

MDT & The Emergence of High Performance Health Care

Brian Klepper, PhD
Principal & CEO
Health Value Direct




Unnecessary/Inappropriate Care & Cost

“Our research found that wasteful spending in the health system has been calculated at **up to \$1.2 trillion of the \$2.2 trillion (54.5%)** spent in the United States.”

“[R]edundant, inappropriate or unnecessary tests and procedures [were] identified as the biggest area of excess, followed by inefficient healthcare administration and the cost of care necessitated by conditions such as obesity, which can be considered preventable by lifestyle changes.”

The Price of Excess
PricewaterhouseCoopers, 2008



US Health Care: Purchasers' Perspective

1. Crushing Cost. We're Being Had.
2. Half or More of All Cost is Inappropriate or Unnecessary.
3. Poor Management: Health Plans Haven't Managed Care/Cost Like Businesses Manage Any Other Process
4. Opportunity To Apply A Range Of Management Principles.



Health Care Cost is Absorbing Nearly ALL Economic Growth

In the decade preceding 2009, **79%** of all household income growth was siphoned off by health care.

Source: Auerbach DI and Kellermann AL, "A Decade of Health Care Cost Growth Has Wiped Out Real Income Gains for an Average U.S. Family," *Health Affairs*, 30:9, 9/2011.



Institutionalized Excess

Health Plans


- Paying (and Passing Through Costs) For Services At Multiples of Market Rates
- Primary Care Payment That Encourages Specialty Referral
- Control and then Non-Management of High Cost Acute and Chronic Patients
- Open, Performance-Neutral Networks

Pharma/Devices

- Excessive Pricing Not Tethered To Anything Knowable
- FDA Approvals Based On Surrogate Metrics Without Evidence of Impact


EHR Vendors

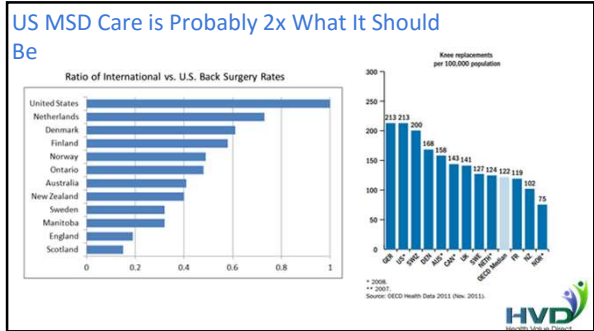
- Slow Progress in Facilitating Seamless Exchange of Health Care Information



Consider Care of Musculoskeletal Disorders (MSDs)

- Health Care is Approx. 20% of the US Economy.
- MSDs Are Approx. 20% of US Health Care
- So MSD Care = About 4% of the US Economy.





- ### Common Characteristics
- Mission Driven & Passionate
 - High Subject Matter Expertise
 - Data/Evidence-Driven
 - Deconstructed a Problem And Devised A New Unconventional Solution
 - Confident/Willing To Go At Risk For Performance
 - Succeeding by Exploiting Market Vacuums Rather Than Perverse Incentives

Words Fail, But An Opportunity!

In Other Words, Unnecessary Or Inappropriate MSD Care in the US Consumes An Amount Equal To About **2% of the Entire US Economy, Or About \$360 Billion/Year!**

(It's worse, actually. Many patients are physically harmed or rendered unproductive by inappropriate care.)

- ### Examples In Nearly Every Major Health Care Niche
- Care Management
 - Rx Risk Management
 - Musculoskeletal
 - Imaging
 - Cardio-Metabolic
 - High Performance Networks
 - Oncology
 - Centers of Excellence
 - Surgery
 - Reference-Based Pricing
 - Dialysis
 - 2nd Opinion

- ### High Performance Health Care
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- Often Unconventional Approaches
 - Driving Appropriate Care/Cost
 - Disrupting Institutionalized Excesses
 - Very Strong Track Records of Improved Performance

- ### Requirements
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- Better Approach (Clinical Pathway or Method)
 - Quality Assurance Capabilities (For Predictably Reliable Diagnostic and Treatment Results) with Continuous Learning
 - Scalability (Ability To Get The Same Results Anywhere)

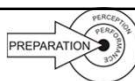
Questions

- What Do You Do That Is Structurally Different And That Allows You To Get A Better Result In Your Niche?
- Longitudinal Data Demonstrating Better Health Outcomes and/or Lower Cost? Can You Share Your Calculations?
- Client Testimonials Affirming Performance + Attesting To Execution?
- Scalable?
- Enduring?
- Willing To Go At Financial Risk For Performance?



Will MDT's Practitioners Be Competitive?

- Has MDT Established the Right Key Quality/Cost Metrics To Show That Its Approach is Superior?
- Does MDT Monitor the Quality Performance of its Practitioners?
- If Not, As The World Turns To Higher Performance, Will MDT Squander Its Opportunity?



Brian R. Klepper, PhD

is a health care analyst and commentator. He is CEO of [Health Value Direct](#), a specialized benefits consultancy linking health care purchasers with high performance, high impact health care organizations. He is former CEO of the [National Business Coalition on Health](#), representing 5,000 organizational purchasers and some 35 million lives.

An active author and speaker, Dr. Klepper has been a health care commentator for *CBS Evening News*, *the Wall Street Journal*, *the New York Times*, and *the Washington Post*. He has published articles on *Kaiser Health News*, *Medscape*, *HealthLeaders*, *The New England Journal of Medicine*, *Modern Healthcare*, *Business Insurance* and newspapers nationally.

Brian is a columnist for *Employee Benefits News* and for *Medscape*. He is a regular contributor to *The Doctor Weighs In*, *the Health Care Blog*, *The Health Affairs Blog*, *Kevin MD*, *Health Care Policy and Marketplace Review*, and other expert health care blogs.

Brian is a reviewer for *Health Affairs* and *The Journal of Ambulatory Care Management*. He is an Advisor to the [Lundberg Institute](#) and the [Patient-Centered Primary Care Collaborative](#), which advocates for medical homes.

In his spare time, Brian is an offshore sailor.

904.343.2921, brian.klepper@healthvaluedirect.org



REFERENCES – Saturday General Session 3

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