

GRAND JUNCTION, COLORADO

A HEALTH COMMUNITY THAT WORKS

To see that it is possible to deliver higher quality care at lower costs, we have to look no further than Grand Junction, CO. In 2006, average Medicare spending per capita in Grand Junction was \$5,800, about 30 percent lower than the national average of \$8,300 and more than 60 percent lower than high-cost areas like McAllen, Texas. Despite its lack of a formal integrated delivery system, Grand Junction patients benefit from excellent outcomes, state-of-the-art health information technology, and the latest innovations in primary, preventive and palliative care at lower costs than much of the U.S.

Total Medicare Spending Per Enrollee (Part A and B)	
Area	\$ Amount Per Enrollee
Grand Junction, CO	\$5,873
McAllen, TX	\$14,946
State of CO	\$7,496
National Average	\$8,304

Source: Dartmouth Atlas of Health Care, 2006

Key players in Grand Junction share a vision that their own self-interest is congruent with the community's broader interest. Aligned incentives and information sharing have helped realize this vision, which leads to high-quality and low cost care for all, collaborative relationships between providers, and a leadership role for primary care physicians.

Incentives for quality and efficient resource use.

Bringing together approximately 218 unaffiliated doctors to form a collaborative relationship, the Independent Physicians Association of Mesa County (IPA) facilitates a culture of evidence-based, peer-to-peer feedback and a payment incentive program with the largest local health insurer, Rocky Mountain Health Plans (Rocky). Unlike the open-ended fee-for-service, pay-for-volume payment structure that dominates most markets today, IPA physicians are rewarded financially for achieving quality targets — and they're rewarded more if they achieve quality targets with efficient overall resource use.

Quality care for every patient.

Rocky pays IPA physicians similar rates for Medicare, Medicaid, and privately insured patients. This means physicians have no incentive to “cherry pick” private patients. It also refocuses the delivery of care on the patient, rather than the method of payment.

Transparent performance information.

Over the years, Rocky has issued reports that show the costs incurred per physician. As a result, IPA physicians learn how much each test, drug, specialist referral, and hospitalization costs the health plan. This transparency, coupled with quality measurements, raises physicians' cost-consciousness, while incentive contracts channel physicians' competitiveness into efficiency rather than revenue maximization. The IPA now shares data on all patients with its clinicians, so data transparency drives quality and efficiency county-wide.

Seamless care for the uninsured reduces everyone's costs.

St. Mary's Hospital & Regional Medical Center, Grand Junction's largest hospital, and the Marillac Clinic, which provides primary, behavioral, and preventive health care to Mesa County's low-income uninsured population, work as a team to meet the needs of Grand Junction's uninsured. For example, patients needing follow-up treatment after emergency care are seamlessly transferred to Marillac. Marillac likewise refers patients to St. Mary's for hospital care. Together, they reduce unnecessary hospitalizations and readmissions and decrease the amount of uncom-

pensated care. The other local hospital, Community, also does its share. For example, Community provides one-quarter of the lab and radiology tests for Marillac patients who undergo tests at its hospital.

Integrated delivery models center on primary care.

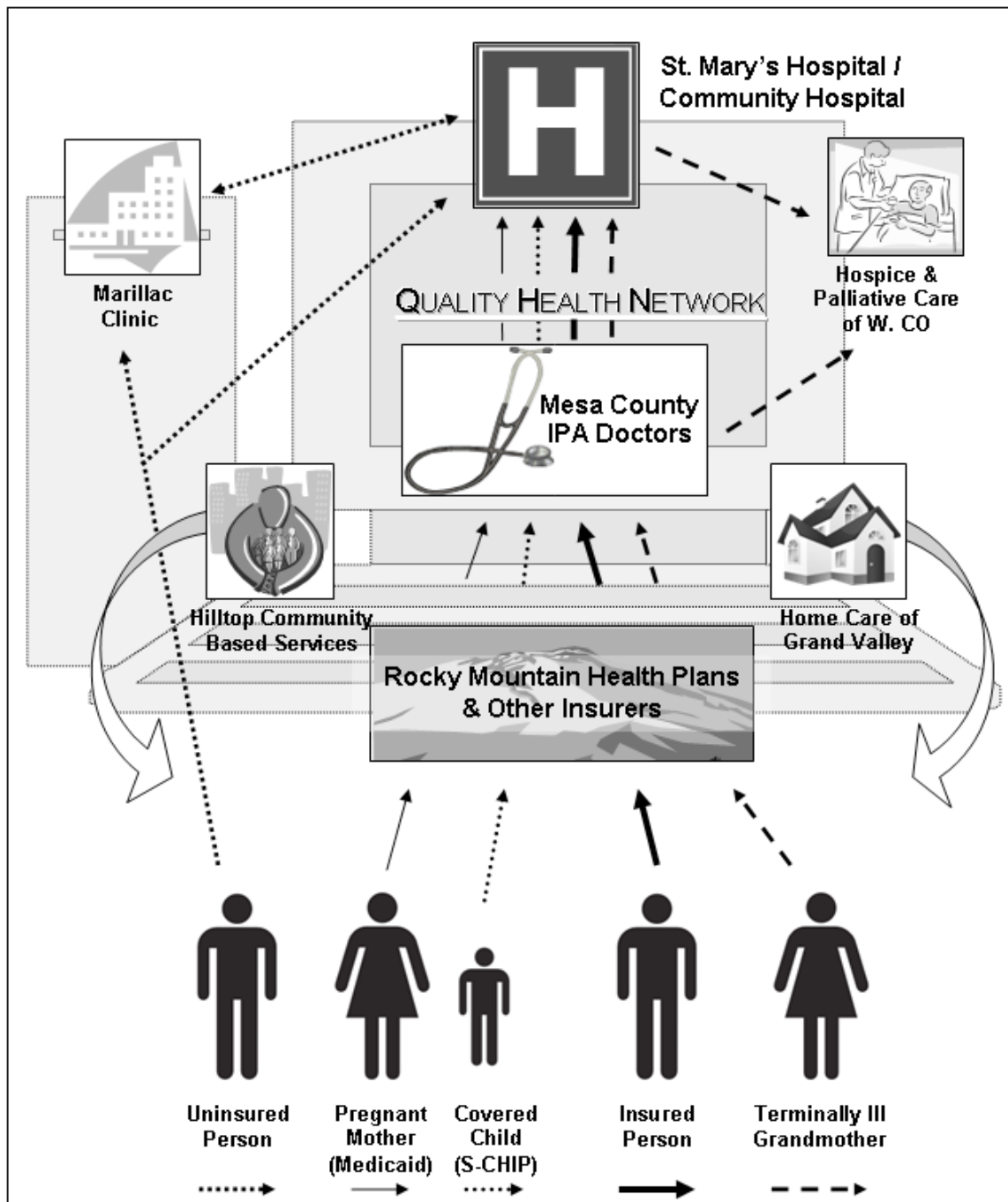
Grand Junction capitalizes on team-based care that focuses on the patient’s needs. Marillac offers preventive care through its “open appointment” system, giving patients prompt access to medical, optical, dental,

and behavioral care in a single visit without a scheduled appointment. Further, IPA primary care physicians work in tandem with specialists, sharing knowledge and recommendations.

Data sharing.

Quality Health Network (QHN), a regional health information network, provides one data repository about patients who see multiple providers. QHN is accessible to a wide range of providers, facilitating seamless care coordination and better management of complex cases.

Primary Actors in Grand Junction Medical Community



High quality community service organizations.

The quality and cost-conscious work performed by key health industry players in Grand Junction is supported by an impressive number of complementary community service organizations. Hospice and Palliative Care of Western Colorado educates patients about advanced directives and treatment options. Fewer patients in Grand Junction die in the hospital, instead choosing to spend their last days of life more comfortably and with greater family contact. B4Babies, a project of the local social ser-

vices organization, Hilltop, helps low-income women secure health insurance as well as prenatal and post-pregnancy care. Home Health Care of the Grand Valley helps physicians assess urgent care needs outside of the office or emergency room and provides home care to vulnerable patients recovering from an acute episode or suffering from a chronic illness. This greatly reduces unnecessary admissions and readmissions to hospitals.

LESSONS FROM GRAND JUNCTION, CO

Grand Junction's health care system excels because of extraordinary collaboration. Effective collaboration results from the tenacious commitment of its key players to a shared vision of community performance, realized through incentives, information sharing, and appreciation of distinct comparative advantages. Many lessons of the Grand Junction experience should inform the national health reform debate.

Vision and incentives are essential to an operational sense of community. Grand Junction's leaders view their own self-interest and the community's interests as congruent. Recognition of mutual self-interest fosters a profound sense of community capable of withstanding the pressures of more than 30 years of health system and societal change. In addition, aligned incentives help drive providers to work together to best serve patients and the community. All the major players in Mesa County are non-profit. This likely makes it easier to keep their focus on the vision; however, we can imagine for-profit institutions having similar perceptions under the right circumstances, leadership, and incentive structures.

Information systems and data sharing are essential for collaboration and trust. The electronic records system and the interoperability provided by the community-financed QHN enable evidence-based collaboration of complex and high-cost cases, across institutions and among clinicians. Mesa County IPA and Rocky have been sharing data on physician performance for quite some time, long before electronic records. This tradition helps Grand Junction reduce unnecessary readmissions and keep residents with chronic conditions stable enough to avoid preventable hospitalizations.

Transparency about costs and peer-to-peer communication help keep costs low. Cost and quality reporting by Rocky and the Mesa County IPA exerts peer pressure on providers to deliver high quality care at lower costs. Transparent information, including hospital reports and length of stay data, contributes to an overall awareness of costs and capitalizes on the competitive nature of physicians. Peer-to-peer communication based on quality data is highly impactful.

Complementary institutions pursuing their comparative advantages facilitate collaboration. Collaborative relationships between specialized providers and community service organizations allow each to focus on particular sub-populations so that all patients get the right care at the right time. High-quality, efficient care by any organization is beneficial to all of Grand Junction's institutions. Key players recognize this essential fact. This is the vision of community in practice.

Primary care is the core of any high performance health system. Throughout a patient's life, primary care physicians in Grand Junction are involved in all levels of treatment. This type of continuity and collaboration between primary care physicians, specialists, and other members of coordinated care teams leads to higher quality care, better outcomes, and lower costs. Most importantly, this type of team-based care refocuses the delivery system on the patient, rather than the provider. Nevertheless, Grand Junction's leaders are concerned by the extreme shortage of new primary care physicians entering the workforce. Primary care plays a central role in every collaborative, high quality, and efficient health system. Thus, we must support primary care expansion within reform legislation, not as an afterthought. Without increased support for primary care, the miracle of Grand Junction's health system could prove to be but an inspirational memory.

*This issue brief is a short summary of a paper by Len M. Nichols, Micah Weinberg, and Julie Barnes entitled **Grand Junction, Colorado: A Health Community That Works**, The New America Foundation, August 2009.*