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Partnerships for Population Health Management

hospitals in pursuit of excellence™ Accelerating Performance Improvement

HPOE Webinar

November 15, 2016 | 12:45-2:00 CT

Agenda

I. AHA welcome and introductions (5 minutes)

II. Forces driving population health-oriented partnerships (Mark Grube – 5 minutes)

III. Key criteria for successful partnerships (Mark Grube – 10 minutes)

IV. Case Example: Atlantic Coast Health Network (Esther Surujon – 20 minutes)

V. Case Example: Granite Health (Rachel Rowe – 20 minutes)

VI. Key success factors (Mark Grube – 5 minutes)

VII. Questions (All – 10 minutes)

Forces Driving Population Health-Oriented Partnerships

PHM is an approach to improving health, access, outcomes, and quality of care while reducing costs through effective management of a population's health over the continuum of its health and healthcare needs.

This is the direction healthcare is moving.

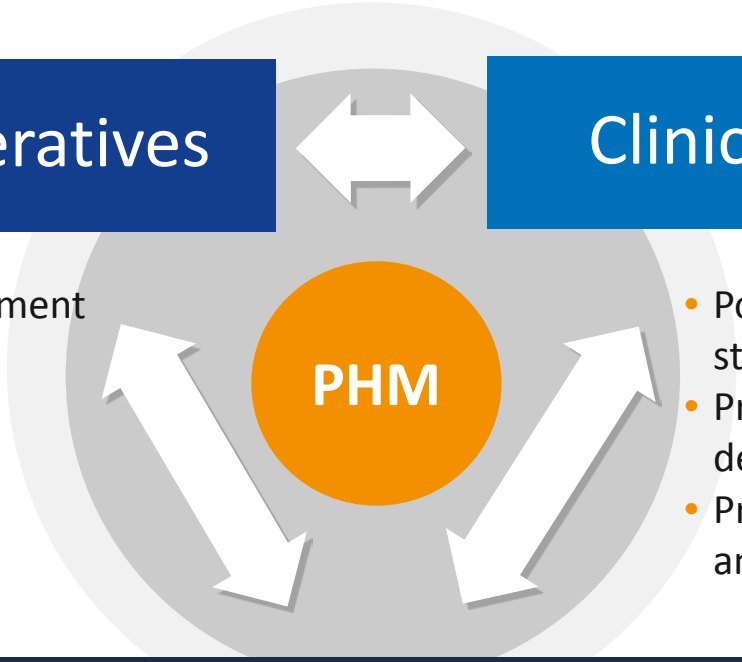
New Competencies Are Required

Business Imperatives

- Physician and clinical alignment
- Contracting
- Network optimization
- Operational efficiency
- Market and consumer engagement

Clinical Imperatives

- Population segmentation and stratification
- Program/intervention development and implementation
- Program/intervention evaluation and refinement



Infrastructure/Capabilities

- PHM-focused leadership, management, and governance structure
- Technology/advanced analytics platform
- Care management tools and protocols
- Scale, risk-bearing arrangements, and risk-management capabilities

Build, Buy, and/or Partner?

- Build competencies and capabilities internally
- Buy or purchase access to certain competencies or services from another entity
- Partner with another entity to gain access to required competences

To participate in PHM in a significant way, most hospitals and health systems will need to use the latter two approaches.

Strategic Partnerships Already Are On the Rise

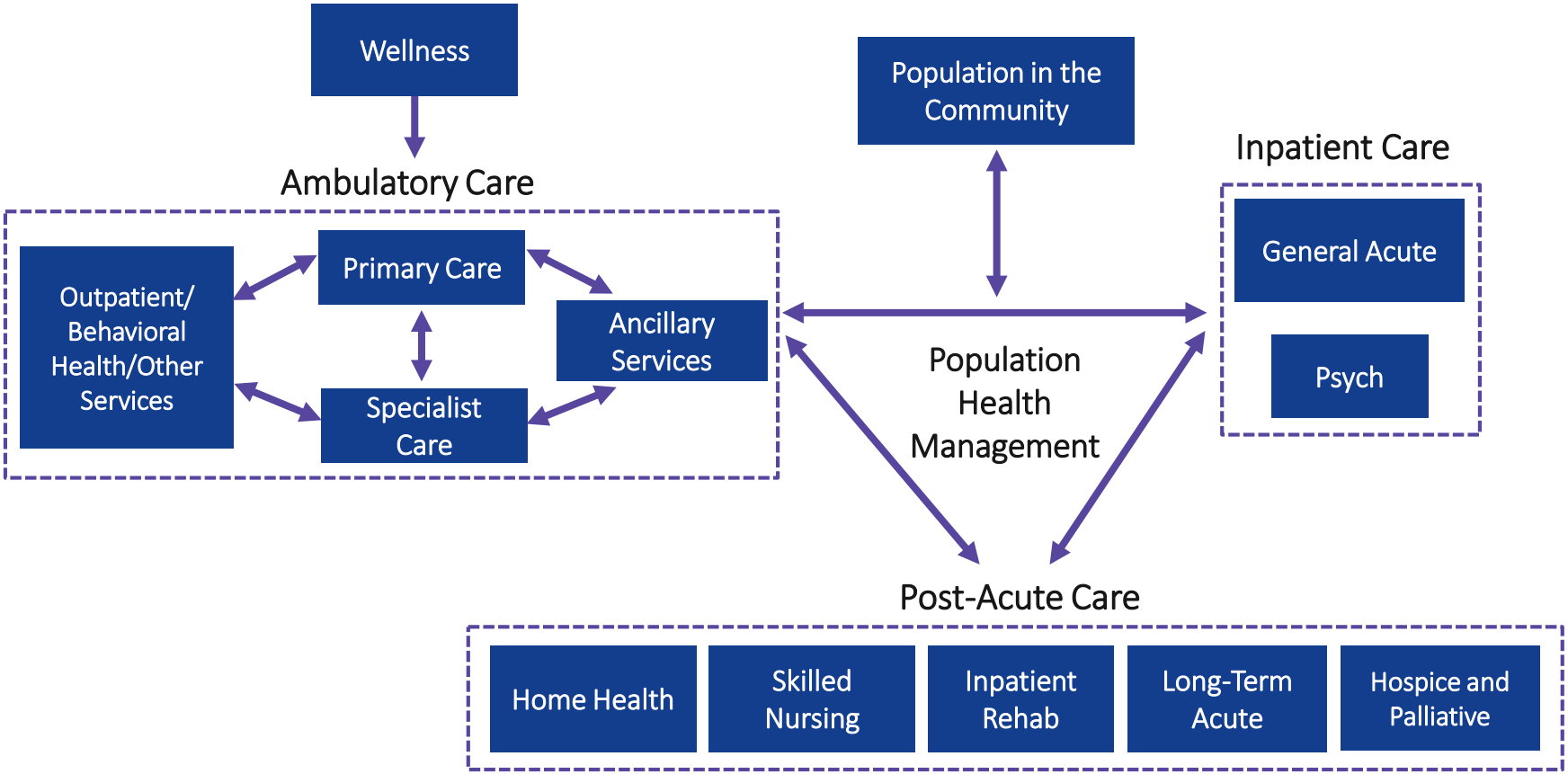
- Many hospitals and health systems will need to partner to gain the required capabilities and efficiencies for healthcare's shift to a consumer-centric, value-driven business model
- Many organizations are establishing collaborative partnerships and affiliations with providers, health plans, and others to gain the needed expertise and scope
  - Both traditional and nontraditional partnerships are proliferating nationwide
  - Affiliations span from less integrated contractual arrangements to highly integrated asset purchases
- Announced provider-provider transactions among hospitals and health systems nearly doubled from 2007 to 2015
- Announced nontraditional partnership transactions (such as MSAs, JOAs, JVs, and minority investments) rose 16 percent in 2015, up from 7 percent in 2007

Identifying Key Criteria for Successful Partnerships

The Right Partnerships Offer Numerous Benefits

- Centralization of functions such as IT, purchasing, and human resources
- Rightsiting or rightsizing service and resource distribution across the service area
- Process re-engineering, clinical variation reduction, and increased care management and coordination
- Expansion of networks across the continuum of care

PHM Networks Span the Full Continuum of Health and Healthcare



Building Network Operational Efficiency

Margin Improvement	Business (Re)Configuration	Clinical Effectiveness
Clinical labor productivity	Corporate/market scale	Care processes
Nonclinical labor productivity	Geographic footprint(s)	Clinical variation
Overhead	Service offerings	Care utilization
Supply chain	Service line distribution	Care management
Revenue cycle	Physician alignment and optimization strategy	Clinical integration
Facility planning/maintenance	New contracting/pricing models	Care transitions
Capital allocation	Consumer and retail strategy	End-of-life care
Nonoperating assets/liabilities	Innovation strategy	Patient education
Corporate risk management	Community investment strategy	Public health and wellness

Required cost focus areas under all business models

Required additional cost focus areas for PHM/value-based model

Assessing Organizational Readiness for Population Health

Guiding Principles for Exploring Strategic Partnerships

- **Mission, vision, values, and culture:** What are the critical elements and is there alignment between potential partners?
- **Community goals:** How will a partnership assure service access and patient satisfaction, handle charity care, and promote and deliver health services to meet emerging demographic and service area needs?
- **Strategic plans for value-based care:** What are the critical elements, and do the initiatives mesh well together?
- **Clinical programs and services, quality and outcomes, and costs:** What are the goals and how will partners collaborate to achieve these? How will a partnership govern the delivery of existing programs and services, develop new services, right-size and right-place major service lines, and increase the quality of care while improving its efficiency?
- **Contracting arrangements, clinical integration, delivery network, IT, and other considerations:** What contracting arrangements will be sought, and how will the physicians and delivery network be shaped to participate in these arrangements?

Guiding Principles for Exploring Strategic Partnerships (continued)

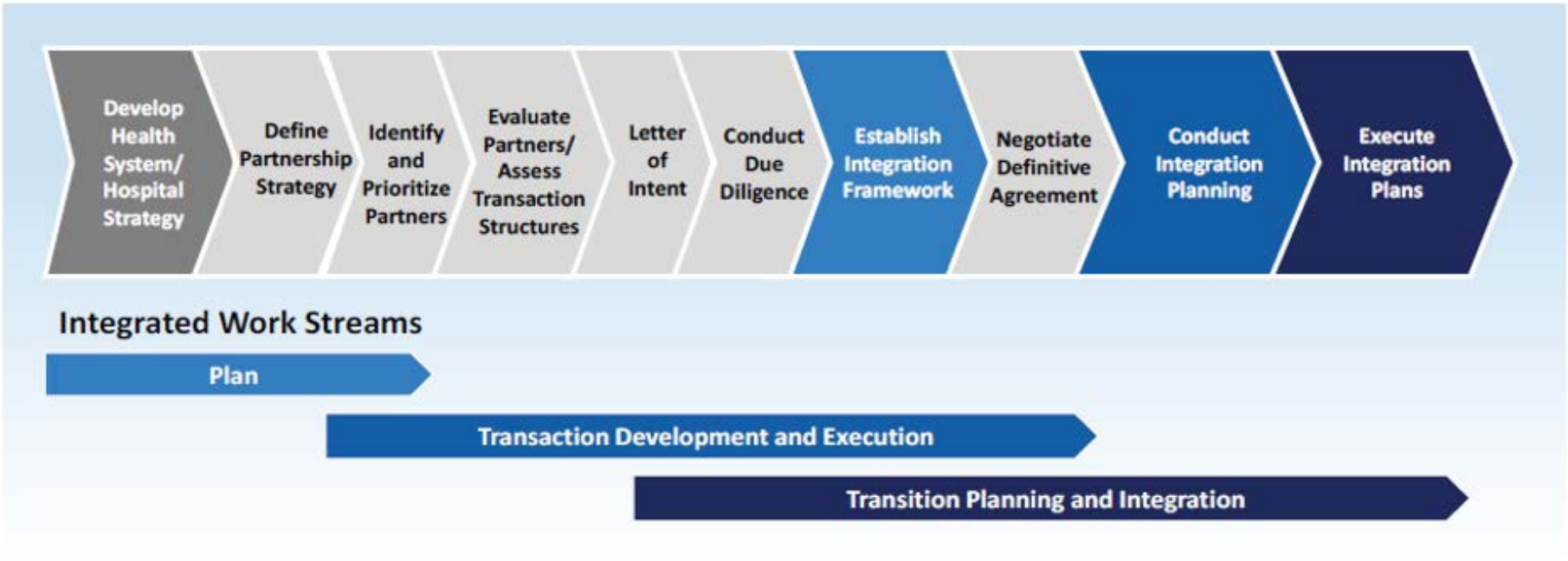
- **Physician relationships and commitments:** What are the goals and timing expectations related to physician employment, recruitment, contracting, and governance?
- **Employees:** How will a partnership handle workforce issues, including the retention of executives, managers, and employees?
- **Governance considerations:** What are the expectations and the desired degree of local-level involvement? How will a partnership involve trustees in setting strategic direction and strategic direction and strategic plans, create operational and capital budgets, and make decisions about the range and scope of health services?
- **Philanthropic and foundation considerations:** What are the specific goals? If a new community foundation is to be established, what are the expectations related to its funding?

Comparing Strategic Alternatives Along Priority Dimensions

Priorities	Remain Independent	Pursue Non-Traditional Less Integrated Partnerships	Form New System	Integrate with a Larger System
Alignment of mission and commitment to communities served				
Employees				
Financial sustainability				
Strategic vision				
Dedication to quality improvement				
Medical staff alignment and physician practice management				
Value-based accountable care infrastructure and capabilities				
Governance				

Potential ability to fulfill identified priorities:

The Path to Partnering for Population Health Management



Case Example:
Atlantic Coast Health Network

ACHN Mission and Vision

Mission:

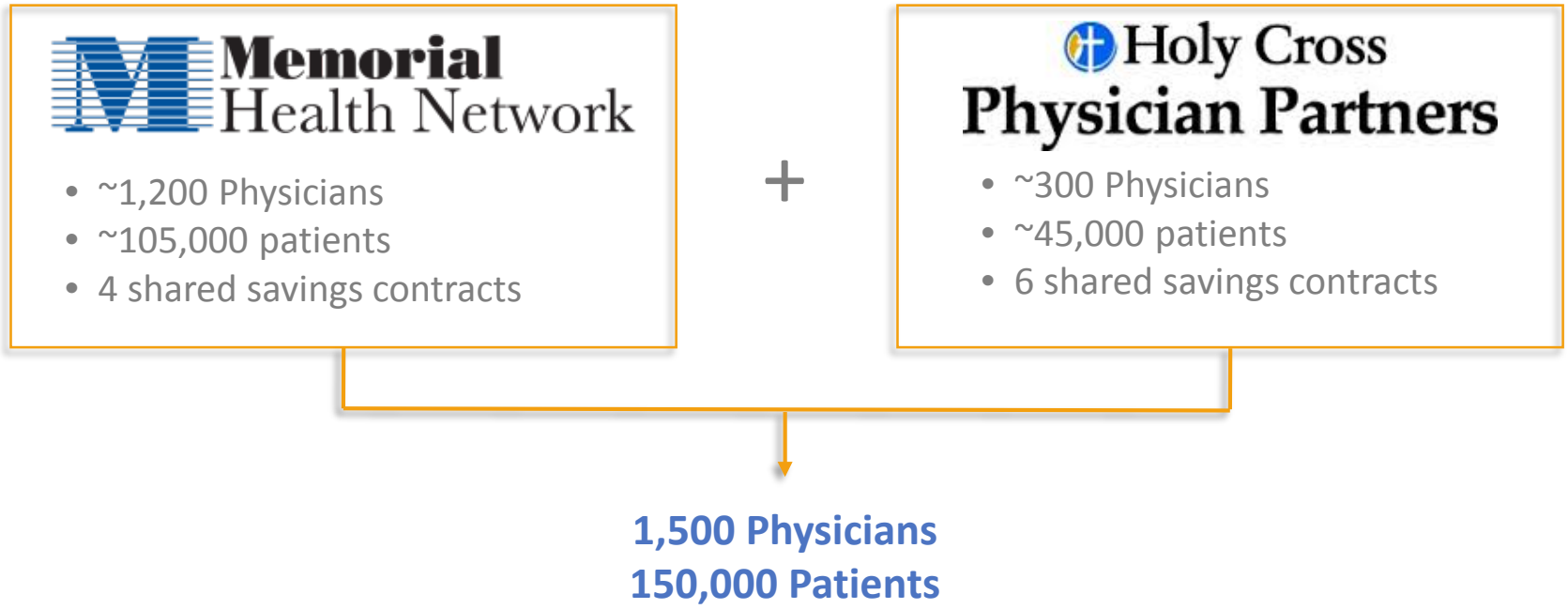
- Partnering for the promise of what health care should be

Vision:

- To be a nationally recognized, high-performing team of providers, serving as the destination of choice for high-value, people-centered healthcare

ACHN: A "Super-CIN"

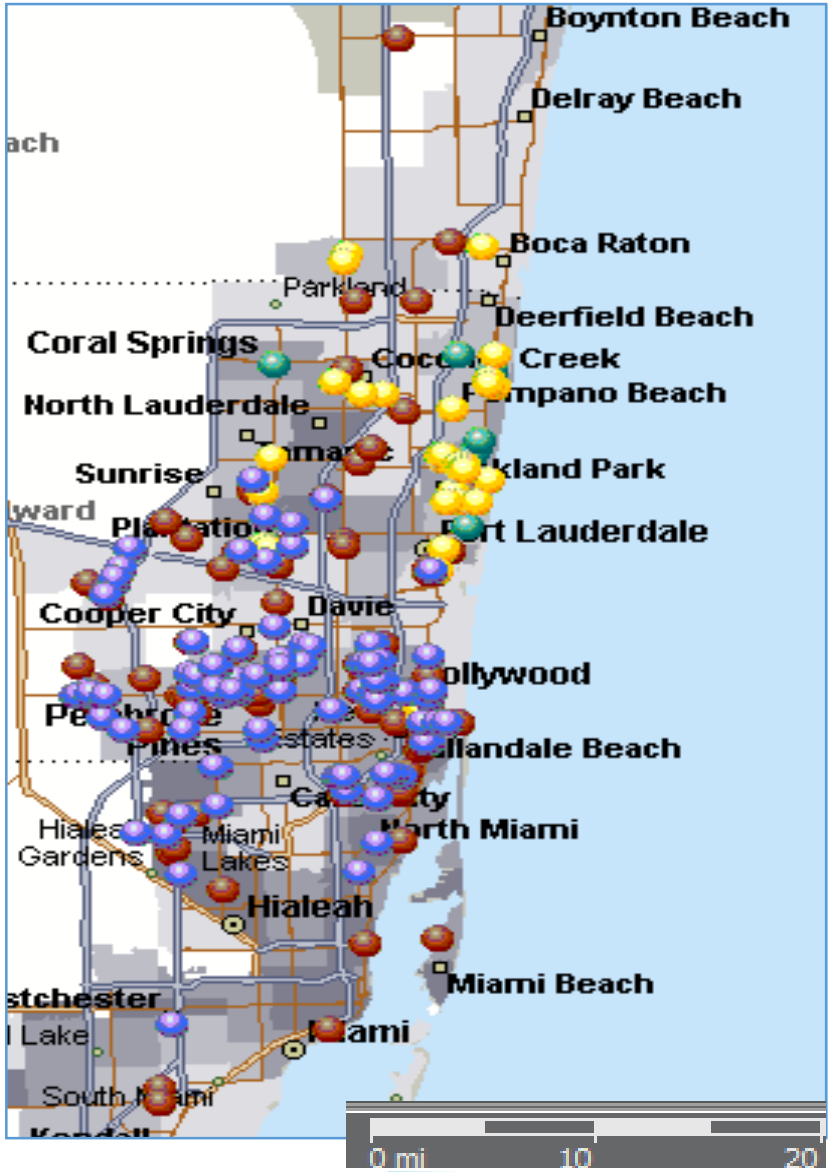
- Holy Cross Physician Partners and Memorial Health Network were the first-to-market with Clinical Integration in South Florida, successfully delivering quantifiable value to the community



Goals at Inception

- Build a Multisystem CIN
- Integrate Leadership at Board Level
- Share Intellectual Capital
- Approach the Market Place in a Unified Manner
- Enter Into Single-Signature Shared Savings Contract

Regional Collaboration



Legend:

- MHN PCPs
- MHN Specialists
- HCPP CIN PCPs
- HCPP CIN Specialists

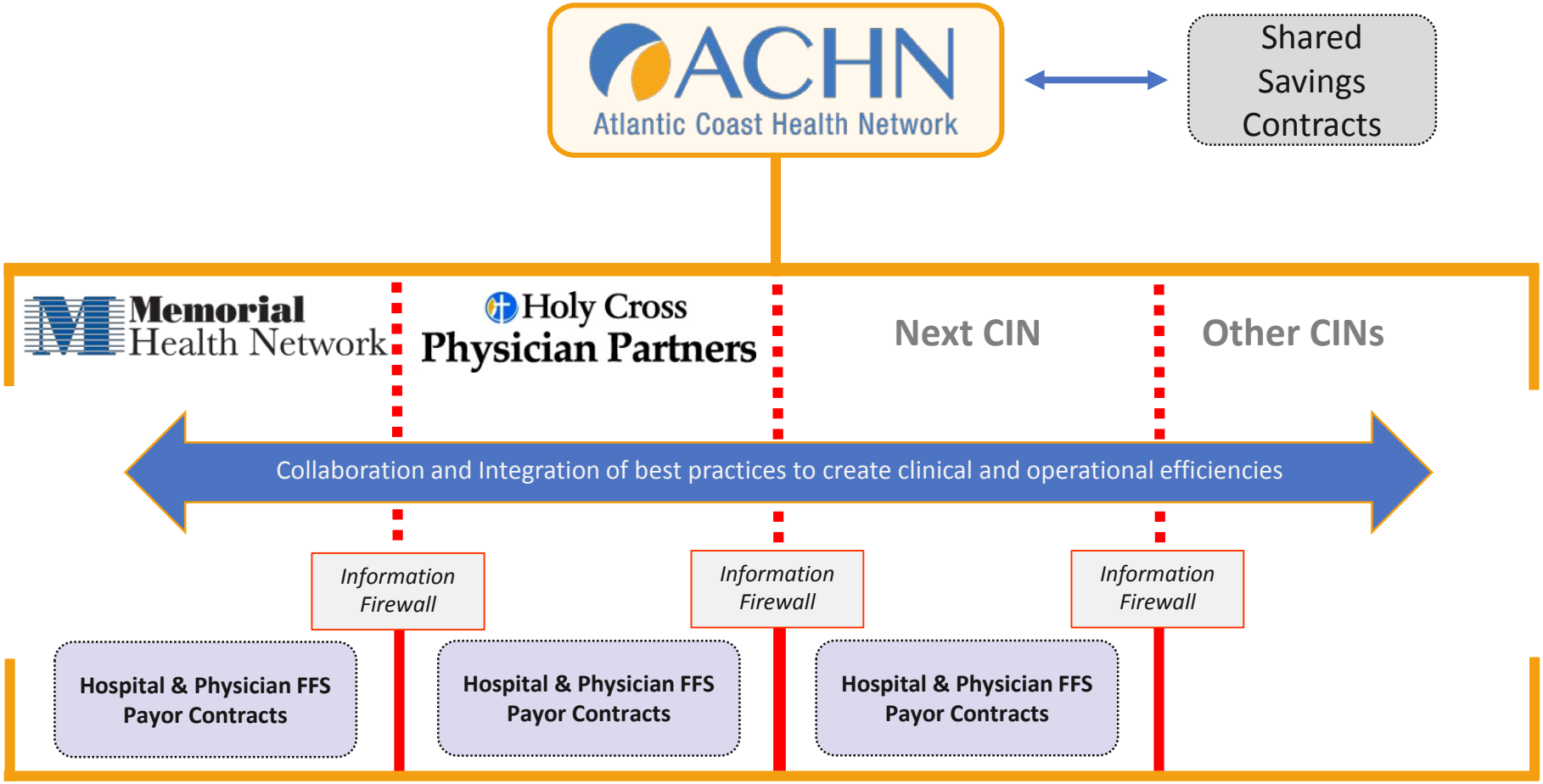
The joint network enhances the ability to be able to provide the right care, in the right place at the right time

2014 Pop Density by Sq. Mile

- 8,000+
- 6,001 to 8,002
- 4,001 to 6,000
- 2,001 to 4,000
- 0 to 2,000

Source: CIN physician rosters, Note: PCPs include Family Practice, Internal Medicine, General Pediatrics and Geriatrics. Covered patients include commercial, employee health plan patients and Medicare advantage

Operating Model



Governance/Infrastructure

Holy Cross Physician Partners + Memorial Health Network

ACHN Board of Managers (8)

- Provides overall leadership and fulfills duties as specified by the Operating, Affiliation and Network participation agreements
- Physician led, leadership rotates amongst member CINs on annual basis
- Equal representation from CIN members

Operations Team

- Manages day-to-day operations of ACHN
- Administrator led

Quality and IT Committee

- Oversees quality performance, reporting and technology needs of the joint network
- Physician led, leadership rotates amongst member CINs on annual basis
- Equal representation from CIN members

Finance and Contracting Committee

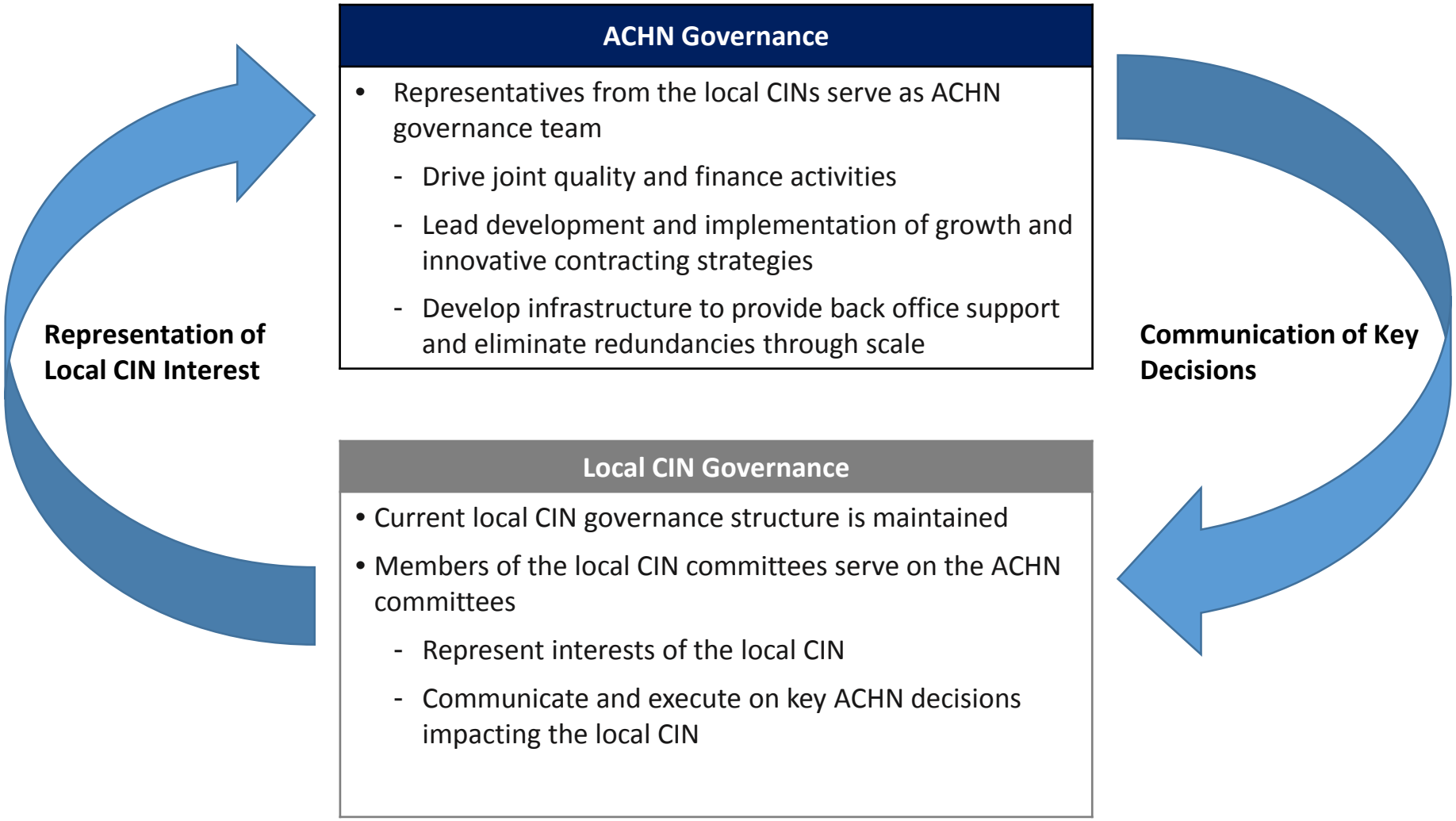
- Oversees the payer strategy, contracting and finance activities of ACHN
- Physician led, leadership rotates amongst member CINs on annual basis
- Equal representation from CIN members

Growth and Development Advisory Group

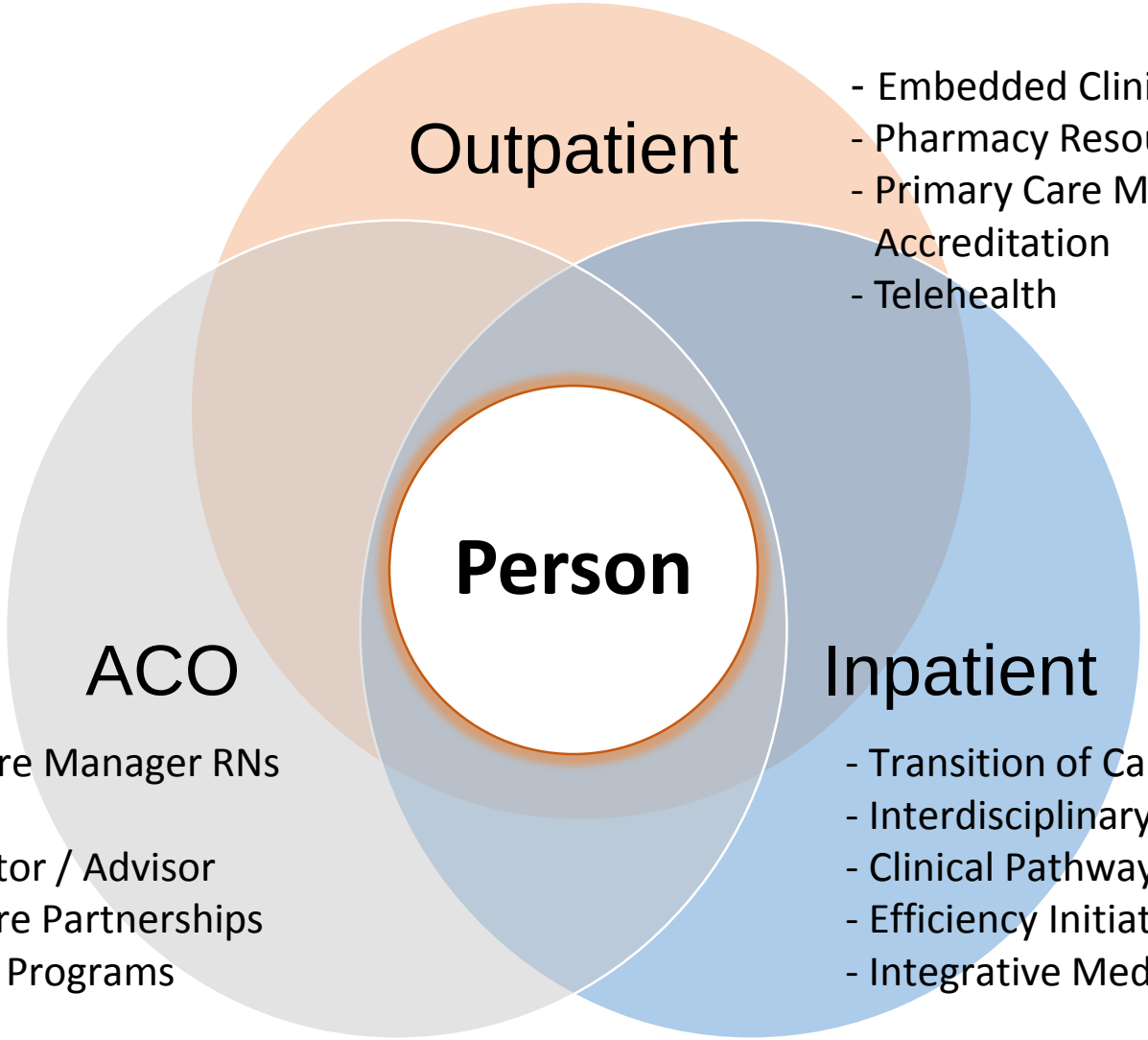
- Oversees ACHN non-contracting growth strategy and service offering development

Official Committee | Advisory

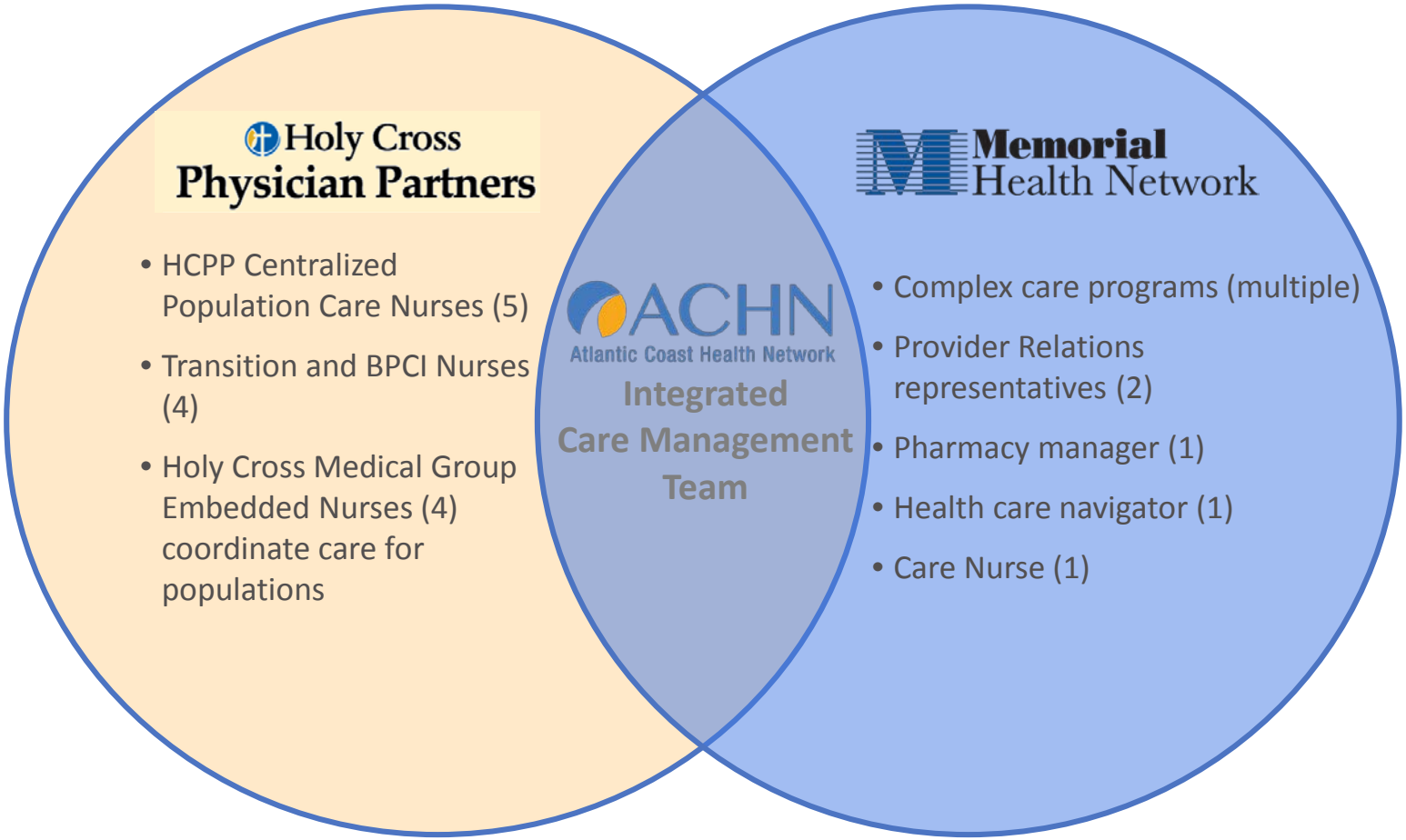
Local CIN Involvement/Alignment



Redesigning Care: Driving Value to Our Customers



Population Health Team



Quality

Holy Cross Physician Partners

Metric	Compliance (Success) Rate	Expected Compliance (Success) Rate	Quality Index
Total All Conditions	82.8%	82.1%	1.01
Diabetes Care (NS)	74.5%	70.2%	1.06
HTN	91.2%	91.4%	1.00
Breast CA Screening (NS)	85.6%	83.4%	1.03
Child-Adolescent Access PCP (NS)	99.1%	99.1%	1.00
Sinusitis, Acute	90.9%	90.9%	1.00

*10/2014 – 09/2015

Memorial Health Network

Metric	Compliance (Success) Rate	Expected Compliance (Success) Rate	Quality Index
Child-Adolescent Access PCP (NS)	99.9%	99.4%	1.00
Adolescent Well-Care (NS)	68.4%	64.0%	1.07
Diabetes Care (NS)	73.0%	71.0%	1.03
HTN	92.7%	91.7%	1.01
Breast CA Screening (NS)	84.7%	83.7%	1.01
Sinusitis, Acute	92.5%	91.6%	1.01

*though 12/31/15

Cigna

Florida Blue

	Rate	Peer Rate	Conclusion
Holy Cross	75.17%	71.01%	Better
Measure Name			
Breast CA Screening	79.65%	76.55%	Better
Cervical CA Screening	82.77%	74.98%	Better
Comprehensive Diabetes Care: HbA1c	92.94%	88.55%	Better
Comprehensive Diabetes Care: Nephropathy Monitoring	92.00%	86.05%	Better
Colorectal CA Screening	61.99%	60.06%	Same

*through 3/31/2016

	Rate	Peer Rate	Conclusion
MHN	81.68%	76.73%	Better
Measure Name			
Use of Imaging Studies for Low Back Pain	34.27%	30.25%	Same
Breast CA Screening	81.26.%	76.90%	Better
Cervical CA Screening	81.17%	75.40%	Better
Comprehensive Diabetes Care: HbA1c	92.74%	88.65%	Better
Comprehensive Diabetes Care: Nephropathy Monitoring	91.48%	86.23%	Better

*through 12/31/2015

Physician Engagement

Memorial Health Network

FIRSTNAME TEST, MD

Physician Progress Report (1st Qtr Jan-Mar 2015)

NPI / Specialty: 1000000000 / FAMILY PRACTICE

Tuesday, May 05, 2015

Interim Score: 66.7%

Citizenship	Assigned		Goal	Numerator	Denominator	Result	Weight	Points
Clinical Integration Education: Program Update	☑	≥	1			**1**	100%	1 of 1
MHN Topic Education (Example: Patient Experience, ICD10 Training)	☑	≥	1			**1**	100%	1 of 1
The Office Submits Electronic Claims	☑	=	Yes			**Yes**	100%	1 of 1
Satisfaction Survey	☑	=	Yes			**Yes**	100%	1 of 1
The Office Uses an EHR System								
The Office has the ability to Electronically Receive T								

Quality

Population Health Wellness Initiative
- * Well Child Exams Ages 3-6
- * Adolescent Patients Ages 12-21
- * Breast Cancer Screening Ages 50-74
- * Cervical Cancer Screening Ages 21-64

Diabetes Care
- * % of Members who had a HbA1c w/i Measuremer
- * HbA1c Control (less than 8.0)
- * HbA1c Control (greater than 9.0)

Respiratory
- * Use of Appropriate Medications for People with A
- * Use of Approp Meds (Systemic Cort) for People wi
- * Use of Approp Meds (Broncho) for People with CO

VTE
- Inpatient Venous Thromboembolism Prophlaxis (VT

Cardiovascular Disease
- * AMI Patients who Received Beta-Blocker Treatme
- CAD Patients With Diabetes and/or VSD with ACE-I
- CAD Patients With Antihyperlipidemic Therapy
- CHF Patients With Beta-Blocker Medication

OB/GYN
- Early Elective Delivery 37-39 Weeks

Memorial Health Network

FIRSTNAME TEST, MD

Physician Progress Report (1st Qtr Jan-Mar 2015)

NPI / Specialty: 1000000000 / FAMILY PRACTICE

Tuesday, May 05, 2015

Interim Score: 66.7%

Efficiency	Assigned		Goal	Numerator	Denominator	Result	Weight	Points
Pharmacy								
Generic Medication Usage	☑	≥	87%	48	50	**96%**	200%	2 of 2
Generic Medication Usage- Antihyperlipidemics	☑	≥	83%	5	6	**83%**	100%	1 of 1
Imaging								
* % of Members w/ Primary Diag Low Back Pain w/o Imaging Study w/i 28 Days	☑	≥	71%	1	1	**100%**	100%	1 of 1
Emergency Department								
ED visits/1000 - (# ED visits X 12,000)/ Member Months	☑	≤	344			No data	100%	0 of 0
Emergency Department Length of Stay (Released) in Minutes	☑	≤	143			**150.0**	100%	0 of 1
Inpatient								
Average Length of Stay	☑	≤	4.8		10	**4**	100%	1 of 1
Adult Readmissions Ratio 30-Day All Cause (Observed / Expected)	☑	≤	1	4216	35941	**1.04**	100%	0 of 1
Adult Readmissions Ratio Heart Failure (Observed / Expected)	☑	≤	1	143	598	**1.20**	100%	0 of 1
Pediatric Readmissions Ratio 30-Day All Cause (Observed/Expected)	☑	≤	1	685	15572	**0.96**	100%	1 of 1

Specialty -Includes quality & efficiency metrics	Assigned		Goal	Numerator	Denominator	Result	Weight	Points
Adult Critical Care Medicine								
Average Length of Stay in the ICU	☑	≤	4			**4.24**	100%	0 of 1
Average Length of Stay on Vent for Ventilator Dependant Patients	☑	≤	3.42			**3.62**	100%	0 of 1
Returns to the ICU within 72 hours	☑	≤	0.5%			**1.51%**	100%	0 of 1
Pediatric Critical Care Medicine								
Median Length of Stay	☑	≤	1.9			**1.6**	100%	1 of 1
Prism 3 standardized mortality ratio	☑	≤	1.28			**.8**	100%	1 of 1
24- Hour Readmission Rate	☑	≤	2.2%			**0.62%**	100%	1 of 1

Total CI Points: 23 of 34.5

% of Eligible Points: 66.7%

*** = 2015 HEDIS Measure**

Cost Control

- Member CINs have a track-record of improving quality and care coordination, while containing costs, resulting in a savings of $17.2M in 2015

Holy Cross Physician Partners

Plan	% to market or goal (Thru Q1 2016)
FL Blue (FI/SI)	2.59% below market
CIGNA (FI/SI)	2.09 % below market
Aetna (FI)	1.3% below market

Cost savings of ~3 M across 2 plans

Memorial Health Network

Plan	% Reduction of Actual Medical Cost v. Baseline (2015)
FL Blue	5%
CIGNA	4%
MEHP	7%

Cost savings of ~14.2 M across 3 plans

Areas of Strategic Focus

Strategy	Status
Strategic Alliances	• On-going discussions with 5 hospital / healthcare system CINs who have expressed interest in joining ACHN • Other strategic alliance opportunities being evaluated
Payer Contracting	• 1st joint shared savings contract with a payer for 41k lives effective 7/1/16 • In active joint contracting discussions other payers • Evaluating evolution to value / risk-based contracts and expanding beyond commercial payers
Population Health	• Established sub-network programs and teams consisting of care nurses, transition and BPCI nurses, care coordinators, pharmacy managers, health care navigators and provider relations representatives • On-going care delivery and technology capabilities and infrastructure development

Our Value

- Fully vetted providers who are committed to population health
- Physician-led organization supported by professional management from the health system
- Use of quality metrics shown to improve population health and the health and satisfaction of employees
- Platform to expand presence through the addition of other qualified providers or Clinically Integrated Networks
- The ability to control medical costs by offering provider-driven care coordination to ensure alignment, accountability and transparency
- Provides a foundational platform for physicians and health systems to effectively respond to market evolution towards population health and risk-based contracting
- Narrow Network or Co-Branded network opportunity
- Provide expanded geographic coverage through one, large network

Case Example: Granite Health

Objectives

- Network Description and Purpose
- How the Network was formed
- Achievements
- Lessons Learned

Evolution of GH…

Five CEOs who came together over six years ago and shared:

- An understanding of the economic realities facing health care even before the ACA;
- An interest in leaving their communities better off than when they arrived; and,
- A vision of how five independent hospitals could partner to provide better, more affordable care for patients and better health for populations.

Granite Health

- Catholic Medical Center
- Concord Hospital
- Exeter Health Resources
- LRGHealthcare
- Southern NH Health System
- Wentworth-Douglass Hospital

Historical Success…

- Favorable geographic position with limited local competition
- FFS environment
- High local brand awareness
- Strong community commitment

Reality…

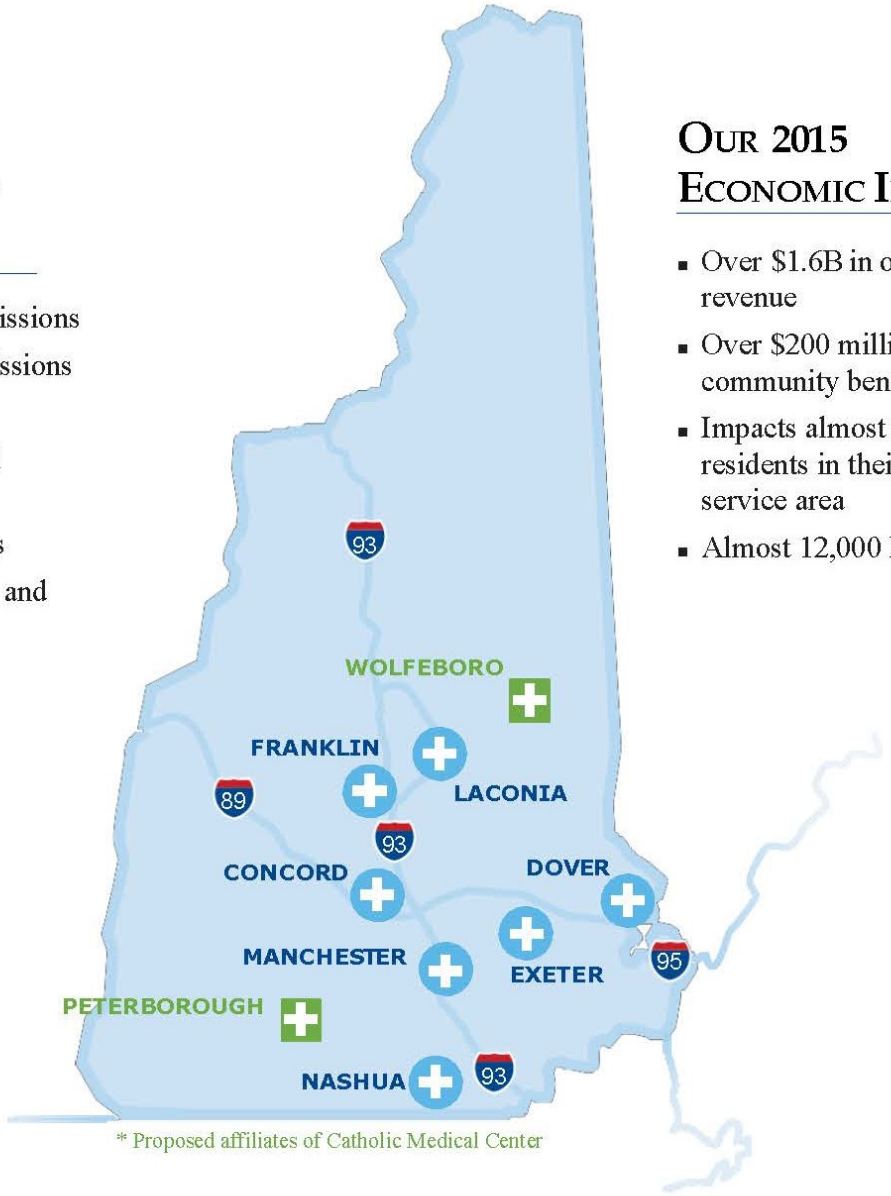
- Payment pressures from commercial and government payers
- Increasing competition from regional provider organizations
- Lack of physician alignment
- Utilization and inpatient use-rate declines
- Unproven care coordination strategies

Opportunities for GH

- Share costs of infrastructure
- Build organizational relationships and trust: potential platform for further integration
- Achieve economies of scale with suppliers
- Share ideas/knowledge with organizations that are not direct competitors
- Assume risk for effective management of our population's health

Granite Health's Impact Throughout New Hampshire

- Almost 60,000 inpatient admissions
- Almost 7,000 Medicaid admissions
- Over 5,000 births
- Over 270,000 emergency and urgent care visits
- Over 900 employed providers
- Serving 8 of the largest cities and over 120 towns



* Proposed affiliates of Catholic Medical Center

Our 2015 Economic Impact

- Over $1.6B in operating revenue
- Over $200 million in community benefits
- Impacts almost 500,000 NH residents in their primary service area
- Almost 12,000 FTEs

Mission

Improve the health of our communities by partnering to provide high quality and affordable health care.

Adopted 2015

Guiding Principles

- Use our scale to promote business innovation and **gain clinical and operational efficiencies** in order to decrease the total cost of care.
- **Manage the health of our populations** using a data-driven approach including the acquisition of business analytics to inform care coordination strategies and promote adherence to evidence-based care practices.
- Build strategic partnerships with the provider and payer communities that promote our ability to **provide integrated and coordinated care and assume the risk for managing the health of the populations we serve.**

Adopted January 2014

Population Health Management

- **Business Analytics** – Using claims and clinical data to understand our gaps in care and risk levels in order to focus care coordination efforts and establish evidence-based clinical initiatives
- **Care Coordination** – Trained and credentialed over 40 coordinators through the Johns Hopkins Guided Care Program
- **Evidence-based standards of care** – Expert provider panels have recommended practice guidelines in four clinical areas which are currently being implemented across the network

Value-Based Strategy with Payers

Develop a network strategy to successfully assume risk for the populations we serve by improving care and managing appropriate utilization.

This strategy includes shared savings arrangements with Cigna and Medicare and an innovative, sustainable joint venture with a regional insurance partner.

Guiding Principles

- Integrated, high quality care
- Manage appropriate utilization
- Lower overall healthcare costs, and
- Sustainable competitive advantage

TUFTS HEALTH FREEDOM PLAN
A provider-payer insurance company

- New Insurance Company in New Hampshire
- Jointly owned by providers and insurer

The combined strengths deliver an unprecedented model of care management programs that signify the evolution that's needed in our healthcare market – broad access to highly coordinated and more affordable quality health care and improved health outcomes.

Tufts Health Freedom Plan

Tufts Health Plan and Granite Health have teamed up to create a new health insurance company in New Hampshire

TUFTS Health Plan

GraniteHealth
Leading innovation.

TUFTS HEALTH FREEDOM PLAN

In Summary… Value of Granite Health

- Scale and quality
- Geography – Strong community hospitals
- Operational savings
- Population Health Management
- Sustainable insurance strategy

GH is well-positioned to effect meaningful transformation and will maintain focus on the triple aim. Better and more affordable care for patients and better health for populations is the overarching goal.

Key Success Factors

General Characteristics of Successful Strategic Partnerships

- Common vision on direction and mission of organization and alignment of objectives
- Clear value proposition and compelling strategic, clinical, and business plan that can be achieved
- Cultural compatibility, constituency support and implicit trust (boards, management, medical staff)
- Governance, corporate, and management structures that support the implementation plan
- Higher degree of “all-in” integration
- Strong board and management leadership
- Ability to make difficult decisions upfront
- Organizational champions for key initiatives
- Capability to deliver on commitments related to resources
- Employer and payer support (or at least, lack of opposition)
- An effective implementation plan that achieves anticipated synergies

Lessons Learned

- PHM cannot be bought, it is the outcome of successful execution across a number of areas
- Sustainable improvements in population health have yet to be quantified on a large scale
- Early stage investments often take 5+ years to show positive ROI
- Behavior change among stakeholders (physicians, hospitals, purchasers, patients) takes time
- New partnerships likely will be required to cover new services, geographies, and/or capabilities
- The PHM model that works in one market may not work in your market
- Define the organizational change required and get the organizational commitment before moving too far down any one path
- PHM implementation and execution must ultimately be owned and driven by the organization itself

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