

# Consumer-Directed Healthcare Increasing Demand for Quality Data

Driving forces including escalating healthcare costs, global economic competition, and various incentives provided by the federal government make consumer-directed healthcare (CDH) programs the newest and most promising approach to delivering higher quality and cost efficient healthcare. Employers and payors expect significant cost savings from these programs as patients become more involved in choosing the level of care they receive and the available resources applied to their care.

The cost saving and quality outcomes expected from CDH programs depend on the premise that consumers, when provided with cost and quality data for potential sources of care, will choose services that provide the most value for the resources expended. Although various insurance models have used similar incentives before, CDH programs directly tie the consumer to the payment for their care through health savings accounts (HSA). The management of these accounts, with the capability to roll-over the funds in these accounts from year to year, offers an ever increasing source of funds that are in direct control of the consumer through the use of personalized healthcare debit cards or checking accounts.

Implementing a successful CDH program requires much more than bolting on a savings account to a reformulated high-deductible health plan (HDHP). To achieve a successful transition to this new model of healthcare, it will be necessary for payors and providers to educate consumers and develop new quality and cost reports.

## Significant Education Needs of Consumers

Health insurance products—even traditional ones—are complicated. Con-

sumers struggle to choose plans that best fit the needs of themselves and their families. This confusion often leads to consumers choosing poorly, exposing them either to unnecessary benefits or financial risk. In many cases, consumers choose their plans solely based on price, a decision-making process that could prove problematic if applied by those covered by CDH program. Choosing providers from a price list, without consideration of quality and patient safety measures, may lead to avoidable morbidity and even mortality.

Consumer empowerment is essential to the success of a CDH, and a successful CDH program requires education of consumers across a wide band of issues. In addition to properly choosing providers based on cost and quality, consumers must manage a more complex arrangement of deductibles, co-payments, and maximum out-of-pocket costs. In addition, this must be done using a new payment vehicle—the health savings account.

## Development of Useful Quality Measures

Quality in healthcare has often been evaluated using simple, opinion-based summaries or a variety of performance measures that are only weakly tied to actual healthcare outcomes. Unfortunately, consumers enrolled in CDH program cannot rely on such subjective evaluation when choosing care providers or levels of service.

To reach its goal of quality improvement and cost reduction, CDH programs must provide the consumer with accurate and easy to understand comparative provider reports. Effective reports will allow the consumer to make choices on care and care providers that deliver the greatest benefit to the consumer. In addition, these reports will tie

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cost to quality, allowing consumers to personalize their choices by employing their own value system.

Obtaining the data to produce these reports may prove very difficult for some organizations as the sources may not currently exist or the data may be proprietary. Nevertheless, these reports must be developed to allow provider organizations and physicians to participate in CDH programs. Although there is some quality data available on hospitals and most health plans (e.g., Center for Medicare and Medicaid Services, National Committee for Quality Assurance), information on physician performance is rather limited and inconsistent in measures. These realities make it difficult to foresee successful rollouts of CDH programs in geographic areas where new performance measurement initiatives are not implemented.

## Cost Data Also Inadequate

Cost data, although more readily available than quality data, still suffers from lack of consistency in reporting. Con-

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sumers may be confused by prices that reflect billed charges, allowed charges and negotiated charges. In addition, contractual obligations may prevent some organizations and individual practices from releasing actual cost information as it is considered proprietary marketing information.

Although somewhat familiar with explanation of benefits (EOB) docu-

ments, consumers almost always struggle to reconcile these documents with bills from their various providers. Reporting out truly comparable cost data will be a challenge for both the organizations developing the reports and the consumers working to interpret them. For CDH programs to work, a solution to this quality and cost data reporting is required.

As information technology expands throughout healthcare through the use of computerized provider order entry systems and electronic medical records, more and more data sources will become available that can be used to build a high quality CDH program. Marrying this technology to a well-developed strategic vision becomes the starting point for a CDH program that will improve healthcare quality, manage costs, and deliver increased revenues to payor organizations. !

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## New Position

### Director, Cincinnati Center for Pediatric Health Care Quality Research



Cincinnati Children's Hospital Medical Center and the Department of Pediatrics at the University of Cincinnati College of Medicine are searching for a research director, pediatric health care quality. This newly created position will build on existing efforts to transform health care through the Pursuing Perfection Initiative. Cincinnati Children's is the only academic institution and the only pediatric institution to receive the prestigious Robert Wood Johnson Foundation Pursuing Perfection – Raising the Bar for Health Care Performance award.

We wish to recruit a senior faculty leader with a strong record of quality of care research, experience in collaborative research projects, a desire to lead a multidisciplinary program and a commitment to improving care and education. The director will hold an academic appointment as a tenured associate professor or professor in the Division of Health Policy and Clinical Effectiveness. The Center for Pediatric Health Care Quality Research is anticipated to include independent research, as well as to serve as a core resource for quality of care research across the institution.

We seek a mid-senior career investigator with a strong track record in health systems research, with an emphasis on any of the following areas: systems improvement, safety, understanding patient preferences, quality of care, equity in health care quality, clinical informatics or management engineering, including an ongoing

funded research program. The research director must also have the administrative skills to develop this new program. Applicants must hold an MD or PhD or equivalent degrees.

Cincinnati Children's Hospital Medical Center is one of the largest children's hospitals in the U.S. It currently ranks 3rd nationally for pediatric programs in NIH-funded grant support. Children's Hospital includes strong clinical programs which have local, regional, national and international referral bases. Cincinnati Children's Research Foundation has active research programs in basic and clinical science. The director of the Center for Pediatric Health Care Quality Research will be expected to interact collaboratively with research programs in a variety of divisions across the department and the organization.

Interested candidates should send their curriculum vitae and letter of intent to:

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