Adapting to a New Era of Health Care Delivery

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If all goes well with Oregon’s efforts at health care transformation, people around the state will ultimately feel better, get better care and pay less for that care. Lofty and long-term goals, for sure, but also achievable ones if all the pieces fall in all the right places.

But when that happens, Oregonians will likely be using fewer hospital services. While that’s good for the health of the state, it’s not necessarily a good thing for a hospital’s bottom line. Lower rates of utilization mean lower revenues and a new financial reality for hospitals.

If we are successful with health care transformation, there will be a precipitous drop in hospital use. So how is it that we can help them adapt to that change? The answer in part is the Hospital Transformation Performance Program (HTPP).

Born out of collaboration between the Oregon Association of Hospitals and Health Systems (OAHHS) and the Oregon Health Leadership Council (OHLC), the program creates an incentive pool that rewards hospitals that meet specific performance goals on a range of quality measures. The program is funded by a 1 percent increase in the current 4.3 percent hospital provider tax.

The program is designed to support the ongoing efforts by Oregon hospitals to provide services in the highest-quality fashion at a time when utilization might go down. Key to the HTPP will be choosing the quality measures that hospitals will zero in on. Ultimately, the measures will be selected by the Oregon Health Authority (OHA), which will convene a nine-member advisory panel to come up with the recommendations for not only the quality measures but also criteria for performance outcomes.

In the meantime, however OAHHS has been having its own discussions about the program and some possibilities for quality measures. Over the past few months, OAHHS convened a work group to foster these initial discussions about potential measures and targets. It consisted of people from across the health care spectrum: physicians, financial professionals, nurse executives, operations staff and quality specialists.

The group came up with several areas of focus that might work well for the HTPP, including early elective deliveries, hospital readmissions, falls with injuries, and hospital-acquired infections.
The latter is specifically related to catheter-associated urinary tract infections, *C* Difficile infections and other infection-related concerns such as hand hygiene.

All of the measures that came up in discussions are measures that are already established nationally, are relatively straightforward to target, and also leverage other pay-for-performance programs already underway.

It will be up to hospitals to determine how to use any funds they receive from the incentive program. Our hope is that the participating hospitals will dedicate those dollars to transforming themselves into a new world that is built around new payment methods and that will require new forms of delivery.

Hopes are high that the HTPP could play a key role in the state’s health care transformation process. Winners include everyone from hospitals, who will improve care and also have their revenue supplemented during a time of decreased utilization, to patients, who will enjoy better care.

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