

Toward National Healthcare Performance Standards

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The healthcare system in the United States is the most expensive in the world, with by far the highest total expenditure on health both on a per capita basis and as a percentage of the gross domestic product.¹ And yet, according to the World Health Organization, the United States recently ranked 37th in overall health system performance.² Moreover, studies have indicated that Americans receive only about half of recommended healthcare services.³

Efforts are under way now in many arenas to understand and address these discrepancies between cost and performance. Among the most promising and most intriguing are national-level initiatives addressing performance measures; that is, indicators that healthcare organizations can use to determine and demonstrate effectiveness at achieving results in virtually any aspect of healthcare delivery, from medical procedures and outcomes to administrative functions.

A high-profile, congressionally mandated report issued by the Institute of Medicine (IOM) last year described the nation's lack of a "coherent, goal-oriented, consistent and efficient system for assessing and reporting on the performance of the healthcare system" as a major obstacle to rapid progress in healthcare quality improvements.⁴ The IOM has called for a National Quality Coordinating Board, under the US Department of Health and Human Services, to develop standardized health performance measures and track overall progress.

Another group, the Ambulatory Care Quality Alliance (AQA), a joint effort of the American Academy of Family Physicians, the American College of Physicians, America's Health Insurance Plans, and the Agency for Healthcare Research and Quality, is working to support the IOM's goal by directly and functionally advancing quality through performance measurement. The AQA's Data Sharing and Aggregation Workgroup, for example, recently recommended that "a public/private entity have the primary responsibility of setting uniform operating rules and standards for the sharing and aggregation of quality and efficiency data used in both the public and private sectors, for the purposes of performance measurement and reporting."⁵

The IOM and AQA offer excellent and timely initiatives that are worthy of strong support and rapid advancement. We are fortunate in that many performance measures await evaluation for national use. HealthPartners, for example, was among many organizations cited by the IOM report for pioneering composite performance measures with the potential to serve as national models—in this case, for diabetes treatment, coronary artery disease, and preventive care.^{6,7}

To date, most performance measures have been developed internally by individual organizations, such that on a national level they often are redundant or are not comparable in some way to like measures used by others.⁸ Without a nationally organized research and development capability, these innovations cannot be harvested systematically to advance the field. Persistent use of homegrown measures in preference to standardized approaches slows and even halts the kinds of systemwide changes needed to manage costs and improve results for patients.

National performance standards hold vast potential for addressing these issues while transforming the overall approaches to healthcare improvement. Implemented properly, they will permit decision makers within the system to base clinical or operational improvements on proved methods with demonstrated results rather than well-intentioned but less effective measures of quality. Using national performance standards will permit comparisons and benchmarking across organizations, drawing attention to groups performing well and identifying sources of ideas and precedents for quality improvements. Useful and meaningful data will be available nationally. Consumers and payers will be able to make transparent and relevant comparisons when they are weighing choices among hospitals, providers, and procedures to select and fund.

National standardized measures will provide a solid foundation to base financial incentives for medical providers to improve—to the consumers' and the

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nation's benefit. As the IOM report recommends, Congress should authorize the modest \$100 million to \$200 million in annual funding to create the National Quality Coordinating Board. For less than one tenth of 1% of what the nation spends on Medicare (\$278 billion in 2003, according to the Centers for Medicare & Medicaid Services),⁹ we can take this significant and necessary first step to realizing the full potential of national health-care performance standards. All involved within the healthcare system—from providers to payers to politicians—should welcome the chance to participate in the formation and evolution of this system.

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