

# The Washington Post

## For This Health System, Less Is More

Advertisement » Your Ad Here

Program That Guarantees Doing Things Right the First Time, for Flat Fee, Pays Off

By Ceci Connolly  
Washington Post Staff Writer  
Tuesday, March 31, 2009; A01

DANVILLE, Pa. -- You could think of them as the Maytag repairmen of health care.

In an industry that makes its money by selling more -- more tests, more surgeries, more drugs -- Geisinger Health System officials gambled three years ago that they could succeed by doing less, but doing it better.

Mimicking the appliance company that advertised its products' reliability, the health system devised a 90-day warranty on elective heart surgery, promising to get it right the first time, for a flat fee. If complications arise or the patient returns to the hospital, Geisinger bears the additional cost.

The venture has paid off. Heart patients have fared measurably better, and the health system has cut its bypass surgery costs by 15 percent. Today, Geisinger has extended the program to half a dozen other procedures, and initiatives such as the counterintuitive experiment in Pennsylvania coal country are now at the heart of efforts in Washington to refashion how care is delivered across the United States.

Though not identified by name, the Geisinger model tracks closely with the policy goals of President Obama. A key target is to reduce expensive errors, duplication, and unnecessary procedures that do nothing to improve health and may actually result in worse outcomes.

Nearly 18 percent of hospitalized Medicare patients are readmitted within 30 days, an expense that experts argue can be reduced dramatically by doing things right the first time.

Geisinger, which runs the program through its own insurance unit, is "proving that reliability works," said Donald Berwick, president of the independent Institute for Healthcare Improvement.

But its success has been limited. Geisinger also treats patients who are insured by other companies, and those insurers are not convinced that the savings would be large enough to make it worthwhile for them to renegotiate contracts with the health system. Many still feel more comfortable with the traditional pay-per-procedure approach, even though they run the risk of having to pay thousands of dollars to fix surgeries that go wrong.

Most hospitals are also skeptical of Geisinger's innovation, saying they would lose money by being unable to bill for treatment of patients who must return.

"If they do the right thing and keep patients out of the hospital, it costs them," said Glenn Steele Jr., Geisinger's president and chief executive.

The budget Obama sent to Congress advances the Geisinger approach by taking direct aim at hospital readmissions. Administration officials estimate that "bundling" Medicare payments for certain procedures such as bypass surgery and imposing financial penalties on hospitals with high readmission

rates will save taxpayers \$26.2 billion over the next decade.

Geisinger, a comprehensive system of 41 clinics, three hospitals and 650 staff physicians, achieves those goals through standardization. Science-based protocols are "hard-wired" into the process, in much the same way that high-end manufacturing works, said Alfred S. Casale, Geisinger's associate chief medical officer and a driving force behind the program.

For heart bypass surgery, Geisinger guarantees that every patient will receive 40 action items it has identified as best practices. The list includes, for example, properly administering antibiotics within 30 minutes of the operation. The wrong dose increases the likelihood of infection, and infection can lead to a second surgery, prolonged hospitalization and greater risk of death.

Surgeons can opt out of doing any element if they give a reason, and an operation is canceled if a single step is missed in the preparations. Electronic medical records contain built-in reminders for the surgical team and track the results.

"No one thing on the list is magic," Casale said. "It's the reliability of knowing that every single one is going to get done on every single patient. That is the magic."

### **Cutting Out the Quirks**

Just a few years ago, when a patient showed up in the cardiac unit at one of Geisinger's hospitals, the first question nurses asked was "Whose patient is he?" -- referring to the six surgeons on staff.

"What they did next depended more on who the doctor was than on what was going on with the patient," Casale said. It was not that one surgeon was better or smarter than the others, but that each had his own quirks and habits.

"We couldn't even agree on which side of the room the bed should be on," he said with a laugh.

The Geisinger program, marketed as ProvenCare, eliminates the guesswork, or "variability," by requiring every employee to follow an agreed-upon set of best practices. For heart surgery, many of the steps came from guidelines developed by the American Heart Association and the American College of Cardiology.

"They have been really smart about not reinventing the wheel," Berwick said.

Geisinger doctors initially recoiled at the idea of "cookbook medicine," believing they already followed best practices, Casale said.

Far from it, they soon discovered. At the start, three years ago, only 59 percent of patients received all 40 critical elements.

Within three months, the cardiac team hit the 100 percent mark, but three months later it fell to 86 percent. Since then, it has held at 100 percent, and Geisinger patients spend less time in intensive care, go home sooner and experience fewer complications. The in-hospital death rate on elective heart surgeries has dropped from 1.5 percent to zero.

Standardizing bypass surgery has saved Geisinger money on ventilators, blood products and staff time. Readmissions, which can be more expensive than the original surgery, have fallen 44 percent, according

to Geisinger's data.

Customers -- namely large employers that purchase Geisinger insurance -- save money with the guaranteed flat fee. The price is based on the standard cost of the surgery, plus half the average cost of complications over the previous two years. Patients are not charged co-payments for any complications or readmissions.

"In our industry, if we make a product, we stand behind it," said Glenn Salsman, controller for the modular home manufacturer Integrity Building Systems, which has signed up for ProvenCare. "Now we know that things are going to cost what they say they are going to cost."

### **Repairs on the Spot**

Dressed in scrubs and goggles, physician Kimberly Skelding threads a tube into Nellie Whipple's wrist. With eyes locked on a computer screen above, Skelding guides the tube through the patient's vein, up the arm, over the shoulder, across the chest and into the heart chamber.

Whipple's doctor had suggested the visit to Geisinger's cardiac catheterization unit after the 56-year-old complained of shortness of breath and jaw pain. Inside the bustling "cath lab," Skelding and colleagues use X-ray technology to scan Whipple's arteries and heart for clots, breakages or other problems.

As a nurse squeezes a small pump, dye flows through the tube and brings Whipple's arteries into sharp view on the monitor.

"She has some heart disease, but she doesn't have severe blockages," Skelding reports, as a technician types the data into Whipple's digital health record.

About 10 months ago, after implementing the ProvenCare model for bypass surgery, hip replacements and cataract operations, Geisinger added cath lab procedures to the program. The list of best practices includes checking for allergies, monitoring dye levels and giving bicarbonate to reduce the risk of kidney failure.

"It's a good idea," said James Roberts, a chief technician who has been at Geisinger for 21 years. "Honestly, some things get missed."

It is too soon to measure results in the cath lab, but making the entire process more efficient has given Geisinger the ability to repair artery problems on the spot. Most hospitals require a second procedure, which increases the cost and the risk of complications.

That was part of what pleased Earl Graham. An athletic retired professor, Graham was sent to Geisinger's cath lab after a less-than-stellar stress test.

"I was lying there on the table and they said they'd found a little obstruction," he recounted. The doctor asked Graham if he wanted a stent inserted to open the clogged artery. "I said yes."

The next morning he was heading home, and within a month he was back on the tennis court. "It was all done quite efficiently," he said.

Next on Geisinger's list: prenatal care and treatment of lower-back pain.