

Accountable Care Organizations

Creating A Culture Of Engaged Physicians

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Advocate Physician Partners

August 14, 2014



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Sites Of Care

ADVOCATE SITES OF CARE

- Acute Care Hospitals
- Specialty Centers
- Medical Clinics
- Advocate Christiana Foundation
- Home Health Care
- Outpatient Centers
- Medical Health Consulting
- Specialty Office Buildings
- Skilled Nursing
- Other Sites of Care
- Centers for Research
- Continuing Care
- Parish Nurse Ministry

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

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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.

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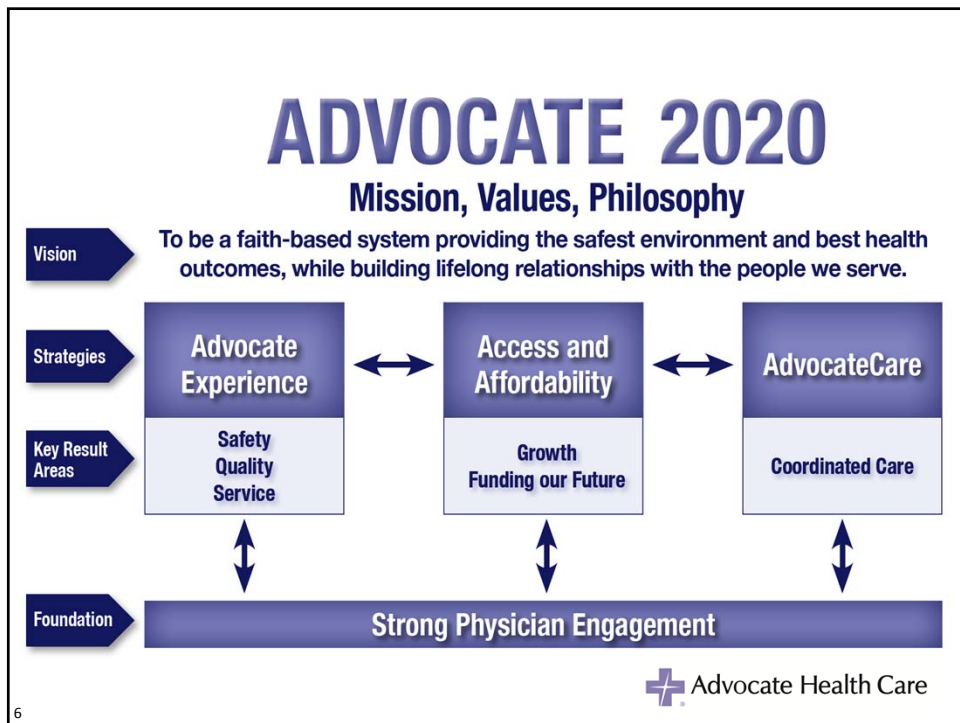
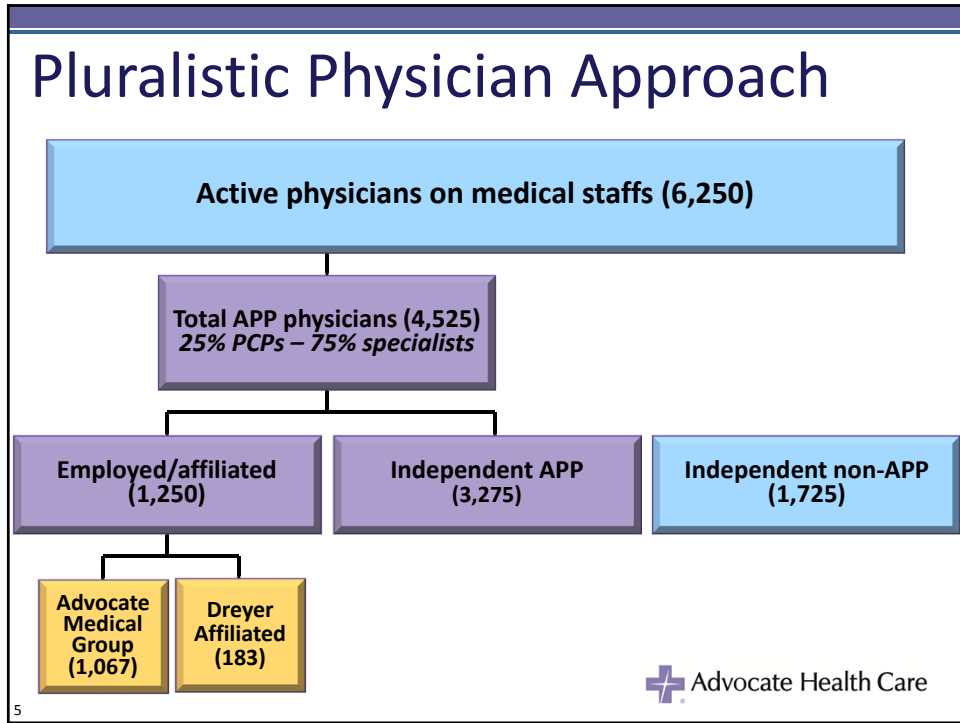
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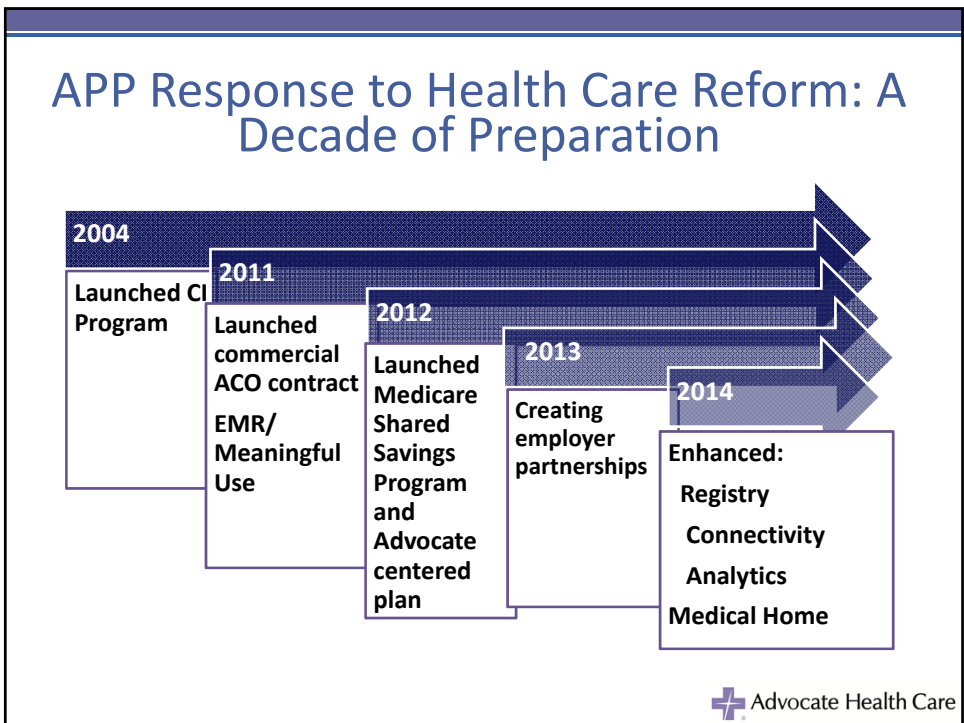
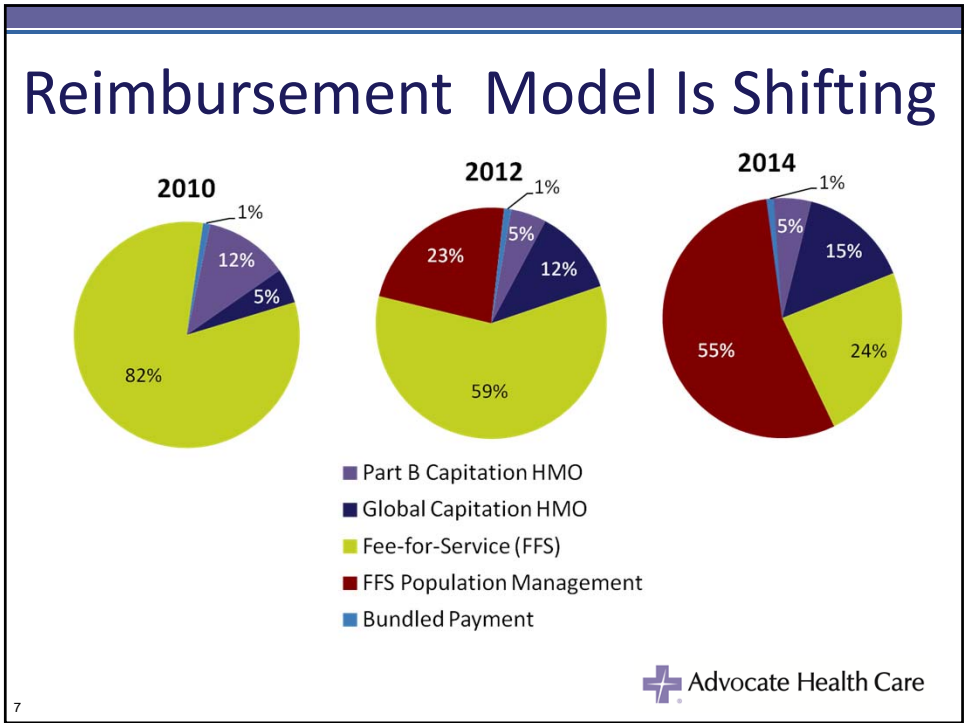
History

- First PHO created 1982
- 2 medical groups experienced with global capitation
- One IPA experienced bankruptcy
- Advocate Health Care formed January 1995
- Advocate Physician Partners founded 1995

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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

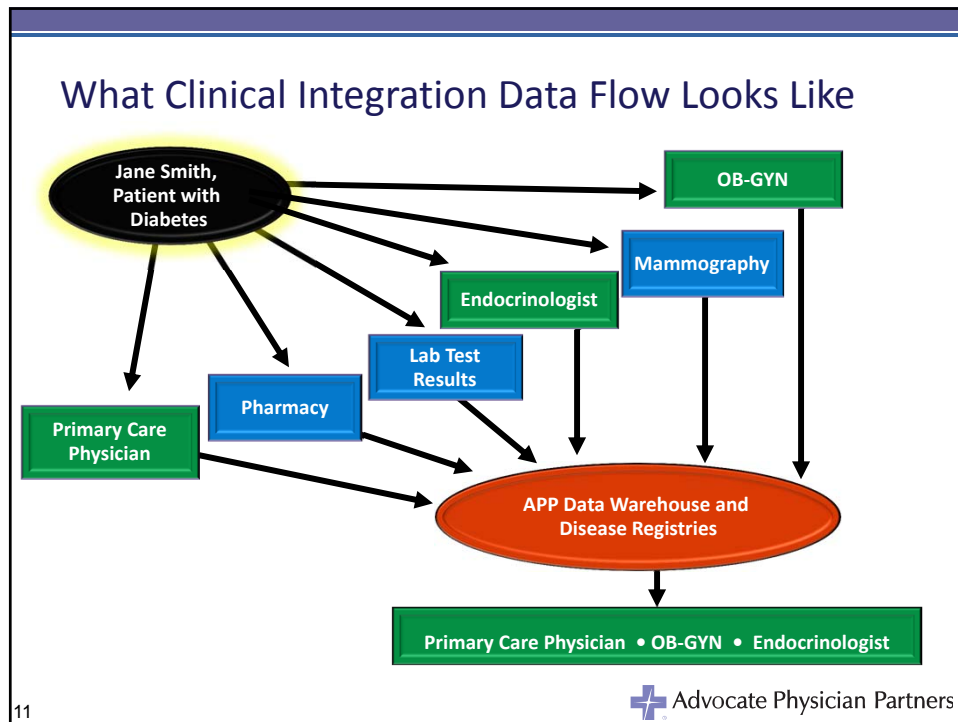
Clinical Integration

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



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

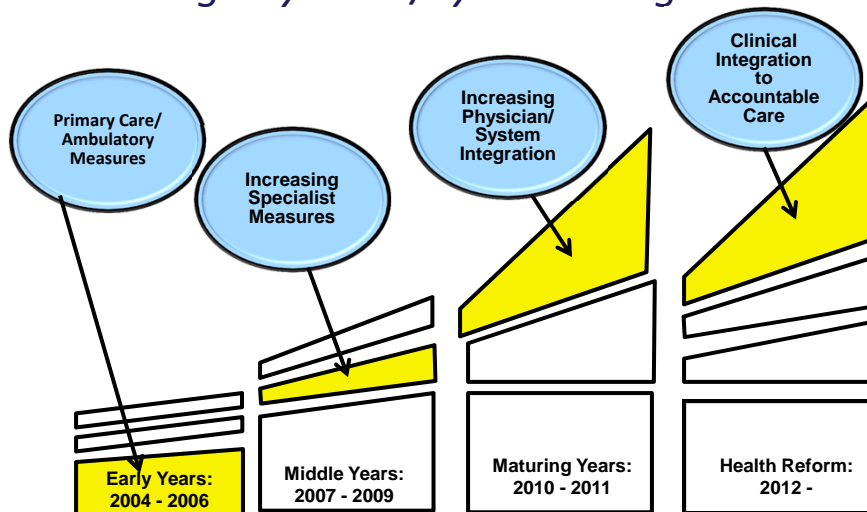
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What is “Accountable Care”

- MSSP: Medicare Shared Savings Program
- Three Year Contracts
- Retrospective Attribution of Patients/Population
- Data Sharing
- Quality Metrics
- EMR Use
- Marketing Guidelines
- Calculations of Costs/Savings

Clinical Integration 4.0: *Increasing Physician/System Integration*



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From Clinical Integration To Accountable Care

A Model For Integrating Independent Physicians Into Accountable Care Organizations

Editorial
Clinical Integration Provides Quality Improvement: Structure Change

RESEARCH
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

REIMBURSEMENT AND CURRENT MARKET TRENDS

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Implications For Primary Care

- Renaissance of primary care
- Appropriate incentive structures
 - Access/avoidance of ER
 - Patient Centered Medical Home (PCMH)
 - Managing ambulatory sensitive conditions
 - Admission rates & LOS
 - Readmissions
 - Specialist & ancillary efficiency
- Greater alignment with single system

Implications For Specialists

- Specialists are ***integral*** to success
- Structures needed to unlock creativity
- ***“Pay for work done”*** will work for you
- Greater transparency around efficiency
- In-network care strategy will work for you
- Efficacious specialists will thrive
- Specialists need access to population of patients



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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

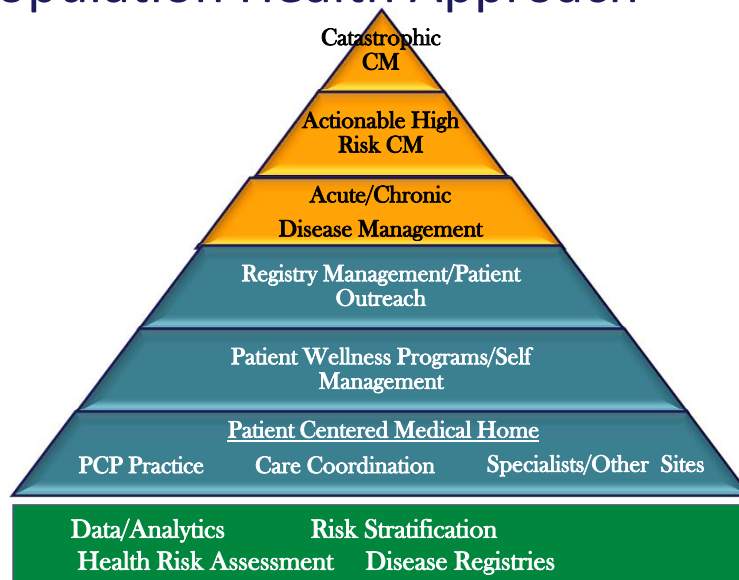
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Implications For Integrated Delivery Networks

- 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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Population Health Approach



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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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Value Based Agreements

Contract	Lives	Total Spend
Commercial	389,000	\$1.8 B
Medicare Advantage	27,000	\$0.3 B
Advocate Employee	23,000	\$0.1 B
Medicare ACO	114,000	\$1.3 B
Total	553,000	\$3.5 B

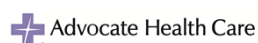
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Results

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%

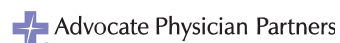
- Bent the cost curve in 2011 and 2012 while maintaining or improving performance on quality and service metrics outcomes and satisfaction
- 2% HMO membership growth; market dropped >10%
- PPO In-network use up 3.4% points
- APP physician membership growth



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
- Physician Engagement

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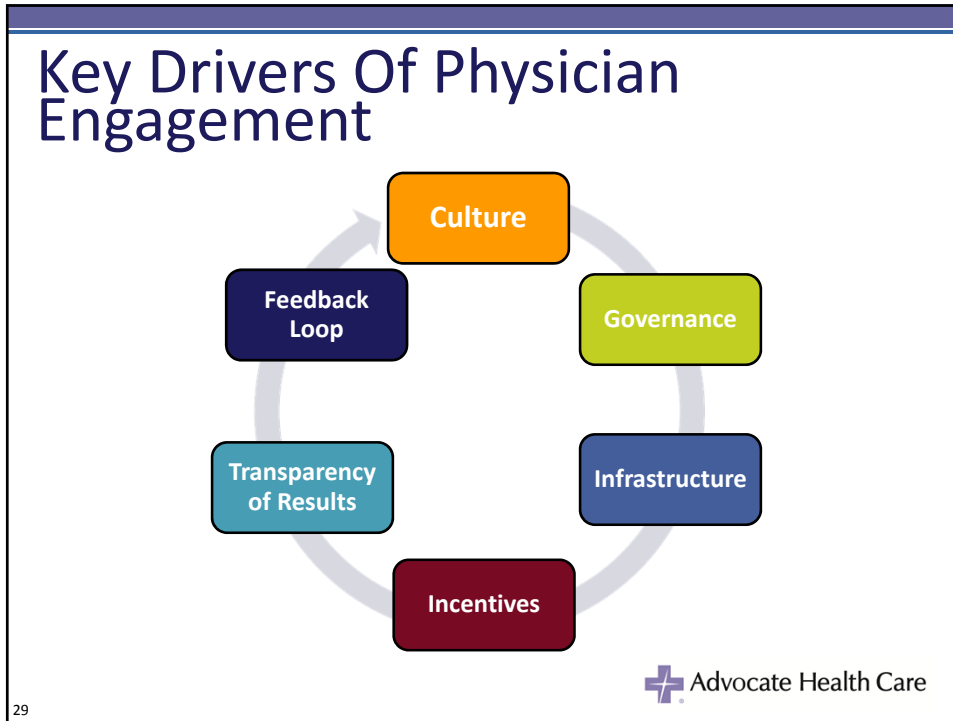


Strategic Considerations

- 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

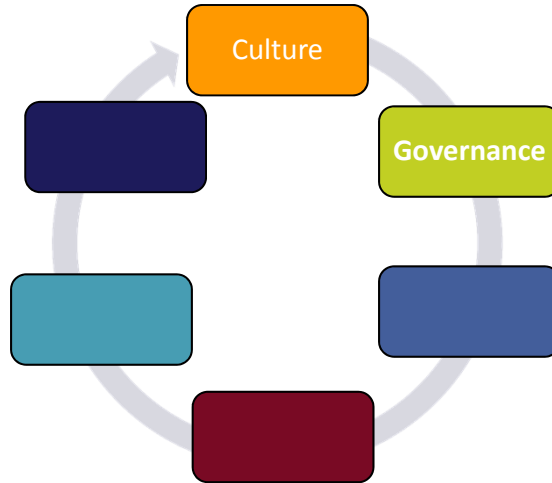
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- ## Mechanisms To Increase Compliance
- APP QI/Credentials Committee
 - Membership criteria
 - Peer pressure/local medical director
 - Mandatory provider education/CME
 - Physician office staff training
 - Learning collaboratives
 - Financial incentives/report cards
- Advocate Physician Partners
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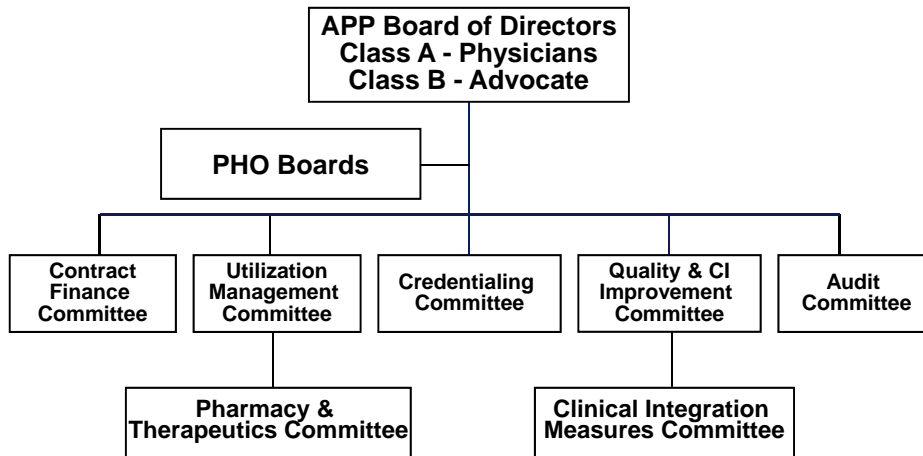
Key Drivers Of Physician Engagement



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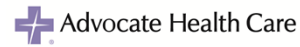
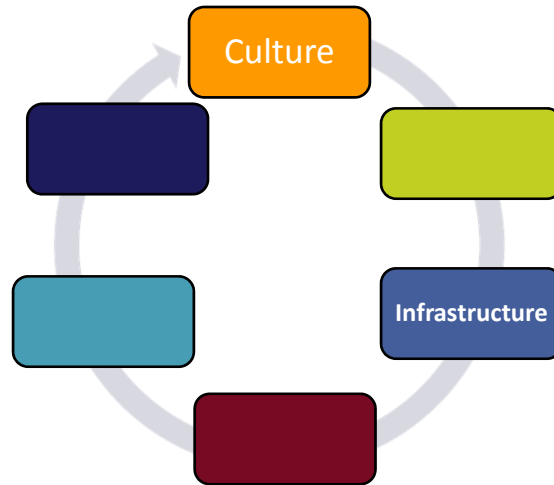
More Than 100 Physicians Involved In APP Governance



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Key Drivers Of Physician Engagement

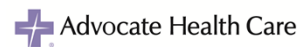
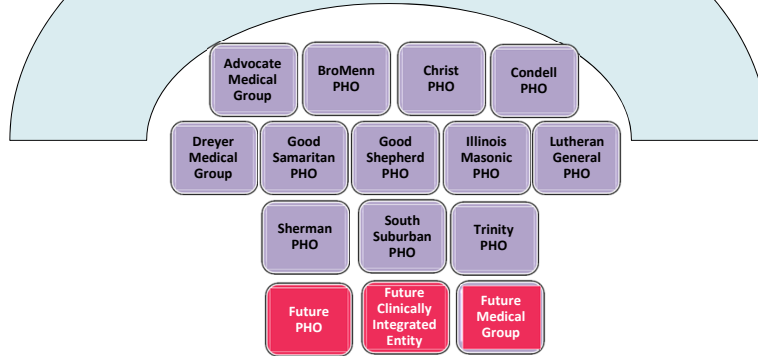


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Strong Physician Engagement

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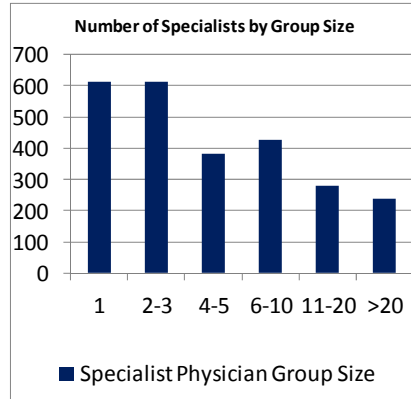
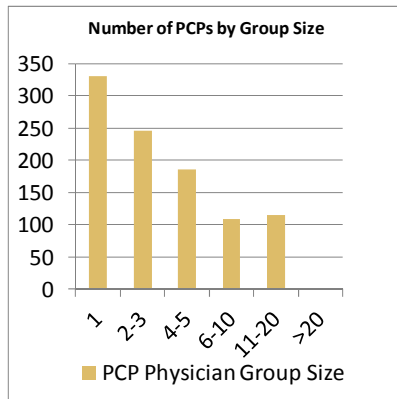
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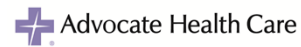
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APP Physicians By Practice Group Size

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



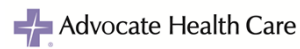
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Physician Support: Advancing Technologies

Year	
2004	High Speed Internet Access in Physician Offices
	Centralized Longitudinal Registries
	Electronic Referral Management Application/Clinical Decision Support for HMO
	Access to Hospital, Lab and Diagnostic Test Information Through a Centralized Clinical Data Repository (Care Net and Care Connection)
2005	Electronic Data Interchange (EDI)
2006	Computerized Physician Order Entry (CPOE)
	Electronic Medical Record Roll Out in Employed Groups
2007	Electronic Intensive Care Unit (eICU) Use
2008	e-Prescribing
2009	Web-based Point of Care Integrated Registries (CIRRIIS)
2010	e-Learning Physician Continuing Education
	Electronic Medical Records Roll Out in Independent Practices
2011	Care Management Software Plus Analytics
2012	Electronic Referral Management Application/Clinical Decision Support for PPO

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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



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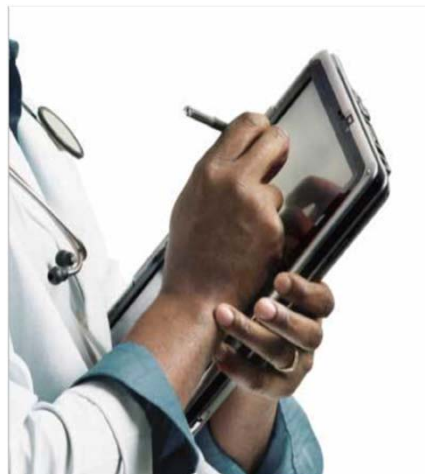


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IT Solutions

- Risk stratification
- Care management workflow and patient documentation
- Web-based data warehouse and reporting
- Predictive modeling
- Advanced disease registries



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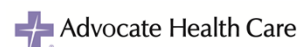
Advancing Evidence-Based Medicine And Care

Year	
2004	Physician Reminders for Care
	Chart Based Patient Management
2006	Patient Outreach
2007	Physician Office Staff Training
	Pharmacy Academic Detailing Program
	Generic Voucher Program
2008	Diabetes Collaborative
	Patient Coaching Program
	Hospitalists
2009	Diabetes Wellness Clinics
	Asthma and HF/CAD Collaborative
2011	Access and COPD Collaborative
2012	Patient Experience CME and Coaching
	Practice Coaching (Data Sharing)

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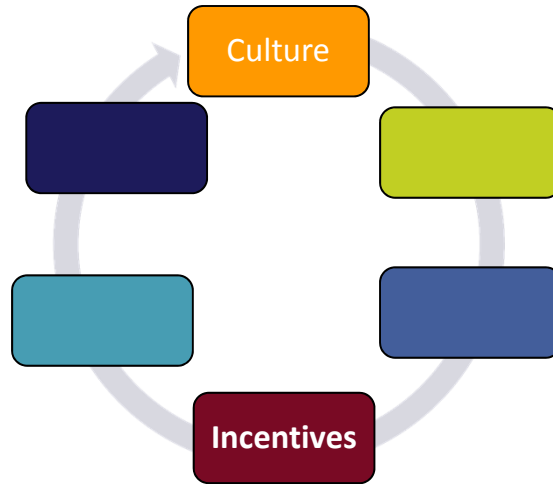
Value Added Services For APP Physicians

- Group health insurance
- Group dental insurance
- Banking Services & Financial Counseling
- Office Supplies, Equipment and Furniture
- Medical and Surgical Supplies
- Immunizations
- Life Insurance
- Professional Liability Insurance



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Key Drivers Of Physician Engagement



Aligning Physician & Hospital Incentive

2009

- CPOE
- Core measures

2010

- CPOE
- Core measures
- Readmissions
- Length of stay

2011

- ED efficiency
- Meaningful use
- Core measures
- Readmissions
- Length of stay

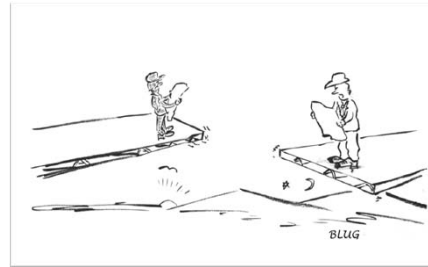
2012

- ED efficiency
- Core measures
- Readmissions
- Length of stay
- Transfusion safety
- Elective induction of labor

2013 & 2014 Aligned Incentives

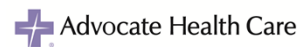
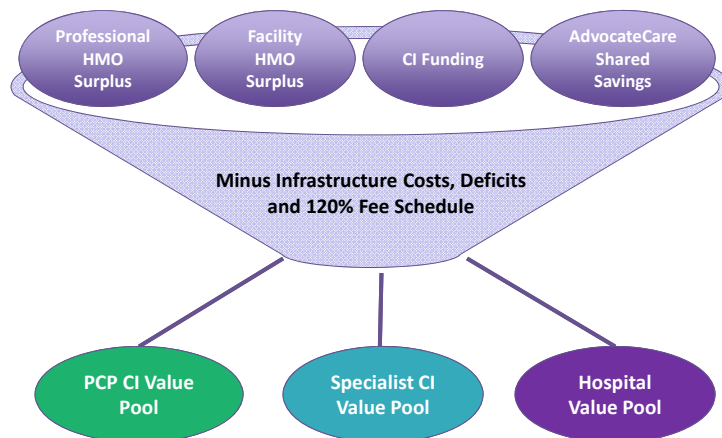
AdvocateCare Index

- Length of stay
- Admits/1000
- ED visits/1000
- 30 day readmissions
- % days in-network

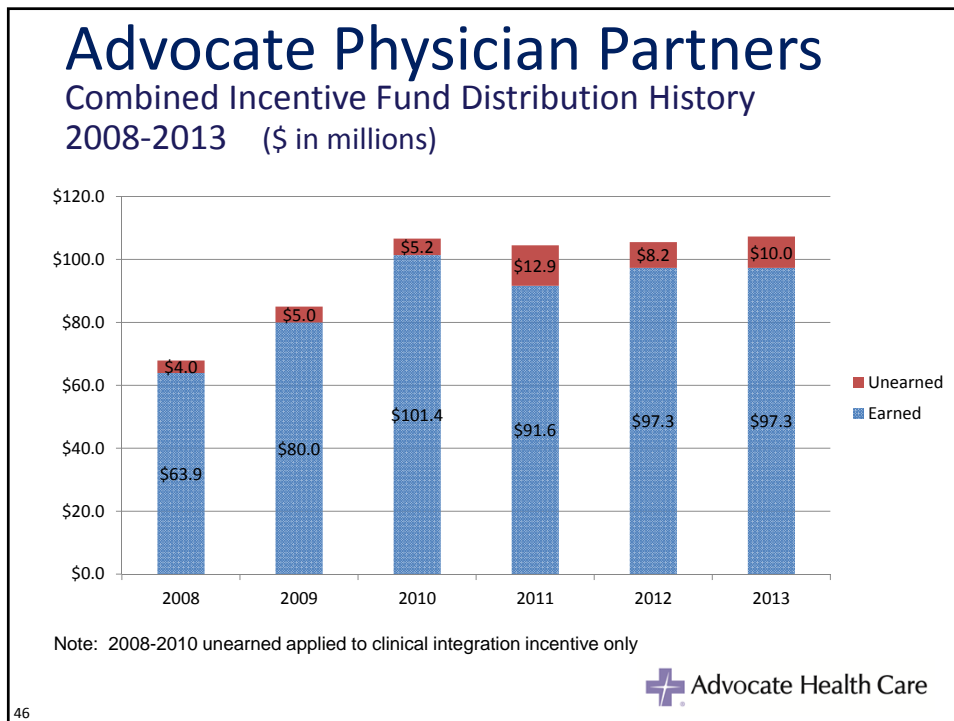
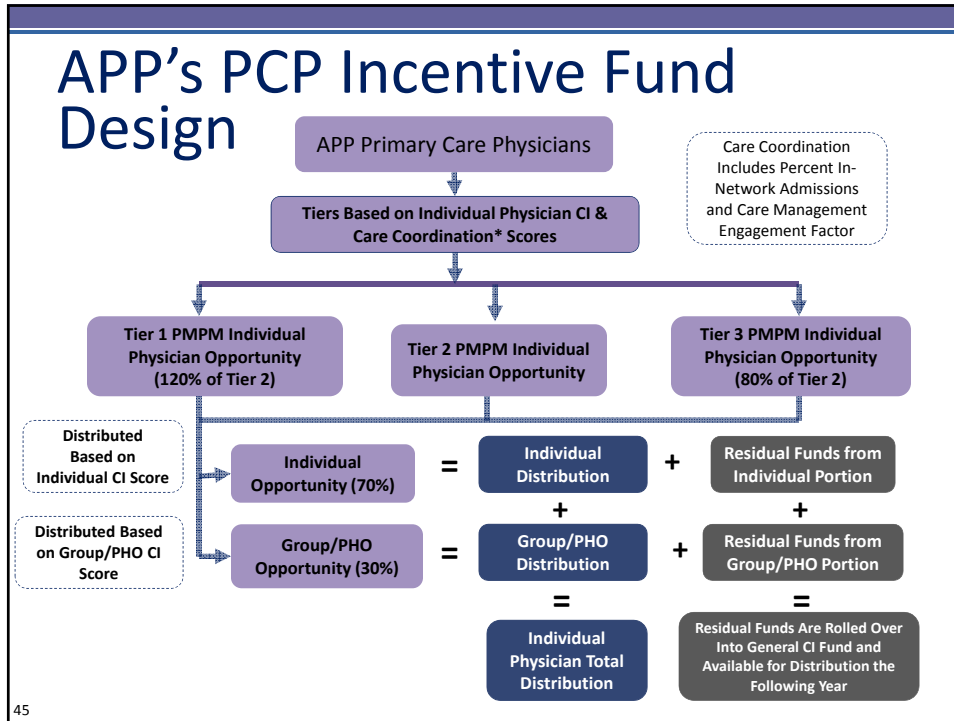


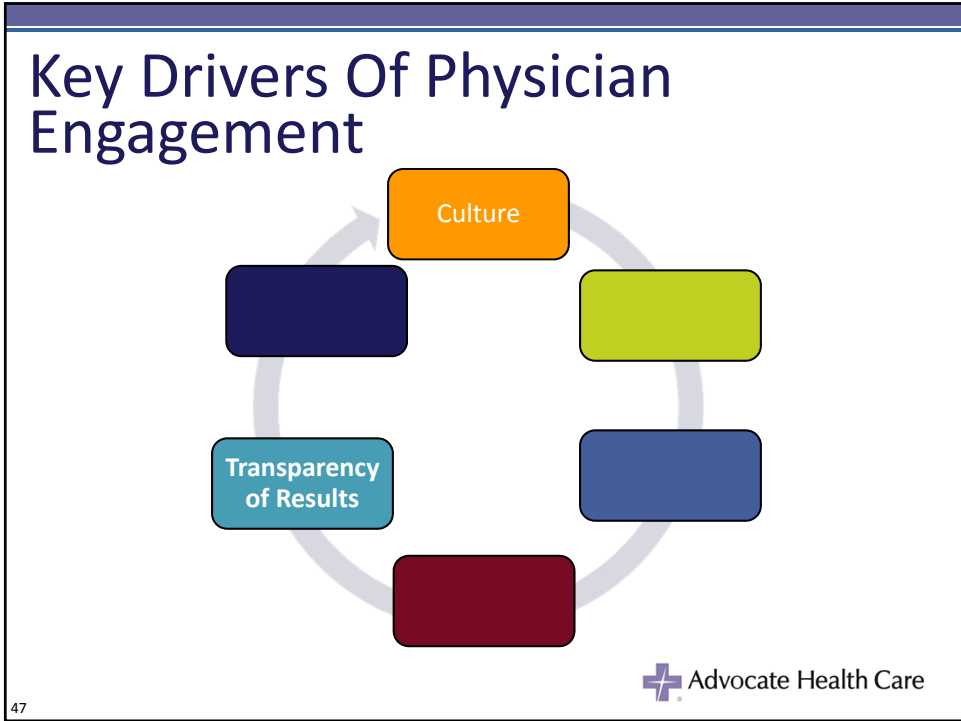
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2013 APP Incentive Design



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Strategy For Transparency

Timeframe	Activity
Year 1	External via Annual Value Report
	Internal via Annual Value Report and Organizational Level Reporting
Year 2	Blinded Comparative Overall Organizational Level Reporting
Year 3	Blinded Comparative Overall Physician Level Reporting with Outstanding Physician Performance Recognition
Year 4	Unblinded Overall Physician Scores within Metrics
Year 5	Unblinded Across All Organizations and Physicians

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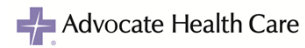
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2013 Value Report

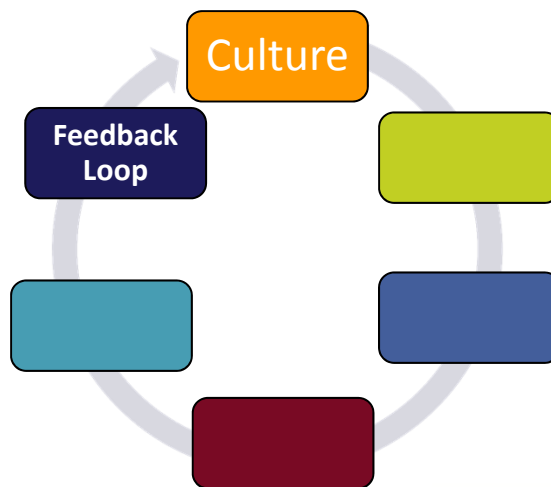


To download a copy of the 2013 Value Report, go to:
advocatehealth.com/valuereport

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Key Drivers Of Physician Engagement



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Practice Report Card

	APR '10 – MAR '11				
	PROVIDER			BENCHMARK	% VARIANCE
	HMO	PPO	TOTAL		
ENROLLMENT					
AVERAGE PATIENTS	182,968	249,860	432,828		
DEMOGRAPHIC INDEX	1.023	1.060	1.044	1.044	0.0%
RETROSPECTIVE RISK	0.94	1.29	1.14		
INPATIENT FACILITY UTILIZATION					
ADMITTS/1000	72.4	57.7	63.9	63.9	0.0%
NON-MATERNITY ADMITS/1000	53.2	38.6	44.7	44.7	0.0%
SHORT STAY MEDICAL ADMITS/1000	8.7	6.1	7.2	5.6	17.1%
CHRONIC ADMITS/1000	4.4	2.7	3.4	3.4	0.0%
DISCRETIONARY ADMITS/1000	4.2	3.8	4.0	4.0	0.0%
AMBULATORY ADMITS/1000	2.3	1.9	2.1	2.1	0.0%
READMISSION RATE	14.3%	10.8%	12.5%		
C-SECTION RATE	38.8%	38.3%	38.5%	38.5%	0.0%
DRG CASE-MIX ADJUSTED PAID/ADMIT	\$23,000	\$25,704	\$24,357	\$24,357	0.0%
% IN-NETWORK DAYS	70.6%	48.0%	59.1%	59.1%	0.0%
OUTPATIENT FACILITY UTILIZATION					
ER VISITS/1000	189.5	183.1	185.8	185.8	0.0%
NON-EMERGENT ER VISITS/1000	10.0	12.2	11.2		
CHRONIC ER VISITS/1000	7.7	7.5	7.6		
% FREQUENT ER USERS	23.1%	23.2%	23.2%		
% ER VISITS LEVEL 1 & 2	13.7%	14.2%	14.0%		
ER PAID/VISIT	\$2,748	\$2,820	\$2,789	\$2,789	0.0%
% OUTPATIENT SURGERY AT ASF					
PROFESSIONAL UTILIZATION					
E&M VISITS/1000	3,369.6	4,990.2	4,305.1	4305.1	0.0%
PREVENTIVE VISITS/1000	400.2	627.9	531.6		
HIGH COST RADIOLOGY SERVICES/1000	148.5	217.4	188.3		

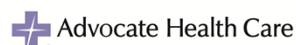
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System AdvocateCare Index – December 2013


Performance Period: September 2012 – August 2013

	Commercial HMO					Commercial Attributed PPO					Total Score
	Weight	Base	Target	Actual	Score	Weight	Base	Target	Actual	Score	
ER Visits/1000	5.0%	185.2	185.2	184.7	107	5.0%	161.3	161.3	155.2	150	128
Admits/1000	15.0%	73.4	71.2	69.7	150	15.0%	49.1	61.7	34.7	150	150
LOS	7.5%	3.91	3.87	3.86	106	7.5%	3.43	3.40	3.14	150	128
Readmission Rate	7.5%	7.65%	7.15%	7.58%	57	7.5%	4.34%	4.00%	5.07%	60	59
Care Coordination	10.0%	85.8%	86.3%	86.4%	103	20.0%	46.2%	50.6%	44.6%	0	34
Product Total	45%				112	55%				83	
System Score	96										


	Jan '13	Feb '13	Mar '13	Apr '13	May '13	Jun '13	Jul '13	Aug '13	Sep '13	Oct '13	Nov '13	Dec '13
System Score	45	42	72	76	79	82	84	87	94	92	95	96



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Future *Insights* on Population Health



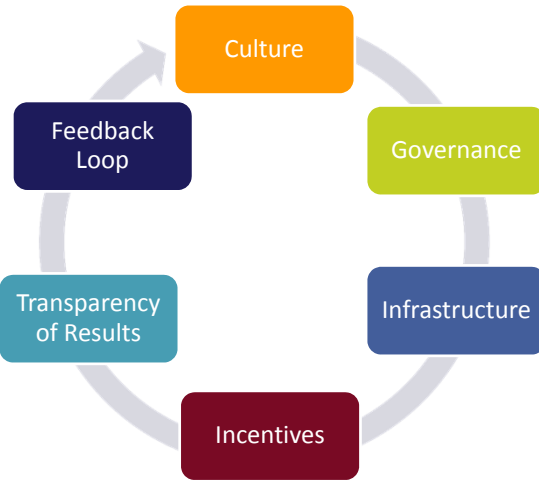
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- Hospitals
January 2013
- HIX
March 2013
- Physicians
May 2013
 - Primary Care Physicians
 - Specialists
- Post-Acute
July 2013
- Outpatient
October 2013

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Key Drivers Of Physician Engagement



Culture

Governance

Infrastructure

Incentives

Transparency of Results

Feedback Loop

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Questions



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