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Data Brief

COMMISSION ON A HIGH PERFORMANCE HEALTH SYSTEM

Health Care Opinion Leaders' Views on Delivery System Innovation and Improvement

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ABSTRACT: Nearly nine of 10 leaders in health care and health care policy believe current financial interests and lack of incentives for integration are significant barriers to the growth of accountable care systems. The latest Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey finds strong majorities of leaders report that providing special payment arrangements and incentives to providers—like those in the Patient Protection and Affordable Care Act—will be effective strategies for fostering coordination and integration in health care delivery. More than eight of 10 leaders feel that developing performance metrics, implementing provisions to increase transparency and public reporting, and establishing an Innovation Center within the Centers for Medicare and Medicaid Services should receive high priority from the Secretary of Health and Human Services. Survey respondents support development of a national accreditation system for accountable care organizations and public utility-type regulation of payment rates in areas with insufficient market competition.

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The mission of The Commonwealth Fund is to promote a high performance health care system. The Fund carries out this mandate by supporting independent research on health care issues and making grants to improve health care practice and policy. Support for this research was provided by The Commonwealth Fund. The views presented here are those of the authors and not necessarily those of The Commonwealth Fund or its directors, officers, or staff.

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OVERVIEW

As part of a strategy for reforming the U.S. health care system, several provisions in the recently enacted Patient Protection and Affordable Care Act promote delivery system innovation and improvement through more coordinated and accountable care delivery models.[1] Major initiatives include incentives for providers to organize themselves and share savings under an accountable care organization (ACO) program, deliver care via the patient-centered medical home model, and receive bundled and global payments for acute and post-acute care.[2] Such methods can improve clinical quality of care, better control chronic disease, increase patient satisfaction, and reduce hospitalizations, emergency visits, and prescription drug expenses.[3]

In the latest Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey, leaders in health care and health policy were asked

their views on barriers to such delivery system innovation and strategies for fostering more accountability and coordination among health care providers. Nearly nine of 10 respondents feel that current financial interests and lack of incentives are significant barriers to the growth of accountable care systems. It is not surprising, therefore, that large majorities also report that providing special payment arrangements and incentives to providers—like those in the Affordable Care Act—will be essential strategies for fostering more coordination and integration.

A majority of leaders support the proliferation of integrated models of care delivery. But they also support certain safeguards, like developing measures of performance to which organizations can be held accountable, and express concerns about organizations exerting undue influence in consolidated markets. More than eight of 10 leaders feel that developing performance metrics, implementing provisions to increase transparency and public reporting, and establishing an Innovation Center within the Centers for Medicare and Medicaid Services should receive high priority from the Secretary of Health and Human Services in the next one to two years. Survey respondents also support development of a national accreditation system for accountable care organizations and public utility-type regulation of payment rates in areas where there is insufficient market competition.

These views are in line with the recommendations of the Commonwealth Fund Commission on a High Performance Health System, which has a mission to promote better access, improved quality, and greater efficiency across the U.S. health care system.[4] The Commission has concluded that meaningful reform of the delivery system will require new financial incentives; changes to regulatory, professional, and educational environments; and support for new infrastructure.[5] An analysis of the Affordable Care Act demonstrates that the significant payment and delivery reform provisions included in the Act utilize these strategies and place the nation on a path to a high performance health system that works for all Americans.[6]

The Health Care Opinion Leaders Survey

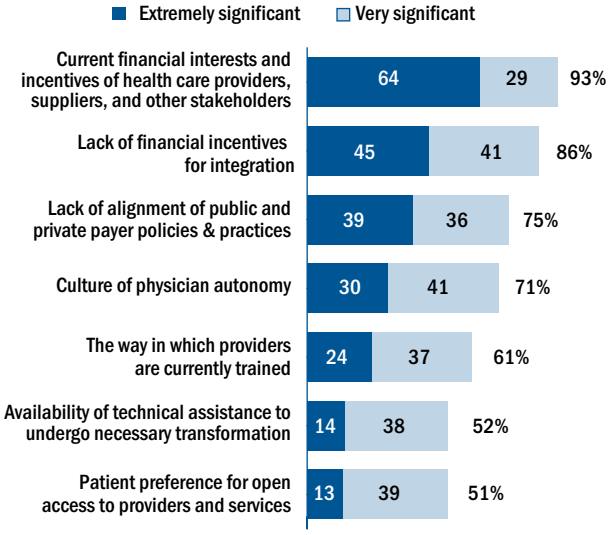
The Commonwealth Fund and *Modern Healthcare* recently commissioned Harris Interactive to solicit the perspectives of a diverse group of health care experts on delivery system innovation and improvement. The 225 individuals who took part in the survey—the 22nd in a continuing series of surveys assessing the views of experts on key health policy issues—represent the fields of academia and research; health care delivery; business, insurance, and other health industries; and government, labor, and advocacy groups (see Methodology, Appendix A). Respondents were asked for their perspective on delivery system innovation and improvement between June 8, 2010, and July 7, 2010.

About the Health Care Opinion Leaders Survey

The Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey was conducted online within the United States by Harris Interactive, on behalf of The Commonwealth Fund, between June 8, 2010, and July 7, 2010, among 1,330 opinion leaders in health policy and innovators in health care delivery and finance. The final sample included 225 respondents from various industries, for a response rate of 17 percent. Data from this survey were not weighted. A full methodology is available in Appendix A.

Exhibit 1. Barriers to Growth of Accountable Care Systems

"In your view, how significant are the following barriers to growth of population-based, accountable care systems?"



* Percentages may not be equal to the net because of rounding.
Source: Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey, July 2010.

Nearly nine of 10 survey respondents think current financial interests and lack of incentives for integration are significant barriers to the growth of accountable care systems.

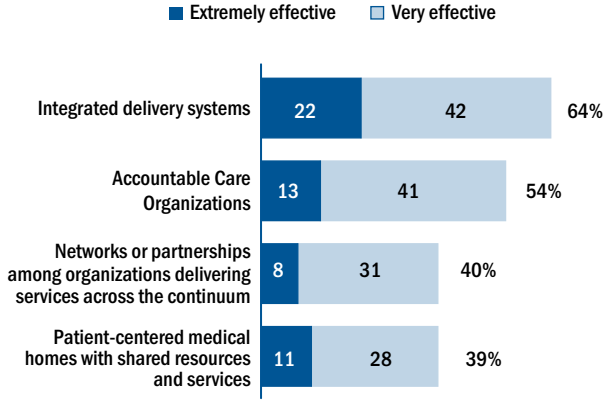
Commonwealth Fund research has shown that misaligned financial incentives and fragmented payment methods foster similar fragmentation and lack of coordination in the delivery and receipt of health care in the United States.[7] Ninety-three percent of opinion leaders believe that current financial interests of health care providers, suppliers, and other stakeholders are a significant barrier to the growth of more accountable care systems (Exhibit 1). Lack of financial incentives for integration (86%), misalignment of public and private payer policies and practices (75%), and a culture of physician autonomy (71%) were also identified by more than seven of 10 respondents as hindering the spread of more population-based, accountable care models. The availability of technical assistance to undergo necessary transformation (52%) and patient preferences for open access to providers and services (51%) are also viewed as barriers by a majority of leaders.

Opinion leaders believe integrated delivery systems will be an effective model for moving the U.S. health system toward more accountable care.

Opinion leaders were asked to rate the effectiveness of several reform models designed to move the U.S. health system toward more accountable care, many of which were included in the recently enacted health reform law. A majority of respondents feel that integrated delivery systems (64%) and accountable care organizations (54%) will be either very effective or extremely effective reform models (Exhibit 2). Less than half of leaders rate networks or partnerships among organizations delivery services across the continuum of care (40%) and patient-centered medical homes (39%) as effective.

Exhibit 2. Effectiveness of Reform Models

"Overall, how effective do you feel each of the following reform models will be in moving the U.S. health system toward population-based, coordinated, accountable care?"



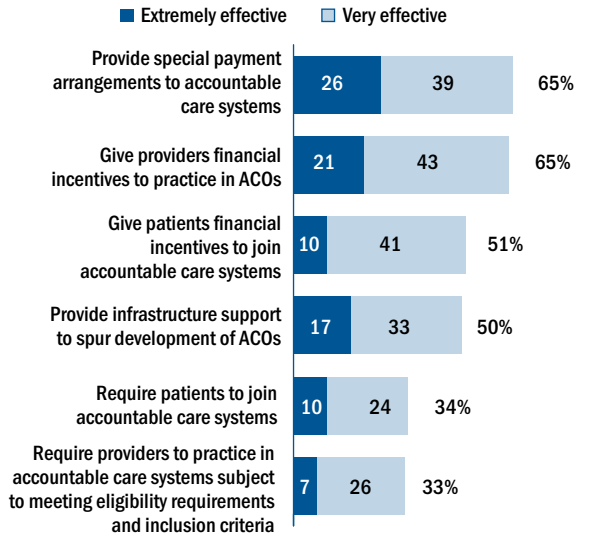
* Percentages may not be equal to the net because of rounding.
Source: Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey, July 2010.

Strong majorities of health care opinion leaders feel that providing special payment arrangements and financial incentives to providers will be effective strategies for fostering accountability.

The Affordable Care Act includes numerous payment and system reform provisions designed to realign incentives and encourage providers to deliver high-quality, patient-centered care. Sixty-five percent of survey respondents believe that providing special payment arrangements to accountable care systems

Exhibit 3. Strategies to Foster Accountability, Coordination, and Integration

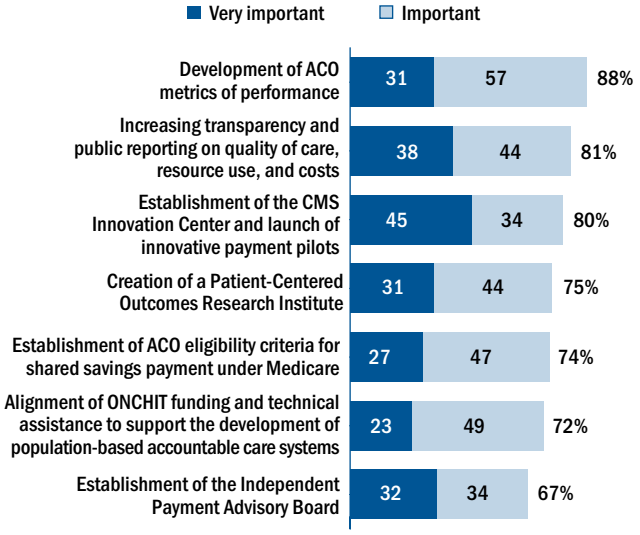
"Policymakers have proposed several levers to foster accountability, coordination, and integration among providers who are responsible for providing care to a given population of patients. Please rate the effectiveness of the following strategies."



* Percentages may not be equal to the net because of rounding.
Source: Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey, July 2010.

Exhibit 4. Importance of Affordable Care Act Provisions

"The U.S. Department of Health and Human Services will need to implement numerous provisions of the Affordable Care Act. In setting priorities for Secretarial attention, please rate the importance of each of the following strategies in the short term (next one to two years)."



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Source: Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey, July 2010.

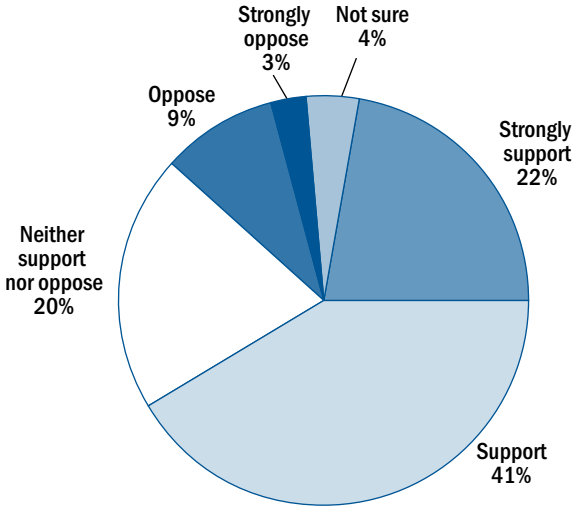
and giving providers financial incentives to practice in ACOs will be very or extremely effective strategies to foster accountability, coordination, and integration in care delivery (Exhibit 3). About half of opinion leaders feel that giving patients incentives to join accountable care systems (51%) and providing infrastructure support to spur development of ACOs (50%) will be effective strategies; only one-third of leaders believe requiring patients (34%) or providers (33%) to join or practice in accountable care systems will be effective strategies for fostering more accountability in care delivery.

Leaders feel that development of performance metrics, implementation of provisions to increase transparency and public reporting, and establishment of the Innovation Center within the Centers for Medicare and Medicaid Services should receive high priority.

The U.S. Department of Health and Human Services will need to implement numerous provisions of the Affordable Care Act designed to facilitate delivery system innovation and improvement in the coming years. Health care opinion leaders were asked to rate the importance of these initiatives. More than eight of 10 respondents identify development of performance metrics for accountable care systems (88%), implementation of provisions to increase transparency and public reporting (81%), and establishment of the Innovation Center within the Centers for Medicare and Medicaid Services (80%) as either important or very important priorities (Exhibit 4). Creation of a Patient-Centered Outcomes Research Institute (75%), establishment of eligibility criteria for ACOs (74%), and alignment of health information technology funding and technical assistance to support accountable care systems (72%) are also seen as important priorities by large majorities of respondents.

Exhibit 5. Support for Development of National ACO Accreditation System

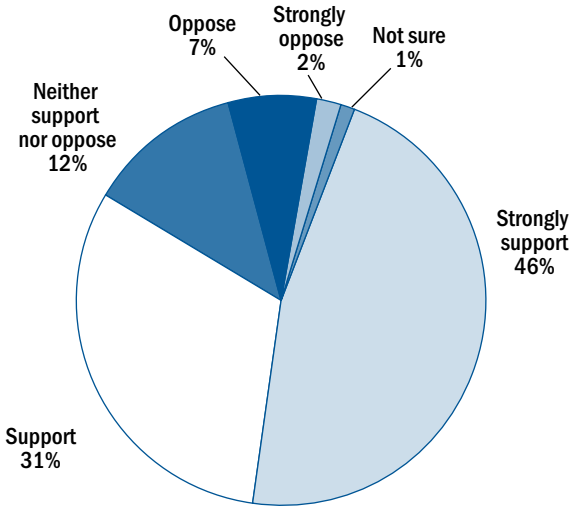
"Some policymakers have advocated for an accreditation process for accountable care systems. Please indicate the degree to which you support or oppose developing a national accreditation system for such organizations."



* Percentages may not be equal to 100 percent because of rounding.
Source: Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey, July 2010.

Exhibit 6. Support for Primary Care Foundation for ACOs

"Some experts have advocated requiring a strong primary care foundation for Accountable Care Organizations (ACOs). Please indicate the degree to which you support or oppose establishing standards for primary care capacity as a condition for qualifying for ACO payment."



* Percentages may not be equal to 100 percent because of rounding.
Source: Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey, July 2010.

Sixty-three percent of survey respondents support development of a national accreditation system for ACOs.

The Affordable Care Act includes requirements for organizations who wish to participate in new ACO pilot programs. But some policymakers have advocated for a more comprehensive and formal accreditation process for ACOs. Formal accreditation could help ensure that organizations receiving accountable care payments possess sufficient infrastructure and have defined processes for delivering high-quality, integrated care. Sixty-three percent of opinion leaders support or strongly support development of a national accreditation system for ACOs (Exhibit 5).

Nearly eight of 10 leaders support or strongly support standards for primary care capacity in ACOs.

Respondents were asked to indicate the degree to which they support or oppose establishing standards for primary care capacity as a condition of qualifying for payment as an ACO. Nearly eight of 10 leaders (77%) support or strongly support such standards (Exhibit 6).

Nearly three-quarters of opinion leaders are concerned about undue market power and dominance among provider groups.

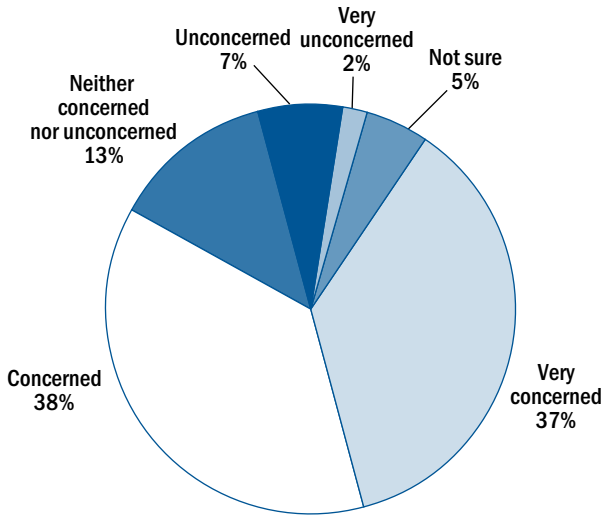
Many of the payment and delivery system reform initiatives contained in the Affordable Care Act are designed to move the U.S. health care system toward population-based, accountable care systems. Leaders were asked about their concerns regarding market power and dominance among provider groups. Nearly three-quarters (74%) of opinion leaders said they are concerned or very concerned (Exhibit 7). Concerns are consistent among leaders across respondent categories, including business, insurance, and other health care industries (Table 6).

A majority of respondents favor public utility regulation of ACO payment rates in areas with insufficient market competition.

Given the significant concern about undue market power under a more consolidated system of care, policymakers and analysts have proposed public utility-type regulation of ACO payment rates in areas with insufficient market competition. Fifty-six percent

Exhibit 7. Concern over Market Power and Dominance

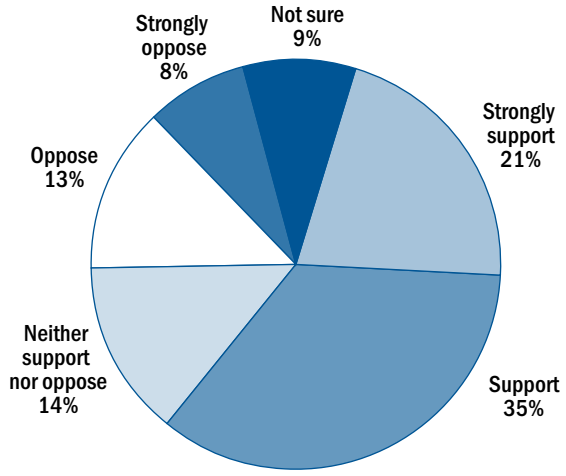
"If, as the Affordable Care Act envisions, the nation moves toward population-based accountable care systems, how much of a concern is market power and dominance?"



* Percentages may not be equal to 100 pecent because of rounding.
Source: Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey, July 2010.

Exhibit 8. Support for Public Utility Regulation of ACO Payment Rates

"To safeguard against undue market power, would you favor or oppose public utility regulation of Accountable Care Organization (ACO) payment rates where there is insufficient market competition?"



* Percentages may not be equal to 100 pecent because of rounding.
Source: Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey, July 2010.

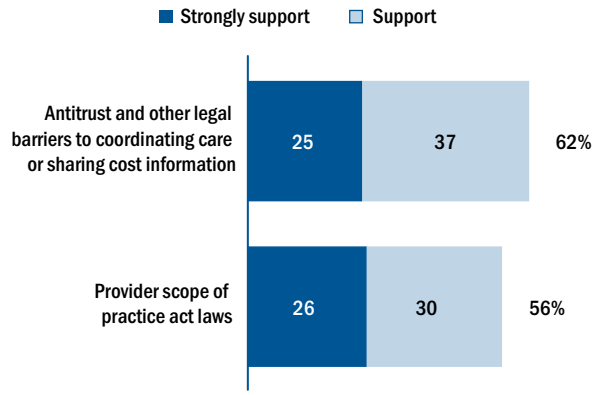
of leaders support or strongly support such regulation, while 21 percent oppose or strongly oppose these measures (Exhibit 8). Support was higher among those in academic and research institutions (66%) and lower among those in business and industry (47%) and health care delivery (48%) (Table 8).

Nearly six of 10 leaders support exempting ACOs from certain requirements in exchange for meeting performance, disclosure, and accreditation standards.

Disclosure requirements and accreditation standards may help ensure concerns about the market power of providers under more consolidated systems of care. Sixty-two percent of survey respondents support or strongly support exempting ACOs from antitrust and other legal barriers to coordinating care and sharing cost information but only if ACOs meet explicit performance, disclosure, and accreditation standards (Exhibit 9). Support for exemptions is particularly high among leaders in health care delivery (80%) (Table 9). Overall, 56 percent of respondents support exempting ACOs from provider scope of practice laws.

Exhibit 9. Support for ACO Exemptions

"Please indicate the degree to which you support or oppose exempting Accountable Care Organizations (ACOs) from the following requirements in exchange for meeting performance, reporting/disclosure, and accreditation standards."



* Percentages may not be equal to the net because of rounding.
Source: Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey, July 2010.

THE PATH TO A HIGH PERFORMANCE HEALTH SYSTEM

Health care opinion leaders overwhelmingly agree that current financial interests and lack of incentives for integration are significant barriers to the growth of more accountable care systems. Large majorities report that providing special payment arrangements and incentives to providers will be effective strategies for fostering more coordination and integration in care delivery. Leaders believe that developing performance metrics, increasing transparency and public reporting, and establishing an Innovation Center within the Centers for Medicare and Medicaid Services should all receive high priority from the Secretary of Health and Human Services in the short term.

Fortunately, many significant provisions designed to foster delivery system improvement through the use of more coordinated and integrated care delivery models are included in the recently enacted Affordable Care Act. The new law provides incentives for providers to organize themselves and share savings under an ACO provider category, utilize the patient-centered medical home model, and receive bundled and global payments for acute and post-acute care. Commonwealth Fund research and analyses have shown that these payment and delivery reform provisions will encourage the delivery of more effective and efficient care, yield greater value for the nation's health spending, and place the U.S. on a path to a high performance health system that works for all Americans.

Notes

[1] K. Davis, *A New Era in American Health Care: Realizing the Potential of Reform* (New York: The Commonwealth Fund, June 2010).

[2] S. Guterman, K. Davis, K. Stremikis, and H. Drake, "Innovation in Medicare and Medicaid Will Be Central to Health Reform's Success," *Health Affairs*, June 2010 29(6):1188–93.

[3] D. McCarthy, K. Mueller, *Organizing for Higher Performance: Case Studies of Organized Delivery Systems* (New York: The Commonwealth Fund, July 2009).

[4] The Commonwealth Fund Commission on a High Performance Health System, *Keeping Both Eyes on the Prize: Expanding Coverage and Changing the Way We Pay for Care Are Essential to Make Health Reform Work for Families and Businesses* (New York: The Commonwealth Fund, Nov. 2009).

[5] A. Shih, K. Davis, S. Schoenbaum, A. Gauthier, R. Nuzum, and D. McCarthy, *Organizing the U.S. Health Care Delivery System for High Performance* (New York: The Commonwealth Fund, Aug. 2008).

[6] K. Davis, S. Guterman, S. R. Collins, K. Stremikis, S. Rustgi, and R. Nuzum, *Starting on the Path to a High Performance Health System: Analysis of Health System Reform Provisions of Reform Bills in the House of Representatives and Senate*, (New York: The Commonwealth Fund, Jan. 2010).

[7] Shih, Davis, Schoenbaum, *Organizing the U.S. Health Care Delivery System,* 2008.

Appendix A. Methodology

This survey was conducted online by Harris Interactive on behalf of The Commonwealth Fund among 225 opinion leaders in health policy and innovators in health care delivery and finance within the United States between June 8, 2010, and July 7, 2010. Harris Interactive sent out individual e-mail invitations to the entire panel containing a password-protected link and a total of five reminder e-mails were sent to those who had not responded. No weighting was applied to these results.

The initial sample for this survey was developed using a two-step process. The Commonwealth Fund and Harris Interactive jointly identified a number of experts across different professional sectors with a range of perspectives based on their affiliations and involvement in various organizations. Harris Interactive then conducted an online survey with these experts asking them to nominate others within and outside their own fields whom they consider to be leaders and innovators in health care. Based on the results of the survey and after careful review by Harris Interactive, The Commonwealth Fund, and a selected group of health care experts, the sample for this poll was created. The final list included 1,246 individuals.

In 2006, The Commonwealth Fund and Harris Interactive joined forces with *Modern Healthcare* to add new members to the panel. The Commonwealth Fund and Harris Interactive were able to gain access to *Modern Healthcare*'s database of readers. The Commonwealth Fund, Harris Interactive, and *Modern Healthcare* identified readers in the database that were considered to be opinion leaders and invited them to participate in the survey. This list included 1,467 people. At the end of 2006, The Commonwealth Fund and Harris Interactive removed those panelists who did not respond to any previous surveys. In 2007 recruitment for the panel continued, with *Modern Healthcare* recruiting individuals through their Daily Dose newsletter. In addition, Harris Interactive continued to recruit leaders by asking current panelists to nominate other leaders. The final panel size for the Delivery System Innovation and Improvement survey included 1,330 leaders. With this survey we are using a new definition of the panel. Two hundred and twenty-five of these panelists completed the survey, for a 17.0% response rate.

With a pure probability sample of 225 adults, one could say with a 95 percent probability that the overall results have a sampling error of +/– 6.53 percentage points. However, that does not take other sources of error into account. This online survey is not based on a probability sample and therefore no theoretical sampling error can be calculated.

The data in this brief are descriptive in nature. It represents the opinions of the health care opinion leaders interviewed and is not projectable to the universe of health care opinion leaders.

About the Authors

Kristof Stremikis, M.P.P., is senior research associate for the president of The Commonwealth Fund. Previously, he was a graduate student researcher in the School of Public Health at the University of California, Berkeley, where he evaluated various state, federal, and global health initiatives while providing economic and statistical support to faculty and postdoctoral fellows. He has also served as consultant in the director's office of the California Department of Healthcare Services, where he worked on recommendations for a pay-for-performance system in the Medi-Cal program. Mr. Stremikis holds three undergraduate degrees in economics, political science, and history from the University of Wisconsin at Madison. In May 2008, he received a Master of Public Policy degree from the Goldman School at the University of California, Berkeley. He can be e-mailed at ks@cmwf.org.

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Anne-Marie J. Audet, M.D., MSc., is a vice president at The Commonwealth Fund and the director of its Program on Health System Improvement and Efficiency. A leader in health care quality improvement for more than 20 years at the national, state, and provider levels, Dr. Audet has conducted policy analysis at the American College of Physicians, led the implementation of the Medicare Health Care Quality Improvement Program in Massachusetts while with the Massachusetts Peer Review Organization, and, more recently, worked with CareGroup, an integrated care system. She also has served as director of the Office for Clinical Effectiveness/Process Improvement at Beth Israel Deaconess Medical Center in Boston, with responsibility for development of quality measurement systems, educational programs, and institution-wide medication safety initiatives. In addition to serving on the Massachusetts Medical Society and Alliance Charitable Foundation board, she is on the Institute of Medicine Subcommittee on Quality Improvement Organizations' Evaluation. Dr. Audet earned an undergraduate degree in cell and molecular biology, a medical degree, and a master's degree in epidemiology from McGill University, as well as an S.M. in health policy and management from Harvard University. She can be e-mailed at ama@cmwf.org.

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