Value-Based Models: Two Successful Payer-Provider Approaches
March 1, 2016

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President and COO, Inova Health System

DISCLAIMER: The views and opinions expressed in this presentation are those of the author and do not necessarily represent official policy or position of HIMSS.
Conflict of Interest

Clifford T. Fullerton, MD, MSc
Mark Stauder

Have no real or apparent conflicts of interest to report.
Agenda

Learning Objectives

Value of Health IT STEPS™

Key Questions for Success in Value-Based Contracting

Baylor Scott & White Quality Alliance (BSWQA)
- Introduction to BSWQA
- Population Health Management Strategies, Resources and Tools
- Results
- Lessons Learned

Inova Health System
- Introduction to Inova and Innovation Health
- Joint Venture Strategies, Resources and Tools
- Results
- Lessons Learned

Q&A
Learning Objectives

By the end of this session, you will learn:

1. Illustrate the fundamental differences between ACOs, joint venture health plans and other value-based models in positioning providers for long-term financial sustainability.

2. Describe the assets and expertise that providers and payers must bring to an accountable care collaboration in order to drive efficiency in care delivery and proactively manage population health.

3. Demonstrate through real-life examples how value-based models contribute to improvements in clinical and financial outcomes.

4. Assess and organization’s readiness for assuming financial risk by asking three key questions and hearing the approach Baylor and Inova used to identify the risk model that was right for them.

5. List the key selection criteria to consider when choosing a payer to work with on a value-based collaboration.
Health IT STEPS: All Values Are Impacted in Value-Based Models
Key Questions To Evaluate Options in Value-Based Care Models

1. How significantly is your organization willing to invest in technology and tools?
2. To what degree are you willing to tie doctor incentives to quality, efficiency and patient satisfaction measures?
3. How far will you go in redesigning care delivery to focus on keeping people well?
Baylor Scott & White Quality Alliance (BSWQA)

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President, Baylor Scott & White Quality Alliance
Chief Population Health Officer, Baylor Scott & White Health
## Network and Covered Lives

### Network Size & Footprint

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physician Members</td>
<td>4,599</td>
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<tr>
<td>NTX Division: 3,041</td>
<td></td>
</tr>
<tr>
<td>CTX Division: 1,048</td>
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</tr>
<tr>
<td>ACO Partners: 510</td>
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</tr>
<tr>
<td>(PCP 1,052) 23%</td>
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<tr>
<td>(SCP 3,547) 77%</td>
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### Expected and Projected Covered Lives

<table>
<thead>
<tr>
<th>Existing and Newly Signed Contracts</th>
<th># of Covered Lives</th>
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<tbody>
<tr>
<td></td>
<td>July 1, 2015</td>
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<td>Total Expected Lives</td>
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<tr>
<td></td>
<td>January 1, 2016</td>
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<tr>
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<tr>
<td></td>
<td>January 1, 2017</td>
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<tr>
<td></td>
<td>296,000</td>
</tr>
<tr>
<td></td>
<td>January 1, 2018</td>
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<td></td>
<td>315,000</td>
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</table>
BSWQA: Current Value-Based Contracts

**Commercial**
- Pay for Performance
- Shared Savings/Gain Share
- Performance Risk
- Partial Capitation
- Capitation

**Medicare**
- Medicare Shared Savings Program (MSSP)
  - Upside Only
  - Risk Sharing
- Medicare Advantage
  - Shared Savings/Gain Share
  - Partial Capitation
  - Capitation
Provider Readiness: Key Criteria for Value-Based Contracting

• Willingness to decrease inefficient income-producing volume of physicians and hospitals

• Capital for new infrastructure
  – Technology, especially analytics
  – PCMH-mature primary care
  – Administrative staffing

• PCP access and/or ability to grow access

• Governance and physician engagement

• Post acute care relationships or ability to build them

• Willing and trusted payer partner
Payer Collaboration: Key Points to Consider

- Willing and trusted provider partner
- Invest in provider infrastructure-care management staff
- Offset decreased volume with new incentives
- Support new care models (e.g., IMPACT, Telehealth)
- Market growth plan for new product
- Benefit design that supports efficiency and coordination
- Willing to provide timely and complete raw data and analytics to provider
Population Health Management: Six Initiatives

1. Enable physician office directed intervention; PCMH, Broad access strategy

2. RN Care Managers, CMAs, CHW, Clinical pharm, coders Risk Stratified Comprehensive Care Management

3. Make clinical and claims data available to those who need it Analytic Capability

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1. Evidence-Based Protocols
   - 100+ Protocols from physician committees

2. Care Plan Integration Wellness
   - Integrate care, starting with Wellness-prevention, dx gaps, coding, GPR

3. Physician Engagement
   - Physician committees, web site, POD, JOC, Data, WIIFM

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PCMH

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Population Health Management: Comprehensive Care Management Team

**RN Care Manager**

[1:250 commercial; 1:150 Medicare/MA]

- Assessment
- Chronic disease management per protocol
- Medication reconciliation
- Care plan management and goal setting
- Motivational interviewing

**Social Worker [1:75]**

- Psychosocial assessment and intervention
- Resource linkage

**Health Coordinator (CMA)**

[1:1000 commercial; 1:500 Medicare/MA]

- Close chronic disease gaps
- Ensure consistent PCP connection

**Team Goals:**

- Support care plan/physician
- Empower/engage patient
- The Quadruple Aim
Population Health Management: Analytics and IT Tools

- Data Aggregation
- Measure Computation
- Risk Stratification
- Physician Dashboards
- MSSP Quick Reports
- CMS ACO Measures
- Exploration/Visualization
- Claims Analytics
- Interoperability
- Population Health Management
Population Health Management: Reporting and Analytic Activities

Physician Dashboard with Drill-Through

Administrative Dashboard with Drill-Through

Executive Scorecard

JOC Physician Engagement

Network Utilization with Drill-Through

Predictive Modeling / Risk Stratification
Results: Readmissions and Admissions

All Cause Re-Admission Rate
BSW NTx Employee Plan

20% 10% drop (over two year period) 18%

2012 2014

Source: Optum One
• BSW NTx Employee Health Plan Population
• Towers Watson Shared Savings Methodology

Admissions per Thousand
BSW NTx Employee Plan

95
86

2012 2014

30 Day Re-Admission Rate
Admissions per Thousand
Results: Network Utilization (NUM) Performance
Pre-BSWQA vs. Post-BSWQA Operationalized

A 14% increase in NUM through 2014 resulted in care being provided by in network facility providers.
Results: Medical Cost Reductions PMPM

Actual vs. Milliman Medical Index

BSW NTx Employee Plan Medical Cost Reductions (PMPM)

- $24 million in savings compared to shared savings target
- $37 million in savings compared to Milliman Medical Index expectation
Lessons Learned: Drivers of Success

- **Growth**
  - In Medicare Advantage and Commercial Product Lines

- **Risk Score Coding**
  - Appropriate Risk Score Coding (Medicare Advantage)

- **Comprehensive Care Management**
  - Impactful Care Management Programs

- **Quality Measures**
  - Attainment of Quality Measures and Shared Savings Targets in Payer Contracts

- **Operating Expenses**
  - Management of BSWQA Operating Expenses

- **Provider Engagement**
  - Active Engagement of BSWQA Member Practices on Performance Related to Quality of Care, Total Cost and the Migration to Risk
# Projected Covered Life Growth

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<tbody>
<tr>
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<td>July 1, 2015</td>
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<tr>
<td>Baylor Scott &amp; White North Texas Ees. NN</td>
<td>34,500</td>
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<tr>
<td>Baylor Scott &amp; White Central Texas Ees. NN</td>
<td>24,500</td>
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<tr>
<td>Medicare Advantage</td>
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<tr>
<td>Medicare Advantage</td>
<td>2,500</td>
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<td>Commercial ACO attribution Model. No risk, pmpm</td>
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<tr>
<td><strong>Commercial ACO NN, risk, pmpm</strong></td>
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<tr>
<td>Medicare Shared Savings Program</td>
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<td>Commercial ACO. SS, attribution, pmpm, risk</td>
<td>76,500</td>
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<td><strong>Total Expected Lives</strong></td>
<td><strong>247,000</strong></td>
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<tr>
<td><strong>New Potential Contracts</strong></td>
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<td>Commercial ACO attribution Model. No risk, pmpm</td>
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<tr>
<td>Commercial ACO attribution Model. No risk, pmpm</td>
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<tr>
<td><strong>Total Potential New Lives</strong></td>
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<td><strong>Total Projected Lives</strong></td>
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Inova Health System

Mark Stauder
President and COO, Inova Health System
Provider Readiness: Our Journey to Value-Based Care

Matching
Government Payment Reform
(payment will change over time)
+
Market Realities
(our market has limited risk today)
With Inova’s Capabilities
(we did not manage care)
Provider Readiness: Our Vision 2020 – Population Health Strategic Goals and Objectives

Goal: Develop new capabilities and relationships to manage risk and population health.

Population Health Management

- Develop capabilities to address payment reform change, including the assumption of financial risk
- Sponsor competitive value-based (triple aim) health plans
- Build critical mass of covered lives in Inova Health Plans
- Create a shared savings construct with major payers
- Create new margin to replace ACA reductions.
- Broaden regional market share in our secondary service areas (covered lives and destination services)
Payer Collaboration: The Decision and Key Selection Criteria

Assessing Strategic Options

**Health Plan Partner Attributes**

- State of the art data and information systems
- Capacity for scale in management and operations
- Innovator in physician integration
- Multi-year track record of high level performance
- Experience in Commercial, Medicare and Medicaid
- Agile – able to adapt and change quickly
- Common mission/mutual goals and objectives

- **Do Nothing / Status Quo**
- **Contract Directly with Employers/Payers**
- **Build and Market Own Health Plan**
- **Partner & Joint Venture New Health Plan**
Payer Collaboration: Why Aetna?

An Exhaustive Diligence Process
• Search of many health plans nationwide to find the right fit, reputation, shared vision and core health plan capabilities
• Diligence on several local, regional and national prospects – evaluations always resulted in top Aetna ranking

Speed To Market
• Building our own health plan de novo would have taken considerable time
• Partnership with Aetna provided immediate back office capabilities and broad national provider network

Culture and Alignment
• Our cultures were very compatible, proven through a good relationship prior to considering this joint venture
• Aetna shared a strong desire and was willingness to be innovative and become the number 1 payer in Inova’s regional market

Summary: The success we’ve had in the market with our Innovation Health products is proof that we made the right decision.
Joint Venture: Understanding Consumer Needs

Vision
“What we are setting out to achieve”
A simplified, well-integrated offering to help all consumers navigate a confusing system, manage healthcare expenses, and be as healthy as they can be

Strategy
“How we will win”

1 Affordable Product & Services
2 Effortless Consumer Experience
3 Direct Distribution

Innovative, Integrated Care Delivery Models
Lean Scalable Platform
Empowered People
Innovation Health: A Unique Aetna and Inova Joint Venture Collaboration

Innovation Health Partnership

Aetna Will Provide:
• Health plan administration
• Claims and Customer Service
• Leading national network, analytics, technology and care management programs

Inova Will Provide:
• Nationally recognized health care system
• More member management at the primary care level of chronic conditions and lower unit costs

Innovation Health physicians are incented to improve quality, efficiency and patient satisfaction

Improved care cost and quality
Network and Covered Lives

Network Details & Highlights

• Signature Partners
  • Primary Care Physicians: 358
  • Specialists: 525
  • Hospital-Based: > 1,000
• Wrap-Around Network of Provider access through Aetna national network

Since September 2013:
1490+ plan sponsors
42,000 IVL
180,000+ members

Service Areas

› Alexandria City
› Arlington
› Fairfax
› Fairfax City
› Falls Church City
› Fredericksburg City
› Loudoun
› Manassas City
› Manassas Park City
› Prince William
› Spotsylvania
› Stafford

Jurisdiction 1
Jurisdiction 2
Jurisdiction 3
Joint Venture: Culturally Integrated Network

Signature Partners
High-Value Physician Clinically Integrated Network
Joint Venture: Care Management

Enhanced Care Coordination

- Aetna/Inova Care Coordinators steer members to appropriate programs, coaching
- Daily EPIC-driven alert to identify Innovation Health (IH) members in system

Post-Acute Care

- Transitional programs, post-discharge community placement, medical home (30 day) for “high-risk for readmission” patients
- Embed Inova physicians in high-volume SNF facilities
- Narrow network: Select high-performing SNFs for our network
- Enroll high-risk patients in Care Management programs when at a Post-Acute Facility

High-Risk / Complex Outpatients

- High-risk IH members are identified via Pulse and Aetna opportunity scores
- Advanced Illness Model – Complex Geriatrics Program
- Increased Remote Monitoring
- Increased Palliative/Hospice Referrals, Advance Directives and Care Planning
## Joint Venture: Analytics and IT Tools

<table>
<thead>
<tr>
<th>Fully Integrated EMR <em>(EPIC)</em></th>
<th>Aetna Platform</th>
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<tbody>
<tr>
<td>All Hospitals, Physician Offices and Ambulatory Sites</td>
<td>Claims Processing, Member Enrollment</td>
</tr>
<tr>
<td></td>
<td>New Platform in 2016</td>
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</tbody>
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<table>
<thead>
<tr>
<th>MyChart <em>(portable EMR)</em></th>
<th>Data Warehouse <em>(Intelligent Healthcare)</em></th>
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</thead>
<tbody>
<tr>
<td>Patient Engagement Driver Telemedicine</td>
<td>Interface with EPIC and other Disparate EMRs for CIN</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Analytics <em>(Aetna Pulse, Crimson)</em></th>
<th>Care Management <em>(EPIC)</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk-stratification and predictive data analytics for clinical quality</td>
<td>Population Health Management Tools Care Continuum</td>
</tr>
</tbody>
</table>
Results

- 8-20% Savings*
- 17% reduction in the number of unnecessary hospital days after surgery*
- 15% fewer hospital admissions*
- 21% fewer hospital readmissions*
- Risk-Stratification Identified High-Utilizers → Targeted Care Management to Improve Health and Reduce Spend
- Shared Savings with local employer with 8,500 Members
  - Bent the Cost Curve ↓5% Spend YoY

* Actual results may vary, depending on a variety of factors including Innovation Health plan model.
Lessons Learned: Managing a Successful Joint Venture (JV)

- Expect lengthy filing process with state Insurance regulators due to ACA oversight
- Hire strong management team to run joint venture
- Develop robust "hands on" care coordination to compliment carrier’s remote legacy programs
- Assume the need to develop internal analytical capability to manage utilization and care coordination
- Create effective communication and oversight process to monitor JV’s progress towards defined organizational goals
- Learn how to work with a highly matrixed organization
- Celebrate successes

Leading Innovations

- Pioneering networks and plan design
- Transparency tools
- Distribution disruption
- Serving all segments

Leading Innovations
Pioneering networks and plan design
Transparency tools
Distribution disruption
Serving all segments
Health IT STEPS: Clinical and Cost Efficiency

BSWQA

10% Reduction in Re-Admissions\(^1\)
2012 to 2014

$24 million in savings
compared to shared savings target\(^2\)
2012 to 2014

Inova

21% Reduction In Re-Admissions\(^3\)
2014

8 - 20% in savings
compared to best in market broad network plans\(^4\)
2014

Source:
1 Optum One: BSW NTx Employee Health Plan Population and Towers Watson Shared Savings Methodology
2 BSWQA data, 2012-2014.
3 Innovation Health Analytics, June 2015
Questions

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