# Accountable Care Organizations Overview of HealthCare Partners – A Physician-Led Model

Robert Margolis, M.D.
Chairman & CEO
HealthCare Partners

ACO Congress

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## **Commercial ACO**

- Why? Why now?
- How?

Ingredients for Success



## Mission

HCP partners with our patients to live life to the fullest by providing outstanding healthcare and supporting our physicians to excel in the healing arts.



## Vision

HCP will be the role model for integrated and coordinated care, leading the transformation of the national healthcare delivery system to assure quality, access and affordable care for all.



#### **HealthCare Partners**

#### Nationwide - Capitated

- Senior Patients: 173,371
- Commercial Patients: 511,253
- Primary Care Physicians Employed: 395
- Primary Care Physicians IPA: 1,190
- Specialists Employed: 320
- Specialists Contracted: 6,180
- Staff Model Facilities: (Primary Care, Urgent Care, Walk-In, Ambulatory Surgery, Pharmacy): 152
- IPA PCP Medical Offices: 856
- Health Plans Accepted: 17 Medicare Advantage, 12 Commercial (HMO & POS)
- Affiliated Hospitals: 111
- Languages Spoken: More than 50



### **HealthCare Partners Delivery System**

- Global Capitation Predominates
- Physician-Owned
- Centrally Coordinated
- Regionally Driven
- Strong Medical Management Infrastructure
- Robust Business Support Units
- Large PPO and Medicare Patient Population



### **HealthCare Partners Delivery System**

### Staff / Group Model- 45% of patients in CA, 65% of patients in other states

- Full time physicians 7,500 total, 1,000 employed
- Salary plus incentives
- PCP predominated with specialists

## IPA- Independent Physician Association- 55% of patients in CA, 35% of patients in other states and fastest growth in company

- Over 1,200 PCP's, over 6,000 Specialists
- PCP's paid combination of Capitation and FFS to incent seeing the patients
- PCP's Bonus based on acuity of patients and quality outcomes
- Specialists primarily paid on capitation plus bonus based on acuity and quality outcomes
- Many PCP's and specialists exclusive and semi-exclusive



### Where a Great Opportunity Lies

- IPA Physicians
- Predominately FFS
- Moving toward greater coordination
- Untapped potential



## Critically Important Technology Backbone

- All feeds to Integrated Data Warehouse
  - Clinical EHR
  - Lab
  - Rx
  - Images
  - Encounters
  - Claims
  - Hospital A/D/C
- Patient Keeper Hospitalist System
- Predictive Modeling
- PIP Physician Information Portal
- POP Patient On Line / PHR
- HealthCarePartners.com



#### **HealthCare Partners**

## Accountable Care Organization Platform



## **ACO System Requirements**

#### Physician Network Development:

- Culture Development
- Principles for Selective Physician Compacts and Contracts
- Meaningful Performance-Based Incentives, Intervention Rules
- Broad Geographic Coverage
- Inclusive Governance Structures
- Champion Identification and Leadership Training Competencies
- Medical Staff Planning Recruitment Strategies
- Clinical Integration Set-up and Enrollment
- Staffing Model Migration



#### **ACO System Requirements**

#### Payment Transformation:

- Provider Incentive-Compensation Design
- Patient and Physician (Accountability and Revenue) Attribution Protocols
- Actuarial Modeling Competencies
- Risk-Adjusted Metrics and Measures for Payor Contracting
- Payor/Purchaser Negotiation Insights and Strategies
- Contract Management and Payment Adjudication Tools



#### **ACO System Requirements**

#### **Clinical Transformation:**

- IT Connectivity, Common Data Environments
- Hardwired, Evidence-Based Clinical Protocols and Standards
- Healthy Home Development
- Performance Measurement and Monitoring Capabilities
- Cross-Continuum Patient Access and Triage Rules
- Staffing Models and Coordination Role Definition
- Post Provider Care Home Monitoring, Home Health, etc.
- Patient Engagement, Coaching, Outreach Management



### **Medical Risk Management Overview**

## HCP manages costs utilizing integrated and data driven management tools:

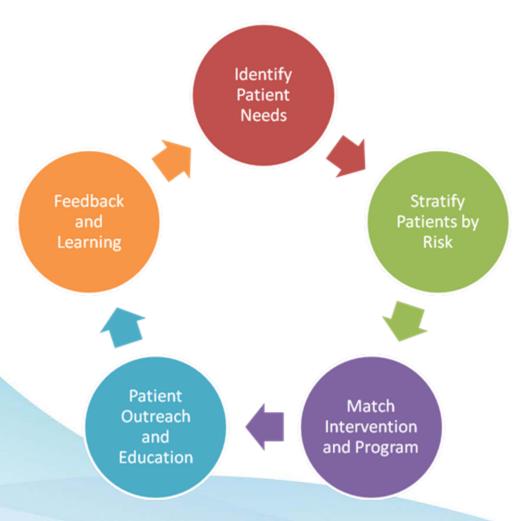
- Disease management focused on disease states that most impact cost and quality
  - Congestive heart failure
  - COPD
  - Asthma
  - Diabetes
- Comprehensive data analysis focuses on high impact clinical interventions
  - High Utilizer Group management (HUGs program)
  - Comprehensive Care Clinics
  - 24/7 patient support center for patient triage
  - End-of-life care programs
  - Home Care
- Same day access and Urgent Care Centers reduce ER visits and admissions
- Hospital risk management
  - Pre-admission review programs
  - Over 100 hospitalists managing inpatient care
  - Rigorous admission and discharge planning criteria ensure most appropriate setting of care
  - Innovative, aligned hospital contracting model HealthCare Partners.

## Essential Transformation from a Concept to a Product

- Affiliation ----->
- Attribution ----->
- Product Selection



#### **Proactive Population Management**



The continuous 'Virtuous Cycle' of Improved care and outcomes is at the heart of HCP's proactive population management.

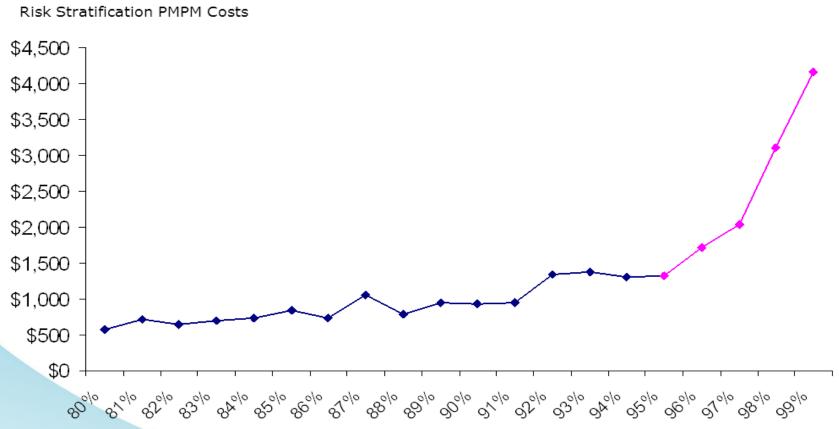
Continuous improvement to drive:

- Better Care
- Better Quality
- Better Efficiency
- Better Patient Experience



#### **Target Patient Population**





**Predicted Cost Percentile** 



## **Stratifying Patients into** the Appropriate Program

#### **Hospice/Palliative Care**

#### **Home Care Management**

Provides in-home medical and palliative care management by Specialized Physicians, Nurse Care Managers and Social Workers for chronically frail seniors that have physical, mental, social and financial limitations that limits access to outpatient care, forcing unnecessary utilization of hospitals

#### **High Risk Clinics and Care Management**

intensive one-on-one physician /nurse patient care and case management for the highest risk, most complex of the population. As the risk for hospitalization is reduced, patient is transferred to Level 2. Physicians and Care Managers are highly trained and closely Integrated into community resources and Physician offices or clinics.

#### **Complex Care and Disease Management**

Provides long-term whole person care enhancement for the population using a multidisciplinary team approach. Diabetes, COPD, CHF, CKD, Depression, Dementia

#### Self Management, PCP

Provides self-management for people with chronic disease.

Level 3 **High Risk Clinics** 

Level 4

**Home Care** 

Management

Level 2 **Complex Care and Disease Management** 

Level 1 **Self-Management & Health Education Programs** \$ 50 - \$100

> Low **PMPM**

\$250 - \$260

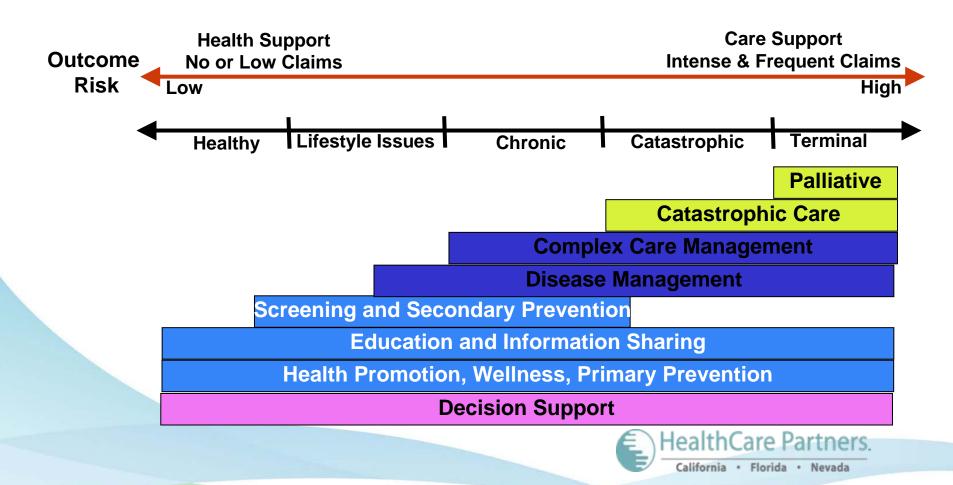
\$200 - \$220

High

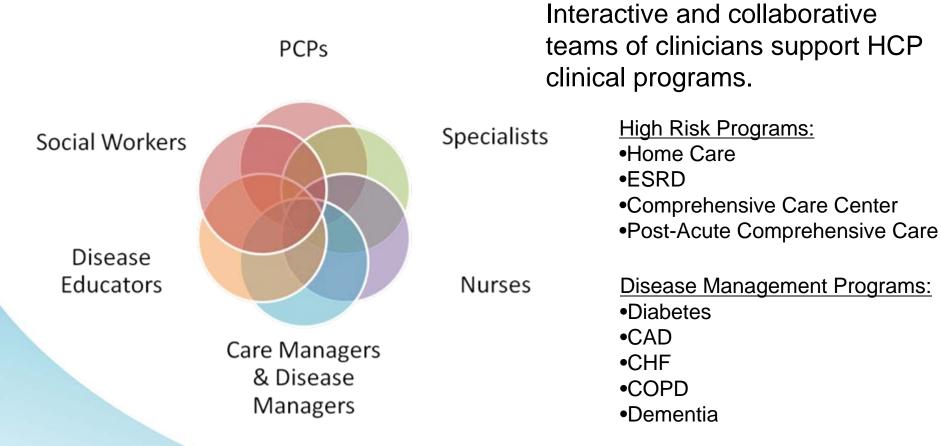
**PMPM** 

ESRD Medical Home

#### **Programs Overlap**



#### The HCP Care Team Approach





#### **Clinical Data, Clinical Tools**

Data

Analytics

Personalized Clinical Tools

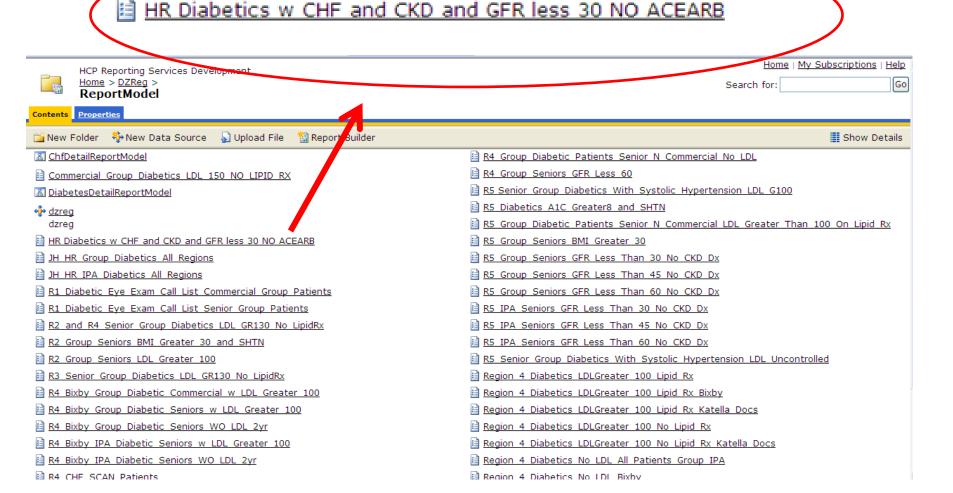
Disease Registries for every HCP physician to better understand the make up of his or her patient panel

Web-based, Self-Serve, Disease Registries:

- Diabetes
- COPD
- CHF
- CKD
- Dementia
- CAD
- Asthma
- Depression



#### **Custom Registries Based on Specific Interventions**



ENTER NAME OR MRN	Schedule Patient L	ists							
submit	PATIENT LIST BY IN	TERVENTION T	TYPE						
PIP HOME	Region V - HCP IPA - Northridge Med Grp All Offices Oz MD, Alan								
PATIENT MANAGEMENT	Include patients with the	hese interventio	n types:						
SCHEDULE	✓ HCC All HCC Categories ✓ P4P All Measures			Measures	✓ Clinical All		<b>▼</b> Rx <b>▼</b> Clinical		
PATIENT LISTS								Chart Review	
- PATIENT PANEL	Consents Deport Act					Screenshot of list of			
- BY INTERVENTION TYPE	Generate Report As:  • On Screen C Excel C PDF C Patient Intervention Reports					patients needing			
- BY DEMOGRAPHICS	Only patients with selected interventions will be displayed.  Interventions  Interventions								
- HCC BY CATEGORY									
- HCC PHYSICIAN PURSUIT LIST	PATIENT NAME	DOB	MRN	PCP NAME	LAST HCC SERVICE	LAST P4P SERVICE	INTERVENTIONS	NTERVENTION REPORT	
- NO HCC HISTORY	Novel Dile	07/08/1955				01/18/2010	P4P - Need CRC screening	^	
- HCC NON RECAPTURED CODES	Almond, Dulce			Oz MD, Alan			·	<b>₩</b>	
- P4P BY CATEGORY	Alpine, Strawberry	05/04/1959		Oz MD, Alan		10/08/2009	P4P - Need CRC screening     P4P - Needs PAP	₩	
- P4P PURSUIT LIST	Apple, Rose	10/11/1978		Oz MD, Alan			P4P - Needs PAP	- 6	
PERFORMANCE MEASURES	Asian, Pear	01/04/1937		Oz MD, Alan	03/08/2010	03/08/2010	Diabetes with Eye Disease - Evaluate and code 250.5* if likely due to DM	Š	
HCC SUMMARY				'			P4P - Need CRC screening     P4P - Perform HbA1c Test		
HCC RECAPTURE RATE SUMMARY							P4P - Perform LDL Test     P4P - Perform Nephropathy Screening		
HCC RECAPTURE RATE TREND							P4P - Submit both Blood Pressure CPTII Codes		
P4P SCORES	Banana, Pudding	06/11/1957 47	7-678011	Oz MD, Alan		02/13/2008	P4P - Need Mammo Screening	-	
TOOLS	Betel, Nut	07/23/1958 47	7-841764	Oz MD, Alan			P4P - Need CRC screening     P4P - Need Mammo Screening	€	
CONTACT US							PAP - Needs PAP	•	
	Cherry, Strawberry	07/01/1959		Oz MD, Alan		01/20/2010	P4P - HbA1c Control < 7% and Retest P4P - Need CRC screening P4P - Perform Nenhronathy Screening		

#### **Example of Point-of-Care Reminder**

#### **HEALTHCARE PARTNERS**

#### PATIENT INTERVENTION REPORT

REPORT DATE: 4/16/2010

Page 1 of 1

Region(s):	
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Site(s):

PCP(s):

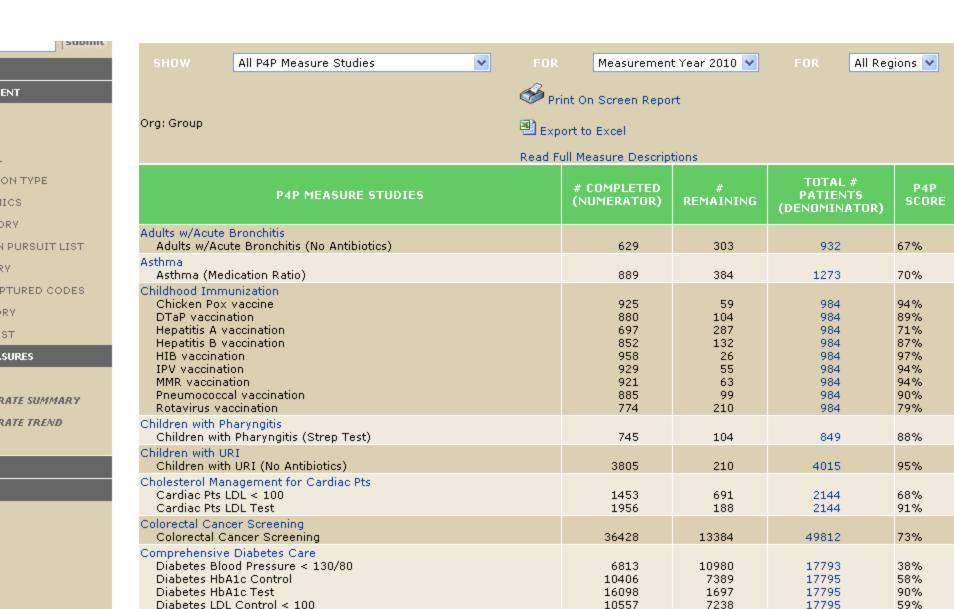
Name		Telephone		Address	Carrier Contract Cont
MRN		Enrolled	Υ	City/Zip	
DOB	02/21/1949	Gender	<b>F</b> /1	Next PCP Appt	

#### PIR Summary 2010:

Intervention Type	Description	Nata /	Suggested Actions
P4P	Comprehensive Diabetes Care		Perform HbA1c Test Perform LDL Test Perform Nephropathy Screening Submit both Blood Pressure CPTII Codes
	Colorectal Cancer Screening		Need CRC screening
	Women Wellness Screening		Need Mammo Screening
HCC	15 Diabetes With Renal Or Peripheral Circulatory Manifesta 250.40 Diabetes W/renal Manif, Type II Or Unspec, Control		Needs Coding
	16 Diabetes With Neurologic Or Other Specified Manifestati 250.60 Diabetes W/neuro Manif, Type II Or Unspec, Contro		Needs Coding

#### **Example of P4P Scores Report**

Diabetes LDL Test

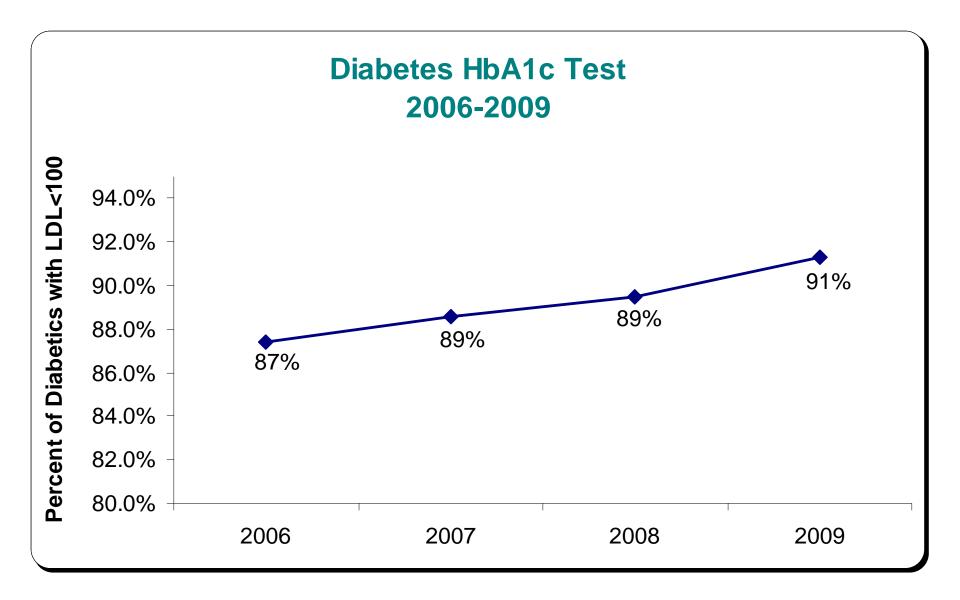


15683

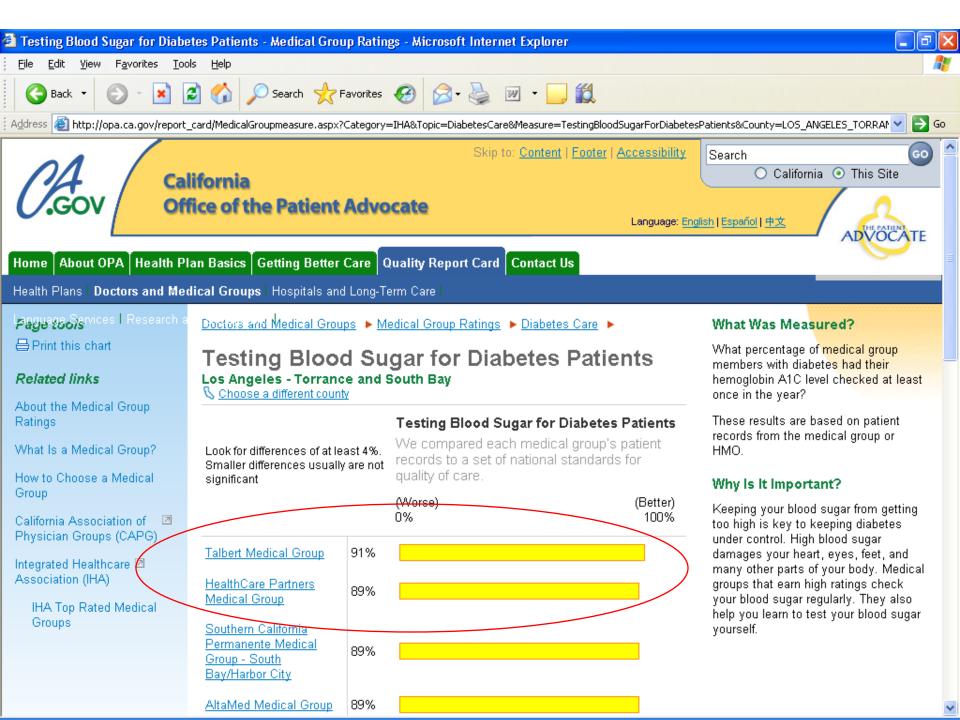
2112

17795

88%



Diabetes HbA1c Control (<8.0%) at 65% in 2008 and 2009; consistently at the 75<sup>th</sup> percentile and above



#### **ACO – Growth Thesis**

- Synergies of complimentary businesses accelerate growth, improve cost effectiveness of care delivery and integration of new healthcare products across all markets
- Physician-owned and led
- Clinical excellence; clinical autonomy
  - Care coordination supplants utilization management
- Centrally coordinated, regionally driven
- Strong medical management infrastructure and tools
- Robust business support units to leverage PCPs and specialists
- Health reform leader; profitable growth; financial stability
- Global risk incentivizes investment in advanced medical management infrastructure which lowers hospital utilization; HCP redirects savings to physicians driving improved quality at lower cost



#### **Lessons Learned**

- Strong Physician Leadership + Strong Management Team + aligned Incentives – critical elements
- Population Based Payment essential (shared savings a weak first step)
- Systems can grow effectively without a 50 year history
- Competition in every market is important



### Leverageable Platform for Growth

Sustaining commitment to quality

Hub (group) and spoke (IPA) approach to drive reach and profitability

Full managed care administrative functions, including contracting, claims, eligibility, etc.

Evidence based coordinated care & disease management expertise for commercial and senior populations

#### Results

Demonstrated high quality of care results over extended time period

Efficient manager of provider network and associated costs

Low administrative ratios with strong customer and member service satisfaction results

Strong, year-over-year medical loss ratios on capitated and PPO business with improving earnings





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