THE GOVERNANCE INSTITUTE
A SERVICE OF nrc HEALTH
August 2019
System Focus

Organizing Health Systems for High Value

By Elizabeth Teisberg, Ph.D., Scott Wallace, J.D., M.B.A., and Sarah O'Hara, M.P.H.,
Value Institute for Health and Care, Dell Medical School, University of Texas at Austin

Healthcare's purpose is helping patients achieve better health. Health system mission statements frequently proclaim this aim, but directors often focus on finances without asking whether care improves health for the individuals and families they serve.

Most people assume that all healthcare services in the United States are good. Were that true, care would be essentially a commodity, and cost would be the primary concern. But the health results providers achieve vary widely between—and even within—health systems. Given that variation, board members have a responsibility to focus on the effectiveness of their system's care. Their fiduciary duty is to ensure good health results for the people their system serves, not just the system's fiscal health.

Achieving high value should be leaders' primary aim for their health system. Value in healthcare is created by improving the health outcomes that matter to patients. Caring relationships among expert clinicians and patients enable health improvement. Efficient delivery enhances the value that effective care creates.

One important consideration in fostering relationships and achieving high-value care is how services are organized across the health system. Boards should ask a fundamental question to guide system restructuring: **How can we organize services across the system so that our clinicians are supported to enable better health outcomes for each person we serve?**

Key Board Takeaways

Board members have a fiduciary duty to enable good health results for each person their system serves. Achieving this goal often requires reorganizing services across the system so that all patients have access to high-value healthcare. Boards and their management teams should take the following steps to restructure care for better health outcomes:

- Assess how different parts of the health system perform, not just on standard process metrics (e.g., door-to-balloon time in coronary angioplasty) but on results (e.g., heart attack mortality).
- Build centralized teams to deliver care for services where evidence indicates higher volumes will yield better outcomes.
- Where locally distributed care is more appropriate, develop methods to share best care practices and clinical expertise across sites.
- For complex care, consider whether patients will achieve better health outcomes outside the system and develop partnerships accordingly.

Answering this question requires first assessing the health results of patients in the system's care, then considering three types of actions to improve outcomes: build centralized teams, support local excellence, and partner with others.

Assess

Assessing how the system performs on outcomes that matter most to patients is different than what boards usually do and thus may initially seem difficult. But the analysis is essential because better health outcomes are the core purpose of care and powerful strategic decisions should be informed by insight on patients' health results.

The industry is awash in quality metrics, but little of those data track patients' actual health outcomes. For example, door-to-balloon time is a widely used quality metric in heart attack care. Recent analysis shows, however, that nationwide improvements in door-to-balloon times have not significantly reduced mortality for heart attack patients who undergo coronary angioplasty.[1] While speed of care is important in heart attacks and many emergent conditions, it isn't the key metric. In healthcare, as in other sectors of the economy, success is defined by results.

1 Daniel S. Menees et al., "Door-to-Balloon Time and Mortality among Patients Undergoing Primary PCI," *The New England Journal of Medicine*, September 5, 2013.

Achieving high value should be leaders' primary aim for their health system.

Few providers measure results for each person served. Most organizations do assess patients' experience with care, but those surveys fail to ask patients whether they actually got better. It's a crucial omission. Clinicians and their organizations could measure the health results of every patient, both during and after care. Every clinician asks patients, "How are you doing?" Why don't healthcare organizations systematically track the answers? Our work over the past decade has shown that when asked, patients will describe their health results in terms of capability, comfort, and calm.[2] They know whether they can do what is most important to them, whether their pain and suffering have been reduced, and whether they and their families can continue normal life while receiving care. Measuring improvement in capability, comfort, and calm will provide vastly more information than most clinicians currently have about their patients' health results.

Act

Once leaders understand where the system is—and is not—achieving good results, boards and executives must choose among three options for organizing services so that more patients have access to care that results in the best possible health outcomes.

Build centralized teams: For acute care, consolidating services from multiple facilities into a single location may be the right answer. There is ample evidence that for services such as joint replacements and heart surgeries, high-volume centers can achieve better patient outcomes because care teams deepen their expertise and create robust learning processes. Patients also prefer being treated within the embrace of an integrated team. Plus, teams enhance efficiency when they realize economies of scale specific to their care, reduce unwarranted variation, and avoid waste.

Support local excellence: For chronic conditions and primary or ongoing care, it is best for health systems to deliver care locally, dispersing resources across sites. System leaders should ensure that best practices and expertise are shared so that each site delivers excellent health outcomes. Whether it taps its own experts or an external network, every health system can bring deep expertise to local care.

Increasingly, health systems are leveraging technology to efficiently share expertise. For example, through Project ECHO, specialist teams at academic medical centers use videoconferencing to train primary care providers in local communities to treat conditions such as diabetes or chronic pain and to co-manage specific patient cases. Originally launched in New Mexico to expand care for underserved, rural patients with hepatitis C, Project ECHO now has more than 220 specialist hubs for more than 100 conditions.[3]

Partner with others: The third consideration is whether some patients will achieve better outcomes outside of the system. Children with complex congenital heart anomalies, for example, need to be treated by teams that have the experience and expertise to achieve great outcomes. Not every system will have the resources and learning required for these results.

Sending patients outside of the system for better outcomes is both ethical and economical. Kaiser Permanente, for instance, is renowned for clinical excellence. For organ transplants, its Southern California region contracts with UCLA to provide surgery and several months of post-operative care, with patients then returning to Kaiser.[4] An excellent health system ensures that patients get consistently excellent outcomes, even if that sometimes means getting care elsewhere.

Patients seek care because they want better health. Health system board members have a responsibility to create value for the patients they serve by fostering relationships and improving health results.

2 Scott Wallace and Elizabeth Teisberg, "Measuring What Matters: Connecting Excellence, Professionalism, and Empathy," *Brain Injury Professional*, March 30, 2016.

3 For more information on Project ECHO, see https://echo.unm.edu.

4 Michael E. Porter et al., "The UCLA Medical Center: Kidney Transplantation," Harvard Business School Case 711-410, August 2010 (revised March 2012).

The Governance Institute thanks Elizabeth Teisberg, Ph.D., Executive Director, Scott Wallace, J.D., M.B.A., Managing Director, and Sarah O'Hara, M.P.H., Course and Content Specialist, Value Institute for Health and Care, Dell Medical School, University of Texas at Austin, for contributing this article. They can be reached at teisberg@austin.utexas.edu, scott.wallace@austin.utexas.edu, and sarah.ohara@austin.utexas.edu.