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# The Quality (and price) Problem

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**Bluebook QUANTROS®**



**National Hospital  
Price Transparency  
Conference**

# Need for Quality Data

## Non-Provider Themes

### DATA INTEROPERABILITY

Integration of multiple data sets to derive actionable insights

### TRANSPARENCY

Employers demand the full picture

### BEST IN CLASS

Quality driving decisions for plan designs, contracts, employment, etc.

### DIFFERENTIATOR

Vital component to overall value proposition

### STEERAGE

Educate/guide members to high value care



# Value Beyond Providers

Quantros data has multi-channel strategic value

## Payers

- Strategic market analysis
- COEs
- Designator provider identification
- Member-facing tools

## Specialty Providers

- Surgery Bundles
- COEs, Narrow Networks
- RBP
- TPA
- Care navigation

## Data Analytics Firms

- Data interoperability & transparency
- Actionable insights
- Prospective risk profiles
- Outcome/ROI management

## Employers

- Plan design / contracting
- Care navigation

## Brokers/Consultants

- Data interoperability & transparency
- Actionable insights
- Plan design / contracting

## Health Coalitions

- Statewide quality awareness / initiatives
- Healthcare legislation
- Resource for members

# Commercial Use

Providing employers and their employees with objective quality and cost insights leading to optimal healthcare navigation

**9,000+**  
CLIENTS

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**50+**  
TPAs

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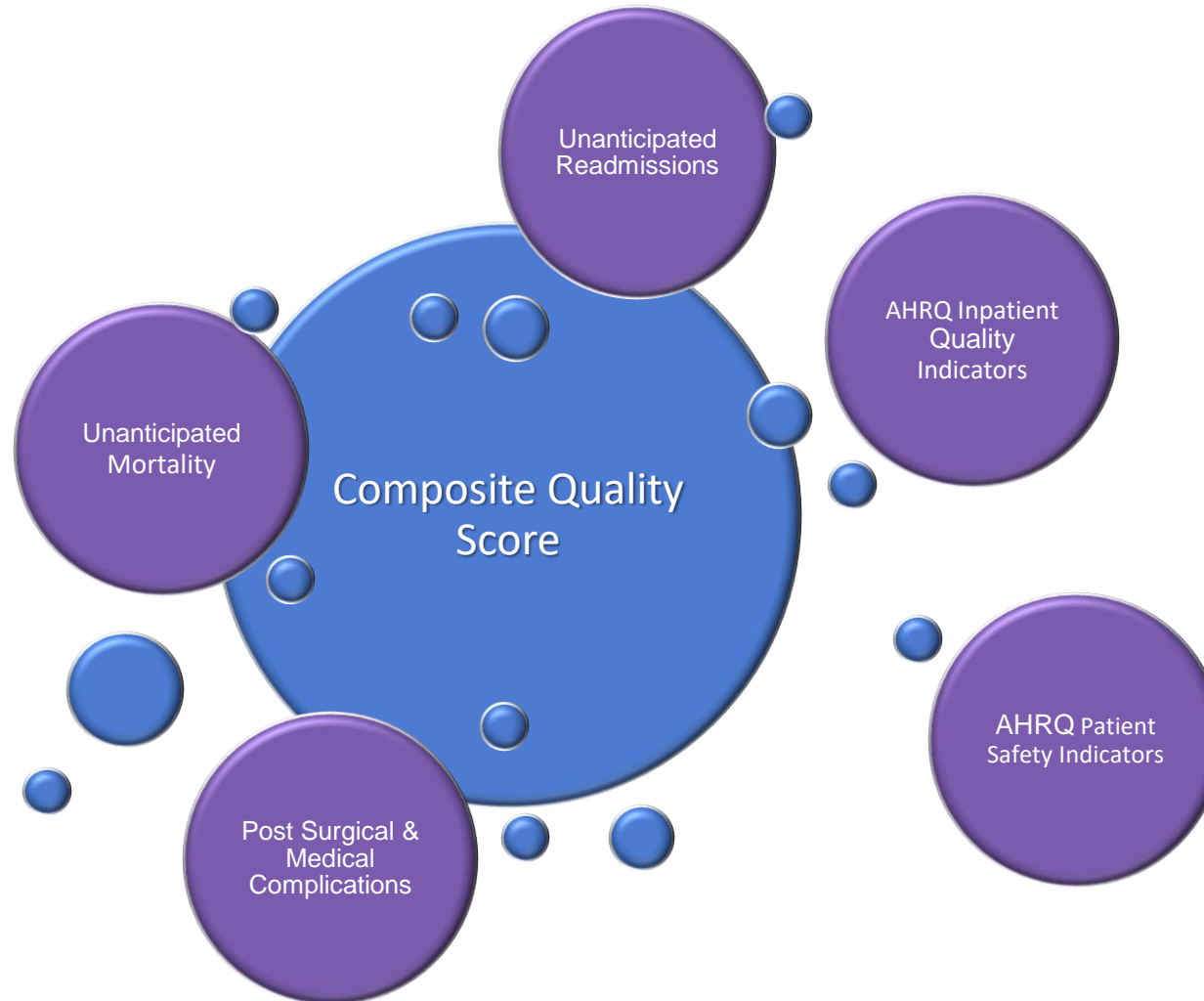
**4.8M+**  
LIVES



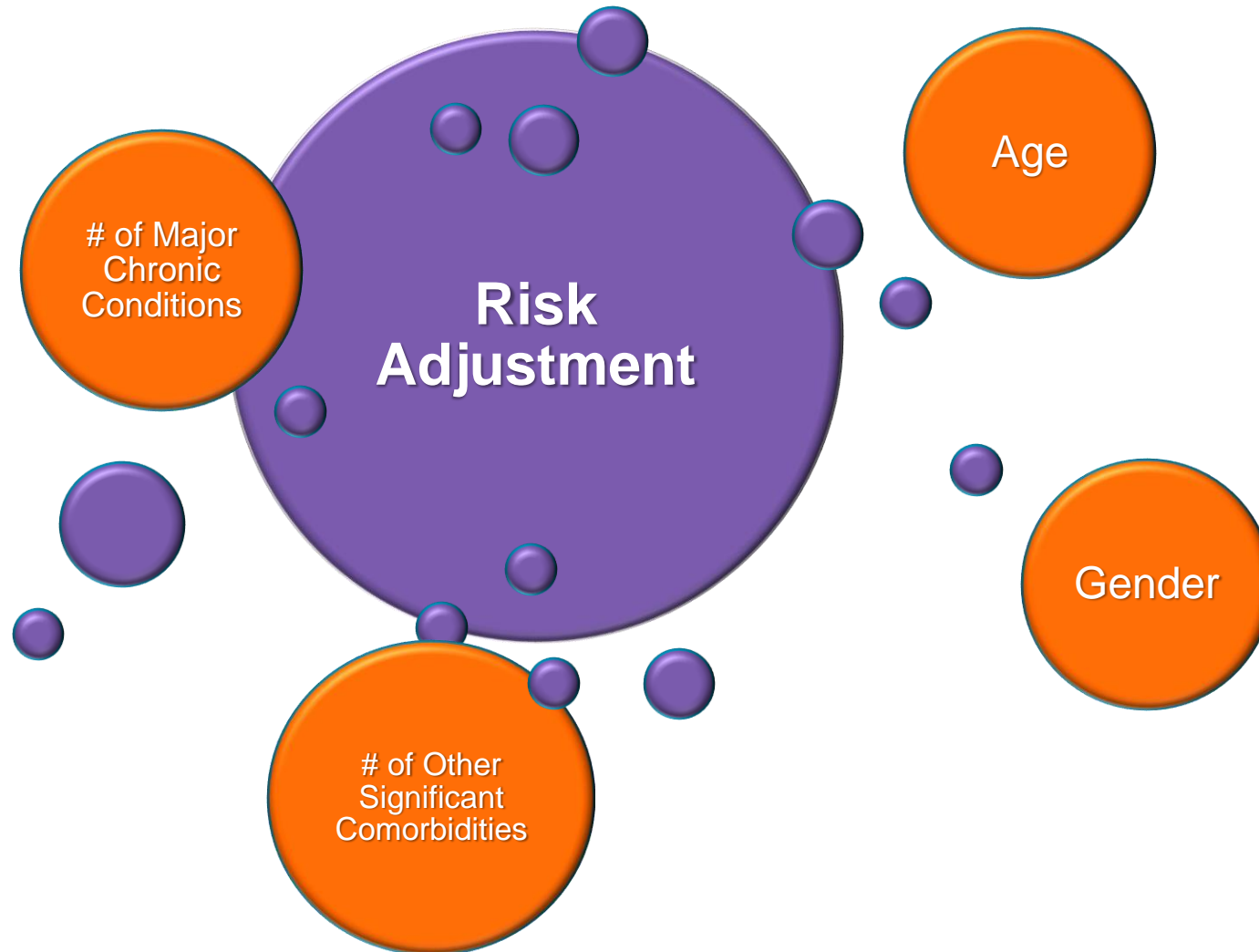


# Scoring Methodology

# Components of Quality Scoring



# Components of Risk Adjustment



# Scoring Process

Quality  
Measure  
Statistic  
(RAMI)

Z-Value (determines the extent of  
statistical significance)

Z-Score (standardizes z-  
values to a normal  
distribution)

Percentile Score





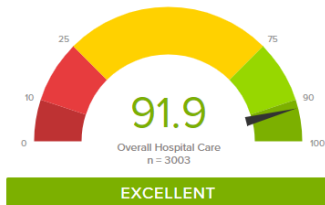


# Quality Disparities

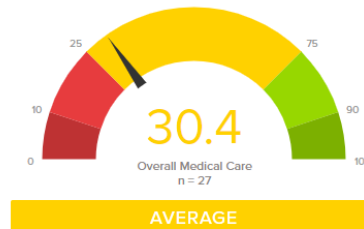
# Quality Measures



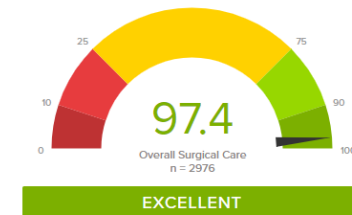
Overall Hospital



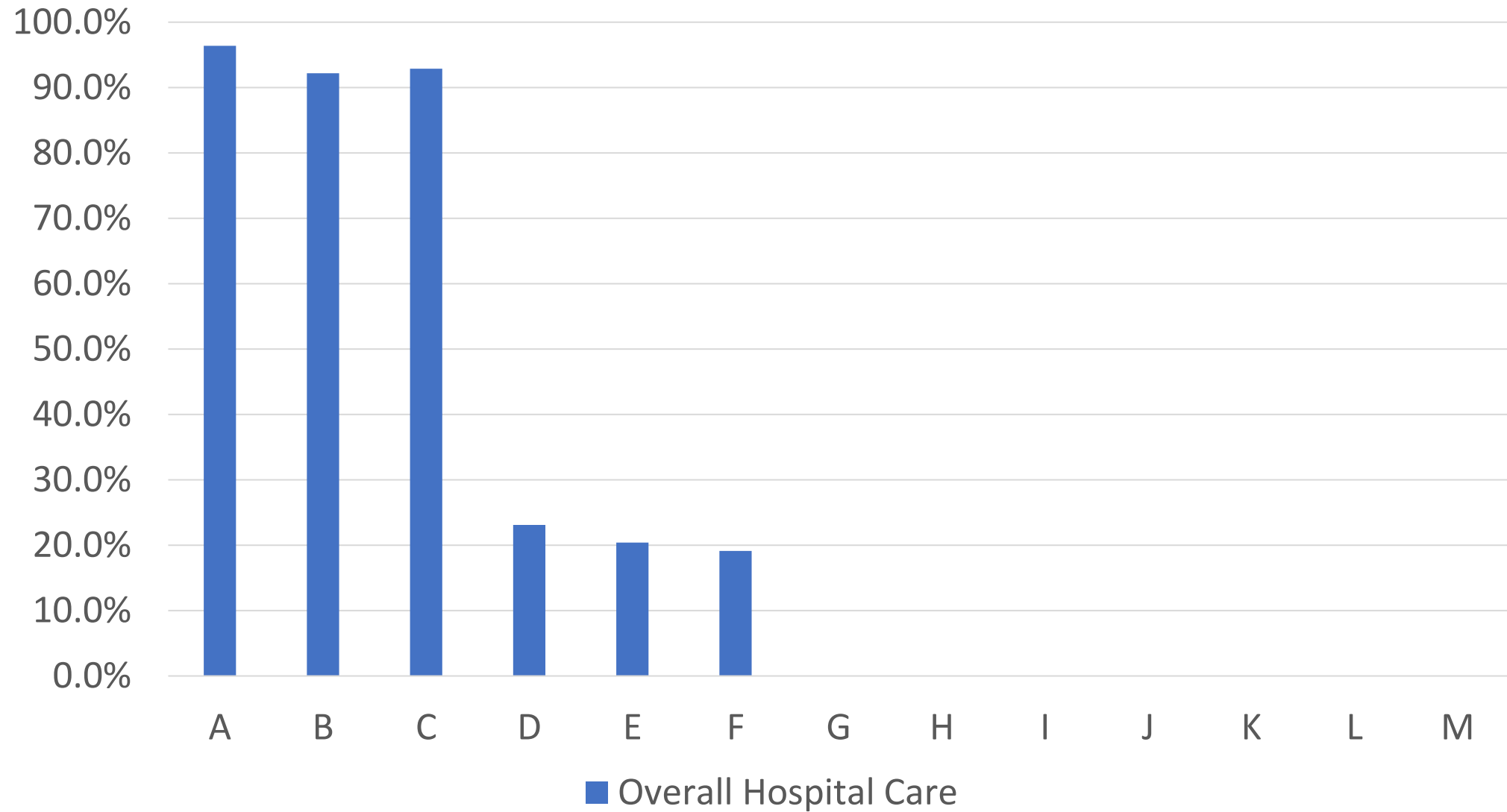
Overall Medical



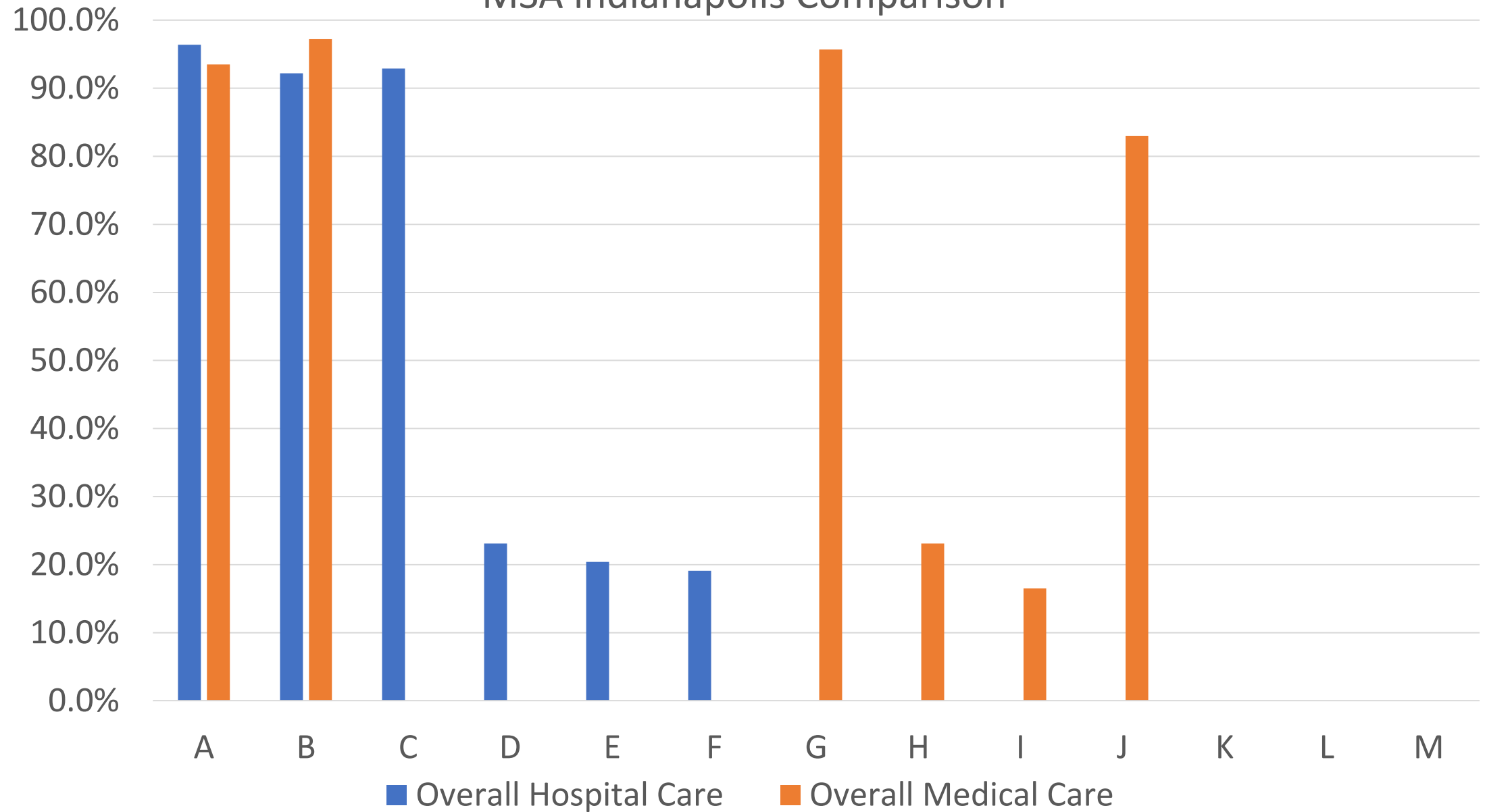
Overall Surgical



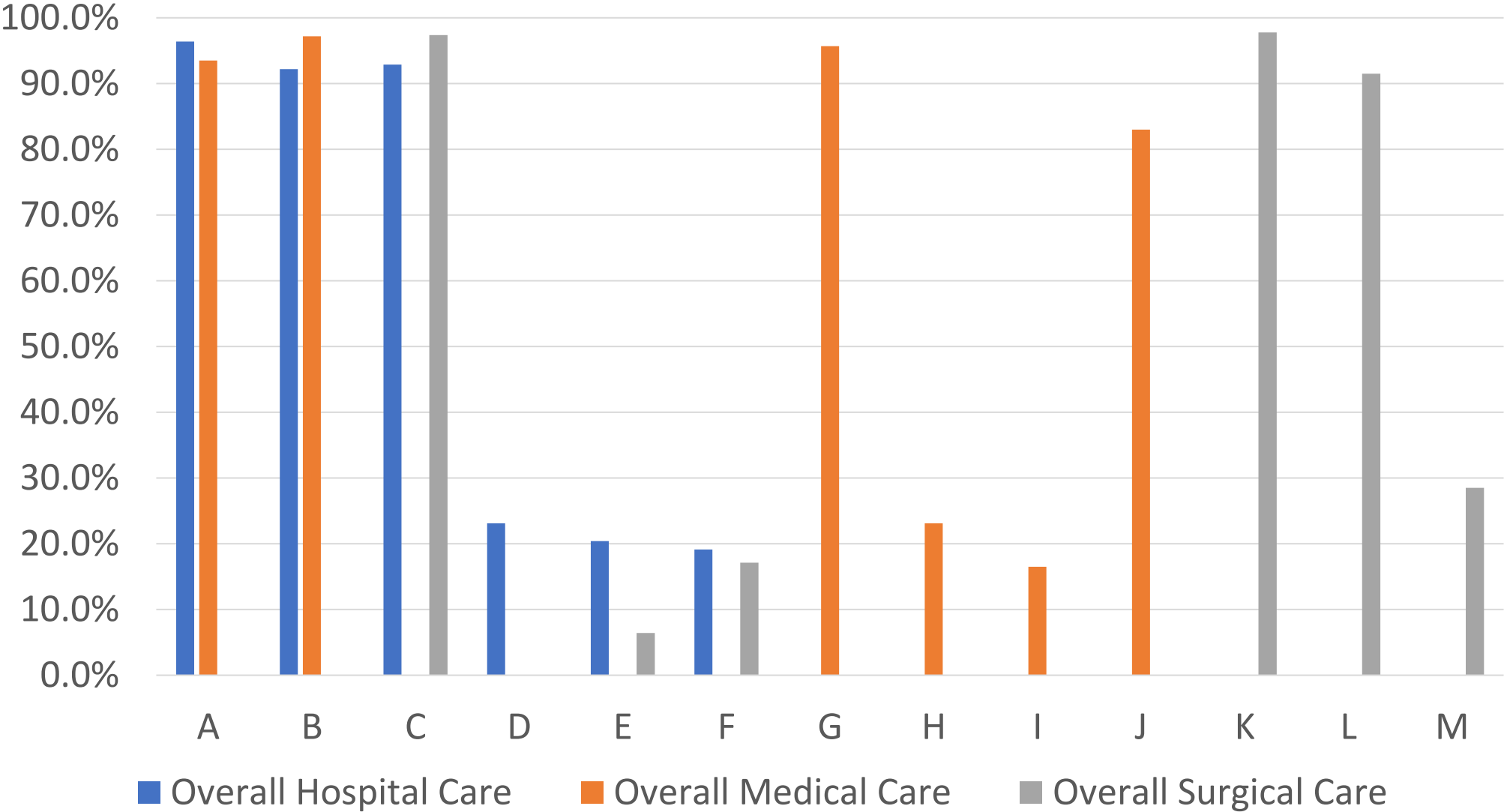
## MSA Indianapolis Comparison



## MSA Indianapolis Comparison



# MSA Indianapolis Comparison



# Hospitals May Do Everything, But They are Not Great at Everything . . .



Joint Replacement  
**99<sup>th</sup> percentile**



Cholecystectomy  
**53<sup>rd</sup> percentile**

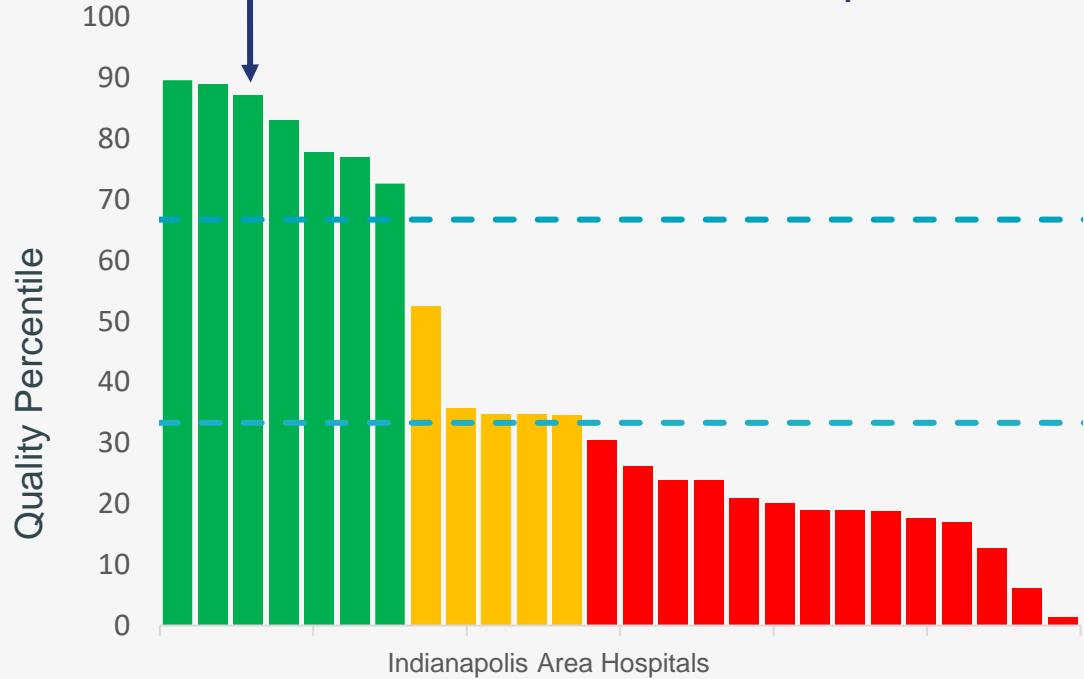


Bariatric Surgery  
**4<sup>th</sup> percentile**



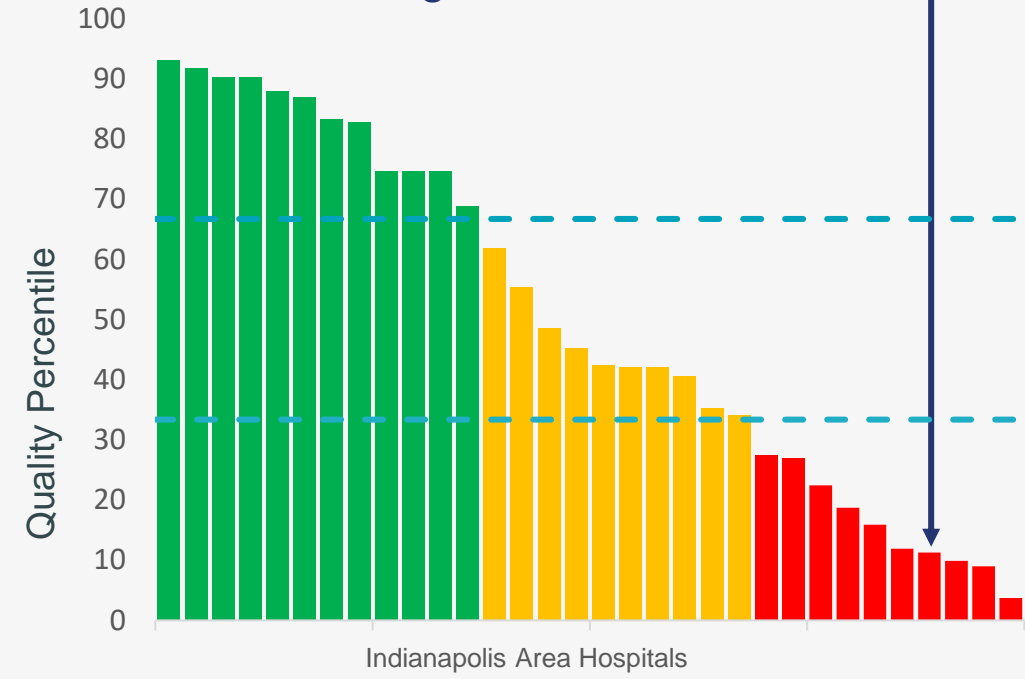
# Hospital Quality Example

Same hospital, different outcomes for different surgeries



## Hip Fracture Repair

87th Percentile Nationally  
 3 out of 26 in area  
 516 out of 2,429 Nationally

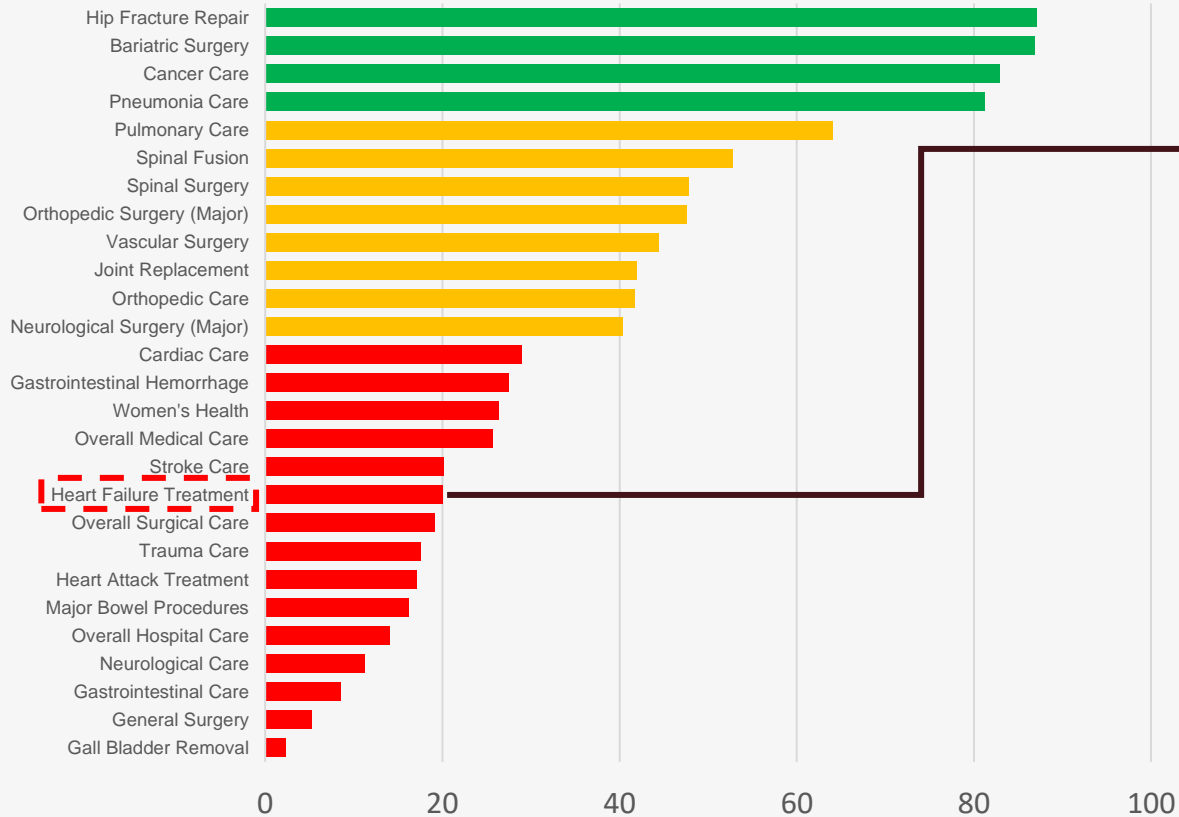


## Neurological Care

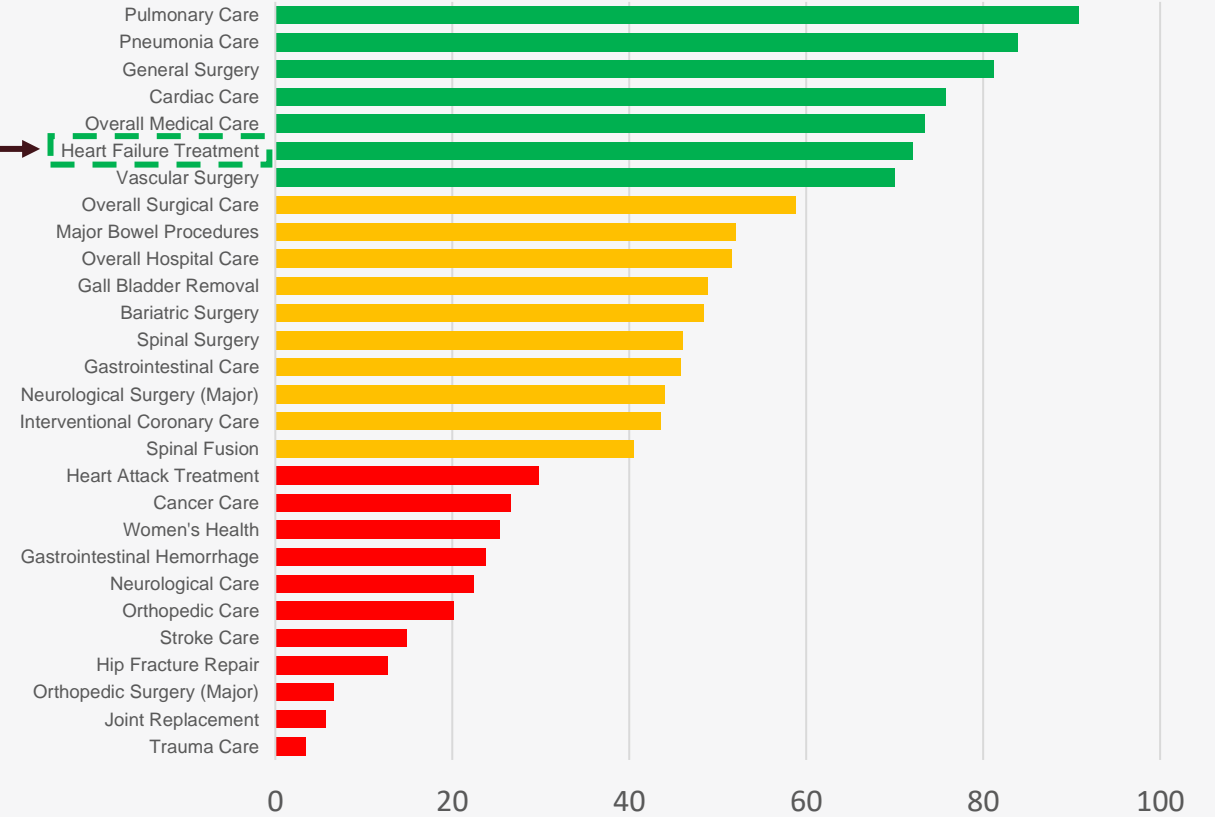
11th Percentile Nationally  
 29 out of 32 in area  
 3,504 out of 3,925 Nationally

# Quality Varies Within the Same System

Indianapolis Hospital North



Indianapolis Hospital South





# A great hospital $\neq$ a great doctor

## Academic Medical Center



Joint Replacement  
**99<sup>th</sup> percentile**

## Orthopedic Surgery Specialists: Quantros Quality Rating

Physician 1	✓+
Physician 2	✓+
Physician 3	✓+
Physician 4	✓+
Physician 5	✓+
Physician 6	✓
Physician 7	✓
Physician 8	✓-





# Cost Disparities

# How do patients experience cost?

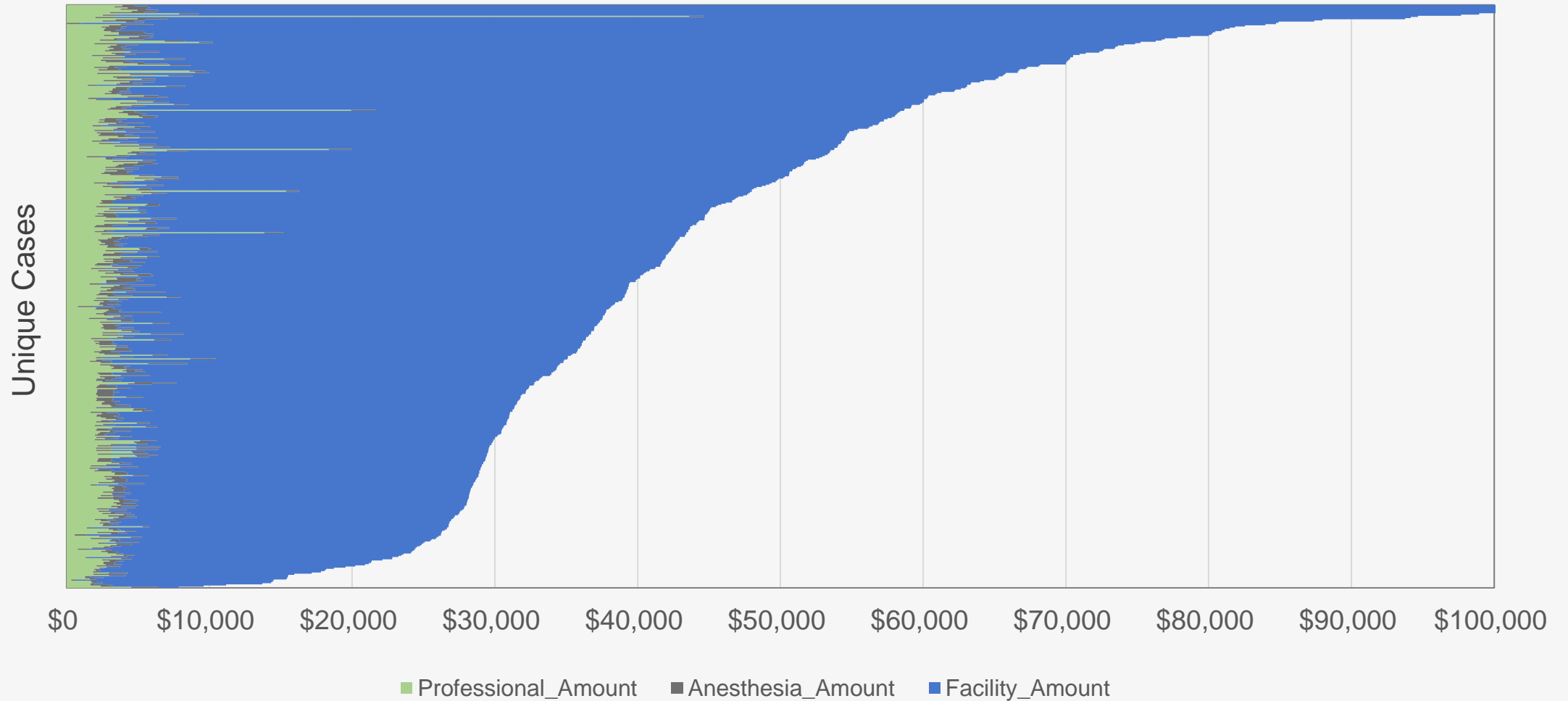
## Market | Indianapolis

Market Basket of Procedures	In-Network Negotiated Price		
	Low Price	High Price	Variance
Colonoscopy (screening)	\$1,054	\$7,639	725%
Shoulder MRI (no contrast)	\$437	\$3,975	910%
Sleep Study	\$811	\$6,649	820%
Chest CT (no contrast)	\$265	\$1,871	706%
Knee Arthroscopy	\$4,077	\$21,077	517%
Upper Gastrointestinal Endoscopy (no biopsy)	\$933	\$6,891	739%
Abdominal Ultrasound	\$99	\$1,064	1075%
Cataract Surgery	\$1,867	\$9,892	530%
Heart Perfusion Imaging	\$870	\$6,902	793%
Ear Tube Placement (Tympanostomy)	\$1,352	\$13,074	967%

**Average Market Variance 778%**

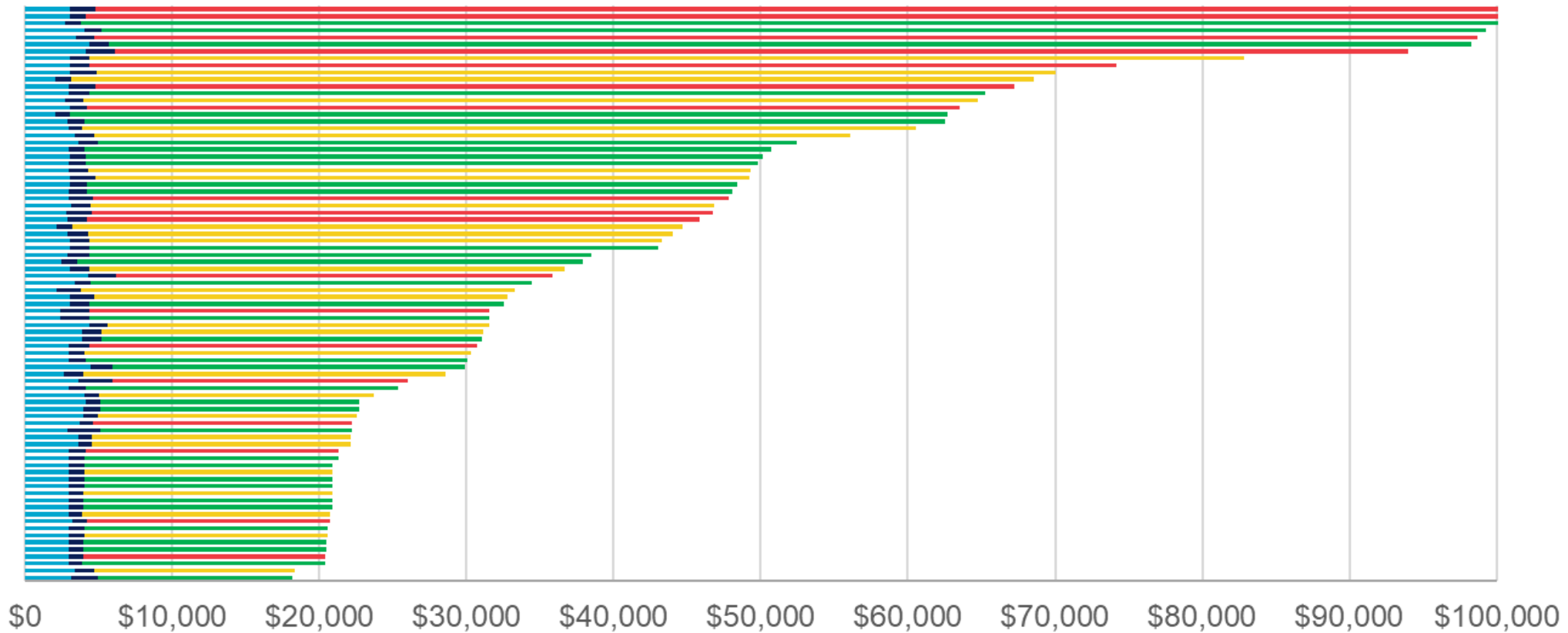
# ACL Knee Surgery

Indianapolis Area



# Identifying value is a challenge

## Total Knee Replacement



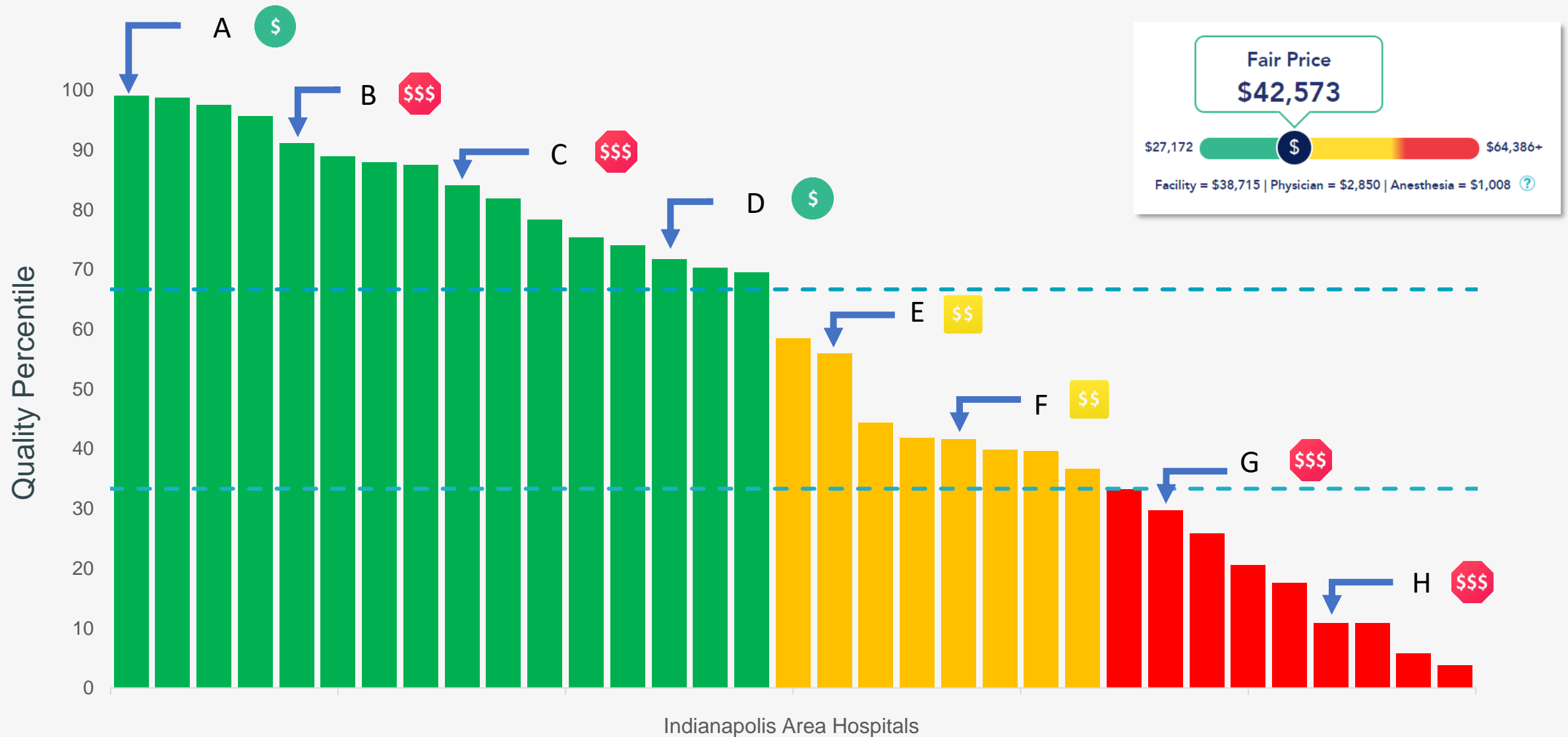
**And often you don't get what you pay for**

There is zero (and sometimes negative) correlation between healthcare cost and quality

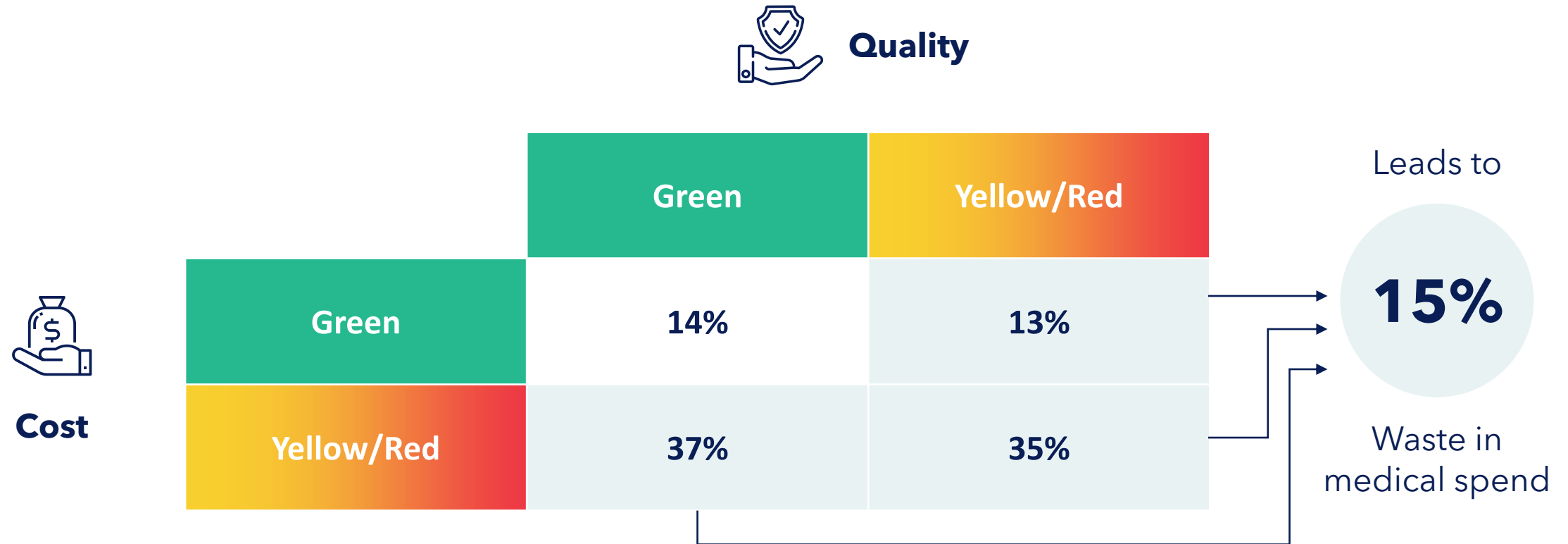
■ Professional ■ Anesthesia ■ Facility



# Hospital Quality vs Cost | Total Knee Replacement



# If we do nothing, how likely are we to hit the cost & quality target?



# Key Considerations

- **Independent viewpoint on cost and quality**
- **Understand the data / markets**
- **Contract for value**
- **Align benefits to support value**
- **Tools and information to make better referrals from the point of care**





Thank You