

Welcome to the Clinical Integration Webinar hosted by Valence Health.

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Clinical Integration as the Foundation for an Accountable Care Organization

Webinar presented

October 28, 2010

Today's Topics

- **Organizing to succeed in the health care reform environment**
- **Clinical Integration and Accountable Care**
- **Exempla Lutheran Health Partners Case Study**
- **Questions and Discussion**

Health Care Reform Legislation

- **Patient Protection and Affordable Care Act**
enacted March 23, 2010
- **Health Care and Education Affordability Act**
enacted March 30, 2010

The Big Picture – Major Aspects of Reform

- **Extends coverage to 32 million uninsured Americans**
- **Insurance market reforms**
- **Individual and employer mandates for coverage**
- **Health Insurance Exchanges**
- **Medicaid expansion**
- **Medicare reform**
- **\$938 billion over 10 years**

Messages within the legislation

- Too many Americans uninsured and too expensive
- Payors should not be in the business of managing care
- Payors are too powerful and making too much money
- Fee-for-service medicine provides the wrong incentives
- Actual consumers don't care about price
- Providers only care about their silo
- Providers are in the best position to manage the health of our population
- Available Health Care information is limited
- Must figure out a way to pay for quality and outcomes

Bottom Line

- **More about health insurance reform than health care delivery reform**
- **Key themes for providers**
 - Payment and program reform
 - Accountable Care Organization demonstrations

Medicare and Medicaid Reform

- Reward Value NOT volume: Value-based purchasing 2013
- Readmissions penalties in 2013
- Hospital acquired conditions penalties in 2015
- Bundled payments beginning with pilot in 2013, expands in 2015
- Transparency in cost and quality – both hospital and physician payment updates will be based on reporting; penalties for non-reporting, not using EHR
- Evidence-based care is expected
- Waste, fraud, and abuse – more emphasis, more funding to combat

Accountable Care Organizations

- **A national voluntary demonstration program beginning January 2012**
- **Framework for providers to be in charge**
- **Requires integration across providers and across settings**
- **Demands genuine focus on quality and care coordination**
- **Shared savings opportunity**

Demonstration Requirements

- **Collection of physicians operating as a “group” to care for a population of patients**
 - Clinical care coordination & operations/business management
 - Arrangements for specialists and facility care (hospital, SNF, LTAC, etc.)
 - PCPs for ≥ 5000 Medicare patients using PC Medical Home model
- **Accountability for quality, cost and overall care of defined population of Medicare beneficiaries**
- **Legal structure to receive/handle payments**
- **3 year participation**
- **IT infrastructure plan**
- **Clinical Integration with a Medical Management plan/program**
 - Promote evidence based medicine and “patient centeredness”

CASE STUDY

- **Exempla Lutheran Health Partners**

Accountable Care Organizations vs Accountable Care Networks

- Accountable Care Organizations are legislatively authorized and funding identified for the Medicare population - regulations to be determined “by the Secretary”
- ACO modeled on CMS 2005 PGP demonstration
- Accountable Care Organizations/Networks (PHOs, PGPs, IPAs, HSOs or OWAs) are currently allowed to jointly negotiate with payers via two FTC “safe harbors” - Financial Integration and Clinical Integration

Definition of Clinical Integration

“... an active and ongoing program to **evaluate and modify practice patterns** by the network’s physician participants and create a **high degree of interdependence** and cooperation among the physicians to **control costs and ensure quality.**”

Taken from Statement of Antitrust Enforcement Policy in Health Care, FTC & DOJ, August 1996

Major Indications of Clinical Integration

- Careful selection of participating physicians
- Significant contributions of financial and “sweat” capital by participating physicians
- Development and adoption of clinical protocols
- A performance-monitoring process
- Care review based on the implementation of protocols
- Mechanism to ensure adherence to the protocols
- Use of common information technology to ensure an exchange of all relevant patient data
- Aligned financial incentives

Clinical Integration Value

- Allows providers to negotiate collectively
 - Fairer negotiations
 - Get paid for quality
- Improve and demonstrate quality
 - Reduce overuse, under use, misuse of services
 - Internal performance measurement, data sharing, best practices
 - Provide tools to measure and report to external bodies
 - Market to payers, employers, consumers
 - Refute payer “report cards” and protect against de-selection
- Critical step for transforming to ACO

Exempla Partners, Inc

(Sole Corporate Member)

Lutheran Health Partners, LLC

Board of Directors (9 voting)

1 – ELMC President/CEO

1 – ELMC CMO

3 – CPPO PCPs

2 – CPPO Specialists

1 – EPN CMO (PCP)

1 – Community (CCGC/HTW)

LHP Executive Director (non-voting)

Exempla Lutheran
Medical Center

ELMC Active
Medical Staff



Lutheran
HEALTH PARTNERS

LEADING BY EXAMPLE

Exempla Lutheran Medical Center

- 400 Licensed Beds
- 897 Physicians
- 2401 Employees
- Wheat Ridge, Co (Northwest Denver)
- 17,734 Inpatient Admissions
- 150, 562 Outpatient visits
- 3.99 days = average length of stay

CPPO - (Colorado Preferred Physicians Organization, Inc)

- Founded in 1982 as a physician-owned Colorado Corporation
- 382 members in 103 groups (all on staff at ELMC)
- 83 PCPs in 37 groups
- 299 specialists in 66 practices
- Governed by an 18 member board (50/50 PCP and SCP)
- Current President is a PCP
- Stable management (same Executive Director since the founding)

Lutheran Health Partners Vision

- LHP was first envisioned in 2007 as the means to support virtual **clinical integration** between Exempla Lutheran Medical Center (ELMC) and its community based and employed physicians.
- It is LHP's current vision to be become a **physician-directed clinically integrated Accountable Care Organization** (ACO) that extends Exempla's vision of "Best in The Nation" beyond the walls of the hospital in order to advance more cost effective, higher quality and safer care across the continuum of health care for all members of its community.
- LHP will accomplish this through collaboration, adoption of evidence-based medicine protocols, eliminating unnecessary waste and variation, and developing new forms of care models with third party payers (e.g., ACO and bundled payments).
- LHP will become a highly respected and recognized brand for quality and cost effective care, building on the reputation of Lutheran and its medical staff, focused on health improvement, and advanced via collaboration with its physicians and payers.

LHP Opportunities

Improve scores on core measures & other external report cards



Improve patient satisfaction; Increase reimbursement under P4P and bundled payment contracts

Decrease LOS



Improve Medicare margin

Improve efficiency



Reduce costs; especially in Lab, Radiology, and Surgery

Engage physicians



Better design, and better physician acceptance of new programs

LHP's Value to Physicians

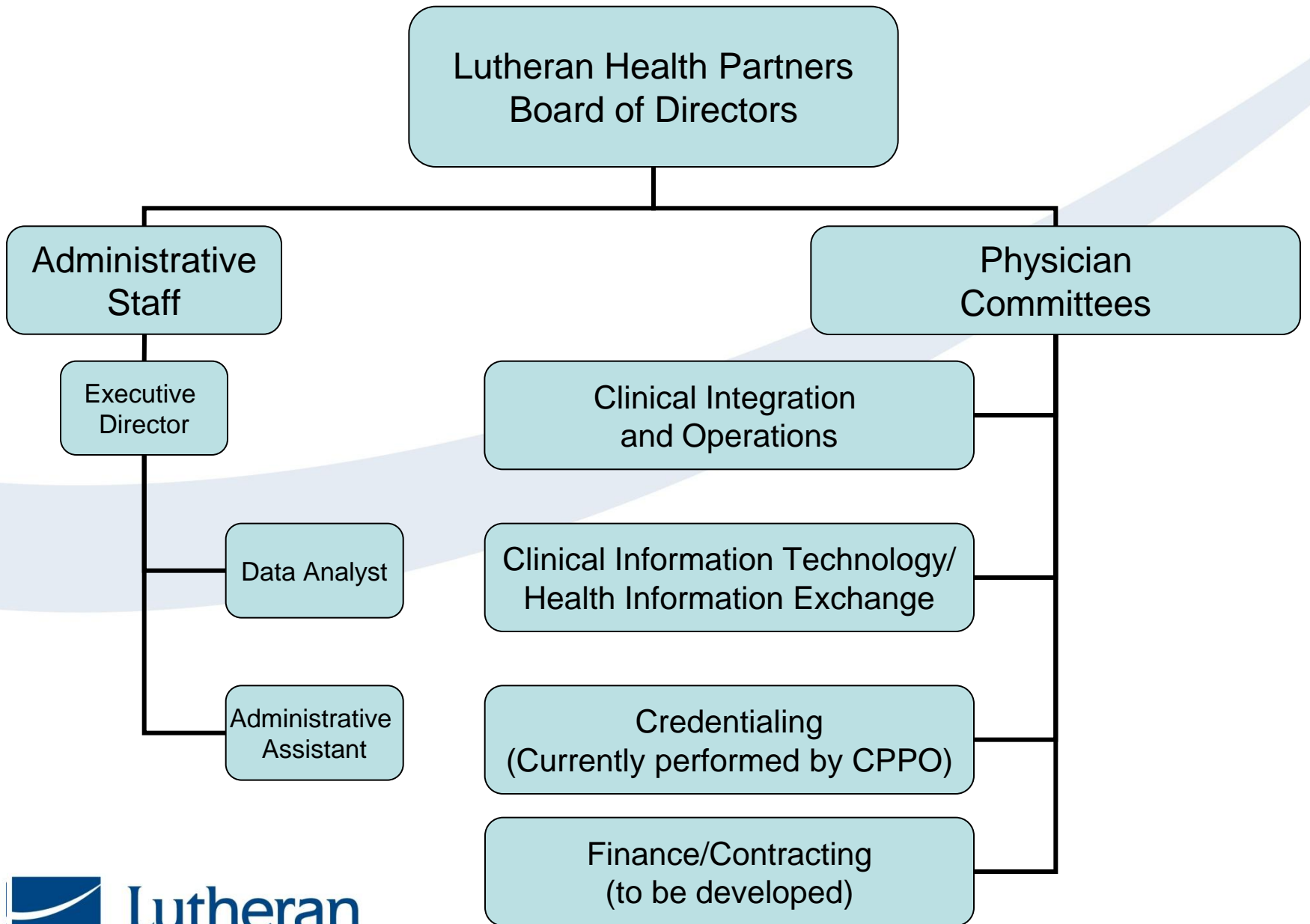
- Improve quality and efficiency across care settings
- Demonstrate quality to patients and community
- Organize around P4P and bundled payment opportunities
- Bring value to payers
- Prevent de-selection from payer networks
- Refute payer “scorecards”
- Get help with adoption of HIT connectivity

LHP's Value to the Hospital

- Gain physician support for hospital quality and safety initiatives
- Tap into a motivated subset of physicians to pilot new initiatives
- Keep physicians more tightly aligned to the hospital and network
- Collaborate around P4P and bundled payment opportunities
- Brand and market the entire system including physicians
- Prevent payers from pressuring physicians to change referral patterns; especially for ASC, imaging, etc.

LHP's Plans for Clinical Integration

- Develop Infrastructure to Involve Physicians
- Identify Immediate and Long Term Initiatives
- Create Infrastructure to:
 - Adopt guidelines (medical condition)
 - Aggregate, analyze, and report data on guidelines
 - Ensure compliance with guidelines
- Implement



LHP Clinical Integration and Operations Committee (Purpose)

- Direct the implementation of Lutheran Health Partners' clinical integration activities;
- At least once per year, determine the areas of quality performance focus and corresponding clinical criteria; and,
- Design LHP's report card or other performance evaluation tool, consistent with the general direction and budgets approved by the Board of Managers and the tax-exempt mission of the Member or any of its Affiliates.

LHP Clinical Integration and Operations Committee (Composition)

- Not more than eleven (11) members selected by the Board of Managers;
- At least seventy-five percent (75%) of the CIOC members shall be Physicians;
- There shall at all times be an equal number of Primary Care Physicians as Specialist Physicians;
- There shall at all times be not less than three (3) Primary Care Physicians and three (3) Specialist Physicians;
- At least one member shall be a member of the Board of Managers; and,
- LHP's Executive Director shall be a member of the CIOC

LHP Clinical Integration and Operations Committee (Authority)

- The CIOC shall have the authority to create and appoint representatives to ad hoc committees and/or task forces to assist the committee fulfill its purpose.

LHP's Initiatives

- Colorado Low Back Collaborative
- CFMC/CMS Transitions in Care Coach Program
- ER Discharge Summary Reports
- Heart Connect Program
- HTW Patient-centered Medical Home Demonstration
- Valence Health CI Program

Timetable of Evolution

- Fall 2008 – LLC created and Board appointed
- June 2009 - Executive Director hired
- Summer of 2009 - SWOT performed, committee infrastructure developed, and CI initiatives identified
- Fall of 2009 - Vendor evaluation/interviews conducted and Valence selected
- November of 2009 - Budgets approved and membership dues established
- January of 2010 - Change of Leadership

Timetable...continued

- Early 2010 - Education and advocacy
- April of 2010 - Business plan to proceed with Valence Health approved
- June of 2010 - MSA with Valence signed
- Concurrently - CPPO signed new PPAs with and re-credentialed all of their physicians
- August of 2010 - Kick off and roll out of the CI initiative

Status as of October 20, 2010

- Clinical Integration & Operations Committee (CIOC)
- 43 clinical guidelines on LHP portal for review and comment
 - Valence Health
 - Health TeamWorks
- vMine installed on 16 practices ... well underway on data collection (vMine, PGF, VGF, etc) on all others
- Ongoing meetings with payers

Timetable Going Forward 2010

- November 2010
 - Obtain hospital data
 - Install vMine and PGF/VGF report feeds
 - Finalize lab data sharing agreements
- December 2010
 - Continue to install vMine and PGF/VGF report feeds
 - Approve guidelines
 - Finalize policies and procedures
- Year End
 - Initial data analysis

Timetable Going Forward 2011

- January 2011
 - Scrub data
 - Determine attribution
- Spring 2011
 - Portal education for physicians
- Summer 2011
 - Discuss P4P and bundled payment goals with payers

Clinical Integration – Key Take Away

- An overriding requirement for clinical integration program is that the physicians themselves, not the network's staff, work together to improve the delivery of the network's health-care services.
- The network staff is necessary to collaborate in improving quality and utilization, but the **physicians, not the network's staff, must actually **develop, drive, and implement the clinical integration activities through their own interaction.****
- Physician leadership and physician “sweat equity” is imperative.

What should providers do?

- **WORK TOGETHER!**
- **Clinically Integrated Network (or PHO or IDS)**
- **Hospitals must collaborate with physicians and physicians must be organized**
- **Success factors**
 - High quality and appropriate utilization
 - Performance demonstrated through quality metrics
 - Care coordination among hospitals, physicians, other providers
 - Data collection and data sharing

Three Phases of Accountable Care

Integration

- Create an ***Integrated*** organization
- Culture and capabilities to organize for and deliver coordinated care

Delivery System Improvement

- Implement programs to support efficient, effective care delivery
- Leadership and governance to value and deliver results

Accountability

- Expertise and financial/management processes
- Monitor results; manage risk & reward

QUESTIONS?

