



# **VA can improve older enrollees' outcomes by directing private sector care to high performance hospitals**

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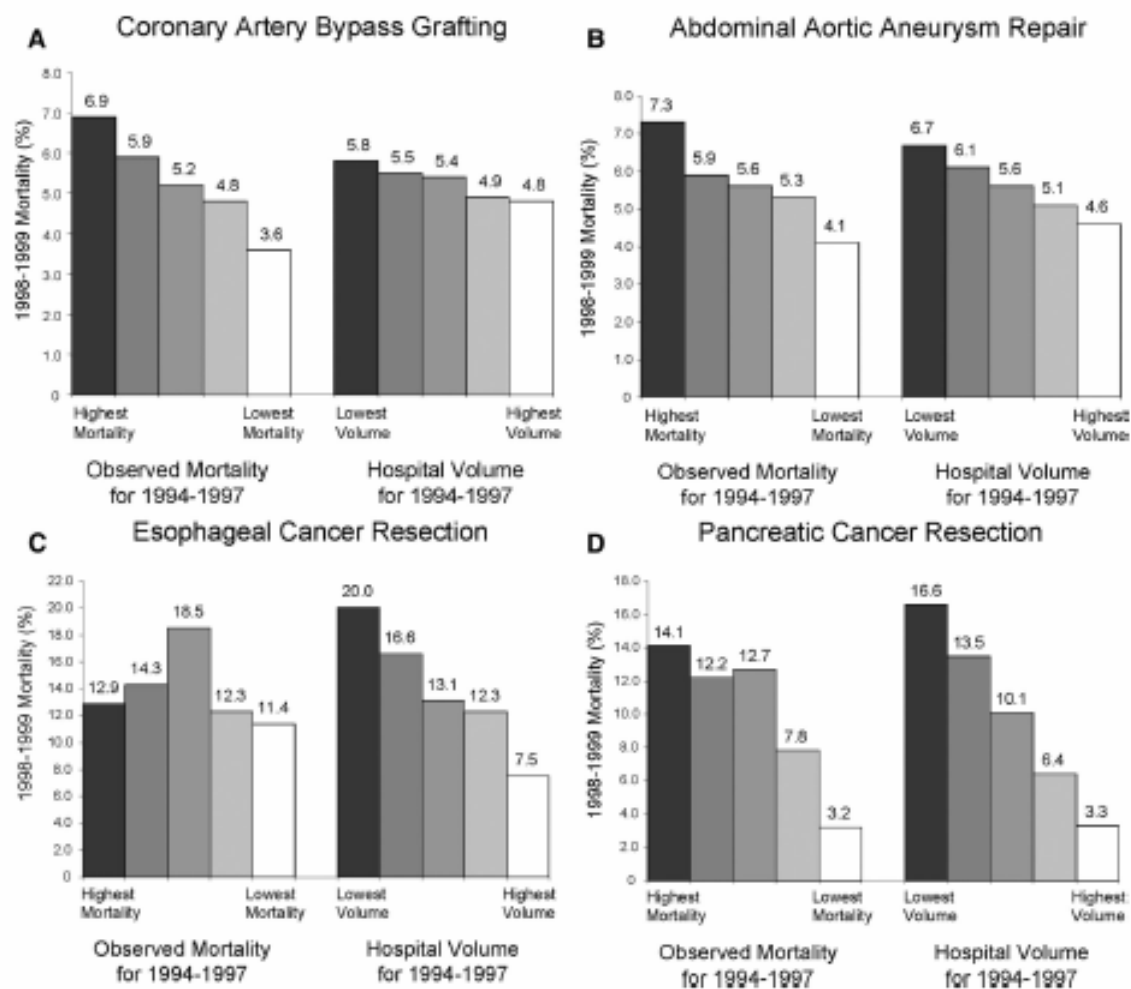
# Veterans Administration

- National integrated health care system
  - 162 hospitals
  - 850 clinics
- Annual budget ~\$33 Billion
- Serves about 6 million eligible veterans each year
- Went through transformation in late 1990s
  - Focus on quality
  - Use of performance measurement system
  - Largely effective

# Veterans enrolled in the VA

- Tend to be older, sicker, poorer than general population
- Frequently obtain care outside of the VA system
  - ~95% of VA enrollees aged 65 and older are concurrently enrolled in Medicare
  - Surveys suggest that younger VA enrollees also rely on care obtained outside the VA

# Outside of VA, operative mortality and procedure volumes predict subsequent hospital performance



Birkmeyer JD, Dimick JB, Staiger DO. Operative mortality and procedure volume as predictors of subsequent hospital performance. *Ann Surg* 2006; 243: 411-417.

# Objectives

- To quantify older VA enrollee's non-VA utilization for 14 surgical procedures that demonstrate variation in outcomes
- To assess the potential impact of VA adopting a new role: directing such care to high performance hospitals

# Methods

- Use a combined VA/Medicare dataset for 2000-2001
- Used ICD-9-CM codes to identify where older VA enrollees obtain care for six cardiovascular surgeries and eight cancer resections
- Determine whether non-VA care occurs in high or low performance hospitals (based on predictions from two years in advance of the service year)
- Model the mortality and travel burden effect of directing care to high performance hospitals

# Where older veterans get care

	Defining ICD-9- CM procedure codes	Specifications	Number of procedures and location of care			
			Medicare-funded private sector			Older veterans' reliance on VA
			All	Matched to ranked hospitals	VA	
<b>Cardiovascular procedures</b>			<b>101,300</b>	<b>98,193</b>	<b>15,205</b>	<b>13.1%</b>
CABG surgery	36.10 – 36.19	Exclude concomitant valve repair (35.11 - 35.14, 35.21-35.25, 35.28)	45,536	43,548	5,354	11%
Carotid endarterectomy	38.12	none	25,814	25,397	4,603	15%
Lower extremity bypass	39.29	Exclude upper extremity arteries (444.21) and ESRD (585 or 586)	12,645	12,440	2,529	17%
Aortic valve replacement	35.23 or 35.24	none	8,147	7,868	1,165	13%
Elective AAA repair	38.44 or 39.25 without 38.45	Include only AAA w/o rupture (441.4, 441.7, 441.9) but not other 441's	6,902	6,808	1,298	16%
Mitral valve replacement	35.21 or 35.22	none	2,256	2,132	256	10%
<b>Cancer resections</b>		Include only with concomitant:	<b>17,945</b>	<b>17,488</b>	<b>4,867</b>	<b>21.3%</b>
Colectomy	45.73 – 45.76	Colon cancer (153 - 153.9, 154.0)	8,895	8,795	2,547	22%
Lobectomy	32.4	Lung cancer (162 - 165.9)	3,399	3,339	864	20%
Nephrectomy	55.51 or 55.52	Kidney or urinary cancer (189 - 189.9)	2,624	2,566	585	18%
Gastrectomy	43.5 – 43.99	Stomach cancer (151 – 151.9)	1,166	1,106	268	19%
Cystectomy	57.7 – 57.79	Bladder, kidney or urinary cancer (188 - 189.9)	658	616	243	27%
Pancreatic resection	52.51, 52.53, 52.7	Duodenal, biliary, or pancreatic cancer (152 - 152.9, 156 - 157.9)	461	407	102	18%
Pneumonectomy	32.5	Lung cancer (162 - 165.9)	401	367	130	24%
Esophagectomy	42.40-42.42, 43.99	Esophageal cancer (150 - 150.9)	341	292	128	27%
<b>Total procedures obtained during 2000-2001</b>			<b>119,245</b>	<b>115,681</b>	<b>20,072</b>	<b>14.4%</b>

# Veterans equally likely to use high and low performance hospitals

	Analyzed	Performance based on historical volumes					Performance based on historical risk-adjusted mortality rates				
		1 (best)	2	3	4	5 (worst)	1 (best)	2	3	4	5 (worst)
<b>Cardiovascular procedures</b>											
CABG surgery	43,548	20%	20%	21%	20%	19%	21%	20%	21%	19%	20%
Carotid endarterectomy	25,397	21%	21%	21%	19%	19%	21%	19%	20%	20%	20%
Lower extremity bypass	12,440	20%	20%	20%	20%	19%	20%	20%	19%	21%	20%
Aortic valve replacement	7,868	20%	20%	20%	20%	20%	20%	19%	21%	20%	20%
Elective AAA repair	6,808	20%	20%	21%	19%	20%	21%	20%	20%	21%	19%
Mitral valve replacement	2,132	21%	19%	19%	20%	21%	21%	19%	20%	21%	19%
<b>Cancer resections</b>											
Colectomy	8,795	19%	20%	21%	19%	21%	20%	20%	20%	19%	20%
Lobectomy	3,339	20%	19%	20%	21%	20%	20%	20%	20%	21%	19%
Nephrectomy	2,566	20%	20%	19%	20%	21%	21%	18%	20%	21%	20%
Gastrectomy	1,106	19%	20%	19%	18%	24%	20%	20%	18%	21%	21%
Cystectomy	616	16%	20%	21%	19%	24%	19%	22%	21%	20%	19%
Pancreatectomy	407	19%	23%	20%	18%	20%	19%	25%	16%	20%	20%
Pneumonectomy	367	22%	19%	18%	18%	24%	23%	18%	21%	17%	21%
Esophagectomy	292	18%	18%	19%	11%	33%	22%	21%	19%	15%	23%



# Effects of directing care

Performance based on historical volumes

74%

Cardiovascular procedures	Expected RAMR*		Potential lives saved		Travel time (minutes)		
	Actual	With direction	N	% of total	Actual	With direction	Additional travel burden
CABG surgery	5.0%	4.7%	124	33.1%	38.9	100.2	61.3
Carotid endarterectomy	1.5%	1.5%	17	4.6%	32.9	57.4	24.5
Lower extremity bypass	5.3%	5.0%	28	7.5%	30.5	54.1	23.6
Aortic valve replacement	8.5%	7.7%	64	17.1%	46.9	101.0	54.1
Elective AAA repair	5.9%	5.4%	35	9.4%	38.8	68.1	29.3
Mitral valve replacement	13.9%	13.4%	10	2.7%	46.7	102.8	56.1
<b>Cancer resections</b>							
Colectomy	6.4%	6.1%	34	9.1%	23.1	44.9	21.8
Lobectomy	5.3%	4.9%	14	3.7%	39.2	72.1	32.9
Nephrectomy	3.0%	2.7%	6	1.5%	34.0	60.9	27.0
Gastrectomy	10.9%	9.7%	13	3.5%	35.6	69.7	34.1
Cystectomy	5.1%	4.2%	5	1.4%	45.7	88.0	42.3
Pancreatic resection	9.4%	5.8%	15	3.9%	51.9	116.8	64.9
Pneumonectomy	15.6%	15.3%	1	0.3%	53.2	107.2	54.0
Esophagectomy	12.6%	9.6%	9	2.3%	62.5	147.4	84.9
<b>Total</b>	<b>4.76%</b>	<b>4.44%</b>	<b>376</b>				

Performance based on historical mortality

78%

Cardiovascular procedures	Expected RAMR*		Potential lives saved		Travel time (minutes)		
	Actual	With direction	N	% of total	Actual	With direction	Additional travel burden
CABG surgery	5.2%	4.7%	229	39.2%	38.9	58.8	19.9
Carotid endarterectomy	1.6%	1.5%	24	4.1%	32.9	37.2	4.3
Lower extremity bypass	5.4%	5.0%	39	6.8%	30.5	34.7	4.2
Aortic valve replacement	8.8%	7.7%	89	15.2%	46.9	62.3	15.4
Elective AAA repair	6.0%	5.4%	41	7.0%	38.8	46.8	8.0
Mitral valve replacement	14.7%	13.4%	26	4.5%	46.7	65.2	18.5
<b>Cancer resections</b>							
Colectomy	6.5%	6.1%	40	6.8%	23.1	28.4	5.3
Lobectomy	5.4%	4.9%	18	3.0%	39.2	49.2	10.0
Nephrectomy	3.0%	2.8%	7	1.2%	34.0	41.1	7.1
Gastrectomy	11.5%	9.7%	20	3.4%	35.6	46.1	10.5
Cystectomy	5.4%	4.1%	8	1.4%	45.7	65.0	19.3
Pancreatic resection	10.6%	5.4%	21	3.6%	51.9	86.5	34.6
Pneumonectomy	17.0%	15.5%	6	1.0%	53.2	83.8	30.7
Esophagectomy	14.7%	9.2%	16	2.8%	62.5	88.1	25.5
<b>Total</b>	<b>4.93%</b>	<b>4.43%</b>	<b>584</b>				

# Potential application to VA care

	Application of volume standards		Application of mortality rates (crude, 30-day)		
	Minimum annual volume *	Number of VA's meeting standard	Actual	With direction	VA
<b>Cardiovascular procedures</b>					
CABG surgery	279	0	5.2%	4.7%	5.5%
Carotid endarterectomy	71	2	1.6%	1.4%	1.4%
Lower extremity bypass	35	4	5.3%	5.0%	6.6%
Aortic valve replacement	52	0	8.8%	7.7%	11.3%
Elective AAA repair	26	2	6.0%	5.4%	7.3%
Mitral valve replacement	23	0	14.7%	13.6%	16.4%
<b>Cancer resections</b>					
Colectomy	26	5	6.5%	5.9%	7.5%
Lobectomy	13	3	5.4%	4.8%	8.6%
Nephrectomy	7	5	3.0%	2.7%	3.7%
Gastrectomy	4	4	11.5%	9.4%	18.2%
Cystectomy	4	2	5.4%	4.0%	9.1%
Pancreatic resection	3	0	10.6%	5.0%	16.7%
Pneumonectomy	2	10	17.1%	15.3%	22.3%
Esophagectomy	2	11	15.4%	9.3%	19.5%

\*Derived from private-sector Medicare data

# Conclusions

- Directing VA enrollees' non-VA care to high performance hospitals can save lives
- Focus on cardiac procedures and use of historic mortality results in best outcomes & minimizes travel burden
- Unlikely to achieve same levels of performance if care is directed to VA

# Limitations

- Only 2 years, 14 procedures
- Administrative data
- Assumes patient compliance

# New role for VA

- VA should consider providing a new service: helping veterans who choose not to use the VA to pick high performance hospitals
- Might partner with Medicare – currently the payer for many of these services
- VA might provide incentives to veterans to choose high performance hospitals
  - Pick up Medicare copayment
  - Offset through delayed benefits payments by VBA, less VHA care