

# Clinic demonstrates improved quality of care resulting in cost savings for Medicare

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When the Centers for Medicare & Medicaid Services (CMS) initiated its Physician Group Practice (PGP) Demonstration, it challenged the 10 participating large physician group practices to prove that providing high quality coordinated health care could also save money.

CMS, part of the U.S. Department of Health and Human Services, announced today that, in the fifth performance year of the five-year Medicare demonstration project, Marshfield Clinic has once again improved the quality of health care it delivers to patients while decreasing health care costs.

"It has taken a lot of hard work by Clinic staff as we continually strive to improve care, but that work has been rewarded as the Clinic this year exceeded 98 percent of the quality measures," said Theodore A. Praxel, M.D., M.M.M., FACP, medical director, Institute for Quality, Innovation & Patient Safety, Marshfield Clinic. "We're pleased to show, for a consecutive fifth year, our success in efficiently using health care resources for the benefit of all the patients we serve, but we will continue to look for other ways to improve." Because of this effort, Marshfield Clinic has so far saved the Medicare program more than \$118 million over the five performance years reported.

"Marshfield Clinic has believed for a number of years that if we were to be successful in our goal of decreasing costs while further improving the quality of care delivered to patients, we need to look at how we can deliver care in new ways. This belief is why we committed to be a part

of the Physician Group Practice Demonstration project," said Praxel.

While the 10 participating group practices showed lower growth in Medicare expenditures collectively in the fifth performance year, Marshfield Clinic was one of four to generate significant savings under the terms of the demonstration that resulted in a performance payment. Marshfield Clinic is one of only two out of the 10 large physician group practices to achieve shared savings in each of the five performance years. Those sites, besides Marshfield Clinic, that received performance payments this year include Park Nicollet Health Services, St. Louis Park, Minn.; St. John's Health System, Springfield, Mo.; and University of Michigan Faculty Group Practice, Ann Arbor, Mich.

"The Clinic is receiving a shared savings payment of about \$15.83 million which will be used to fund further changes and improvements in how Marshfield Clinic delivers care to all of our patients," Praxel said. "The performance payment Marshfield Clinic receives will allow us to continue beneficial health care activities that are not currently reimbursed by most insurers right now."

Marshfield Clinic has made substantial investments to develop needed tools to improve quality of care delivered to patients, even prior to this project. For example:

- a well-developed electronic health record (E.H.R.) and is a leader in information technology. All Clinic physicians have access to patient records from all Clinic centers through the E.H.R., which helps to eliminate duplication of services, like lab tests and imaging. The E.H.R. helps plan visits; addresses care at the time of the visit; and assures appropriate monitoring of chronic conditions is performed.
- a 24-7 telephone nurse line for advice and triage for patients who have their primary care provider within the Marshfield Clinic

system

- anticoagulation clinic
- congestive heart failure clinic programs
- cholesterol management programs
- a well-established telemedicine initiative

Changes implemented as a result of participation in the demonstration project are applied to all Marshfield Clinic patients, not to just [Medicare](#) beneficiaries.

"The entire Marshfield Clinic organization is committed to doing the hard work as a team to improve the value we deliver for all patients, and I would like to thank each individual for his or her efforts. While this work is difficult, it is an important part of health care reform and it proves that we can reduce [costs](#) without compromising the high quality care all of our patients receive at Marshfield Clinic," said Karl Ulrich, M.D., M.M.M., Marshfield Clinic president and chief executive officer.

In this fifth performance year, Marshfield Clinic has over 35,000 people assigned by CMS, the largest group of beneficiaries in the project, with an overall total of about 225,000 participants.

"We're pleased that the care delivery approach Marshfield Clinic instituted has been successful in providing quality care to patients as well as savings to CMS in all five years of the project," said Marilyn A. Follen, R.N., M.S.N., administrator, Institute for Quality, Innovation & Patient Safety, Marshfield Clinic. "The outstanding efforts of our physicians and staff during the fifth performance year allowed Marshfield Clinic to improve the efficiency of care delivery and to exceed 98 percent of the quality measures set by CMS. This resulted in more than \$34.5 million in savings to CMS in the fifth year. These results speak well for the dedication and hard work of all Clinic physicians and staff members."

CMS Physician Group Practice Demonstration Project results being reported measure Year 5 - April 1, 2009, to March 31, 2010. In the fifth year, participating large group practices reported 32 measures for diabetes, congestive heart failure, coronary artery disease, hypertension and cancer screening.

Provided by Marshfield Clinic

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