

Moving from Clinical Integration to Accountable Care



Massachusetts Medical Society
April 6, 2011



Presentation Overview

- Health Reform
- Strategy
- Structures
- Infrastructure
- Value Creation
- Lessons Learned
- AdvocateCARE

Clinical Integration: Definition

A *structured collaboration* among APP physicians and Advocate Hospitals on an active and *ongoing program* designed to *improve the quality and efficiency* of health care. *Joint contracting* with fee-for-service managed care organizations is a necessary component of this program in order to accelerate these improvements in health care delivery.

Value Based Purchasing Requires Integration

- Bundled Payments
- Payment Denials
- Accountable Care Organizations
- Cost Pressures



Accountable Care Organization

- HHS to initiate by January 2012
- Provider Groups accept responsibility for cost and quality for a specific population
- Must provide data to be used to assess performance

Accountable Care Organizations*


- Strategy to “Bend the Cost Curve” and Improve Coordination and Quality of Care
- Implementing a Learning System
 - Strategic Focused Goals and Objectives
 - Skills and Tools
 - Measurement and Accountability
 - Leadership

*Shortell, Stephen M., Lawrence P. Casalino, Elliott S. Fisher *How the Center for Medicare Innovation Should Test Accountable Care Organizations* Health Affairs 29, No 7 pp. 1293 -1298

Concept of ACO Is Not New

“The existing deficiencies in health care cannot be corrected simply by supplying more personnel, more facilities and more money. These problems can only be solved by organizing the personnel, facilities and financing into a conceptual framework and operating system that will provide optimally for the health needs of the population.”

Dr. Robert Ebert, Founder,
Harvard Community Health Plan, 1969


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7

Challenges of Health Reform

- Large Multi-specialty Groups are the Exception
- 9 of 10 Americans Get Their Medical Care in a Solo or Small Practice*
- Infrastructure is Required to Drive Quality Outcomes Demonstrated by Multi-specialty Groups
- Culture is Not Created Over Night

* NEJM 360;7 Feb. 12, 2009

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8

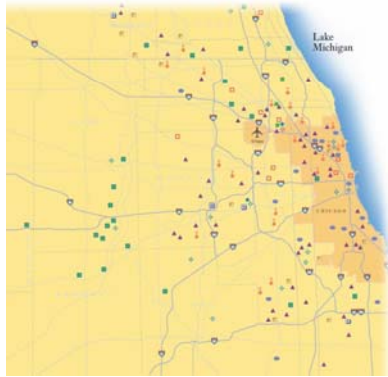
To Buy or Not To Buy

“It is pure semantics to argue that an individual who makes a choice to forgo health insurance is not ‘acting,’ especially given the serious economic and health-related consequences to every individual of that choice. Making a choice [to buy or not to buy health insurance] is an affirmative action, whether one decides to do something or not to do something. They are two sides of the same coin. To pretend otherwise is to ignore reality.”

- U.S. District Court for the District of Columbia Judge Gladys Kessler, in her 64-page ruling on Feb. 22 that upheld the constitutionality of the health reform law.

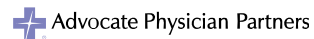
Strategy

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Advocate Physician Partners delivers services throughout Chicagoland.

- Physician Membership
 - 1,100 Primary Care Physicians
 - 2,700 Specialist Physicians
 - Total membership includes 900 Advocate-employed Physicians
- 10 Acute Care Hospitals and 2 Children's Hospitals
- Central verification office certified by NCQA
- 230,000 Capitated Lives/700,000 PPO Lives



11

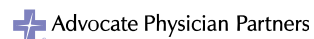
Advocate 2020

Mission, Values, Philosophy

A faith-based system providing the best health outcomes and building lifelong relationships with those we serve

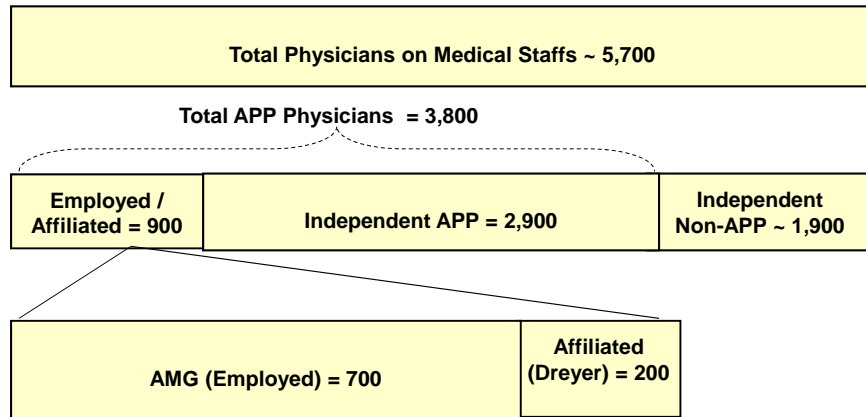



Strong Physician Engagement



12


Advocate's Physician Platform



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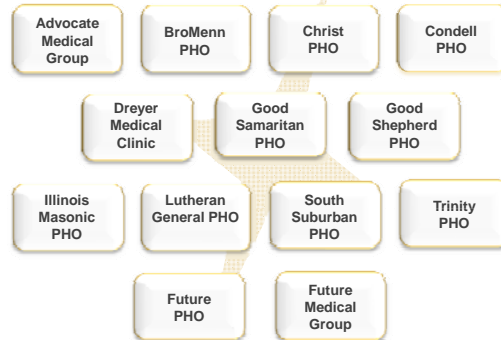
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Structures

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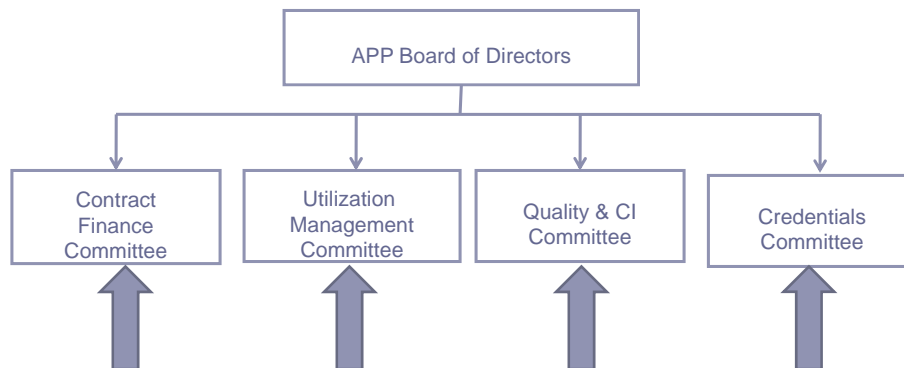
The Vision of APP is to be the leading care management and managed care contracting organization.




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15

APP Board & Committee Structure

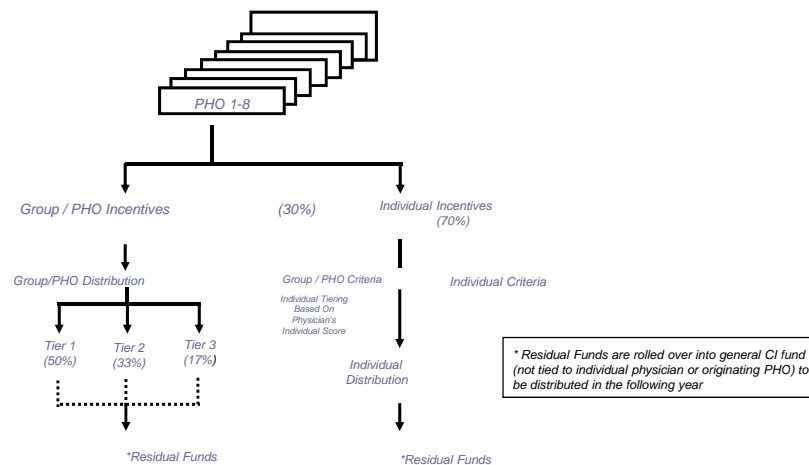



1,100 PCPs + 2,700 Specialists = 3,800 Total Physician Members
Average Group Practice Size 2.5

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16

APP Incentive Fund Design




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17

Incentives for Outcomes

CI Incentive Funds Distribution	
Performance Year	Funds Distributed
2005	\$12.4 Million
2006	\$16.7 Million
2007	\$25.0 Million
2008	\$28.2 Million
2009	\$38.0 Million
2010	Est. \$50.0 Million


- 230,000 Capitated Lives / 700,000 PPO Lives
- Unearned Funds Roll Over into Next Year
- Great Clinical Outcomes and Good Business

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18


Guidance in Selecting Initiatives

- IOM Priority Areas
- The Leapfrog Group
- Healthy People 2010, U.S., HHS
- HEDIS of NCQA
- Quality Improvement Organizations of CMS
- ORYX of JCAHO
- Medical Associations and Colleges
- Managed Care Organizations
- Advocate Efficiency and Cost Information

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19

 Infrastructure

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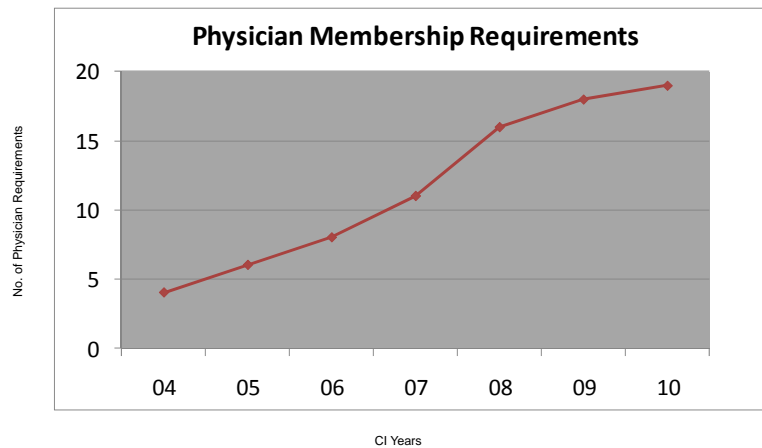
Advancing Technologies


Year	
2004	High Speed internet Access in Physician Offices
	Centralized Longitudinal Registries
	Access to hospital, lab and diagnostic test information through a centralized Clinical Data Repository (Care Net and Care Connection)
2005	Electronic Data Interchange (EDI)
2006	Computerized Physician Order Entry (CPOE)
	Electronic Medical Record Roll out in Employed Groups
2007	Electronic Intensive Care Unit (eICU) use
2008	e-Prescribing
2009	Web-based Point of Care Integrated Registries (CIRRIS)
2010	e-Learning Physician Continuing education
	Electronic medical records Roll out in Independent Practices

Mechanisms To Increase Compliance

- APP QI/Credentials Committee
- Membership Criteria
- Peer Pressure/Local Medical Director
- Mandatory Provider Education/CME
- Physician's Office Staff Training
- Financial Incentives/Report Cards
- Targeted Programs

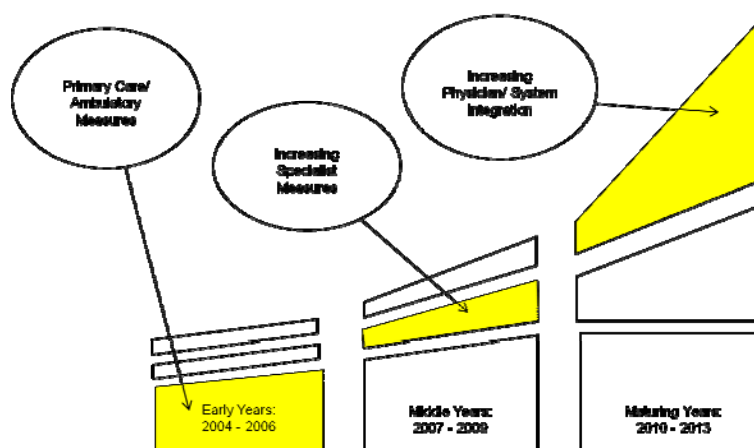
Membership Criteria



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23

Clinical Integration 3.0: *Increasing Physician/System Integration*




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24

Expansion of Program Over Time


CI Program Categories	Reporting YR 2006	Reporting YR 2007	Reporting YR 2008	Reporting YR 2009	Reporting YR 2010	Reporting YR 2011
Med & Tech Infrastructure	5	7	7	8	9	9
Clinical Effectiveness	35	46	63	73	72	90
Efficiency	9	10	11	13	21	30
Patient Safety	2	2	12	10	11	11
Patient Experience	1	3	3	3	3	6
Total Measure Count	52	68	96	107	116	146

- There Were 36 measures in the Clinical Integration Program When First Introduced in 2004
- New Measures are Added Each Year to Align with Advocate's Strategic Objectives and Keep Pace with Standards Endorsed by National Health Policy Agencies
- New Measures, Revisions to Existing Measures and Updated Performance Goals are Reviewed/Approved by APP QI Committee and APP Board of Directors

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25

Value Creation

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2010 Value Report



The 2010 Value Report
www.advocatehealth.com/app

or call 1-800-3-ADVOCATE
 (1-800-323-8622)

2011 Value Report
 Available Mid-April

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27

Recognition for Quality and Efficiency

One of 2009 Thomson Reuters
 10 Top Hospitals® Health Systems

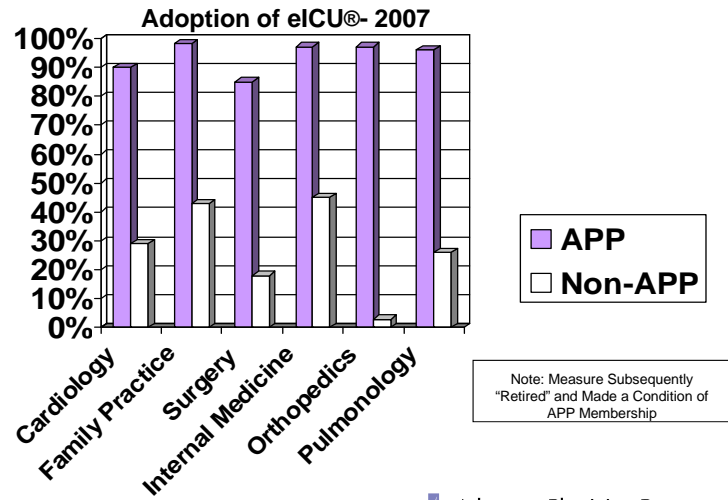
WINNING HEALTH SYSTEM	LOCATION
Advocate Health Care	Oak Brook, IL
Banner Health	Phoenix, AZ
Catholic Healthcare Partners	Cincinnati, OH
Fairview Health Services	Minneapolis, MN
Kettering Health Network	Dayton, OH
Mayo Foundation	Rochester, MN
OhioHealth	Columbus, OH
Scripps Health	San Diego, CA
Spectrum Health	Grand Rapids, MI
University Hospitals	Cleveland, OH



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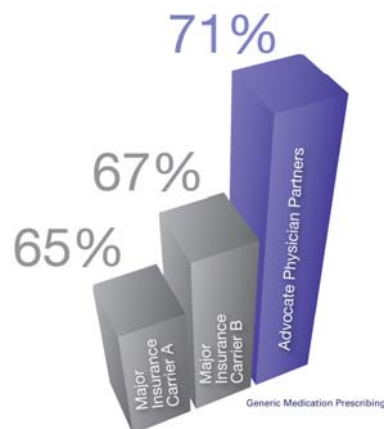
28

Why Physician Engagement Matters



29

Generic Medication Prescribing




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30

Treating Diabetes and Its Complications

Strategy	Benefit
Blood Pressure Control	Reduction of 35 percent in macrovascular and microvascular disease per 10 mmHg drop in blood pressure
Cholesterol Control	Reduction of 25 to 55 percent in coronary heart diseases events; 43 percent reduction in mortality rate
Smoking Cessation	16 percent quitting rate
Annual Screening for Microalbuminuria	Reduction of 50 percent in nephropathy using ACE inhibitors for identified cases
Annual Eye Examinations	Reduction of 60 to 70 percent in serious vision loss
Foot Care in People with High Risk of Ulcers	Reduction of 50 to 60 percent in serious foot disease
Influenza Vaccinations among the Elderly for Type 2 Diabetes	Reduction of 32 percent in hospitalizations; 64 percent drop in respiratory conditions and mortality


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31

NCQA Data on Diabetes Measures: How 2010 APP Performance Stacks Up

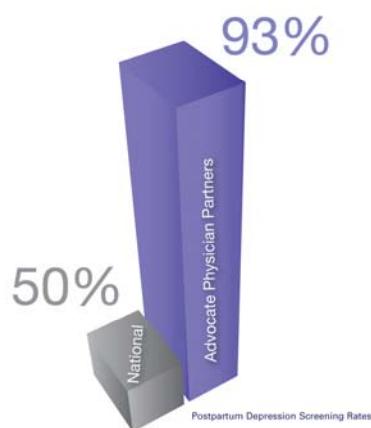
Measure	HMO	PPO	Actual
HbA1C Testing	89.2%	83.3%	91.0%
Poor Control	28.2%	44.6%	23.0%
Good Control (<7)	42.1%	30.3%	52.0%
Annual Eye Exam	56.5%	42.6%	63.0%
LDL-C Screening	85.0%	78.6%	88.0%
LDL-C Control (<100)	47.0%	36.8%	61.0%
Monitoring Nephropathy	82.9%	69.9%	86.0%
Blood Pressure Control (<130/80)	33.9%	23.6%	55.0%
Blood Pressure Control (<140/90)	65.1%	46.3%	82.0%

Managing Results!

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32

Postpartum Depression Screening Rates




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33

Postpartum Depression Screening

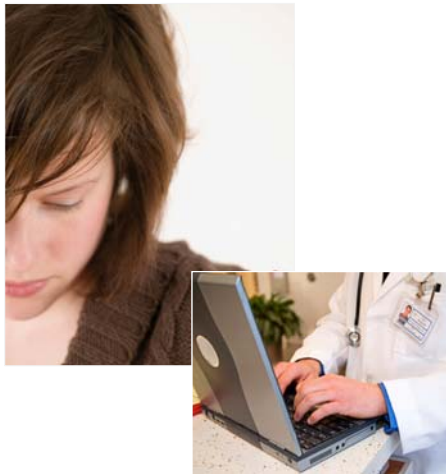
2010 Outcome

- Postpartum Depression Screening Recommended by U.S. Preventive Services Task Force
- Postpartum Depression Screening Provided to 93 Percent of Mothers Within 90 Days of Delivery
- Compares to 50 Percent Nationally


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34

Postpartum Depression Screening



- Direct and Indirect Medical Savings Nearly \$600,000
- Prevented 1,638 Lost Work Days

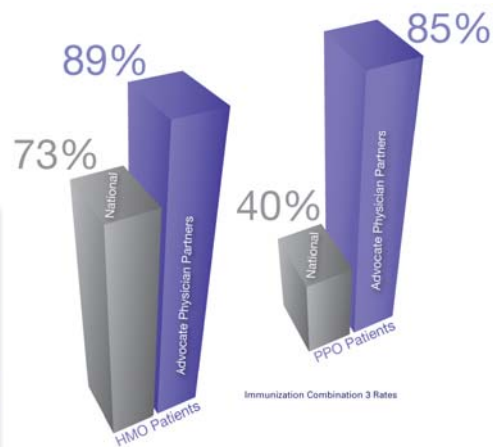
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35

Childhood Immunization Combination 3

Combination 2	Combination 3	# of Immuniz. Required
DTP (diphtheria, tetanus, pertussis)	DTP (diphtheria, tetanus, pertussis)	4
Polio	Polio	3
MMR (measles, mumps, rubella)	MMR (measles, mumps, rubella)	1
Hib	Hib	3
Hepatitis B	Hepatitis B	3
Chicken Pox	Chicken Pox	1
	Pneumococcal	4

Vaccines in Combinations



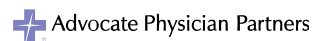
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36

Childhood Immunizations

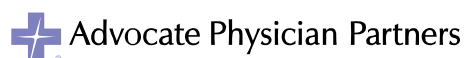
2010 Outcomes

- Achieved a Combination 3 Administration Rate of 89 Percent for HMO Patients and 85 Percent for PPO Patients Compared to 73 Percent and 40 Percent Nationally for HMO and PPO Patients Respectively.
- APP Rates Exceeded Performance of the Top 10 Percent of Providers in the Nation for the Administration of Combination 3 Immunizations to Children by Their Second Birthday.



37


Lessons Learned



Value for Hospitals




- Creates Business Partnership with Key Physicians
- Focuses Physicians on Hospital Goals
 - Patient Safety
 - Costs
- Strengthens Loyalty
- Physicians Drive Clinical Outcomes
- Positions for Health Care Reform
 - ACOs
 - Readmission Avoidance
 - Bundled Payments

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39

Value for Physicians

- Better Alignment with Hospital
- Marketplace Recognition
- Focus on Outcomes
- Incentives Compensate for Additional Work
- Interface with Multiple MCOs

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40

Value for the Marketplace

- Focus on Clinical Outcomes
- Demonstration of Efficiencies
- Ongoing Improvement
- Stable/Cohesive Network
- Measure and Display Results
- Led by Physicians

Critical Success Factors



- Physician Driven
- Same Metrics Across All Payers
- Minimize Additional Administrative Costs
- Additional Funds Recognize Extra Work by Physicians and Staff
- Infrastructure Necessary to Support Improvement
- Physician/Hospital Alignment

Obstacles

- Incomplete Data: Health Plans
 - Technical Issues
 - HIPAA
- Disease Management “Carve Outs”
- Health Plan Disintermediation
- Antitrust Review

Key Challenges for Spread of ACOs

- Dominance of Small Physician Practices
- Limitations of Traditional Hospital Voluntary Medical Staff
- Dominance of FFS Reimbursement
- Acceptance in the Commercial Market

Health Affairs Article

WEB FIRST

By Mark C. Shields, Patrick H. Patel, Martin Manning, and Lee Sachs

A Model For Integrating Independent Physicians Into Accountable Care Organizations

ABSTRACT The Affordable Care Act encourages the formation of accountable care organizations as a new part of Medicare. Pending forthcoming federal regulations, though, it is unclear precisely how these ACOs will be structured. Although large integrated care systems that directly employ physicians may be most likely to evolve into ACOs, few such integrated systems exist in the United States. This paper demonstrates how Advocate Physician Partners in Illinois could serve as a model for a new kind of accountable care organization, by demonstrating how to organize physicians into partnerships with hospitals to improve care, cut costs, and be held accountable for the results. The partnership has signed its first commercial ACO contract effective January 1, 2011, with the largest insurer in Illinois, Blue Cross Blue Shield. Other commercial contracts are expected to follow. In a health care system still dominated by small, independent physician practices, this may constitute a more viable way to push the broader health care system toward accountable care.


Mark C. Shields (mark.shields@advocatephysician.com) is vice president for medical management of Advocate Health Care and senior medical director of Advocate Physician Partners, in Mt. Prospect, Illinois.

Patrick H. Patel is medical director of quality improvement and chief of the CP and Credentialing Committee for Advocate Physician Partners, in Mt. Prospect.

Martin Manning is president of Advocate Physician Partners, in Oak Brook, Illinois.

Lee Sachs is executive vice president and chief medical officer of Advocate Health Care and chief executive officer of Advocate Physician Partners, in Oak Brook.

The Affordable Care Act of 2010 included several delivery system reforms intended to address deficiencies in the way health care is delivered across the United States. First is the dominance of solo and small-group independent physician practices that provide care to the majority of the US

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AdvocateCare



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BC Acknowledges Difficulty Controlling...

- Utilization of High End Imaging
- Readmissions
- Outpatient Trend
- New Drugs & Technologies
- Ambulatory Sensitive Conditions

... But That APP Is Well Positioned to Do So.

Blue Cross Discussions

Shared Views

- Significant Waste In System
- Value of Partnering
 - To Eliminate Waste
 - To Have Price Competitive Product
- Current Payment Model Does Not Support Shared Vision
- Willingness to Be Creative
- Sense of Urgency

Blue Cross PPO Contract

- Three Year Deal
- “Attributes” PPO Members to APP Physicians
- Focus on Reducing Trend Relative to Non-APP Providers
 - All Expenses, Including Pharmacy
 - Risk Adjusted
- Regular Incentive Payments

Introducing ***AdvocateCare*** - A Global Care Contracting Framework

- Global Cost Management Overlay On Top of Existing FFS Structures
- Responsibility for Managing Comparative Trend
- Method for Sharing Savings
- Involves Partnering With the Payer
- One Model for Governmental & Commercial ACO-Like Contracts

Implications for Primary Care

- Renaissance of Primary Care
- Significant New Incentive Structures
 - Access/Avoidance of ER
 - Medical Home
 - Managing Ambulatory Sensitive Conditions
 - Admission Rates & LOS
 - Readmissions
 - Specialist & Ancillary Efficiency
- Greater Alignment with Single System

Implications for Specialists

- Specialists are **Integral** to Success
- Structures Needed to Unlock Creativity
- ***“Pay for Work Done”*** Will Work for You
- Greater Transparency Around Efficiency
- Backfill Strategy Will Work for You
- Efficacious Specialists Will Thrive

Implications for IDNs

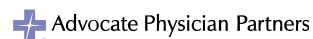
- Communicating a Complex Message
 - Management & Physicians
- Building a Climate of Trust
- Ensuring Physician Access (Both Employed & Private Practice)
- Less Volume from Existing Sources
- “Re-Purposing” Parts of the Enterprise
 - Business Development, Physician Relations, UM, Operations Management



53

Some Key Issues to Address

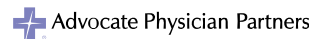
- Improving PCP Access
- Reducing Avoidable Admissions
- Intensive Outpatient Management
- Achieving “Hospitalism”
- Affecting “Perfect Transitions”
- Increasing Alignment with Private Practice Physicians
- Real Time Clinical Decision Support



54

CI is Foundation of an ACO

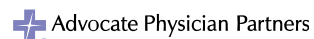
- Provides Infrastructure for Integration of Small Practices
- Overcomes Problems Seen Within the Fee-for-Service Model
 - Incentives to Providers Drive Improvement
- Creates Business Case for Hospital and Doctors to Work for Common Goals
- Allows One Approach for Commercial and Governmental Payers



55

Contact Information

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56

Questions/ Discussion

