

Hoag Orthopedic Institute Sets Path to Optimal Outcomes

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When the leadership of Hoag Orthopedic Institute of Irvine, California, decided to publish their first clinical outcomes report, they knew it would establish a precedent for the young organization. The Institute, created in 2010 through a partnership between Hoag Memorial Hospital Presbyterian and orthopedic physicians in Orange County, has 320 specialists and 80 board-certified orthopedic surgeons on staff, making it one of the highest volume specialty hospitals in the U.S.

“We didn’t begin until November 2010,” explained Dereesa Purtell Reid, COO of Hoag Orthopedic Institute. “So Fall 2012 was when we finally had a full year of comparable data for an outcomes book.” The results were very gratifying, particularly around value-based purchasing, where HOI’s VPB score was well above California and national scores. That was great news, as the expected result of the pay for performance concept, where buyers hold healthcare providers

accountable for not only cost of care, but also quality, is that those plans and providers performing best will be preferred by patients and employers.



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Chief Operating Officer
Hoag Orthopedic Institute

Reid shared that while many top institutions publish similar reports, it has been more commonly seen in academia. She credited HOI’s Chief Medical Officer, Dr. Robert Gorab, with the vision for HOI to begin publishing the outcomes. “With hospitals getting more information from the federal government about value based purchasing, we’re seeing our first report cards,” said Reid. “I feel our outcomes book mirrors where healthcare is going as an industry, the drive to report data in a consistent manner across hospitals, prioritizing patient satisfaction and quality.” While large carriers have typically had centers of excellence and designated quality centers, now there is parity across the nation, a new gold standard for quality measures.

While the federal agencies will input data into a public database, Reid and her fellow HOI leaders felt it imperative to put together a document that helped connect the dots. “No matter who you are in our organization – a person in sterile process has a role in infection rates, a nurse has a role not only in care, but in patient satisfaction – these core measures bring it all together

and let everyone see how they play a part.” HOI has endeavored to permeate the quality drive into their organizational DNA, seeing it as insurance for the future as they continue to face and embrace the challenges of healthcare reform.

That premise was at the root of how the team conducted data gathering for the outcomes book. People were assigned certain areas of focus, which often took them into an unfamiliar area. “We had nurses looking at cost per case, which meant they were meeting with cost accountants,” Reid said. “It gave people a chance to learn things about their own organization that they wouldn’t have known otherwise. Everyone came out of the project more in tune with where we are and where we need to be.”

She shared one particular “Wow” moment, “We created physician profiles from the data gathered, and shared them with the individual

physicians, noting how they benchmarked against their peers within HOI, including cost-per-case. But it was blind information showing no names except their own. Then, during a surgeons meeting, one physician brought up the data and initiated a conversation that culminated in a request to ‘un-blind’ the data. They said that they wanted to learn who was doing the best at driving down costs and producing the best clinical outcomes so that they could implement their peers’ best practices.” Hospital administrators usually drive such a request for transparency, but these physicians demonstrated that they accept the challenges of health care reform and understand the value of standardizing best clinical practices and cost containment.

While the excellent VBP score meant HOI would see a perk in their Medicare dollars, Reid felt the real value of value-based purchasing has been that it gives providers

prioritized focus. “You’re in the trenches, busy running the hospital, and feeding data to the agencies that require it. With limited time and resources and so many challenges, how do healthcare leaders decide exactly what is a priority? The VBP program puts the right mechanism in place, helping us look at how we can use information to make care better. The message to the provider is that you have to keep pushing yourself to get better, set the bar higher.”

Having paraphrased the Michael E. Porter truism about how outcomes in the numerator and cost in the denominator drives what defines value in healthcare, Reid said, “Now it’s incumbent upon HOI to keep our value standard very high, and raise it. We have to live out our mission of providing top quality care.”

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