

Improving Quality Outcomes by Sharing Risks

Hospitals are turning to risk-sharing programs as a creative solution.

BY ROGER OWENS AND MIKE QUINN

The health care delivery and reimbursement model is in a state of transformation. Under the Affordable Care Act (ACA), health care systems are transitioning from a volume-based environment to a value-based environment. This change has birthed different quality measure programs in which hospitals are being evaluated to the new standards. As hospitals adapt to these new programs, so too should industry evaluate ways they can support hospitals in their efforts.

Two programs established by the ACA that most health care professionals are familiar with are the Centers for Medicare and Medicaid Services' Hospital Readmissions Reduction program and the Hospital Value-Based Purchasing program. Both programs establish core measures by which hospitals are evaluated for quality and outcomes of care and then are penalized or rewarded accordingly. As a result, hospitals are increasingly incentivized to identify ways to reduce avoidable readmissions and to measure quality of care. More important are the questions of how and with whom can hospitals align efforts so that they are positioned to stay ahead of this era of transformation. For industry, the question becomes how we can strengthen our relationship with hospitals to evolve from a historical product and price paradigm to one more akin to a partnership toward improving quality, efficiency, and outcomes. One strategy in which industry can make an impact is through shared risk contracting.

With this in mind, Abbott Vascular has entered into agreements with nearly 100 hospital partners in the United States for our outcome-based, risk-sharing program for coronary and peripheral vascular patients. Abbott Vascular's risk-sharing program focuses on aligning quality initiatives between hospitals, integrated delivery networks, group purchasing organizations, and industry. Specifically, we are targeting avoidable readmission reductions of coronary and peripheral

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vascular patients by offering products with positive clinical outcomes and sharing the economic burden of the procedure if the case leads to related readmissions. Implementing this program relies on hospital partners to track and share their readmission rates on cases using Abbott Vascular products, and although this may be a departure from the traditional approach to industry/provider relationships, most hospitals already have the information technology platform to capture readmission rates and the resources to mine the necessary data for risk sharing. Moreover, the process of tracking the requisite readmission data also enables our hospital partners to gain greater insights into areas for quality improvement.

There is an increasing demand for hospitals to reduce avoidable readmissions; sharing the risk of penalties with an industry partner is just one way to stay ahead of the transition into the value and outcome-based era. Abbott Vascular is prepared to share the economic burden that our hospital partners may bear in their effort toward quality improvement, and we welcome other potential partners to join this transition by engaging with us in risk sharing. ■

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