

THE CENTER FOR HEALTH CARE SOLUTIONS AT VIRGINIA MASON

The Marketplace Collaborative Project

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Executive Summary

Collaborative teams of employers, Virginia Mason providers and Aetna executives have lowered the cost of health care by millions of dollars for several of the most expensive medical conditions. Savings were obtained with a model created by the teams that ensured rapid access to reliable evidence-based care and that aligned reimbursement with value.

With this model, care is delivered and reimbursed according to reliable, transparent performance on **five quality indicators** or “product specifications”:

- 1 Same day access
- 2 100% patient satisfaction
- 3 Evidence-based care
- 4 Absence management
- 5 Affordable price for purchaser and provider

At Virginia Mason, the Marketplace Collaborative model is being applied to seven of the top ten most expensive medical conditions. Back pain is among the most costly and illustrates the model.

For patients seen for back pain in the Spine Clinic the Collaborative team reduced wait time from one month to less than one day, achieved a 98% maximum patient satisfaction score, created a method to ensure that only evidence-based imaging is ordered, and returned patients to work without work restriction or time off in 95% of cases.

LOWERED COSTS: According to Aetna claims data the method has lowered the cost of care to employers by 6.5% at a time when the cost at marketplace peer groups has increased 7.8%. Utilization of diagnostic imaging for low back pain has decreased from 32% above to 33% below marketplace average. Total cost of care for employers has decreased from 5% above to 9% below marketplace average over the last three years.

Independent audits from CareConnections show that patients treated with this model use half the physical therapy visits with this approach yet return to work twice as fast and with greater pain reduction and functional improvement as care by marketplace peers.

To provide for financial sustainability for providers as revenues declined, Aetna created a reimbursement model that provides a positive margin to the extent that providers deliver “zero defects” on the five quality indicators and return patients rapidly to usual activity. By aligning reimbursement with value, Aetna has served the interests of all stakeholders.

Teams have achieved similar results for several additional high-cost medical conditions. Broad application of this model would reduce cost of care by hundreds of millions of dollars.

The path to affordability is selecting providers that deliver rapid access to reliable, high quality care—and aligning their payment with the quality, not the quantity of care they provide.

