

2013: The Year of the ACO

(Franciscan Northwest Physicians Health Network, LLC)

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Institute of Medicine
Value Incentives Learning Collaborative
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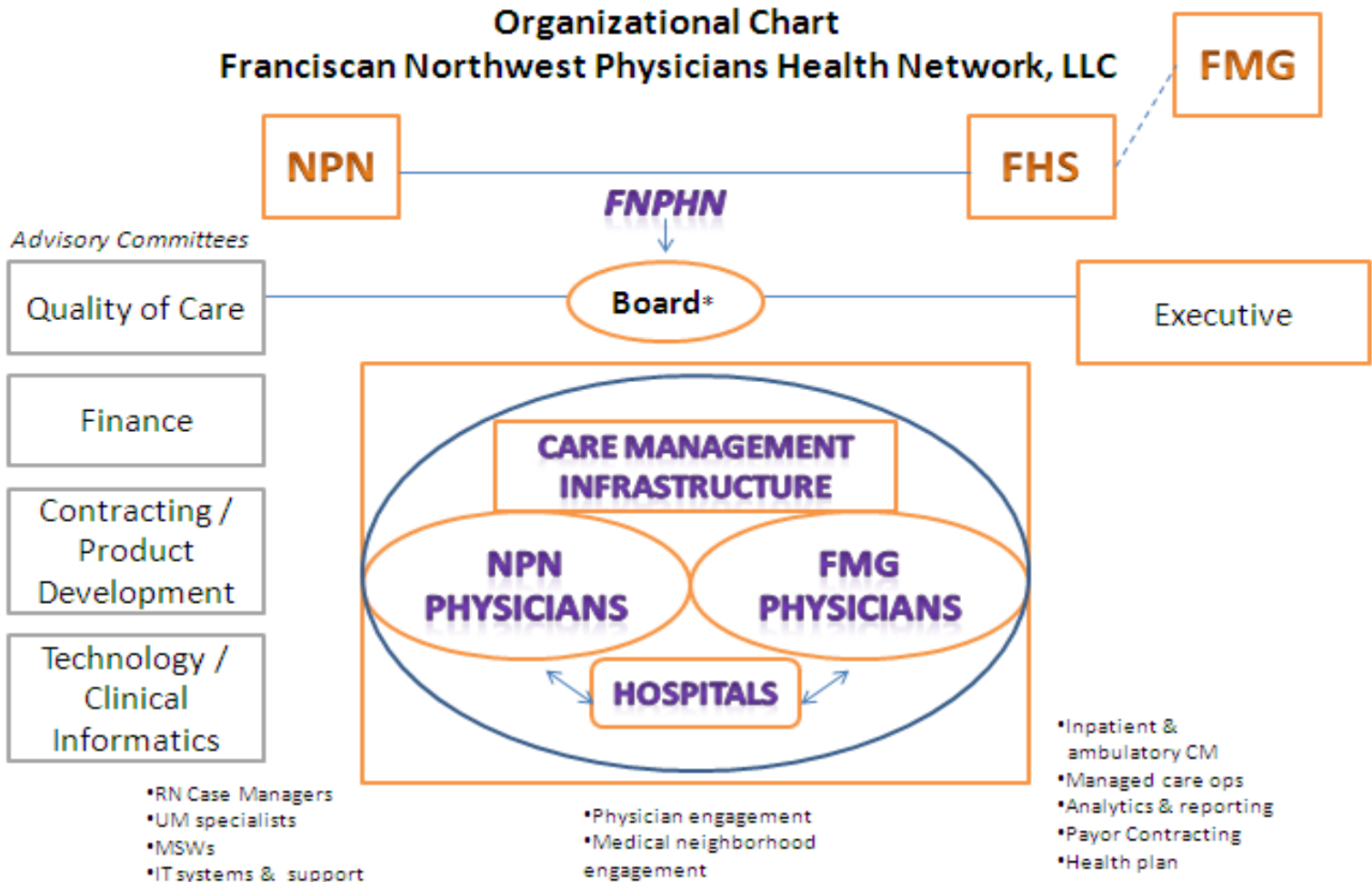
Northwest Physicians Network

- An independent physicians association founded in 1995 to manage full-risk contracts in the South Puget Sound region
- Diverse membership (as of Sep 2013):
 - 502 healthcare professionals/412 physicians/200 clinic locations
 - 51 different specialties/181 PCPs
 - Majority of practices with fewer than 8 physicians
 - EHR adoption: 85% (and growing) involving 48 EHR platforms
 - 200 facility & ancillary service contracts
- Since 2007, NPN has been building an infrastructure to enable it to conform to the emerging requirements of accountable care systems.
- Strategic goal: to achieve recognition in our highly-competitive market place as a ***clinically-integrated, multi-specialty provider community*** encompassing all patients & payors

d/b/a Rainier Health Network

- Physician-led ACO
- Jointly owned by NPN and Franciscan Health System
- Over 800 physicians from both NPN and Franciscan Medical Group
- CMS approved for Medicare Shared Savings Program (MSSP) 1/1/13
- Responsible for 28,000+ FFS Medicare patients
- Second CMS-designated ACO in Washington State

Rainier Health Network Governance Model



*Board composed of 11 members: 5 members each from FHS and NPN, with 1 Medicare beneficiary

ACO Board Committees

Committees	Chairs
Executive Committee	Steve Spare, MD
Quality of Care Committee	Francis Mercado, MD - FMG Scott Kronlund, MD – NPN
Finance Committee	Mike Fitzgerald – FMG
Contracting and Product Development	Pat Briggs – NPN Steve Schramm – FMG
Technology/Clinical Informatics	Rick MacCornack, PhD - NPN Dean Field, MD – FMG

Quality Committee Initial “Agenda”

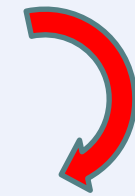
- Implement a comprehensive Care Management System across all service providers:
 - Centralized Complex Care Management
 - Clinic-based Routine Care Management
 - Clinic-based Care Coordination & Referral Management
- Implement the “Continuing Care Network” of post-acute providers
- Expand Disease Management support for patients with HF and/or DM
- Expand End-of-Life Care support & engagement
- Implement select Choosing Wisely® recommendations
- Prepare for quality reporting
 - Medical record “readiness” assessment
 - “Care gap” management

The “Shoe Leather” Approach

- Would you not be surprised if your patient were hospitalized or even died within the next 12 months?
- Would you not be surprised if your patient’s health status deteriorated appreciably in the next 12 months?
- Which of your patients have one or more of the following diagnoses and is a challenge to keep stable:
 - **CHF? CVA/CVD? COPD/Asthma? Cancer?**
 - **Progressive Neurologic Disease? Diabetes?**
- Is living with a chronic mental illness or other psychological condition for which you are not sure whether they are receiving adequate treatment?
- Has experienced multiple admissions or ED visits in the past 12 months?
- Has little or no social support and frequently calls your office for assistance?
- Is often confused about her/his multiple medications?

Patient Risk Stratification

Risk Score	# Beneficiaries	% Beneficiaries	Total Spend
0.29	18,514	99.4%	\$167,045,172
0.45	17,583	94.4%	\$164,824,824
0.48	17,553	94.2%	\$164,733,438
0.54	13,666	73.4%	\$154,984,948
0.73	9,239	49.6%	\$140,461,371
1.13	4,656	25.0%	\$115,038,197
2.04	1,863	10.0%	\$79,258,335
2.96	932	5.0%	\$52,467,046
4.88	187	1.0%	\$16,819,033
	18,630	100.0%	\$167,263,920



5% of the patients = 31% of the total cost

Rates per 1,000 Beneficiaries by Disease Group

CMS-HCC Label	# Beneficiaries	Total
Congestive Heart Failure	1,698	\$51,925,620
Specified Heart Arrhythmias	2,038	\$47,901,052
Renal Failure	1,953	\$47,766,542
Chronic Obstructive Pulmonary Disease	1,549	\$41,274,206
Diabetes without Complication	3,370	\$41,141,594
Cardio-Respiratory Failure and Shock	540	\$28,087,779
Vascular Disease	901	\$25,957,884
NO_HCCn	9,152	\$23,874,268
Major Complications of Medical Care and Trauma	439	\$23,425,019
Polyneuropathy	545	\$17,990,860
Septicemia/Shock	272	\$16,171,633
Angina Pectoris/Old Myocardial Infarction	540	\$15,080,756
Breast, Prostate, Colorectal and Other Cancers and Tumors	928	\$14,141,389
Dialysis Status	175	\$12,921,606
Rheumatoid Arthritis and Inflammatory Connective Tissue Disease	608	\$12,128,506
Protein-Calorie Malnutrition	152	\$10,901,952
Diabetes with Renal or Peripheral Circulatory Manifestation	318	\$10,266,870
Vascular Disease with Complications	289	\$10,103,999
Diabetes with Neurologic or Other Specified Manifestation	356	\$9,925,847
Decubitus Ulcer of Skin	172	\$9,836,117

Source: June 2012- May 2013
CMS Claims Data

2013 Progress-to-Date

- 2013 Operating Plan: completed 26/41 objectives; 12 well underway; 3 not yet started
- Began receiving claims level detail from CMS in June
- Continue to contact top 5% most costly patients to screen for enrollment in complex case management; moving on to top 10%
- Launch post-acute network in December
- Begin end-of-life care planning process in November
- Continue to roll-out Choosing Wisely®
- Continue Disease Management planning for patients with HF and DM
- Prepare for Quality Metrics reporting in February 2014

Commercial Shared Savings – NPN only

WA Blue Cross 4,500 attributed lives May 1st renewal

- Member data received monthly, care management focus

WA Blue Shield 18,000 attributed lives July 1st start

- Initial member data received; care management focus

Cigna 3,900 attributed lives April 1st start

- Member data received monthly; care management focus

Aetna 7,000 attributed lives July 1st start

- Initial member data received; care management focus

The Challenges of Shared Savings

- The “revolving door” of attribution
- Data lag, transfer, and utility for taking action – clinical and financial
- Scaling of Care Management support
- Limited patient engagement
- Quality metrics management - the “swarm of locusts”

Adaptation: Getting to “We”

- Deconstructing competing business models
 - Misaligned financial incentives
 - Role of physicians
 - Physician expectations
 - Marketshare as community
- Focusing on orientation to the healthcare “ecosystem”
- Distinguishing among decision-making processes
 - Clinical vs. administrative
 - Individual vs. organizational
- Creating referral “fairness”
- The “gravitational pull” of the status quo
 - Organization by “silos”
 - “Redundant redundancies”
 - One way communication vs. information sharing – “But I sent you the fax....”
 - Personal vs. system accountability – “It’s the best I can do with what I’ve got to work with....” (Subtitle: “Good luck to the next guy!”)

Adaptive Lessons

- Culture of medical care delivery is everything
- Need to adopt a managed care “mindset”
 - Providers
 - Patients
 - Payors
- Access to meaningful data is essential; but in the absence of this, being directionally correct may be as good as it gets for now
- There are natural limits to Care Management in terms of “bang for the buck”; we need to understand the limits better from an ROI perspective
- We measure a lot; but how much adds value?
- Shared savings is, at best, an interim step to drive systems development and clinical integration
- This work is a marathon, not a sprint