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# National Leadership to Achieve a Performance-Driven Health System

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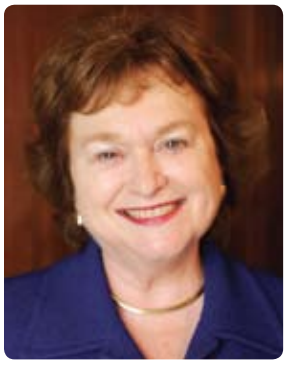

The elements of health reform Congress are considering are emerging as draft proposals from the key committees and as the Republican alternatives are released. What is largely missing from these proposals, however, is an overarching framework that establishes goals for a high-performance health system and includes a coordinated set of public policies and private sector actions that would ensure the U.S. reaches benchmark levels of health system performance by 2020. Without a mechanism for setting long-range goals as well as immediate priorities for performance improvement, we could fail to realize the enhanced impact and economies possible from concerted action.

## Setting Health Goals and Priorities for Performance Improvement

The Commonwealth Fund's Commission on a High Performance Health System has documented that the U.S. is not achieving the health outcomes, quality of care, and access to care that could be achieved with the resources the country commits to health care. The lack of accountability for results at the national, state, and local health care delivery levels reflects an absence of goals, priority improvement targets, incentives, and support required to meet performance targets—as well as the lack of consequences for performance that does not meet such targets.

A major reason for this lack of accountability, and for highly variable, often poor performance, is the fragmentation of the health care financing and delivery system. Decisions shaping the U.S. health care system are made by thousands of private and public stakeholders, largely acting independently and often with a goal of shifting costs to other parties rather than achieving the best results for the system as a whole. What is needed is national leadership to coordinate the now-disparate components of the health care system.

There are a number of national health initiatives with defined objectives, including the U.S. Department of Health and Human Services' "Healthy People 2010," the National Quality Forum's "National Priorities Partnership," and the Institute of Medicine's priorities for comparative effectiveness research. The Commonwealth Fund's Commission on a High Performance Health System has developed and published a national scorecard on U.S. health system performance that includes achievable benchmarks across the domains of health outcomes, quality, access, equity, and efficiency.

Health reform proposals under consideration in the House and Senate include requirements for the development of national priorities for quality improvement and reports to Congress outlining national priorities and strategies for health care quality improvement. A Republican-sponsored alternative proposal calls for a new forum on the quality

and effectiveness of health care, to be comprised of private-sector representatives. But these proposals focus primarily on health care quality, falling short of a comprehensive set of goals for health system performance that includes access to care, equity, and efficiency.

The U.S. health system will not reach its potential until we have an agreed-upon set of national performance goals and improvement targets with the government's imprimatur, along with supporting policies, resources, and actions. One process for establishing these goals, targets, and supports could be an annual "Health Performance Report," submitted to Congress by the President. This publication would report on health system performance, including:

- health outcomes across geographic regions of the U.S. and population subgroups;
- access to care;
- quality of care;
- efficiency; and
- capacity to innovate and improve.

Such a report would help create a clear picture of the state of the health system and complement the "Economic Report of the President" and data reports on economic growth and employment. Most important, it would include the President's 2020 goals for health system performance, priority targets for improvement, and recommended policies and private sector actions required to meet them, all based on consultation with the public and health care stakeholders. Congress would act annually to accept and/or modify these goals and priorities, and make the policy changes needed to help achieve them.

The power of driving performance improvement through presidential, Congressional, and private sector leadership might best be understood by considering the illustrative health system performance goals for 2020 and target indicators for improvement outlined in the exhibit below. These examples highlight the many components of health system performance, which encompasses health outcomes, delivery system organization, quality and safety, disparities, insurance coverage, and incentives to bend the cost curve.

## A Whole-System Strategy

Once agreement on the long-range goals and shorter-term improvement targets is achieved, the President could oversee the development of an implementation plan and submit it to Congress for review; the plans would be updated each year. The President also could ensure that the public agencies or private organizations responsible for the key components of a high-performance health system had a clear mandate based on the goals and targets, and would be held accountable for fulfilling that mandate. For example, the goals and targets would shape priorities within the following areas:

- **Comparative effectiveness.** Priorities for the $1.1 billion allocated to various agencies within the U.S. Department of Health and Human Services by the American Recovery and Reinvestment Act for comparative-effectiveness research would be based on these goals and targets.
- **Health information technology.** Meaningful use of health information technology and design of health information exchanges provided for under the American Recovery and Reinvestment Act would be consistent with achieving these goals and targets.
- **All population/all payer database.** An all-population/all-payer data system would be developed and used to monitor and track performance on these goals and targets. Public reporting would be developed to ensure transparency and support improvement efforts.
- **Quality improvement.** Professional bodies and state agencies that set standards for quality, accreditation, certification, and licensure of health care providers and organizations would agree to align their processes with actions to achieve these goals and targets.
- **Workforce planning and development.** Public agencies charged with workforce planning and development would develop policies to address gaps in accessibility of services and in preparation of teams of health care professionals required to meet these goals and targets.
- **Public health.** Achieving population-oriented health goals and the best possible health outcomes would become the guiding principle for investment in

public health activities and adoption of policies such as taxing products related to unhealthy behaviors.

- **Insurance exchange.** Health insurance exchanges or connectors at the national, state, or regional level would set standards for qualified health plans that would help meet these goals and targets.
- **Payment reform**. Perhaps most important, Medicare, Medicaid, and private and public plans participating in health insurance exchanges would be held accountable for payment policies that reward providers based on these goals and targets. The design and rapid testing of new incentives would be facilitated by creation of a Medicare Payment Board within the executive branch whose decisions would be reviewed periodically by Congress.

Coordinating national leadership for all of these components of the health system would enable the federal government to: 1) assign clear responsibility and authority for the key aspects of the health system singly and jointly, and 2) provide the necessary capacity to enable agencies and organizations to act to secure access for all, better health outcomes, and slow the rate of cost growth. The new leadership roles needed to provide a coordinated and systemic approach to improving population health and wresting better value from health spending should be addressed as part of health reform legislation.

## A Gain for the Nation

To illustrate the potential gain for the nation of a comprehensive, integrated approach to health reform, the *Path to a High Performance U.S. Health System* report published in February 2009 by the Commonwealth Fund Commission on a High Performance Health System outlined specific reforms related to provider payment, information systems, population health, and coverage that—in combination—could ensure affordable coverage for all, achieve savings, and improve population health.

The U.S. must establish a process for reaching national agreement on long-range goals and priorities for improvement in order to accomplish comprehensive, integrated health reform. This will require national leadership and a mechanism for the federal government to consult with the public as well as private health care stakeholders. The recommendations outlined here would take us a long way toward ensuring that the U.S. has a high-performing health system that simultaneously ensures better access, improved quality, and greater value. The importance of goal-setting, coordinated policies, and leadership must be considered as health reform legislation takes shape in Congress.

## Health System Performance Goals for 2020 and Shorter-Range Target Indicators: Illustrative Examples

| 2020 Health System Performance Goals | Shorter-Range Target Indicators |
|---|---|
| 1. The U.S. is in the top five countries in achieving desired health outcomes for its population. | • Percent of population receiving key preventive services or screening<br>• Percent of population with chronic conditions controlled |
| 2. Every American has the opportunity to enroll in a patient-centered, primary care practice that is accountable for ensuring that patients receive accessible, coordinated care, including all recommended preventive, acute, chronic, and end-of-life care. | • Percent of adults and children enrolled in a patient-centered primary care practice<br>• Percent of physicians practicing in accountable care organizations |
| 3. All providers reach attainable benchmarks of performance on indicators of health care quality and safety, and racial and ethnic disparities in quality of care are eliminated. | • Percent reduction in gap between benchmark levels of quality and safety and 2009 levels<br>• Percent reduction in disparities in quality by race and ethnicity |
| 4. All Americans have the opportunity to be covered by an affordable health plan that ensures that premiums and out-of-pocket expenses do not exceed an affordability standard (e.g., 10 percent of income for median-income families, and less for those with incomes below the median). | • Percent of population insured<br>• Percent of population with premiums and out-of-pocket expenses within an agreed-upon affordability standard |
| 5. Health spending over 2010–20 is slowed by 1.5 percentage points a year from 2009 rate of increase. | • Percent of provider revenue that replaces fees-for-services with value-based payment for bundles of care, including per-patient fees for chronic care, medical home, acute care case rates, partial or full capitation, or pay-for-performance<br>• Percent of physicians and hospitals with "meaningful use" of health information technology<br>• Percent reduction in duplicative, avoidable, or ineffective services, and administrative overhead |