



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

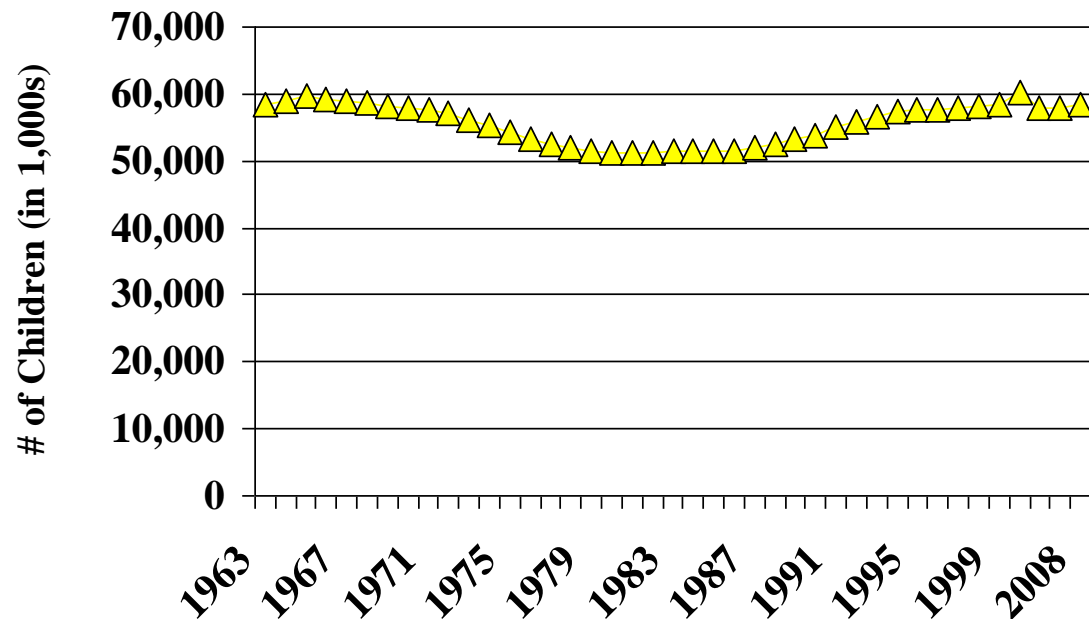


Pediatric Workforce

Is there a primary care workforce shortage?

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

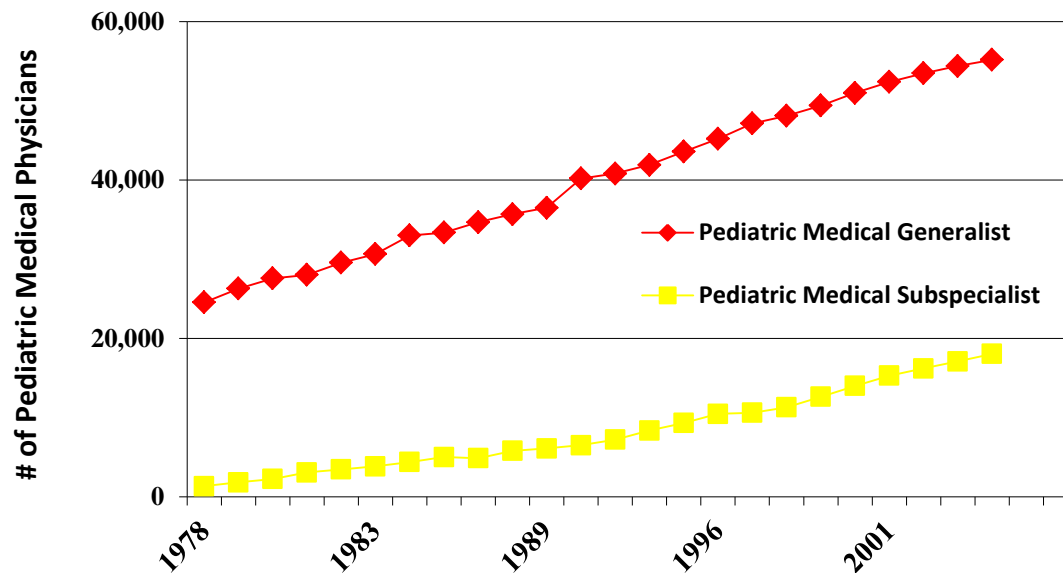
**U.S. Pediatric
Population
(0-18 years)**



Pediatric Workforce

Is there a primary care workforce shortage?

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

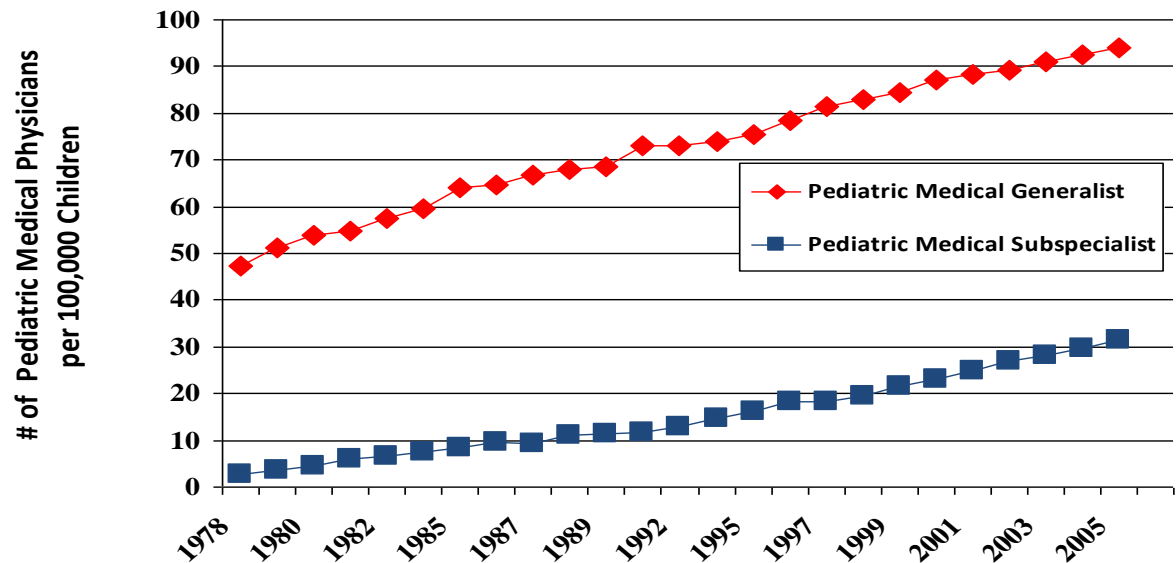


Pediatric Workforce

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

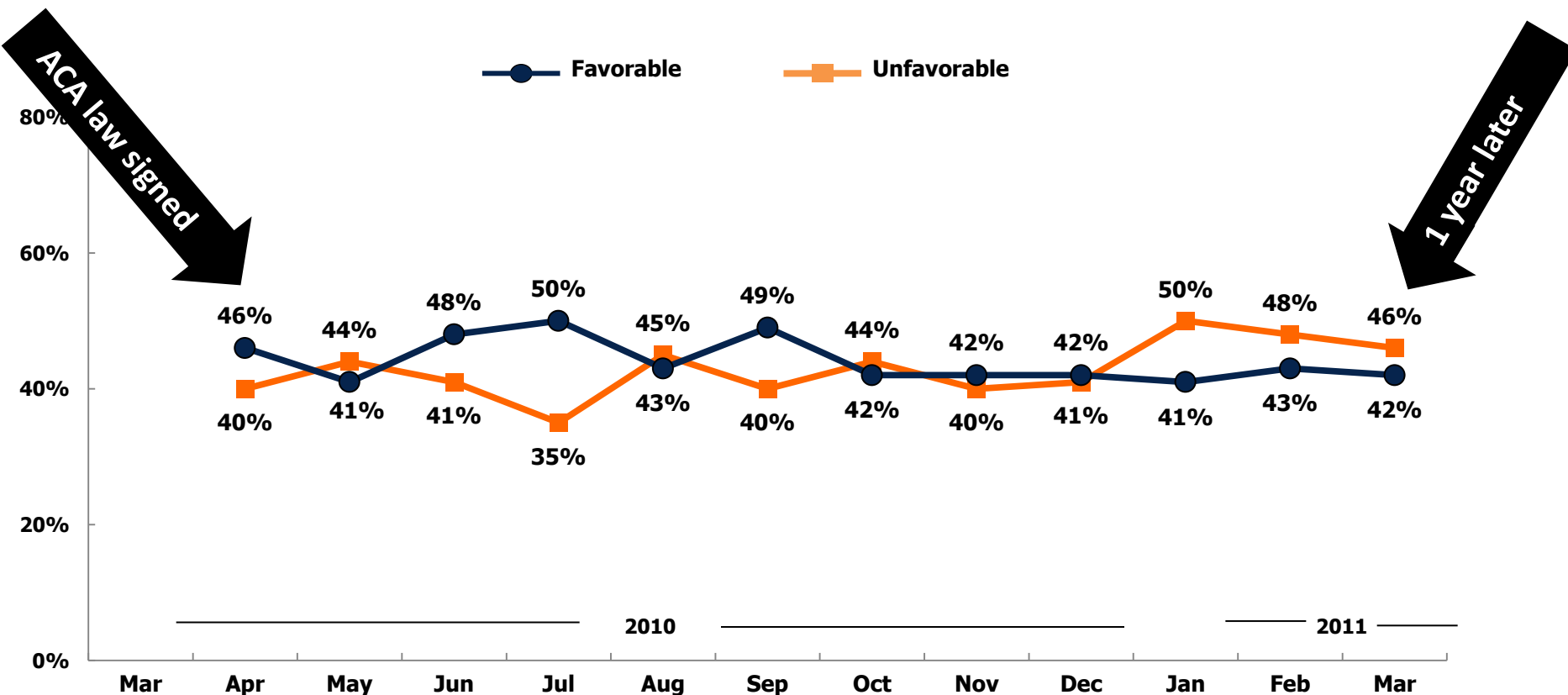


- Prohibits pre-existing condition exclusions for children under 19
- Expands Medicaid to 133% of the poverty level in 2014
- Maintains CHIP and Medicaid for children through 2019

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

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*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

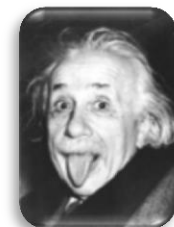
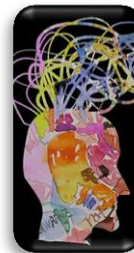
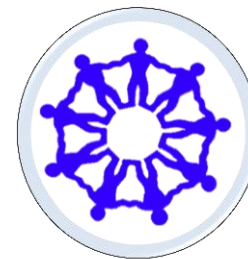
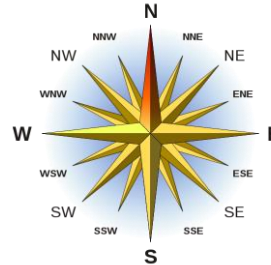
PGP: UMFGP Results & Findings

**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**

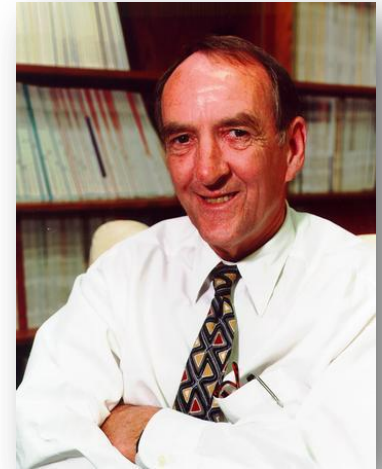
For Example . . .



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



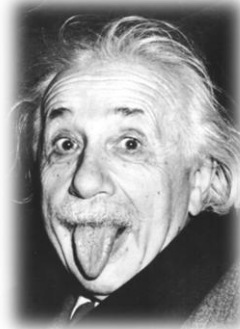
Jonathan Gitlin
Vanderbilt Superstar



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?

