The Alliance: Who We Are

- **Multi-stakeholder.** More than 185 member organizations representing purchasers, plans, providers and patients.

- **Purchaser-led.** The majority of our governing members represent employers and labor union trusts.

- **A convenor.** A place where those who give care, get care and pay for care come together to lead health system change.

- **Data-driven.** We have claims data on approximately 3.9 million lives in Washington (commercially insured and Medicaid) dating back to 2004. The Alliance’s database includes well over 1.2B claim lines, comparing favorably to some of the largest health databases in the country. Currently recognized as state’s “voluntary APCD.”

- **Non-profit.** We are a designated 501(c)3.

- **Non-partisan.** We engage in lobbying efforts on a very limited basis and only on topics that are directly related to our mission and core work.
Our Mission and Vision

Mission
The Alliance’s mission is to build and maintain a strong alliance among purchasers, providers, health plans, consumers and others to promote health and improve the quality and affordability of the health care system by reducing overuse, underuse and misuse of health care services.

Vision
Our vision is that physicians, other providers and hospitals in Washington will achieve top 10% performance in the nation in the delivery of equitable, high quality, evidence-based care and in the reduction of unwarranted variation, resulting in significant reduction in the rate of medical cost trend.
Three Overarching Goals

1. Reduce the price of health care services
2. Reduce the overuse of health care services
3. Reduce underuse of effective health care services

The Alliance's principal strategies:

CONVENCING
• We bring together organizations and individuals who share our cause, to design and drive collective action to improve the value of health care.

MEASUREMENT AND REPORTING
• We share information and insights that describe how health care gets delivered, used and paid for in WA.

Understanding VALUE in Health Care - Six Key Variables

<table>
<thead>
<tr>
<th>VARIABLE</th>
<th>Is the Health Care Service...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appropriateness</td>
<td>Really Needed?</td>
</tr>
<tr>
<td>Process Quality</td>
<td>Provided in the most effective and safe manner?</td>
</tr>
<tr>
<td>Experience</td>
<td>Provided in a patient-centered way?</td>
</tr>
<tr>
<td>Outcomes</td>
<td>Producing the best possible results for the patient?</td>
</tr>
<tr>
<td>Intensity/Utilization</td>
<td>Provided in the most efficient manner?</td>
</tr>
<tr>
<td>Price</td>
<td>Produced at a fair price for the buyer?</td>
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About the Report

• NCQA HEDIS 30-day All Cause Readmissions (NQF-endorsed)

• Measure included in new statewide common measure set

• Measure counts the # of inpatient stays for commercially insured patients ages 18-64 that were followed by a readmission (for any reason) within 30 days

• Compares actual rate of readmission to risk-adjusted “expected rate”
About the Report

• Includes:
  – Hospital AND medical group results (minimum N = 160 initial admissions)
  • Hospitals ranked according to difference between expected and actual rates, adjusting for number of discharges @ hospital
  • Placed into one of four quartiles of performance
  – Top common diagnosis categories for readmissions
  – How often outpatient visits are occurring between hospitalizations @ 7 days and 30 days

Summary of Findings

30-day All Cause Hospital Readmission Rate in Washington State for the Commercially Insured Population

- Washington’s OBSERVED Readmission Rate (what actually occurred)
- Washington’s EXPECTED Readmission Rate (risk-adjusted probability of readmission)

- National 50th Percentile: 8.3%
- National 90th Percentile: 7.6%
- Washington: 8.7%
- Washington: 8.6%
Overall: Observed Readmission Rates Higher Among Males than Females in All Age Groups among the Commercially-insured
What are the most common diagnosis categories for commercially-insured patients who have been readmitted?

The following four diagnosis groups account for about 1/3 of all readmissions in this analysis:

<table>
<thead>
<tr>
<th>Readmission Diagnosis Categories</th>
<th>% of Total</th>
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<tbody>
<tr>
<td>Complications</td>
<td>14.2%</td>
</tr>
<tr>
<td>Diseases of the Heart</td>
<td>10.4%</td>
</tr>
<tr>
<td>Lower GI Disorders</td>
<td>5.8%</td>
</tr>
<tr>
<td>Bacterial Infection</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

Readmissions and Outpatient Follow-up

Range of Performance for Hospitals
- Outpatient follow-up w/in 7 days: 15% - 65%
- Outpatient follow-up w/in 30 days: 24% - 70%

Range of Performance for Medical Groups
- Outpatient follow-up w/in 7 days: 11% - 52%
- Outpatient follow-up w/in 30 days: 11% - 64%
Readmission rates correlate with outpatient follow-up.

Results show that as outpatient follow-up improves, so does readmission performance.

Results for Medicare FFS – WA State

Prepared by: Qualis Health
Risk-Adjusted Medicare Readmits
(prepared by Qualis Health)
WA Ranks 13th out of 50 States and Wash DC

Slow but Steady Progress
Across Past Three Years

Risk-adjusted data from 2013 CMS Geographic Variation File

Chart prepared by Qualis Health
This data is not risk-adjusted
Significant Variation Between Hospitals
(Prepared by Qualis Health, based on Medicare FFS discharges)

Data is CY 2014, each bar is one hospital, minimum 25 Medicare FFS discharges, not risk-adjusted. Black Bars represent confidence intervals on raw rates.

Percentage of Discharges Readmitted
(Prepared by Qualis Health, based on Medicare FFS discharges)

Approximately 20% of the Medicare population comprises individuals under age 65 who qualify due to chronic disability.
Percentage of Discharges Readmitted
(Prepared by Qualis Health, based on Medicare FFS discharges)

<table>
<thead>
<tr>
<th>Group</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>All</td>
<td>15.5%</td>
</tr>
<tr>
<td>Asian</td>
<td>16.7%</td>
</tr>
<tr>
<td>Black</td>
<td>19.9%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>19.3%</td>
</tr>
<tr>
<td>Native American</td>
<td>16.8%</td>
</tr>
<tr>
<td>White</td>
<td>15.2%</td>
</tr>
<tr>
<td>Other/Unknown</td>
<td>16.1%</td>
</tr>
</tbody>
</table>

Top Medicare Readmission Diagnoses
(Prepared by Qualis Health, based on Medicare FFS discharges)

<table>
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<tr>
<th></th>
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<tbody>
<tr>
<td>1. Septicemia</td>
<td>1. Heart Failure</td>
</tr>
<tr>
<td>2. Heart Failure</td>
<td>2. Septicemia</td>
</tr>
<tr>
<td>3. Pneumonia</td>
<td>3. Pneumonia</td>
</tr>
<tr>
<td>4. Device Complication</td>
<td>4. COPD</td>
</tr>
<tr>
<td>5. Acute Renal Failure</td>
<td>5. Cardiac Dysrhythmias</td>
</tr>
</tbody>
</table>

Nationally, readmission stays for the top five causes represent 25.2% of all readmissions, amounting to 463,500 readmissions at a cost of $6.1B annually.

Readmits by Discharge Destination
(Prepared by Qualis Health, based on Medicare FFS discharges)

- **Home**: 16.0%
- **Skilled Nursing Facility**: 16.9%
- **Home Health**: 12.9%
- **Hospice**: 1.0%
- **Other**: 13.9%

Visit the Alliance Website to See Reports:
www.wahealthalliance.org