



D A T A B R I E F

**HEALTH CARE OPINION LEADERS' VIEWS ON
HEALTH CARE DELIVERY SYSTEM REFORM**

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ABSTRACT: The 14th Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey asked a diverse group of experts for their perspective on health care delivery system reform. Survey participants call for fundamental change in the way the U.S. delivery system is organized, with nine of 10 favoring such reform. Favored policy strategies for reform include strengthening the primary care system, encouraging care coordination, and promoting care management of high-cost patients with complex conditions. Opinion leaders also cite payment reform as an important strategy to enhance primary care physicians' ability to provide coordinated, high-quality care, as well as to help prevent costly hospitalizations.

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The U.S. health care industry is characterized by fragmentation. Such fragmentation has many consequences: frustrating and dangerous patient experiences, waste and duplication, poor overall quality of care, and the use of high-cost, intense medical interventions rather than preventive medicine and chronic illness management. Improving health insurance coverage has been the focus of the 2008 presidential campaign, but equal attention must be paid to reorganizing the health care delivery system to ensure accessible, coordinated, high-value care.

To determine the best strategies for moving the health care delivery system toward high performance, the latest Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey asked leaders in health care and health policy about health care delivery system reform in the U.S. Survey respondents voiced a resounding call for fundamental change to the organization of health care delivery. Nine of 10 opinion leaders think strengthening the primary care system and encouraging care coordination are important policy strategies to improve health system performance. They also overwhelmingly agree (79%) that payment reform—moving away from fee-for-service payment—is particularly important in facilitating delivery system reform.

These views on health care delivery system reform are in line with the recommendations of the Commonwealth Fund Commission on a High Performance Health System, which has a mission to promote greater access, quality, and efficiency across the U.S. health care system. In a report entitled *An Ambitious Agenda for the Next President*, the Commission recommended simultaneously embracing five key strategies for change: ensuring affordable coverage for all, aligning incentives and effective cost control, providing accountable and coordinated care, aiming higher for quality and efficiency, and creating accountable leadership on the national level and public-private collaboration.¹

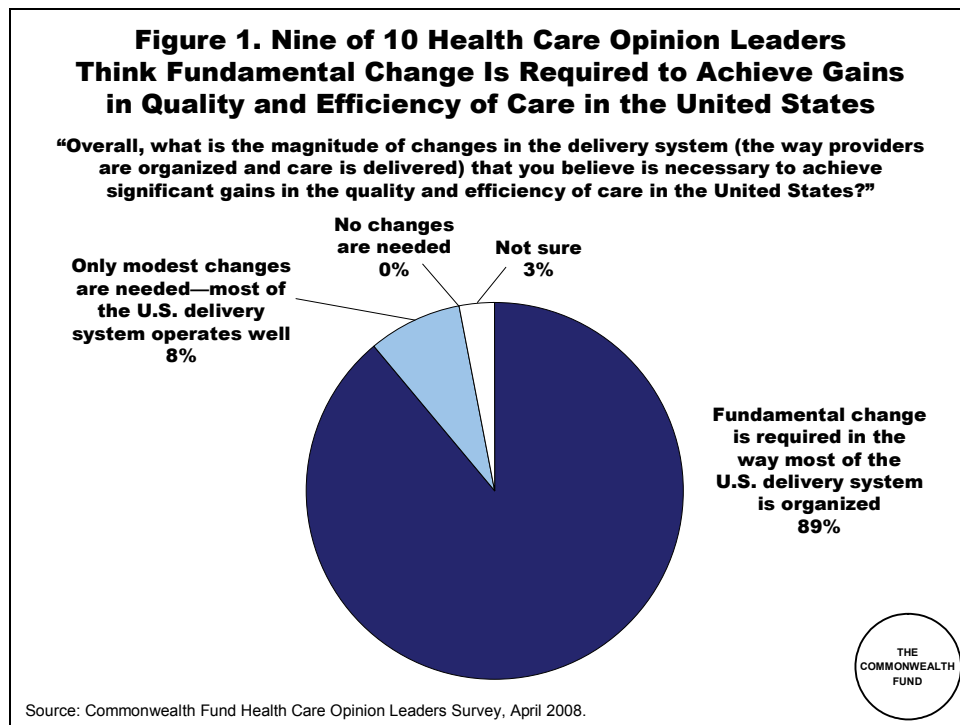
The Health Care Opinion Leaders Survey

The Commonwealth Fund and *Modern Healthcare* recently commissioned Harris Interactive to solicit the perspectives of a diverse group of health care experts on issues related to health care delivery system reform. The 211 individuals who took part in the survey—the 14th in a continuing series of surveys assessing the views of experts on key health policy issues—represent the fields of academia and research; health care delivery; business, insurance, and other health industries; and government, labor, and advocacy groups (see the full methodology in [Appendix A](#)).

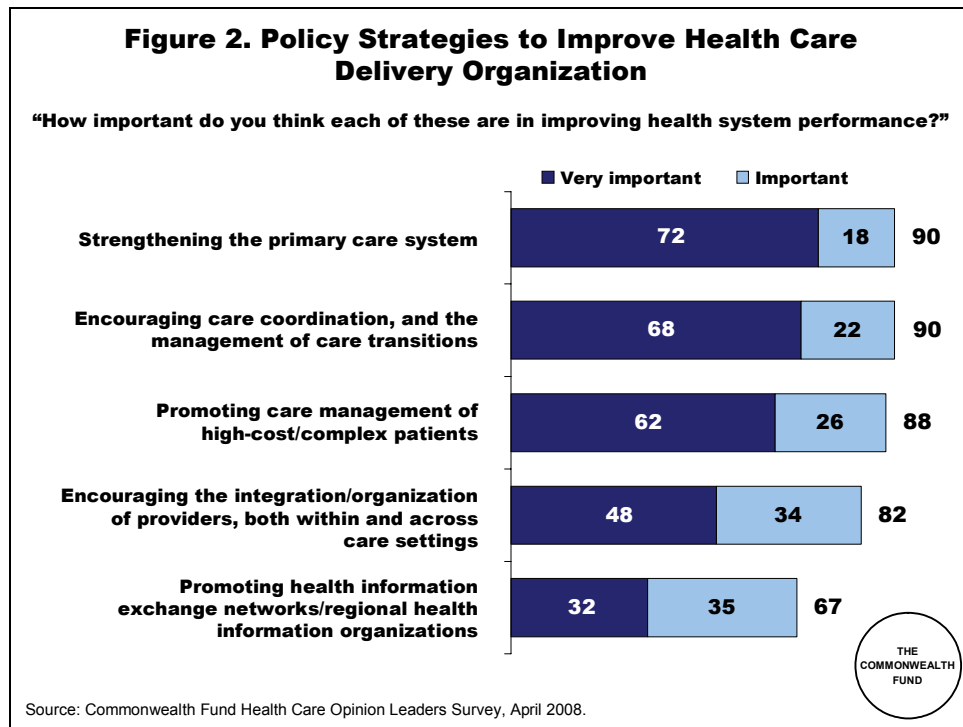
The survey questions were developed to solicit health care opinion leaders' thoughts on three aspects of the health care delivery system: organized delivery systems, patient-centered medical homes, and retail clinics. For the purposes of the survey, an organized delivery system is defined as one that provides enhanced access to care and care coordination, participates in health information exchange, and has hospitals, physician practices, and other providers working together to improve quality and efficiency. A patient-centered medical home is defined as a patient-centered primary care practice designed to offer accessible, continuous, and coordinated care. Optimally, patient-centered medical homes use multi-disciplinary teams and health information technology, and actively engage patients in care management and shared decision-making. Retail clinics, alternatively, are health clinics located within larger retail stores and are open at convenient hours, including evenings and weekends, and offer basic medical services, such as diagnosis and treatment for conditions like strep throat and urinary tract infections, as well as preventive services like routine physicals and vaccinations.

Support for Fundamental Change to the Organization of Health Care Delivery System

Nine of 10 health care opinion leaders think the organization of the health care delivery system requires fundamental change to achieve significant gains in the quality and efficiency of care in the United States (Figure 1 and [Table 1](#)). No opinion leaders would leave the health care delivery system as is.



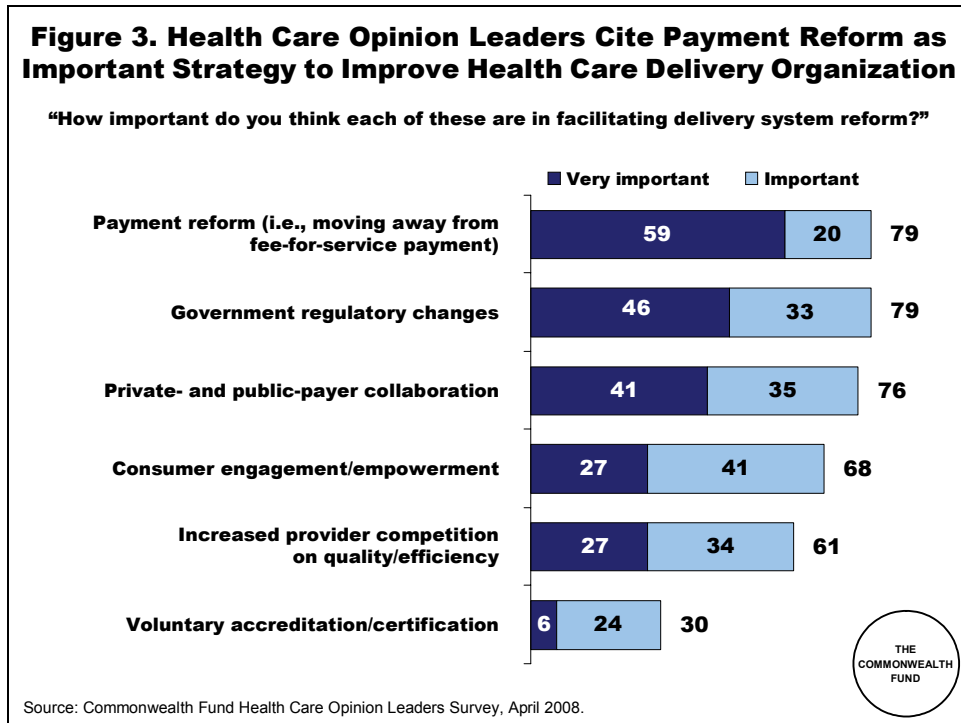
Respondents named strengthening the primary care system (90%), encouraging care coordination (90%) and promoting care management of high-cost patients with complex conditions (88%) as important policy strategies in improving health care delivery (Figure 2). Support for these strategies was strong across sectors. For business leaders, encouraging care coordination (90%) and promoting care management of complex patients (90%) were important policy approaches. Health care delivery leaders said strengthening primary care (94%) and encouraging care coordination (94%) were important ([Table 2](#)).



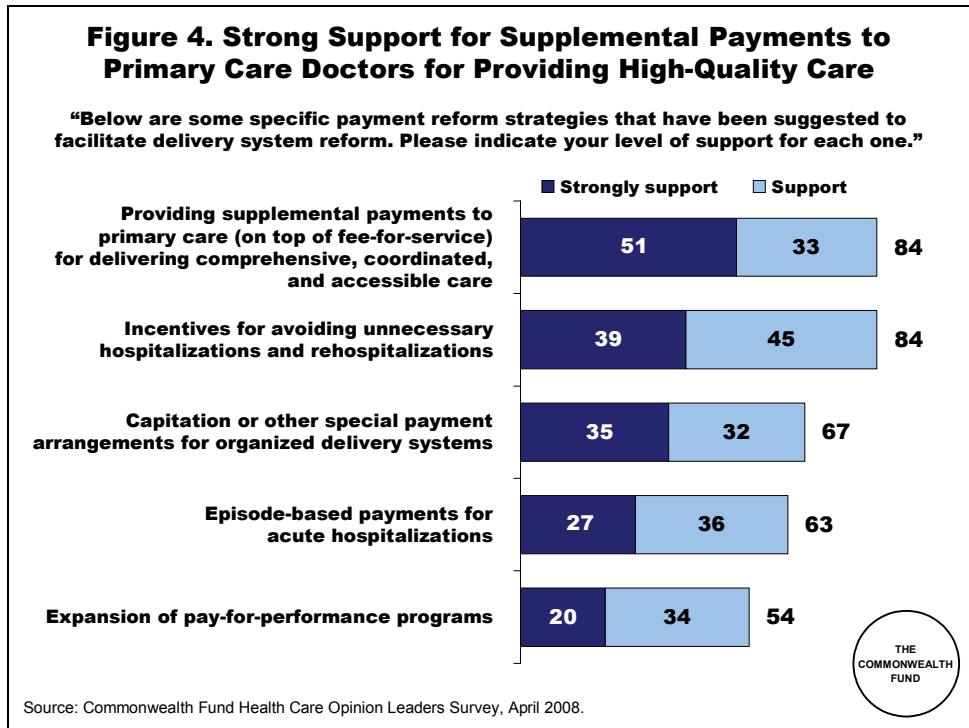
Payment Reform Integral to Improve Delivery Organization

The current payment system in the U.S. reimburses individual services—hospital stays, physician visits, and procedures—rather than paying for the most appropriate care over an episode of illness or a year-long period. This system—known as fee-for-service—creates incentives to provide more and more services, even when there may be better, lower-cost ways to treat a condition. For example, chronic care management systems, in which nurses check patients’ symptoms and adherence with recommended treatments, can be more cost effective than emergency room visits or care provided in a doctor’s office. But most insurance plans do not cover these services, leaving providers to cover the costs themselves.

Recognizing the flaws of the current payment structure, a strong majority (79%) of health care opinion leaders say payment reform that moves away from fee-for-service is important to health care delivery reform (Figure 3). More than four of five business leaders (82%) and academic leaders (81%) called for payment reform, compared with 66 percent of health care delivery leaders. (Table 3). Health care delivery leaders support government regulatory changes (75%) and private and public payer collaboration (75%) as policy mechanisms to bring about for delivery system reform.



More than four of five health care opinion leaders call for providing supplemental payments to fee-for-service to primary care physicians for delivering comprehensive, coordinated, and accessible care (Figure 4). Respondents also support payment incentives for avoiding unnecessary hospitalizations and rehospitalizations (84%), including 90 percent of business leaders and 79 percent of health care delivery leaders (Table 4). Fewer respondents, but still a majority, supported episode-based payments for acute hospitalizations (63%) and the expansion of pay-for-performance programs (54%) as strategies to facilitate health delivery system reform.

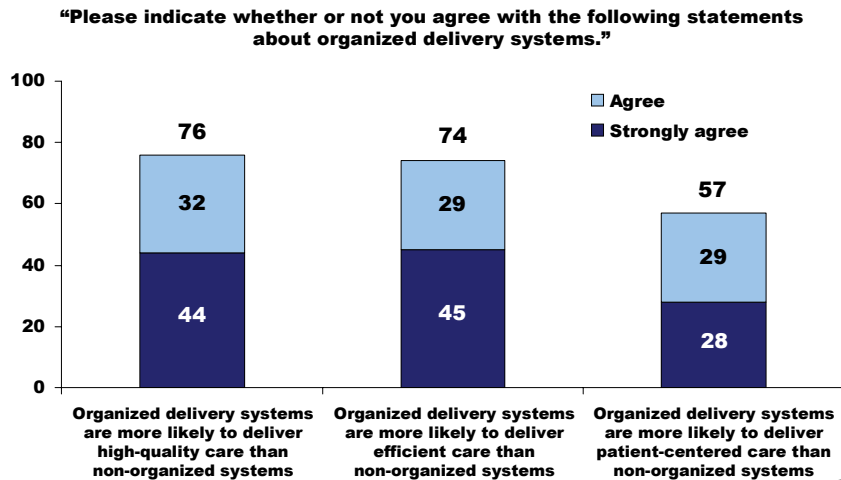


Organized Care Systems Have Many Advantages

Organized delivery systems have many advantages including easy access to care, well-coordinated and managed care, and physicians and other clinical staff members who work together to improve quality and efficiency. Case studies of integrated care delivery systems, such as the one prepared about Denver Health by The Commonwealth Fund, have shown that an integrated system can become a high-performing, organized delivery system by providing coordinated care to the community, promoting a culture of continuous quality improvement, adopting new technology and incorporating it into everyday practice, taking risks and making mid-course corrections, and providing leadership and support—and accepting accountability—at the top levels and throughout the organization.²

The Commonwealth Fund’s Commission on a High Performance Health System has called for reforms to reduce the fragmentation of care by linking physicians and hospitals into coherent organizations that are accountable for the care provided to patients and families. Improved organization can provide more coordinated care, better chronic disease management, and care that is accessible to patients when needed.³ Health care opinion leaders agree that organized delivery systems are more likely to provide high-quality care (76%), efficient care (74%), and patient-centered care (57%) than non-organized delivery systems (Figure 5).

Figure 5. Three-Quarters of Health Care Opinion Leaders Think Organized Delivery Systems Are More Likely to Deliver High-Quality and Efficient Care

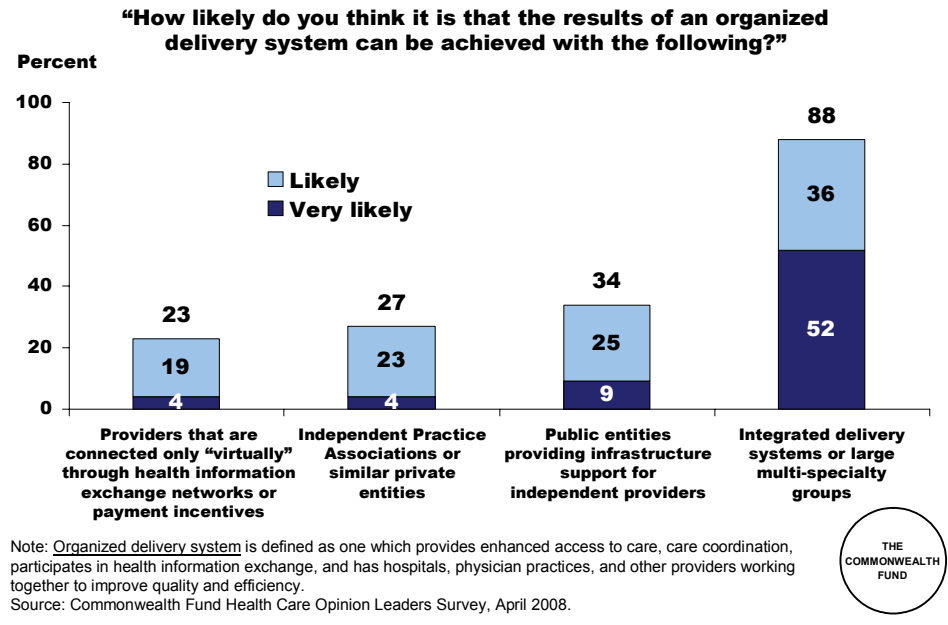


Note: Organized delivery system is defined as one which provides enhanced access to care, care coordination, participates in health information exchange, and has hospitals, physician practices, and other providers working together to improve quality and efficiency.
 Source: Commonwealth Fund Health Care Opinion Leaders Survey, April 2008.



Health care opinion leaders were asked about ways to achieve organized delivery systems. A strong majority (88%) of leaders said that integrated delivery systems (like, for instance, Kaiser Permanente) or large multi-specialty group practices were likely to achieve the results of an organized delivery system (Figure 6). Only one-quarter of respondents thought independent practice associations; private entities that provide infrastructure support like information technology, quality improvement, and care coordination networks for independent providers; or providers connected “virtually” through health information exchanges were likely to achieve similar results. Academic, health care delivery, and business leaders alike agree that integrated delivery systems or large multi-specialty groups are very likely to achieve the high-quality results of an organized delivery system ([Table 6](#)).

Figure 6. Integrated Delivery Systems and Multi-Specialty Group Practices Very Likely to Achieve Organized Delivery Systems

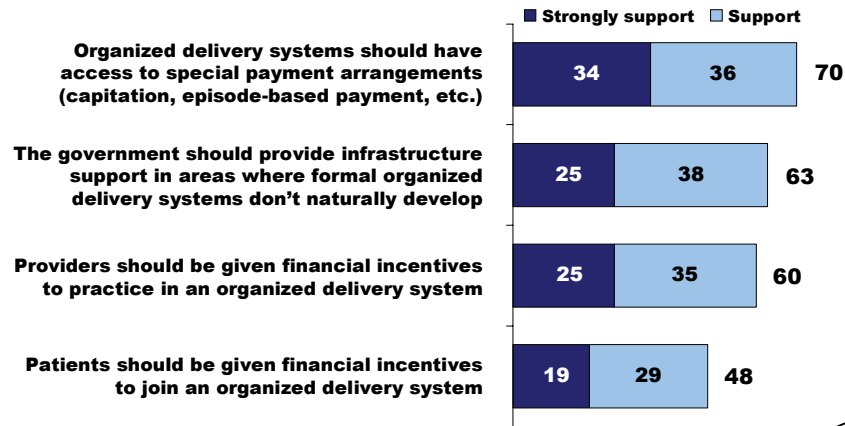


Call for Government to Provide Infrastructure Support

To motivate providers to participate in organized delivery systems, seven of 10 respondents support special payment arrangements, such as capitation and episode-based payment (Figure 7). However, less than half (48%) of leaders support the provision of financial incentives to patients to join organized delivery systems. Health care opinion leaders also call for government-provided infrastructure support for organized delivery systems in areas where they do not naturally develop, such as places with a history of small independent physician practices. Two-thirds of health care delivery leaders and 53 percent of business leaders support this kind of intervention (Table 7).

Figure 7. Strong Support for Special Payment Arrangements to Organized Delivery Systems

“Below are some interventions to stimulate greater participation in organized delivery systems (including informal, or “virtual” systems). Please indicate your level of support for each.”



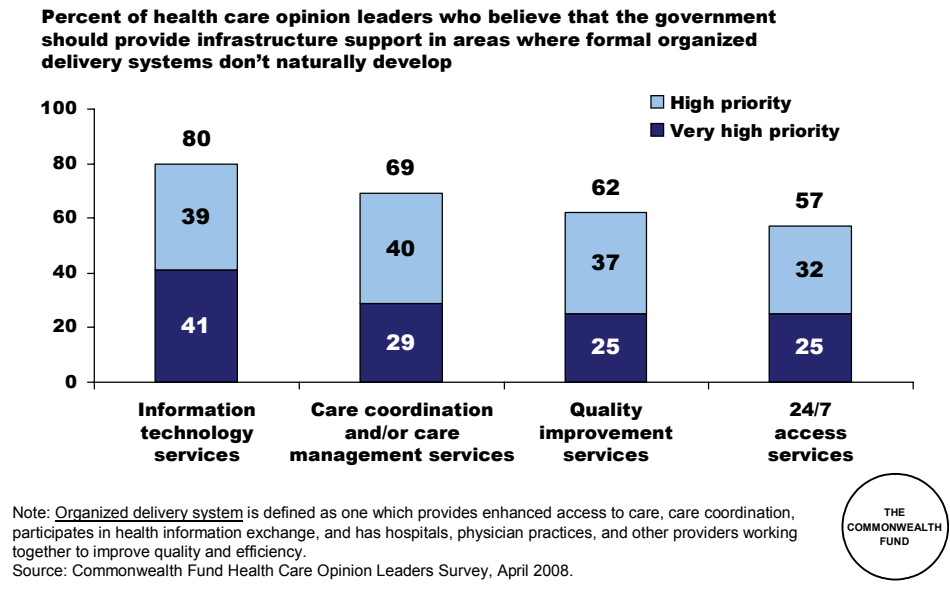
Note: Organized delivery system is defined as one which provides enhanced access to care, care coordination, participates in health information exchange, and has hospitals, physician practices, and other providers working together to improve quality and efficiency.

Source: Commonwealth Fund Health Care Opinion Leaders Survey, April 2008.



Of the 63 percent of respondents who support government-provided infrastructure support, four of five feel information technology services are the top priority (Figure 8). Business leaders strongly back government provision of information technology infrastructure, with 86 percent citing it as a priority for the federal government (Table 8). Care coordination and care management services, quality improvement services and off-hours access services were named as other government-provided infrastructure priorities.

Figure 8. Health Care Opinion Leaders Who Support Government Funding of Infrastructure Say Information Technology Services Should Be a High Priority to Develop Organized Delivery Systems



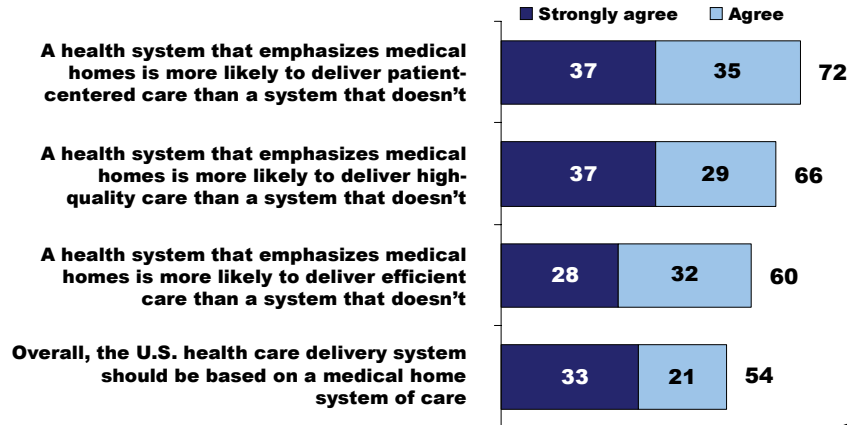
Medical Homes Provide Patient-Centered, High-Quality, and Efficient Care

Medical homes—patient-centered, primary care practices that offer accessible, coordinated, and continuous care—have the potential to change U.S. care delivery in a fundamental way. A recent Commonwealth Fund study found that only 27 percent of adults ages 18 to 64 reported having four indicators of a patient-centered medical home: a regular doctor or source of care; no difficulty contacting their provider by telephone; no difficulty getting care or medical advice on weekends or evenings; and doctors’ visits that are well organized and running on time.⁴ Adults with medical homes are better prepared to manage their chronic conditions—and have better health outcomes—than those who lack medical homes.⁵

Just over half of health care opinion leaders (54%) agree that, overall, the U.S. health care delivery system should be based on a medical home system of care (Figure 9). More health care delivery leaders agreed with this than academic leaders (68% vs. 49%) (Table 9). More than seven of 10 (72%) leaders believe a health system that emphasizes medical homes is more likely to deliver patient-centered care. There is also agreement that a system focused on medical homes is more likely to deliver high quality (67%) and efficient (60%) care. Business leaders agree that medical homes have many benefits for reforming the health care delivery system—almost three-quarters agree that a medical home-focused system would provide more patient-centered care and higher-quality care than a system that did not focus on medical homes (Table 9).

Figure 9. Seven of 10 Health Care Opinion Leaders Agree That Medical Homes Are More Likely to Deliver Patient-Centered Care

“Please indicate whether or not you agree with the following statements about medical homes?”



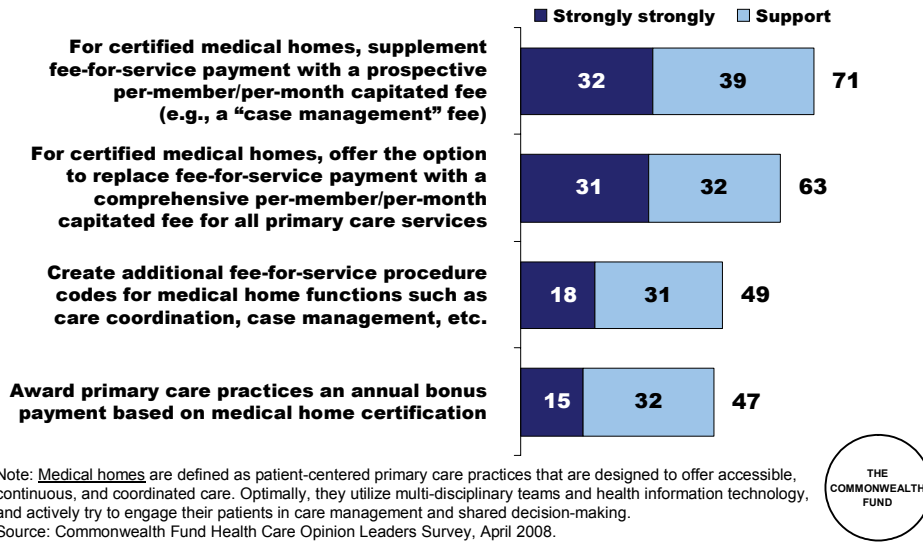
Note: Medical homes are defined as patient-centered primary care practices that are designed to offer accessible, continuous, and coordinated care. Optimally, they utilize multi-disciplinary teams and health information technology, and actively try to engage their patients in care management and shared decision-making.
Source: Commonwealth Fund Health Care Opinion Leaders Survey, April 2008.



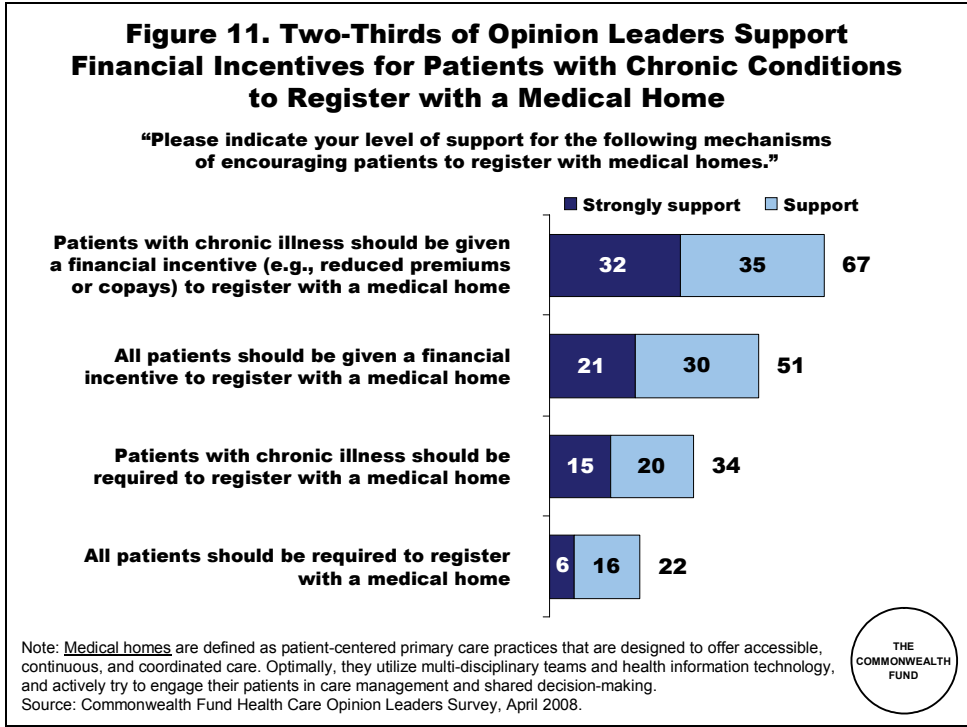
The current payment system does not reimburse many functions provided by a medical home model of care. Several payment models have been proposed to support medical homes, including supplemental fee-for-service payments, replacing fee-for-service payments with a comprehensive capitated fee per-member/per-month for all primary care, and creating additional fee-for-service procedure codes for medical home functions such as care coordination. Overall, 71 percent of leaders expressed support for a supplemental fee-for-service payment and 63 percent supported the option of prospective per-member/per-month capitated fee for certified medical homes (Figure 10). Fewer health care opinion leaders support awarding primary care practices an annual bonus based on medical home certification (47%) or creating new procedural codes (49%). A majority of business leaders strongly supported supplemental payments for certified medical homes ([Table 10](#)).

Figure 10. Opinion Leaders Support Supplemental Payments for Certified Medical Homes

“Many functions of the medical home model of care are not currently reimbursed under the current payment system. Several payment models have been proposed to support the medical home. Please indicate your level of support for each one.”

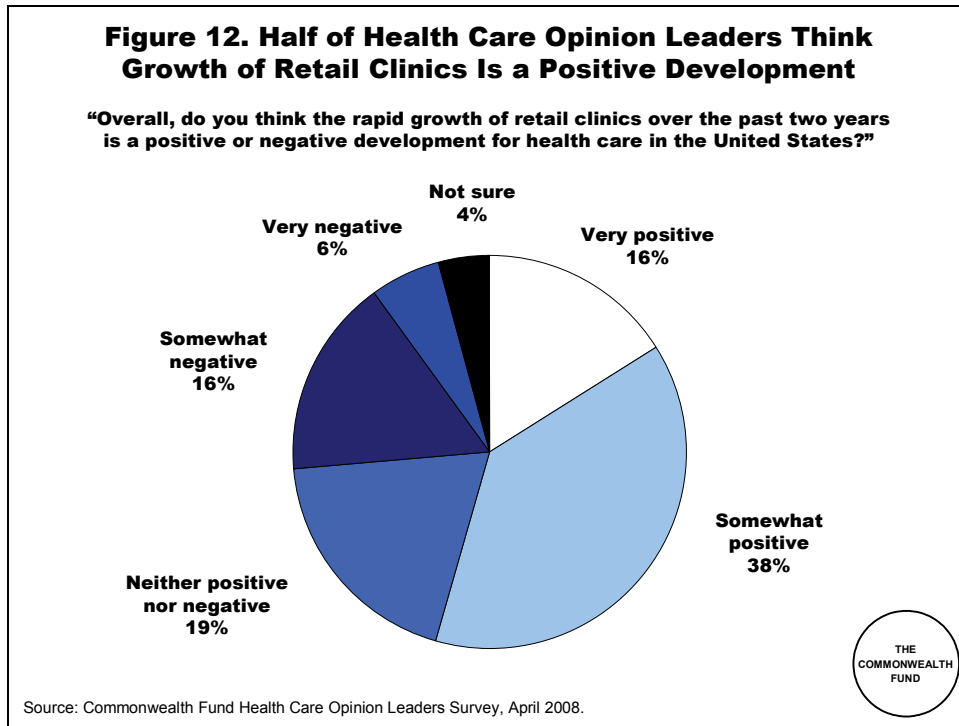


Health care opinion leaders were surveyed about measures to encourage patients to seek out medical homes. Two-thirds of respondents support financial incentives for patients with chronic illness to register with medical homes (Figure 11). Half of opinion leaders (51%) support providing financial incentives to all patients to encourage them to register with medical homes. There is little support for requirements for all patients (22%) or patients with chronic illnesses (34%) to register with medical homes. More health care delivery leaders support requiring chronically ill patients to register than do academic leaders (49% vs. 30%) (Table 11). In addition, 31 percent of business leaders support mandating all patients register with medical homes.



Retail Clinics Provide Convenient, Low Cost Care

Retail clinics—medical clinics located within larger retail stores that are open at convenient hours—are meeting patients’ needs for accessible, low-cost care. Retail clinics have spread rapidly across the U.S. in the past two years and offer basic medical services and preventive care, outside the typical doctor’s office hours of 9 a.m. to 5 p.m. About 22 percent of patients who visit retail clinics are uninsured, according to a recent Wall Street Journal poll.⁶ Given their growth and popularity, health care opinion leaders were asked their thoughts about the place of retail clinics in health care delivery reform. Just over half (54%) of leaders say the growth of retail clinics over the past two years is a positive development (Figure 12). More academic leaders (57%) and business leaders (65%) say it is a positive development than do health care delivery leaders (36%) (Table 12).

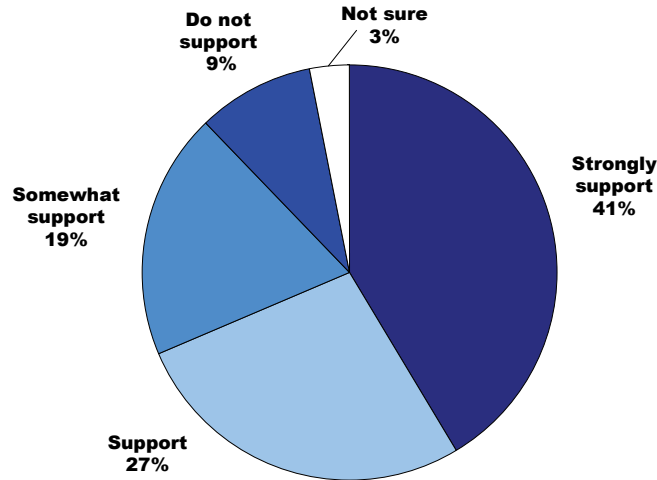


Despite the proliferation and convenience of retail clinics, physicians are raising concerns about quality of care. Some industry experts say the clinics’ services must be broader to have an impact on reducing overall health care costs. A number of states have passed legislation to specify the role of nurse practitioners in patient care at retail clinics and to regulate the quality of clinics through a state nursing or medical board.⁷ Less than one-third of opinion leaders support regulatory changes that would encourage the growth of retail health clinics. More business leaders support such regulatory changes than do health care delivery leaders (45% vs. 21%) ([Table 14](#)).

By creating another site of health care delivery, retail clinics threaten to further fragment the system. One way to overcome that fragmentation is to require retail clinics to coordinate their services (with patient permission) with traditional health care delivery systems. That is, retail clinics would convey any diagnoses made, medications administered, or preventive care given to the patient’s primary care physician. More than two-thirds (68%) of leaders support such a requirement (Figure 13), with academic, health care delivery, and business leaders in agreement ([Table 15](#)).

Figure 13. Majority of Opinion Leaders Support Coordinating Care from Retail Clinics with Regular Care

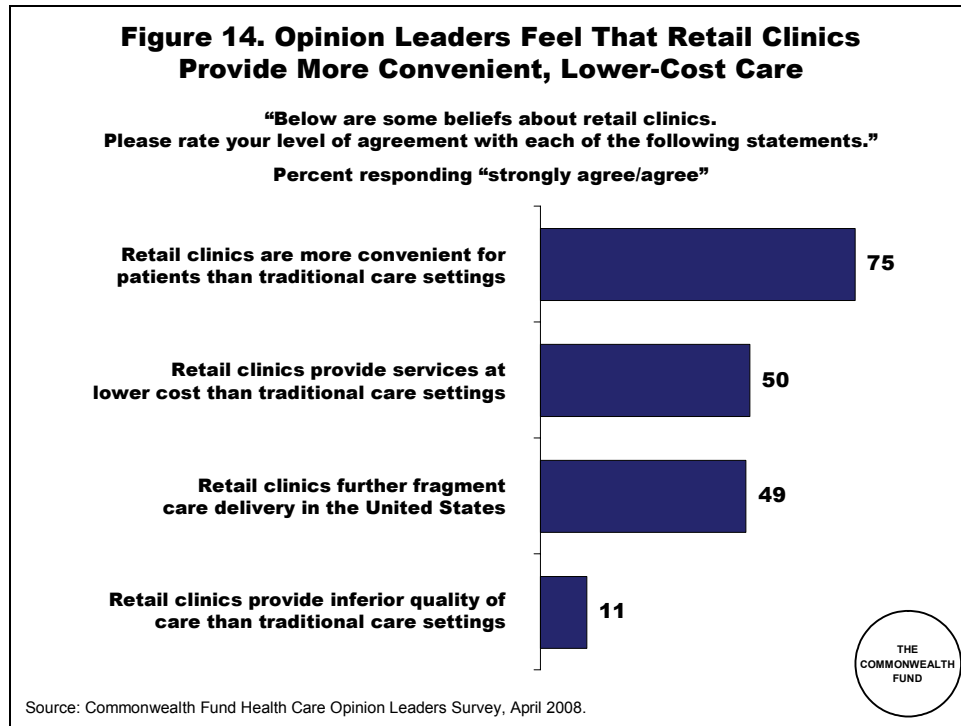
“Do you support a requirement for retail clinics to coordinate their services with traditional health care system?”



Source: Commonwealth Fund Health Care Opinion Leaders Survey, April 2008.



Three-quarters of leaders agree that retail health clinics are more convenient for the patient—and only 11 percent believe they provide inferior care to traditional practices (Figure 14). No business leaders agreed that retail clinics provide inferior quality of care (Table 14). Half of leaders agree retail clinics provide services at a lower cost (50%), but half also think that they further fragment care delivery in the U.S. (49%). More than half of academic leaders (54%) agree that retail clinics provide services at lower cost than traditional care settings, as compared with only 34 percent of health care delivery leaders (Table 14).



Moving Toward a High Performance Health System

To address the critical issues facing our health care system, the Commonwealth Fund Commission on a High Performance Health System has defined a high performance health system for the United States as one that helps everyone, to the extent possible, lead longer, healthier, and more productive lives. To accomplish that, the health care system must achieve four core goals: access to care for all Americans; safe, high quality care; efficient, high value care; and continuous innovation and improvement.

In particular, the Commission has called for policies to address the fragmentation of the U.S. health care delivery system through improved organization of the delivery system. Greater organization is imperative. Every practice must be accountable to ensure that patients’ clinically relevant information is available to all providers at the point-of-care and that care coordination and transitions are seamless. In addition, the system must engage in continuous quality improvement, as evidenced by provider performance measurement and benchmarking. Finally, the system must reliably deliver high-quality care; allow patients access to see appropriate providers when needed, including 24/7 access for urgent care; and deliver preventive care in coordination with acute and urgent care.⁸

The Commission specifically recommends the following policy strategies to reform and organize our health care delivery system:⁹

- **Financial incentives.** Financial incentives are needed to promote the growth of integrated delivery systems, accountable care networks, or other organized delivery systems, and to promote the delivery of primary and preventive care through patient-centered medical homes. These may include both provider (e.g., pay-for-performance programs, bundled payment systems) and patient incentives.
- **Strengthening primary care.** Because our health payment system has rewarded specialist physician care and underinvested in primary care provision and training, we have a marked imbalance in resources for primary care and specialty care. We face an impending shortage of primary care professionals. In addition to payment reform to correct this imbalance, a dedicated effort may be required to expand primary care physician residency training, training of advanced practice nurses, and other frontline health professionals, as well as providing greater flexibility regarding what services non-physicians can provide under appropriate supervision. States should review medical, nursing, and pharmacy scope of practice acts to permit appropriate use of trained professionals when practicing within an organized system of care (e.g., group practices, hospitals, integrated delivery systems).
- **Electronic health records, information exchange, and decision support.** Integrated medical records are essential to the success of care coordination. Such records would contain all of a patient’s medical information in one place, accessible to the patient and all providers involved in the patient’s care. Electronic access to decision support and best care management practices are also critical. Under the current payment system, the purchasers of electronic information systems—mostly doctors and hospitals—realize only a small fraction of its potential economic benefits, with more profits realized by insurers and purchasers of care in the form of lower premiums and enhanced worker productivity. As such, payers should assist with financing the adoption of such systems. However, financing may not be necessary when providers are paid for high-quality outcomes. Within five years, all providers should be required to use an electronic health record and to participate in a health information exchange network.

The Commission’s policy recommendations acknowledge the different forms that organized delivery systems can take and that policy strategies are only one path toward a higher performing health care system. Ultimately, our nation needs a strong voice and national leadership to address our fragmented health care industry, in which providers have no relationship with, or accountability to, one another. Health care opinion leaders agree that fundamental change is required in the way the U.S. health system is organized.

The upcoming election and the current political climate are key opportunities for federal leaders to take action to reconcile and reconnect our health care system. This is an historic opportunity for our nation's leaders to ensure all Americans an organized, high-performing health care delivery system.

METHODOLOGY

The Commonwealth Fund/*Modern Healthcare* Health Care Opinion Leaders Survey was conducted online within the United States by Harris Interactive on behalf of The Commonwealth Fund between March 3 and March 31, 2008, among 1,078 opinion leaders in health policy and innovators in health care delivery and finance. The final sample included 211 respondents from various sectors, for a response rate of 20 percent. Data from this survey were not weighted. A full methodology is available in [Appendix A](#).

NOTES

¹ The Commonwealth Fund Commission on a High Performance Health System, *[A High Performance Health System for the United States: An Ambitious Agenda for the Next President](#)* (New York: The Commonwealth Fund, Nov. 2007).

² R. Nuzum, D. McCarthy, A. Gauthier, and C. Beck, *[Denver Health: A High-Performance Public Health Care System](#)* (New York: The Commonwealth Fund, July 2007).

³ Commonwealth Fund Commission, *High Performance Health System*, 2007.

⁴ A. C. Beal, M. M. Doty, S. E. Hernandez, K. K. Shea, and K. Davis, *[Closing the Divide: How Medical Homes Promote Equity in Health Care—Results from The Commonwealth Fund 2006 Health Care Quality Survey](#)* (New York: The Commonwealth Fund, June 2007).

⁵ Ibid.

⁶ G. Turner, “Customer Health Care,” *Wall Street Journal*, May 14, 2007.

⁷ Kaiser Daily Health Policy Report, “Coverage & Access: Number of Retail Medical Clinics Continues To Increase Despite Concerns,” Aug. 17, 2007, available at: http://www.kaisernetwork.org/daily_reports/rep_index.cfm?hint=3&DR_ID=46839.

⁸ Commonwealth Fund Commission, *High Performance Health System*, 2007.

⁹ Ibid.