



University of Michigan
Health System

from **TURMOIL**

to

TRANSFORMATION

The future of health care and
how pediatricians are poised to lead

Ian Burr Lecture May 10, 2011

Department of Pediatrics, Vanderbilt University

Presentation Goals

- **Outline the current health care climate and the case for change**
- **Look at the role pediatricians have in the new health care world**
- **Share my thoughts on the attributes of successful leaders**

Current Climate

The national economy and environment are unsettled

- In April, the national unemployment rate was 9%
 - TN: 9.5% (37th) *March*
 - MI: 10.3% (47th) *March*
- Turmoil, uncertainty and consumer dissatisfaction are driving change and reinvention of health care
- Health Care Reform is mired in an ongoing political tug-of-war



Current Climate

The health care system is broken

- We continue to spend more on health care than any other nation, but we aren't producing the best outcomes and we still have more than 50 million uninsured Americans
- At the current rate of \$2.3 trillion, or 17.6% of GDP, our national health care spending is unsustainable
- A disproportionate amount of the health care dollar is spent either at the end or the beginning of life
- Chronic diseases are very costly and most begin in childhood

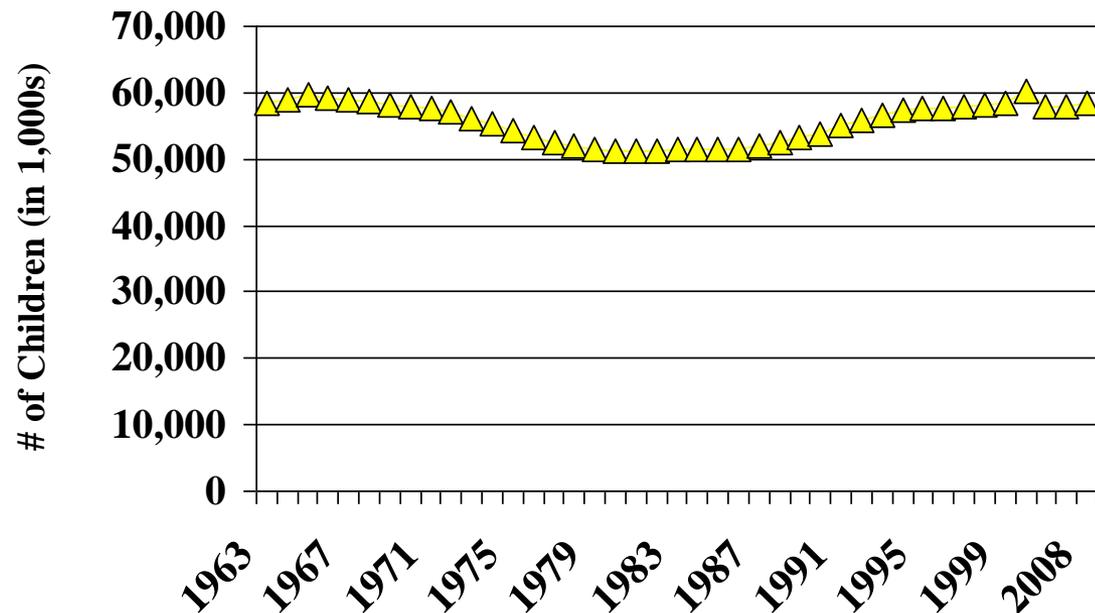


Pediatric Workforce

Is there a primary care workforce shortage?

- We have about as many children in the U.S. today as we did 50 years ago

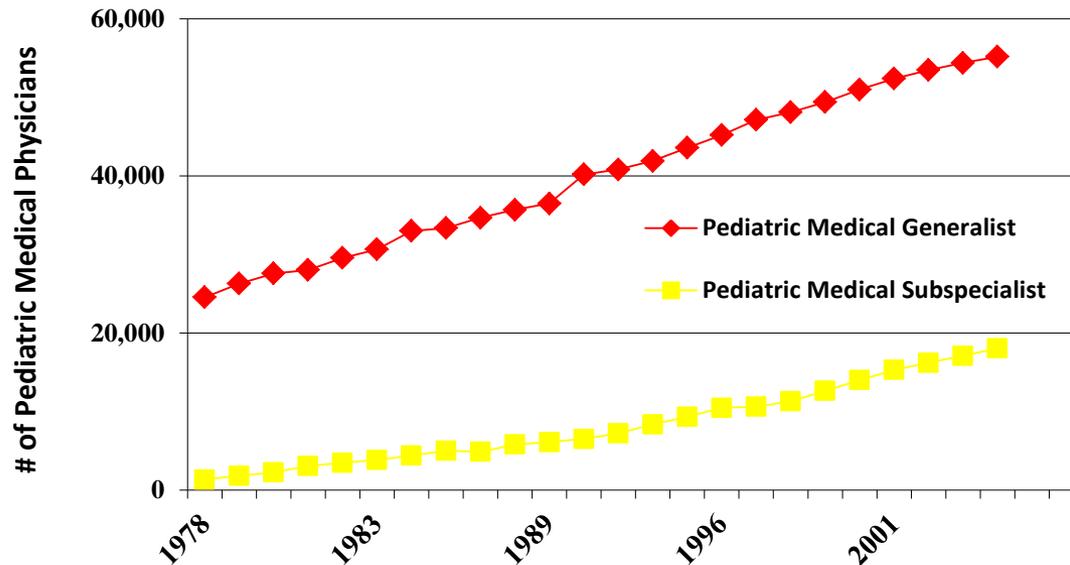
U.S. Pediatric
Population
(0-18 years)



Pediatric Workforce

Is there a primary care workforce shortage?

- The number of pediatricians has risen over the last several decades

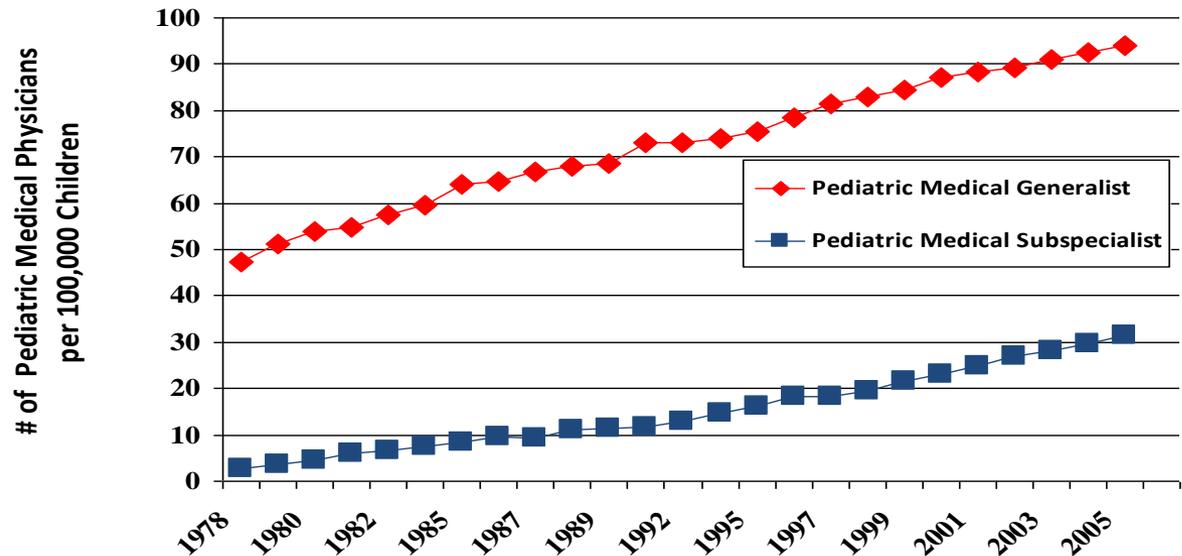


Pediatric Workforce

Is there a primary care workforce shortage?

- There are currently more pediatricians per child

**Pediatric Medical Generalist
& Subspecialist Physicians
Per Child (0-14 Years)**



Pediatric Workforce

“The idea that there is a shortage of primary care pediatricians . . . is contrary to published workforce and population data.”

Freed, G., & Stockman, J. (2009). Oversimplifying Primary Care Supply and Shortages. *JAMA*. 2009;301(18):1920-1922. doi: 10.1001/jama.2009.619

- **Although there is a national shortage of adult primary care providers, the same does not seem to apply to pediatrics**
- **However, there remains a shortage of pediatric specialists**
- **It is important to consistently reiterate that the system that cares for children is distinct from that which cares for adults**

**So, are we doing a good job
taking care of children?**

Problems Facing the World's Children

- **1 billion children live in poverty**
 - That's 1 in 2 of the world's children
- **640 million live without adequate shelter**
- **400 million have no access to safe water**
- **270 million have no access to health services**
- **Each year, millions of children die from preventable causes, including:**
 - **Malnutrition**
 - **Vaccine-preventable diseases**
 - **Malaria**



Problems Facing America's Children

- **Obesity** has more than tripled in the past 30 years

Age range	Obesity rate 1980	Obesity rate 2008
6 to 11 yrs	6.5%	19.6%
12 to 19 yrs	5.0%	18.1%

- In 2009, 15.5 million children under 18 were living in **poverty**
- Children from families earning <\$35,000 are twice as likely to have a **learning disability** than children in families earning ≥\$100,000

Problems Facing America's Children

- Children in fair or poor health were reported to be:
 - At least twice as likely to have **respiratory or food allergies**
 - Almost 6x as likely to have a **learning disability**
 - More than twice as likely to have **ADHD**
- Uninsured children were 7x as likely as privately insured children and 4x as likely as publicly insured children to have **unmet dental needs**

Where Does That Leave Us?

Medical outcomes in children are the result of many variables, including:

- ✓ **Socioeconomic status**
- ✓ **Health insurance status**
- ✓ **Access to care**
- ✓ **Lifestyle and family environment**
- ✓ **Education**

Where Do We Go From Here?

- **Physician leadership is more important than ever to ensure that children have access to the right care, at the right time, from the right provider**
- **Pediatricians are well positioned to drive health care transformation by improving the systems that create healthy children, families and communities**

Children are one-third of our population and all of our future.

Author unknown

Affordable Care Act:

*Does it provide the blueprint
for transformation?*

ACA: Basic Goals

- **Insure approximately 32 million more Americans**
- **Increase quality, safety and efficiency of care for individuals**
- **Improve the health of populations**
- **Contain and control national health care spending**
- **Adopt reimbursement models based on quality, performance and outcomes**
- **Improve care delivery through increased coordination, shared accountability, better information technology and new business models**

ACA: Impact on Children

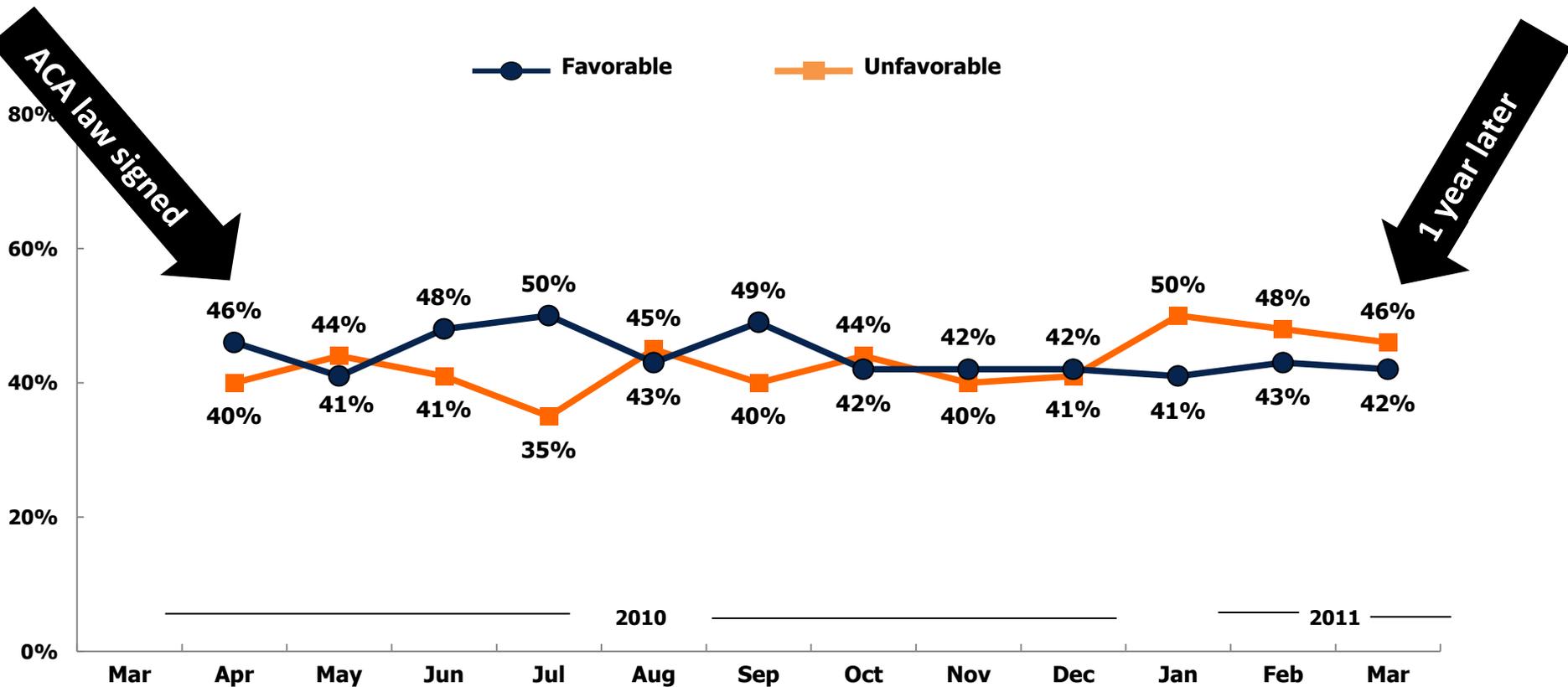


- **Prohibits pre-existing condition exclusions for children under 19**
- **Expands Medicaid to 133% of the poverty level in 2014**
- **Maintains CHIP and Medicaid for children through 2019**

ACA: Current State

At one year anniversary, views on HCR remain divided

Kaiser Family Foundation asked registered voters : Given what you know about the health reform law, do you have a generally favorable or generally unfavorable opinion of it?



Best Guess on What Sticks

- **Popular provisions already in place, including:**
 - **Children on parents' insurance through age 26**
 - **Protection for individuals with pre-existing conditions**
 - **Doughnut hole fill for Medicare recipients**
- **Momentum of efforts to improve the quality, delivery and costs of health care, including:**
 - **Development of better information management systems**
 - **Transition to pay-for-performance reimbursement**
 - **Establishment of Accountable Care Organizations or similar business models**

Building Blocks for a Better System

Accountable Care Organizations

- ACA includes provisions for creating “Accountable Care Organizations” for Medicare beneficiaries (other insurers are close behind)
- ACOs are organized provider groups that are responsible for the cost and quality of health care delivered to a population
- Proposed rules were released on March 31, 2011 for review; Comments are due in early June
- Represents a major paradigm shift for the industry

Payer

\$\$\$

Based on quality and performance indicators

Population:
5,000+
members

ACO

Designated Patient Centered Medical Home

Hospital Care

Home Care

Outpatient Care

Nursing Home

Community Health Services

School-based Clinics

**Integrated HIT &
Business Systems**

Quality Reporting

**Member
Engagement**

ACO: Who is eligible?

Under proposed CMS rules

- **Physician Group Practices**
- **Networks of individual practices**
- **Hospitals that employ physicians**
- **Partnerships/Joint Venture arrangements between hospitals and physicians**
- **Other providers can participate, but cannot independently form ACOs**



Can ACOs work?

We think so.

Physician Group Practice Medicare Demonstration Project

- Medicare's first Pay for Performance Demo for physicians
- Prototype for ACO outlined in the Affordable Care Act
- Intended to reduce Medicare cost growth while maintaining quality (32 quality metrics)
- Shared savings model in which the amount earned back is based on a combination of cost savings and quality performance
- Participation: 10 large U.S. physician groups, incl. U-M Faculty Group Practice
- Duration: 2005-2010
- Goal: Find out whether care can be coordinated in a way that generates Medicare savings in acute, ambulatory and post-acute care settings

PGP: Why We Participated

- **Improve coordination and quality of care**
- **Develop skills for population management**
- **Leverage experience with managed care and collaboration with payers and large employers**
- **Prepare for Medicare Value Based Purchasing and pay-for-performance with other payers (Medicaid, private insurers)**
- **Collaborate across specialties and with hospitals, leading physician groups and CMS**
- **Possible financial returns from shared savings model**

PGP: UMFGP Results & Findings

- All 10 groups met at least 29 of the 32 quality goals
- U-M was one of two groups to achieve success every year
 - In program year 4, we saved Medicare \$16M and earned shared savings of \$12M
 - Demonstrated lower readmission rates
 - Improved care coordination for high risk/high cost patients
 - Received national recognition as a leader in health care value and a pioneer in developing ACOs
- The major challenges we identified were the financial model, attribution methodology and AMC culture

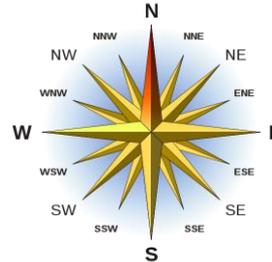
PGP: UMFGP Results & Findings

**The ACO model can work;
We need resources, vision and
leadership to get there.**

**What does it take
to be a leader in
complicated times?**

7Cs: Attributes of Leaders

1) **Moral Compass**



2) **Compassion**

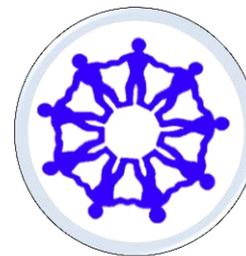
3) **Contribution**

4) **Commitment**

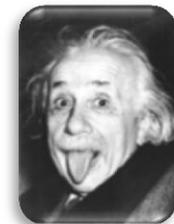


5) **Communication**

6) **Collaboration**



7) **Creativity**



**Pediatricians
can be exemplary
health care leaders**

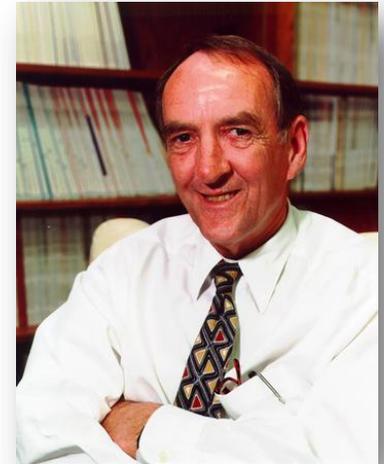
For Example . . .



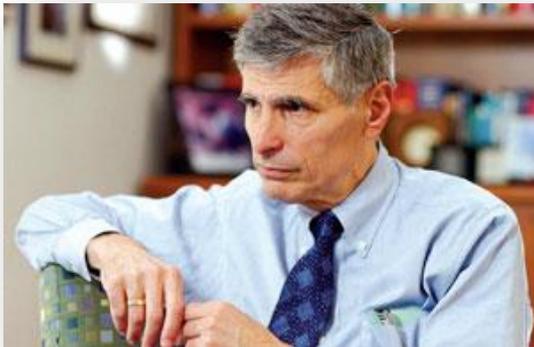
Larry Shapiro
Executive Vice Chancellor for Medical Affairs &
Dean of the School of Medicine,
Washington University . in St. Louis



Cathy DeAngelis
Editor-in-chief , JAMA;
1st female and 1st pediatrician in this role



Ian Burr, Vanderbilt Legend



Phil Pizzo
Dean, Stanford School of Medicine



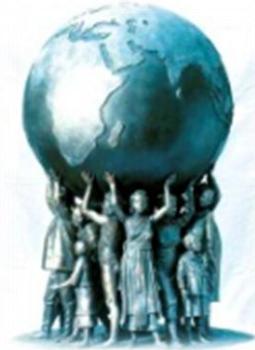
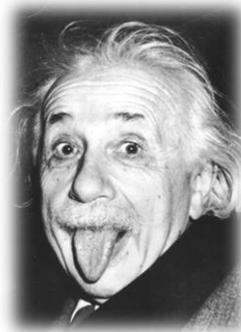
Jonathan Gitlin
Vanderbilt Superstar



Don Berwick
CMS administrator

Pediatricians' Advantages

- **Important core values:**
 - **Empathy**
 - **Commitment to embracing and enjoying life**
 - **A passion to help others**



- **Trained to think about the entire family, not just the patient**
- **Accustomed to going beyond physiology and genetics to consider social dynamics, environment, school and family**

Pediatricians at Academic Medical Centers

- **Create and disseminate new knowledge and tools that improve care**
- **Equip future generations of pediatricians for leadership in this new world**
- **Link patients to the right clinical care, the community, school resources and social networks**
- **Are uniquely positioned to uncover the pathophysiologic genesis of disease, to find cures, to improve lives and to collaborate across disciplines and institutions**

Q-METRIC

- **Quality, Measurement, Evaluation, Testing, Review and Implementation Consortium**
- **4 year/\$8M grant from AHRQ awarded in April 2011**
- **Team members include:**
 - **U-M Child Health Evaluation and Research (CHEAR) Unit, led by Gary Freed, M.D., MPH**
 - **Vanderbilt Medical Informatics, led by Kevin Johnson, M.D., M.S.,**
 - **NICHQ (National Initiative for Children's Health Care Quality)**
 - **American Board of Pediatrics**
 - **Health Core (Wellpoint)**
 - **National Association of Children's Hospitals**
 - **Families and patients**
- **Goal: Develop, test and enhance pediatric quality measures**

**The future is not
something we enter.**

**The future is something
we create.**

Rev. Leonard Sweet, Futurist

So, when you imagine a future where parents see their children free of disease and suffering, what do you envision?

**As part of a community
that is inspired by the idea
that discovery brings hope**

...

**What is the future
you wish to create?**

