

## Strategies for Change

The Peterson Center on Healthcare works to transform U.S. healthcare into a high-performance system by finding proven solutions that improve quality and lower costs, and accelerating their adoption on a national scale.

### Finding and Validating Innovative Solutions

There are many healthcare providers across the country who already consistently deliver high quality healthcare at lower cost.

In fact, if these best practices were adopted on a national scale, the U.S. would have one of the world's highest performing healthcare systems.

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Rather than serving as an inventor of new approaches to care, we seek what already works. We engage with the private and public sectors, practitioners, academics, researchers, and consumer advocacy groups to find the most effective and efficient models of care throughout the country. We currently focus on three key areas:

- **Healthcare Providers:** Through scouting and analytical research of providers across the country, we systematically assess and validate high value healthcare delivery approaches by considering factors such as organizational attribute, type of patient, or clinical condition.
- **Employers and Insurers:** We engage with employers and health insurance plans to find innovative approaches in health benefits design and management-labor partnerships that effectively improve value for both the employer and employee, and support more informed care decisions for patients.
- **State-Level Systems:** As large purchasers and regulators of healthcare, states are well-positioned to improve quality and lower costs. We work with key stakeholders in state and local governments to develop public-private partnerships and initiatives that improve performance.

### Accelerating Adoption and Scaling

As a result of the fragmented nature of the U.S. healthcare system and its poor incentive structure, barriers have impeded the broad adoption of solutions that have been proven to improve quality and lower costs. The Peterson Center on Healthcare is developing a comprehensive approach to spreading and scaling high-performance healthcare solutions.

We are establishing a network of organizations that have established relationships across the healthcare system and collaborating with these organizations to develop change packages, implementation toolkits, and dissemination strategies to spark adoption on a national scale.

### Fostering the Conditions for Change and Improvement

The Peterson Center on Healthcare will work on systemic initiatives to encourage and facilitate stakeholder actions to improve quality and lower costs.

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In addition to building awareness of the need for improvement, this will include work in the following key areas:

- **Data Transparency and Information:** There is significant variation in price, cost, and outcomes throughout the healthcare system for the treatment of common conditions. Unfortunately, patients are not able to make informed decisions about outcomes and cost because this information is either not readily accessible or not reliable. We develop initiatives that increase the transparency and usability of critical information on healthcare cost and quality.
- **Driving Innovation to Improve Quality While Lowering Cost:** In most industries, technology innovations drive greater efficiency and performance. In healthcare, however, price insensitivity drives research and investment toward costly technologies with high revenue opportunity, even if the health benefit is only marginal. We develop

initiatives to drive innovation toward high value solutions, so that technology can help improve quality and lower cost.

- **Moving to Value-Based Payment:** The fee-for-service payment model provides little incentive for improving quality and lowering costs. In fact, providers are often penalized for increased efficiency as it can often result in reduced volume and revenue. While the need for value-based reimbursement models is well established, the transition to innovative approaches (such as bundled payments and capitation) has been slow to develop. We engage in projects that support the transition to value-based payment in the public and private sectors.
- **Engaging Consumers:** Informed and engaged consumers make better decisions about their healthcare. In addition, health insurance plans that encourage consumers to find and select the highest value alternative will spur greater improvement among providers. Employers, state Medicaid programs and health plans are increasingly using tiered networks, high-deductible plans, and “reference pricing” as effective value-based methods. We work with key stakeholders to support these innovations and facilitate greater consumer engagement, in order to incent appropriate use of services and to avoid potentially dangerous over- and under-utilization of healthcare.
- **State and Federal Policies:** Effective public policies can accelerate improvement in healthcare. As we pursue scaling innovative solutions across the healthcare system, there may be opportunities to advance state and federal policies. In such cases, we will collaborate with stakeholders to foster a policy environment that is conducive to the rapid adoption of high-performance healthcare innovations.



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