

**T**here is at least a trillion dollars of waste in the American health care system. Consider this statistic in light of the alarming data about current error rates in care — 300 million medication errors per year — do we have a crisis?

Providers are doing little to increase transparency or pursue continuous improvement efforts, in many cases because the marketplace fails to encourage the delivery of low-cost, high-quality care. As a result, health care costs as a percentage of GDP continue to rise, and may reach 20 percent of overall GDP in the next few years. (2008 CMS H.A.)

The ThedaCare Center for Healthcare Value is working to close the gap between value creation and marketplace reward. We hope to create a healthcare marketplace that rewards providers for delivering value measured in terms of optimized quality and cost for patients. We are targeting these issues by documenting innovative processes that reduce waste and by transforming healthcare's current culture into one focused on continuous improvement in healthcare.

### **Waste Reduction**

The ThedaCare Center for Healthcare Value aims to reduce waste in healthcare. The Center's immediate goal is to document and authenticate at least four examples in the U. S. that successfully removed 50 percent of the waste traditionally found in care processes. We will share these best practices to spread change across the industry.

### **Transformational Leadership**

Our experience has taught us that change in healthcare isn't sustainable unless it involves a transformation of the culture in which it is delivered. The Center understands the unique processes and steps required to move an organization to a mindset of continuous improvement. Through his work at ThedaCare, Dr. Toussaint has 18 years of demonstrated results in transforming a culture. The Center will teach transformation leadership using the lessons and firsthand experience gained from our own quality journey. We will share our collective insight on the best ways to unite employers, providers and payors to develop new models of care and payment that result in greater efficiency and expertise for healthcare providers and greater value for purchasers and patients.

### **The Center in Action**

We're excited about the progress the Center has made in its first several months of existence. Our board members met for the first time in September 2008 to determine the strategies through which the Center can best affect change in health care.

This summer, Dr. Toussaint met with healthcare and business leaders like Paul O'Neill, former Secretary of the Treasury, and Karen Feinstein, CEO of the Pittsburgh Regional Healthcare Initiative. He also connected with innovators like Toyota, Group Health of Puget Sound, Shadyside Hospital in Pittsburgh and Quad Med Solutions in Milwaukee to learn more about their success in driving continuous improvement.

In August, the Center participated in a value stream to help a large business coalition redesign its process for chronic disease management. Both delivery and payment will be radically reformed.

The Center also is strongly positioned to influence change in current CMS payment policies that discourage quality improvement through lack of incentives. Joyce Meyer, chief of staff for Rep. Paul Ryan's (R-WI), toured ThedaCare's facilities this summer. We will follow up with Rep. Ryan regarding needed legislative changes. We also met with Peggy Kane, CEO of the National Committee for Quality Assurance (NCQA) to establish a test site for NCQA's all-patient, all-payor programs throughout the country.

In addition, the Center through Dr. Toussaint chairing the board, is supporting the completion of an all payor administrative claims database. This work is focused on developing reporting of Episode Treatment Group data, which will supplement the quality data being reported by the Wisconsin Collaborative for Healthcare Quality, an organization for which Dr. Toussaint is past-chair.

On Nov. 5-6, the Center and the Lean Enterprise Institute will host the Lean Healthcare Network Conference in Boston. The conference will bring together the best lean practitioners from around the world to create a network of "superstars" in applying lean principles to health care.

### **Forward Momentum**

These relationships, meeting and conferences are examples of the kinds of leadership and influence the Center will continue to pursue. We believe so strongly in our purpose, and the positive change it can effect, that we are committed to ongoing progress.