EMPIRE HEALTH FOUNDATION

BE BOLD FOR OTHERS

HAVE COMPASSION

HEALTH FOR ALL

Transformation Experience: One Journey

North Central ACH

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September 22, 2016

Please note that the views expressed by the speaker does not necessarily reflect the views of the hosting organization

Stage One

Community Journey

Stage One

Community would not wait…

- Multi-sector stakeholders came together to seek solutions for broken health care system

- Initial needs assessment– vast gaps in region
  - poor health status, high uninsured rate, lack of coordinated care, lack of integration and more

- HealthMatters of Central Oregon formed

Early Collaborative

Board of Directors:

Consisted of health and human services, health plans, providers, businesses, policy makers, consumers and a broad-range of community advocates

Unlikely allies **working together to find local solutions including coordinating services, improving access and equity and effecting health system change within the region**

healthmatters℠
of Central Oregon

Dedicated to improving the health of Central Oregonians through these initiatives:

Shared Care℠
by healthmatters of Central Oregon

Links 4 Health℠

LIVING Well
CENTRAL OREGON

Trails to Health
by healthmatters of Central Oregon

Many voices. One vision for health.

healthmatters℠ of Central Oregon

Shared Care℠ by healthmatters of Central Oregon

What is SharedCare?

SharedCare offers affordable health care by encouraging:

- Effective use of health services and community resources
- Care Coordination Hub (Links 4 Health)
- Health Education
- Member Responsibility
- Employee Wellness (Trails to Health)

Provides health care coverage to uninsured workers in **small businesses with 1 to 50 employees**

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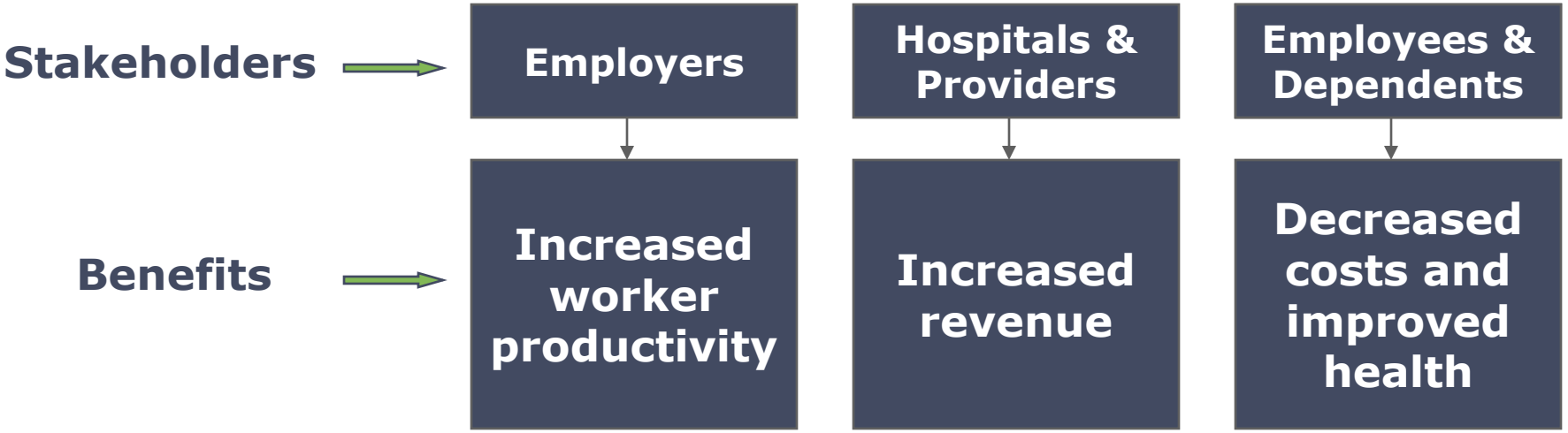
Shared Care℠ by healthmatters of Central Oregon

A Healthier Community Benefits All of Us



Information taken from Oregon Health Authority Return on Community Investment analysis

Return on Community Investment

	Year 1	Year 2	Year 3	Year 4	Year 5
Total projected expenses for HMCO	$1,066,200	$1,643,875	$2,100,910	$2,503,745	$2,912,174
Projected number of enrollees for HMCO	175	427	679	931	1,156
BENEFIT BREAKDOWN					
	Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Employers	$575,151	$1,438,932	$2,346,121	$3,298,364	$4,199,283
Hospitals	$152,878	$382,476	$623,612	$876,723	$1,116,192
Patients	$395,769	$991,488	$1,618,811	$2,279,051	$2,905,708
Physicians	$39,786	$101,569	$168,981	$242,411	$314,917
Total projected benefits	**$1,163,585**	**$2,914,464**	**$4,757,524**	**$6,696,550**	**$8,536,100**

Information taken from Oregon Health Authority Return on Community Investment analysis.

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Links 4 Health℠

How Links 4 Health Works

Care Coordination HUB connects all the dots inside and outside the health care system for "whole person health"

A Community Links Specialist or Community Health Worker helps clients/families navigate services and community resources. Examples may include:

- **Linking with a primary care provider**
- **Insurance coverage**
- **Development screenings**
- **Mental Health and County services**
- **Other necessary social services**

"

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Links 4 Health℠

Return on Community Investment

	Emergency Department Visits	Acute Hospital Stays
Number of Links 4 Health Enrollees	79	79
% of avoided cases due to having a medical home	37%	3.6%
% of cases are uncompensated care	63%	63%
Average Cost	$1,190	$3,685
Increase in Hospital Revenue	**$22,610**	**$7,370**

Percentage and cost information taken from Oregon Health Authority Return on Community Investment analysis. Mosaic Medical is the primary medical home for a majority of our patient population. HealthMatters' staff certified for Healthy Kids and OHP enrollment.

Stage Two

Community Journey

Stage Two

Continued Innovation

- Challenging the status quo
- Open invite to ALL interested stakeholders to co-design:
  - Health Integration Project: ER Diversion
  - Testing Integrated PC/BH/OH/Social Services
  - Linking payments with innovations
  - Alternative payments, blending

Source: St. Charles Health System , HMCO, Mosaic, PacificSource Health Plans

Central Oregon Health Council

COHC Teams 2011 Work Plan Updated 3/28/2011

Transitional Board
Commissioner Tammy Baney (Chair)
Megan Haase (Co-Chair)
Commissioner Mike Ahern
Commissioner Ken Fahlgren
Dr. Bruce Goldberg
Jim Diegel
Ken Provencher
Mike Bonetto (ex-officio)
Tina Edlund (ex-officio)
Wendy Miller (Support)

LEAN/Quality Council
Jeff Emrick (Convener)
Jane-ellen Weidanz (Co-Convener)
Robin Henderson
Muriel DL-Brown
Josh Bishop
Sandy Minta
Seth Bernstein
Wendy Miller

Administrative Council
Scott Johnson (Chair)
Dan Stevens (Co-Chair)
Robin Henderson
Megan Haase
Scott Willard
Tina Edlund
Jane-ellen Weidanz
Alisha Fehrenbacher
Rick Treleaven
Kristin Powers
Jeff Emrick
Mark Maddox
Josh Bishop
Tom Machala
Seth Bernstien
Muriel DeLaVergne-Brown
Kat Mastrangelo
Wendy Miller

Team
Kristin Powers (Convener)
Mosaic Prineville/Bend HET
Pioneer Memorial HET
SCMC Bend/Redmond HET
Wendy Miller
*HET=Kristin Powers, Behavioral Health Consultant, RN Case Manager, Physician,

Development of COHB Committee
Muriel DeLaVergne-Brown (Convener)
Jeffrey Davis (Co-Convener)
Commissioner Baney
Commissioner Fahlgren
Commissioner Ahern
Scott Willard

Health Assessment for the Region Team
Muriel DeLaVergne-Brown (Convener)
Tom Machala
Robin Henderson
Scott Johnson
Megan Haase
Alisha Fehrenbacher
Wendy Miller

Children's Agenda Team
Muriel DeLaVergne-Brown (Convener)
Sondra Marshall (Co-Convener)
Robin Henderson
Wendy Miller

Geriatric's Agenda Team
Robin Henderson (Convener)
_____(Co-Convener)
Wendy Miller
Others TBD, has not convened yet

Communication Planning Team
Robin Henderson (Convener)
Wendy Miller (Co-Convener)
Shane Limbeck

Legislative Session Team
Robin Henderson (Convener)
Scott Johnson (Co-Convener)
Commissioner Baney
Wendy Miller

Health Integration

State Partnership

- Unsustainable system
  - poor outcomes
  - fragmentation
  - higher costs for people with chronic conditions
  - mixed access
  - lack of connectivity to social services
- Reform opportunity; stages of integration

https://www.oregon.gov/oha/OHPB/meetings/2010/100413-hip.pdf
Agency for Healthcare Research & Quality, American Hospital Association

Health Integration

State Partnership

- Early concepts:
  - Emergency Room diversion
  - Person Centered Health Home
  - Behavioral Health in Primary Care
  - Primary Care in Behavioral Health setting
  - Integrated Electronic Health Record
- 10-12 Outcomes
- Shared financing, decision making, oversight

https://www.oregon.gov/oha/OHPB/meetings/2010/100413-hip.pdf

Health Integration Pilot

Community Collaboration

- HIP:
  - 100 high-utilizers; initial investment of $200,000
  - Highest need and highest cost; ER users
- Intervention: PCMH and Health Engagement Team, individualized treatment plans utilizing: (*CHW, ER NURSE, SOCIAL WORKER, EMBEDDED BEHAVIORAL HEALTH CONSULTANTS IN PCMH)*
- Outcome: Decreased ER Visits by 49%
- Shared Savings: $325,000

Source: St. Charles Health System , HMCO, Mosaic, PacificSource Health Plans, COHC

PCMH Pilot

MCO & FQHC & Independent Practice Association

- PCMH:
  - 6900 pilot patients; initial investment of $87,000
  - Most frequent non- emergent ER users (>10x/yr)
  - Highest need and highest cost
- Intervention: Patient-centered Medical Home *(LEAD FQHC MD, ER MD CHAMPION, RN CARE COORDINATOR, ER CASE MANAGER, CHW)*
- Outcome: Decreased ER Visits by 30%
- Shared Savings annualized $907,200 ($75,600/m)

Source: St. Charles Health System , HMCO, Mosaic, PacificSource Health Plans, COHC

Care Delivery Coordination & BH Pilot

Community Collaboration

- CDC/BH:
  - Non-Emergent ER Users (>6x/yr) region-wide
  - High need and growing cost
- Intervention:
  - Connect clients to CHW and HUB
  - Connect clients to a PCMH and social services
  - Behavioral Health Consultants integrated clinics; collaborating with CHW for whole person health
- Outcome Cross-sector community effort

Source: St. Charles Health System , HMCO, Mosaic, PacificSource Health Plans, COHC

Stage Three

Community Journey

Stage Three

Continued Innovation

Three Strategic Priorities of the Health System

- Improve medical quality and patient safety
- Lower total patient costs
- Transition to value-based revenue model

Source: St. Charles Health System

Improving

Medical Quality & Patient Safety

- Implement quality/safety physician scorecard into credentialing
- Tied physician preferred-network tier to scorecard performance
- Implement inpatient quality/safety measures
- Outpatient quality and safety measures

Source: St. Charles Health System

Lowering Costs

Reducing total patient costs

Community & Population Health

- Care coordination & navigation
- Utilization management
- Wellness & prevention management
- Chronic disease management
- Complex acute care management

Source: St. Charles Health System

Transition

Value-based Model

- Revenue model transformation from volume-based FFS to value-based per-capita payments
- Move up revenue food chain
  - Employee ERISA health plan managed as a health plan
  - All-payer focus on capitation-based payments, not FFS
- Current profit centers to be managed as cost centers
- Prioritization of opportunities by availability & necessity

Source: St. Charles Health System

Priorities

Value-based Strategy

- Five priorities
    1. Self-funded employee health plan
    2. Medicaid CCO
    3. Medicare Advantage
    4. Private Insurance exchange & ACOs
    5. Community Health Improvement Plan
- 4-stage strategic ACO value-chain approach

Source: St. Charles Health System

Achieving Change

- Understand and identify populations
  - High risk / high cost
  - Employed population
  - Medicaid population
- Identify stakeholders to build payment models and delivery methods
- Set agreed upon measures
- Time and performance
- Small tests of change

Opportunities

- Modify structure to align incentives
- Change roles inside the structure
- Demonstrate improved health and cost benefits
  - Demonstration = Payment model redesign
    - payment gets closer to the provider
    - provider performance and outcome payments
    - create financial pools to address social determinants of health for the population
    - global budgeting

Hospital Readiness

Examples

- OR Optimization
- Peak Census Task Force
- Care Coordination: Transitions of Care
- Emergency Room Interventions
- Patient Education on Resources

Source: St. Charles Health System

Provider Readiness

Examples

- Patient Centered Medical Home
- Integrated Health Engagement Team: Primary Care Providers, Embedded BH, RNCCs, CHW, Clinical Pharmacist
- Connectivity: Practice, Payer and Community
- Care Coordination Protocols and action
- Evidence-Based Tools in place

Source: St. Charles Health System

Issues and Barriers

- Defining how patient care cycle (long/short) is measured against outcome(s)
- Aligning incentives (shared risk)
- Participation of providers/team in protocols, cost savings, quality standards
- Consumer / payer relationships (churn/length of time on plan)
- Compliance
- Consumer / provider knowledge of healthcare system functions

Value to Purchaser

- Ability to explain to purchasers and consumers how better value and lower cost can be obtained
  - Demonstrate improved health & cost benefits
    - reduced workplace absenteeism/increased productivity
    - increased quality & satisfaction of services
    - enhanced whole person health (life and social)
    - lower benefit costs/premiums
    - integrated delivery system
    - coordinated care

One Proven Medicaid Model Snapshot

- A successful model used in three counties in one state (2yrs of data)
  - bent the cost curve by 2% - after year one
  - two years of improvement tracked
  - payment enhancement to providers
  - more patients enrolled
  - financial improvement of health system
  - money from savings earned by quality and allocated pools were reinvested in local community health improvement upstream interventions

Source: St. Charles Health System and Central Oregon Health Council

Economic Model

Global Budget Example

8.5% Admin Fee

Provider contracts - 5 key domains for remaining 91.5%

- Hospital Capitation
- PCP Capitation
- Specialist FFS
- Dental
- Mental Health

Contract Surplus – 50% providers / 50% returned to Community

Source: St. Charles Health System and Central Oregon Health Council

Performance Metrics EXAMPLE

SOURCE OF FUNDS: 25% WITHOLD ON HOSPITAL SERVICES

50% TO HOSPITALS

50% TO PHYSICIANS

PERFORMANCE METRICS

50% utilization measures

- 5% Length of stay
- 15% Readmissions
- 15% ED visits
- 15% ED follow up with PCP

50% process development

- 10% SBIRT
- 10% Narcotic “to-go” packs
- 10% C-Section
- 10% C-Diff
- 10% Mental Health follow up after ED

Source: St. Charles Health System and Central Oregon Health Council

A Proven Employer Payment/Delivery Model

- Structure to align with incentives for providers, employers and members
- In-house analytics
- Comprehensive care coordination
- Integrated service delivery
- Incentivize wellness and compliance of members
  - Model redesign results
    - double digit reduction in medical trend
    - decreased PMPM cost, allowed 0% premium increase in year 2
    - increased provider network including alternative care
    - reduced workplace absenteeism
    - reduced % of members with high risk conditions through weight, blood pressure reductions and diabetes management
    - reduced inappropriate ED visits

Source: St. Charles Health System

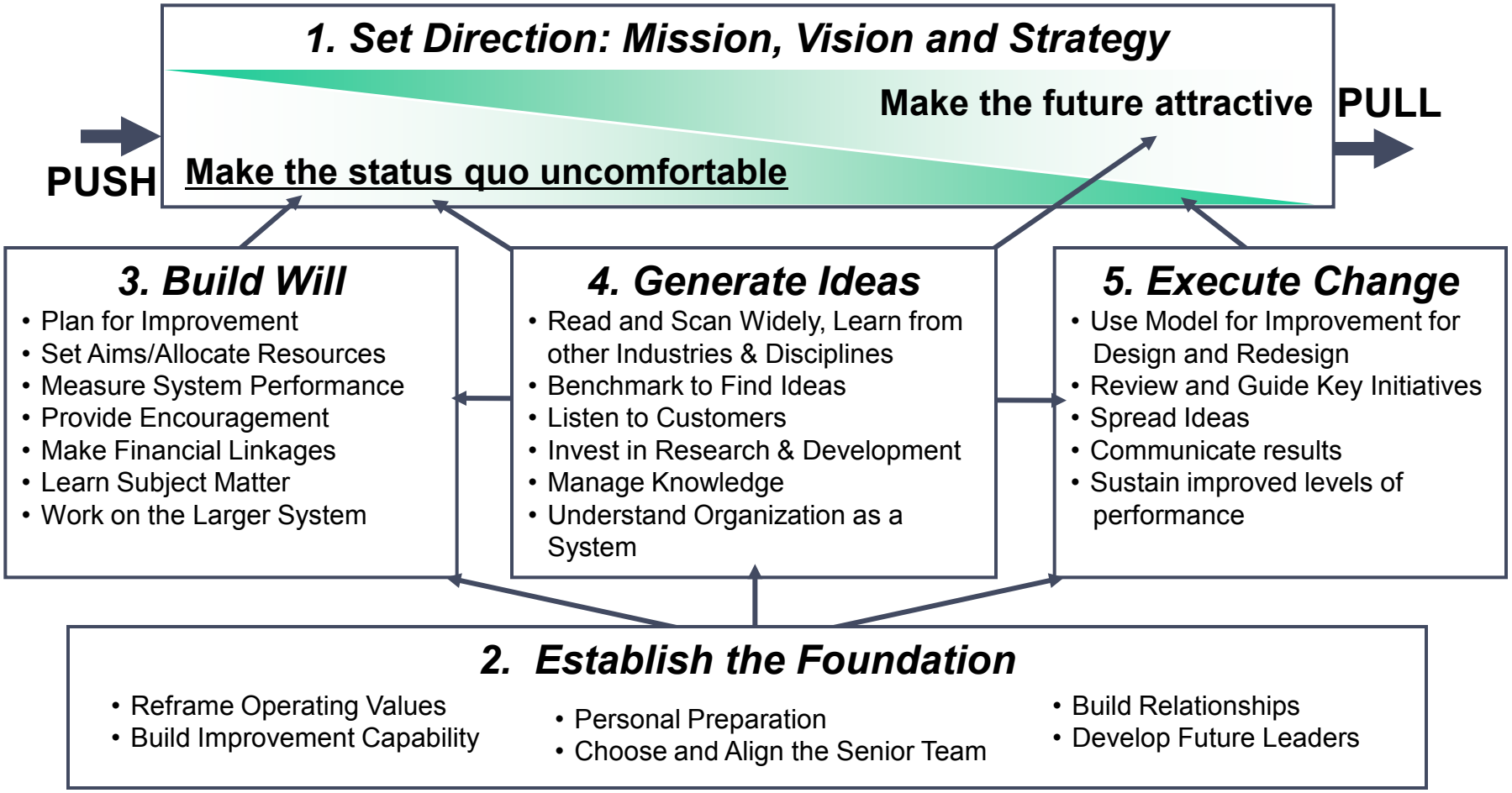
Transformation Journey

Key issues to consider…

- No “one-size-fits-all” model, community and provider needs are different everywhere
- Listen to your community
- Rapid changing market, so status quo is not a viable strategy
- Communities can and should consider multiple paths
- Distinct risks and rewards in each path

Thank you

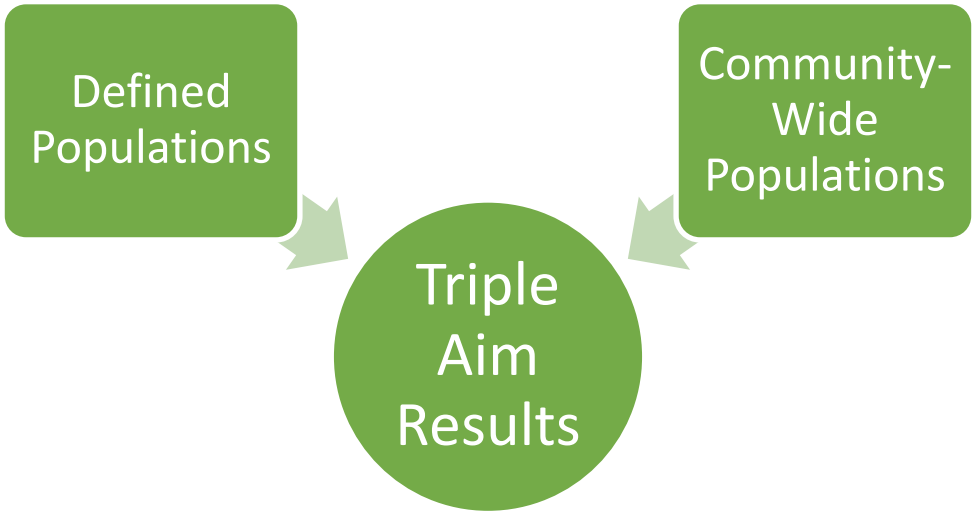
Framework: Leadership for Improvement



24 specific components

Source: Institute for Healthcare Improvement

Triple Aim Participant Populations



- **Defined Populations:** Triple Aim for a defined population that makes business sense (e.g. who pays, who provides)
- **Community-Wide Populations:** Solving a health problem within the community and creating a sustainable funding source

Source: Institute for Healthcare Improvement

4-Stage Strategic ACO Value Chain

Stage 4: Pursue Partial-Risk/Reward ACOs	Capture residual market share with lower yielding 3rd party payer savings/loss-sharing arrangements. (e.g., Medicare ACOs, Medicaid ACOs, Commercial ACOs
Stage 3: Develop Provider-Sponsored Health Plan (PSHP)	Actual & virtual versions allow full premium capture, optimized quality/cost improvement, optimized benefits, retail pricing, individual prevention incentives/support, VB provider compensation. (e.g., HMO, MA, MMC, exchange-based individual insurer)
Stage 2: Secure Capitation-Based Revenue Arrangements	Global/partial capitation from 3rd party payers for attributed PCP lives. (e.g., MA, MMC, private payer-capitated PCP groups & integrated medical systems)
Stage 1: Reform Self-Funded Employee Benefit Plan	Fast-track micro-market allowing full "premium" capture, optimized quality/cost improvement, optimized benefits, retail pricing, individual prevention incentives/support, VB provider compensation. (Provider employees/dependents only)