UNH Institute To Pilot Health Care Reform In N.H.

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DURHAM, N.H. – Just beyond the one-year anniversary of the nation’s landmark health care law, a health policy group at the University of New Hampshire will pilot a health care payment model that could serve as an example for health care reform nationwide.

NH Citizens Health Initiative, a collaborative project administered and staffed by the New Hampshire Institute for Health Policy and Practice (NHIHPP) at UNH, received a grant from the Robert Wood Johnson Foundation to assist in implementing the NH Accountable Care Organization Pilot, a five-year project at five sites throughout the state. Health care delivery systems involved in the project are the Central New Hampshire Health Partnership in Plymouth, Exeter Health Resources, Southern New Hampshire Health System in Nashua, Cheshire Medical Center/Dartmouth Hitchcock Medical Center Keene, and a North Country consortium of Cottage Hospital, Littleton Hospital, and Ammonoosuc Community Health Services.

Accountable care organizations, or ACOs, are systems of health care providers – hospitals, primary care doctors, specialists, and others – that assume accountability for both the costs and the quality outcomes for a defined population, says Ned Helms, director of NHIHPP, staff director for the Citizens Health Initiative, and co-principal investigator on the grant.

"We must assure that the significant amount of money we spend on health care is spent in a way that produces high value, best practices, and consistent quality outcomes,” Helms says. Noting that New Hampshire has some of the highest health premium costs in the nation, he adds, "Our system for financing and delivering health and health care is seriously flawed. It is tremendously important and encouraging that these five systems have decided to work together to make a concerted collaborative effort to reform and improve the system."

In an ACO, providers lead the reform effort. The current structure and payment system of health care delivery rewards volume – more services -- and divides accountability across a range of organizations like hospitals, primary care doctors, testing centers, or insurers. Accountable care is an emerging method that aims to unify goals and budgets across these organizations in a way that rewards health outcomes.

Although claims for care are paid essentially the same way, each ACO will work to develop an annual budget for care. "If they come in at or under that budget and also assure high quality care, the system and the people who receive care from that system all share in the cost savings and quality gains,” Helms says.

This model incentivizes enhanced coordination of care, eliminating duplicate tests, for instance, or better managing a patient’s transition from hospital to home care or specialist to primary care physician. "All of these hand-offs are where you can have issues that arise,” Helms says.

He adds that because providers will not be focused only on fee-for-service or production goals, they will be rewarded and encouraged to share more information with their patients about their options for care and maintaining and improving their own health.

For example, a primary care physician office can work with patients to explore care that is both high quality and cost effective by choosing the right setting for care. Similarly a patient with back pain will be encouraged to discuss with his or her care giver the full range of treatments, from physical therapy to surgery, helping the patient understand the costs and outcomes of each. "This is the kind of care and consultation physicians and other providers truly want to provide but our current fee-for-service environment has not really paid for anything except a procedure-driven system,” Helms says.

Funding from the Robert Wood Johnson Foundation, which totals $250,000, will help support the provision of reliable and actionable data that will enable reporting and measuring outcomes across all five systems. "This
information, provided in a way that is independent and reliable, will help the systems develop their global ‘budgets’ for care and will help them track over time how they’re doing,” Helms says. “In order for this to work, the systems really need good information about all their patients that they can access and trust.” He adds that electronic medical records, in place and expanding in these five systems, are essential to making this payment model work.

With its broad, statewide scope and intention to work across systems and share their experiences and findings, the ACO pilot helps New Hampshire make a unique contribution to implementing and understanding this type of health care payment reform. Helms and others involved in the project anticipate that other states’ eyes will be on the Granite State effort, just as New Hampshire will be looking at other regional and national efforts as they move through the five-year pilot.

In addition to this funding from the Robert Wood Johnson Foundation, the Citizens Health Initiative, which established the pilot, has been supported since its work began in 2005 by public and private resources at both the state and national level, including the New Hampshire Department of Insurance, Department of Health and Human Services, the N.H. Endowment for Health, the N.H. Charitable Foundation, hnnFoundation, Harvard Pilgrim Health Care, the Local Government Center Trust, Wellpoint Foundation, Mary Hitchcock Memorial Hospital, and UNH. In-kind support for this project is being provided by Anthem Blue Cross Blue Shield of N.H., CIGNA HealthCare, Harvard Pilgrim Health Care, MVP Health Care, the five delivery systems, UNH, the N.H. Medical Society, the N.H. Hospital Association, the N.H. Department of Health and Human Services, and the N.H. Department of Insurance.

The University of New Hampshire, founded in 1866, is a world-class public research university with the feel of a New England liberal arts college. A land, sea, and space-grant university, UNH is the state’s flagship public institution, enrolling 12,200 undergraduate and 2,300 graduate students.

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