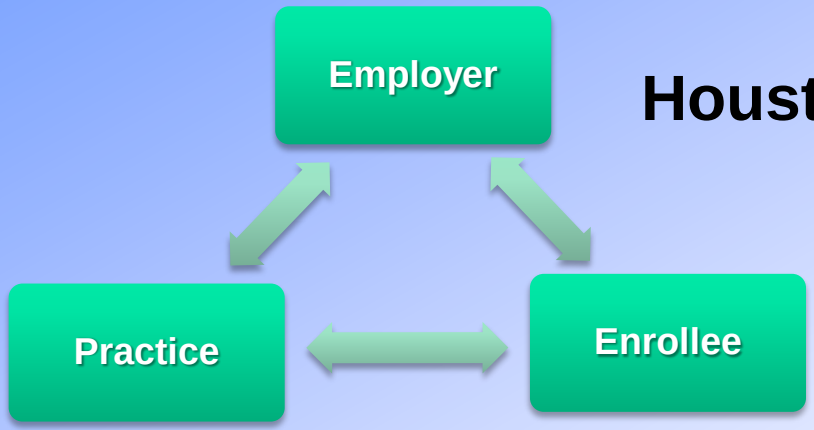
Mutual Accountability

What It Looks Like/Why It Matters



A Discussion with the

Houston Business Coalition on Health

Scott Conard, MD

Robert J. Smith, MBA

February 11th, 2016

What We'll Cover

- Segmenting health care services
- About Prometheus Analytics
- Four Year Trends for Four Employers
- Lessons Learned about Chronic Care Costs
- Purpose of Mutual Accountability

Segmenting Health Care Services

Chronic	• ***Primary cost driver*** for employers • Need/risk/trend ***largely knowable*** • Issue: Variations in compliance/delivery
Episodic	• More frequent & higher cost procedures • Appropriateness runs the continuum • Issues: Variations in efficacy/price
Catastrophic	• Least frequent/highest cost • Need unquestionable • Issue: Variation in outcomes

Bottom Line: Different issues require different solutions.

Targeted solutions for specific segments

1. **Chronic care**: Requires a ***sustained CQI approach*** to reducing the burden (and risk) of illness.
   - Requires a clinically (vs actuarially or statistically) based model.
   - Work with ***primary care providers*** recognized for outcomes.

2. **Episodic care:** Requires ***service-line data*** on quality and cost.
   - Establish "fair market prices" for services with variant costs/multiple options up to and including ***reference-based pricing***.
   - Employ **transparency tools** on cost and quality.

3. **Catastrophic care:** Requires intensive **patient support**.
   - High-cost case management.
   - Use of true "Centers of Excellence" evidencing highest value.

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Quantifying "Quality Waste"

Through use of Prometheus Analytics

1. Identify Relevant Costs

Examine every claim for every eligible patient and sort as....

Charges that are **RELEVENT** to the disease and any co-morbid conditions.

$

Charges that are **IRRELEVENT** to the disease and any co-morbid conditions.

2. Separate/Segment PACs

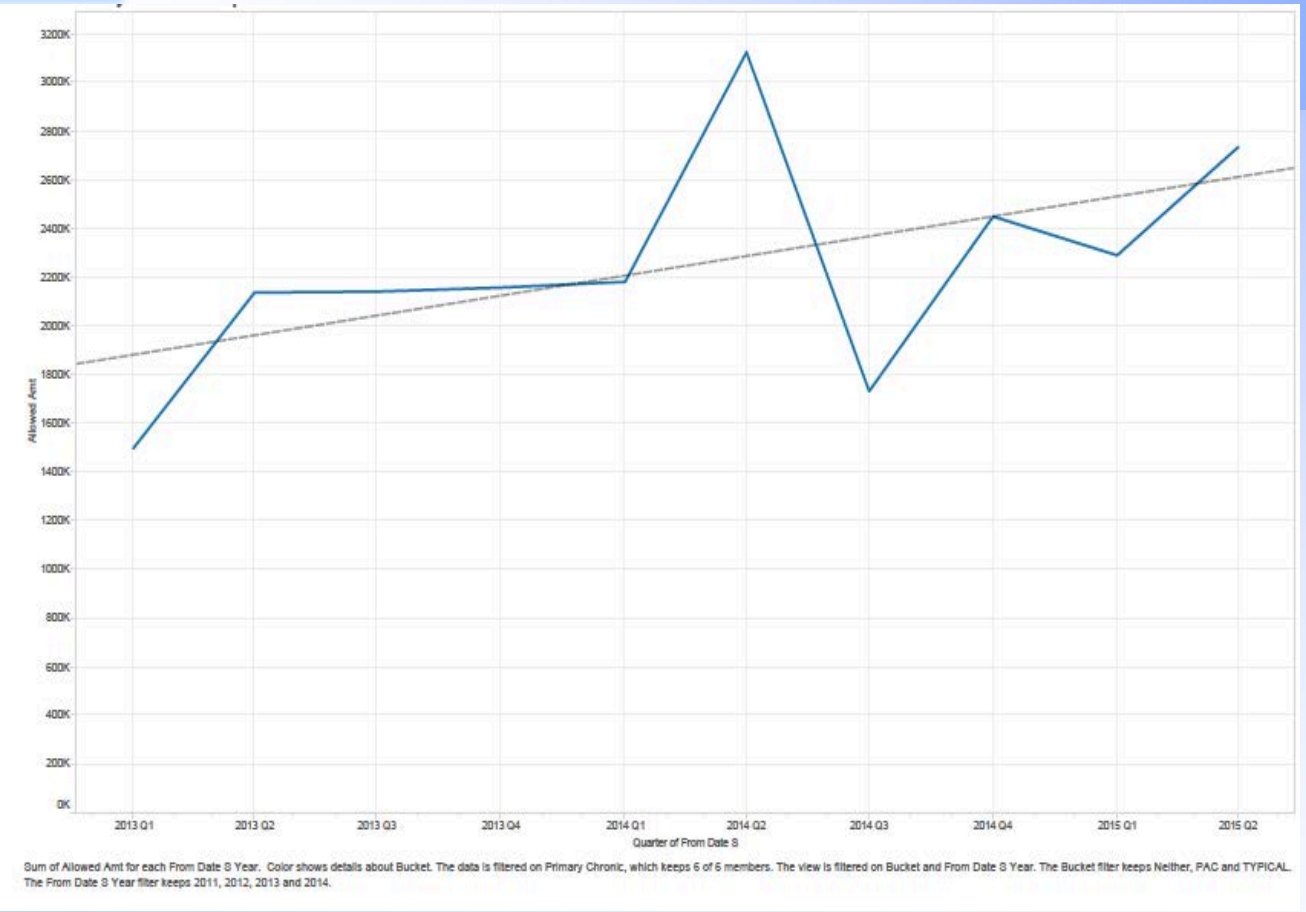
Use clinical guidelines to sort RELEVENT claims into those associated with...

"Typically" Provided Services (and costs)

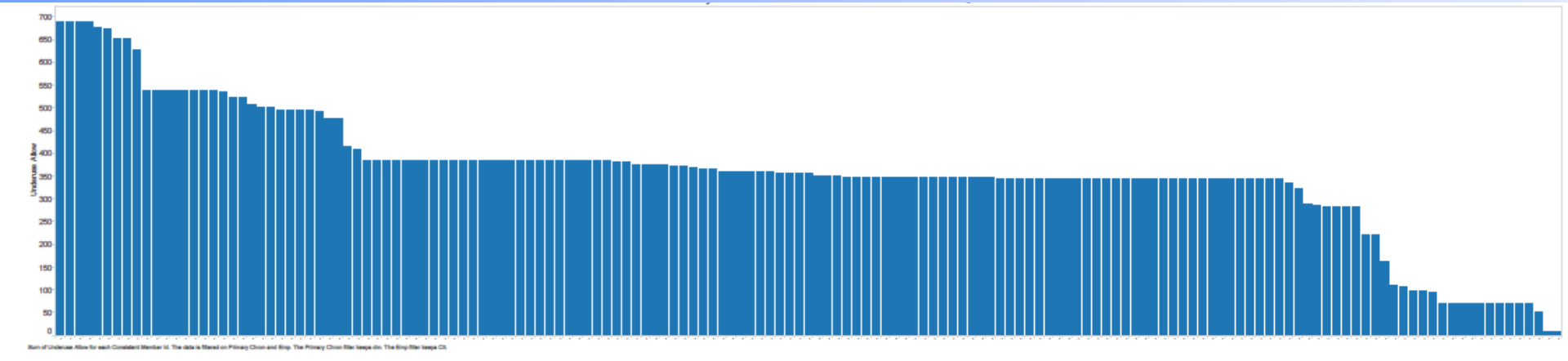
$

"Potentially Avoidable Complications" (and costs)

Trend in Spend: All Chronic Enrollees – Community of All Four Employers



Total Community Underuse – All Chronics



Lessons about Chronic Care

- PACs are result of **both** provider and patient behaviors
- PACs's range from 20-60% of relevant costs
- PACs vary by:
  - Disease (particularly in presence of multiple co-morbid conditions
  - Employer (clearly impacted by benefit design)
  - Practice (e.g., can't just cherry-pick "the best")
  - Health Plan (e.g., no plans are differentiated)
- Opportunity exists to address at the community level as a CQI (continuous quality improvement) effort (eg., good to great)
- CQI requires mutual collaboration by three parties

Employer-Physician Discussions

Facilitated by Dr. Scott Conard

Premises

- Employers and primary care physicians have the most aligned interests of any two parties in healthcare.
- To take advantage of that alignment, they should work together in an alternative arrangement.

An Alternative Approach

From....

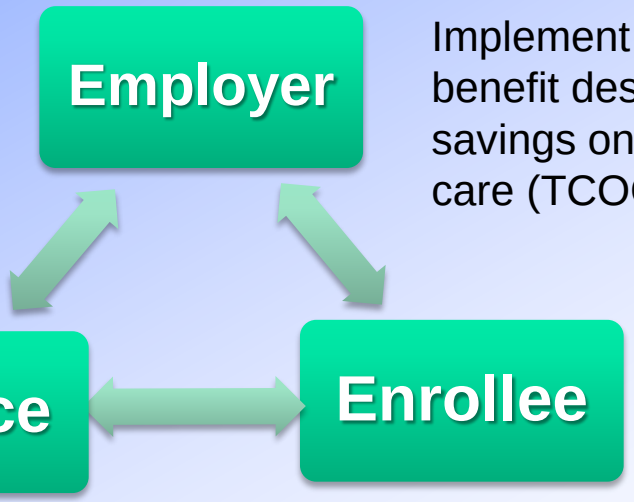
Employer

Health Plan/TPA

Provider Network

Employee

To this....



Implement value-based benefit design; share savings on total cost of care (TCOC).

BTE/PCMH recognition; provide accessible, evidenced-based primary; report on biometrics.

Actively participate in managing/ improving own health by PCP selection and compliance.

Premises of our Discussion

- Employers and primary care physicians have the most aligned interests of any two parties in healthcare.
- To take advantage of that alignment, they should work together.

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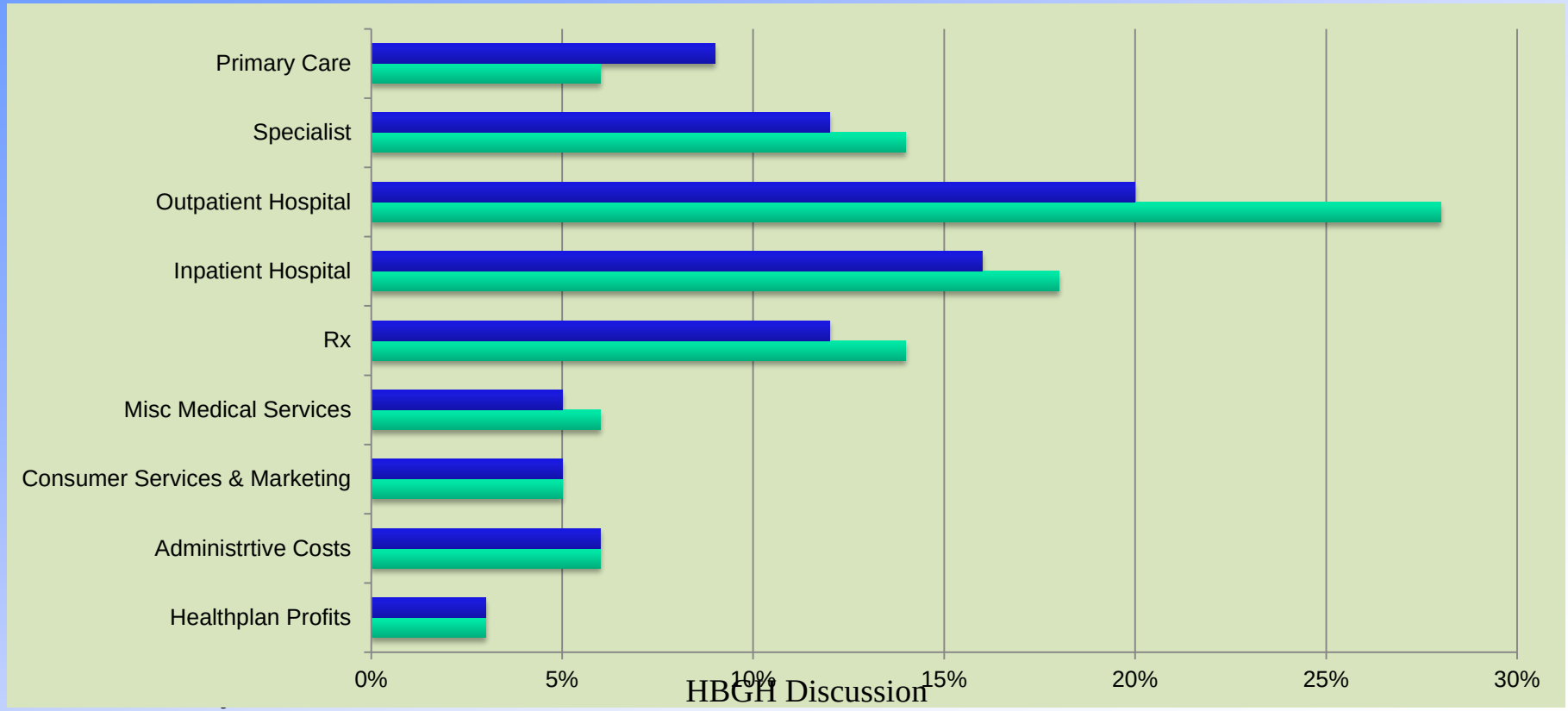
The Premium Dollar



HBGH Discussion

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The Numbers

	Current	PCP Informed	Change
Healthplan Profits	$198	$198	$0
Administrative Costs	$396	$396	$0
Consumer Services & Marketing	$330	$330	$0
Misc. Medical Services	$396	$330	-$66
Rx	$924	$792	-$132
Inpatient Hospital	$1,188	$1,056	-$132
Outpatient Hospital	$1,848	$1,320	-$528
Specialist	$924	$792	-$132
Primary Care	$396	$594	$198
Annual PEPY Premium	$6,600	$5,808	-$792

Benefits of Mutual Accountability

For Practices

- More motivated patients
- Increased volume
- Opportunity for gain-sharing
- Employer support for common outcomes measures

For Employers

- Better outcomes
- Healthier/more productive employees
- Reduced costs

For Employees

- Longer lives
- Less costs
- Higher quality
- Greater efficiency

Challenges

- IT infrastructure
- Alignment
- Willingness to move forward, solve problems on the way
- Dynamic marketplace
- Busy schedules
- Current success by key shareholders

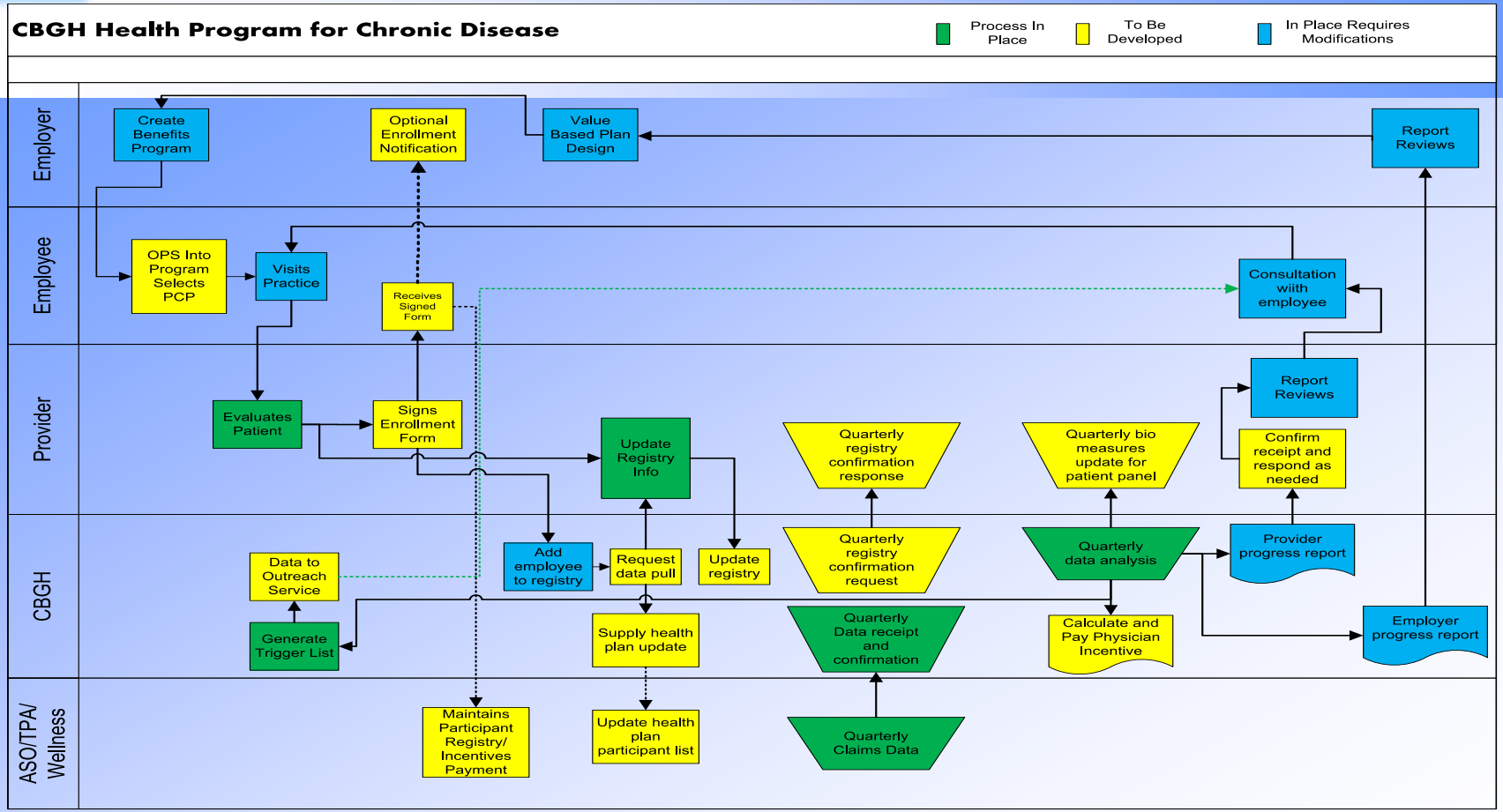
Change Will Work With The Right Elements In Place

Vision + Skills + Incentive + Resources + Action Plan = Results / Change

What happens when a key element is missing?

(Vision)	+	Skills	+	Incentive	+	Resources	+	Action Plan	=	Confusion / "where is this going?"
Vision	+	(Skills)	+	Incentive	+	Resources	+	Action Plan	=	Anxiety / "how am I going to do that?"
Vision	+	Skills	+	(Incentive)	+	Resources	+	Action Plan	=	Slow change / "why bother?"
Vision	+	Skills	+	Incentive	+	(Resources)	+	Action Plan	=	Frustration / "where's the beef?"
Vision	+	Skills	+	Incentive	+	Resources	+	(Action Plan)	=	False starts / "I feel stuck"

adapted from Ambrose, Managing Complex Change


CBGH Health Program for Chronic Disease
Process In Place
To Be Developed
In Place Requires Modifications
Employer
Employee
Provider
CBGH
ASO/TPA/ Wellness
Create Benefits Program
Optional Enrollment Notification
Value Based Plan Design
Report Reviews
OPS Into Program Selects PCP
Visits Practice
Receives Signed Form
Consultation wiith employee
Evaluates Patient
Signs Enrollment Form
Update Registry Info
Quarterly registry confirmation response
Quarterly bio measures update for patient panel
Report Reviews
Confirm receipt and respond as needed
Data to Outreach Service
Add employee to registry
Request data pull
Update registry
Quarterly registry confirmation request
Quarterly data analysis
Provider progress report
Generate Trigger List
Supply health plan update
Quarterly Data receipt and confirmation
Calculate and Pay Physician Incentive
Employer progress report
Maintains Participant Registry/ Incentives Payment
Update health plan participant list
Quarterly Claims Data

Goal: Implement Mutual Accountabilities in 2017

Objectives – CS (TBD in January)

Operational:

- Claims Data Submission from Employer/TPA (now quarterly)
- Reporting: Codify routine reports/dates with task force
- Accountabilities Flowchart: Complete action plan for implementing
- Biometric Data Submission from Practice (use CMS feed)

Clinical/Administrative/Financial:

- Establish opportunities & performance targets
- Plan quality of care financial arrangements

Contractual:

- Draft VBBD with each employer
- Codify current relationships into re-drafted contracts

Expansion:

- Two employers plus El Paso RCCO
- CS Internal Medicine and Peak Vista

Timeline

- Monthly
- February
- (See table)
- TBD in Jan

Timeline

- July
- March-August

Timeline

- April
- September

Timeline

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