How The Stars Aligned To Make Grand Junction A Success

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Health Affairs 29, no.9 (2010):1687-1688
doi: 10.1377/hlthaff.2010.0762

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PEOPLE & PLACES
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WHO AND WHERE Physicians, hospitals, and other care providers in Grand Junction and surrounding rural Mesa County, population: about 146,000.

INDICATORS OF SUCCESS When health care costs for Medicare patients during their last two years of life are compared for U.S. localities, the Grand Junction Hospital Referral Region is the only one that has ranked among the five lowest-cost regions ever since the Dartmouth Atlas of Health Care began compiling such data in the early 1990s.

WHAT’S WORKING Excellent communication among providers, a culture of collaboration, the nonprofit status of local care-providing institutions, as well as the participation of doctors in helping set policies. Mesa County Physicians Independent Practice Association (IPA) makes comparative performance and cost data on individual doctors available to all association members. Rocky Mountain Health Plans, a health maintenance organization (HMO), subsidizes primary care and equalizes physician payments for the care of patients with different levels of insurance.

CHALLENGES Replicating Grand Junction’s success elsewhere, as desirable as that may be. Given the area’s size and relative isolation, doctors and health care administrators know one another and share a sense of responsibility for the well-being of area residents.

When Colorado public health researcher Marsha Thorson and colleagues were choosing sites for a study of care transitions at the time of hospital discharge, the Grand Junction/Mesa County area caught their attention.¹ The area had a clear track record of consistently delivering high-quality health care at the lowest cost in the nation. Interviewing key players and examining referral processes, Thorson and her coauthors found a health care system where providers communicate with one another, cooperate to meet local needs, and manage to keep paperwork and bureaucracy to a minimum. “We found it striking, how efficient they are,” says Thorson, who is now a public health official with the Mesa County Health Department. Compared to some systems she had encountered in the Denver area, which she described as “dysfunctional,” Grand Junction “was just [like] night and day.”

Ensuring Equal Access
Located in an agricultural region on Colorado’s Western Slope, Grand Junction has the only large, full-service hospital between Denver and Salt Lake City, St. Mary’s Hospital and Regional Medical Center. David West, a family physician and hospitalist who settled in town thirty-two years ago, says that the fact that no alternative sources of medical care exist within easy driving distance contributes to an attitude among local providers that “we can’t just push a problem down the road—we have to settle it ourselves.”

In 1974 a small group of Grand Junction physi-
cians founded Rocky Mountain Health Maintenance Organization (HMO) to ensure that patients covered by the then-new Medicaid program would not be denied care because of the low Medicaid payments. The HMO, now part of the statewide Rocky Mountain Health Plans, enrolled both Medicaid members and others and, through a system of cross-subsidies, paid physicians standard fees regardless of the insurer. Soon the dominant insurer in the area, the HMO discouraged the development of “parallel systems of care that...drive costs” up, West says.

To contract with the HMO, physicians formed Mesa County Physicians Independent Practice Association (IPA), which became a key player in monitoring quality and in supporting primary care. Through the IPA, practicing physicians undergo on-site chart reviews by a two-doctor team to evaluate their performance every two years. Outcome and cost data on all IPA members are made available to their colleagues. “Everybody else can see how you stack up” against others in the same specialty on benchmarks such as delivery of recommended preventive care or cost to treat a condition, West says.

Over the years, the IPA has dropped “a few bad doctors” who had poor quality performance, according to West. The IPA also collects physician payments from the HMO and sets policy for how those funds are distributed. For example, it has long adjusted fee schedules to pay a little less than usual rates for surgical procedures and a little more for primary care visits. IPA members receive additional end-of-year payments if the HMO’s overall health care costs go down or if members’ performance improves.

Avoiding Unnecessary Costs
Among local health leaders, “one of our themes is, ‘the right care at the right time and in the right place’,” West says. That goal led to the founding of a regional hospice in the 1970s and of a clinic for uninsured patients in 1988, the latter jointly funded by two area hospitals. The community also benefits from the fact that the HMO and all of the large health care providers in Grand Junction are nonprofit. “We don’t have people just trying to make profits for stockholders,” West says. Thorson and colleagues noted in their published study that St. Mary’s has also been aggressive in its efforts to coordinate care plans for discharged patients with area nursing homes and other referral facilities, and to keep abreast of the performance of those institutions.

Most local physicians belong to small group practices, and they sometimes exert peer pressure on newcomers who are perceived as greedy or competitive, West says. He adds that Grand Junction’s medical community has discouraged specialty groups from buying costly diagnostic equipment that would be likely to lead to unnecessary testing and higher costs.

West, who spent twenty years as a family physician in private practice and who recently took a position as a hospitalist at St. Mary’s, worries that as more primary care doctors in Grand Junction stop caring for their hospitalized patients, the area’s collaborative medical culture may be weakened. “We are far from perfect” in providing appropriate, cost-effective care, he says, “but I think we’ve done a better job of it than most medical communities and regions.”

NOTE