Lessons Learned: A Close Up Look at Cost-Effective Population Health Strategies

Hospital and Physician Relations Executive Summit

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Today's Speakers

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Agenda

1. Shifting Landscape
2. Keys to Success
3. Case Study: Pioneer Medical Group
4. Q & A

Shifting Landscape

Payment Models Shifting

Shift from fee-for-service to value-based reimbursement

TRANSFORMATION → **GOAL**

50%

Increase over 7 years

Number of Physicians Accepting Non Fee-for-Service Payment Arrangements

Episode Based

Pay for Performance

Bundled Payments

Global Payments for Discreet Populations

Population Based

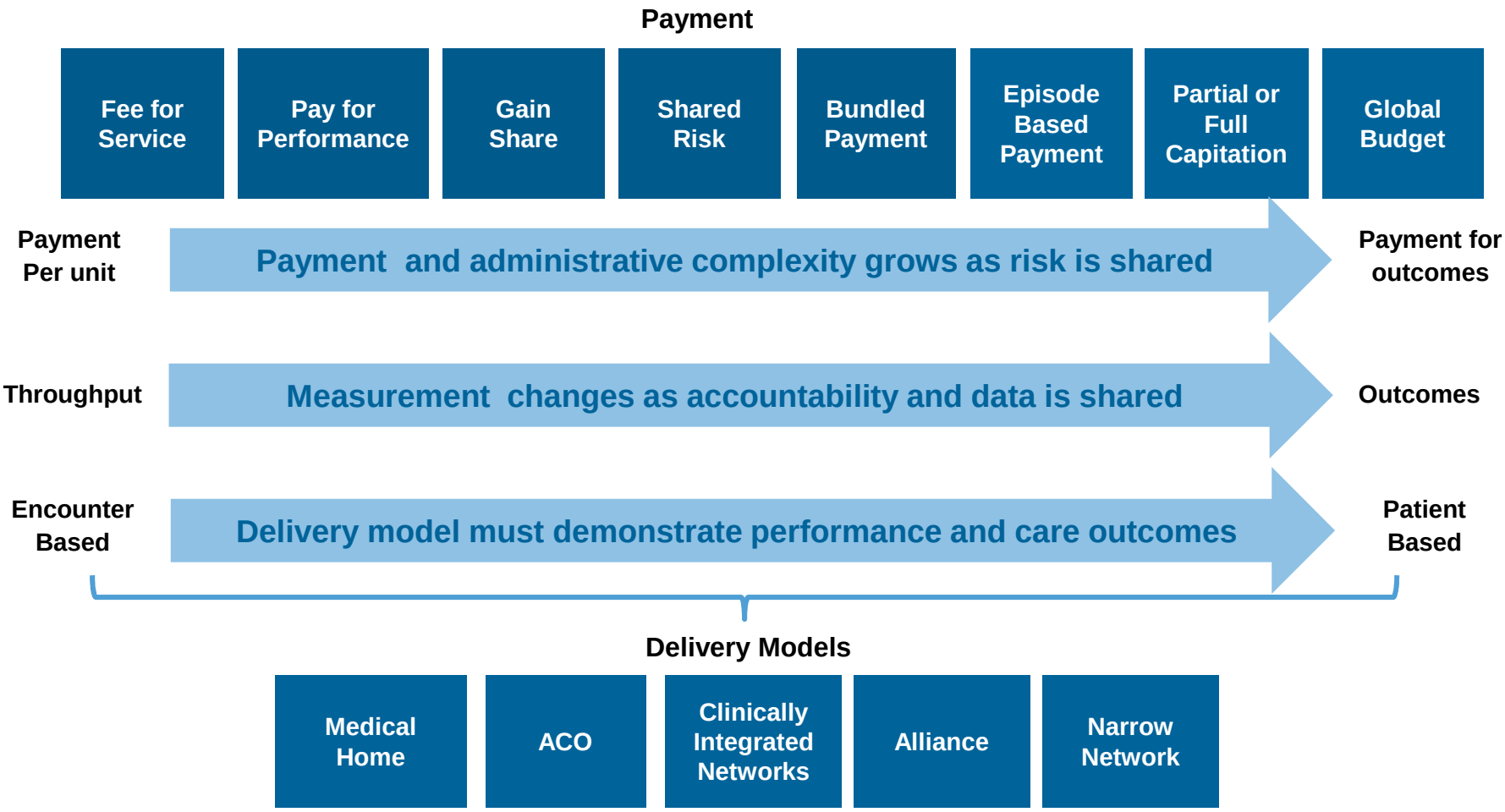
Alignment of Reimbursement Incentives with Clinical Outcomes to Control Costs and Enhance Patient Care

Source: Leavitt Partners, % Increase 2012 - 2019

Evolving payment models will drive many physicians to seek out organizations that can help them financially survive and remain clinically autonomous.

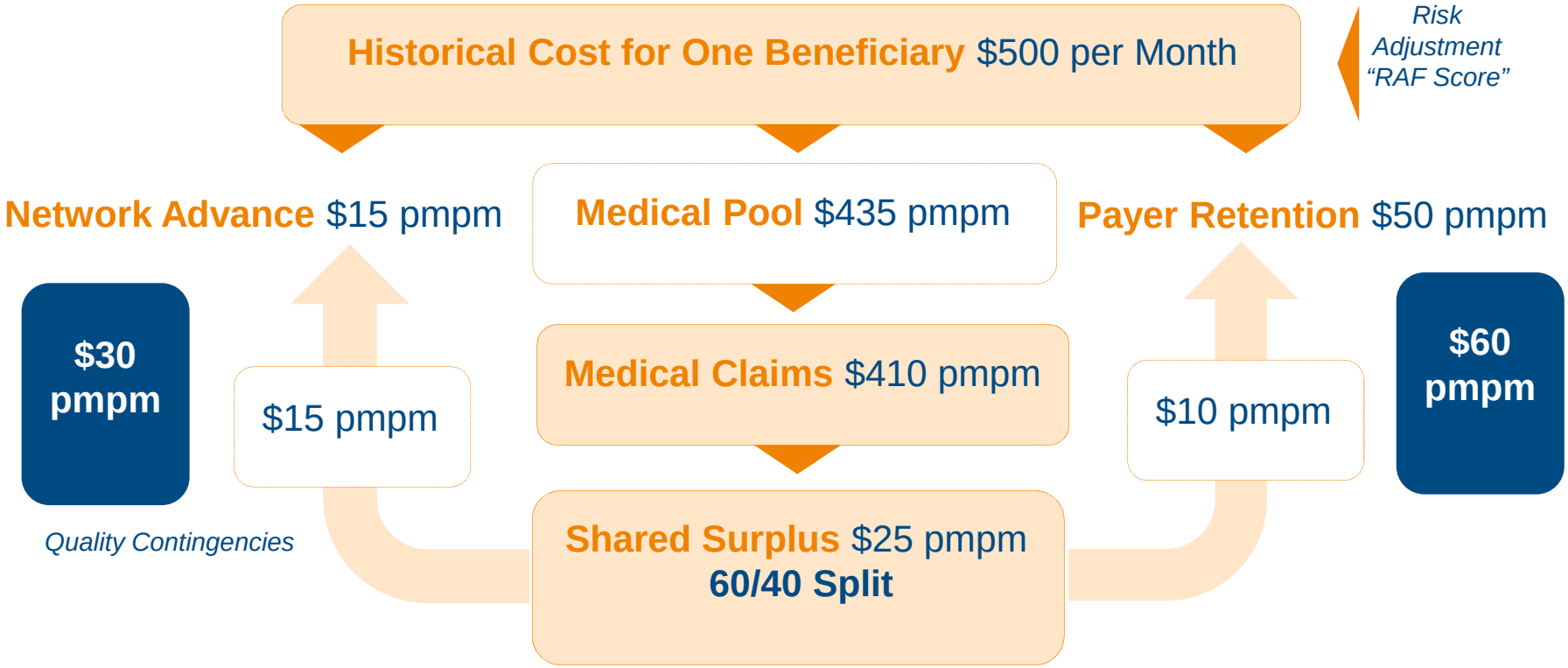
Payments Influence Delivery Models

From payments per unit to performance based



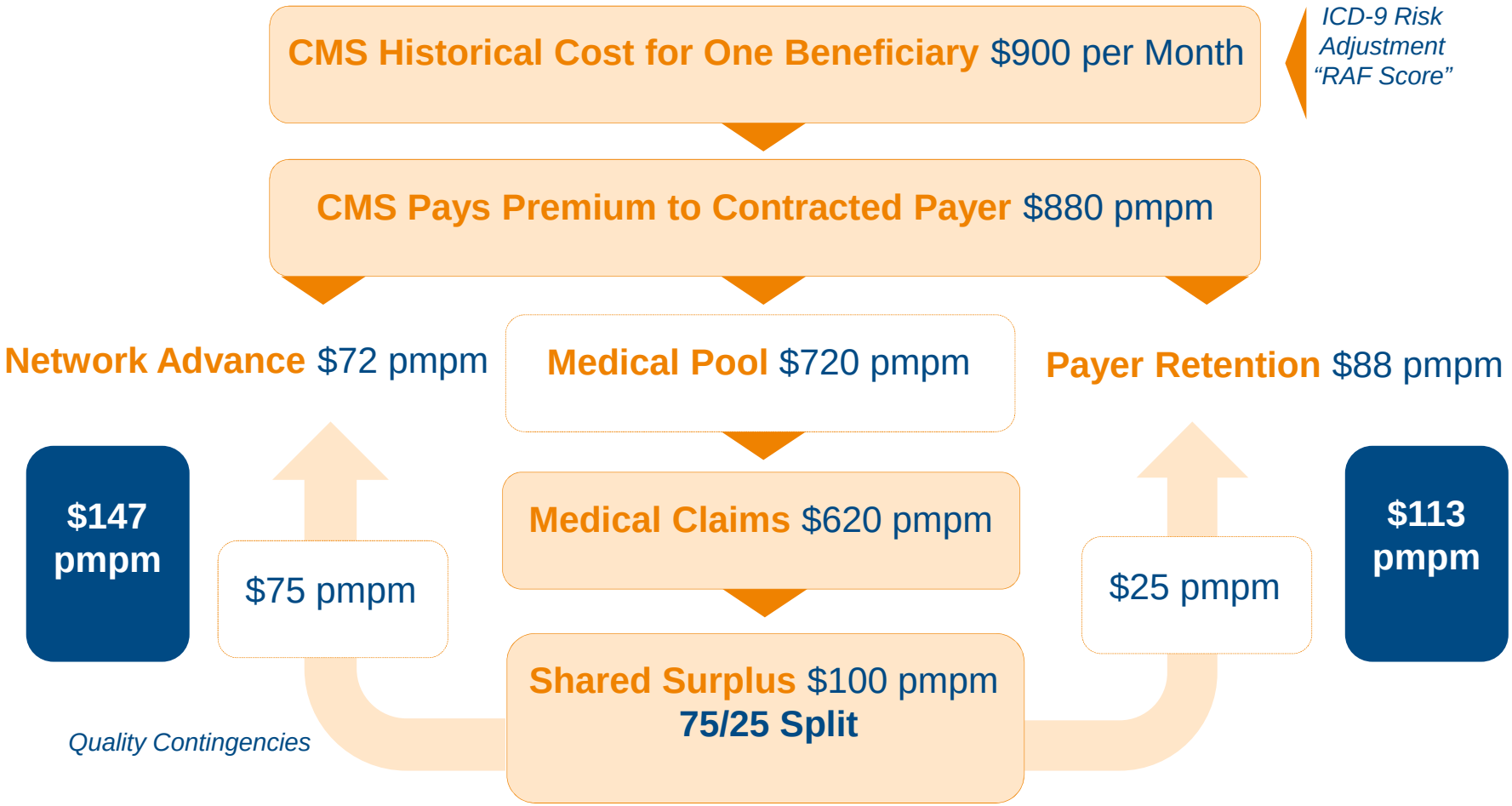
Flow of the Commercial Premium Dollars

(For Illustrative Purposes Only - A Version of Value-Based Reimbursement)



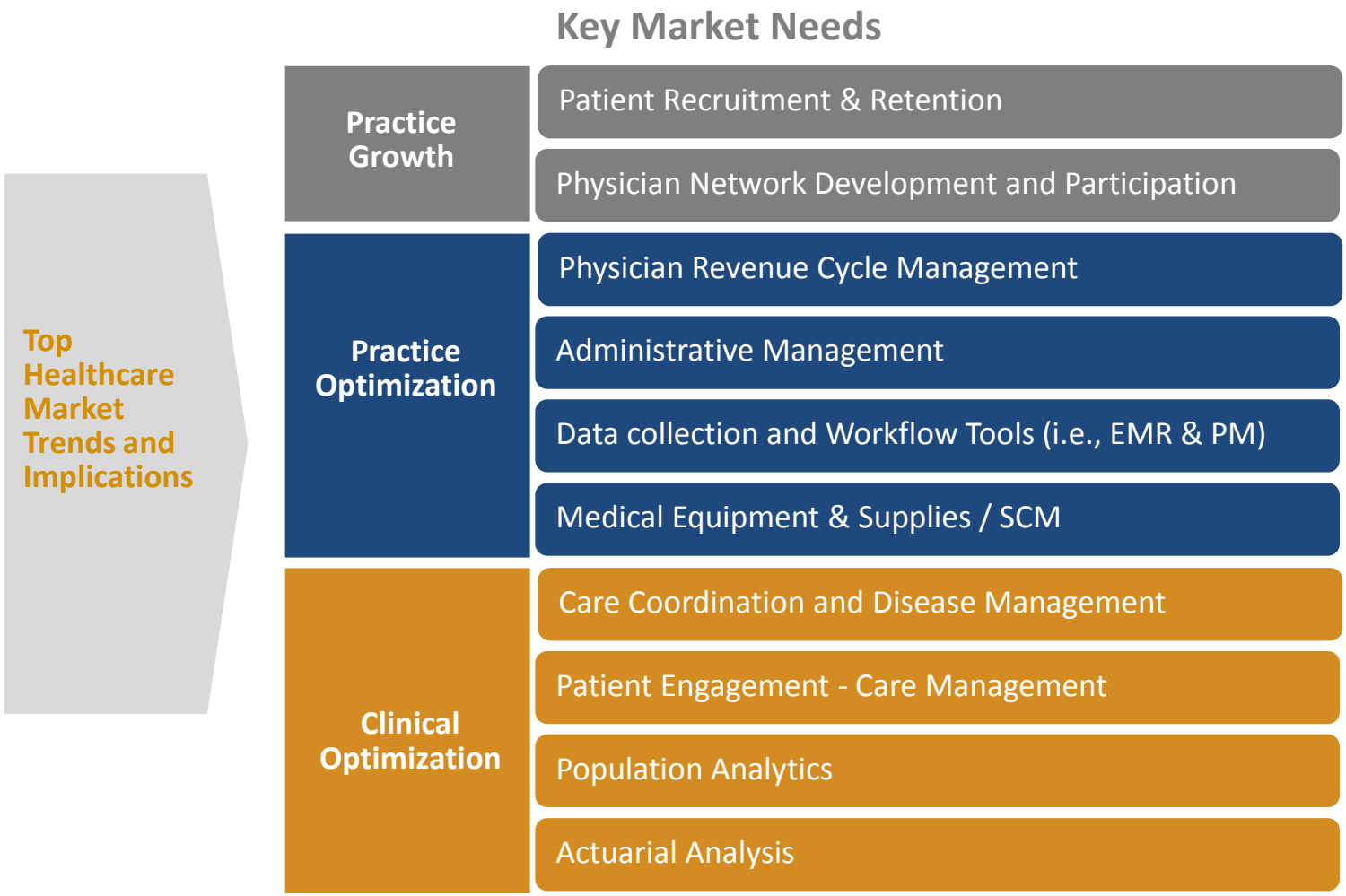
Medicare Advantage Model

(For Illustrative Purposes Only - A Version of Global Risk)

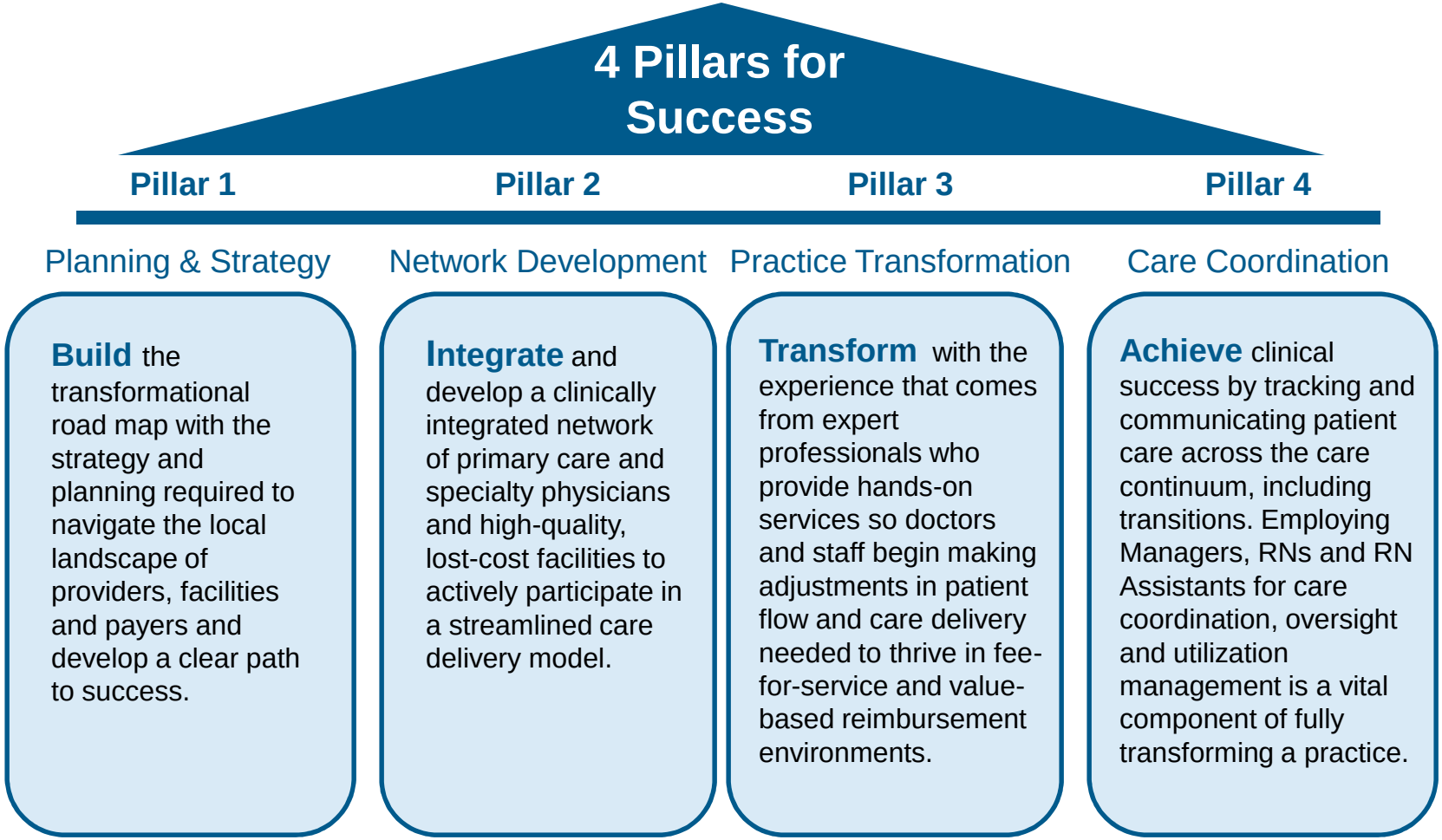


Keys to Success

What Will It Take to Succeed?



Four Foundational Pillars for Success



Population Health Insights : Across the four pillars, the ability to bring sources of disparate data together and turn it into useful information is a critical part of the transformation process.

Pioneer Medical Group: What Success Looks Like

PIONEER MEDICAL GROUP (PMG)

52 Provider Multi-Specialty Medical Group

- 8 Clinical Locations in California
- Primary Care
- Employed Specialists
- 5 Mid-Level Providers

Special Services and Programs

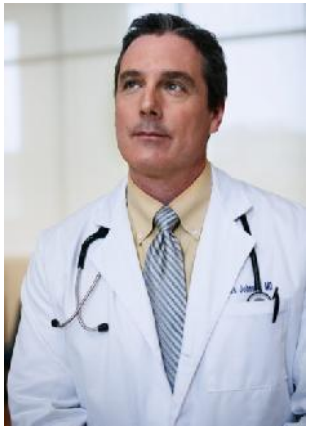
- 2 After Hours Clinics
- Diabetes Clinic
- Coumadin Clinic
- Imaging Center
- Homebound Program
- Nutrition Program

Dr. Berwick's "Triple Aim"

1. Improving the individual experience of CARE;
2. Improving the HEALTH of populations; and
3. Reducing the per capita COST of care for populations.

PIONEER MEDICAL GROUP

- Physicians are responsible for 33,000 lives
- The challenge: fixed cost and limited resources
- They accomplish this in three ways:
  - Optimize quality
  - Maintain the highest patient satisfaction levels possible
  - Keep costs down



Pioneer Medical Group:
Applying the Four Foundational Pillars for Success

Pillar 1: Strategy & Planning

- Develop network and onboarding
- Create financial incentive structure
- Define accountability for all staff
- Set up infrastructure
  - Type of ACO
  - Multiple specialty clinics and service programs

Elements of the Coordinated Care Model

1. Capitation (pre-payment)
2. Delegation
3. Institutional Use Incentives
4. Quality Incentives
5. Appropriate State Regulation

Pillar 2: Physician Network Development & Communications

- Identify and enroll physicians
- Extensive surveys with physicians
- Define specialists and sub-specialists
- Partner with local hospitals for better care coordination
- Develop communication plan
- Oversee physician network efforts

2. Delegation

Typically, California capitated groups are delegated certain functions by the health plans, including:

- Claims Adjudication and Payment
- Credentialing
- Quality Management
- Utilization Management

3. Institutional Use Incentives

Three ways in which groups can be rewarded for controlling institutional use:

1. "Shared" Risk: Health plan has a budget, contracts with hospitals, splits surplus (or deficit) with medical group.

2. "Dual" Risk: Hospital takes a capitation as well; it and the group has a deal at "cost"; they share balance.

3. "Full" or "Global" Risk: Group takes both caps and contracts with hospitals directly (requires KK).

Risks

- Fundamentally, we’re in the underwriting business.
- Need adequate base to appropriately socialize the risk.
- Need a comprehensive network of contracted providers – PMG has 631.
- Need good claims adjudication and payment systems.
- Need a good hospital partner.

Challenges

- Non-Contracted Providers
- Health Plan Contracting
- Cash Management
- And…Hospital-Based Physician Contracting

Pillar 3: Practice Transformation

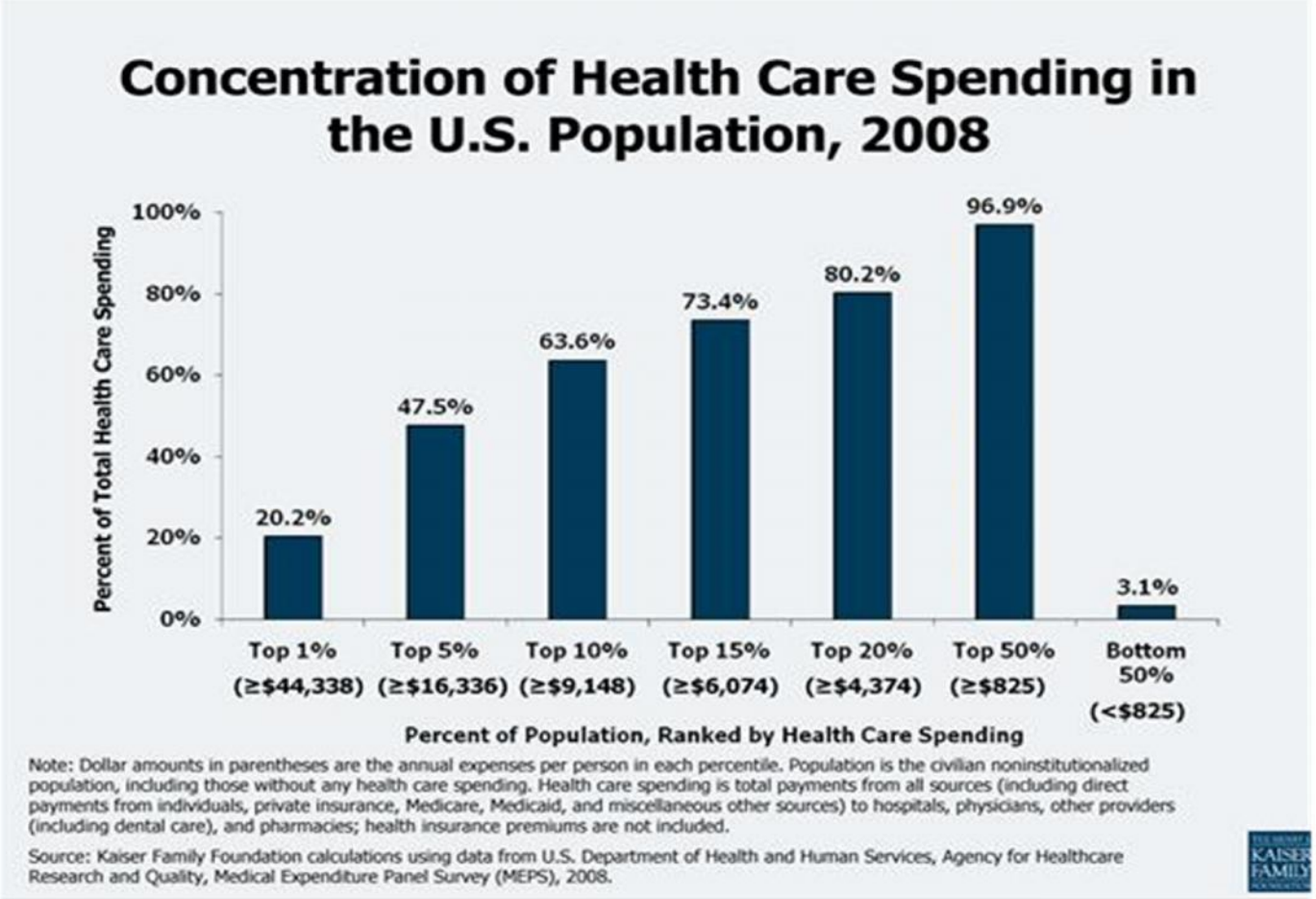
- Conduct initial assessments and training
- Offer customized tools and resources
- Review quality measures monthly with reports
- Ensure alignment with strategic goals

Pillar 4: Patient Care Coordination and Case Management

- Medically appropriate
- Medically necessary
- Patient must meet guidelines
- Must prove benefit to patient

- Define the population
  - Type of ACO
- Manage the population
  - Committees
    - Utilization Management
    - Quality Management
    - Pharmacy and Therapeutics
  - Preventative care planning
  - Chronic disease management
  - Patient self-management
- Track patient care
  - Compliance
  - Metrics and Tracking

The Secret to Cost Containment: Not Population Health but Subpopulation Health



Population Management

Oversight Committees

- Utilization Management
- Quality Management
- Pharmacy and Therapeutics

Utilization Review Criteria

1) It has to be medically appropriate.
2) It has to be medically necessary.
3) The patient has to meet the guidelines.
4) The patient has to have the benefit.

Population Management

- Evidence Based Medicine
- Preventive Care
  - Annual wellness exams
  - Immunizations
  - Cancer screening
- Chronic Disease Management
  - Diabetes
  - Asthma
  - Congestive Heart Failure
- RN Case Management

Population Management

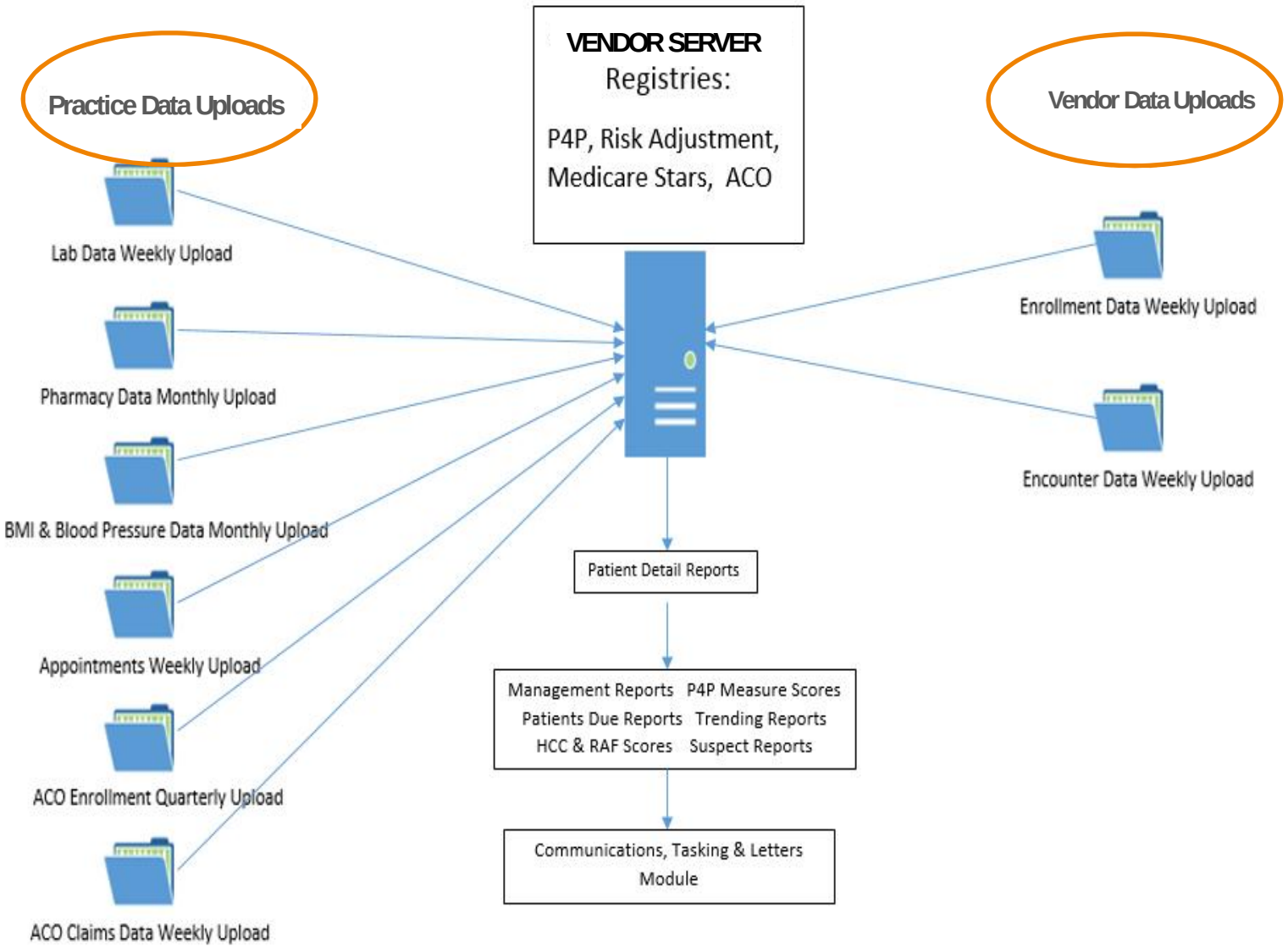
Pharmacy and Therapeutics

- Generic Medications
- Brand Medications
- Injectables

Tools - You Need a Foundation
Population Health Insights

Internally **(EHR, PM system)**	**Externally** **(CMS, Health Plans, Clearinghouses)**
• ICD Codes • CPT Codes • Patient Visits • Demographic Information • Lab Data – tests ordered and values	• Pharmacy Data • Some Lab Data • Hospital/Institutional Data

Internal Tools



The Importance of Data

You need to turn that **DATA** into **INFORMATION**

For this, you need a data accumulator and analytics engine:

- A data depository that is accurate, secure and trustworthy; and
- Has the ability to:
  - Establish registries based on disease state and
  - The ability to generate actionable reports on
    - The Group level, by metric, and
    - The Individual PCP level

Physician Trending Report

Period AUGUST 2013		LDL- Card		A1C- diabetes		LDL-diabetes		Breast		Colorectal	
PCP_CODE	PCP_NAME	*N/D*	*score*	*N/D*	*score*	*N/D*	*score*	*N/D*	*score*	*N/D*	*score*
		3/4	75%	79/88	90%	79/88	90%	48/82	59%	121/260	47%
		14/16	88%	112/137	82%	106/137	77%	119/156	76%	231/482	48%
		5/9	56%	104/122	85%	105/122	86%	101/171	59%	188/465	40%
		4/6	67%	41/53	77%	41/53	77%	43/70	61%	91/183	50%
		18/24	75%	121/138	88%	121/138	88%	95/153	62%	181/408	44%
		13/18	72%	173/221	78%	175/221	79%	123/171	72%	279/566	49%
		5/10	50%	84/106	79%	84/106	79%	90/124	73%	173/334	52%
		9/15	60%	60/80	75%	45/80	56%	54/88	64%	130/249	52%
		0	0%	0	0%	0	0%	0	0%	0	0%
		0	0%	*1/2*	*50%*	*1/2*	*50%*	0	0%	*0/2*	*0%*
		8/10	80%	78/88	89%	73/88	83%	62/88	70%	151/219	69%
		0	0%	0	0%	0	0%	0	0%	0	0%
		0	0%	0	0%	0	0%	0	0%	0	0%
		9/14	64%	37/51	73%	33/51	65%	66/95	69%	134/269	50%
		0	0%	*1/2*	*50%*	*0/2*	*0%*	*2/4*	*50%*	3/7	43%
		2/7	29%	45/56	80%	42/56	75%	127/159	80%	161/258	62%
		15/19	79%	73/96	76%	70/96	73%	85/111	77%	173/260	67%
		7/8	88%	52/67	78%	52/67	78%	42/56	75%	78/157	50%
		1/1	100%	42/47	89%	41/47	87%	21/26	81%	48/70	69%
		5/6	83%	36/42	86%	37/42	88%	52/78	67%	117/218	54%
		0	0%	0	0%	0	0%	0	0%	0	0%
		7/7	100%	109/120	91%	109/120	91%	171/202	85%	157/356	44%
		5/8	63%	90/109	83%	92/109	84%	111/150	74%	156/312	50%
		0	0%	0	0%	0	0%	0	0%	0	0%
		0	0%	0	0%	0	0%	0	0%	0	0%

**Sample report from Pioneer Medical Group, 2013*

N/D= Numerator/Denominator

Success for Pioneer Medical Group

- Named one of 5 “Top Performers” for Los Angeles in IHA’s Pay for Performance Program (3 years)
- Awarded “Elite” Status in CAPG’s Standards of Excellence Program (6 years)
- Finalist for the national “American Idols of Medicine” study

Summary

Key Takeaways

- Four pillars are key to engaging leadership, physicians
- Manage risk with contract negotiations
- Manage costs with specialty specific strategies
- Utilize population health models to improve patient care
- Leverage the relationships you have with hospital-affiliated physicians
- Use data intelligently
- Partner with an expert to accelerate cash flow and improve collections

Getting Started

Build Your Foundation

- Define Pop Health strategy
- Tie to hospital goals
- Actionable and achievable cost containment strategies
- Limit scope
- Position in the market
- Gain leadership buy-in

Integrate Your Network

- Grow your network of physicians and hospitals

Transform Your Organization

- Physicians are your champions
- Educate & incentivize

Achieve Better Clinical Outcomes

- Measure and report frequently
- Data and tools are key

Recognize success!

Questions?

Thank you!