



Vermont Health Policy Perspectives

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

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The Vermont Association of Hospitals and Health Systems is pleased to present the inaugural issue of *Vermont Health Policy Perspectives*. With this publication, VAHHS continues its ongoing work to provide accessible, accurate information to people engaged in public conversations about the future of our health care system. Whether you are a member of the public, an elected official, a member of the press, or a health care professional, we hope that this new policy newsletter will be useful to you. ❖

PRESIDENT'S MESSAGE

A VERMONT BLUEPRINT FOR CHRONIC CARE

Whether in Montpelier or Washington D.C., the focus for health care improvement has long been limited to the financial dis-ease of the system. For years, I've joined federal and state policymakers in our collective obsession with the infinite complexities of Medicaid and Medicare. While I still admit to a continued obsession with those issues and others, I have found a ray of hope. Here in Vermont, a state with a solid tradition of providing its residents with low cost, high quality care, I find myself in the midst of forward-thinking professionals forging ahead of our national colleagues to improve our health care delivery system. The starting place for this reform is not at a calculator, tinkering with one prospective payment system or another. The starting place is where it should be: at the bedside with our patients.

A broad collaboration of health care providers, state policy makers, public and private insurers has come together to devise and implement changes to our health care delivery system based on "the chronic care model." Because it focuses on the patient, it is a system that makes good sense.

Just consider a few of these facts:

- The oldest baby boomers are now close to 60 years old, demanding access to more services than any previous generation. Over the next 30 years, Medicare beneficiaries will more than double from 39 million to 77 million.
- In the next three decades, nearly 100,000

Vermonters will reach the age of 65. By 2030, there will be twice as many Vermonters over 65 as there were in 2000.

- 84% of people over the age of 65 have one or more chronic conditions such as diabetes or cardiovascular disease.
- Care for people with chronic conditions now accounts for 78% of all health care spending and 76% of all hospital admissions.

Twenty years ago, we had the resources to care for people "on demand," without thinking strategically about whether or not we were expending resources in the smartest and most effective way. Those days are gone. We will always need a health system that cares for the most acutely ill, but now we also need this system to care more efficiently for those with chronic or lifetime conditions and to help patients make the most of preventive care services. With a future that's defined by limited financial resources, scarce health professionals, and an exploding patient population, we must fundamentally rethink how we deliver – and ultimately pay for – health care.

The chronic care model is essentially a guide that will promote change across different aspects of our health system resulting in high quality chronic disease care. The chronic care model will ultimately improve

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care to ALL patients however, because providers will have new tools and resources to care proactively for their patients - especially those with ongoing, complex needs. The model details the changes needed in many areas: the community, the health system, the patient's home, within clinical information systems, and even in professional working relationships. Recommended changes may include, for example, better access to community-based preventive care services in order to improve the overall health of our residents, or the use of methods to make the patient an active participant in his or her own care.

In Vermont, the chronic care model has already taken hold. We're in our second year of helping physician practices implement the chronic care model thanks to an ongoing project known as the Diabetes Collaborative, managed by the Vermont Program for Quality in Health Care (VPQHC). VPQHC also served as an important catalyst in the Douglas Administration's ground-breaking announcement of "The Vermont Blueprint" (a state-sponsored effort to accelerate system change based on the chronic care model) because they convened a regional conference on the chronic care model last May. Members of the Administration, Vermont's health plans, VAHHS, VPQHC, and other Vermont stakeholders attended and then continued to meet in an effort to build on the ideas that were generated at the conference. The meetings helped form the underpinnings of the Blueprint.

So what will the "Blueprint" do? For starters, this draft plan will build on the current collaboration we now enjoy. Action committees are now forming that will progressively involve more providers, policymakers, and other stakeholders. Each committee will oversee a specific area of focus, such as clinical information systems, and will develop specific strategies to promote positive change in its assigned area. In addition, a steering committee will refine an overall work plan that will include a statewide public conference designed to educate stakeholders and engage them in a process for change. The Blueprint's first efforts will focus on revamping systems for diabetes care. The plan is soon expected to broaden its focus to other chronic conditions such as cardiac disease, depression, and asthma. The Administration plans to earmark \$250,000 as seed money for this effort in this year's budget.

Sound incremental? It is. We must start now to keep our aging population of patients as healthy as possible. If we don't, even the best tinkering with payment formulas will only serve to rearrange the deck chairs on the Titanic. Preventing complications such as

For more information on the Chronic Care Model and other health care delivery-based reforms, VAHHS recommends the following websites:

<http://www.improvingchroniccare.org>

<http://www.betterdiabetescare.org>

<http://www.vpqhc.org>

<http://www.bridgestoexcellence.org>

blindness or kidney failure for even 10% of Vermont's current 35,000 diabetics will dramatically improve patient care while saving our system millions of dollars. Building a system from this proactive, population-based approach for all diseases will help to reform our system from the inside out. As a Registered Nurse and former Washington lobbyist, I can tell you that this inspiring effort has arrived in the nick of time.



*BEST WISHES FOR THE NEW YEAR
~ THE STAFF OF VAHHS*



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LEGISLATIVE PREVIEW

With passage of Act 53 during its 2003 session, the Vermont General Assembly set in motion a series of activities that could involve every citizen of the State of Vermont in assessing the health care needs of our communities, learning about how our existing health care system is performing in the areas of quality and patient safety, and creating a financially sustainable system that is accessible to all Vermonters.

Throughout 2004 and into 2005, every Vermont community will assess its own health care needs and publish its findings, hospitals will begin reporting to their communities about how well they are meeting those needs and, using the information from these steps, the Vermont Department of Banking, Insurance, Securities and Health Care Administration (BISHCA) will prepare and issue a Health Resource Allocation Plan that will guide future decisions about health care infrastructure.

Meanwhile, several important health care issues will receive attention during the 2004 session that will begin on January 6th, though it is too early to say whether these discussions will result in passage of specific legislation.

- Problems at the Vermont State Hospital in Waterbury have stimulated legislative interest in taking a

look at our entire inpatient mental health system.

- Rapidly increasing health insurance premiums likely will cause consideration of proposals to change the rules in the health insurance marketplace in order to encourage more competition.

- Some modest changes in Vermont's medical malpractice rules have been put forward by the Vermont Medical Society and supported by VAHHS and likely will receive consideration by the Senate Judiciary Committee.

- Issues related to end of life care have stimulated much public discussion recently and may receive some legislative attention.

- On a related front, legislative oversight of Vermont's ongoing shift away from nursing home care and toward home based community care for frail elders will continue.

- Licensing of respiratory therapists will be considered by the House Government Operations Committee.

These issues, along with the ever present question of how to adequately fund Vermont's Medicaid program so that access to quality care continues to be available to all Vermonters, will make for a lively and interesting legislative session in 2004.

PEER REVIEW IN VERMONT: MEETING THE CHALLENGE IN A SMALL STATE

Jill M. Olson, Vice President of Continuing Care and Quality

A Collaboration

Vermont's hospitals have joined with the Vermont Program for Quality in Health Care (VPQHC) to solve an important problem that many hospitals share: identifying physicians to conduct "peer review." Peer review is a process in which physician reviewers evaluate the work of other physicians by directly reviewing patient charts. It is a critical process in helping to ensure the quality of the care provided by physicians. Ideally, such reviews are done routinely and proactively for all physicians, allowing them to identify opportunities for improvement. Peer reviews may also be done retroactively when a particular incident requires investigation.

Physician leaders in Vermont hospitals have found that they are frequently challenged to find appropriate peers to review the quality of the services provided by local medical staff members. Many hospitals have physicians on their active staff for whom there is no peer, or for whom the only available peers have a conflict of interest such as being in practice together.

While there are external organizations available to conduct peer reviews in these cases, they are often prohibitively expensive.

In an effort to make appropriate peers more widely available to Vermont hospital peer review committees, Vermont's hospitals and the Vermont Program for Quality in Health Care are developing a statewide peer review pool from which they may all draw physicians to conduct or assist in peer review. All acute care hospitals and the Brattleboro Retreat have signed a memorandum of understanding pledging their participation. The pool will be available for use early in 2004.

How will it work?

Members of the physician pool will be nominated annually by the president of the medical staff of each hospital, including the Brattleboro Retreat, in consultation with the chair of the committee that oversees peer review or other appropriate medical staff. The physician pool list will be housed on the members-only section of the VAHHS website and maintained by VAHHS with annual updates. Each member of the

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physician peer review pool will be:

- an active member of the medical staff of a participating hospital
- board certified in the specialty for which the physician will be a reviewer

Hospitals will contact physicians from the pool directly and negotiate individual contracts with each reviewer. A contract template will be available on the VAHHS website.

VPQHC Oversight

VPQHC will hold an annual meeting of physician pool participants. The annual meeting will provide a description of the program, discuss the legal underpinnings of peer review in Vermont, and will educate participants in how to conduct and document peer reviews. VPQHC will track the utilization of the statewide physician pool, document trends, and assess the satisfaction of the participating physicians and hospitals. VPQHC will not collect identifiable patient data, nor will it collect the identity of the physicians under review.

Protecting Peer Review Confidentiality

For peer review to be effective, confidentiality must be strictly observed. As a matter of course, hospital peer review processes enforce absolute

confidentiality. For the purposes of this collaboration, Vermont state law mandates that peer review committee confidentiality be protected in two ways. First, VPQHC will conduct its work – establishing a statewide physician pool, maintaining a data base to track and trend utilization and quality issues, and convening annual meetings of physician pool participants – under the statutory authority that it has been granted by the state as a peer review committee organization. Second, all contracts between hospitals and individual physician pool participants shall be structured so that the physician pool participant shall receive and report information to the appropriate hospital peer review committee, thereby invoking that hospital's peer review committee protection.

Conclusion

An effective peer review process will play a vital role in the ability of Vermont hospitals to continue to deliver high quality health care to our patients. Although our rural setting creates challenges to peer review processes, those challenges are not insurmountable. By working collaboratively, Vermont hospitals and the Vermont Program for Quality in Health Care intend to build a peer review system that will serve our state well and that can be replicated to benefit residents of rural areas across the country.