Care Delivery Innovations to Improve the Value of Care

April 19, 2013

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Forms of Remedy

Cost-Lowering Product Innovations

Cost-Lowering Service Innovations

Milstein, Gilbertson; Health Affairs; American Medical Home Runs; Sept 2009
Main, Slywotzky; The Atlantic; The Quiet Health-Care Revolution; Nov 2011
Will Cadillac Tax Sufficiently Supercharge Act II to Attain Moore’s Law in Health Care?

Act I
Value Sensitivity
Measures of value for hospital MDs and treatments

Act II
Value Comparisons
Value-based patient cost-sharing and provider payment

Act III
Clinical Reengineering
Faster uptake & discovery of “better, faster, leaner” care delivery innovations

Act IV
Moore’s Law in Health Care
Larger annual gains in affordability and quality

Efficiency of Health Benefits Spending (Health Gain / $)

Evolutionary Path
2005  2010  20XX
Four Primary Solutions Crystallizing

- Physician indifference to economy ➔
  MD Charter & “Choosing Wisely”

- Weak improvement skills ➔
  Simplified tasks & “twinning”

- Unharmonized payers ➔
  Marquis purchaser leadership or public-private ACOs

- Shared ACO savings disputes ➔
  Tiers, ref pricing & “DIs”
Value Improvement Levers for Trend-bending Care Delivery Innovators’ Use

- Fewer treatments per person (esp tertiary prevention)
- Fewer service or product inputs per treatment
- Less costly and/or complex services/products
Illustrative Trend-Bending Innovation Stream;
Estimated Annual US Savings from First Year’s CERC Care Models

2011-2012

- CKD @ $49.5B
- Cancer Care @ $52.2B
- Obesity Care @ $38.0B
- CRC Screening @ $3.6B

Designing innovative care delivery models to safely improve affordability of good care