



# Executive Summary

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[www.carespark.com](http://www.carespark.com)

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# I. Background

## A. CareSpark Region

- **705,000 residents in 17 counties of Tri-Cities TN / VA** region of Central Appalachia (TN counties: Sullivan, Washington, Johnson, Carter, Unicoi, Greene, Hawkins, Hancock; VA counties: Lee, Wise, Scott, Washington, Smyth, Russell, Buchanan, Dickenson, Tazewell)
- **1,200 physicians** (945 outpatient / 255 inpatient or federal)
- **18 hospitals** (12 affiliated with two large health systems, other small independent community-based facilities)

## B. Regional Issues

- **Poor health status** of population: significant disparities for mortality from diabetes, stroke, heart disease, asthma, certain cancers, premature death for ages 45-60
- **High cost of health care:** \$2,400 more per capita than other areas of country, estimated 1/3 of dollars spent in region (\$1 Billion out of \$3.5 Billion in 2004) add little value for patient outcomes
- **Fragmented delivery system:** insufficient coordination and information-sharing among providers, slow rate of adoption of evidence-based medicine (estimated 55%), high utilization of prescription medications (40% above national average); current model of pay for “productivity” rather than pay for improved outcomes

## C. History of CareSpark effort

- **CHIP** (Community Health Improvement Partnership) health improvement **coalition** working through Kingsport Tomorrow since 1991, successful record of health improvement initiatives
- **Expanded** to regional scope in 2001, working to improve outcomes in chronic diseases of high impact in region
- **Determined overarching need** for efficient system to communicate and share data among providers to enable coordination of care, clinical process improvement and public health improvement
- **Strategic planning process** initiated in 2004 involved 80 individuals and 30 organizations (*see appendix I*) to assess feasibility, inventory and plan for technical / clinical implementation and financial sustainability in accordance with state and federal regulations for privacy, security, anti-trust.
- **Funding of \$562,875** (2/3 from local partners, 1/3 non-local) raised to conduct planning process (*see appendix I*)
- **National recognition and visibility** due to multi-state, broad-based community participation and support, long-range vision and comprehensive plan for implementation and sustainability, and zone of cooperation created within a zone of competition.

## II. CareSpark Strategy

### A. Provide timely access to patient health information

- **Hardware, software** at the point of care, with on-site or remote technical support available 24/7.
- **Patient health information in electronic format**, with patient and provider control over access to information
- **Communication between multiple providers** (doctors, hospitals, lab's, pharmacies) to assure coordination of care
- **Technical and legal constraints** to assure patient privacy, system security and accuracy, and appropriate use of data

### B. Provide decision support at the point of care

- Consideration and community adoption of **evidence-based guidelines** for care and treatment at the point of care
- Integration of **automated alerts** to avoid duplicate treatment and allergy / drug interactions, reminders for preventive medicine
- Current **health plan coverage**: eligibility, formulary, cost to patient, affordable alternatives
- Access to latest **research** findings and **educational information** for health professionals and patients at the point of care and beyond
- Feedback available to professionals, allowing confidential **benchmarking with quality indicators and peers**
- **Aggregate data** (de-identified) compiled and available for public health analysis and population-based health education and improvement

### C. Provide support needed for successful implementation

- **Governance model** in place with trusted community leadership, with stakeholder input through advisory councils
- **Two-way communications** with key stakeholders (patients, physicians and health professionals, employers, public)
- **Dedicated personnel** for technical / clinical implementation, outcomes improvement and evaluation
- **Funding** resources to assure hardware / software / administration and support services (costs shared by stakeholders)
- **Shared financial incentives** for improved outcomes (savings realized to be shared among stakeholders, proportionate to investment)
- **Coordination and alignment** with current and emerging state, federal and private sector initiatives
- **Ongoing evaluation** and continuous process improvement

### III. Progress to Date

- Strategic business **plan completed** and distributed to team members
- **Legal:** organization **chartered** in TN, application for non-profit designation submitted, bylaws and policies approved, **Board of Directors in place** (see *Appendix II*), staffing requirements and process outlined
- **Financial:** Work to secure necessary funding underway; **\$77,500 in commitments secured** from partners towards \$7.7 Million needed for first 12 months of execution (see *Appendix II*), total cost of \$14.5 Million over first three years of execution. Projected 2-to-1 return on investment
- **Technology:** Vendor selection methodology outlined; technology vendor information being collected
- **Communications: Key messages defined** for communications to segmented audiences, branding materials and website developed
- **Clinical:** Initial clinical process improvement **layers defined** (medication, diagnostic, preventive, disease management); initial **guidelines** targeted for high-impact health issues (diabetes, cardiovascular, stroke, asthma, immunizations / screenings); **metrics** targeted for medication improvement and diabetes management

### IV. Call to Action! Next Steps

- **Financial:** Request and secure **funding support** from partners (enrollment / participation fees); state / federal / private philanthropic sources; vendor or third-party **financing**
- **Technology: define technical specifications** for health information exchange components, including master patient index; assist providers to **assess products** for electronic medical records with certified ability to participate in exchange of information; **interface** providers with exchange as they become enabled
- **Communications:** develop **public service campaign** to community about poor health status; develop and disseminated **materials** to segmented audiences (providers, patients, employers); help **engage stakeholders** in advisory councils
- **Clinical:** further define and implement guidelines, metrics, clinical process improvement strategies
- **Legal: participation agreements** between organization and partners (data-sharing, data use, technical and security specifications, financial investment, gain-sharing, input into governance); develop **patient consent** forms aligned with state / federal regulations; define policies and procedures for internal **compliance**

# Appendix I – Planning Phase

## A. Participants in CareSpark Process (August 2004 – April 2005)

**Steering Team / Interim Board:** David Reagan, MD, **Chair**, Quillen VA Medical Center  
Bruce Behringer, **member-at-large**, East TN State University  
Jerry Brock, **member-at-large**, n\*tara  
Wally Hankwitz, **member-at-large**, Highlands Physicians Inc  
Richard Eshbach, **Technology co-chair**, Mountain States Health Alliance  
Steve Hill, **Technology co-chair**, Wellmont Health System  
Pat Holtsclaw, **Finance chair**, Mountain States Health Alliance  
Jim Hunter, **Communications chair**, Health Alliance PHO  
Doug Varney, **Governance & Legal co-chair**, Frontier Health  
Bruce Taffel, **Governance & Legal co-chair**, BlueCross BlueShield of TN  
Mark McCalman, **Clinical co-chair**, Sullivan County Regional Health Dept.  
John Dreyzehner, MD, **Clinical co-chair**, Cumberland Plateau Health District  
Jeff Rose / Ben Wilson, *ex officio* **consulting partners**, HealthAlliant  
Nick Augustinos / Jerry Rankin, *ex officio* **consulting partners**, CareScience  
Shelburne Ferguson, *ex officio* **general counsel (Tn)**, Ferguson Law Office  
Bill Bernstein, *ex officio* **federal policy advisor**, Manatt Phelps & Phillips  
Liesa Jenkins, *ex officio* **project director**, Kingsport Tomorrow

**Governance / Legal Workgroup: Co-Chair:** Doug Varney, Frontier Health  
**Co-Chair:** Bruce Taffel MD, BlueCross BlueShield of Tennessee  
Gary Mayes, Sullivan County Regional Health Department  
Rob Johnson, Eastman Chemical Company  
David Sensabaugh, Eastman Chemical Company  
Jerry Miller MD, Holston Medical Group  
Craig Jeffries, American Association of Ambulatory Surgery Centers  
Jerry Brock, n\*tara  
Rod Healy, Northeast TN Technology Council  
Gary Miller, Wellmont Health System  
Sean McMurray, Johnston Memorial Hospital  
Nelson Gwaltney, MD Highlands Physicians  
Tony Lawson, University of VA's College at Wise  
Leslie Hatcher, MedAlliance Mgmt. Group  
Liesa Jenkins, *ex officio*, Kingsport Tomorrow  
Nick Augustinos, Care Science  
Chuck Whitfield, Laughlin Memorial Hospital  
Jim McGrath, Appalachian School of Law  
**General Counsel, ex officio:** Shelburne Ferguson, Shelburne Ferguson Law Office  
**Federal Policy Advisor, ex officio:** William Bernstein / Leslie Schultz / Bruce Wolff, Manatt, Phelps & Phillips  
**Consulting staff, ex officio:** Jeff Rose / Ben Wilson, HealthAlliant

**Finance: Chair:** Pat Holtsclaw, Mountain States Health Alliance  
Wally Hankwitz, Highlands Physicians Inc.  
Owen Poole, Holston Medical Group / Cariten  
Bill Cecil, BlueCross BlueShield of Tennessee  
Ron Franks, MD ETSU Quillen College of Medicine, University Physicians  
Jerry Miller, MD, Holston Medical Group  
John Thompson, Wellmont Foundation  
Jim Herbert, Northwestern Mutual  
Bruce Poittrast, MD, Eastman Chemical Company  
Chris Williams, Johnston Memorial Hospital  
John Doyle, MSHA Indian Path Medical Center  
Tom Fisher, Pershing Yoakley and Associates  
Paul Davis, volunteer  
Rich Panek, State of Franklin HealthCare Associates

Rusty Lewis, University Physicians  
Brenda Neas, Blue Ridge Medical Management  
Liesa Jenkins, *ex officio*, Kingsport Tomorrow  
**Consulting Staff, ex officio:** Jeff Rose / Ben Wilson, HealthAlliant

**Technology: Co-chair** Steve Hill, Wellmont Health System  
**Co-chair** Richard Eshbach, Mountain States Health Alliance  
Tom Deaderick, Intellithought  
Wesley Eastridge, MD, Mountain Region Family Medicine  
Dave Trent, Wilson Pharmacy  
Wayne Wilson, BlueCross BlueShield of Tennessee  
Karen Perry, Quillen VA Medical Center  
Chip Childress, Holston Medical Group  
John Cook, Highlands Wellmont Health Network  
Shaun Copas, Sullivan County Regional Health Department  
Skip Skinner, Lenowisco Va Planning District  
Rhonda Hisle, Wellmont Hawkins County Hospital  
Elisa Comer, Eagle's Landing Transcription Service  
Lynn Davis, Johnston Memorial Hospital  
Alain Sadeghi, eTechSecurityPro  
Fred Tudiver MD, ETSU Quillen College of Medicine  
Ashok Chatra, Data Consulting Service, Inc.  
Deb Ingram, Eagle's Landing Transcription Service  
Liesa Jenkins, *ex officio*, Kingsport Tomorrow  
**Consulting Staff, ex officio:** Nick Augustinos / Jerry Rankin / Hans Coffey, Care Science

**Clinical: Co-Chair,** John Dreyzehner MD, Cumberland Plateau Health District  
**Co-Chair,** Mark McCalman, Sullivan County Regional Health Department  
Dale Sargent, MD, Wellmont Health System  
Nelson Gwaltney, MD, Bristol Surgical Associates  
Guy Wilson, Wilson Pharmacy  
Marie Schumacher, John Deere Health  
Donald Guadagnoli, MD, Highlands Wellmont Physician Network  
Mark Jenkins, MD, Holston Medical Group  
Ileen Hess, Johnston Memorial Hospital  
Neal Mehta, East TN State University  
Donna Coomes, Mountain States Health Alliance  
JoAnn Christian, Wellmont Holston Valley Medical Center  
Sue Story, MSHA Indian Path Medical Center  
Joe Florence MD, East TN State University  
Liesa Jenkins, *ex officio*, Kingsport Tomorrow  
**Consulting Staff, ex officio:** Joann Richards, CareScience

**Communications / Marketing: Chair:** Jim Hunter, Health Alliance PHO  
Johnna Hernandez, Kingsport Tomorrow  
David Baker, MD Mountain States Health Alliance  
Glyn Hughes, Wellmont Health System  
Richard Gendron, MD, Holston Medical Group  
Robert Ley, HealthSouth  
Betty Goah, Minority Health Coalition  
Debra Geary, ETSU / Rural Cancer Demonstration Project  
Bruce Behringer, East TN State University  
Susan Lane, Kingsport Tomorrow  
Russ Davis, Appalachian Geographics  
Elliott Moore, Mountain States Health Alliance  
Gary Michael, MD, Clinch River Health Service  
Liesa Jenkins, *ex officio*, Kingsport Tomorrow  
**Consulting Staff, ex officio:** Neil Owen / Joshua Hathaway, n\*tara  
**Consulting Staff, ex officio:** Lori Cogan, Evergrow / Tombras Group

## **B. Income: CareSpark Planning Phase (June 2004 – April 2005)**

|  |                  |
|--|------------------|
| BlueCross BlueShield of Tennessee  | \$162,125        |
| Foundation for eHealth Initiatives<br>(Office for Advancement of Telehealth, HRSA, DHHS) | \$100,000        |
| AllScripts HealthCare Solutions  | \$100,000        |
| John Deere Health  | \$ 41,500        |
| Eastman Chemical Company   | \$ 25,000        |
| Mountain States Health Alliance  | \$ 25,000        |
| Wellmont Health System   | \$ 25,000        |
| Novartis Pharmaceuticals Corporation   | \$ 15,000        |
| Frontier Health  | \$ 10,000        |
| Health Alliance PHO  | \$ 10,000        |
| Highlands Physicians Inc.  | \$ 10,000        |
| Holston Medical Group  | \$ 10,000        |
| United Way of Greater Kingsport  | \$ 10,000        |
| Rotary Club of Kingsport   | \$ 10,000        |
| East TN State University / Medical Education Assistance Corp.                            | \$ 5,000         |
| Laughlin Memorial Hospital   | \$ 2,500         |
| Kingsport Tomorrow   | \$ 1,500         |
| Cardiovascular Associates  | \$ 250           |
| <b>Total funds contributed:</b>  | <b>\$562,875</b> |

## **C. Expenses: CareSpark Planning Phase (June 2004 – April 2005)**

|   |                  |
|---|------------------|
| Fundraising (HealthAlliant)   | \$ 35,000        |
| Strategic Business Plan (HealthAlliant; Manatt Phelps & Phillips)   | \$262,500        |
| Technology Inventory and Planning (CareScience / QuoVadx)           | \$ 85,000        |
| Communications (n*tara; Evergrow)                                   | \$ 41,100        |
| Project Management (Kingsport Tomorrow—personnel, office, supplies) | \$ 83,878        |
| Legal Counsel (Ferguson Law Office)                                 | \$ 9,584         |
| Travel  | \$ 44,283        |
| <b>Total Expenses:</b>  | <b>\$561,345</b> |

## **D. Evaluation of Process**

CareSpark team members have evaluated the planning process and outcomes, assessing the following areas:

- Development of shared mission, vision, strategic plan
- Effectiveness of team leaders, members, staff and consulting partners
- Efficient use of time, financial resources, human resources
- Efficient processes for planning, communications, evaluation
- Success in securing commitment (volunteer, financial, partnership) for future

Foundation for eHealth Initiatives has conducted an outside evaluation of CareSpark's proposed strategic business plan, concluding it to be thorough, innovative and feasible.

# Appendix II – Execution Phase

## A. CareSpark Team Members (as of May 1, 2005)

### CareSpark Board of Directors, 2005

**Chair:** David Reagan MD, VA Medical Center

**Vice-Chair:** John Dreyzehner MD, Cumberland Plateau Health District

**Secretary:** David Sensibaugh, Eastman Chemical Company

**Treasurer:** Sean McMurray, Johnston Memorial Hospital

Bruce Behringer, East TN State University

Richard Eshbach, Mountain States Health Alliance

Don Guadagnoli MD, Highlands Wellmont Health Network

Jerry Miller MD, Holston Medical Group

Ellen Myatt, Business Journal of Tri-Cities TN / VA

Doug Varney, Frontier Health

**Project Director (ex officio):** Liesa Jenkins, Kingsport Tomorrow

\*three vacant seats to be filled as nominees approved

**Patient Advisory Council:** *in recruitment*

**Provider Advisory Council:** *in recruitment*

**Purchaser Advisory Council:** *Michael Puck, others in recruitment*

**Facilities Advisory Council:** *in recruitment*

**Public Health Advisory Council:** *in recruitment*

**Finance Committee:** *Sean McMurray, others in recruitment*

**Audit Committee:** *Sean McMurray, others in recruitment*

**Nominating Committee:** Don Guadagnoli MD, chair; Ellen Myatt; Doug Varney

**Technology Committee:** *Richard Eshbach, Steve Hill, others in recruitment*

**Clinical Committee:** *John Dreyzehner, others in recruitment*

**Outcomes / Evaluation Committee:** *Mark McCalman, others in recruitment*

## B. Projected Income (May 2005 – June 2006)

|  |                    |
|--|--------------------|
| Enrollment Fees (\$1 per member per month) | \$3,200,000        |
| Provider Participation Fees                | \$ 0               |
| Vendor / Third Party Financing             | \$3,100,000        |
| Shared Incentive Compensation              | \$ 400,000         |
| Contributions                              | \$1,000,000        |
| <b>Total Income:</b>                       | <b>\$7,700,000</b> |

## C. Projected Expenses (May 2005 – June 2006)

|  |                    |
|--|--------------------|
| Capital Expense (HIT hardware, software)   | \$3,095,155        |
| General and Administrative expenses        | \$1,800,000        |
| Tech / workflow / clinical process support | \$ 700,000         |
| Shared incentives                          | \$ 400,000         |
| Interest Expense                           | \$ 300,000         |
| Debt Repayment                             | \$ 800,000         |
| <b>Total Expenses:</b>                     | <b>\$7,095,155</b> |