Customer-Driven Health: The Race to Wellness

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A Formula for Cutting Health Costs

Alaska Natives have something to teach doctors and patients in the rest of the world

No matter what happens to President Obama’s health care reforms after the November elections, the disjointed, costly American health care system must find ways to slow the rate of spending while delivering quality care. There is widespread pessimism that anything much can be achieved quickly, but innovative solutions are emerging in unexpected places. A health care system owned and managed by Alaska’s native people has achieved astonishing results in improving the health of its enrollees while cutting the costs of treating them.

At a recent conference for health leaders, the Alaska Native Medical Center received a Malcolm Baldrige award, the foundation has achieved startling efficiencies: emergency room use has been reduced by 50 percent, hospital admissions by 53 percent, specialty care visits by 65 percent and visits to primary care doctors by 36 percent. These efficiencies, in turn, have clearly saved money. Between 2004 and 2009, Southcentral’s annual per-capita spending on hospital services grew by a tiny 7 percent and its spending on primary care, which picked up the slack, by 30 percent, still well below the 40 percent increase posted in a national index issued by the Medical Group Management Association.

Communicate easily. When a patient calls, the nurse decides whether a face-to-face visit with a doctor or other health care provider is required or whether counseling by phone is sufficient. The doctors are left free to deal with only the most complicated cases. They have no private offices and the nurses have no nursing stations to which they can retreat.

Integrating a wide range of data to measure medical and financial performance. Southcentral’s “data mall” coughs up easily understood graphics showing how well doctors and the teams they lead are doing to improve health and reduce costs. The doctors can access that info on their personal computers and they communicate with a central database on its servers. Implementing a wide range of innovations, the Alaska Native Medical Center has shown that by doing the right things, the health care system can improve efficiency and quality of care while reducing costs.
Why listen to our story

• Evidenced-based generational change reducing family violence
• Over **50% drop** in ER visits, Hospital Days, and visits to Specialists
• Significant change in primary care utilization – less visits, more other
• **75-90%ile** on most HEDIS outcomes and quality
• Benchmarked data nationally and internationally showing **top in class performance** in utilization, quality, satisfaction
• Employee turnover rate **less than 12%** annualized (very low)
• Customer and staff overall satisfaction over **90%**
• **Baldrige Award** 2011
Fundamentally Rethinking Health Care
Financial Incentives

- See Everyone in person
- Order Everything
- Give medications, procedures, interventions
- Send to lots of specialists
- Optimizing Protocols/Pathways
- ED and Hospital
- Third Party Payer
- Coverage for Everyone
- Mechanical Understanding of ‘Illness’
Who really makes the decisions?

- Acuity
  - Low
  - High

“Control”

100%

Customer-Owner/Family

The “System”

Low

Acuity

High
Hitting Target: Rock vs. Bird
Operational Principles

**Relationships** between customer-owner, family and provider must be fostered and supported

**Emphasis** on wellness of the whole person, family and community
   (physical, mental, emotional and spiritual wellness)

**Locations** convenient for customer-owners with minimal stops to get all their needs addressed

**Access** optimized and waiting times limited

**Together** with the customer-owner as an active partner

**Intentional** whole-system design to maximize coordination and minimize duplication

**Outcome** and process measures continuously evaluated and improved

**Not** complicated but simple and easy to use

**Services** financially sustainable and viable

**Hub** of the system is the family

**Interests** of customer-owners drive the system to determine what we do and how we do it

**Population-based** systems and services

**Services** and systems build on the strengths of Alaska Native cultures
Customer-Ownership
Story Behind Our Eyes
Core Concepts Workshop
Sharing story, being in relationship

Providers are not the hero
Providing a service, not a product
Integrated Care Teams
Traditional Work Flow Method

Preventive Med Intervention
Chronic Disease Monitoring
Medication Refill
New Acute Complaint
Test Results

Customer
Provider
Customer
Customer
Customer
Customer
Customer
Customer
Customer
Customer
Customer
Customer
Customer
Provider

Health Care Support Team
Case Manager
Mental Health Provider
Referral to Specialist after Assessment
Certified Medical Assistant
Dietitian
Clinical Pharmacist
Parallel Work Flow Redesign

Medication refill

Chronic disease monitoring

Management of study / test results Info

Undiagnosed or changing new consumer concern

Preventive med intervention

In clinic point of care testing

Chronic Disease Compliance Barriers

Acute Mental Health Concern

Case Manager

Clinical Pharmacist

Provider

Certified Medical Assistant

Dietician

Behavioral Health Consultant

Healthcare Support Team
Workforce Development
Financial Impacts

- Far less visits
- Far less specialty referrals
  - Specialists as supportive consultants
- Willing to ‘live with it’ for a few days before testing and intervening
  - Less Cost
  - Less Overuse that results in resistance, tolerance, over-reaction, exposures
- Way less ED and Hospital and Procedures
Sustained Improvements

- 50% Reduction in ER visits
- 40% Reduction in hospital days
- 60% Reduction in specialty visits
Sustained Improvements

93 % Employee Satisfaction

93 % Customer Satisfaction
Anchorage Area Patient Visits to ER/Urgent Care Per 1000

Number of Visits

Year


Day per 1000
Night per 1000

Alaska Native ownership begins
Better
Emergency Department Utilization

Emergency Dept Visits per 1000 Member Months

2008: 42.76
2009: 31.71
2010: 26.61
2011: 27.57
2012: 48.6
2013: 47.5
Jun14: 38.4

2011-12 increase due to EHR registration changes

Better

Beginning in 2008 Benchmarking to HEDIS
Excludes Newborns and Delivery Moms and Length of Stay must be more than 1 day

Anchorage Area Patients
Admits per 1000

Year
Number of Admits
Alaska Native ownership begins
Better

Alaska Native People Shaping Health Care
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Inpatient Utilization

Qtrly Hosp. Admissions Per 1000 Customers (Historical)

Beginning in 2008 Benchmarking to HEDIS

Total Inpt Discharges per 1000 Member Months

2011 -12 increase due to EHR registration changes
Southcentral Foundation Cumulative Per Capita Expenditure Changes

-0.8 -0.6 -0.4 -0.2 0 0.2 0.4 0.6 0.8 1 1.2

Percentage Increase (Decrease)

Fiscal Year

SCF Cumulative Primary Care % Increase (Decrease)
SCF Cumulative Hospital Services % Increase (Decrease)
National Health Spending & Increase (Decrease)
National Hospital Care Expenditures % Increase (Decrease)
National Physician and Clinic Services Expenditures % Increase (Decrease)
The Emerging Future

- Direct to Consumer – video visits, health monitoring devices, on demand consultants, robotics
- Distill Healthcare to the basics – Relationship, Advice, Information Management, Procedures
  - Smart Phone is Relationships and Information Management and Advice (decision support)
  - Technicians and Robots – Procedures
  - Long Term Care Campuses
Alaska Native Health Campus today ... and growing
I care what happens in 100 years
Thank You!

Qaغاasakung  
Aleut

Quyanaq  
Inupiaq

‘Awa'ahdah  
Eyak

Mahsi'  
Gwich’in Athabascan

Igamsiqanaghghalek  
Siberian Yupik

Háw'aa  
Haida

Quyana  
Yup’ik

T’oyaxsm  
Tsimshian

Gunalchéesh  
Tlingit

Tsin'aen  
Ahtna Athabascan

Quyanaa  
Alutiiq

Chin’an  
Dena’ina Athabascan