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# OUR WORK

## PETERSON CENTER ON HEALTHCARE

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### SPREADING & SCALING HIGH-PERFORMANCE HEALTHCARE

There are already many great examples of high-performance care – we just need to replicate them. Rather than serving as an inventor of new approaches, we seek what already works. We focus on finding, validating and scaling models proven to deliver higher-quality care and lower costs.

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### FOSTERING AN ENVIRONMENT FOR IMPROVEMENT

Recognizing that context matters, we focus on a broad portfolio of work to improve the environment for productive, lasting change – including monitoring performance more closely, increasing data transparency and building coalitions of key stakeholders.

In many ways, healthcare represents the single greatest issue for our nation's fiscal and economic future. To make meaningful progress on America's fiscal outlook and build a growing economy, we must address the performance of the U.S. healthcare delivery system.

From a federal budget standpoint, healthcare is far and away the key driver of spending. In fact, healthcare accounts for approximately 70% of the growth in federal mandatory spending over the long term.

Moreover, healthcare presents its own major economic challenge, as rising healthcare costs lower wages, hurt competitiveness, and threaten our ability to invest in education and other critical drivers of a prosperous future.

At a total spend of approximately \$3.7 trillion, or 18% of the national economy, the U.S. healthcare system is the most expensive in the world. However, our health outcomes are worse than those of many other nations. Americans often endure unnecessary, ineffective or even harmful treatments, lowering the quality of their lives.

But healthcare is different from other fiscal challenges because it can't be solved with new budget policy in Washington alone. In order to address this problem, we need to improve the overall performance of how care is provided across this country. We need to deliver better outcomes at lower cost.

Recognizing the urgent need to change course and the scale and unique nature of this challenge, the Peterson Center on Healthcare was established in 2014, with an initial commitment of \$200 million from the Peterson Foundation.

Our Center's work is driven by a simple strategy: find and validate the proven solutions that already exist and accelerate their adoption on a national scale. We work with a range of partners to foster a healthier environment for change, with better incentives, transparency and understanding.

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OUR WORK

# SPREADING & SCALING HIGH- PERFORMANCE HEALTHCARE

Both within and outside of the U.S., there are many examples of high-performance healthcare being practiced every day.

We are a resource and partner for those who want to do the same. The Peterson Center on Healthcare takes a comprehensive, innovative approach to spreading and scaling high-performance healthcare solutions. We identify and validate proven models and facilitate their adoption on a national scale.



The Peterson Center on Healthcare is dedicated to making higher-quality, more affordable healthcare a reality for all Americans. The organization is working to transform U.S. healthcare into a high-performance system by finding innovative solutions that improve quality and lower costs and accelerating their adoption on a national scale. The Center collaborates with stakeholders across the healthcare system and engages in grant-making, partnerships and research.

## TRANSFORMING PRIMARY CARE

Just as patients do every day, we decided to start with the primary care doctor. Primary care is the bedrock of a high-performing healthcare system. It is the first point of access, and is closely connected to 80 – 90% of an individual's health needs over the course of a lifetime. Improving primary care delivery can be a critical leverage point for achieving widespread increases in the quality and affordability of healthcare.



### Identifying Attributes of High-Performance Primary Care

In 2014, the Center provided a grant to **Stanford University's Clinical Excellence Research Center (CERC)** to find what works – identifying and validating attributes of primary care shown to deliver quality care at significantly lower costs. Analyzing insurance claims data on cost and a range of quality measures, the Stanford researchers found the great outliers – those 5% of practices that rank in the top quartile on *both* quality and per capita costs – and then studied those practices to identify the specific attributes that distinguish them from their peers.



Stanford's pioneering work, published in the November 2017 *Annals of Family Medicine*, demonstrated that some small, local primary care practices, as well as those that are part of integrated health systems, are achieving outstanding results. These exemplary practices are notable for higher quality outcomes, satisfied patients and high-functioning care teams.

## Translating Research into Implementation

To translate Stanford's research into action, the Center has begun to help implement these high-performance approaches in other primary care practices.

Working with three initial practices over two years, the Center has performed its own research in how to replicate this high-performance model, gaining valuable insights on issues such as engagement and ownership; prioritization and sequencing; and data collection, tracking and reporting. We also worked in partnership with experts on primary care practice transformation, including how to engage patients and families with **Families USA** and the **National Partnership for Women and Families**.

The Center's team has translated the 12 key strategies identified in its research into 125 individual action steps and embedded them into a practice transformation ser-

vice that organizes the process from A to Z. Recognizing the need for digital solutions to drive scale, the Center is developing its own proprietary software – Practice Coach – which includes an innovative suite of project management, data visualization and networking tools to facilitate the transformation process.

The next phase of our work will begin to transform primary care practices at a wider scale. The Center is focused on a regional approach that will engage all local healthcare stakeholders – including elected leaders, employers, insurers and providers – to build a movement for change. By going deep within a few regions, we hope to demonstrate and showcase significant impact, which will drive demand from other regions across the country.



The Peterson Center on Healthcare working with a primary care practice.

## SERVING HIGH-NEED PATIENTS

The U.S. healthcare system too often fails those who need it most. High-need patients suffer from a range of significant health and social issues, often requiring a complex combination of care. Unfortunately, the care received by this population varies widely in quality and outcomes, despite the fact that it is delivered at considerable cost – it is estimated that just 5% of the U.S. population incurs approximately 50% of the nation’s total health expenditures.

**5% OF THE U.S. POPULATION INCURS APPROXIMATELY 50% OF THE NATION’S HEALTH EXPENDITURES.**

## Understanding the High-Need Population

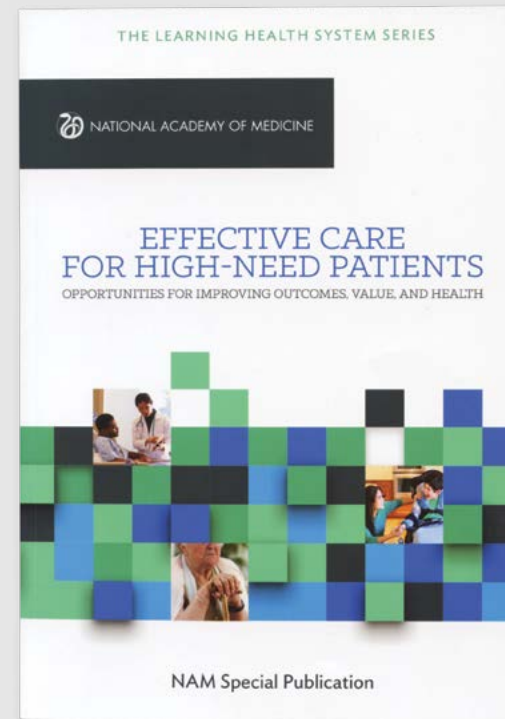
In 2015, we began a partnership with the Harvard T.H. Chan School of Public Health, the National Academy of Medicine, and the Bipartisan Policy Center to better understand the high-need patient population, research evidence-based care-delivery models, and identify policy constructs to support their scale at a national level.

### HARVARD T.H. CHAN SCHOOL OF PUBLIC HEALTH

#### Analysis of Healthcare Utilization and Costs for Individuals Dually Eligible for Medicare and Medicaid

By analyzing claims data for the highest 10% of spending by dually eligible Medicare-Medicaid patients, this research informed better understanding of the high-need patient segments, including: the non-elderly disabled, the frail elderly, those with major complex chronic conditions, those with minor complex chronic conditions, those with simple chronic conditions, and the relatively healthy.

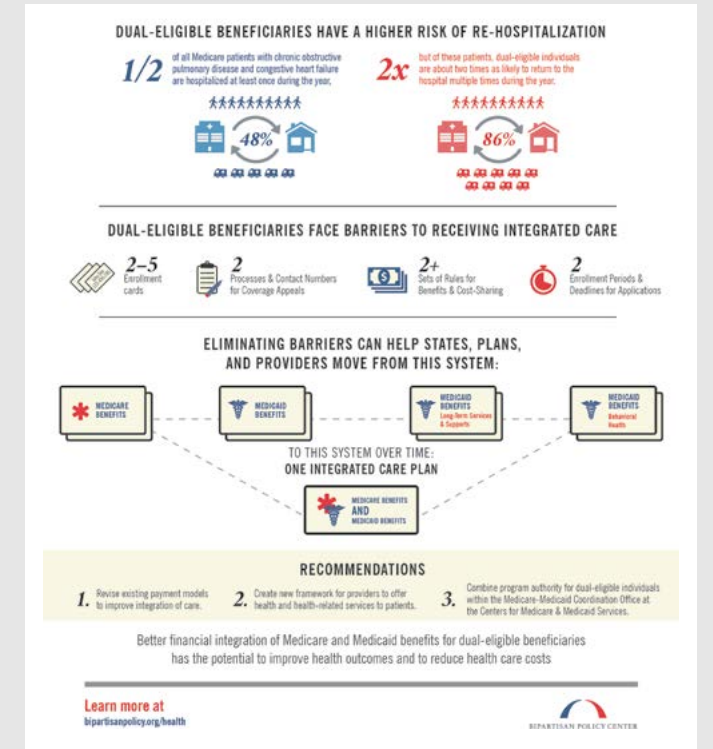
More granular analysis of patient characteristics, sociodemographic data, and preventable spending by care setting between high-cost and low-cost subgroups revealed where interventions can potentially improve quality outcomes and lower costs among the high-need segments. The Harvard analysis was published in the October 2018 *Annals of Internal Medicine*.



### NATIONAL ACADEMY OF MEDICINE

#### Effective Care for High-Need Patients: Opportunities for Improving Outcomes, Value and Health

To engage stakeholders and advance insights on how to improve care delivery for the high-need patient population, the National Academy of Medicine appointed an expert planning committee and convened three workshops held in 2015 and 2016. The resulting publication, “Effective Care for High-Need Patients: Opportunities for Improving Outcomes, Value, and Health,” summarizes lessons learned from high-need population segments, the care-delivery models and attributes that meet their needs, the policies and infrastructure necessary to facilitate the uptake of high-performance healthcare, and the research still needed.



### BIPARTISAN POLICY CENTER

#### Delivery System Reform: Improving Care for Individuals Dually Eligible for Medicare and Medicaid

Adopting proven care delivery models depends on patients’ access to both clinical and non-clinical services with minimal burden. In 2016, the Bipartisan Policy Center developed detailed policy recommendations to mitigate barriers that individuals who are dually eligible for Medicaid and Medicare often face in receiving integrated care. The recommendations included reforms to payment models to better integrate clinical and non-clinical services, a new framework for providers to offer a broader array of services to patients, and streamlined program authority to serve dually eligible individuals.



## Joining Forces

### THE SIX-FOUNDATION COLLABORATIVE BETTER CARE PLAYBOOK

In 2016, the Center joined The Commonwealth Fund, the John A. Hartford Foundation, the Milbank Memorial Fund, the Robert Wood Johnson Foundation and The SCAN Foundation in a collaborative to accelerate the adoption of promising care models for high-need patients among organizations that participate in value-based reimbursement.

The Collaborative commissioned the **Institute for Healthcare Improvement** to develop the Better Care Playbook, offering resources and solutions to address the needs of patients with complex needs. The Playbook provides the business case for healthcare leaders to invest in the implementation of segmentation strategies and high-performing care models for high-need patients. It also serves as a resource to guide policymakers and payers as they adjust current rules and regulations to support the spread of effective practices.



## Identifying & Accelerating Effective Models

The Center has several grants underway to identify models and principles of effective care delivery for high-need patients. Based on the findings of these projects, the Center will work with the grantees to design, develop and disseminate protocols and tools to inform improvement efforts across the U.S.

### CAMDEN COALITION OF HEALTHCARE PROVIDERS

Camden Coalition is working with Health Quality Partners to accelerate the adoption of the proven Advanced Preventive Care (APC) model. The APC model has been shown to decrease mortality (by 22%), reduce hospitalizations (by 25%) and lower healthcare costs (by 10%) among chronically ill, older adults. In addition to studying more efficient ways to incorporate APC into patient care, this initiative will develop an evaluation framework to test the newly designed systems for replication and scaling.

### BROWN UNIVERSITY

Leveraging its extensive national database of administrative claims data, Brown is examining exemplary hospital systems across the U.S. to identify features of high-performance care delivery. With a focus on post-acute care and hospital transitions, the project will find and validate effective strategies to improve quality outcomes and lower the costs of healthcare for the growing population of high-need Medicare patients.

### STANFORD UNIVERSITY'S CLINICAL EXCELLENCE RESEARCH CENTER (CERC)

High performance primary care practices for older adults will be identified within three key segments: frail, major complex/chronic and dual eligible (Medicare/Medicaid) beneficiaries. Through qualitative site visits and surveys across both high- and average-performers, CERC will identify attributes of care that are correlated with better outcomes and lower cost.



## MINIMIZING OVERUSE

### ARIADNE LABS

Hospital overuse is a serious threat to Americans' health and a major contributor to overspending in U.S. hospitals each year. With support from the Center beginning in 2017, Ariadne Labs has designed a change management solution for labor and delivery units to reduce unnecessary Cesarean sections – a discrete, targetable area of over-treatment. The Center is working with Ariadne Labs on ways to apply the design principles underpinning its interventions to other drivers of hospital overuse.

### HARVARD T.H. CHAN SCHOOL OF PUBLIC HEALTH

Unnecessary medical services are a source of harm and inefficiency within the U.S. healthcare system. The Center worked with the Harvard T. H. Chan School of Public Health to examine whether the overuse of low-value services (as identified by the Choosing Wisely Campaign) varied by type of payer, benefit design and patient characteristics. Researchers analyzed claims data to identify variations between the commercially insured and Medicare populations, and explored the impact of insurance benefit design on the use of low-value services. These analyses were published in *Health Services Research* and the *American Journal of Managed Care*.



## PROMOTING PATIENT ENGAGEMENT

### NORTHWESTERN UNIVERSITY

Through a new partnership with Northwestern University, the Center is working to empower patients by better aligning treatment decisions with patient goals. Shared-decision making (SDM), in which patients and physicians collaborate on making healthcare decisions, is increasingly recognized as an effective way to improve quality outcomes while reducing costs associated with interventions that are not commensurate with patient goals. To support wider implementation of SDM, Northwestern will develop patient- and clinician-facing dashboards to integrate, manage and monitor outcomes that matter most to patients. The initiative will focus on advanced cancer and chronic kidney disease.



## HOSPITAL OVERUSE IS A SERIOUS THREAT TO AMERICANS' HEALTH.

### OPEN NOTES

Increasing patient access to actual clinical notes can boost patient engagement by encouraging greater understanding of health status and involvement in treatment plans. In partnership with the Cambia Health Foundation, the Gordon and Betty Moore Foundation, and the Robert Wood Johnson Foundation, the Center is supporting OpenNotes to expand access to transparent clinical notes to 50 million patients across the United States – a tenfold increase from what was previously available. OpenNotes is also conducting research to better understand how transparent clinical notes affects quality outcomes and cost of care.

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OUR WORK

# FOSTERING AN ENVIRONMENT FOR IMPROVEMENT

In addition to scaling high-performance innovations, it is critical to develop the healthcare sector's overall receptivity for new ideas to improve performance and effectiveness.

To help make it easier for pioneering transformation efforts to take root, the Center creates and sponsors efforts to develop resources and tools for healthcare stakeholders across the system – including states, purchasers and payers – to inform their decision-making. These efforts include building employer coalitions, advancing data transparency and availability, and directly sponsoring the creation of a disruptive, non-profit drug manufacturer.



**WE CANNOT  
IMPROVE WHAT  
WE DO NOT  
MEASURE.**

## MONITORING HEALTHCARE PERFORMANCE

We cannot improve what we do not measure. Monitoring and reporting on the value proposition of healthcare at the national level increases public awareness of whether our investment in healthcare is reflected by outcomes. Moreover, it provides key insights on how and why healthcare performance changes over time, and can increase demand for practical solutions to improve the value of healthcare.

# ANNUAL HEALTHCARE SPENDING ROSE BY NEARLY \$1 TRILLION BETWEEN 1996 AND 2013.

## INSTITUTE FOR HEALTH METRICS AND EVALUATION

In 2016, the Center awarded a grant to the University of Washington’s Institute for Health Metrics and Evaluation (IHME) to conduct an in-depth analysis of the past and future drivers of U.S. health expenditures. The research, published in the November 2017 *Journal of the American Medical Association*, revealed that healthcare spending rose by nearly \$1 trillion between 1996 and 2013. IHME’s study found that changes in both the price and the intensity of care – by far, the biggest contributors to spending growth – led to a 50% spending increase, while a growing and aging population also drove spending increases.

## PETERSON-KAISER HEALTH SYSTEM TRACKER

Developed in partnership with the Kaiser Family Foundation (KFF), the Peterson-Kaiser Health System Tracker provides clear, current and detailed information on trends, drivers and issues that affect the performance of the healthcare system. Launched in 2014, the Tracker includes a dashboard of health system performance metrics that deliver insights on the quality and cost of healthcare and where new investments could have the greatest impact. KFF also conducts original analyses and publishes issue briefs to inform key stakeholders on timely issues related to drivers of healthcare performance. Since its launch, the Tracker has received over one million views of its content, which includes briefs, chart collections, videos and an interactive tool.

**Peterson-Kaiser Health System Tracker**

**Health System Dashboard**

How well is the U.S. health system performing? Explore a variety of indicators of health spending, quality of care, access, and health outcomes. For more, see our [brief](#) and [tutorial video](#).

SHARE

Health Spending | Access & Affordability | Health & Wellbeing | Quality of Care

**Quality of Care**  
The U.S. health system has improved on measures of providing safe, recommended care with appropriate short-term outcomes, but not as quickly as comparable countries.

**APPROPRIATE TREATMENT**  
**Preventable hospital admissions**  
Among adults, the rate of potentially avoidable hospitalizations has declined over time.  
■ All Conditions ■ Acute ■ Chronic

**HEALTH SYSTEM CAPACITY**  
**Physicians per capita**  
The U.S. has fewer doctors than most comparable countries.

**TREATMENT OUTCOMES**  
**30-day mortality following certain admissions**  
Mortality rates within 90 days after hospital admission have decreased slightly for some conditions.

**PATIENT SAFETY**  
**Hospital-acquired conditions**  
The number of hospital acquired infections occurring at U.S. hospitals has decreased.  
**-21%**  
from 2010 to 2015

**PREVENTIVE SERVICES**  
**Immunization rates**  
Recently, the percent of children receiving recommended doses of vaccines has fluctuated slightly.

**A PARTNERSHIP OF**  
**PETERSON CENTER ON HEALTHCARE** **KFF**  
Kaiser Family Foundation

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## IMPROVING CARE FOR PATIENTS WITH SERIOUS ILLNESS

Approximately 25% of Medicare spending occurs in the last year of life alone, and improvements can be made to better deliver person-centered care to these critical patients. The Center has a long-standing partnership with the **Coalition to Transform Advanced Care (C-TAC)**, which has developed a multi-stakeholder network of more than 140 national and regional organizations, and is committed to improving serious illness care through policy and advocacy work, family caregiver support, and efforts within states and communities.

## IMPROVING DATA TRANSPARENCY

Data transparency is a necessary component of a functioning healthcare market. Readily available information on price and quality is essential to foster the development of performance-based care delivery.

In 2018 the Center launched a new partnership – the Rhode Island Healthcare Cost Trends Project – with the **State of Rhode Island** and **Brown University** to analyze spending data from the state’s all-payer claims database (APCD) to improve healthcare performance throughout the state. Using findings from this analysis, the project is working with multiple stakeholders – including payers, providers, employers and patients – to assess cost drivers, identify opportunities to improve outcomes and lower costs of care and establish a target for future healthcare cost growth. The Rhode Island Healthcare Cost Trends Project will include exploration of how greater transparency around provider performance can be leveraged to improve healthcare purchasing decisions and care-delivery reforms in a model that can be replicated across the nation.

## PROVIDING BEST PRACTICES TO STATES

With support from the Center, the **National Governors Association** and the National Academy of Medicine identified the most promising state-based innovations to improve healthcare performance. The non-partisan online resource, “Health Care Transformation Resources for State Leaders,” highlights specific ways states have transformed their healthcare systems. Areas of focus include leveraging data, linking physical and behavioral health, combating heroin and prescription drug abuse, improving rural health and workplace planning, and adopting new models to improve how healthcare is delivered and paid for.

## HELPING EMPLOYERS BECOME MORE EFFECTIVE PURCHASERS OF HEALTHCARE

Approximately 50% of Americans receive healthcare coverage through employment-based plans, making employers an important leverage point for system-wide improvement.

In March 2016, the Center began a partnership with **Catalyst for Payment Reform (CPR)** to develop tools for employers to become more effective purchasers of healthcare. CPR has developed purchasing guides and case studies that profile successful programs, and launched online courses and topical webinars to enhance engagement. Through the project, CPR has established learning collaboratives made up of employers and experts to discuss solutions to the most pressing barriers to purchasing high-performance healthcare. In the next phase of its work, CPR will focus on meeting increased demand for actionable healthcare performance data and improving understanding of value-based strategies.

## ADDRESSING SHORTAGES AND HIGH PRICES OF LIFE-SAVING MEDICATIONS

To address the critical risks posed to patients from chronic shortages and rising prices of life-saving generic medications, the Center committed \$10 million to help establish **Civica Rx**, a new not-for-profit generic drug company. The Center joined with the Laura and John Arnold Foundation, the Gary and Mary West Foundation and 19 U.S. hospital systems – representing approximately 750 U.S. hospitals – to stabilize the supply of essential medications by ensuring affordability and availability. As members of the Civica Rx Board of Directors, the three foundations will work to further support and safeguard the company’s non-profit, social welfare mission to provide affordable, essential generic drugs to ensure a predictable supply and competitive marketplace. Upon launch, the company identified 14 hospital-administered drugs as its initial focus, and the first products are expected to be released as early as 2019.



CIVICA

