Challenges in Building a Knowledge-Based Technology Infrastructure for Population Health

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Learning Objectives

• Describe ways to achieve organizational alignment and manage through healthcare transformation

• Identify what tools and data are needed for successful population management

• Discuss how to achieve credibility with physicians and meaningful engagement
Performance Metrics

INPATIENT ADMISSIONS BY MONTH

GROSS IP REVENUE BY MONTH

INPATIENT CASES BY MONTH

GOOD or BAD

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Good or Bad: It Depends

- Good or Bad
- Leakage Repatriation
- OON FFS Tertiary Referrals
- ACO Patients

INPATIENT ADMISSIONS BY MONTH
INPATIENT CASES BY MONTH
GROSS IP REVENUE BY MONTH
Why? New Contract Models
Risk is transitioning to providers

- Providers are managing populations of patients with *risk for cost and quality*
Accelerating Adoption

CMS “ACOs”

Commercial Risk Contracts

Medicare Advantage

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The Future of Reimbursement

Medicare/Medicaid Rates

Revenue Reduction
Two ways to think about the world

The best admissions are the ones I prevented

Not my issue

Minimize (Cost Center)

Not my problem

Maximize

Minimize

PMPM Admits/1000

HOSPITAL P&L
Revenue $$$$$$
Expense $$$$$$
Profit $$$$$$

My critical metric

Network Focus
Total Cost of Care

Hospital focus

Implant Costs

ACO CXO

Not my issue

Minimize

ACO CXO

Hospital CXO

Hospital focus

Not my problem

McKesson

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Alignment and buy-in among all constituents is critical

- All constituents need to be on board
- The message needs to be consistent
- Physicians can only manage one way
  - Cannot manage patients selectively
- Incentives must be aligned
Transition Challenges

• Conflicting contract models

• Conflicting incentives
  ➢ Physicians
  ➢ Hospitals: long-term investments in bricks and mortar
Alignment and Mitigation Strategies

Repatriation Program: Decrease leakage

Better Coordination
More Admissions
Maximize
Minimize

HOSPITAL P&L
Revenue $$$$$$
Expense $$$$$$
Profit $$$$$$

Network Focus Total Cost of Care
Hospital focus

Minimize (Cost Center)

Not my issue

Not my problem

My critical metric

ACO CXO
Hospital CXO

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Less Revenue/patient Requires More Patients

More Providers

Retain Patients

Grow Market

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New Care Model: Transactional Care to Population Management
Population Management Across the Care Continuum

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Network Strategy

Goals:
- Increase Market Share to help protect admissions
  - Align PCPs and specialists
- ACO performance

Tactics:
- Consolidation
- Clinical Integration
  - For Collective Bargaining
  - Align independent PCPs & specialists
  - Support population management
  - Manage ACO performance
- Risk (cost and utilization) management
  - Leakage management/repatriation
  - Practice pattern variation reduction
  - Care management
ACO Management Strategies

Patient & population health

Care Coordination
Quality Improvement

Cost, utilization & network management

Reducing variations in care

Cost & utilization

Integrated management of cost and quality

Clinical integration

Physician performance management

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Success Requires Multiple Interrelated Strategies

Data Strategy

IT Strategy

Adoption & Communication Strategy

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Managing Across the Continuum: What data/analytics do you need?

CHF Patient Coronary Artery Bypass Graft

Hospitalization

LOS
Device Costs
Drug/Diagnostic Spend
Inpatient Quality Metrics
Patient Satisfaction
Managing Across the Continuum: What data/analytics do you need?

CHF Patient Needing Coronary Artery Bypass Graft

Episode of Care

Pre-surgery care

Hospitalization

Post-Acute Care

Office Visits

Pre-Procedure Tests

LOS

Device Costs

Drug/Diagnostic Spend

Inpatient Quality

Satisfaction

Office Visits

Rehab Utilization

Drugs

Outcomes

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Managing Across the Continuum and Time

Coronary Artery Bypass Graft

- Pre-surgery care
  - Office Visits
  - Pre-Procedural tests
- Hospitalization
  - LOS
  - Device costs
  - Drug/Diagnostic spend
  - Inpatient quality
  - Satisfaction
- Post-Acute Care
  - Office Visits
  - Rehab
  - Drugs
  - Outcomes

Claims & Clinical Data

Charge and Clinical Data

Claims & Clinical Data

PCP Visit
Cardiologist Visit
Cardiac Echo

January

PCP Visit
Cardiologist Visit
Cardiac Echo

Dermatology Consult

December

Cardiac Echo

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Analytics Across the Continuum Requires New Data Sources

Coronary Artery Bypass Graft

- Pre-surgery care
  - Office Visits
  - Pre-Procedure tests

- Hospitalization
  - LOS
  - Device costs
  - Drug/Diagnostic spend
  - Inpatient quality
  - Satisfaction

- Post-Acute Care
  - TCU
  - Office Visits
  - Readmissions
  - Rehab
  - Drugs
  - Outcomes

EMR

Claims

PCP Visit
Cardiologist Visit
Cardiac Echo

January

ER Visit

Dermatology Consult

PCP Visit
Cardiologist Visit
Cardiac Echo

December

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Multiple Interrelated Strategies

Data Strategy

IT Strategy

Adoption & Communication Strategy

*Perfect* is the enemy of success

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Success Factors

- Resources
  - Domain expertise/experience
- Phased approach
- Prioritize to meet success strategy
- Measure and report frequently
- Leverage peer pressure
- *Recognize success*
First Initiatives: Easy is better than hard

- Locus of care management
  - Admissions
  - Imaging
  - Labs
- Ambulatory drug cost management
  - Drug interchange programs
- Improve quality metrics

- Capture revenue in network
- Better coordination of care

- No revenue loss
  - (Effects PBM)

- More services
- Earn incentives

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**Physician Engagement**

- **Focus** – Don’t try to do too much all at once
  - Prioritize
  - Need to be clear about what they should do
  - Can only do so much - Sensitive to “extra” work
    » Program design
  - Progressive roll out

- **Make it easy**
  - Actionable data
  - Workflow
  - Leverage staff
Physician Engagement

- Leadership
- Education
- Transparency
- Leverage peer pressure
- Incentives
- Timely reporting and payment

Early wins!
Incentives – to align or not to align?

**Contract Incentives**
- Quality Measures
- Drug PMPM
- Total Cost of Care PMPM

**System Performance Incentives**
- Proxies
  - Generic %
  - Efficiency Index
- Transition Mitigation
  - Retention %

Align all constituents
What do you need for success? New programs and new technology

- CI program focused on guideline compliance, coordination of care
  - Enterprise clinical registry
- Programs to manage cost and utilization
ACO Management Strategies

- Patient & population health
- Care Coordination Quality Improvement
- Cost, utilization & network management
- Integrated management of cost and quality
- Clinical integration
- Reducing variations in care
- Physician performance management

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Enterprise Registry Solution

- Point of care tool
- Population management tool
  - Automated outreach for gaps in care
BUT – I have an EMR!

Challenge: Information silos
- Guideline management *across the continuum*
- *Network wide* performance measurement

Specialists challenges
- Participation in multiple networks
- Specialty EMRs
Analyzing Physician Practice Pattern Variation

- Finding outlier performance to improve quality and reduce costs
Profiling Analytics are Complex

“This isn’t my patient”
“This guideline isn’t applicable to this patient”
“My patients are sicker”
“This patient was in the ICU for 6 months”
Who are my sickest patients?

- Identifying patients for care management programs

Summary (Stratification) Report

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<th>Risk Category</th>
<th>Number of Patients</th>
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<th>Average Predicted Expenditure per Patient</th>
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<th>Age/Gender Risk Score</th>
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Managing Drug Costs

- Reports and profiles
- Drug substitution programs
Managing Other Key Drivers of Costs

- Emergency room frequent flyers
- Out of network care
- Readmissions
- High cost imaging
Operational Efficiency Through Automation

- Automated management of incentive programs
Opportunities to use data and analytics in new ways

- Alerts - Discharges and ER visits
- Claims-based risk analyses
- ER Frequent Flyers
- High LOH Scores