Complex Patient Care Redesign: ThedaCare Innovation

Gregory Long, MD
Chief Medical Officer
ThedaCare

- Northeastern Wisconsin
- An Integrated Community Health System; >7000 employees
- Primary service area of 500,000 people in eight counties
- $1.2 Billion Gross Revenue
- Majority of medical staff are independent practitioners
- 225 employed physicians, 18 specialties including PCP
WE CANNOT SOLVE OUR PROBLEMS WITH THE SAME THINKING WE USED WHEN WE CREATED THEM

-Albert Einstein
“Every system is perfectly designed to achieve exactly the results it gets.”

Paul Batalden, MD
Problem Statement

The current ThedaCare Physicians model for delivery of primary care does not consistently and reliably meet the needs of medically and psychosocially complex, high-risk patients. This results in lower quality outcomes and/or higher costs (lower value care) for these patients, patient frustration, provider/staff frustration, and financial and market-share risk for ThedaCare.
The current TCP ambulatory care delivery model operates on the same general framework for all patients, regardless of patient need and risk.

High-risk patients are at risk of “falling between the cracks.”

Our providers and staff either heroically struggle to provide these patients the care they need, the patients experience worse health outcomes and/or higher costs, or both.

Background/Current Conditions
What Percentage of Physicians Are "Burned Out"?

Critical Care: 53%
Emergency Medicine: 52%
Family Medicine: 50%
Internal Medicine: 50%
General Surgery: 50%
HIV/Infectious Diseases: 50%
Radiology: 50%
Ob/Gyn & Women's Health: 49%
Neurology: 49%
Urology: 49%
Pulmonary Medicine: 48%
Cardiology: 47%
Diabetes & Endocrinology: 46%
Orthopedics: 46%
Nephrology: 45%
Plastic Surgery: 45%
Pediatrics: 45%
Oncology: 44%
Anesthesiology: 44%
Rheumatology: 44%
Allergy & Clinical Immunology: 43%
Ophthalmology: 43%
Gastroenterology: 41%
Pathology: 41%
Psychiatry & Mental Health: 39%
Dermatology: 37%
Lean Innovation Model

- **RESEARCH**
  - Voice of the customer
  - Voice of the caregivers

- **EXPLORATION**
  - Innovation
  - Rapid Experimentation

- **EXECUTION**
  - Single Pilot Site
  - Prototype (300)
  - Product
Communities we serve

Populations we are contracted to care for via risk-based contracts

Clinic patients—active and inactive

Populations we are contracted to care for via risk-based contracts

“Your initial focus should be on the population you can best influence”

Karen Timberlake

ThedaCare™
Voice of the High Risk Patient:
Voice of the Providers/Staff caring for the High Risk Patient:

**Provider/Staff Needs**

- Compensation
- Work/Life balance
- Know patient needs
- Focus effort on capability
- Access to other discipline
- Patient location on care progression
- Ability to make changes to care plan
Decentralized Team Based Care Model

Pharmacist

Behaviorist

Physician

Nurse/Medical Assistant

Care Coordinator

NP/PA

ThedaCare™
Cohort 1 and Cohort 2 Progress

Location – IM Appleton
Patient Population – Dangerous and High Risk Patients

Cohort 1

- 85 actual patients
  (100 patients desired)

8 Full Time Care Team Members
- 3 Care Coordinators
- 1 Registered Nurse
- 1 Pharmacist
- 1 Behavioral Health Clinician
- 1 Nurse Practitioner
- 1 Medical Assistant

November

Cohort 2

- 119 actual patients
  (200 patients desired)

3 Part time Care Team Members
- 1 Registered Nurse
- 1 Pharmacist
- 1 Behavioral Health Clinician

Mid-March

June
## Findings

### Accomplishments
- 300 IM patients proof of concept
- Patient satisfaction
- Provider satisfaction
- Clinical outcomes
- Improved utilization
- System care coordination

### Challenges
- Behavioral health clinician
- Staff turnover
- Cultural
- Patient acceptance
- Costly
Next Steps

• Create care model for remaining patients in pilot
• Financial modeling
• Work with interested payers/employers to create aligned reimbursement models
• Spread to remaining PCP sites
Income (Loss) Grows With Volume in the Current Financial Model

Fee-for-Service Contribution Margin Model

- Net Revenue
- Variable Expenses

Contribution margin

Patient Visits
Capitated Model Thrives on Controlling Utilization

Capitated Revenue (PMPM) Contribution Margin Model

Note: PMPM = per member per month.
Moving to Advanced Value Requires Significant Disruption to Current Economic and Delivery Models

Evolution of Value-Driven Care

Traditional Payment
• FFS / DRG

Transitional Value
• P4P
• Narrow Network
• Shared Savings / ACO
• Bundled Payments

Advanced Value
• Full Risk / Capitation

Note: FFS = fee-for-service; DRG = diagnosis related group; P4P = pay for performance; ACO = accountable care organization

Transitioning from “Curve 1” to “Curve 2” will very likely require a step back to go forward.

REVENUE DISRUPTION
• Redesigned reimbursement and contracting, with multiple payers

EXPENSE DISRUPTION
• New care team structures
• Redesigned care pathways and advanced protocols
Pilot Model Approach Allows for Building Competencies While Controlling Initial Costs and Risks

Evolution of Value-Driven Care

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Traditional Payment
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Advanced Value
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Supporting Goals of Advance Care Pilot Model
- “Flatten” the transitional learning curve to support a less internally disruptive transition
- Control learning costs to a limited population before rolling out to a larger group

Note: FFS = fee-for-service; DRG = diagnosis-related group; P4P = pay for performance; ACO = accountable care organization.
Teamwork-
Providers and Payers
Working Together

November 12, 2015

Terry Bolz
President and CEO
“One of the mistakes the insurance industry has made is thinking it can micromanage healthcare from the outside.”

"Doctors and hospitals are going to have to reengineer how they do business, and that's going to take a fundamental change in the way we pay them.”

“Fee-for-service incentivizes more utilization, and aligning quality and financial incentives will increase value. Insurers have to get out of the way of providers.”

Terry Bolz
Working assumptions for this presentation:

• The current expenditure in the United States for health care is not sustainable.

• The Quality of Care and Outcomes need to improve in the United States – population health.

• Consumers expect greater value from the health care delivery system, today.

• The Patient Protection and Affordable Care Act forces both health care providers and payers to change the relationship between provider and payer.
Health Insurer mergers and acquisitions announced in 2015:
• Anthem to buy Cigna for $54.2 billion
• Aetna to buy Humana for $37 billion
• United buys pharmacy vendor for $12.8 billion

These mergers consolidate the “Big 5” national companies to the Big 3!

Nationally, only 5 of 58 mergers or acquisitions announced in 2015 involved health insurers.* Health care system mergers are generally much smaller based on dollars.

*Source: HealthCare Finance, July 16, 2015
National Trends

Risk Bearing Capability Has Become a Key Competency of High Performing Integrated Health Systems

Citi’s Study on Growth and Integration, Ownership of Health Plans by Health Systems (2009 – 2013)

2009

- Health Plan: 18%
- No Health Plan: 82%

2013

- Health Plan: 46%
- No Health Plan: 54%

Top Quartile

- Health Plan: 75%

Other Integrated

- Health Plan: 36%

Note: Historical Data based on 233 reporting systems with 2013 financial data reported as of December 2014. Integrated Group comprised of 71 to 76 health systems that overlap between Citi’s Study on Growth and Integration and the IMS Integrated Health System Survey, 2008-2012.

Source: Citigroup; Not-for-Profit Healthcare Group Newsletter; January – February 2015 cited in Kaufman Hall research, public filings and other publicly available information.
National Trends

Health systems are merging as well as launching or acquiring insurance plans to develop/engage in population health management business models.

• Providers increasingly accepting financial risk with focus on population health.

• Advantages of controlling 100% of the premium dollars and patients from beginning to end.

• Formation of high efficiency provider networks to provide maximum value to partner delivery system.

• 250,000+ life patient risk-pool target to achieve optimal data informatics and sustainable operations.

Source: Kaufman Hall research, public filings and other publicly available information.
Working Assumptions

• Health care providers (physicians, nurses, etc.) generally make good decisions.
• Health care providers need to create systems of care that produce higher quality and lower cost health care.
• Micro-management by third party payers with fee for service payment does not allow health care systems to create efficient and high quality models of care.
• Redundant care management structures are unnecessary.
• Health care financing incentives need to align with value creation such that health care providers change the model of care to create better value.
Unity is wholly owned by UW Health through UHC, Inc.


UW Health leadership have key roles in the governance and management of Unity:

- Board of Directors
- Board and Clinical Committee Chairs
- Unity Senior Leadership Team

UW Health is well ahead of the national trend on willingness to take risk.
Overview of Unity:

• Madison (Sauk City) based HMO: 21 county service area
• Membership: 170,000
• 2015 Projected Revenue: $820 million
• Employees: 300+
• Contract for 75+ UW Health employees for clinical programs
• Unity purchases a variety of corporate services from UW Health
Unity Provider Network

HMO Network

- Providers throughout south central and south west Wisconsin
UW Health Integration

UW Health entities provide clinical staff and other services to Unity through formal Administrative Services Agreements:

• Quality Improvement, Case Management, Disease Management, Wellness Programs
• Behavioral Health
• Comprehensive Pharmacy Benefit Management Services
• Medical Directors, Health Services Director and Director of Pharmacy

UW Health developed the population health expertise within its own medical delivery system and not the health plan.
UW Health Integration

UW Health entities provide Unity with Information Technology Services:

• UW Health’s HealthLink (EMR) serves as Unity’s (Epic Tapestry) core processing system
• MyChart serves as consolidated patient health care and member health plan portal
• UW Health data warehouse serves as the foundation for Unity’s data warehouse
• ACO and Unity work collaboratively on data projects
**UW Health Integration**

- **Patient Centered Medical Home**
  - Accountability
  - Integration of EMR
  - Care coordination
  - Shared decision making / patient compliance

- **Welcome Center**
  - Delivery system orientation - complex care coordination
  - PCP selection
  - Transfer of medical records
  - Scheduling first appointments

- **Virtual Care**
  - e-Visits / MyChart
  - e-Consults through UW specialists
• Ranked Top 50 Health Plan by National Committee for Quality Assurance (NCQA) for 10 straight years:
  ➢ Received 5th three-year NCQA “Excellent” Accreditation in 2013
  ➢ Maintained “Excellent” Accreditation every year since 2002

• Two major components to the NCQA health plan accreditation relate to population health and Accountable Care Organizations (ACOs):
  ➢ Health Effectiveness Data and Information Set (HEDIS) – 117 clinical measures
  ➢ National Consumer Assessment of Healthcare Providers and Systems (CAHPS) Survey (member survey)
What is HEDIS?

**Healthcare Effectiveness Data and Information Set**

- HEDIS is a tool used to measure performance on important dimensions of care and service.

- HEDIS consists of 117 clinical measures across 8 domains of care to measure the performance of health plans.

- HEDIS is designed to provide purchasers and consumers with the information they need to reliably compare the performance of health care plans.

- Quality Compass is a comparison tool that allows users to view plan results and benchmark information.
Unity’s 2015 HEDIS Results

- Unity and UW Health have established the 75\textsuperscript{th} percentile as the minimum target for each HEDIS measure compared to national data.
- If measure at 75\% percentile, Unity’s target becomes 90\textsuperscript{th} percentile.

<table>
<thead>
<tr>
<th>Percentile</th>
<th>2015 (MY14)</th>
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<tbody>
<tr>
<td>95\textsuperscript{th}</td>
<td>12</td>
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<tr>
<td>90\textsuperscript{th}</td>
<td>19</td>
</tr>
<tr>
<td>75\textsuperscript{th}</td>
<td>33</td>
</tr>
<tr>
<td><strong>Total at Goal</strong></td>
<td><strong>64/64%</strong></td>
</tr>
</tbody>
</table>

Total \% calculated by: dividing total at goal by number of measures. Number of measures does not include measures without QC.
What is CAHPS?

- Consumer Assessment of Healthcare Providers and Systems is an annual member satisfaction survey that all NCQA accredited health plans are required to conduct:
  - Rating of health plan
  - Customer service
  - Claim processing
  - Information on cost of prescriptions
  - Rating of all health care services
  - Getting needed care
  - Getting care quickly when needed quickly
  - Shared decision making
  - How well doctor communicated
  - Rating of personal doctor
  - Rating of specialist
  - How well doctor communicated
  - Easy to get needed care, tests and treatments
Of the 1,016 plans rated, 116 (11%) received a top rating of 4.5 or 5 out of 5.

Other Plan Ratings

<table>
<thead>
<tr>
<th>Health Plan</th>
<th>Product</th>
<th>Rating</th>
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</thead>
<tbody>
<tr>
<td>Unity</td>
<td>HMO/POS</td>
<td>4.5</td>
</tr>
<tr>
<td>Gundersen Health Plan</td>
<td>HMO</td>
<td>4.5</td>
</tr>
<tr>
<td>Group Health Cooperative of S Central WI</td>
<td>HMO</td>
<td>4.5</td>
</tr>
<tr>
<td>Dean Health Plan</td>
<td>HMO</td>
<td>4.5</td>
</tr>
<tr>
<td>Network Health Plan</td>
<td>HMO/POS</td>
<td>4.5</td>
</tr>
<tr>
<td>Security Health Plan of WI</td>
<td>HMO/POS</td>
<td>4.5</td>
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Independent Physician Groups

Primary Care Contracting Strategy for Independent Physicians

3 Key Components of Contract

• Global reimbursement for primary care services
• Significant risk/incentives tied to quality and satisfaction metrics
• Funding for Care Coordinator at PCP clinic (hired by provider)
Independent Physician Groups

- Collaboration
  - Long term relationships
  - Arrangements customized for each provider (no standard contract)
  - Incremental transition into risk
  - Continuous data sharing
  - Quality forum to share “Best in Class” practices
Pay-for-Performance

• Over ninety percent of members aligned with PCPs taking risk for quality metrics

• Care Coordinator Program
  – Clinics with Care Coordinator: 76% of measures at 90th percentile
  – Clinics without Care Coordinator: 24% of measures at 90th percentile
MyChart:
The secure online portal for both UW Health patients and Unity Members.

Key Features:
- Review medical information like test results and schedule appointments.
- Access insurance information including benefits, claims and EOBs.

Strategic Value