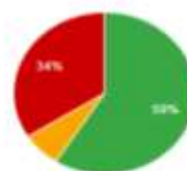
Quality Compliance



Motivation

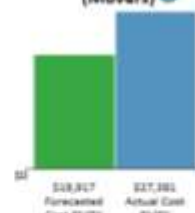


Movers Risk



\* Percentage values are rounded figures and may not add up to 100%

Forecasted Cost Difference (Movers)



Total Cost may decrease by  
\$19,279,1821

Select population subset based on top  Patients, grouped by Patient Name  Apply

(8,263 patients)

Patient Name (Last, First...)	Patient ID	Primary Condition	Forecasted Risk	IP/ED Visit Risk	Quality Compliance	Motivation	Movers Risk	Stratification Score
Richard, Susan	71182145806-1	Glaucoma	99 ▲	98	100	100	99	100
Sheelton, Lynn	71182142651-1	Cardiovascular Medical	100 ▲	97	100	99	100	100
Cormier, Janet	71160371031-1	Chronic Obstructive Pul...	100 ▲	93	100	100	100	100
Rendel, Theresa	71160040961-1	Diabetes	100 ▲	97	100	96	100	100
Randal, Radford	71182179996-1	Gastrointestinal Medicine	100 ▲	98	96	100	100	100
Wickham, Rory	71182348871-1	Cardiovascular Surgery	100 ▲	96	95	99	100	100
Richard, Sanderick	71160580631-1	Skin Inflammation	99 ▲	99	100	95	100	100
Horsell, Doree	71182164321-1	Conduction disorder	99 ▲	94	97	100	100	100
Helfax, Doris	71160388946-1	Cardiovascular Medical	100 ▲	96	96	99	100	100
				97	100	93	100	100
				96	96	96	100	100
				90	100	100	100	100
				93	100	99	100	100
				97	100	95	99	100
				94	98	99	100	100
				95	100	96	100	100
				90	99	100	100	100
				96	100	96	98	100
				93	100	97	98	100
				93	100	96	100	100
				96	100	96	98	100
				95	100	97	97	100
				99	95	99	100	100
				95	100	90	100	100
				93	100	92	100	100
				94	100	100	98	100
				97	96	97	100	100
				99	92	95	100	99
				99	87	99	100	99



You are here: Overall Scores

## Overall Scores

### Overall Scores

Quality: 40 %



Total Patients: 658  
Non-Compliant: 2,694  
Compliant: 1,798

Case Mix: 3.04



Patient Compliance - Top 5 Measures by Highest Volume



You are here: Referral Patterns

## Referral Patterns

Referral Patterns

Filter by: All

Episode of Care Utilization

This week



Episodes - Your Care: 86%  
Patients: 268  
Episodes: 293

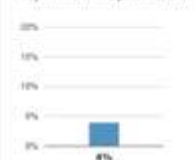


Episodes - Other Sites: 88%  
Patients: 558  
Episodes: 1,212

ALL SPECIALTIES Top 5 Overutilization by episode volume Apply

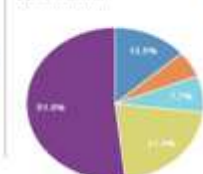
### OBSTETRICS/GYNECOLOGY

% Episodes with Specialist Care



Physicians: 20  
Patients: 52  
Episodes: 56

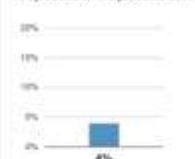
Cost Utilization



Efficiency Index: 3.57  
Average Cost / Episode: \$1,287  
Benchmark Cost / Episode: \$871  
Comparison to Expected: \$30,740

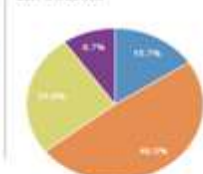
### DERMATOLOGY

% Episodes with Specialist Care



Physicians: 38  
Patients: 50  
Episodes: 55

Cost Utilization



Efficiency Index: 3.88  
Average Cost / Episode: \$1,065  
Benchmark Cost / Episode: \$573  
Comparison to Expected: \$27,070

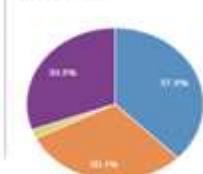
### CHIROPRACTIC

% Episodes with Specialist Care



Physicians: 20  
Patients: 33  
Episodes: 33

Cost Utilization



Efficiency Index: 3.37  
Average Cost / Episode: \$1,082  
Benchmark Cost / Episode: \$290  
Comparison to Expected: \$3,217



ders.

# Triple Aim

Improving the Patient Experience (including Quality & Satisfaction)

Improving the Health of the Population

Reducing the Per Capita Cost of Healthcare

POPULATION HEALTH MANAGEMENT

PATIENT ENGAGEMENT

# Engaged Patients Have Better Clinical Outcomes and Lower Costs of Care.

On the whole, **Americans are very**  
**unengaged in their own health care...**

- Preventative Care (Vaccines, Cancer Screening, Diet, Exercise, etc.)
- Maintenance Care (Heart Failure, Diabetes, HTN, Nephropathy, etc.)

## Medication Non-Compliance

- 50% for chronic disease patients
- Associated with 125,000 deaths annually
- Related to 10% of all U.S. hospitalizations
- Estimated cost of \$289B annually



*In general, the failure of patients to engage is not primarily due to a lack of technological capabilities...*





## *Meaningful Patient Engagement...*



*...Requires A Personal Touch.*



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Prior to ObamaCare	The Doctor	Volume (fee-for-service)	Books & Journals
With ObamaCare	<p>Doctors, Nurses, MAs, Technicians Billers &amp; Coders</p> <hr/> <p>Hospitals, SNFs, etc.</p> <hr/> <p>ACOs, PCMHs</p>	<p><b>Value</b></p> <p>(Increased quality, reduced costs)</p>	<p><b>Education</b></p> <p>Healthcare reform basics; government penalty programs; business models</p>
The Near Future	The Patient	<p>Proactive, Ambulatory Health Maintenance and Prevention</p>	<p>PHM and Patient Engagement</p>

# The U.S. Healthcare Revolution



## The Impact of Obamacare on American Physicians & Nurses

**Thank You!**

Peter Edelstein, M.D.

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Elsevier Clinical Solutions

