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☞ Informational hearing: Transforming Health Care in Wisconsin Through Better Quality, Better Outcomes and Better Value

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ...
PUBLIC HEARING - COMMITTEE RECORDS

2011-12
(session year)

Assembly
(Assembly, Senate or Joint)

Committee on Health...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
  (**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
  (**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (October 2013)

Assembly

INFORMATIONAL HEARING

Committee on Health

The committee will hold an informational hearing on the following items at the time specified below:

Wednesday, May 23, 2012
10:15 AM - The informational hearing will follow the committee's meeting on Clearinghouse Rule 12-009.
417 North (GAR Hall)
State Capitol

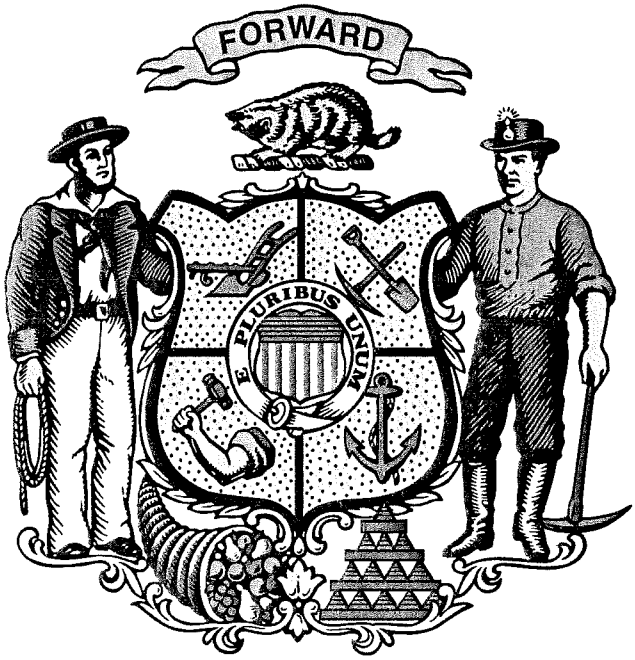
This will be an informational hearing with testimony limited to invited speakers only.

Transforming Health Care in Wisconsin Through Better Quality, Better Outcomes and Better Value

Regardless of how the United States Supreme Court rules on the Affordable Care Act next month, the delivery and financing of health care is changing across the country, and in many ways Wisconsin is at the forefront of this outcomes and value focused transformation.

Invited speakers from Aurora Health Care, Milwaukee; Bellin Health System, Green Bay; Gundersen Lutheran Health System, La Crosse; and the Wisconsin Hospital Association will discuss how hospital and health systems are reforming health care in Wisconsin by refocusing on delivering higher quality, patient-centered, outcomes-focused care with the goal of achieving better value for our health care dollars.

Representative Jeff Stone
Chair


FORWARD
PLURIBUS UNUM

WISCONSIN HOSPITAL ASSOCIATION, INC.

March 28, 2012

TO: **Members of the Legislature**

FROM: **Eric Borgerding, Executive Vice President**
Paul Merline, Vice President, Government Relations

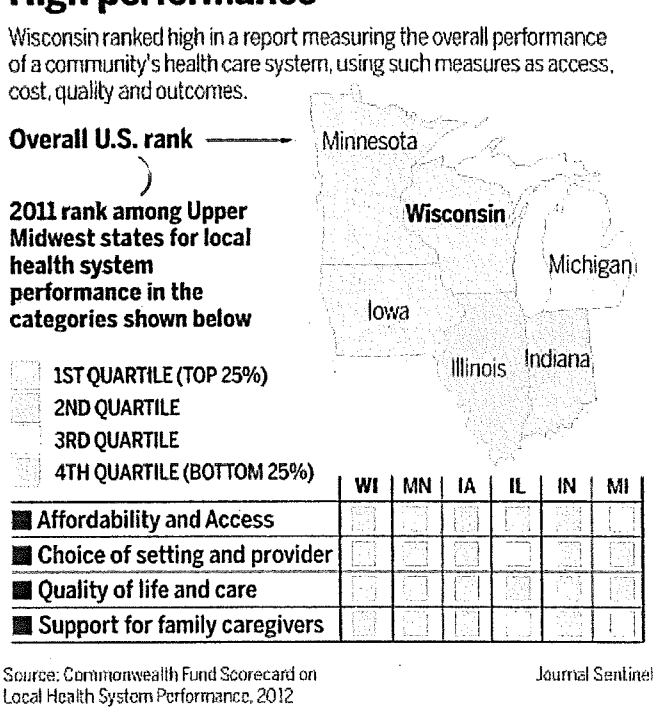
RE: **High Rankings for Wisconsin in Commonwealth Fund Study**

A recently released study from *The Commonwealth Fund*, a health policy focused foundation based in New York City, ranked Wisconsin among the top states in the nation in health care system performance.

The first-ever study, *A Scorecard on Local Health Systems Performance*, focused on four broad measurement areas including: Access; Prevention and Treatment; Potentially Avoidable Hospital Use and Cost; and Healthy Lives. The study can be found at: http://www.commonwealthfund.org/Publications/Fund-Reports/2012/Mar/Local-Scorecard.aspx.

Key take-aways:

- The report tracked 43 performance measures in each of 306 mutually exclusive local health care regions across the country.
- Several Wisconsin communities, including Appleton, Green Bay, La Crosse, Madison, and Neenah ranked in the Top 10% of all local areas. All Wisconsin communities ranked within the upper (top 25%) quartile.
- Among the findings: Where people live matters as it influences their ability to access care as well as the quality of care they receive.
- Higher ranking states, like Wisconsin, have high rates of employer-based insurance coverage. Efforts aimed at improving health care quality and value are working for both consumers and payers in Wisconsin!



Wisconsin hospitals continue to focus on improving efficiency, outcomes, quality and the value of health care. While there is still work to be done, this report is the latest confirmation that Wisconsin hospitals' strong commitment to performance measurement, public reporting, and collaborative improvement is helping to drive our state's already high status to the next level.

For more information on this report, or if you would like any additional information, please contact us at (608) 274-1820.

WISCONSIN HOSPITAL ASSOCIATION, INC.

February 23, 2012

TO: **Members of the Legislature**

FROM: **Kelly Court – Chief Quality Officer**
Eric Borgerding – Executive Vice President

RE: **Public Infection Reporting Highlights Latest Hospital Efforts to Improve Quality, Outcomes and Value**

Wisconsin is well-known for providing high quality health care – evidenced by the state's consistent annual rankings at or near the top in national comparisons. Driving these nationally recognized efforts to improve health care quality is a goal shared by hospitals to reduce or eliminate hospital acquired conditions (HACs).

As of February 16, Wisconsin hospitals began publicly reporting data on WHA's CheckPoint website that shows how well they are doing in preventing one of the most serious HACs that can occur in an intensive care unit (ICU) – central line-associated blood stream infections (CLABSI). The results show that 58 percent of the hospitals that reported data had zero CLABSI infections in their ICUs during the first six months of 2011.

Intensive care units contain the sickest, most vulnerable patients. Reducing infections in these units saves lives and reduces length of stay, which in turn reduces health care costs. The results so far are impressive and demonstrate how proactive efforts by Wisconsin's hospitals are improving health care quality and outcomes, and leading to *better value for employers' and employees' health care dollars.*

What is CLABSI?
When a patient gets a bloodstream infection after having a central line put in it's considered a CLABSI. A central line is tube inserted into a vein that can be used to infuse fluids or withdraw blood. According to the Centers for Disease Control and Prevention (CDC), an estimated 41,000 bloodstream infections occur in U.S. hospitals each year and many are CLABSIs. These infections can lead to longer hospital stays, higher costs, and an increased risk of dying. CLABSIs can often be prevented through proper insertion and care of the central line.

Not all hospitals have ICUs, but of the 64 hospitals reporting CLABSI data to WHA, 37 hospitals – 58 percent – reported zero infections, with most performing "better than expected," or "as expected" when compared to the CDC's national benchmark. The data also shows that significantly fewer patients in Wisconsin suffer a CLABSI than in the nation.

Hospitals Continue to Build on Proactive Quality Improvement Efforts
Wisconsin hospitals began laying the groundwork for publicly reporting quality improvement efforts statewide over a decade ago. Led by quality experts from WHA's member hospitals, this effort developed into what would become one of the first, if not the first, voluntary hospital public reporting initiatives in the country. Launched in 2004, WHA's CheckPoint (www.WiCheckPoint.org) now collects data from 98 percent of Wisconsin acute care hospitals on over 100 quality measures. By stressing the importance of reporting, Wisconsin hospitals continue to answer the call of policymakers, employers and patients to improve quality, efficiency, and outcomes and provide better value for health care dollars improvement. Through these and other collborative efforts, dedicated Wisconsin health care providers are working together in a noncompetitive environment to find solutions for the tough clinical challenges all hospitals face.

(more)

Collaboration, Not Legislation, Drives Improvement
Collaborative efforts help hospitals improve patient care. Since 2009, WHA has been the lead organization in coordinating efforts to reduce health care associated infections, working with 42 hospitals across the state to implement clinical best practices and cultural changes that will lead to fewer CLABSIs. Wisconsin is one of a select group of states participating in this national initiative to achieve "zero" CLABSIs, and these efforts are paying off.

> ***"This significant reduction in one of the most serious health care-associated infections (HAIs) is testimony to the leadership of WHA and to the commitment of its member hospitals to work collaboratively and report outcomes openly for the good of their patients. <u>According to the CDC, this success is especially noteworthy in a state with no legislative mandates requiring hospitals to report HAI rates.</u>"*** *-- Gwen Borlaug, Coordinator of the Hospital Acquired Infection (HAI) Prevention Program at the Wisconsin Division of Public Health*

Partners for Patients **Initiative – Hospitals Show Enthusiastic Support for Raising the Bar on Quality**
"Partnership for Patients" is a national initiative supported by the Centers for Medicare and Medicaid Services (CMS). CMS awarded $218 million to organizations that will develop a "hospital engagement network." The American Hospital Association, who has been designated as a CMS primary contractor, has sub-contracted the hospital quality and safety improvement work in Wisconsin to WHA.

Launched in April 2011, Partners for Patients seeks to prevent 1.8 million injuries to patients in the hospital, saving more than 60,000 lives over three years across the country. So far, 106 Wisconsin hospitals have enrolled in the new project with WHA. Eighteen others Wisconsin hospitals are working with other contracted organziations. That means 97% of Wisconsin hospitalsare participating in *Partners for Patients*, again demonstrating how committed Wisconsin hospitals are to improving the quality and value of care in Wisconsin.

Improved Quality Means Better Value
Improving hospital quality and achieving better health care outcomes in Wisconsin not only benefits our patients, but also contributes to a more attractive state business climate. Health care costs affect labor costs, and labor costs are one component of what can make Wisconsin a more competitive place for employers to locate or expand. Hospital efforts to moderate health care costs, return people back to work sooner, and achieve a healthier workforce will help give Wisconsin a leg-up when competing for new private sector jobs.

To view CLABSI data on CheckPoint, please visit: <u>CheckPoint CLABSI Data</u>

For more information on WHA, visit: <u>www.wha.org</u>

WISCONSIN HOSPITAL ASSOCIATION, INC.

Partners for Patients
Hospitals working together to improve patient care.

WHA
A Valued Voice

January 30, 2012

TO: **Members of the Legislature**

FROM: **Kelly Court – Chief Quality Officer**
Paul Merline – Vice President of Government Affairs

RE: **Patient Safety and Quality Improvement Advances through Collaboration**

Wisconsin hospitals will continue to build on their history of successful collaborations this year when the Wisconsin Hospital Association (WHA) starts work on a national project aimed at preventing avoidable hospital-acquired conditions (HACs) and reducing unnecessary hospital readmissions.

"*Partnership for Patients*" is a national initiative supported by the Centers for Medicare and Medicaid Services (CMS) which awarded $218 million to organizations that will develop a "hospital engagement network." The American Hospital Association (AHA) was designated as a CMS primary contractor and has sub-contracted the quality and safety improvement work in Wisconsin hospitals to WHA.

The initiative has already attracted media coverage. On Sunday, January 26, the *Milwaukee Journal Sentinel* covered the story and reported: "The association's Partners for Patients Initiative will build on an earlier project to reduce bloodstream infections from central lines. That initiative - combined with other work - resulted in some hospitals not having a central-line infection for more than a year." *Wisconsin Health News* also recently covered the effort, and it was also featured in the national publication *Payers and Providers*. Copies of the articles are attached for your review.

Launched in April 2011, *Partnership for Patients* seeks to prevent 1.8 million injuries to patients in the hospital, saving more than 60,000 lives over three years. It also seeks to make care less costly. Funding is being channeled through the CMS Innovation Center, which was created by the Affordable Care Act.

The ambitious goals of the *Partnership for Patients* initiative are to reduce inpatient harm by 40 percent and readmissions by 20 percent over a three-year period on ten key areas for improvement:

- Adverse drug events ("ADEs")
- Catheter-associated urinary tract infections
- Central line-associated blood stream infections
- Injuries from falls and immobility
- Obstetrical adverse events
- Pressure ulcers
- Surgical site infections
- Venous thromboembolism (blood clots)
- Ventilator-associated pneumonia
- Preventable readmissions

So far, over 100 hospitals have enrolled in the new project with WHA. Eighteen others have signed up with a different hospital engagement network (HEN). That means in total, 95% of Wisconsin hospitals have signed up to participate, demonstrating just how serious Wisconsin hospitals are about improving the

(more)

5510 Research Drive, Post Office Box 259038, Madison, WI 53725-9038 P (608.274.1820) F (608.274.8554) wha.org

quality of patient care. They will have access to evidence-based practices, staff training, opportunities for sharing practices, and for those signed up with WHA, continued direct engagement with WHA staff.

WHA has been successful in fostering collaboration among Wisconsin hospitals that has helped our state gain a national reputation for sharing practices that lead to safer, higher quality patient care. Wisconsin hospitals are known for providing care that is consistently ranked among the best in the nation.

Proactive Quality Improvement Efforts

Over a decade ago, Wisconsin hospitals began laying the groundwork for public reporting of quality improvement efforts statewide. Led by quality experts from WHA member hospitals, this effort developed into what would become one of the first, if not *the* first, voluntary hospital public reporting initiatives in the country. Launched in 2004, WHA's CheckPoint (www.WiCheckPoint.org) now collects data from 98 percent of Wisconsin acute care hospitals on over 100 quality measures. By stressing the importance of reporting, Wisconsin hospitals continue to answer the call of lawmakers, employers and patients for resources focused on improving efficiency, outcomes, quality and the value of health care.

But reporting for reporting sake is not our end goal. Reporting of quality improvement measures must drive the sharing of best practices in health care delivery that leads to the most rapid spread of actual quality improvement. *Partnership for Patients* is the latest example of Wisconsin hospital participation in a number of quality improvement collaboratives that continues to grow.

Through the efforts of a large number of dedicated providers, working together in a noncompetitive collaborative environment, solutions are being developed for the tough clinical problems that all hospitals face. WHA plays a key role in convening these collaborative projects.

Collaboration Drives Improvement

Collaborative efforts help hospitals improve through culture change. *On the CUSP* is a national implementation of the Comprehensive Unit-based Safety Program. WHA has been the lead organization working with hospitals across Wisconsin to pair CUSP with best practices to reduce health care associated infections.

Forty two hospitals have already worked to reduce central line associated health care infections (CLABSI) and 14 hospitals have begun their work with WHA to reduce catheter-associated urinary tract infections (CAUTI). The *Partnership for Patients* project will expand these two infection prevention collaboratives and CUSP will be incorporated into all of the other improvement topics to ensure front-line staff are involved in this important patient safety work. WHA's work in this project, to assist hospitals with improving their culture of safety and building a network of best practices, is critical to long-term sustainability of the improvements that will be achieved.

High Quality, High Value Hospital Care

Quality health care – doing the right thing at the right time in the right setting – leads to the best possible results. As efforts to reform our health care system move forward, we must not lose sight of the many strengths of our current system and take care not to harm those components that bring access to the high quality, high value hospital care we've invested so much in, and worked so hard to provide.

For more information on the *Partnership for Patients*, visit www.healthcare.gov/partnershipforpatients.org.

For more information on WHA and to see a list of participating hospitals, visit: www.wha.org.

Milwaukee Journal Sentinel
1/31/12

TODAY'S TOPIC: HEALTH CARE SPENDING

Improving patient care may also save money

A new initiative by the Wisconsin Hospital Association wisely aims to cut hospital-acquired conditions and readmissions.

There are many reasons for rising health care spending, including a still prevalent fee-for-service mentality, patients' natural desire for top-of-the-line care no matter the outcome and hospital inefficiency.

But here are two reasons that could become less of a concern in Wisconsin if a new initiative by the Wisconsin Hospital Association succeeds: hospital-acquired conditions and readmissions.

OUR VIEW

The WHA initiative should both reduce health care spending and improve patient care.

Hospitals operated by Aurora Health Care, Froedtert Health, ProHealth Care and Wheaton Franciscan Healthcare are among about 100 participating in the initiative. The effort is funded with money included in the federal health care reform law, which is now before the U.S. Supreme Court. Columbia St. Mary's Health System is participating in something similar through its parent company.

As the Journal Sentinel's Guy Boulton pointed out in an article on Sunday, on any given day, about one in 20 patients acquires an infection while hospitalized. These infections can come from the central lines that are inserted into the body to deliver fluids, medication and blood, from urinary catheters or they can arise at surgical sites. Patients also sometimes get blood clots or bed sores while hospitalized.

Almost one in five Medicare patients is readmitted to a hospital within a month of his or her discharge — many of those readmissions don't have to happen.

Boulton reports that the Department of Health and Human Services estimates that over three years, reducing hospital-acquired conditions by 40% would result in an estimated 1.8 million fewer injuries to patients and save more than 60,000 lives. Reducing preventable hospital readmissions by 20% would result in 1.6 million patients recovering without a complication that requires another hospital stay. The health care system could save as much as $35 billion.

A study in Michigan found that the average hospital there saved $1.1 million a year by cutting down on hospital-acquired infections. The Keystone ICU Patient Safety Program had two main thrusts: emphasize safety and strengthen teamwork and communications in intensive care units and improve proven infection-fighting strategies such as frequent hand washing.

The results: After 18 months, ventilator-associated pneumonia was 3.4 per 1,000 ventilator days, down from 6.9; and infections associated with central intravenous lines dropped to 1.3 per 1,000 catheter days from 7.7.

Hospitals have been successful in reducing infections in ICUs but less successful elsewhere in the hospital. It's one challenge the WHA initiative will face. Another: reducing readmissions.

"Once the patient leaves, there is much less a hospital can do to make sure that they implement the plan that was created for them," Kelly Court, chief quality officer for the Wisconsin Hospital Association, told Boulton.

The WHA project comes shortly before Medicare will begin penalizing hospitals that have an excessive number of readmissions within 30 days for patients treated for heart attacks, heart failure and pneumonia.

The initiative makes good sense to us.

What else can be done to lower health care spending? Email your opinion to jsedit@journalsentinel.com to be considered for publication as a letter to the editor. Please see letters guidelines.

JSOnline
MILWAUKEE•WISCONSIN
JOURNAL SENTINEL
2011, 2010, 2008 Pulitzer Prize Winner

State hospitals aim to do no harm

Statewide initiative aims to reduce costs, improve care

By Guy Boulton of the Journal Sentinel
Jan. 28, 2012 |(24) Comments

On any given day, roughly one in 20 patients acquires an infection while hospitalized.

They can come from ventilators; central lines used to deliver fluids, medication and blood; urinary catheters; or surgical sites.

They also are just one example of hospital-acquired conditions. Others include blood clots, falls and severe bed sores.

These conditions cost the health care system billions of dollars a year. So do hospital readmissions.

Almost one in five patients covered by Medicare is readmitted to a hospital within 30 days of being discharged, and many of those readmissions are preventable.

The Wisconsin Hospital Association has launched a statewide initiative, funded with money included in the federal health care reform law, to reduce both hospital-acquired conditions and readmissions.

Roughly 100 hospitals plan to participate in the initiative. They include hospitals operated by Aurora Health Care, Froedtert Health, ProHealth Care and Wheaton Franciscan Healthcare.

Columbia St. Mary's Health System is participating in a similar initiative through its parent, Ascension Health.

The initiative is part of a national project announced last year by Health and Human Services Secretary Kathleen Sebelius to reduce hospital-acquired conditions by 40% and hospital readmissions by 20% by the end of 2013.

The Department of Health and Human Services estimates that over three years:

Reducing hospital-acquired conditions by 40% would result in an estimated 1.8 million fewer injuries to patients and save more than 60,000 lives.

Reducing preventable hospital readmissions by 20% would result in 1.6 million patients recovering without a complication that requires another hospital stay.

It also would save the health care system as much as $35 billion.

Both are ambitious goals.

"There is no magic bullet for any of this," said Kelly Court, chief quality officer for the Wisconsin Hospital Association.

The association's Partners for Patients Initiative will build on an earlier project to reduce bloodstream infections from central lines.

That initiative - combined with other work - resulted in some hospitals not having a central-line infection for more than a year. Aurora Sinai Medical Center, for example, then went 500 days without a central-line infection in its intensive care unit and now has gone 190 days without one.

Penalties phase in

The new project comes shortly before Medicare will begin penalizing hospitals that have an excessive number of readmissions within 30 days for patients treated for heart attacks, heart failure and pneumonia.

The penalties, which begin Oct. 1, initially will equal 1% of a hospital's total Medicare billings, rising to 2% in 2014 and 3% in 2015.

The pending change, included in the federal health care law, is part of a broader move to link Medicare payments to the quality of care provided by hospitals and doctors.

In 2008, Medicare stopped paying hospitals for the cost of treating 10 categories of hospital-acquired conditions, such as certain surgical site infections and severe bed sores. Before that, hospitals could bill the federal program when patients required additional care for conditions considered largely preventable.

Wisconsin Health News
1/17/12

National quality project draws high interest from state's hospitals

Nearly 100 Wisconsin hospitals have recently signed up to take part in a federally-funded project aimed at preventing avoidable hospital-acquired conditions and reducing unnecessary hospital readmissions. The goal of the Centers for Medicare and Medicaid Services' "Partnership for Patients" is to reduce inpatient harm by 40 percent and readmissions by 20 percent over a three-year period in 10 specific areas including central line-associated blood stream infections, injuries from falls and immobility, and pressure ulcers. Under a subcontract with the American Hospital Association, the Wisconsin Hospital Association will work with Wisconsin hospitals to improve quality and safety.

WHA plans to add five full-time staff to administer the program. Its initial enrollment goal was 80. Kelly Court, WHA's chief quality officer, is not surprised it's already surpassed the mark.

"We surveyed our quality leaders across the state last summer about what they were working on improving and what was important to continue working on," Court told Wisconsin Health News. "This is perfectly aligned with those topics."

She attributed the state's high response rate to a strong tradition of quality improvement. When WHA launched CheckPoint eight years ago, Wisconsin became one of the first states in the country with a hospital voluntary reporting program. Today, more than 99 percent of the state's hospitals publicly report performance measures.

"It's important for the patient. It's the right thing to do," Court said. "Second, these are all topics that will eventually be involved in reimbursement penalties and pay for performance programs. So, eventually there will be a financial impact associated with good performance in all of these areas."

Wisconsin hospitals will benefit from being part of the country's largest "hospital engagement network" through an affiliate of the American Hospital Association. The Health Research and Education Trust involves 33 states and over 1,800 hospitals. Court said that will help specialty providers like children's, psychiatric and rehabilitation hospitals connect with similar facilities around the country.

"It's a great opportunity to further best practices because there will be more resources to research what works and what doesn't," Court said.

CMS awarded $218 million to the networks. The "Partnership for Patients" seeks to prevent 1.8 million injuries to patients in the hospital and save more than 60,000 lives over three years, while also decreasing costs.

Wisconsin Targets Quality Upgrade

Hospital Association Pushes 'Partnership for Patients'

After 10 years of working on improving healthcare quality, U.S. hospitals still have a way to go, says the **Department of Health and Human Services:**

- About one in 20 patients has an infection relating to their hospital care.
- One in seven Medicare patients is harmed during their treatment.
- One in five Medicare patients is readmitted within 30 days, at a cost of $26 billion a year.

Like those throughout the Midwest, Wisconsin hospitals are digging into the quality requirements of the Affordable Care Act to make sure they are improving as fast as they must to hit the deadlines and meet the goals.

This winter, under the leadership of the **Wisconsin Hospital Association**, as many as 80 hospitals will band together to fight hospital-acquired conditions (HAC) and reduce unnecessary readmissions.

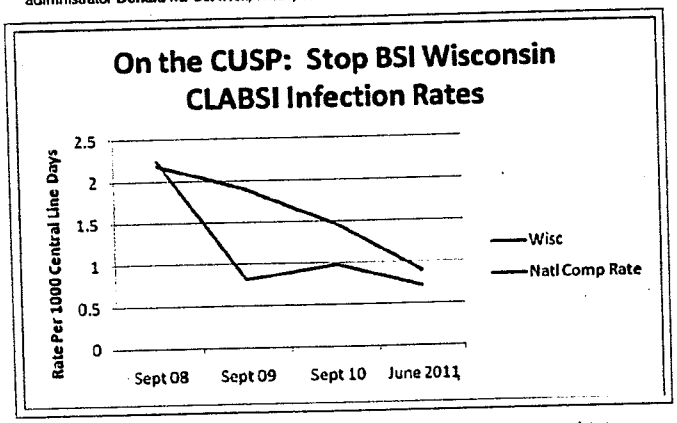
The effort is part of the Partnership for Patients, an initiative of former CMS administrator **Donald M. Berwick**, M.D., to incentivize hospitals to get on the quality handwagon. The project is supported with $218 million in grants to organizations around the country, including the **American Hospital Association** and numerous state and local affiliates, known as Hospital Engagement Networks. These networks are tasked with developing learning collaboratives for hospitals that will develop training programs and technical assistance to bring all hospitals up to the minimum standard.

Kelly Court
Wisconsin Hospital Association

The Department of Health and Human Services estimates that if fully implemented, the program could save as much as $35 billion across the entire healthcare system, including $10 billion in savings to Medicare, over three years.

Wisconsin already enjoys higher-than-average quality of care. According to health rankings monitored by the **Agency for Healthcare Research and Quality**, the Badger State placed seventh among the fifty.

The Partnership for Patients aims to reduce inpatient harm by 40% and readmissions by 20% by the end of 2013. Achieving this improvement would save more than 60,000 lives and cause 1.8 million fewer patient injuries. It will concentrate on 10 key improvement goals.



"We will have change packages for those 10 conditions," said **Kelly Court**, chief quality officer for the WHA, who is spearheading the project. "We'll scour the literature, talk to experts, to find key things to leverage improvement."

The methods will involve webinars, one-on-one coaching, and a few in-person meetings, she added. Hospitals will collect two measures for each condition: one process measure and one outcome measure. "All this data will be rolled up to help meet the national goal," she said.

At ThedaCare in northeast Wisconsin, "We are tracking results all the time," said Scott Decker, vice president of quality. "This is what we learned from manufacturing."

ThedaCare got the quality improvement religion a long time ago. It now has 30 full-time personnel to support improvement for its five hospitals, 22 clinic sites, and 6,200 employees. It uses the Toyota techniques from lean manufacturing to drive out waste and improve processes. It has already reduced readmissions by 3% or 4% using lean techniques.

The changes in Medicare reimbursement that penalize hospitals for unnecessary readmissions or medical errors are driving hospital transformation, Decker said. And now the **Humanas** and **CIGNAs** and **Aetnas** are getting into the act.

In the old days, he explained, "If you fell and broke your hip, and you needed a CT scan to see if you had a head bleed, what did we do? We billed the insurance companies. Now what they say is, 'You did it, you're responsible for it.' I can't argue with that. The bar just keeps raising."

Take, for example, central line associated bloodstream infections, or CLABSI. In early 2009 Wisconsin hospitals undertook a collaborative to eliminate these persistent and preventable infections, using the Comprehensive Unit-Based Safety Program, or CUSP. From September 2008 to September 2009, the CLABSI rate dropped from over 2 per 1,000 central line days, to less than 1, where it has remained since.

Similar efforts in Michigan succeeded in reducing the median rate of catheter-related blood stream infections to zero. A national effort, dubbed Stop BSI, also reduced these infections, but at a slower rate.

Given that the Institute of Medicine Report, To Err is Human, came out in 1998, and that the quality movement was already in gear before that, why has it taken hospitals so long to address these issues? Why haven't readmissions already been reduced?

Many hospitals have already taken up the challenge, Court said. But it is much easier for hospitals and systems with plentiful resources to train staff and hire quality personnel than it is for small or rural institutions to do so.

WISCONSIN HOSPITAL ASSOCIATION, INC.

December 21, 2011

To: **Members of the Legislature**

From: **Eric Borgerding, Executive Vice President**
Paul Merline, Vice President, Government Relations

Re: **Hospital Efforts to Reduce Costs Working in SE Wisconsin**

Last week, the Greater Milwaukee Business Foundation on Health (GMBFH) released a study that not only brought welcome news to health care consumers and payers in Southeast Wisconsin, but also confirmed that hospitals are demonstrating results from their efforts to reduce costs at a rate well ahead of the national average.

The study, conducted by two well-respected independent consulting organizations – Milliman and Mercer – shows that on their own, hospitals are doing an exceptional job of refocusing and retooling their delivery of high-quality, high-value, patient-focused health care without a heavy-handed, government-centered regulatory approach.

Hospital efforts to reduce operating expenses are at the center of the study that found health care costs in southeast Wisconsin are rising at rates substantially below the national average. Almost a decade ago, Milwaukee business leaders were complaining that commercial premiums were 55 percent higher in SE Wisconsin than other Midwest cities. That difference is now in the single digits.

The study found that during the eight-year period between 2003 and 2009, hospital rates in SE Wisconsin increased an average 34 percent compared to a 57 percent increase in the hospital component of the CPI. The study also found that day-to-day hospital operating expenses during a nine-year period (2003-10) increased by only 17 percent. That number is dwarfed by the 28 percent increase in the Hospital Producer Price Index during that same period. And a similar national benchmark measure produced by CMS increased by 37 percent.

The study also confirmed to WHA the importance of the hospital assessment in moderating Medicaid cost shifting. Enacted in 2009, the assessment increases Medicaid payments to SE Wisconsin hospitals by more than $100 million annually. Even with this payment boost, skyrocketing enrollment in Medicaid programs continues to challenge efforts to address cost-shifting.

The report is a strong and independent confirmation that operating expense reductions make a difference in moderating health care cost increases. Given how health insurance premiums affect labor costs, the positive trend shown by this report is another clear reason why the state's leaders should be touting Wisconsin's health systems as an economic development tool.

The GMBFH press release on the report can be found at:
http://www.gmbfh.org/documents/Premium_Costs_&_Influencing_Factors-GMBFH_Press_ReleaseFINAL.pdf

The health care premium cost report can be found at:
http://www.gmbfh.org/documents/Report04_-_12-14-11_Final_2010_Midwest_Premium_Comparison_Report.pdf

The hospital cost trends report can be found at:
http://www.gmbfh.org/documents/Report_05_Milwaukee_Market_Factors_12-7-11_Final.pdf

WISCONSIN HOSPITAL ASSOCIATION, INC.

March 31, 2011

To: **Members of the Legislature**

From: **Kelly Court – Chief Quality Officer**
Paul Merline – Vice President of Government Affairs

A Valued Voice

Re: **Wisconsin Hospitals Continuously Strive for Quality Improvement**

Nothing is more important to the patients hospitals serve than a safe environment to receive high quality health care. The Wisconsin Hospital Association (WHA) takes patient safety and health care quality very seriously and plays a leadership role in advancing both.

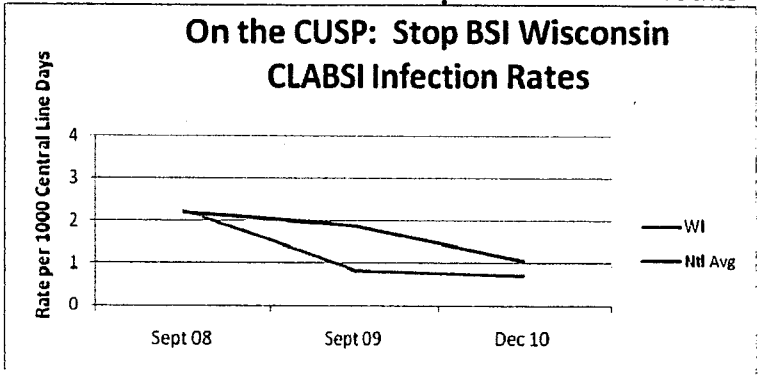
History of Proactive Quality Improvement Efforts
Over a decade ago, Wisconsin hospitals began laying the groundwork for a statewide quality improvement public reporting initiative. Led by quality experts from WHA member hospitals, this effort developed into what would become one of the first, if not *the* first, voluntary hospital public reporting initiatives in the country. Launched in 2004, WHA's CheckPoint (www.WiCheckPoint.org) now collects data from 98 percent of Wisconsin acute care hospitals on over 100 quality measures. By stressing the importance of reporting, Wisconsin hospitals continue to answer the call of lawmakers, employers and patients for resources focused on improving efficiency, outcomes, quality and the value of health care.

But reporting for reporting sake is not our end goal. Reporting of quality improvement measures must drive the sharing of best practices in health care delivery that leads to the most rapid spread of actual quality improvement. To that end, Wisconsin hospital participation in a number of quality improvement collaboratives continues to grow. And it is through the efforts of a large number of dedicated providers, working together in a noncompetitive collaborative environment, that solutions are developed for the tough clinical problems that all hospitals face. WHA plays a key role in convening these collaborative projects.

On the CUSP: *STOP BSI*
Healthcare-associated infections have risen to the top of the radar screen for consumers, policymakers, payers and providers. Although Wisconsin hospitals have made strides in reducing these infections, WHA had the opportunity to further advance this focus by joining forces with national experts and share lessons learned to overcome barriers.

Early in 2009, WHA began recruiting for hospitals to participate in a groundbreaking patient safety program to eliminate central line-associated bloodstream infections (CLABSI) using the Comprehensive Unit-based Safety Program (CUSP). Similar efforts in Michigan were successful in nearly eliminating these infections by reducing the median rate of catheter-related bloodstream infections to zero. *STOP BSI* expands these efforts nation-wide.

Wisconsin's On the CUSP: Stop BSI CLABSI Results



(more)

Currently, 42 Wisconsin hospitals (large, small and rural) have joined the project. The results have been impressive and patients have been the biggest beneficiaries as hospitals learn not only what to do to stop CLABSIs, but also how to do it and even more importantly, how to maintain it.

Aligning Forces for Quality
In the summer of 2008, WHA became part of a number of organizations in Wisconsin participating in the Robert Wood Johnson (RWJ) Foundation's Aligning Forces for Quality (AF4Q) grant. AF4Q work is occurring in 17 communities across the country; however, Wisconsin is one of only three improvement communities that is tackling this aggressive work as a whole state. The initial focus of the grant was on complementary strategies to advance the quality of chronic care provided in physicians' offices, clinics, and other outpatient settings.

Wisconsin's AF4Q efforts have expanded into three additional areas of focus for the acute care setting, including: helping health care providers in hospitals and other inpatient facilities improve the quality of care; focusing and strengthening the role of nurse leaders and frontline nurses in quality improvement initiatives; and developing, implementing, and using performance measures to better capture patient care experiences and reduce racial and ethnic gaps in quality.

Specific hospital focused AF4Q goals include: reducing 30-day readmission rates following heart failure hospitalization by > 20%; improving select emergency department performance measures by 15%; and increasing the number of limited English proficient (LEP) patients receiving both an initial assessment and discharge instruction from qualified language service providers to 100%.

Through their efforts in the national AF4Q program, Wisconsin hospitals and providers continue to lead by example in the sharing of best practices for quality improvement efforts and working cooperatively on quality and safety.

Reducing Catheter Associated Urinary Tract Infections (CAUTIs)
Wisconsin hospitals have begun participating in a collaborative to reduce catheter associated urinary tract infections (CAUTIs). The goals of this national collaborative project coordinated with the Health Research and Education Trust (HRET), Johns Hopkins Quality and Safety Research, the Michigan Hospital Association Keystone Center for Patient Safety and Quality, and the Agency for Healthcare Research and Quality (AHRQ) are to reduce CAUTI rates by 25%.

By focusing on a number of technical interventions, including removal of unnecessary catheters, the sterile placement, proper care and utilization of appropriate catheters, project participants continue to make strides towards the overall goal of reducing CAUTIs, while at the same time improving the patient safety culture in each participating unit.

The STOP CAUTI collaborative which began in February already has 12 participating hospitals.

Wisconsin Hospitals - Committed to Quality
Taken together, these efforts demonstrate Wisconsin hospitals' commitment to the quality of care they provide to every patient who comes through their doors, 24 hours a day, seven days a week, 365 days a year.

While our health care system is not perfect, and a great deal of time is spent focusing on the negatives, Wisconsin health care quality is consistently in the top among all states, as evidenced by our continued high ranks in the annual AHRQ reports. These rankings allow us to confidently say Wisconsin's overall health care system reflects the ongoing commitment of all providers to deliver the best care possible to their patients.

Our focus on patient safety and improved quality is not limited to the efforts mentioned above. In addition to these focused projects, WHA works with hospitals to improve their culture of patient safety, increase front-line staff knowledge about improvement methods, and gather best practices to help expedite the adoption of successful quality improvement ideas.

The high quality healthcare in Wisconsin and the proven ability to collaborate and improve is the envy of many other states. When given the opportunity to share our good work with providers in other states a common response is, "...yes, but you are Wisconsin". Hospitals in Wisconsin take pride in knowing the results aren't a matter of good luck but rather a commitment to quality and hard work to continuously improve.

Quality health care – doing the right thing at the right time in the right setting – leads to the best possible results. As efforts to reform our health care system, well-intended as they may be, move forward, we must not lose sight of the many strengths of our current system and take care not to harm those components that bring access to the high quality hospital care we've invested so much in, and worked so hard to provide.

To: All Assembly Members

From: Health Care Providers and Purchasers

Date: January 19, 2011

Re: Support for "The Quality Improvement Act" included in Special Session AB/SB 1

The goal of the Health Care Quality Improvement Act (QIA) -- Special Session Assembly and Senate Bill 1 -- is to improve patient safety and the quality of health care in Wisconsin, which will lead to better overall health care value.

The review, study and evaluation of health care providers and services – "peer review" – allows providers to improve health care quality and avoid improper utilization. Wisconsin's peer review laws, however, do not recognize the significant and positive evolution of integrated health care delivery and the collaborative quality improvement movement.

Wisconsin has become a national health care quality leader through coordination, collaboration and regionally integrated systems of care. We must always strive to do better, but our out-dated peer review laws have not kept pace with this progression. The quality improvement environment should be one that fosters open collaboration and information sharing aimed at improving quality, minimizing errors and producing the superior outcomes patients and health care purchasers deserve and expect.

Instead of being afraid of sharing best practices because of fear civil or criminal actions, the protections in the Quality Improvement Act will encourage providers to exchange the information necessary for the continuous advancement of quality and safety in healthcare, thereby improving the value of health care services for consumers and purchasers.

The Quality Improvement Act will keep Wisconsin at the forefront of the patient safety and quality improvement movement, leading to better outcomes for patients and better health care value for employers and employees.

We urge your support for the Quality Improvement Act.

Partnering with Hospitals to Improve Value

Kelly Court
Chief Quality Officer
Wisconsin Hospital Association/
Wisconsin Collaborative for Healthcare Quality

1

Our Definition of Value

$$\text{VALUE} = \frac{\text{QUALITY}}{\text{COST}}$$

How we Partner with Hospitals

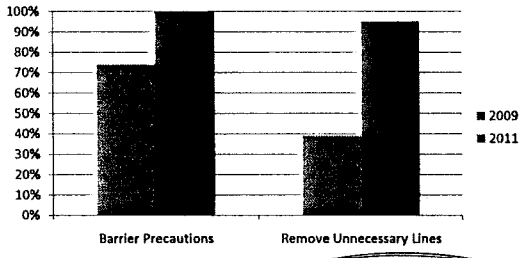
State-wide improvement collaboratives

- Implementation of best practices
- Open sharing between hospitals
- Addressing the "culture of safety" – engagement of front-line staff and physicians
- Leadership engagement
- Common measures

Eliminating Infections

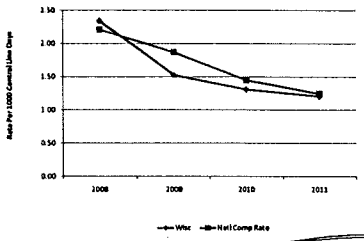
- Increases quality and reduces costs
- Central Line Infections
  - Hospital acquired in our sickest patients
  - 43 hospitals working together
- Urinary Catheter Infections
  - 14 hospitals working together

Best Practice Processes



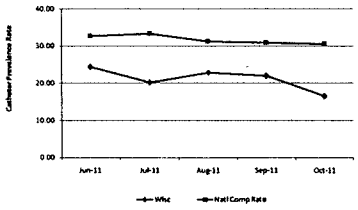
Better Outcomes

Central Line Infections



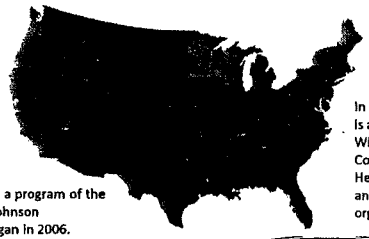
Better Outcomes

Urinary Catheter Infections



Aligning Forces for Quality (AF4Q)

A "bold experiment" in 14 communities, and 3 states across the U.S.



Aligning Forces, a program of the Robert Wood Johnson Foundation, began in 2006.

In Wisconsin, AF4Q is a grant to the Wisconsin Collaborative for Healthcare Quality and many partner organizations.

AF4Q: Transforming Care at the Beside

- 2011: 16 hospitals/ 18 nursing units
- 2012: 20 new hospitals
- Engaging front-line nurses, staff and leaders to:
  - Improve the quality and safety of patient care
  - Increase the vitality and retention of nurses
  - Engage and improve the patient's and their families' experience of care.
  - Improve the effectiveness of the entire care team.

CMS – Partnership for Patients

- National program launched on April 12, 2011
- Focus on two aims by 2013:
  - Reduce hospital readmissions by 20% and
  - Reduce hospital-acquired harm by 40%
- Up to $1 billion in funding for the program
- CMS expects to save $35 billion in health care costs

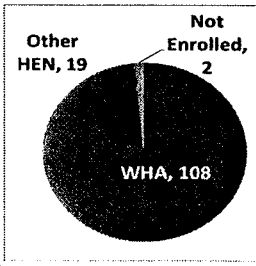
10

Improvement Focus

- Reducing Readmissions
- Adverse Drug Events
- Catheter Associated Urinary Tract Infections
- Central Line Associated Blood Stream Infections
- Surgical Site Infections
- Falls with Injury
- Obstetrical Adverse Events
- Pressure Ulcers (bed sores)
- Venous Thromboembolism (blood clots)
- Ventilator-Associated Pneumonia

11

Wisconsin Hospital Participation



98% of Wisconsin hospitals committed to the project

12

Value Estimates

Lives Affected	Estimated Dollars Saved
• 180 central line infections prevented; 45 more people go home	• $5.4 to $13.5 million
• 220 fewer falls with serious injury	• $880,000
• 140 babies not injured during birth	• Priceless

Value Estimates

Lives Affected	Estimated Dollars Saved
• 93 serious bed sores prevented	• $4,000,000
• 125 fewer blood clots	• $1,875,000
• 10,500 fewer people are readmitted	• $241,500,000

Accountability for Results

CHECKPoint
Wisconsin Hospitals Accountable for Quality

- Wicheckpoint.org
- Went live March 2004
- Voluntary participation by 128 hospitals, including 60 Critical Access sites (100% of eligible hospitals)
- 87 measures
  - 71 process measures (doing the right thing)
  - 16 measures (getting good results)

Partners for Patients
Hospitals working together to improve patient care.

Partners for Patients Kickoff

May 10, 2012 - Madison
May 15, 2012 - Eau Claire

The Time is Now. The Aim is Clear. The Leader is YOU.

WHA Partners for Patients

In a state that is known for its willingness to collaborate on quality, it came as no surprise when more than 300 representatives from Wisconsin hospitals participated in the WHA Partners for Patients launch events. Two separate events were held, the first in Madison May 10 and a second in Eau Claire May 15.

"Wisconsin will contribute to and will lead what we are doing nationally to improve quality."

- Maulik Joshi, Dr. P.H.president, HRET, and senior vice president of research at AHA, Madison keynote presenter

To see a WHA interview with Maulik Joshi, go to http://youtu.be/zpZaKVn-3zY

WHA quality staff and national speakers provided the inspiration, education and guidance to help the hospital quality improvement teams get a good start on what is the most ambitious effort sponsored by the Centers for Medicare and Medicaid Services ever launched to raise the quality of care in the nation's hospitals.

Wisconsin is working closely with the AHA-Healthcare Research Education and Trust (HRET) Hospital Engagement Network (HEN). HRET provides education support for the states, but more importantly, it provides the infrastructure that is necessary to spread the knowledge about evidence-based improvement efforts quickly through the 34 hospital associations and 1,600 hospitals in the country to "spread" knowledge gained and lessons learned as hospitals work on quality improvement efforts in the targeted areas:

- Adverse drug events (ADE)
- Catheter-associated urinary tract infections (CAUTI)
- Central line-associated blood stream infections (CLABSI)
- Injuries from falls and immobility
- Obstetrical adverse events
- Pressure ulcers
- Surgical site infections
- Venous thromboembolism (VTE)
- Ventilator-associated pneumonia (VAP)
- Preventable readmissions

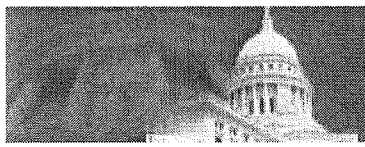
"I have no doubt that Wisconsin is going to absolutely achieve this goal. When I looked in the faces of people here today, they have no doubt."

- Chris Goeshel, ScD, MPA, MPS, RN, FAAN, Director, Strategic Development and Research Initiatives, the Armstrong Institute for Patient Safety and Quality, and Assistant Professor, Johns Hopkins School of Medicine, Eau Claire keynote presenter

Kelly Court, WHA Chief Quality Officer; WHA President Steve Brenton, Maulik Joshi, Dr. P.H.

WHA quality team with Maulik Joshi.
Pictured, l to r, back row: Stephanie Sobczak, Jennifer Muehrcke, Tom Kaster, Jill Hanson
Front row: Kelly Court, Maulik Joshi, Travis Dollak

Chris Goeschel



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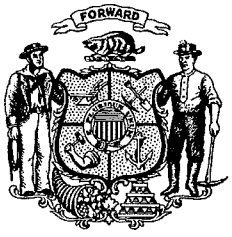

Gundersen Lutheran®

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Government Relations & External Affairs

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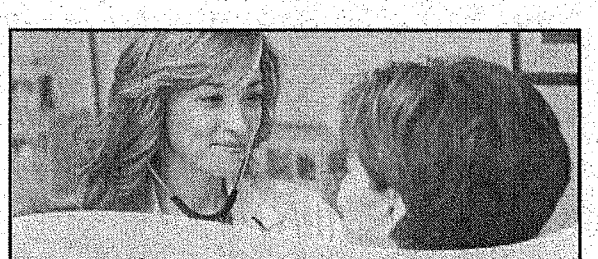
Cell (608) 386-2287
Fax (608) 775-6225
mdrichar@gundluth.org

Rep Stone:

Thanks for the invite to Grandview Lutheran. We would be happy to do more for the Committee. P.S. Michael Richards



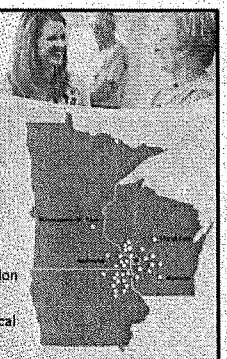
Transforming Healthcare in Wisconsin: Better ***Quality, Outcomes***, and ***Value***

May 23, 2012

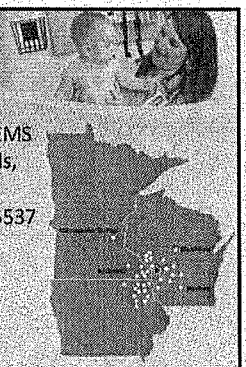
Gundersen Lutheran

About Us…

- Integrated Delivery System
  - 6,300 Total Employees
  - 767 providers employed / 470 medical staff
  - 48 clinic locations
  - 325-bed Tertiary Medical Center
    - 3 Critical Access Hospitals
- Gundersen Lutheran Medical Foundation
  - Fellowship/Residency and Medical Education
  - Research Program
- Western Clinical campus for UW-Madison Medical School
- Strong Administrative/Medical partnership

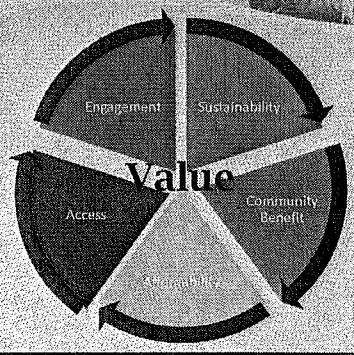


Gundersen Lutheran…



- Affiliate organizations including EMS ambulance service, rural hospitals, nursing homes, hospice, etc.
- $841 million Operating Budget; $537 million Payroll/Benefits
  - Total Capital Spending: $50 million/year
- Health Plan
- Physician-led organization
- Strong Administrative/Medical partnership

What Is Value?



How do we make integrated healthcare really work?

Preserving your health
Heavy investment in primary care, disease management, community preventive programs and rehabilitation

Multiple layers of connectivity
Electronic Health Record, Best Practice Protocols, Shared Education Program
Electronic fetal monitoring sites, ER Telemedicine real-time hookup

Focus on saving lives and preserving function
- Extended TEC/Continuum of care
- The critical care hospital of the future

How Gundersen is Different from the Rest of the U.S.

- Primary care, specialty and tertiary hospital
- Medical homes in place
- Care coordination of the most ill
- Clinical integration
- Meaningful use compliance
- EMR
- Clinical outcome management
- Chronic disease management
- Community governed
- Collaborative regional model
- Physician led, patient centered
- Quality reporting and performance measurement
- Experience with managing risk (GL Health Plan)

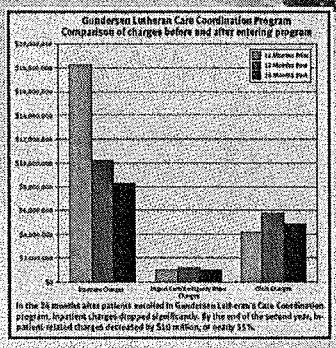
Committed to the Integrated Care

- A means to lower healthcare costs and improve quality of care for government and private pay beneficiaries.
- Our system and approach to care could save the country's health industry billions of dollars if incorporated nationally.
- Our innovative approaches have led to improved quality and lowering costs
  - Integrated delivery system infrastructure and operations
  - End of life care and Advanced Disease Coordination
  - Nurse based care coordination
  - Primary care electronic health record for more than 20 years

Practicing value-based medicine

Care Coordination

- Enroll sickest 1-2% of patients with a team of experienced health professionals
  - Highest utilization patients
- Current fee-for-service reimbursement model does not incentivize these activities
- Guides patients through complex medical, social, and financial needs
  - Improves patient care and efficiencies
  - Lowers healthcare costs
- Results?
  - 55% reduction for inpatient-related charges over two years
  - For every $1 invested in care coordination, $8 is saved for patients and payers



Advance Care Planning

- Documents and honors patient wishes at the end-of-life
- Decreases burden on families in making difficult decisions
- Over 99% of patients in La Crosse region have a documented advance care plan
- Results?
  - Care is delivered to the patient's wishes
  - Effective use of resources with a plan in place
  - Reduced healthcare costs

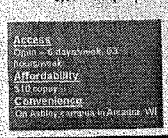
Cost of Care in the Last Two Years of Life

Hospital	Hospital Days/Patient in Last 2 Years of Life	Total Cost of Care/Patient During Last 2 Years of Life
Gundersen Lutheran	13.5	$18,359
Marshfield/St. Josephs	20.6	$23,249
University of Wisconsin	19.7	$28,827
Cleveland Clinic	23.9	$31,252
Mayo Clinic	21.3	$31,816
UCLA	31.3	$58,557
University of Miami Hospital & Clinics	39.3	$63,821
New York University Medical Center	54.3	$65,660

* Based on 2007 Dartmouth Atlas Study Methodology. The Dartmouth Atlas methodology examines hospital inpatient care for the last two years of a Medicare patient's life.

Manufacturing Partnership

- Opened in February 2008
- Second of three worksite clinics operated by Gundersen Lutheran
- Full primary care/wellness clinic serving population of about 12,000
- 4 full time medical providers, 15 total clinic staff
- Since opening:
  - Significant cost savings – employer and employees
  - 40,000 visits
  - 6,000 unique patients



ASHLEY WELLNESS CENTER
Gundersen Lutheran

Value Summary

- Integration is a means that provides better quality and efficient care for patients and families.
- Current system of fee-for-service is a disincentive for quality
- The approaches we take in Wisconsin are vastly different from across the United States.

Jeff Thompson, MD
Chief Executive Officer
Gundersen Lutheran Health System
www.gundluth.org

Appendix

Utilization of Services

Commercial

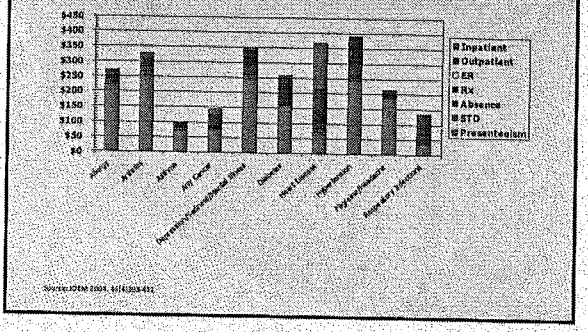
Annual Utilization	GLHP	MedInsight Benchmark	HEDIS %ile
Medical days/1000	52	56	8
Surgical days/1000	54	52	50
Outpatient surgery/1000	146	130	20
ER visits/1000	157	152	12
Outpatient visits/1000	2184	2936	24
Radiology proc./1000	951	1124	

Total Cost of Care

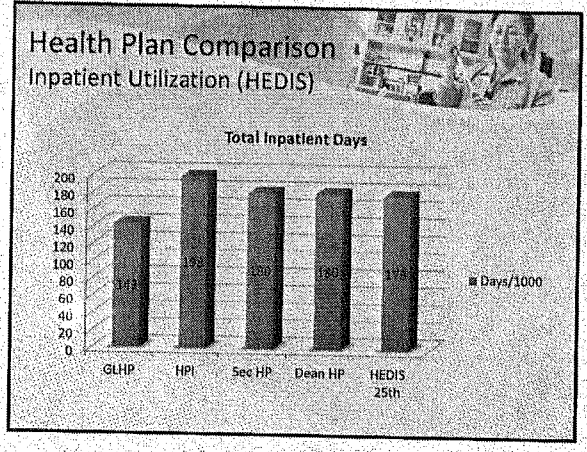
PMPM	GLHP	MedInsight Benchmark
Commercial	$418	$402
Self-Funded Groups	$418	$381
Medicare Advantage	$802	$890

Cost of care reflects utilization, intensity mix, and allowed price of services (GLHP discounted price or Medicare fee schedule)

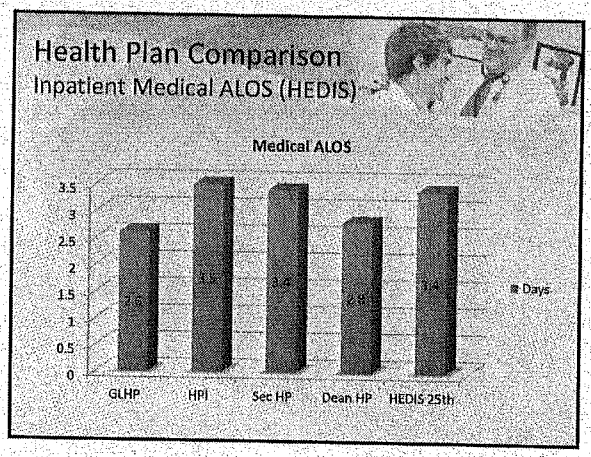
Overall Economic Burden of Illness – Top 10



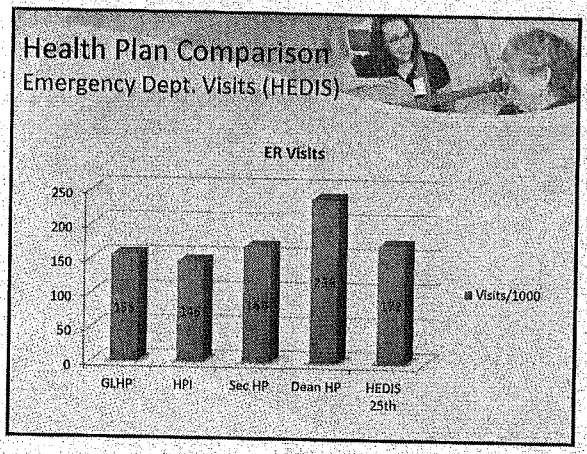
Health Plan Comparison
Inpatient Utilization (HEDIS)



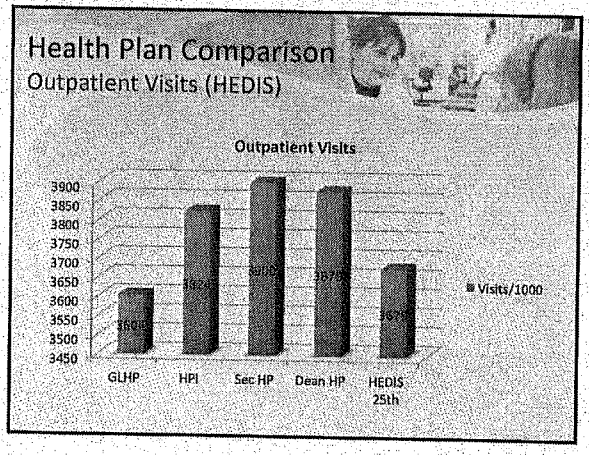
Health Plan Comparison
Inpatient Medical ALOS (HEDIS)



Health Plan Comparison
Emergency Dept. Visits (HEDIS)

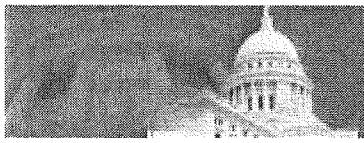


Health Plan Comparison
Outpatient Visits (HEDIS)



Assistance / Sharing / Collaboration (local businesses & organizations)

- Western Technical College
- Salvation Army
- Mayo Clinic Health System – La Crosse
- Kwik Trip
- City of La Crosse
- Dairyland Power
- UMMPA (Municipal Utility at Cashton Wind farm)
- UW-La Crosse
- Green La Crosse
- Inland Printing
- La Crosse Medical Health Sciences Consortium
- La Crosse County Farm to School program
- Viterbo University
- La Crosse Earth Week Coalition
- La Crosse School District
- Coulee Partners for Sustainability
- Goodwill Industries of North Central Wisconsin
- Global Partners
  - St. Clare Health Mission
  - Porcupine Clinic, Pine Ridge Indian Reservation, South Dakota
  - Matagalpa District of Nicaragua
  - Nyakato Health Center, Tanzania
- Camp Decorah Boy Scout Camp



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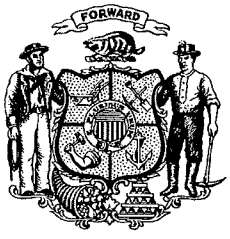

MAYO CLINIC
HEALTH SYSTEM

Committee on Health
Informational Hearing on Transforming Health Care in Wisconsin
Through Better Quality, Better Outcomes and Better Value
Representative Jeff Stone, Chair
Wednesday, May 23, 2012
Madison, Wisconsin

Written Testimony submitted by:
Dr. Randall Linton, CEO, Mayo Clinic Health System – Eau Claire
Dr. Timothy Johnson, CEO, Mayo Clinic Health System – La Crosse

Mr. Chair and Members,

We serve as chief executive officers of two major acute care hospitals in La Crosse and Eau Claire that are part of Mayo Clinic Health System, which operates hospitals and clinics in 23 communities in Wisconsin. Our system employs over 7,000 Wisconsin citizens, and contributes $1.7 billion to the Wisconsin economy. Our physicians and staff share a common culture and guiding philosophy – "the needs of the patient come first." That means our primary responsibility is caring for our patients. Approximately 300,000 patients come through our doors, 3,600 babies are born, more than 18,000 surgeries are performed and one million prescriptions are filled. This totals nearly 2 million patient visits in locations from Eau Claire to La Crosse and points in between.

Mr. Chairman, we would like to commend you for holding these hearings. You clearly know the importance of moving the dialogue to how we together can drive toward real value in health care. Achieving real value in health care spending may be the primary critical success factor in achieving meaningful, sustainable reform.

At Mayo Clinic, we define value as an equation: Quality—meaning patient outcomes, safety and satisfaction—divided by the cost of care over time. The cost of care over time is crucial. By looking at just cost-per-procedure, we miss the comprehensive cost of the episode of care, providers' outcomes, safety records and patient satisfaction. These per procedure costs do not measure the total cost of health care each individual receives, including the reduced costs patients experience with better outcomes.

Better outcomes result in fewer tests and decreased overall costs for patients. To give an everyday example: a compact fluorescent light bulb costs $5 but lasts for 10 years. An incandescent bulb costs less than a dollar but needs to be replaced every few months. So the compact fluorescent bulb may seem "more expensive" in the short term, but offers far greater value in the long run.

Integrated, coordinated care at Mayo Clinic is fundamental to ensuring safety, reducing medical errors and unnecessary procedures, and using finite financial resources responsibly. Coordinating care for patients with chronic diseases, whose care accounts for 75 percent of health care spending, is a clear priority in this arena. Many chronically-ill patients "ping-pong" among multiple providers and care settings seeking a definitive diagnosis and an understandable treatment plan. By getting these patients into an integrated and coordinated system of care, duplication is reduced, care is delivered in a timelier manner and outcomes can be studied so that the care is most effective.

For all patients–as well as for doctors, hospitals and employers–we need to develop health care payment models that promote coordinated, standardized, high-quality, affordable care. To this aim, we'd like to share five fundamental attributes we believe will be key to Mayo Clinic Health System's future success, focused on generating value, which in turn, we believe, will benefit all Wisconsin stakeholders:

- A strong network of providers, both physical and virtual (all of Mayo Clinic is interconnected with common IT platform with one medical record) ensures that the most current patient information is available and easily accessible, the most current treatment methods are used and that the collective knowledge of the staff is accessible to give the patient the best care possible.
- Alignment of purpose—Our primary value is "the needs of the patient come first," which ensures that all of our efforts, improvements and changes are done so that patients will ultimately benefit.
- Coordinated care delivery – our alignment of specialty and innovative primary care practice is key to providing the right care at the right place and at the right time. For example, patients in our Mayo Transitional Care program receive care at a Mayo Clinic Health System community hospital until they are ready to successfully return home. This new model has seen only two percent of patients readmitted within 30 days and only six percent readmitted within 60 days with 94 percent of patients rating their care very good or better. Together, this means high patient satisfaction, good outcomes and lower costs.
- Practice analytics – physicians and other care professionals need reliable, real time and actionable data at their fingertips to provide the best, most appropriate care for every patient.
- And finally, we must continue to align our financial model to meet the changing environment, ensure that incentives results in high-quality and affordable care.

Our practice is to take the best models of high quality care that Mayo Clinic Health System can deliver and use that knowledge to improve patient care and bend the cost curve here in Wisconsin, and ultimately serve as models nationally. Mayo Clinic Health System can accomplish this because it is uniquely positioned. We are both a primary health care provider addressing "front line" health care needs of communities in Wisconsin, and we are part of the largest integrated, medical group practice in the world with doctors from every medical specialty working together to care for patients.

Mayo Clinic has joined with a consortium of 16 health care systems across the country that, collectively, serves a population of over 10 million in 17 states. The group helps drive best practices, shares data on outcomes, quality, and costs across a range of common and costly conditions and treatments; then we will bring back to Wisconsin actionable recommendations that can be rapidly disseminate to improve care and reduce costs in our communities.

Mayo Clinic Health System is embarking on a series of care delivery models that will both improve patient outcomes and reduce the overall cost of care. These efforts include a patient-centered medical home partnership with a local employer in Sparta, a commercial market contract with a private payer in Eau Claire, and a Family Medicine demonstration project with BadgerCare recipients in La Crosse. The concept of accountable care is something we are moving towards aggressively with private and public markets. Below, we outline these three specific efforts we are engaged in:

ACO Pilot with Group Health Cooperative in Eau Claire area
Approximately 5,000 patients are currently enrolled in a shared savings model with Group Health Cooperative (GHC) and Mayo Clinic Health System – Eau Claire focused on quality, utilization, and patient experience. The three-year pilot emphasizes reduced emergency department visits, inpatient hospitalization and unnecessary diagnostic testing. The goal is to achieve better health care quality, better health and lower health care costs, especially by reducing emergency department visits and admissions/readmissions to enrollees in the pilot project. Some highlights include:

- Clinical quality measurements include diabetes care (individual measures and all-or-none or composite), cancer screening, child & teen checks, STD screening, and vaccinations.
- Utilization review of hospital admissions, emergency department visits, 30 day readmissions to hospital, and generic prescription dispensing rates.
- Documentation of the patient experience on patient surveys regarding the ability to access care team and self-management support.
- Greater care coordination, especially for patients with chronic diseases and personalized patient care plans.
- Increased access to the care team when needed including phone and e-mail access including 24/7/365 nurse access by phone.
- Greater patient engagement via internet access to their medical record and shared responsibility in managing their own health.
- Medical team focused on population health data to identify opportunities proactively to keep patients well.

Our bottom line is to lower the cost of health care due to less utilization, especially emergency department visits and hospitalizations, and achieve higher patient health outcomes and satisfaction.

Population Health Pilot in Sparta
A two-year pilot project in Sparta is focusing on improving the health of a controlled population – in this case, employees of a local business. The team includes physicians, nurses, and

representatives from Health Tradition Health Plan, and the employer's staff to provide the patient's perspective.

We've developed a "basket" of integrated services that will help the employees and their families - totaling 500 residents - establish a relationship with a primary care provider of their choosing, create their own personalized plan of care, and easily access ongoing support and resources. A Registered Nurse Care Coordinator (a new role) has been established to assist patients in follow-up and coordination of their medical needs.

La Crosse-Mayo Family Medicine Residency Pilot
This program is charged with improving the health of persons recently enrolled in BadgerCare insurance who live in the La Crosse area. Our Family Medicine team educates and encourages this target population to use the Family Health Clinic for their health care needs rather than making frequent, costly visits to emergency and urgent care departments.

Measure of success for both the La Crosse and the Sparta pilots include:

- 80-90 percent of patients in the pilot complete a preventative health risk assessment and established care with a primary care provider
- Identify and improve baseline metrics of perceived health status and satisfaction with the clinical experience.
- Compare outcomes of pilot population with Mayo Clinic's quality targets for select conditions
- Determine a financial measurement with Health Tradition Health Plan using Health Tradition risk model
- Spread model throughout Mayo Clinic Health System including process maps, training and education tools.

Looking through the lens of what's best for our patients, Mayo Clinic believes that seeking innovative ways to provide care such as these can deliver the best results for patients at affordable prices, and is fundamental to the health of our state's citizens and the quality of life we all enjoy here in Wisconsin.

The essence of health care reform is new partnerships – partnership between providers and patients, consumers and their own health, and partnership across the community. We want to partner with you and your legislative colleagues in the pursuit of meaningful, sustainable value in health care.

Thank you for the opportunity.

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MAYO CLINIC
HEALTH SYSTEM

News Release

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May 23, 2012

For Immediate Release

Mayo Clinic Health System Wisconsin Leadership Submits Testimony to Legislature

LA CROSSE, Wis. — Mayo Clinic Health System leaders in Wisconsin called on policymakers to increase their focus on value as a means to improve quality and patient experience, as well as reduce health care costs.

In testimony submitted today to the Wisconsin Assembly's Committee on Health, Mayo Clinic Health System Chief Executive Officers Randall Linton, M.D., of Eau Claire and Timothy Johnson, M.D., of La Crosse highlighted aspects of Mayo Clinic Health System's value-based care model.

"Our goal is to ensure Mayo Clinic Health System patients receive the right care, in the right setting, and from the most appropriate provider," Dr. Linton says. "Our message to the Legislature is clear: Focus on value and support innovation that will improve measurable quality and patient experience while also reducing costs."

"Mayo Clinic is committed to innovation in both how care is delivered and how care is reimbursed," Dr. Johnson says. "For example, we are working with a Sparta employer to increase employee engagement in their own health through the development and delivery of personalized care plans."

"It's a fact that improving quality can reduce cost," Dr. Linton says. "In Eau Claire, we are working with 5,000 patients to provide care in the most efficient and effective setting by reducing unnecessary and high-cost emergency room visits. This is good for the patients and good for employers."

"Our efforts to deliver value-based care are making a difference, and we are committed to continuous innovation. We look forward to sharing insights and working closely with policymakers as they seek to increase value in our health care system," Dr. Johnson says.

Dr. Linton and Dr. Johnson commended Committee on Health Chairman Jeff Stone for his leadership in holding the series of hearings on health care transformation.

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Mayo Clinic Health System consists of Mayo-owned clinics, hospitals and other health care facilities that serve the health care needs of people in 70 communities in Georgia, Iowa, Minnesota and Wisconsin. The community-based providers, paired with the resources and expertise of Mayo Clinic, enable patients in the region to receive the highest-quality health care close to home.

MAYO CLINIC

May 7, 2012

Representative Jeff Stone
Room 314 North
State Capitol
P.O. box 8953
Madison, WI 53708

Dear Representative Jeff Stone:

Thank you very much for taking time from your busy schedule to meet with our group from the Mayo Clinic Health System (MCHS) on April 24.

Mayo is committed to delivering high value, affordable health care to Wisconsin residents. We are also determined to advance the best models of high quality care to bend the cost curve in health care. Mayo Clinic Health System is uniquely positioned in this effort because of our dual roles as a primary health provider in 22 Wisconsin communities and as the largest integrated, medical group practice in the world with doctors in every medical specialty.

Please feel free to call on us as you work with the many health care issues facing our state.

Thanks again for your time.

Sincerely,

Timothy Johnson, M.D.
Chief Executive Officer
Mayo Clinic Health System-Franciscan La Crosse

Cc: Dr. Donn Dexter
Dr. Thomas Grau