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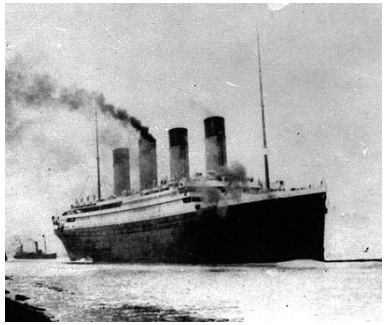
Healthcare Strategy in the Midst of a **Disaster**

7 November 2015



Shawn Griffin MD

Chief Quality and Informatics Officer, MHMD

Memorial Hermann ACO

Agenda

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- Overview
- Trust
- Engagement/Initiatives
- Data/Infrastructure
- Performance

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OVERVIEW

Memorial Hermann

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- **Second Largest Non-Profit in Texas**
  - 6,000 practicing physicians
  - Partnership with the University of Texas Health Science Center of Houston
  - 9 Acute Hospitals, 3 Heart & Vascular Institutes
  - Dedicated Children's & Rehabilitation Hospitals
  - 98 Outpatient Sites: Ambulatory Surgery, Imaging, Sports Medicine, Lab
  - Sports Medicine, Neuroscience, Transplant COE's
  - The nation's busiest trauma program

MHHS National Safety and Quality Leadership

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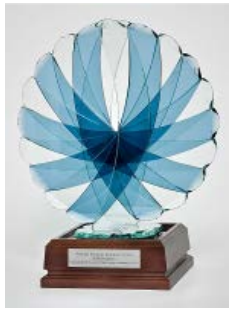
THOMSON REUTERS 15 TOP HEALTH SYSTEMS 2012

15 Top Health Systems; Top 5 Large Health Systems (2012,2013)

Ranked Among the Nation's TOP 5 LARGE HEALTH SYSTEMS



National Patient Safety Leadership Award, Sponsored by VHA Foundation & the National Business Group on Health (2009)

National Quality Forum National Quality Healthcare Award (2009)

JOHN M. EISENBERG PATIENT SAFETY & QUALITY AWARDS

Joint Commission-NQF John M. Eisenberg National Patient Safety & Quality Award (2012)

Texas Hospital Association Bill Aston Quality Award (2011)

Health Care's MOST WIRED 2011

Healthcare's "100 Most Wired" 7th consecutive year

TheDeltaGroup

America's #1 Quality Hospital for Overall Care (2011 & 2012)

HEALTHGRADES AMERICA'S 50 BEST HOSPITALS 2010
HEALTHGRADES AMERICA'S 50 BEST HOSPITALS 2011
HEALTHGRADES AMERICA'S 50 BEST HOSPITALS 2012

HealthGrades®

- America's 50 Best Hospitals (2010, 2011 & 2012)
- Distinguished Hospital for Clinical Excellence (2011)

TEXAS 2012 HEALTH CARE QUALITY IMPROVEMENT AWARD

2011 Texas Healthcare Foundation Quality Improvement Awards (9 Memorial Hermann Campuses)

Memorial Hermann Physicians

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- **MHMD**
  - 3500 practicing physicians
    - 2000 Clinically Integrated
    - 1850 CI physicians in MHACO
    - 300 Advanced Primary Care Practices (PCMH)
    - 250 additional PCPs
    - Evolving High Performance Specialty Physicians (250-500)
    - 150 are employed (MHMG)
- **University of Texas Physicians**
  - 800 physicians
  - CI and ACO affiliates
  - Some UT participate in advanced and high performance practices

National Trends

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- Price Pressures Increasing
- Health Systems Expanding Into Growing Markets
- Payer, System, and Group Consolidation Changing Existing Relationships
- Accountable Care Organizations Growing, but Not All Systems Buying In
- For-Profit Investors Flowing Into Healthcare
- **Every Provider's** Role is Changing

Why Should Medicine Change?

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Hurricane Mitch

1998

Honduras
14,800 deaths

Choluteca Bridge, Honduras

OLD MODEL

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US Health Care "System"

- Unsafe: "Public Health Hazard #8"
- Unreliable: Only 55% receive scientifically indicated care
- Uncoordinated: No reliable outcome produced
- Inequitable: Race predicts health status, underinsurance causes harm
- Inefficient: Costs are 2X other countries, 30% waste, supply-driven care

US Health Care "System"

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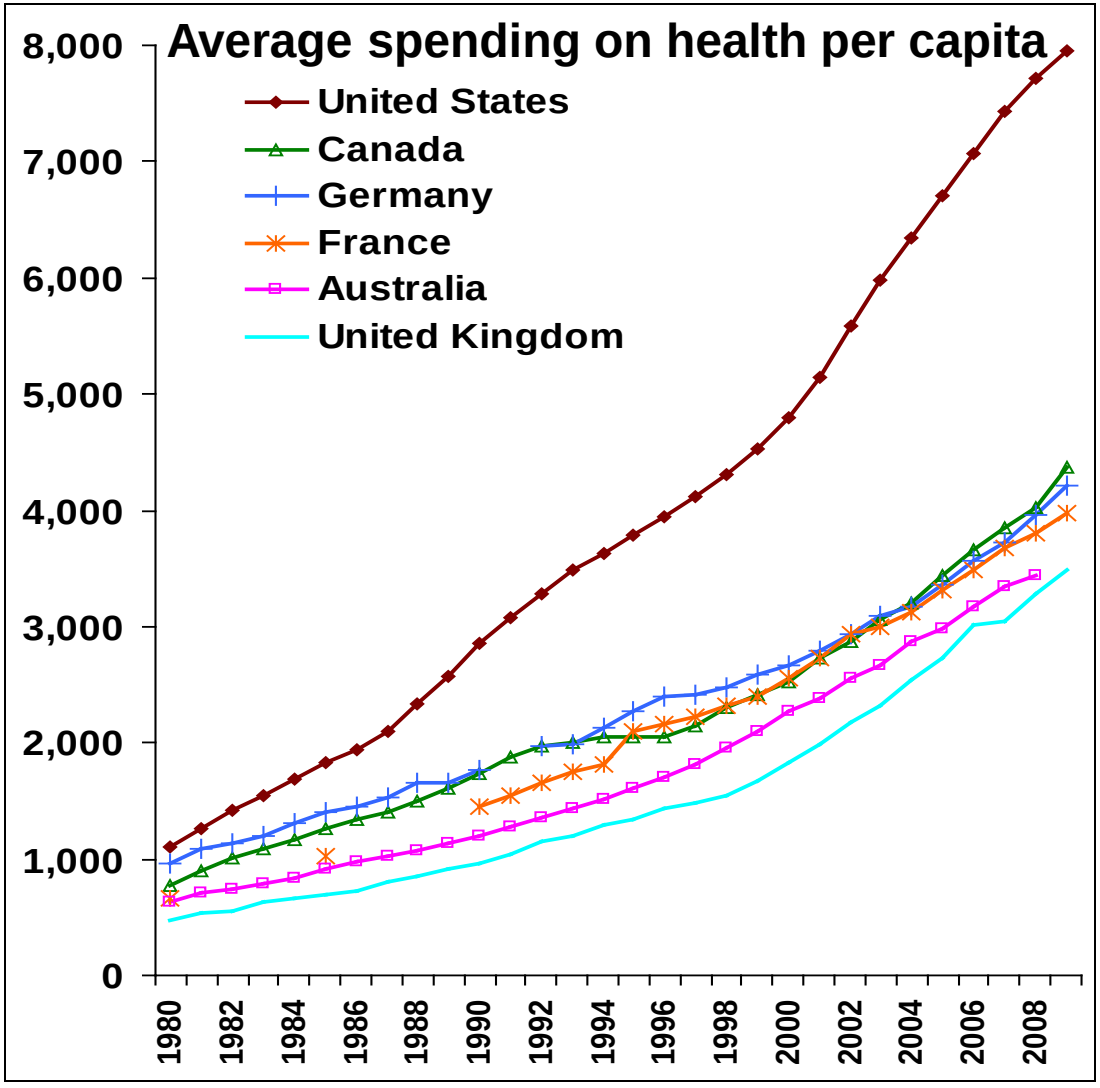
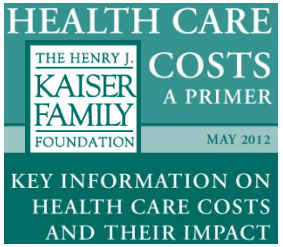
Health System = Payment System

- Designed as a payment system and works well for that: pay for doing has produced a lot of doing
- Not designed as a system for producing or maintaining healthy people

We Cost Too Much

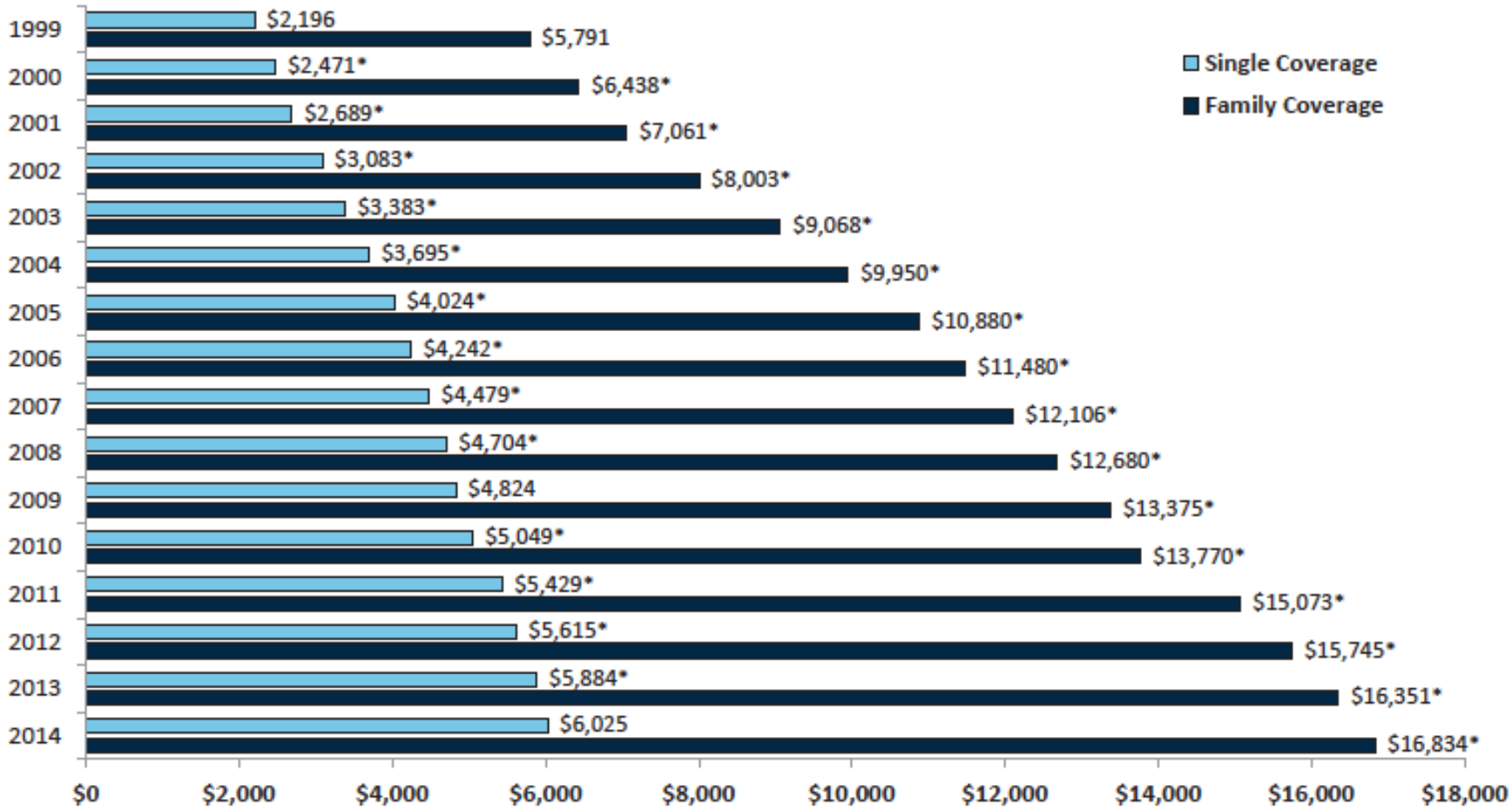


- In 2010 we spent $2.6 trillion on health care, or $8,402 per person.
- The share of economic activity (GDP) devoted to health care has increased from 7.2% in 1970 to 17.9% in 2009 and 2010.
- Health care costs per capita have grown an average 2.4 % faster than the GDP since 1970.
- Half of health care spending is used to treat just 5% of the population.



Source: Commonwealth Fund National Scorecard on U.S. Health System Performance, 2011.

Average Annual Premiums for Single and Family Coverage, 1999-2014

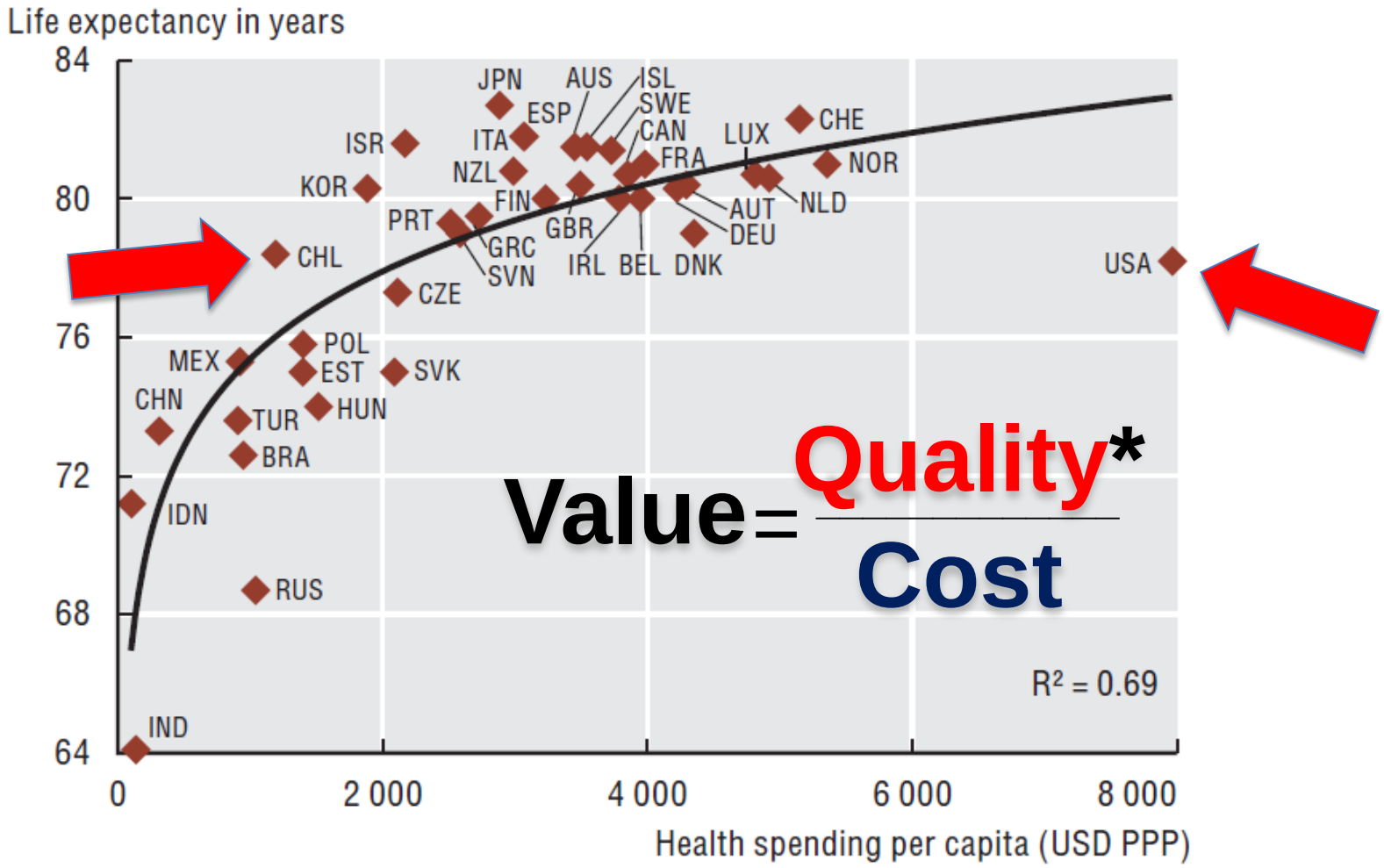


* Estimate is statistically different from estimate for the previous year shown (p<.05).

SOURCE: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2014.

THE HENRY J. KAISER FAMILY FOUNDATION -AND- HRET HEALTH RESEARCH & EDUCATIONAL TRUST

Cost Too Much, But Don't "Get" Too Much

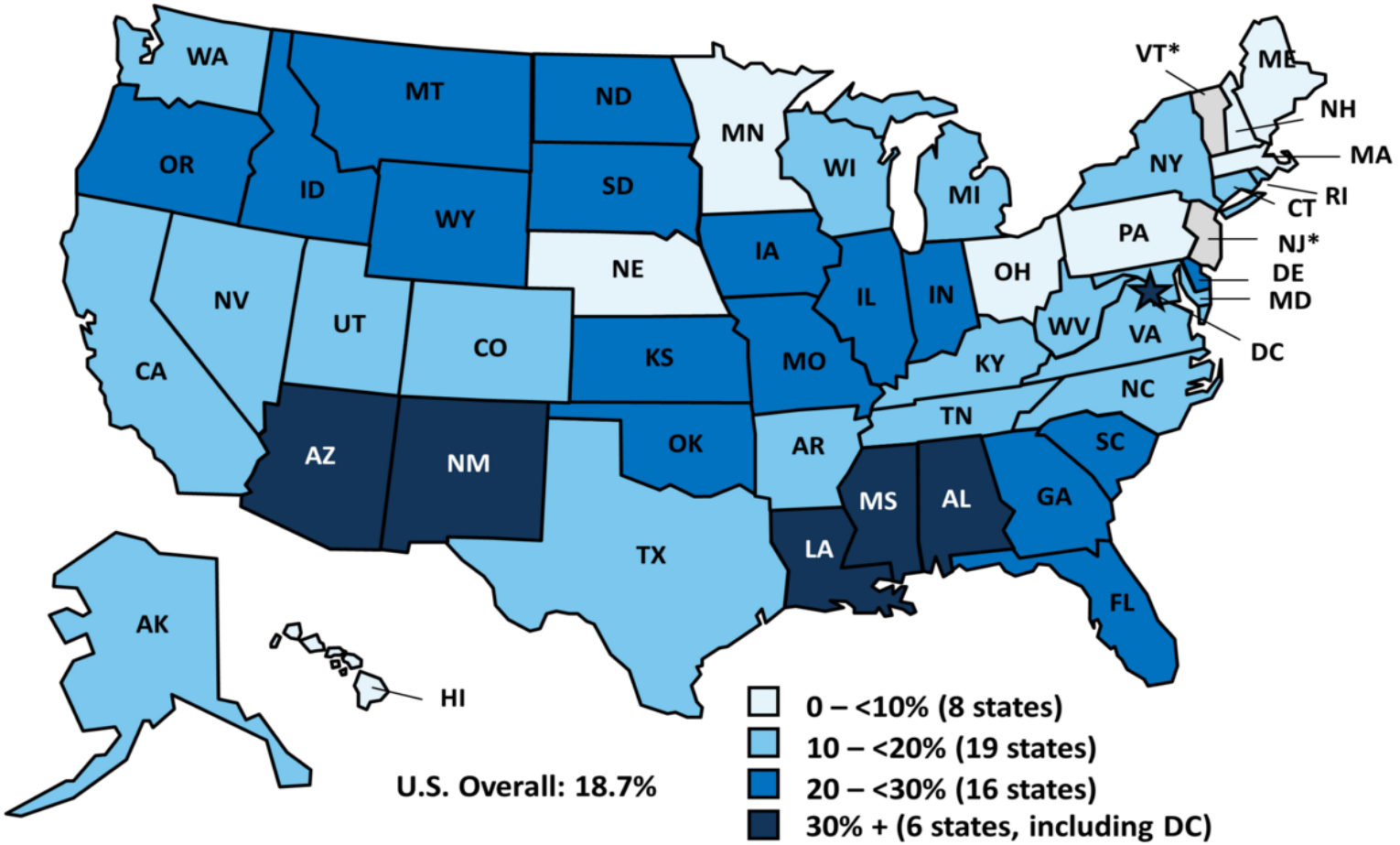


*Denis Cortese, MD, former Mayo Clinic president and CEO (Quality=Outcomes, Safety, Service)

Graph: OECD (2011), *Health at a Glance 2011: OECD Indicators, OECD Publishing.*

Figure 1

Percent of Population Residing in Primary Care Health Professional Shortage Areas (HPSAs), 2014



NOTES: Includes populations in Geographic Area and Population Group HPSAs, but not Facility HPSAs.
*HRSA data show no population living in Geographic or Population Group Primary Care HPSAs in NJ and VT.
SOURCE: KCMU analysis based on HRSA *Designated Primary Care Health Professional Shortage Area Statistics* as of August 12, 2014 and the March 2014 Annual Social and Economic (ASEC) Supplement to the Current Population Survey (CPS).

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Provider Shortage

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- **Shrinking supply of physicians.**
  - One in three practicing physicians in the U.S. is over the age of 65 and close to retirement.
- **Physician shortages will impact primary care more than other specialties.**
  - 52,000 more primary care physicians needed by 2025.
  - 33,000 additional physicians will be needed in the next 10 years due to population growth alone
  - 20 percent of Americans older than 65 see 14 or more physicians and average 40 physician visits each year.
- **A significant shortage of surgeons and oncologists is anticipated.**
- **Medical residencies are in short supply**

Physicians are Changing

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Nearly a quarter of physicians regret their career choice and over a third are unlikely to encourage young people to enter the field.

Physician Shortage

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- How to fix the shortage:
  - Don’t increase the upper end of the provider pyramid (specialists)!
  - Provide high quality and low cost care when, where and how it is desired by the consumer!
  - Increase the number, locations and methods of Primary Care!
  - **Change the model of care!**

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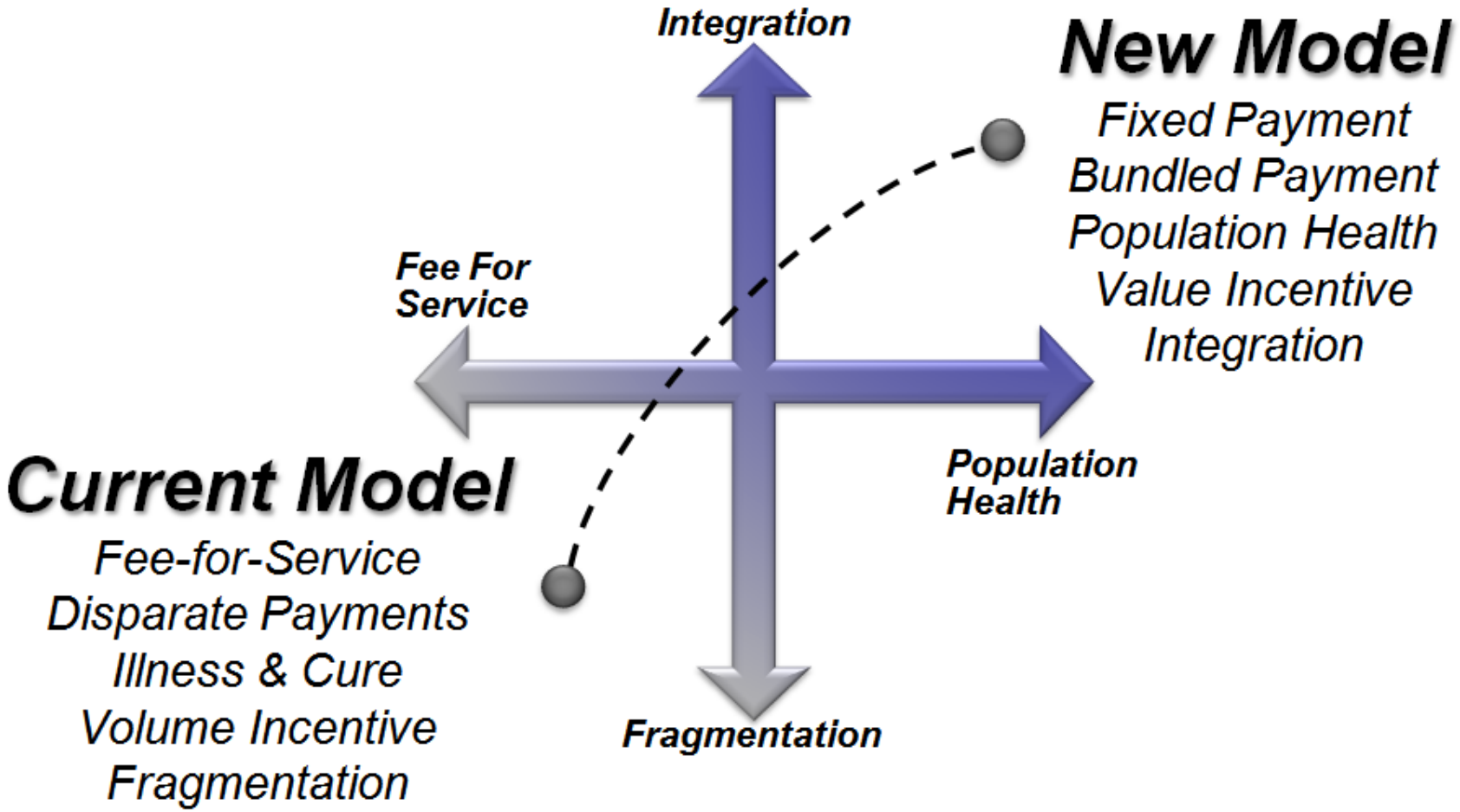
TRANSITION TO NEW MODEL


Integration
New Model
Fixed Payment
Bundled Payment
Population Health
Value Incentive
Integration
Fee For Service
Population Health
Current Model
Fee-for-Service
Disparate Payments
Illness & Cure
Volume Incentive
Fragmentation
Fragmentation

IHI "Triple Aim"

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Institute for Healthcare Improvement's (IHI's) '**Triple Aim**'

1. Best patient experience
2. Lower cost
3. Better health for populations

To achieve this, new methods must be used.

How will we get there?

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- Building our Team
- Education
- Aligned Incentives
- Organizational Structure
- Commitment to Evidence Based Medicine
- Information Management

We Started Many Years Ago…

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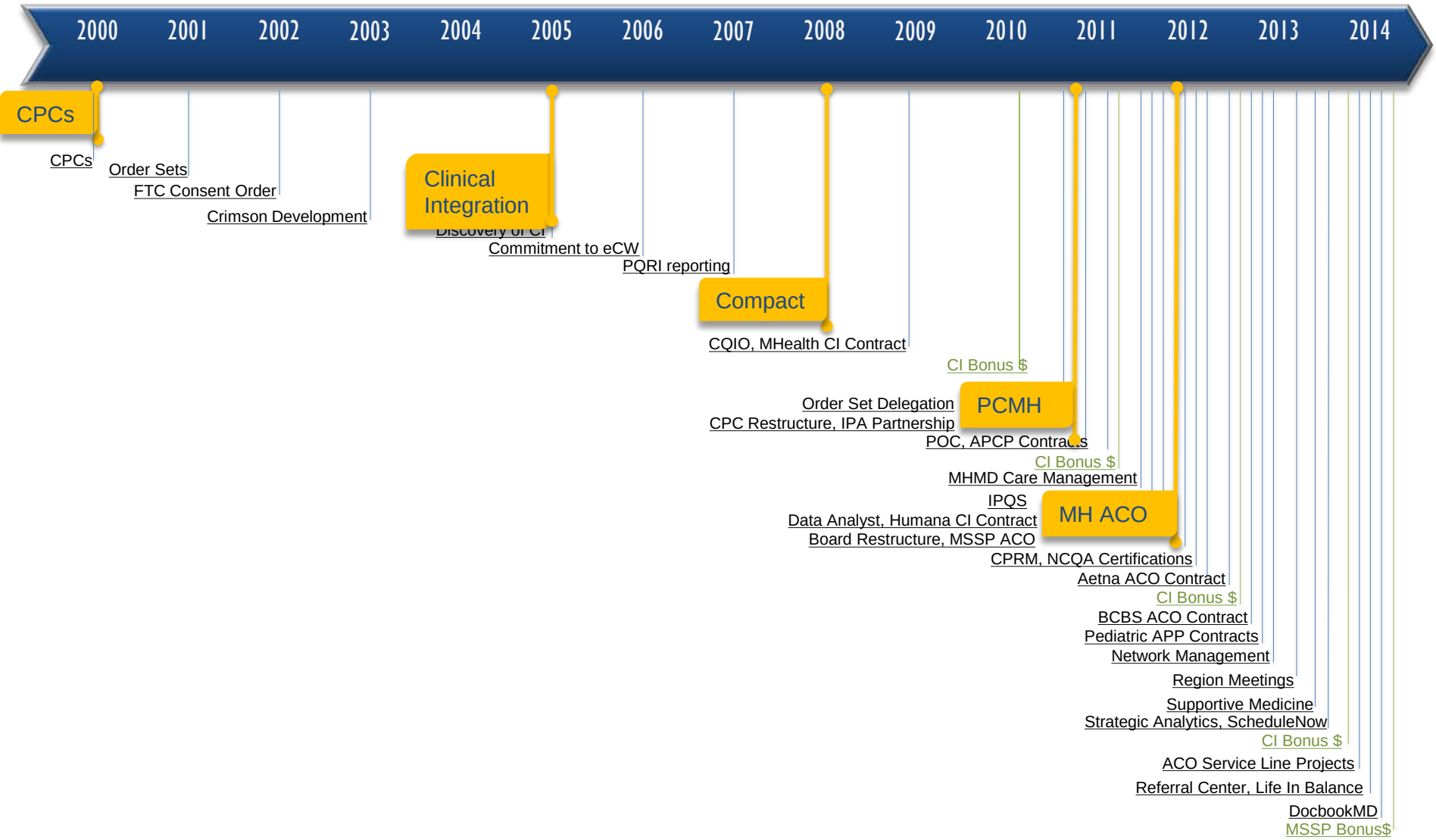
5 Key Strategic Inflection Points

- Clinical Programs Committees (CPCs) (2000)
- Clinical Integration (2005)
- The Physician Compact (2008)
- The Patient-Centered Medical Home (PCMH)(2011)
- The Accountable Care Organization (ACO) and Single Signature (2012)

Organization Timeline



Authority of the CPCs

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Delegation from the health system

- Protocols (creating and measuring EBM practices and order set templates)
- Performance (setting and monitoring progress against established quality standards and protocols)
- Products (drives the standardization of vendors, formularies, supply chain decisions)
- Payment (Pay for performance goals, co-management agreements, ACO project metrics, PCMH elements)
- Projects (ED to ED transfer policy, CT scanning in pediatric head trauma, standardized order sets in Observation units, service line, credentialing and privileging standards)
- Program Rationalization (Consolidation and concentration of clinical service delivery – i.e. open heart and joint programs)

Establishing Infrastructure

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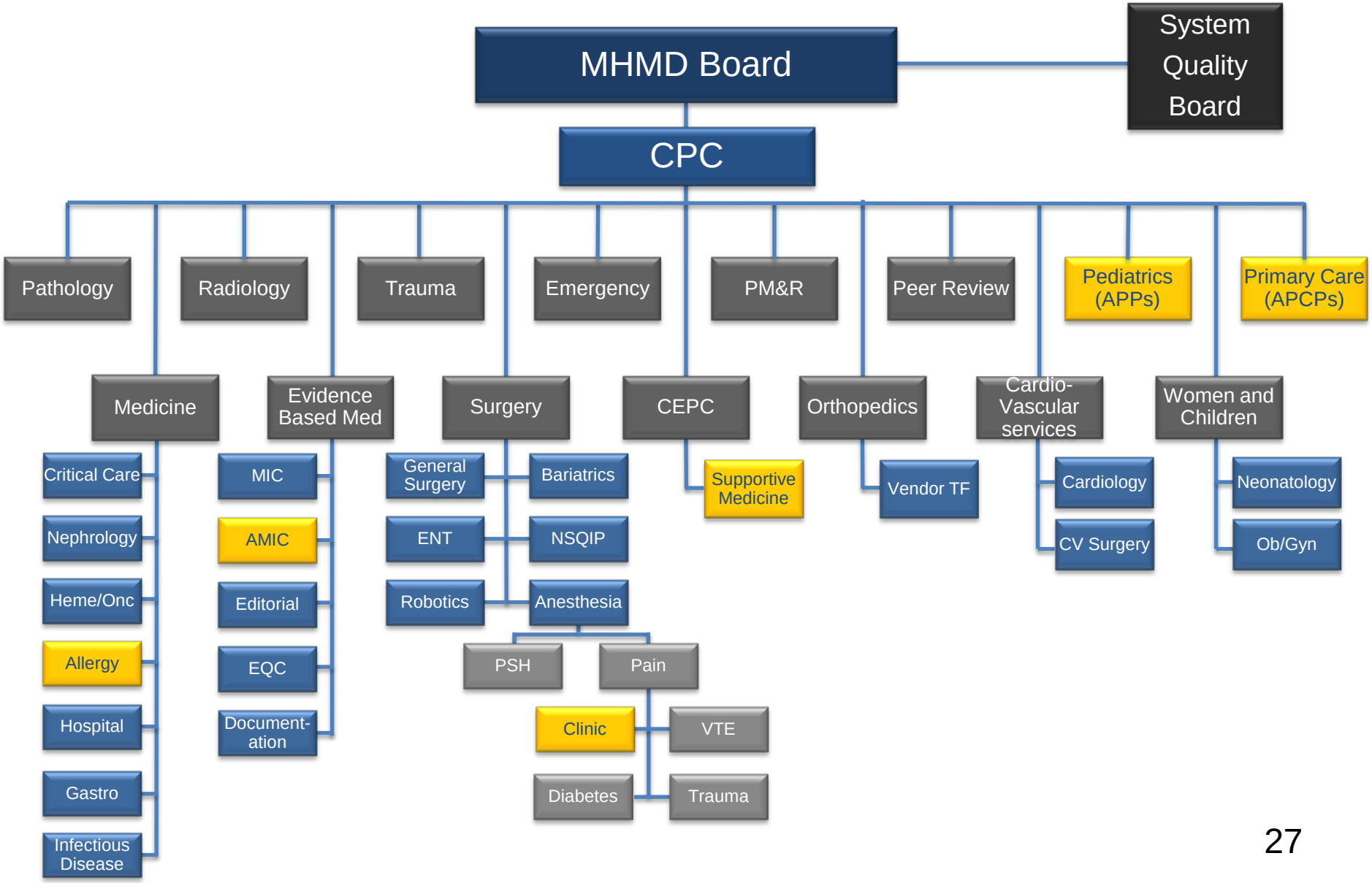
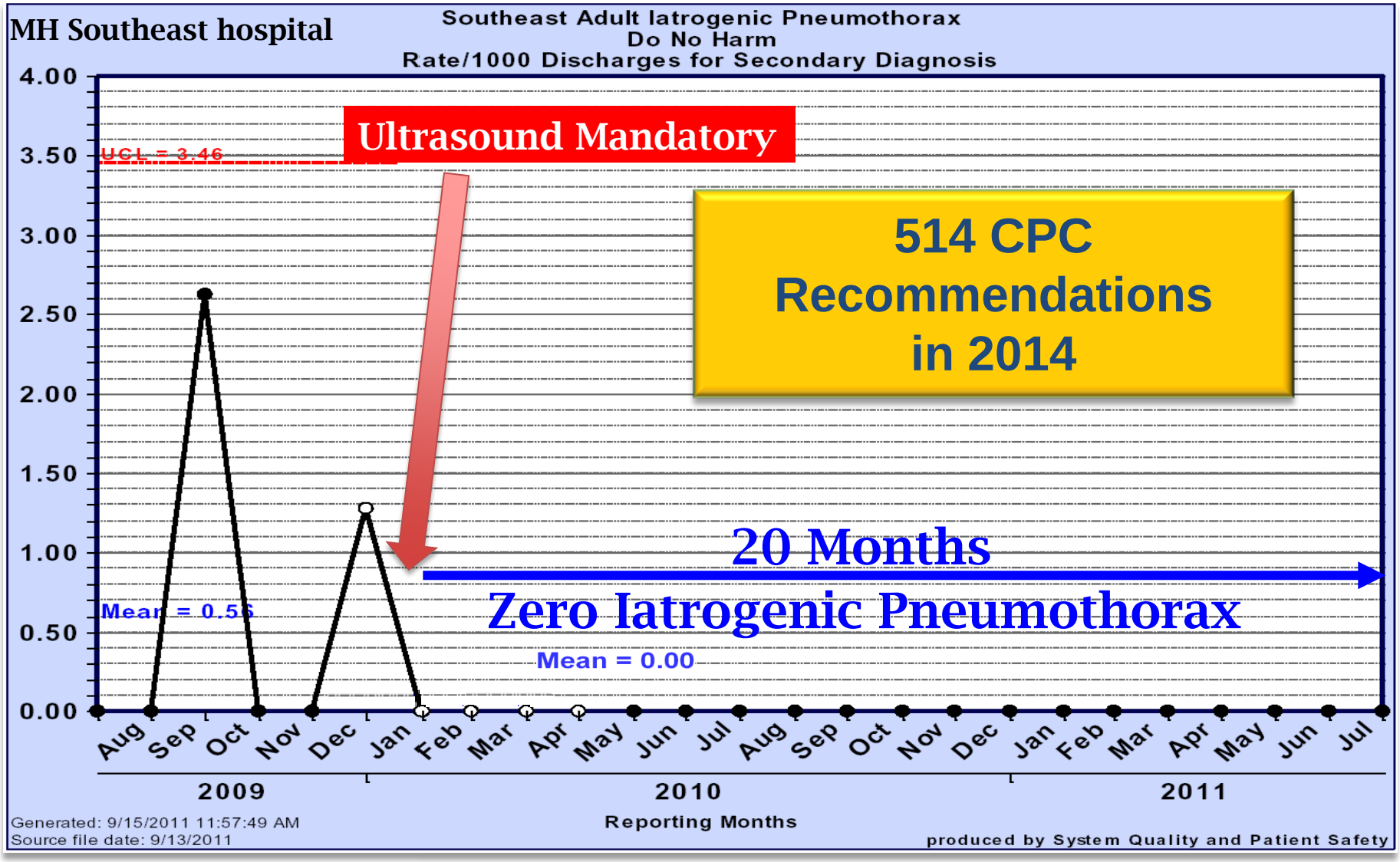


Iatrogenic Pneumothorax



High Reliability 2011-14
Certified Zero Awards

MEMORIAL HERMANN

137

ICU Central Line Associated Bloodstream Infections (13)

Hospital-Wide Central Line Associated Bloodstream Infections (3)

Ventilator Associated Pneumonias (23)

Surgical Site Infections

Retained Foreign Bodies (31)

Iatrogenic Pneumothorax (15)

Accidental Punctures and Lacerations (3)

Pressure Ulcers Stages III & IV (23)

Hospital Associated Injuries (5)

Deep Vein Thrombosis and/or Pulmonary Embolism

Deaths Among Surgical Inpatients with Serious Treatable Complications

Birth Traumas (11)

Serious Safety Events 1&2 (8)

All Serious Safety Events (1)

Early Elective Deliveries (1)

Clinical Integration (2005)

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Participating physicians must participate

- Selecting quality measures
- Reporting performance
- Determining performance targets (setting realistic goals)
- Participate in committee work, performance feedback, and quality improvement activities
- Time, effort and IT infrastructure all required

Those who do not participate even after remediation, must be removed!

The MHMD Compact (2008)

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MHMD agrees to:

- Maintain primary ***loyalty*** to physicians
- Negotiate well to ***align incentives***
- Include physicians in work and decision making
- Provide ***clear and timely information***
  - Membership Criteria, Quality Measure Scoring
  - Accountability / Improvement Process
  - Contract, Financial Performance
- Provide physicians with information, services, and education to ensure high quality and ease practice burdens
- Seek feedback from its physicians
- Maintain confidentiality
- Communicate, communicate, communicate
- Make meetings worthwhile and engaging
- Create leadership training programs

The MHMD Compact

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Physicians agree to:

- Practice evidence-based medicine
- Uphold regulatory, quality, and safety goals
- Report quality data
- Meet CI criteria
- Come to meetings and performance feedback sessions
- Pay attention to information from MHMD
- Accept decisions by physicians in MHMD committee settings
- Be flexible, share ideas
- Collaborate with colleagues and hospitals
- Behave as professionals

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ENGAGEMENT/INITIATIVES

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BUT WHAT WAS MISSING IN THESE EFFORTS?

WHAT ABOUT OUTPATIENT?

The Patient-Centered Medical Home (2011)

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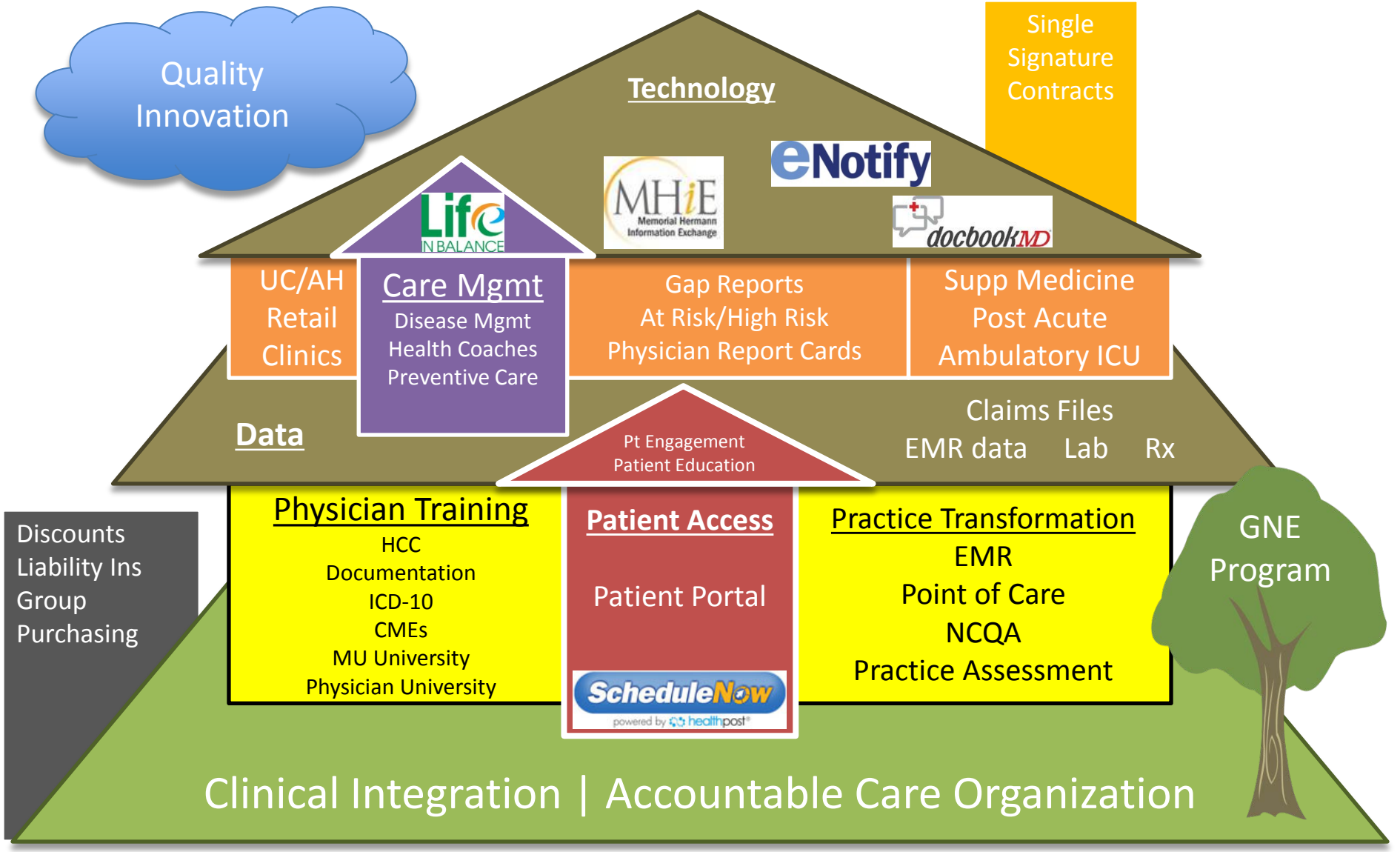

Informed Physician Better Care Great Experience

Primary Care Network
>350 Adult & Pedi Physicians

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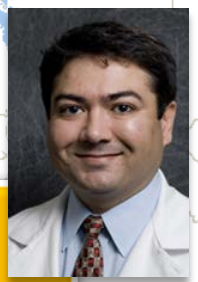
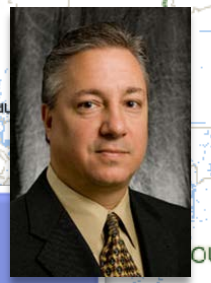
North Region
60 APCPs
Region Leader – Dr. Ken Davis

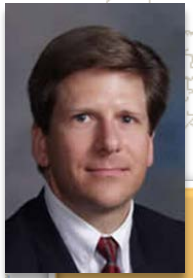


Northeast Region
27 APCPs
Region Leader – Dr. Tejas Mehta

West Region
70 APCPs
Region Leaders – Dr. Ankur Doshi & Dr. David Reininger



Central Region
56 APCPs
Region Leader – Dr. Kevin Giglio



SW Region
76 APCPs
Region Leader – Dr. John Vanderzyl

Southeast Region
48 APCPs
Region Leaders – Dr. Maqsood Javed & Dr. Adnan Rafiq

Putting Inpatient and Outpatient performance together when caring for whole populations…

WHAT DID WE LEARN ABOUT OUR PERFORMANCE AS A COST & QUALITY PROVIDER?

Favorable Performance Metrics

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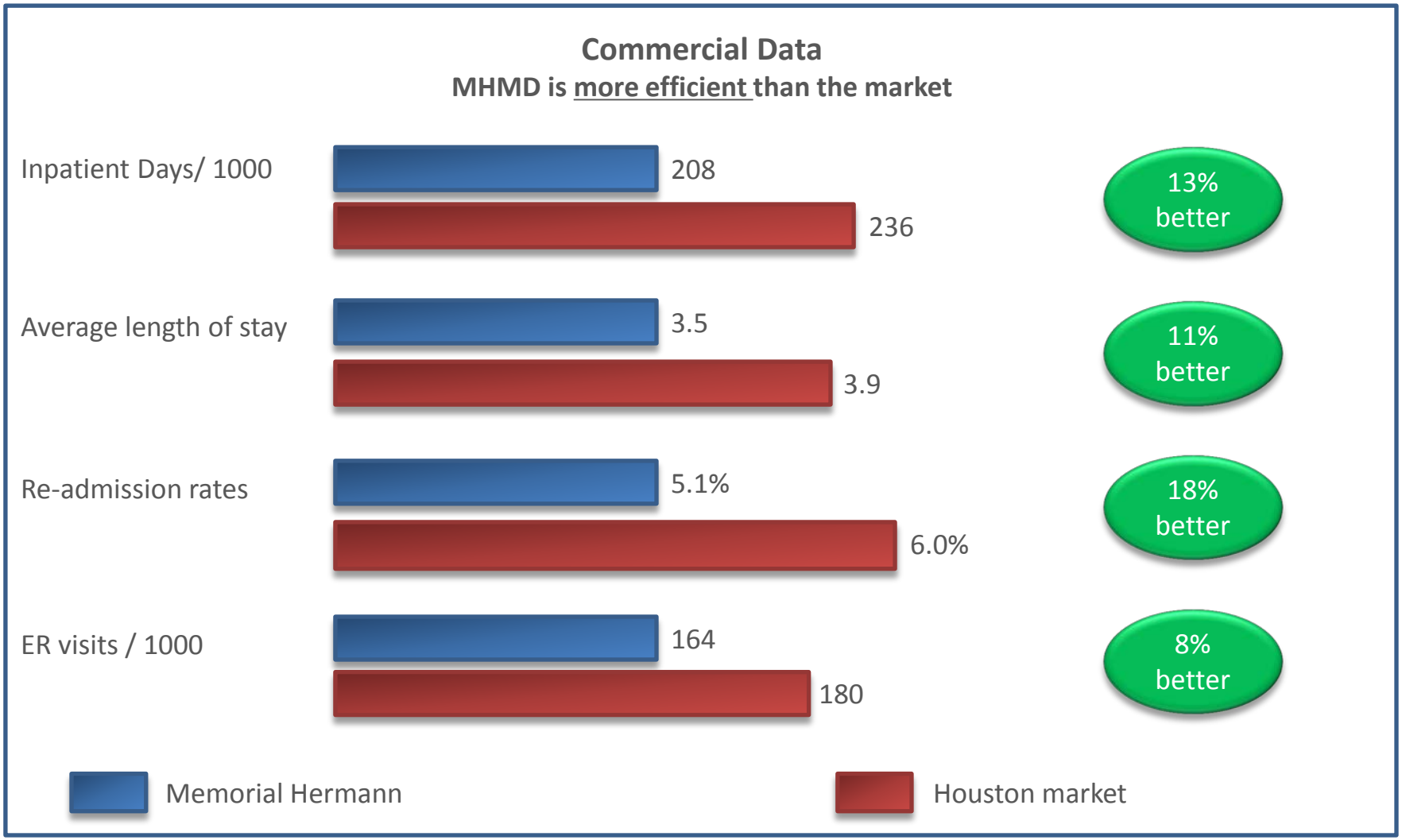

Along Came Health Reform

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by any other Name….

- Accountable Care Organizations
- Affordable Care Act / Obamacare
- Population Health
- Clinical Integration
- Patient Centered Medical Homes
- And the ability to apply to become an Official Medicare Shared Savings Program ACO participant

Memorial Hermann ACO (2012)

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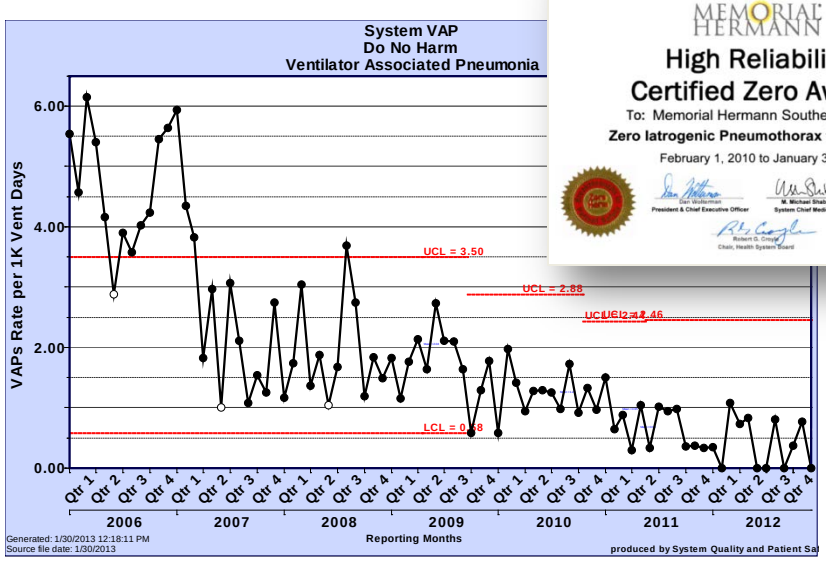
Commercial **Accountable Care Organization** Medicare



What Does an ACO Mean?

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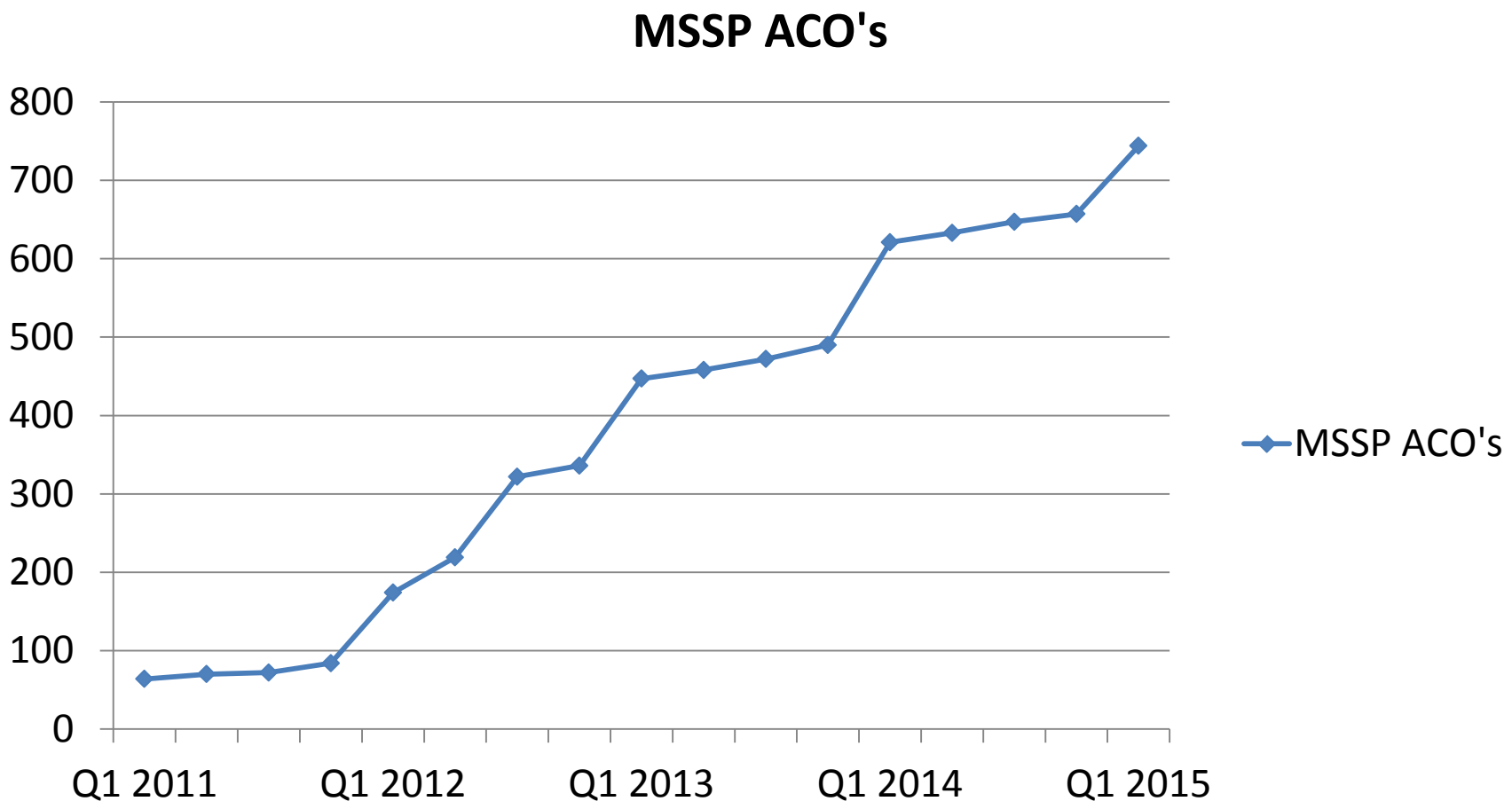
- Allowed for collaborative **aligned incentives** programs between hospital and physicians
- Relaxed **fraud and abuse restrictions**
- Provided for safe harbors
- Provided exclusive **single signature** capabilities

MSSP ACO Growth



MSSP National Coverage

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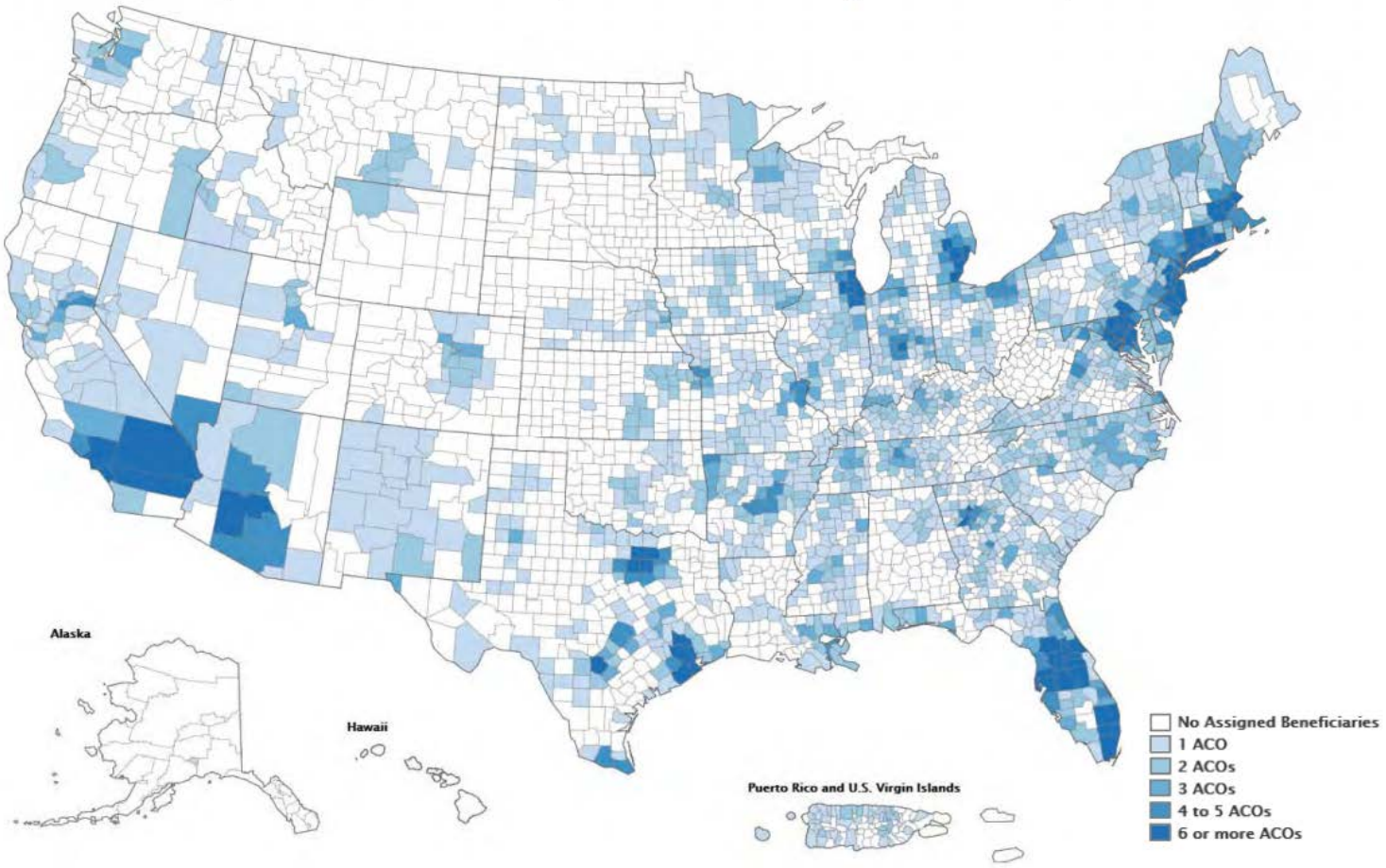
Medicare Shared Savings Program ACO Assigned Beneficiary Population by ACO by County

(counties with more than 1 percent of an ACO's assigned beneficiaries)



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AND THE PAYERS RESPONDED TO OUR MODEL

Covered Lives (2015)

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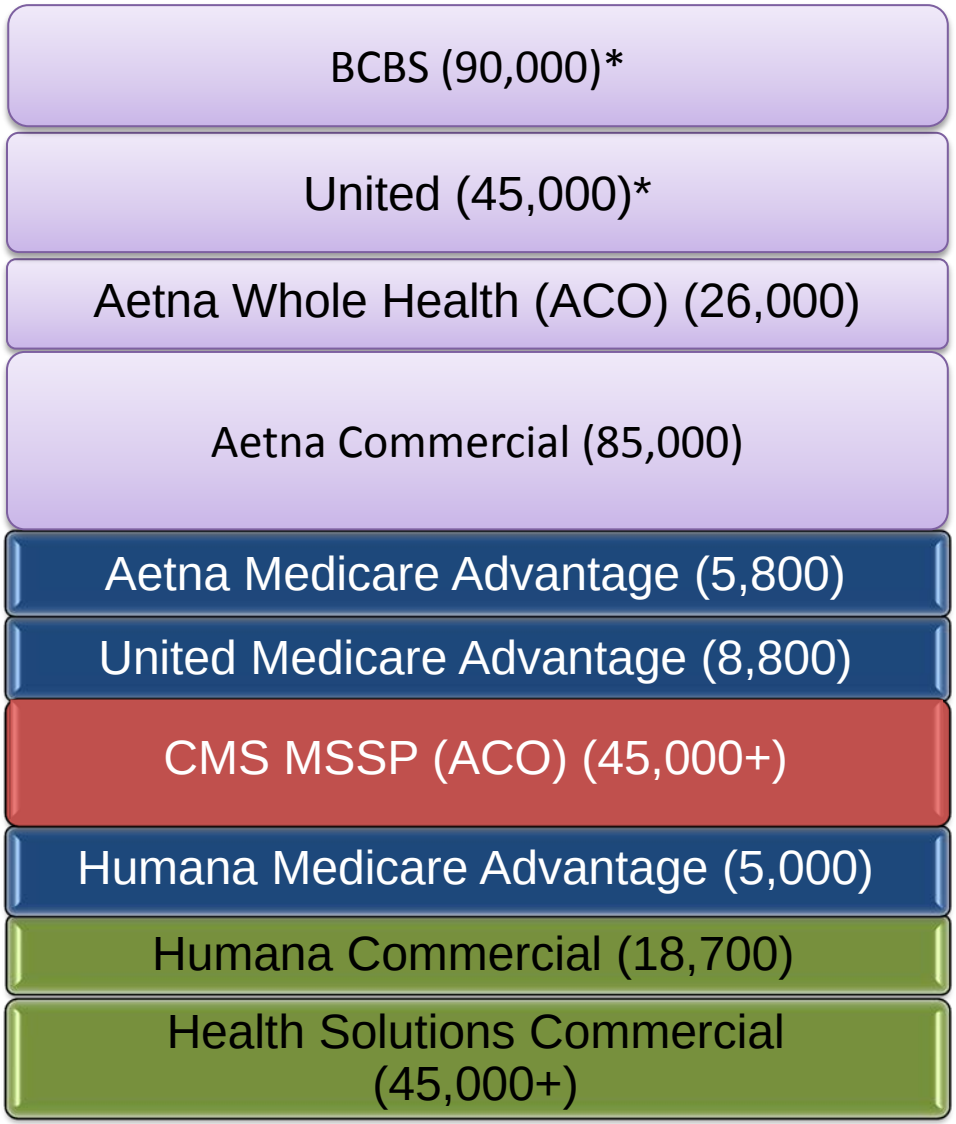
370,000+
Covered Lives



*estimated.

Evolution of Partnerships

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PAYERS

aetna
Humana
MEMORIAL HERMANN Health Solutions
CMS CENTERS FOR MEDICARE & MEDICAID SERVICES
Cigna
UnitedHealthcare

Health Plans

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Physicians

MHHS

Hospitals

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MANAGING DATA / INFRASTRUCTURE

How to Manage Data

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- Managing a population requires:
  - Defining the population
  - Joining data together from different sources (in real-time, ideally)
  - Pushing the information back out to users
  - Changing behaviors based upon the information

We're Not Asking Much…

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Population health platform

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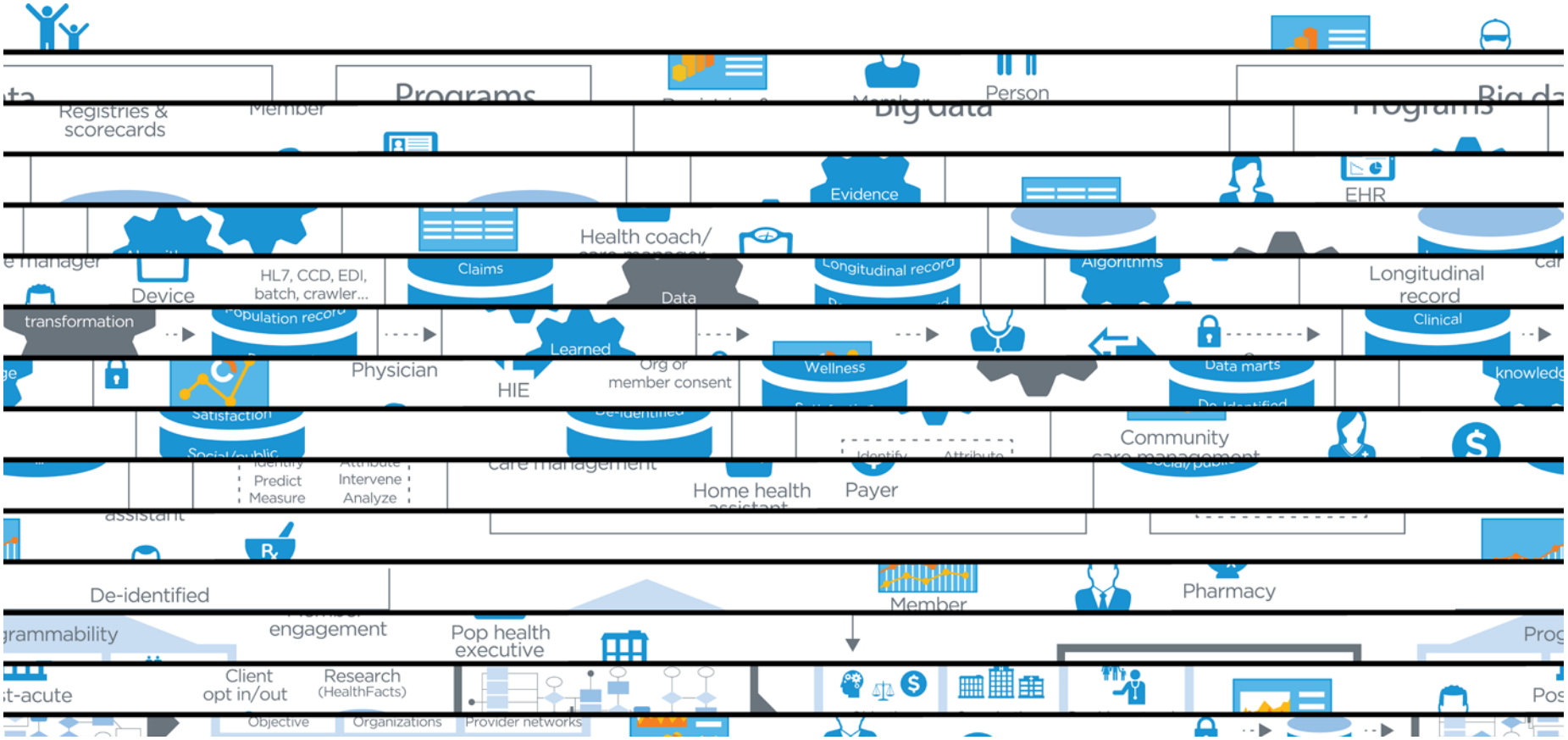

Connecting what matters

Key metrics

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- **Claims analytics**
  - PMPM / cost analysis
  - Risk stratification (MARA)
  - Utilization analysis
  - In Network/out of network analysis
  - Member demographics analysis
  - Generic drug dispense analysis
  - Readmissions claims analytics
- **Quality performance analytics**
- **Value-based payer reporting**
- **Dimensions / Data drill-in**
  - All population, payer/plan, region, practice, provider, CI-APCP, CI-APP & member

Example Metrics

- ✓ Attributed population
- ✓ Member months
- ✓ Risk-adjusted PMPM – Total
- ✓ Risk-adjusted PMPM – Medical
- ✓ Risk-adjusted PMPM – Rx
- ✓ Risk-adjusted PMPM – Inpatient
- ✓ Risk-adjusted PMPM – Outpatient
- ✓ Risk scores – concurrent & prospective
- ✓ PMPM (Real)
- ✓ Generic drug utilization
- ✓ High-cost imaging/1000
- ✓ Admits/1000
- ✓ ED/1000
- ✓ Inpatient days/1000
- ✓ ED unique members/1000
- ✓ # of unique members with admit
- ✓ # of unique members with ED visit
- ✓ OP visit/1000
- ✓ 30-day readmits (no exclusions)
- ✓ ED/IP/OP counts
- ✓ CT scans/MRI counts
- ✓ Registries 230 standard measures

Registries and measures

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COPD Registry:

- Spirometry Evaluation
- Bronchodilator Therapy
- Corticosteroid Therapy
- Influenza Vaccination – Full Season
- Influenza Vaccination – Partial Season
- Pneumonia Vaccination
- Tobacco Use Screening and Cessation
- Semi-Annual Office Visits

Diabetes:

- HbA1C Screening
- HbA1C <8%
- HbA1c >9%
- Lipid Panel
- LDL < 100 mg/dL
- LDL >= 130 mg/dL
- Medical Attention to Nephropathy
- Eye Exam
- Blood Pressure < 140/90mm Hg
- Tobacco Use Screening and Cessation
- Antiplatelet Therapy
- Semi-Annual Office Visits
- Diabetes Tx Mgmt ACE Inhibitor or ARB Therapy

Heart Failure:

- Beta Blocker Therapy
- Beta Blocker Therapy After AMI
- Semi-Annual Office Visits

Hypertension:

- Blood Pressure < 140/90 mm Hg

Ischemic Vascular Disease Coronary Artery Disease:

- Lipid Panel
- LDL < 100 mg/dL
- Lipid-Lowering Therapy
- Antiplatelet Therapy
- ACEi/ARB Therapy

Asthma:

- Medication Management

Adult Wellness:

- Blood Pressure Measurement
- Blood Pressure Re-Screen
- Body Mass index
- Body Index Follow-up Plan
- Breast Cancer Screening
- Cervical Cancer Screening
- Colorectal Cancer Screening
- Depression Screening
- Depression Screening Follow-up Plan
- Influenza Vaccination
- Influenza Vaccination – Partial Season
- Tobacco Use Screening and Cessation
- Osteoporosis Management in Women
- Annual Office Visit

Pediatric:

- Adolescent Depression Screening
- Tobacco Exposure Screening
- Tobacco Use Screening and Cessation
- Immunization Status Age 2
- Annual Office Visit

Senior Wellness:

- Pneumonia Vaccination
- Influenza Vaccination
- Influenza Vaccination Partial Season
- Fall Risk Screening
- Body Mass index
- Body Index Follow-up Plan
- Breast Cancer Screening
- Blood Pressure Measurement
- Blood Pressure Re-Screen
- Depression Screening
- Depression Screening Follow-up Plan
- Colorectal Cancer Screening
- Osteoporosis Management in Women
- Annual Office Visit

Back Pain

- Imaging Studies for Low Back Pain

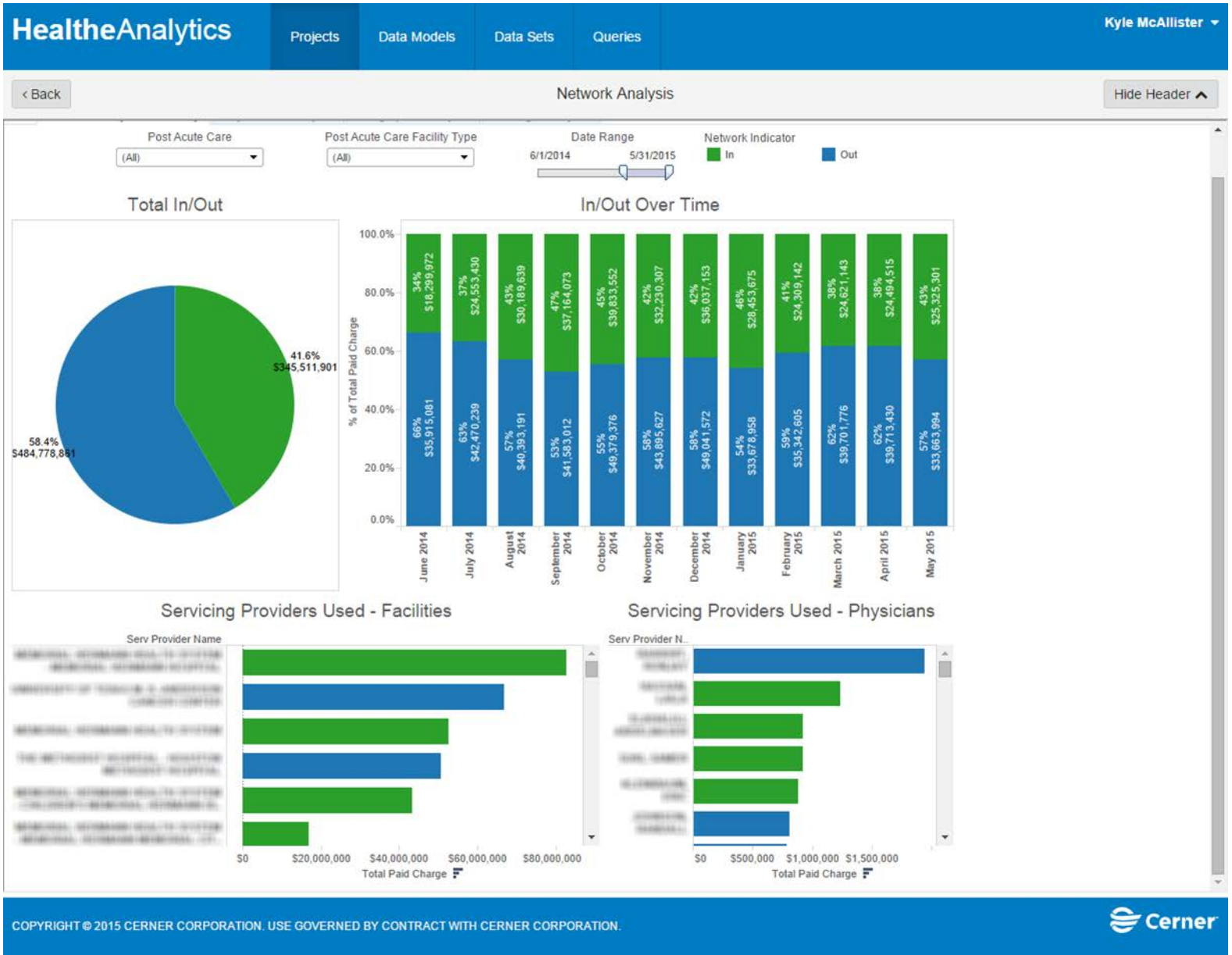
Rheumatoid Arthritis

- Measures: Rheumatoid Arthritis

o Acute Visit (Phase 2 – Not in place yet)

- Avoidance of Antibiotic Treatment in Patients with Acute Bronchitis
- Appropriate Treatment for Children with URI
- Appropriate Testing for Children with Pharyngitis

Network utilization: Total in/out



Contract metric scorecard

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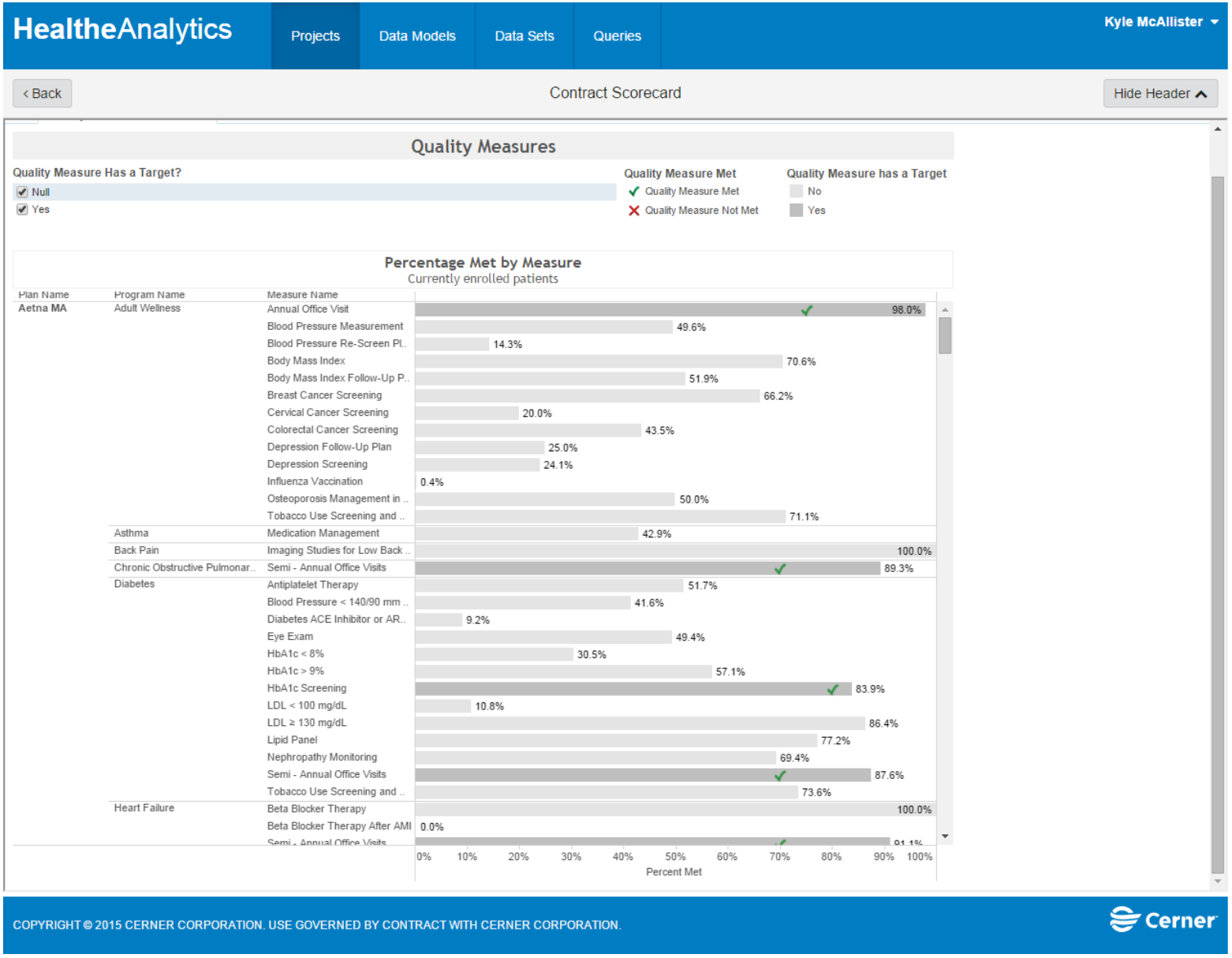

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DID IT WORK?

ARE WE MANAGING COST & IMPROVING QUALITY?

PERFORMANCE

Clinical Economics Improved

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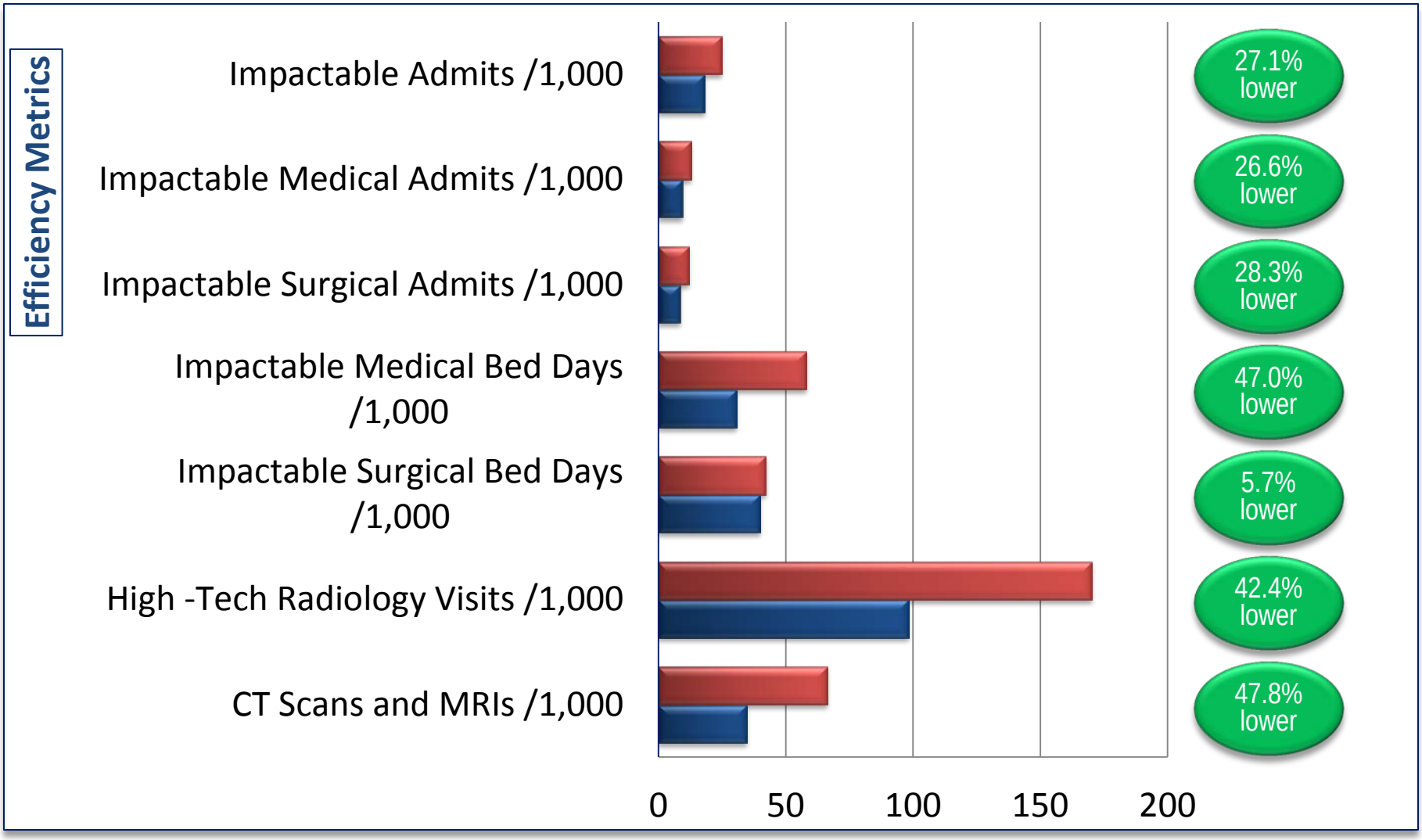

ACO Network, YOY performance

Clinical Quality Improved

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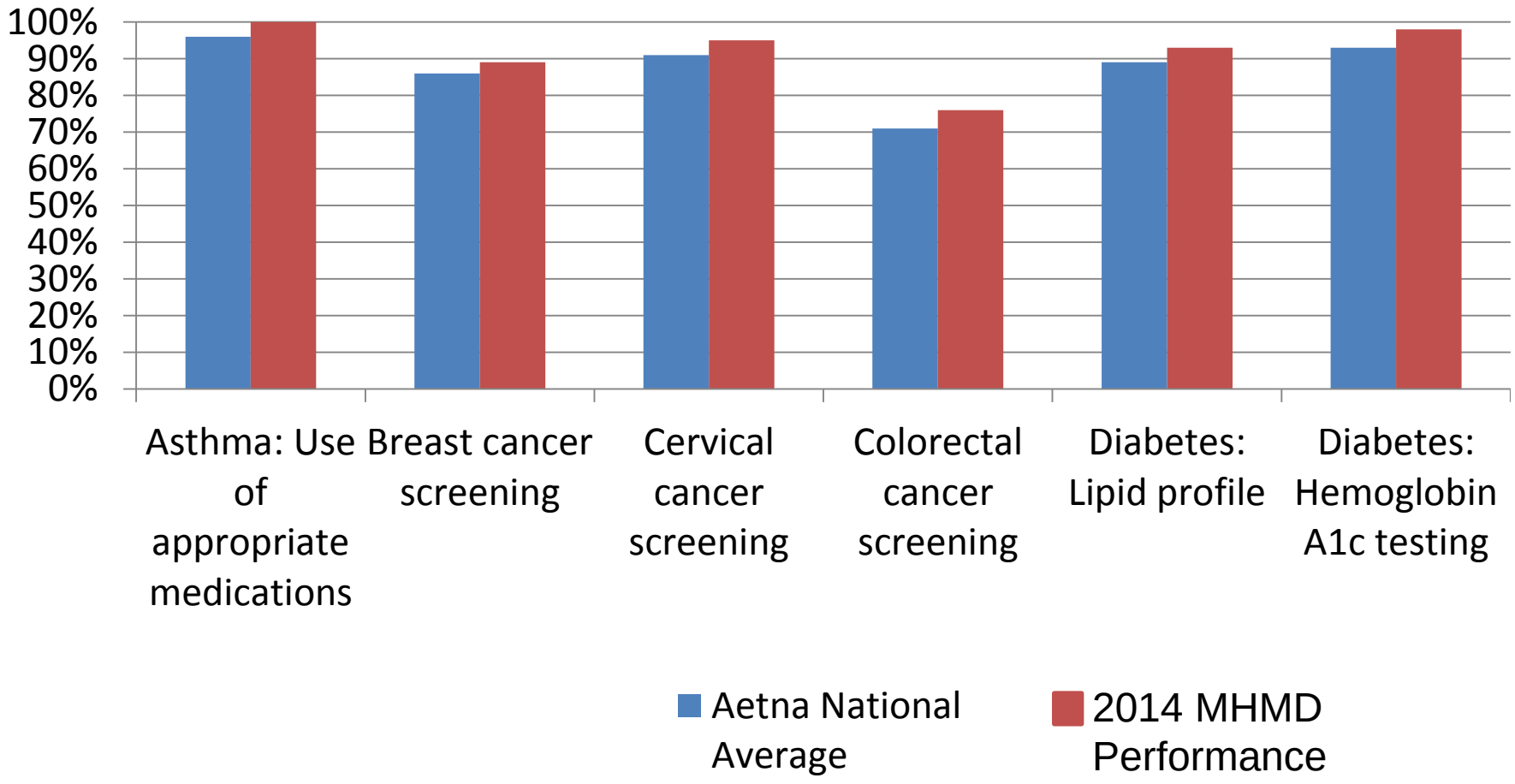

Better Cost and Quality for Employers

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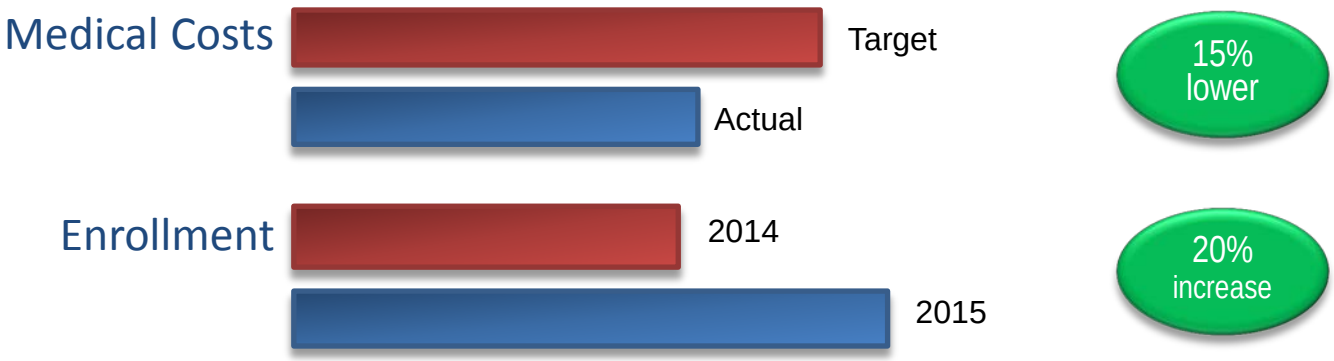
Global Engineering and Construction Co. supporting Energy, O&G industry



Efficiency Results	TARGET	RESULT	DELTA
"Impactable" Medical Admissions/1,000	55.0	16.7	69.6%
Potentially Avoidable ER Visits/1,000	95.4	65.7	31.1%
High Tech Radiology Visits/1,000	170.3	149.0	12.5%
CT Scans and MRIs/1,000	66.3	60.5	8.7%

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BEST IN THE COUNTRY MSSP PERFORMANCE

MSSP Performance Year 1 (18mo)

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MSSP ACO	State	Total Savings	ACO Share
Memorial Hermann Accountable Care Organization	TX	$57.83 M	$28.34 M
Palm Beach Accountable Care Organization, LLC	FL	$39.57 M	$19.34 M
Catholic Medical Partners-Accountable Care IPA, Inc.	NY	$27.92 M	$13.68 M
Southeast Michigan Accountable Care, Inc.	MI	$24.68 M	$12.09 M
RGV ACO Health Providers, LLC	TX	$20.24 M	$11.90 M
ProHEALTH Accountable Care Medical Group, PLLC	NY	$21.91 M	$10.74 M
Triad Healthcare Network, LLC	NC	$21.51 M	$10.54 M
WellStar Health Network, LLC	GA	$19.88 M	$9.74 M
Accountable Care Coalition of Texas, Inc.	TX	$19.10 M	$9.36 M

MSSP Performance Year 2 (12mo)

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MSSP ACO	State	Total Savings	ACO Share
Memorial Hermann Accountable Care Organization	TX	$52.93M	$22.72M
Palm Beach Accountable Care Organization, LLC	FL	$32.17M	$14.46M
Physician Organization of Michigan ACO	MI	$27.07M	$12.08M
Oakwood ACO, LLC	MI	$19.07M	$8.15M
Millennium ACO	FL	$17.49M	$7.98M
ProHEALTH Accountable Care Medical Group, PLLC	NY	$17.15M	$8.02M
Allcare Options, LLC	FL	$16.99M	$6.06M
Qualuable Medical Professionals, LLC	VA, TN	$16.62M	$7.41M
Accountable Care Coalition of Texas, Inc.	TX	$16.04M	$6.34M

Final Thoughts

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- The new method of healthcare involves new partners and new ways to practice.
- Teams will be larger than ever.
- People expect more than ever from us.
- More information than ever.
- There has never been a better time to work together - differently.

QUESTIONS