

Building Safety into Systems of Care Health Plan Perspective

Health Care Law Section Annual Meeting

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Tom Simmer, M.D.
Chief Medical Officer, BCBSM
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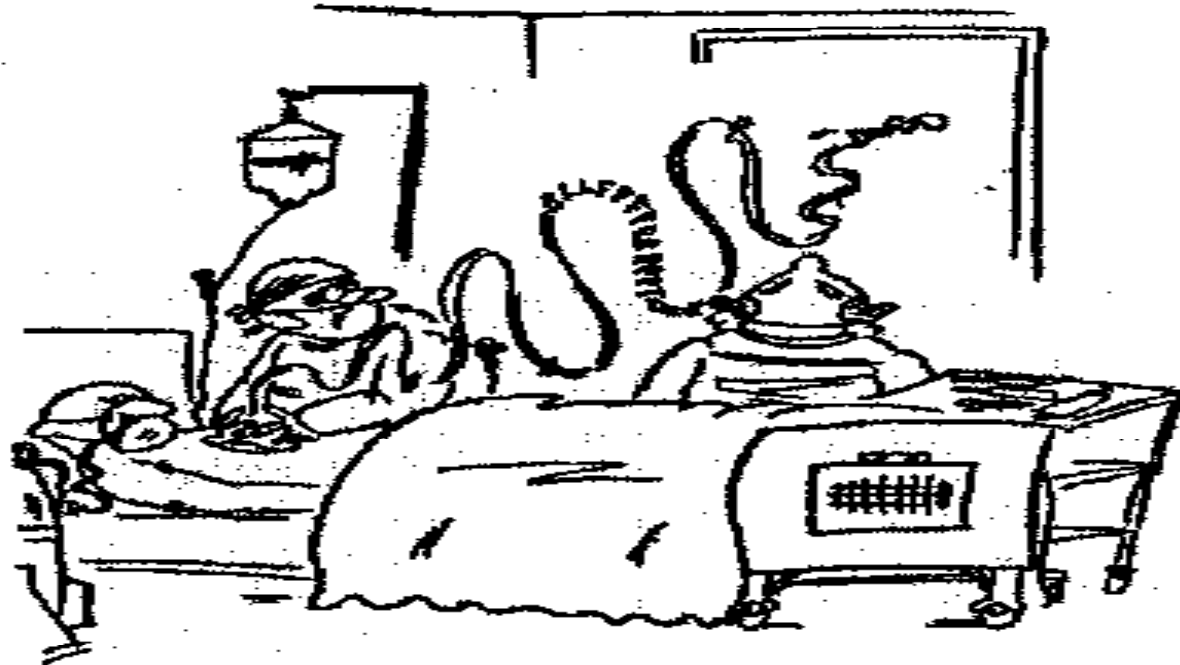


Preventable Errors vs. Preventable Complications

- Do we focus on the process or holding people responsible?



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Balloon angioplasty screw-ups

Goal: Reduce Preventable Complications

- Focus on errors does not prompt improvement in services that reduce the rate of preventable complications.
- Errors are much more common than complications. Most errors go unnoticed.
- Complications are often associated with numerous errors happening together.



Health Plan Perspective

Employ payment practices to motivate process improvement in healthcare delivery that reduces rates of preventable complications.

For Hospitals, the DRG system---which pays a case rate to hospitals---already denies higher payment for 80 percent of the cost of preventable complications.



P4P

- **Pay for Participation:** Cover the cost of collecting clinical and process information needed for process improvement.
- **Pay for Performance:** Reward organizations that lower the rate of complications.
- Generally performance improvement works best through collaborative quality improvement initiatives.



Summary

- Preventable complications are generally the result of a process failure, rather than an irresponsible action by a person.
- Use process improvement to reduce complication rates.
- Health plans should reward providers who perform process improvement and achieve low complication rates.

