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# MANAGED HEALTHCARE EXECUTIVE

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A black and white portrait of Mary Brainerd, CEO of HealthPartners. She is a middle-aged woman with short, light-colored hair, smiling warmly at the camera. She is wearing a dark, textured, double-breasted jacket and a necklace made of large, light-colored, oval-shaped beads. The background is a soft-focus outdoor scene, possibly a beach or a coastal area with water and a horizon line.

The continuous  
**pursuit** of  
**perfection**

HealthPartners' CEO  
Mary Brainerd makes  
the most of technology  
but keeps her focus on  
the people

Special Report  
**Surveying cultural  
preferences reduces  
racial disparity**



# The continuous pursuit of perfection

**A**ldai Ewing Stevenson, an insightful politician who was twice the Democratic nominee for President, once said, “Understanding human needs is half the job of meeting them.”

He never promised, however, that the learning experience would be pleasant, as HealthPartners President and CEO Mary Brainerd found out during her time as an oncology patient. Brainerd, who was treated for cancer five years ago, says that even though the quality of care she received was excellent, the experience showed her how different the system looks through the eyes of a patient rather than a healthcare pro.

“As is often the case when there are a lot of patient handoffs, I noticed that the oncologist’s recommendations were just slightly different from the radiation oncologist’s recommendations, which were slightly different from the surgeon’s recommendations, and so on.

“Differences like those can really shake a patient’s confidence, so my experience as a patient made me even more determined to find ways to use the best science in treatments.”

She’s getting her chance to do so, thanks in part to a grant from the Robert Wood Johnson Foundation. HealthPartners, an integrated delivery system based in Minneapolis, was selected as one of only seven healthcare organizations to participate in the Foundation’s Pursuing Perfection initiative.

In April 2002, HealthPartners Medical Group and six other finalists

**HealthPartners CEO  
Mary K. Brainerd pushes  
the limit on healthcare  
process, structure and  
environment**

story | **Michael T. McCue**

photographs | **Sara Jorde**

## MARY BRAINERD



**“We no longer think of care as only the services provided in the exam room.”**

each received a two-year, \$1.9 million grant to implement restructuring plans and to share their work with healthcare organizations across the nation.

What began as a project has become an enterprise-wide initiative that seeks to transform care processes, the culture and structure of the organization, and the healthcare system environment. It encompasses hundreds of initiatives and creates fundamental change.

“We’re making dramatic improvements in healthcare, and that means exploring new avenues and opportunities,” Brainerd says. “We

are redefining the role of providers in the care process, using technology that improves safety and facilitates patient education, and finding payment approaches that reward physicians who provide the highest-quality care.”

### THE CARE PROCESS

The centerpiece of HealthPartners’ efforts to transform the care process is the implementation of a planned care model with prepared practice teams. A prepared practice team is an identified group of individuals who together help patients and families manage their health. Teams include physicians (primary care and specialists), advanced practice providers, registered nurses, licensed practical nurses, and clerical staff such as receptionists.

“The essence of the new model is to have prepared practice teams interacting with informed, engaged patients through continuous healing relationships supported by the ongoing availability of real and relevant health information,” Brainerd says. “We no longer think of care as only the services provided in the exam room.”

The teams build relationships and coordinate care in a systematic process that encompasses four ongoing phases of engagement with patients:

- 1) Pre-visit: the time when health risk or the need for services is first recognized and the patient contacts a clinic;
- 2) Visit: from the time a patient checks in to their departure from the clinic;
- 3) Post-visit: from departure to the completion of the care plan established during the visit; and
- 4) Between visits: from completion of the care plan until the next pre-visit.

With support from the Pursuing Perfection grant, HealthPartners piloted the new model at three medical group clinics in 2002—two primary care and one hematology-oncology clinic. The company’s multidisciplinary West Clinic, located in St. Louis Park, Minn., has 19 physicians and was one of the first two primary care clinics to pilot prepared practice teams.

The clinic’s behavioral health team introduced evidence-based guidelines for the diagnosis and treatment of depression in primary

#### AT A GLANCE



#### HEADQUARTERS

8100 34th Ave. South  
Minneapolis, Minn.

#### FOUNDED 1957

#### MODEL/PRODUCTS OFFERED

Tiered, open-access, consumer-driven, high-deductible, national and dental

#### MARKETS SERVED

Minnesota and western Wisconsin

#### ENROLLMENT 635,000

#### STAFF 9,800

**FINANCIALS** \$2.1 billion in revenues in 2003; administrative fees of 6.6%

#### ACCREDITATION

Received “Excellent” accreditation from NCQA for commercial and Medicare products (top five health plan in north central region). Accredited by the American Diabetes Assn. for diabetes care.

#### AWARDS

Selected for participation in the Robert Wood Johnson Foundation’s Pursuing Perfection Initiative; highest customer satisfaction rating among Minnesota health plans (10th nationwide); awarded \$450,000 grant by Medtronic Foundation (the largest grant it’s ever bestowed) to disseminate best practices in culturally competent care; first full-service simulation center for patient safety in the Midwest.



**“We knew that once physicians got accustomed to using the EMR technology, there would be some time and cost efficiencies. But they turned out to be much more than we anticipated.”**

care. They took on the challenge of translating the science of evidence-based best practices into a practical protocol that restructures workflow, and their efforts paid off in a big way.

Depressed patients have experienced an average one-third reduction in symptoms, and half of all patients with major depression have experienced a 50% or greater reduction in symptoms.

In pediatrics, HealthPartners is implementing a comprehensive approach to asthma care that involves the creation of an asthma action plan (AAP). AAPs include the patient’s family, providers and school staff in supporting the management of the patient’s asthma.

The team approach improves asthma care by ensuring that everyone involved with the patient is aware of the patient’s asthma triggers and treatments. Each AAP is based on best practice treatment guidelines and utilizes multi-age education tools and communication plans for team members.

#### CULTURE AND STRUCTURE

Addressing the structure of the organization includes information technology infrastructure that supports change, especially in the care process. As part of Pursuing Perfection, HealthPartners accelerated electronic medical record (EMR) implementation. Today, the EMR provides unfettered access to patient data at all times at the point of care, in and from all exam rooms. About 3,800 users, including all HealthPartners Medical Group physicians and nurses, now use EMR technology from Madison, Wis.-based Epic.

“The best and fastest way to make an impact on healthcare quality is to improve prescribing safety,” Brainerd says. “It’s where most of the errors occur, and the easiest way to prevent

them is with a good EMR.”

Brainerd had the opportunity to realize that firsthand when her husband had an episode that landed him in the emergency room prior to the use of the EMR.

“When we got there, they asked what medications he was taking to ensure there wouldn’t be any negative interactions. With all of the stress, neither of us could remember them all. Then, when they asked us about the dosages of those drugs we could remember, we both went completely blank. We must have looked like deer in the headlights.”

The EMR also has made an important impact with member service. One of the EMR’s features is online scheduling, and since the option was made available in March 2004, more than 6,700 appointments were either directly made, changed or canceled. Usage is growing rapidly, notching a 71% increase between June and July.

“We knew there would be a myriad of advantages to implementing an EMR, but there were also some unanticipated cost savings as well,” Brainerd says. “We anticipated that once physicians got accustomed to using the technology, we’d achieve some time and cost efficiencies. But it turned out to be much more than we anticipated. Simply moving a member’s paper chart around—between PCPs, labs, radiologists, specialists, etc.—had been costing us \$3 million every year. That expense has been eliminated completely.”

#### THE ENVIRONMENT

No single healthcare organization can transform itself without addressing issues in the health system as a whole. HealthPartners’ transformation model includes working on environmental supports for change, particularly in the area of provider reimbursement.

“The Institute of Medicine’s Quality Chasm report pointed to reimbursement as a major barrier to quality improvement,” Brainerd says. “Since the healthcare system pays for a process of care consisting of units of service, there is no relationship between what providers are paid and improving care processes, ensuring implementation of best practices, or achieving specific outcomes.”

## MARY BRAINERD



**“We know that affordability ensures access to care for the people we serve. We believe that we already have the resources in healthcare to make dramatic improvements in quality and affordability.”**

Health plans and insurers are beginning to pilot test new ways to financially reward physicians for achieving measurable improvements in quality.

HealthPartners has fully implemented a complete set of financial rewards that align physicians' incentives in support of quality improvement goals. The organization's pioneering model signals the direction of emerging pay-for-performance initiatives across the country.

“For many physicians, capital investments and technology expenditures come directly out of their incomes,” Brainerd says. “The EMR greatly improves care for patients, but the expense is a big hurdle.

By financially rewarding physicians who provide the higher quality of care, we're helping to offset those expenses.”

#### OUTCOMES RECOGNITION

HealthPartners financially rewards quality via two main elements: its Outcomes Recognition Program (ORP) and Payment for Quality (PFQ). ORP is a bonus program that offers special financial awards for primary care groups that hit plan-wide quality targets set annually by HealthPartners.

“The recognition program offers bonuses to primary care clinics that achieve stretch goals in effectively promoting health and preventing disease,” Brainerd says. “Annual financial bonuses, tied to targets that HealthPartners reviews and updates annually, keep incentives aligned to achieve priority health goals for our members. Since 1997, HealthPartners has awarded more than \$2.5 million in bonus awards.”

#### PAYMENT FOR QUALITY

To complement the recognition program, HealthPartners started PFQ in 2001. The pro-

gram integrates payment for quality directly into the company's reimbursement contracts with primary care groups, specialists and hospitals.

PFQ pays providers for meeting individual quality improvement goals that are established during providers' reimbursement agreement negotiations.

The initiative blends two elements of reimbursement—payment for quality and payment for process—into market-based reimbursement rates for primary care providers, specialists and hospitals.

In 2003, HealthPartners paid \$8.5 million under PFQ, and that figure is expected to top \$10 million this year.

PFQ centers on performance measures that are objective, build upon existing quality indicators based on accepted standards of care, and do not impose the burden and cost of significant additional measurement requirements.

The PFQ strategy is to negotiate individual quality improvement goals with providers that are achievable, and chart a path for incremental progress over time. Equally important—especially to gain buy-in from providers—PFQ targets results that physician group practices and hospitals can control.

PFQ started with one hospital and one cardiology group. In 2002, the program expanded to a range of specialties, and Minneapolis-St. Paul area hospitals whose contracts were up for renewal in 2003.

With over 1,400 specialty provider contracts, HealthPartners has focused PFQ on high-volume medical groups in priority specialty areas.

PFQ agreements are in effect now with all high-volume cardiology and emergency medicine groups, 70% of orthopedics and ENT specialists, and 40% of obstetricians and gynecologists.

“At HealthPartners, it's all about providing the best quality care, patient experience and efficient use of healthcare resources,” Brainerd says. “We know that affordability ensures access to care for the people we serve. We believe that we already have the resources in healthcare to make dramatic improvements in quality and affordability.” **MHE**