The Morrisey Technology and Educational Conference

From Clinical Integration to Accountable Care: A Case Study with Advocate Physician Partners

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Agenda

- About Advocate
- Clinical integration
  - Key drivers of success
- APP response to healthcare reform
- Population health management
  - Clinical programs
  - Key metrics
- Lessons learned
- Strategic considerations
- Critical success factors

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Sites Of Care

Advocate Health Care

13 Hospitals
- 9 acute care hospitals
- 1 children's hospitals
- 5 level 1 trauma centers
- 3 major teaching hospitals
- 2 specialty hospitals

2 Physician Groups
- 1,100 employed

Home Care Company
3.4 Million Patients Served
34,000 Associates
Total Revenue $4.6B
AA Rating

Advocate Physician Partners

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ADVOCATE 2020

Mission, Values, Philosophy

Vision: To be a faith-based system providing the best health outcomes and building lifelong relationships with the people we serve

Strategies	Advocate Experience	Access and Affordability	AdvocateCare
Key Result Areas	Safety Quality Service	Growth Funding our Future	Coordinated Care

Foundation: Strong Physician Engagement

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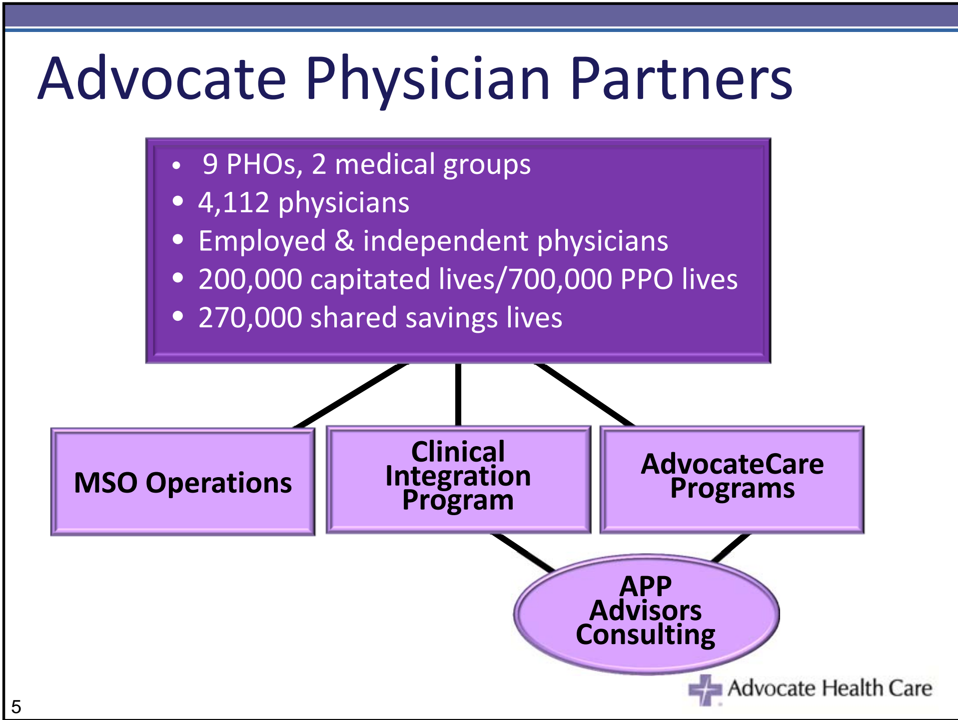
Advocate Physician Partners
9 PHOs, 2 medical groups
4,112 physicians
Employed & independent physicians
200,000 capitated lives/700,000 PPO lives
270,000 shared savings lives
MSO Operations
Clinical Integration Program
AdvocateCare Programs
APP Advisors Consulting
Advocate Health Care
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Advocate Physician Partners
Vision
To be a faith-based system providing the best health outcomes and building lifelong relationships with those we serve.
Our Role
To drive improvement in health outcomes, care coordination and value creation through an innovative and collaborative partnership with our physicians and the Advocate system.
Advocate Physician Partners
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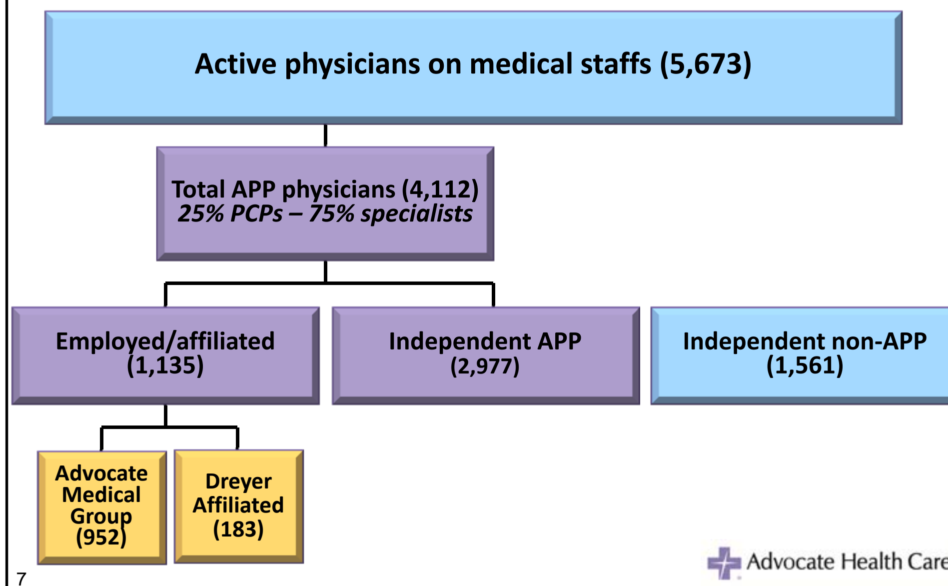
Pluralistic Physician Approach



Advocate Health Care

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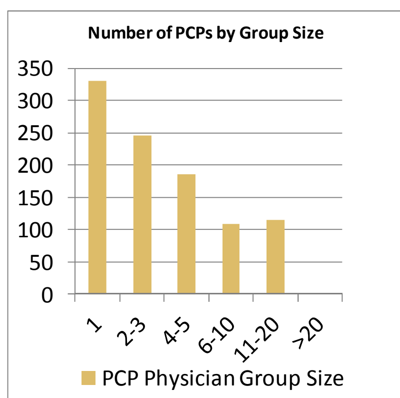
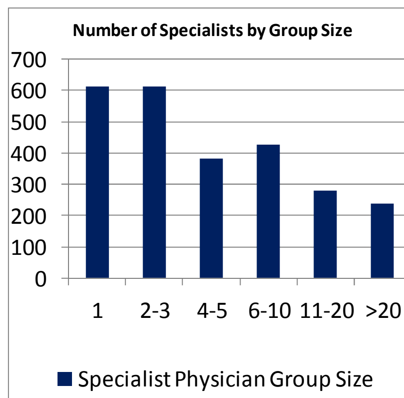
APP Physicians By Practice Group Size

33% of PCPs Are Solo Practitioners, 25% In Offices of 2-3





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Key Drivers Of Success
Culture of Engagement
Governance
Clinical Excellence
Infrastructure Investment
Incentives
Transparency of Results
Shared Values and Outcomes
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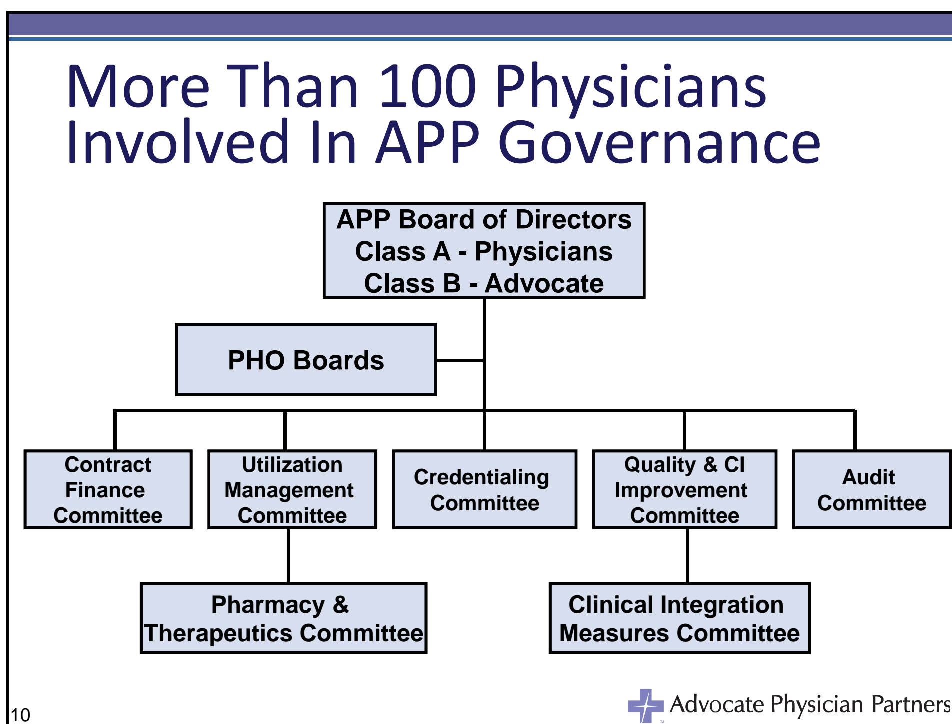
More Than 100 Physicians Involved In APP Governance
APP Board of Directors
Class A - Physicians
Class B - Advocate
PHO Boards
Contract Finance Committee
Utilization Management Committee
Credentialing Committee
Quality & CI Improvement Committee
Audit Committee
Pharmacy & Therapeutics Committee
Clinical Integration Measures Committee
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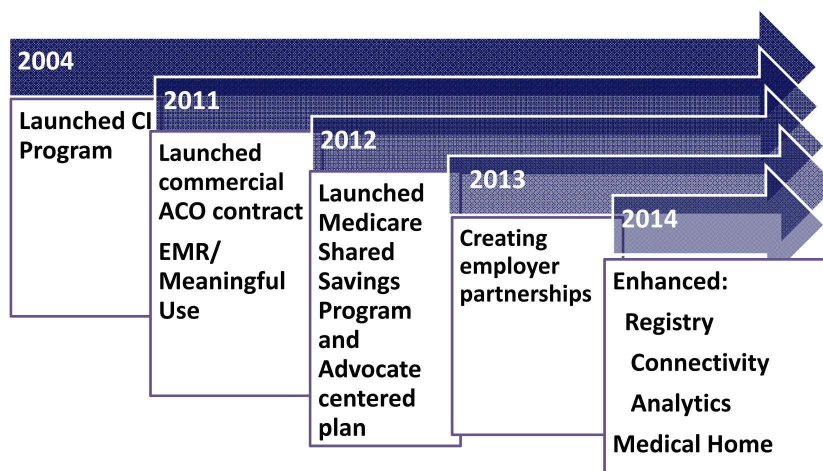
APP Response to Health Care Reform: A Decade of Preparation



Clinical Integration

Facilitation of cost-effective quality care

Requires development of:

- Practice standards and protocols
- Goals related to quality/utilization – specific, detailed
- Information systems to measure individual physician and organization performance
- Procedures to assess/modify physician performance to maintain a high quality provider panel

Clinical Integration Is The Foundation Of An ACO

- Overcomes problems seen within the fee-for-service model
  - Incentives to providers drive improvement
- Creates business case for hospital and doctors to work for common goals
- Allows one approach for commercial and governmental payers
- Builds on success of APP and the CI Program

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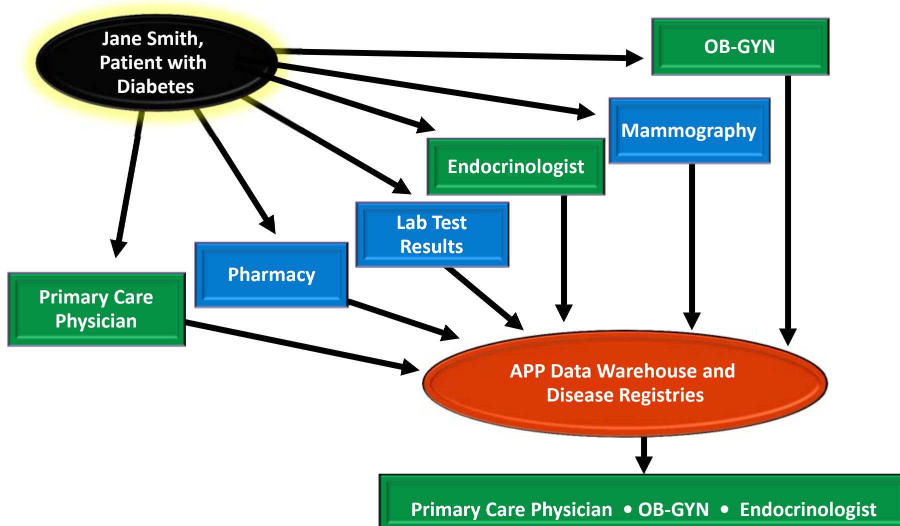
What Clinical Integration Looks Like



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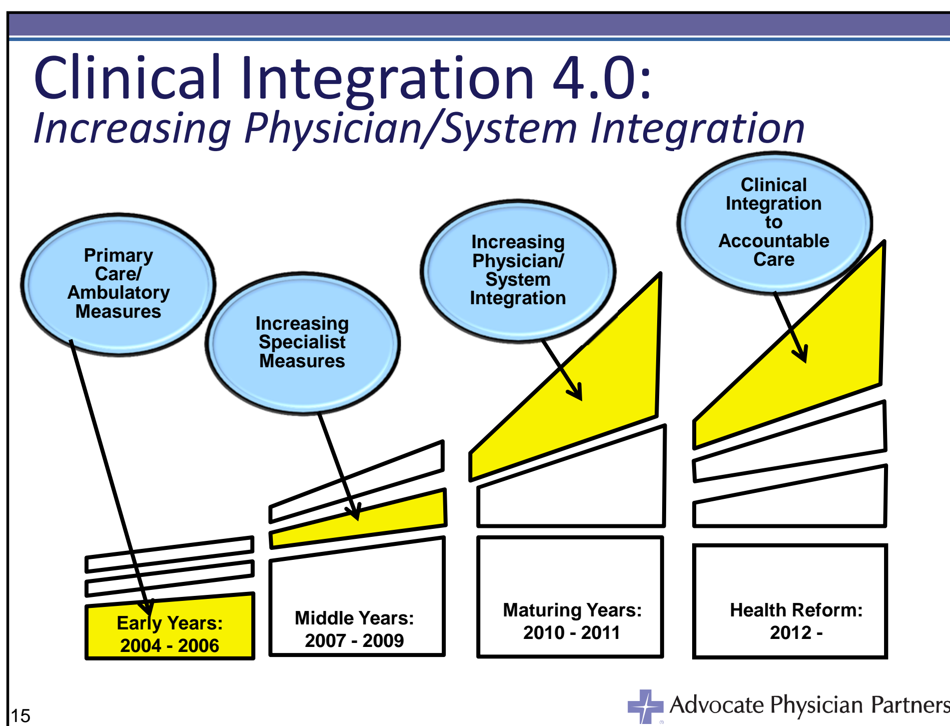

Clinical Integration

Key Initiatives that Drive Clinical Outcomes and Cost Savings

- Health and Wellness
- Chronic Disease Care
- Care Coordination and Safety
- Patient Experience
- Efficiency

Targets and Reports

- Physician – Individual, Group, PHO
- Hospital

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Mechanisms To Increase Compliance

- APP QI/Credentials Committee
- Membership criteria
- Peer pressure/local medical director
- Mandatory provider education/CME
- Physician office staff training
- Learning collaboratives
- Financial incentives/report cards

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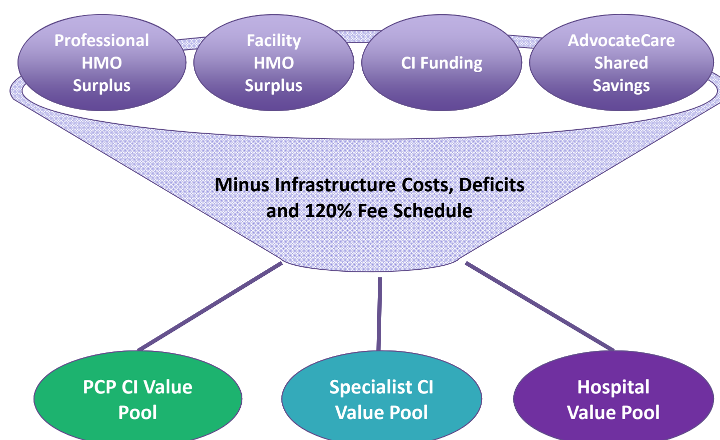
2013 APP Incentive Design



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2013 Value Report

To download a copy of the 2013 Value Report, go to:
advocatehealth.com/valuereport

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Advocate Health Care

From Clinical Integration To Accountable Care

A Model For Integrating Independent Physicians Into Accountable Care Organizations

hfm

physician alignment
the right strategy, the right mind-set

Addition of Generic Medication Vouchers to a Pharmacist Academic Detailing Program: Effects on the Generic Dispensing Ratio in a Physician-Hospital Organization

Proven Methods to Achieve High Payment for Performance

Editorial

Clinical Integration Provid
Quality Improvement: Stru
Change

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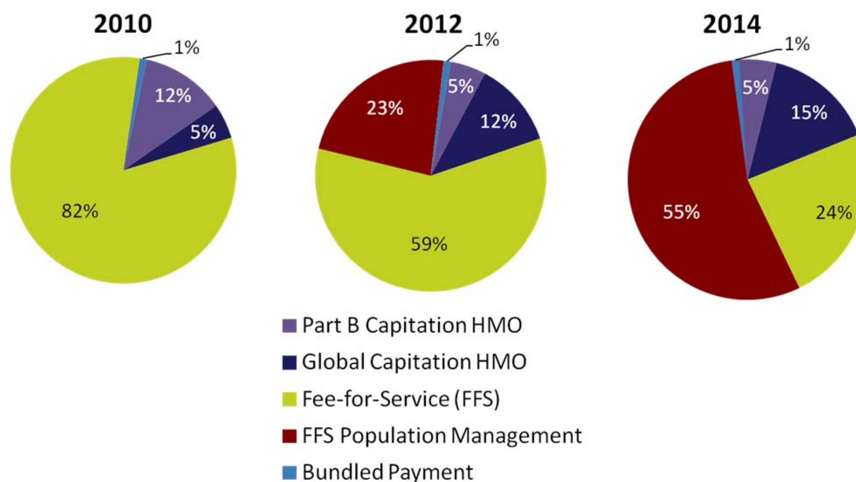
Reimbursement Model Is Shifting



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Value Based Agreements

Contract	Lives	Total Spend
Blue Cross	340,000	$2.4 B
Medicare Advantage	32,000	$0.3 B
Advocate Employee	21,000	$0.1 B
Medicare ACO	114,000	$1.3 B
Total	507,000	$4.1 B

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Population Management

Performance Period August 2011 – July 2012 Commercial Only

	Average Membership	ER Visits/1000	Admits/1000	LOS	Readmissions
System	**447,976**	**186.6**	**64.0**	**3.7**	**6.4%**
Identified High Cost Population	**11,386**	**707.3**	**500.7**	**4.8**	**14.6%**
Non High Cost Population	**436,590**	**173.0**	**52.6**	**3.4**	**4.4%**
High Cost Population % of Total Services	**2.4%**	**9.6% (ER Visits)**	**19.9% (Admits)**	**25.8% (Days)**	**45.2% (Readmissions)**

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Attributed Patient Cost Concentration Supports Care Management Model

Categories	Person Years		Predicted Expenditures	
	Number	Percent	Mean $	Percent
Very Low Risk	**54,398**	**30.5%**	**$ 784**	**3%**
Low Risk	**78,520**	**44.1%**	**$ 4,054**	**22%**
Moderate Risk	**24,906**	**14.0%**	**$ 11,517**	**20%**
High Risk	**16,056**	**9.0%**	**$ 24,054**	**27%**
Very High Risk	**4,270**	**2.4%**	**$ 91,062**	**27%**
Total	**178,149**	**100.0%**	**$ 7,987**	**100%**

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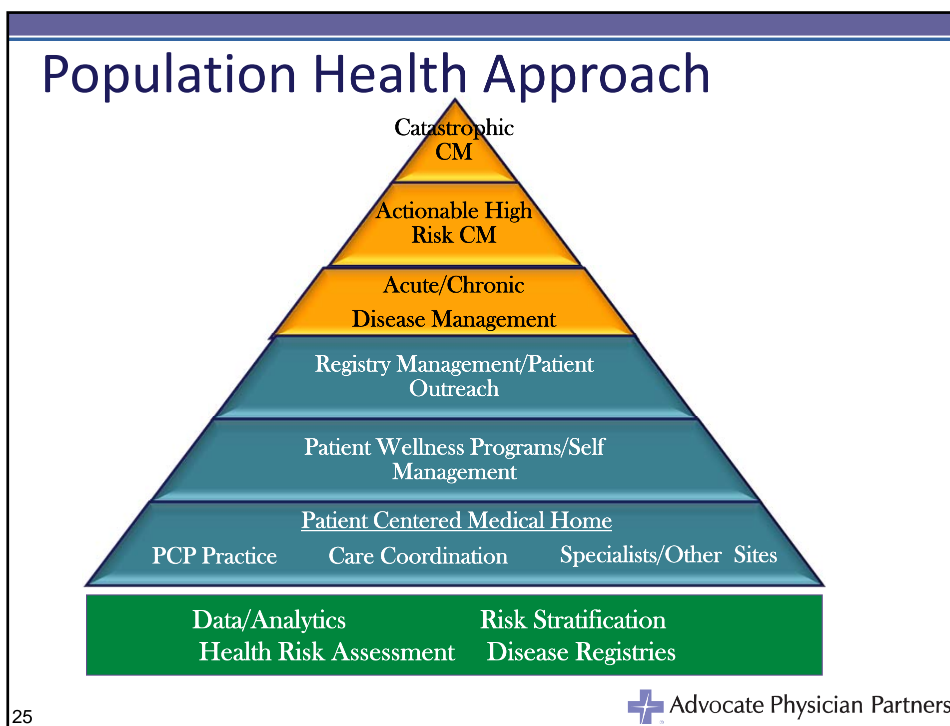

Some Key Issues to Address

- Improving PCP access
- Reducing avoidable admissions
- Intensive outpatient management
- Management of transitions
- Increasing alignment with independent physicians
- Real time clinical decision support
- Enhanced registry and analytics

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Initial Changes from CI to ACO

- Enterprise Care Management
- Population Management Information Technology
- Post Acute Programs

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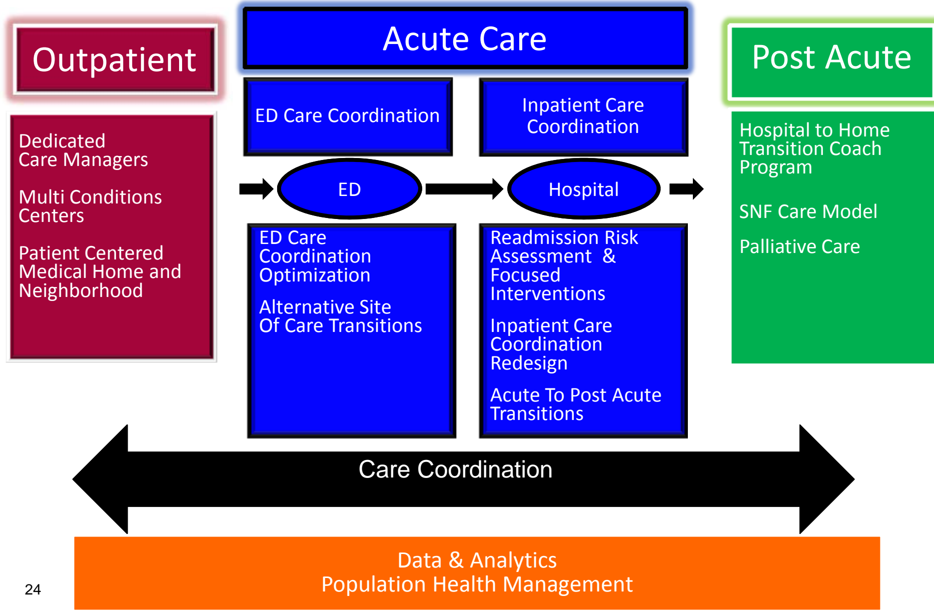
AdvocateCare Programs



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The Advocate Virtual EMR

CareNet Plus

I/P – O/P – E/D CareConnection

AMG Physicians using CliniCare

APP Physicians Using SynAPPS

Departmental/ Specialty Systems

Implications For Primary Care

- Renaissance of primary care
- Appropriate incentive structures
  - Medical Home Transformation
    - Access, Prevention, Acute and chronic disease management, Care coordination, Self-care and community resources
  - ER rates
  - Admission rates & LOS
  - Readmissions
  - Specialist & ancillary efficiency
- Greater alignment with single system

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Implications For Specialists

- Specialists are ***Integral*** to success
- In our network, specialists will thrive
- Structures needed to unlock creativity
  - Specialty service lines (orthopedics, oncology, ob-gyne, cardiology, and hospitalists)
    - Standardization of best practices
    - Enhanced quality: safe, timely, effective, equitable, patient-centered
    - Enhanced efficiency
- Greater transparency around equality and efficiency

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Implications For Integrated Delivery Networks

- Communicating a complex message
  - Management & Physicians
- Building a climate of trust
- Ensuring physician access (both employed & independent)
- Less volume from existing sources
- "Re-purposing" parts of the enterprise
  - Business Development, Physician Relations, UM, Operations Management
  - Refocus on in-network care and marketing to physicians
  - Hospitals re-energizing business development teams to sell benefits of in-network care to physicians
  - Partner with physicians to enhance care

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Changes in Incentive Distribution

- Increased relationship between value contribution and incentive distribution
  - Continue transition from pay-for-performance
- Value contribution has several key components
  - CI Score
  - Care coordination
  - Number of patients managed

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Key Measures Of Success

Purpose

- Aid transformation to population health management
- Create organizational alignment across sites
- Complements CI metrics
- Simplify and focus on five measures of success

Key Metrics

- ER visits/1000
- Admits/1000
- LOS
- Readmission rate
- Care Coordination (% of admissions within Advocate)

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Results

Utilization Metrics (PPO)		Advocate	Market
Inpatient	Admits/1000	(1.4%)	3.2%
	Length of Stay	1.7%	2.7%
	Days/1000	0.3%	4.7%

- Bent the cost curve in 2011 and 2012 while maintaining or improving performance on quality and service metrics outcomes and satisfaction
- 2% HMO membership growth; market dropped >10%
- PPO In-network use up 3.4% points
- APP physician membership growth

Results – Coordination of Care Across the Continuum

- Outpatient care management early results show reduction in ED and hospital admissions
- In-network care coordination (% days at Advocate hospitals) increased **6.9%**
- SNF LOS has decreased from **30 to 20 days**
- SNF hospital readmissions have decreased from **22% to 13%**
- Referrals to Advocate Home Care from partnered SNFs increased from **35% to 70%**

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Lessons Learned

- Commercial PPO and Medicare lack benefit plan design to create alignment by patients with the ACO
- Timely and accurate data is critical
- Communication to the caregivers, focused messages and actionable items drive change
- Getting critical mass of "attributable" patients in a practice and across a system is integral for success

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Lessons Learned (continued)

- MSSP can facilitate getting past the "tipping point" of critical mass
- A "locked cohort" of attributable commercial patients will be easier to manage and drive results
- Having same attribution logic across all payers in market will facilitate adoption
- This is an evolution that takes time

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Biggest Challenges Moving Forward

- Redesigning primary and specialty care
  - Medical home and neighborhood
- IT connectivity
- In network care coordination
- Discipline to create a standard approach
- Management/governance succession planning
- Patient experience

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Strategic Considerations

- Pace of reimbursement shift
- Shared savings as a transitional model
- Leverage of infrastructure investments in managing quality and utilization
- Balance the ideal clinical model with available financial resources
  - Care management
  - Medication Therapy Management
  - Behavioral Health Integration with Primary Care

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Implementing ACOs: 10 Mistakes

Singer and Shortell, JAMA, 8/9/11

- **Overestimate organization capabilities**
  - Manage Risk
  - EHR
  - Performance Measures
  - Implement Protocols
- **Failure to engage stakeholders**
  - Balanced Governance
  - Engage Patients
  - Regulations/Legal
  - Integrate Beyond Structures
  - Specialist selection & engagement
- **Failure to recognize interdependencies**
  - Address all the above

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For Additional Information

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