

Harvard Paper Supports Need for Consumer Health Scorecards

In July, *American Health Executive's* cover story discussed the effect consumer scorecards will have on health organizations as they become mainstream. In the June issue of *Harvard Business Review*, Harvard professor and well-known author Michael Porter and Darden School professor Elizabeth Teisberg outlined their solution for the US healthcare system, which includes information as a key component.

In the article, Porter and Teisberg conclude that the problem with US healthcare is that competition is present at the wrong level (health plans), the right level being the treatment of specific diseases. “We have competition prevented where we need it and enabled where it’s dysfunctional,” said Teisberg in a July interview with *American Health Executive*. “We need to turn that around.”

Part of bringing competition down to that level is having information that enables choice, such as consumer scorecards, said Teisberg. “We have to have competition at the right level—the level at which value is created or destroyed. We also need information at the right level to enable that choice and competition,” she said.

At the simplest level, this can be experience information—how much

experience does a doctor or team have in a performing given procedure or treating a particular disease. Experience doesn’t tell you how good someone is, but experience enables learning, and learning enables improvement, said Teisberg, noting that experience data is also relatively non-controversial.

The next level of information tells patients which processes are being followed. “There are studies that show that Americans get, on average, about 55% of the care that’s known to work,” said Teisberg.

The third type of information is on outcomes. “That information has to be carefully risk adjusted so you don’t show lower measures for the doctors who have sicker patients,” said Teisberg. Although highly controversial, this type of information is being used in some areas, including cardiac surgery. “New York has been publish-

ing data for a long time, and as a result, their risk-adjusted mortality rates and improvement rates are better than the rest of the nation,” noted Teisberg.

“Information matters. It’s one of the critical pieces,” Teisberg concluded. “Competition at the right level is the fundamental thing that’s been missed. As long as we have competition just among health plans or hospitals, the competition isn’t functioning to drive improvement and efficiency where it actually occurs—patient by patient, disease by disease.”

“In an era when drugs are being invented molecule by molecule in a high-tech research environment, it makes no sense to have a delivery system where highly trained professionals often hand-count pills on a little plastic tray,” said Dr. Robert Epstein, chief medical officer at Medco.

