



Vermont Health Policy Perspectives

October 2004

Vermont Association of Hospitals and Health Systems • 148 Main Street • Montpelier, Vermont 05602 • 802-223-3461

President's Message: Healthcare Reform

Although foreign affairs and terrorism are getting most of the ink in this year's Presidential election, health care remains a top domestic concern. Nationally and state-wide, elected officials and policy makers continue to grapple with health care reform issues. Unfortunately, an election won't fix our healthcare system. Any comprehensive solution will take years of enormous effort, cooperation and leadership on many levels. Recognizing this reality, Vermont's hospital leaders have identified Seven Reform Priorities (see accompanying article) that comprise a comprehensive, but targeted list of needed changes. Hospital leaders haven't stopped there. They have embarked on an ambitious, collaborative work strategy designed to lead change in several key areas. VAHHS' Seven Reform Priorities will serve as an Association guide to help chart the course toward reforming Vermont's health care system.

VAHHS' Seven Reform Priorities were developed with an extensive understanding of existing problems that stand in the way of systemic reform. For example, Vermont's anticipated \$60 million Medicaid deficit in FY 2006 is a gap that will continue to widen despite any short-term fixes. Double-digit premium inflation continues to erode access to health coverage and weakens our economy. Finally, while health quality in Vermont is among the highest in the nation, data overwhelmingly show that systemic infrastructure improvements are in order.

VAHHS' reform priorities were also developed to work with other substantial health reform efforts currently underway in Vermont. These efforts include:

- Health Resource Allocation Plan (HRAP). In June 2003, the legislature enacted Act 53, a law that changed hospital certificate of need (CON) and budget processes and mandated the development of a HRAP. This plan includes a revised state health plan, community needs assessments, comprehensive hospital reports, workforce,

service and information technology surveys and other data. Once complete, the HRAP will hopefully provide a thorough, statewide "view" of all health care services, needs and resources. While Act 53 mandated that CON applications comply with HRAP recommendations, it remains unclear how specifically this plan will guide other state-wide planning and reform efforts, such as the on-going mental health reforms.

- The Vermont Blueprint for Health (Blueprint). This public-private, statewide effort began in October 2003 as an effort to evolve from a fragmented acute-care system to a pro-active one that more efficiently meets the complex, chronic needs of our patients. VAHHS helped spearhead this effort and continues to play a leadership role in it. The Blueprint has begun to make some extremely important infrastructure changes. These changes include enrolling and supporting physician leaders in their efforts to re-design their practices and training patients in self-management techniques based on the chronic care model created by Dr. Ed Wagner. The Blueprint effort is the first of its kind in the nation and is an excellent example of aligned, coordinated change. (See *Perspectives* article April, 2004 on alignment)

- Coalition 21. Almost 40 groups and select individuals form the newest of Vermont's reform efforts, spanning the full range on our political continuum. While this group is currently developing principles and a more refined scope of work, the dialogue to date has been both enlightening and educational. Hopefully, Coalition 21 will create a broader shared understanding that will lead to enhanced trust and collaboration. A strong foundation of trust and collaboration is an essential

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DRIVING CHANGE FROM WITHIN: VAHHS' SEVEN REFORM PRIORITIES

The health care industry changes constantly. New federal and state legislation, regulations, technology innovations, quality improvements and market changes occur daily. This dynamic evolution must be factored into any broad-based reform strategy. In addition, any reform efforts designed to reduce costs, improve quality and provide all Vermonters with access to meaningful health coverage must *align and coordinate* changes at all levels, including but not limited to: organizational alignment, physician leadership, federal participation and public education. These changes will take months and years. It is no small undertaking - certainly not one that any single group can manage.

One reform strategy that *could* work is if each group takes responsibility for driving aligned and coordinated change in the areas they manage. That's VAHHS' strategy. Not only have our hospital leaders developed priorities for reform, but we've begun implementing strategies to drive change from within the hospital sector that will align with other state-wide efforts. Our priorities and strategies don't include easy answers and short-term fixes. None exist. In tandem with Vermont's other reform efforts (see President's message), our priorities seek to create systemic improvements and address the underlying reasons for today's health care crisis.

In October 2003, VAHHS Chair Tom Huebner appointed a CEO-led committee to recommend an Association reform agenda. Within nine months, the VAHHS board unanimously adopted seven reform priorities:

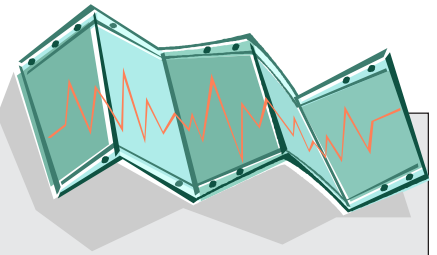
- (1) Quality Improvement and Patient Safety
- (2) Development of a Health Information Technology (HIT) Infrastructure
- (3) Health Care Finance and Insurance Reform (this includes six sub-components)
- (4) Peer Review and Credentialing
- (5) Regulatory Reform
- (6) Improvement in End of Life & Palliative Care
- (7) Workforce Development

Hospital-led efforts are underway in most of these efforts. This article will describe our efforts on the top two priorities. Upcoming Perspectives articles will focus on our remaining priorities.

Quality Improvement and Patient Safety

Our vision is to have Vermont hospitals provide the safest patient care in the country. Our strategy is a first-in-the-nation concept.

IHI's IMPACT Project. Vermont's hospitals have collectively joined the Institute for Healthcare Improvement (IHI) IMPACT Network as a group, an effort that will cost approximately \$1.2 million annually. IHI is an internation-



IMPACT: IMPROVING QUALITY THROUGH COLLABORATION

With IHI, VAHHS has created three membership levels for Vermont's acute care hospitals: full, action team and active learner.

Active Learners

- Brattleboro Memorial Hospital
- Copley Hospital
- Gifford Medical Center
- Grace Cottage Hospital

Action Teams

- Porter Medical Center

Full Members

- Central Vermont Medical Center
- Fletcher Allen Health Care
- Mt. Ascutney Hospital
- North Country Hospital
- Northeastern Vermont Regional Hospital
- Northwestern Medical Center
- Rutland Regional Medical Center
- Southwestern Vermont Health Care
- Springfield Hospital

Ten of Vermont's hospitals have created clinical action teams to work directly with IHI to improve care in one of the following areas:

- Reducing surgical site infections
- Reducing high-hazard drug events (narcotics and anti-coagulants)
- Improving flow through the acute care setting
- Improving access and efficiency in primary care
- Spreading improvements in patient care
- Chronic care improvement





ally renowned not-for-profit organization. They are widely recognized as a leader in the quest to achieve breakthrough (not incremental) change in healthcare. (Learn more about IHI at: <http://www.ihl.org>). IMPACT is IHI’s membership network of optimistic and enterprising organizations committed to building a better future for health care. The education, best-practice sharing, coaching and networking involved in the IMPACT curriculum will coordinate hospital efforts to make breakthroughs in quality improvement and patient safety.

IHI will provide these action teams with the best information available about known methods to improve these areas and will help them innovate where known methods are not fully understood. These Vermont teams will meet with colleagues from across the country three times a year to share and build on improvements. Team members will also share results, problem-solve and benefit from web-based education on IHI’s IMPACT extranet.

Nine hospitals have joined IHI IMPACT at the full membership level. This includes forming a clinical action team (see sidebar) and a hospital leadership team. (One hospital has joined at the action team level, which only entails creating a clinical action team). These leadership teams will focus on ways to drive breakthrough changes at the organizational level. Hospital leadership teams will attend two IHI-led sessions with leaders from around the country this year and benefit from an IHI extranet geared toward hospital leaders.

Four hospitals have joined at the Active Learner level. These hospitals have chosen an IMPACT topic, but have not formed an action team. They will have access to IHI’s extranet and will participate in the local Sharing Summits co-staffed by VAHHS and IHI. These sharing summits will take place quarterly and will bring together teams from all of Vermont’s hospitals to share ongoing projects. The purpose of these sessions is to spread improvement and innovation to the greatest extent possible.

Alignment with other Statewide Initiatives. VAHHS has assembled an advisory group of state-wide leaders for the IMPACT initiatives. A critical purpose of this group is to help maintain alignment with other state initiatives. Invitees include physicians, quality improvement professionals, health plans, the Division of Healthcare Administration, and others.

Development of an HIT Infrastructure

Information technologies are tools to help improve our healthcare system. Vermont’s hospitals aim to create a regional strategy (that includes Dartmouth Hitchcock Medical Center) for information management that will help: providers receive timely and accurate patient information, improve patient safety and quality, and reduce waste and inefficiencies. Our long-term vision is to improve the quality and reduce the costs of health care for patients through health care data interconnectivity and standardization.

Creating a state and region-wide strategy to improve the management of electronic health information is an exciting work in progress, recognizing that a comprehensive strategy will take the better part of a decade to implement. Health care has under-invested in technology for decades, leaving the industry far behind other sectors in IT improvements. Slim hospital margins have provided limited funding for technology solutions - solutions that cost millions for the hardware, software, training and on-going support.

Developing an “IT” strategy is far more complex than finding money to buy new gadgets and tools. Even when appropriately purchased and installed, technology tools often dramatically alter work environments and in many cases change clinical practice and processes. Physicians and nurses have to understand and see the benefit of the technology change or they won’t use it. In short, the investment *has* to improve patient care and improve overall system efficiency. To date, those improvements have been hard to realize.

Fortunately, investing in healthcare’s IT infrastructure has recently become a top federal priority. Dr. David Brailer now heads the Office of Health Information Technology within the US Dept. of Health and Human Services. This office is crafting a federal strategy to promote the widespread adoption of interoperable electronic health records by 2015.

In addition, Vermont’s anticipated Health Resource Allocation Plan (HRAP) includes an IT survey – jointly constructed and disseminated with VAHHS. This survey will establish the baseline information needed to design

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local and regional solutions. In addition, the final HRAP recommendations will hopefully help clarify future direction for IT priorities and investment.

VAHHS' IT Summit. To help move this issue forward, VAHHS is planning an "IT Summit" on November 18th that is free and open to the public. (Go to www.vahhs.org to register!) Speakers will include representatives from Dr. Brailer's office in addition to a nationally renowned speaker involved with creating successful HIT strategies.

Creating sustainable solutions that address our system's fundamental problems will take some time, but our efforts in combination with others aim to grapple with the underlying reasons for rising costs, increasing medical errors and eroding access. There is no one magical solution, but hospitals are committed to driving change from within their organizations to help build an affordable system that cares for all our patients.

Reform *(continued from page 1)*

ingredient toward developing successful strategies for change.

All of these efforts will help shape the political environment for this upcoming legislative session. While legislators must focus on the pressing issues of mental health reform and Medicaid deficits, I hope they will also take the time to learn about and appreciate the health reform efforts already underway.

Future IHI Sharing Summits

Register at www.vahhs.org/ecalendar.htm

November 9th: Fireside Inn, W. Lebanon, NH

February 17th: Fireside Inn, W. Lebanon, NH

June 13th: Capitol Plaza, Montpelier, VT

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