Advancing Value-Based Models Through Collaboration

Session 64: February 21, 2017, 8:30am – 9:30am, Room W 207 A-C

John Walsh, Chief Technology Officer, Horizon BCBS NJ
Dave Bennett, EVP Product & Strategy, Orion Health
Speaker Introduction

John Walsh
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Horizon Blue Cross Blue Shield New Jersey
Speaker Introduction

Dave Bennett
Executive Vice President, Product & Strategy
Orion Health
Conflict of Interest

John Walsh
Salary: Horizon BCBSNJ
Royalty: n/a
Receipt of Intellectual Property Rights/Patent Holder: n/a
Consulting Fees (e.g., advisory boards): n/a
Fees for Non-CME Services Received Directly from a Commercial Interest or their Agents (e.g., speakers’ bureau): n/a
Contracted Research: n/a
Ownership Interest (stocks, stock options or other ownership interest excluding diversified mutual funds): None
Other: n/a
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Dave Bennett
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Ownership Interest (stocks, stock options or other ownership interest excluding diversified mutual funds): Orion Health
Other: n/a
• CONTEXT: Journey to value-based care
• DRIVERS & RISKS: Emerging requirements, consolidation, etc.
• OPPORTUNITY: Transformation to patient-centered and value-based care models
• RESULTS: Outcomes in quality improvement and cost reduction
• TECHNOLOGY: Population health management & precise health
• QUESTIONS
Learning Objectives

• Analyze a successful value-based specialty care model from a payer network

• Recognize how a retrospective-upside value-based model has allowed for significant improvements in the relationship between Horizon BCBSNJ and providers

• Demonstrate how specialty care programs focused on value led to the establishment of clinically integrated medical neighborhoods

• Describe how the aggregation and real-time sharing of clinical, social, behavioral, and payer data across provider groups can improve patient-centered outcomes
**Satisfaction** - Patient and provider satisfaction following a value-based model implementation focusing on the care provided to a particular patient rather than the care provided by a particular provider.

**Treatment/Clinical** - Better outcomes for EOC partners in multiple areas, including ER visits (-5%), hospital admission (-8%), diabetes control (+6%), colorectal cancer screening (+8), and cholesterol management in diabetic patients (+7%).

**Electronic Secure Data** - New platform means that patient records from disparate health systems and ambulatory sites can seamlessly be securely available in a single record. This results in a greater continuity of care and overall improved quality.

**Patient Engagement and Population Management** - New incentives focused on value and accelerated information-sharing promote patient safety as well as prevention. Patients are more inclined to stay in their medical neighborhood and partner with their providers of choice and adhere to care plans they collaboratively created and agreed upon. Patients are supported with targeted education aimed at reducing the incidence of avoidable events such as emergency department visits and hospital readmissions.

**Savings** - Horizon reduced cost of care by 9% with new value-based care models. Payers can enable in-network practices with technology, even small ones, to decrease administrative costs, facilitate tracking and reporting of outcomes and quality measures, and save healthcare dollars by closing gaps and avoiding duplicative care.
Factors driving care delivery changes

New Jersey is outpacing inflation by 3.2%

Commoditization of Health Insurance
Growing High-Risk Populations

Inadequate Access to Affordable Care
Rapidly Changing Provider Landscape

Unsustainable 5.3% growth in healthcare expenditures

Aging population = Rising cost per capita
Unique Out-of-Network Protected Environment


Unaffordability of coverage

Highest average premiums in the country

Total Health Care Cost Per Capita¹

- New Jersey: $7,583
- U.S. Average: $6,815

Average Monthly Premiums After Tax Credits²

- New Jersey: $172
- All Federal Facilitated Markets (36 States): $105

1 - Source: Kaiser Family Foundation; CMS National Health Expenditures Database; WHO Global Health Expenditures database.
Challenges in New Jersey

30% of spend is waste

Ranked 4th in Cost

$ $ $ $ $

Ranked 15th in Quality

ACA did not address quality & reduced revenue

Source: http://www.commonwealthfund.org/publications/fund-reports/2014/jun/mirror-mirror
Rapidly shifting market

Rapid consolidation is constantly changing the provider market

New trends are emerging at a fast pace

Scientists can grow a human ear on a mouse

Personal Genome

Connected medical & wellness devices

Mayo, Nike, and Apple build specialty apps

self-diagnostic tools

Self-management tools

Headlines create new challenges & opportunities

- Kaiser Permanente joins forces with Target Corp. on in-store clinics
- Virtua selects Teladoc to provide telehealth services
- UPMC Health Plan and Uber program promotes driving without distraction
Transforming to patient-centered care models

6,000 physicians committed to improving the quality of care

800,000 Horizon BCBSNJ members in patient-centered programs

ACOs  PCMHs  EOCs
ACO’s Results Select Drivers of Overall Change

Total cost of care favorable difference

PMPM – Place of Service

<table>
<thead>
<tr>
<th></th>
<th>Inpatient</th>
<th>Outpatient</th>
<th>Professional</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACO</td>
<td>55</td>
<td>95</td>
<td>189</td>
</tr>
<tr>
<td>Matched</td>
<td>82</td>
<td>124</td>
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</tr>
<tr>
<td>Reference</td>
<td>105</td>
<td>135</td>
<td>181</td>
</tr>
</tbody>
</table>
More than 1,000 pediatricians and family physicians covering more than 150,000 members

Metrics:

- Weight assessment
- Counseling for nutrition & activity
- Immunization status combination 2
- Testing for children with pharyngitis
- Treatment for children with upper respiratory infection
- Use of appropriate medications for patient with asthma
- ER utilization
- Follow up for children under ADHD medication
- Developmental screening tool used in practice
- Children and Adolescents’ Access to Primary Care Practitioners (CAP) for age 7 to 11 years
- CAP for age 12-19 years
- Adolescent Immunizations
Episodes of Care (EOC)

Value-based model

- Engage specialists
- Focus care delivery on value rather than volume
- Comprehensive services
- Specific to medical condition, procedure, or healthcare event
- Defined time period
Data from the entire “Medical Neighborhood”

- Fitness
- Telehealth
- Primary Care Physician
- Ambulatory/ Specialty Clinics
- Laboratories
- Social & Behavioral
- Retail Clinics
- Pharmacies
- Public Health Resources
- Diagnostics
- Wellness
- Rehabilitation Clinics
- Nursing Homes
- Transitional Care
- Horizon BCBSNJ
- Home Care/ Visiting Nurses
- Hospitals
Longitudinal Patient Record
Merger of clinical and payer data provides a more complete profile of each patient and the entire population

open & scalable data platform

HORIZON BCBSNJ
regular daily updates of:
- Demographic & Coverage
- Medical Claims
- Pharmacy Meds
- Admits/Discharges
- Authorizations
- HRA Surveys
- Biometrics

Member | Master Person Index | Patient

High Risk
Moderate Risk
Low Risk

engaged
Pro-Active
Guided
2014 Patient-Centered Results

- 5% in ER Visits
- 9% Total Cost of Care
- 8% in Hospital Admissions

+6% Diabetes Control
+7% Cholesterol Management in diabetic patients
+8% of Colorectal Cancer Screenings
+3% of Breast Cancer Screenings

+7% Cholesterol Management in diabetic patients
Results in quality

EOC Practices perform better than Non-EOC on standard metrics

All cause re-admissions:

<table>
<thead>
<tr>
<th>Procedure</th>
<th>EOC</th>
<th>Non-EOC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knee</td>
<td>1.06%</td>
<td>1.36%</td>
</tr>
<tr>
<td>Hip</td>
<td>0.96%</td>
<td>1.52%</td>
</tr>
<tr>
<td>Knee Arthroscopy</td>
<td>0.00%</td>
<td>4.49%</td>
</tr>
</tbody>
</table>

Knee revisions after replacements 1.06% 1.36%
Average Caesarean Section Rates

<table>
<thead>
<tr>
<th></th>
<th>Before EOC</th>
<th>Current Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partner 1</td>
<td>47.9</td>
<td>42.3</td>
</tr>
<tr>
<td>Partner 2</td>
<td>49.2</td>
<td>40.5</td>
</tr>
</tbody>
</table>
2014 average costs for hip replacement

- **Average Non EOC**
  - Average Claims Cost: $34,840
  - Average Shared Savings: $0
  - Total Cost: $34,840

- **Average EOC**
  - Average Claims Cost: $24,051
  - Average Shared Savings: $433
  - Total Cost: $24,484

- **Average Inaugural**
  - Average Claims Cost: $22,051
  - Average Shared Savings: $1,692
  - Total Cost: $23,745
Capturing The Digital You

Perhaps 2Tb of Data

Social Data
Environment
Device Data
Transcriptome
Proteome
Epigenetic
Metabolome
Microbiome
Genome
Imaging
Clinical Data

Factors Influencing Health

- Genetics, 30%
- Genetics Care, 10%
- Social Circumstances, 15%
- Behavioural Choices, 40%

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=30Gb
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McGinnis et. al. Human Affairs, Vol 22 (2)
The Impossible Job of a clinician

Info from Dr. Google

Missing or old Clinical Data

Soon...a Tsunami of new data

17 new academic research papers published each day

15 minutes to make a decision

“Evidence Based Medicine” decision making...??
Precision medicine is here

8th grader  7th grader
Junior year, lifted 600lbs
Senior year, captain of the football team
A technology that can handle data complexity and high volume

HIGH VOLUME AND VELOCITY

FLEXIBILITY AND SCALABILITY OF DATA MODEL

DATA LIQUIDITY

PRIVACY AND SECURITY

They bring In-Memory Computing to NoSQL Cassandra
A platform with Open API management layer
TRADITIONAL DATA SOURCES
- Hospitals
- PCPs
- Labs
- Radiology
- Pharmacy

NEW DATA SOURCES
- Genomics
- Web and social
- Health Publication and clinical reference data
- Business and organizational data
- Environmental data

Doctors, Nurses and other Providers

Precise Health & Population Health

Machine Learning and Thinking Software

open & scalable platform

Labs/Rads
EMRs & EHRs
Public Health
HIEs
Payer Data

Patients and their Circle of Care

- Payer Data
- User Generated Data

A technology that can handle data complexity and high volume
Network intelligence in near real-time - LPR

Actionable Longitudinal Patient Record
Network intelligence in near real-time - LPR

Quality measures management in real time
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Questions

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Please, do not forget the complete the session evaluation