The Marketplace Collaborative Model Applied to a Breast Clinic

William DePaso, M.D., Associate Medical Director, Center for Health Care Solutions, Virginia Mason Medical Center

Founded in 1920, Virginia Mason Medical Center is a Seattle based, multi-specialty integrated delivery system with eight suburban clinics, a 34-bed hospital and 450 employed physicians.

Background

In 2004, local employers challenged Virginia Mason (VM) to reduce their employees’ health care costs for a number of common conditions, including headache, depression and heartburn. In response, VM invited employers to participate with their health plan (Aetna) in redesigning health care to better meet employees’ needs and in restructuring dysfunctional payment methods that support the status quo. Employers accepted the invitation, and the Marketplace Collaboratives were born.

In VM’s Marketplace Collaboratives, groups of stakeholders deconstruct and reconstruct the delivery of health care based on evidence-based medicine and Toyota process improvement methods. Cost accounting is used to compare reimbursement with costs of delivering care. Collaboratives tackle medical conditions that are high cost to employers, with a focus on reducing variation in quality and access that drives much of the expense in medicine.

The goals for Collaboratives include designing a product that pays for value; analyzing both direct and indirect costs of illness; ensuring real time measurement of patient satisfaction and appointment access; and delivering the five product specifications (see box).

Breast Clinic Example

VM worked with Aetna and the City of Seattle on a Marketplace Collaborative involving breast disease. Using Toyota methods, the team reviewed the traditional course of care for a woman with a breast lump, discovering that a breast surgeon typically handled coordination of imaging and biopsy over the course of 22 days. Cost of care was about $1,400, with VM losing about $100 on every case.
The group reviewed best practices and evidence in order to design an ideal clinical pathway for this condition. The major change was adding a nurse practitioner to manage the entire process. By making this one change, staff were able to offer appointments within one day, and the nurse practitioner coordinated breast imaging and (if necessary) biopsy within three days. (See Figure 1.) VM continues to monitor and report on the five product specification domains (Figure 2) while working to refine a financial model that is fair for both the provider and the employer.

**Figure 1:** The team identified an ideal clinical pathway that reduced patient waiting time by more than 80 percent.

**Figure 2:** VM created this simple dashboard to report progress toward quality goals to members of the Collaborative.

*Source: The Center for Health Care Solutions at Virginia Mason – 2007 Annual Report*