

# Competing on Quality: 6 Barriers to a Healthy Health Care Market

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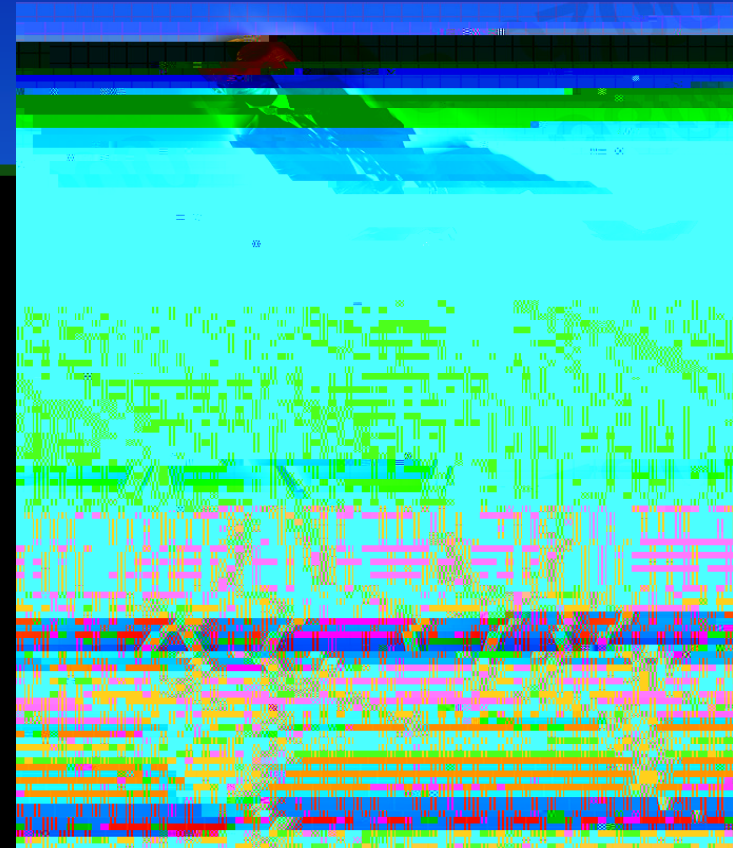
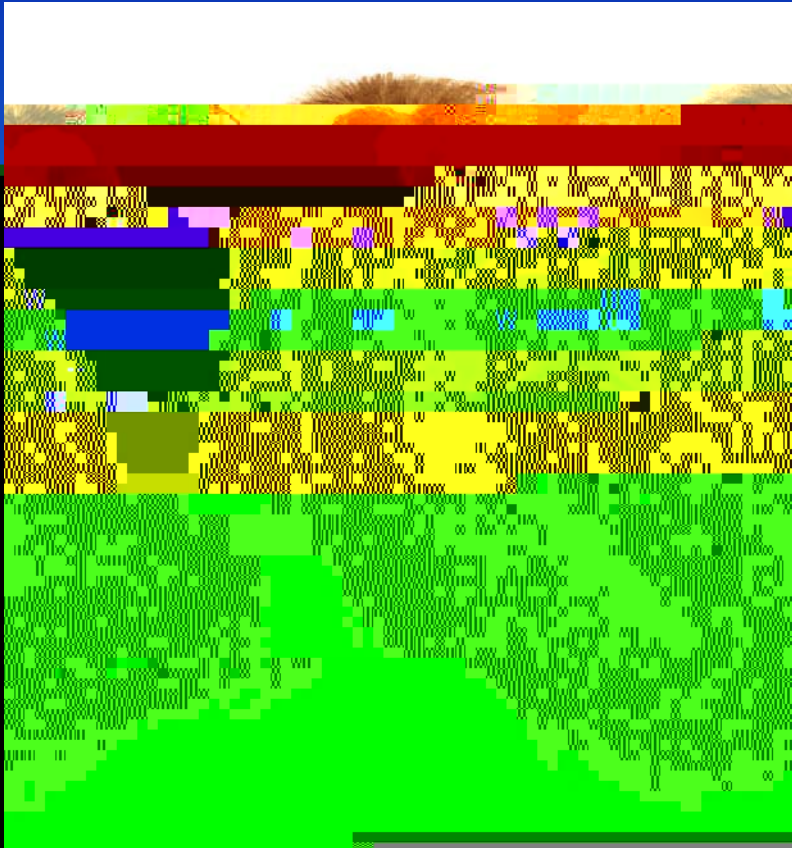
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FTC Roundtable on Competitive Significance  
of Healthcare Provider Quality Information



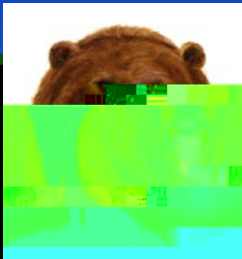
# Competition as a Path to Quality Can Be a Bumpy Road



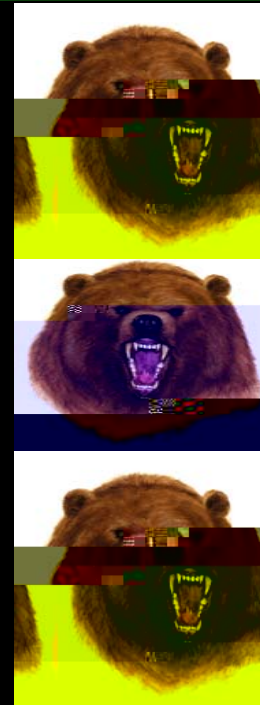


# The Bad News: It's More Difficult in Health Care

› Other Industries



› Health Care





# Competition on Quality: Three Paths, Similar (Not Identical) Hurdles

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## Three Paths:

- › **Consumers** choose higher-quality providers, who then get more market share and potentially higher rewards
- › **Payers** choose higher-quality providers, who then get more market share and potentially higher rewards
- › **Providers** compete among themselves for intrinsic reasons, or because of publicity

## Hurdles:

- › Six Hurdles on Each Path, but Play out differently for each





## Hurdle #2: Measures

- › **Issue:** For informed choice, need valid, uniform measures that are relevant and credible to the consumer, payer, and provider
- › **Barriers:** too many measures, and too few measures. Most are process or diagnosis-specific; different players value different measures
- › **Progress:** NQF focus, increased adoption by Medicare, Medicaid, states, private payers
- › **Example:** More than 50 Quality Indicators from AHRQ accepted by NQF, in widespread use by states, CMS





# Hurdle #3: Data

## The challenge

- › Measures without data are useless to the market
- › Need market-level data **BUT** also need national benchmarks. Why compete on mediocrity?
- › Measures and data can improve with use – “good” measures and data can get better (though not perfect)
  - **BUT** – Even good measures with bad data can create mischief
- › Data must be good AND cheap
- › There is no gold standard
  - Clinical, administrative, patient experience of care data all have strengths, weaknesses
  - EHR no data panacea



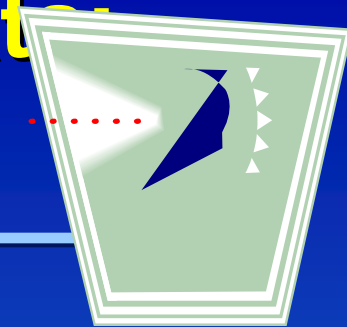


# Hurdle #3: Data (cont')

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# Administrative/Hybrid Data The Future



- › Improve **timeliness**
- › Provide on-line all-payer **market-level data** on cost, quality, efficiency, price.
- › Add clinical detail, data links for **accuracy, credibility**
- › Expand **outpatient** reach (e.g. physician, episode)
- › Pilot **cross-site** data, new data **links**
- › New **tools** for expanded data
- › Additional **states**, as feasible
- › Develop, validate, maintain, deploy **measures in priority areas**
- › **Expand data elements** to align with levers of change
- › **Tools for change**



# Good Data Not Enough: Need Customer-Friendly Tools





# Hurdle #4: Understanding

- › The bad news: Most quality reports are not very good
  - Don't present information simply, effectively, in ways the reader understands and cares about
- › The good news: A growing evidence base on this
  - Tested models in AHRQ's CAHPS, Quality Indicator reports
  - NQF Guidance for web-based comparative quality available soon
- › Links and aids:
  - [www.talkingquality.gov](http://www.talkingquality.gov)



# Hurdle # 5: Effective ChoiceHurdle

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# Hurdle #6: Other Market Realities

## Barriers:

- › Multiple markets – e.g. hospitals vs. physicians
- › Multiple Product Lines – Quality Scores Don't Generalize
- › Market segmentation by payer source

## Facilitating Progress

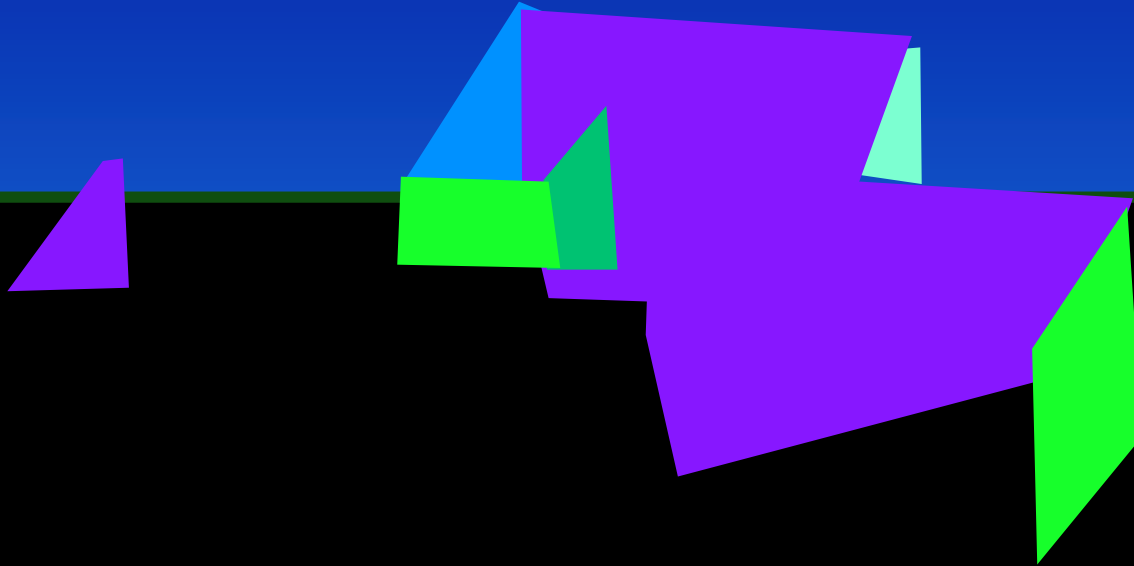
- › Episode measures
- › Cross-cutting measures
- › Payer Cooperation on measures

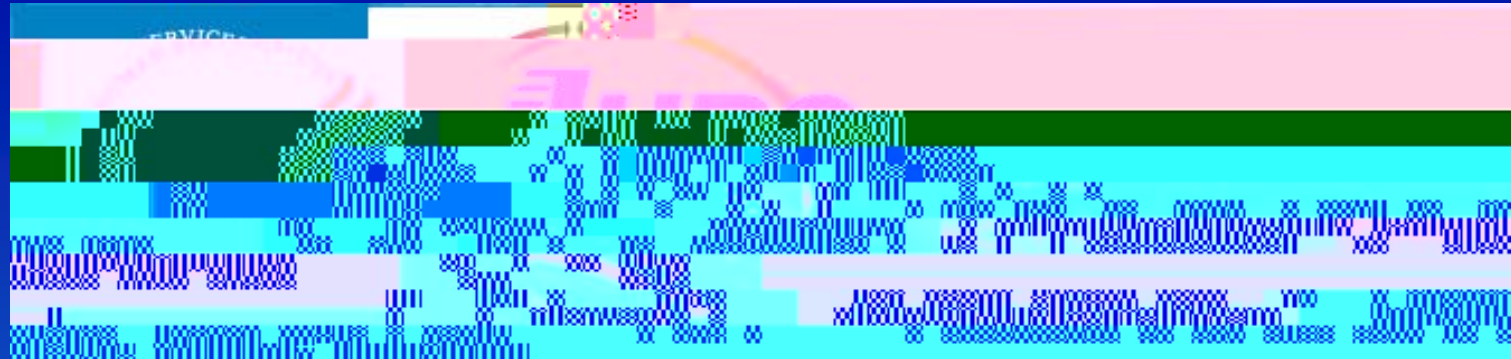




# The Challenge: Addressing Multiple Barriers at the Same Time

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***Home Page***  
**<http://www.AHRQ.gov>**

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