GREATER HOUSTON HEALTHCARE ALLIANCE – FALL HAPPY HOUR CONFERENCE

Innovative Physician Organization Models

Roundtable Leader: Dr. Dianne Love

Moderator: Trina Fowlkes

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The Future is Now
Innovative Physician Organization Models

Dr. Dianne Love, PhD

DR. DIANNE LOVE - HEALTHCARE PAYMENT SYSTEM

- Moving away from Fee For Service
- Moving to Value Based Purchasing

DR. DIANNE LOVE - 2014 PHYSICIAN ALIGNMENT SURVEY

- HealthLeaders Media Council
- Conducted in June 2014
- 311 Completed Surveys
- National Survey

Physician Alignment Models in Use

– Employment	77%
– Clinical Integration	67%
– PCMH	54%
– Risk Sharing Arrangement	37%
– Shared Savings Contracts	31%
– Bundled Payments	29%
– CoManagement	25%

Which Alignments Models are likely to begin in the next 3 years?

– Risk-sharing Agreements	32%
– Bundled Payments	31%
– Shared Savings Contracts	26%
– CoManagement Agreements	22%
– Clinical Integration	15%
– PCMH	14%

Which Models are you moving forward with Primary Care Physicians?

– Clinical Integration	55%
– PCMH	45%
– ACOs	36%
– Employment	35%
– Shared Savings	30%
– Bundled Payments	26%
– CoManagement	22%

Which Models Are You Moving Forward With Specialists?

– Clinical Integration	49%
– Bundled Payments	33%
– ACOs	30%
– Employment	30%
– Shared Savings	28%
– CoManagement	27%

DR. DIANNE LOVE - BUNDLED PAYMENT

- CardioVascular Care Providers CVCP
  - — Cardiovascular Procedures
  - — Orthopedic Procedures
- Shared Risk
  - — Medicare Advantage
  - — CIGNA – City of Houston
- Aetna – Memorial Hermann
- Narrow Network
- Medical Tourism

DR. DIANNE LOVE – MEDICAL TOURISM

- Walmart
  - —Scott and White - Heart
- Boeing
  - —Cleveland Clinic - Heart
- PepsiCo
  - —Johns Hopkins - Heart and Joint
- Lowe's
  - —Cleveland Clinic - Pain, Spine, and Heart

Clinical Integration!

DR. DIANNE LOVE – CLINICAL INTEGRATION IS…

- A collaboration between physicians and the hospital to manage patient care and improve quality
- Managing a common set of care guidelines
- Promoting efficiency through care coordination
- Identifying and managing gaps in care
- A platform for improving physician contracting

DR. DIANNE LOVE - CLINICAL INTEGRATION IS NOT….

- Employed Physicians
- A group of physicians and hospitals using EMRs
- A program operating by a few leaders with minimal physician input
- A gimmick to bypass anti-trust law

DR. DIANNE LOVE – CLINICALLY INTEGRATED ORGANIZATIONS

- ACOs - Accountable Care Organizations
  - — Medicare
  - — Commercial
- PHOs – Physician Hospital Organization
- IPAs – Independent Physician Association

- Medicare ACOs
  - Shared Savings Programs
  - Advanced Payment ACOs
  - Pioneer ACO Models
- Commercial ACOs
  - Memorial Hermann Aetna

DR. DIANNE LOVE – IPA/PHOS

- Commercial/Self Insured Employers
- Generally formed around a hospital and its medical staff
- Vehicle for bundled pricing and shared savings contracting
- Has a legal structure separate from the hospital
- Uses evidence-based protocols

DR. DIANNE LOVE – IPA/PHO SERVICES

- Managed Care Contracting
  - Fee for Service
  - Bundled Pricing
  - Shared Risk
- Group Purchasing
  - Medical and Office Supplies
  - Health and Malpractice Insurance
  - Equipment

DR. DIANNE LOVE – OTHER MODELS

- Group Practice Without Walls
- Group Practice
- MSO

Requires:

- Physician Participation
- Physician Leadership
- Commitment to Quality
- Robust Data Support System

Clinical Integration & Antitrust

Stuart Miller
Baker Donelson

STUART MILLER – CLINICAL INTEGRATION

- On February 13, 2013, the FTC released an advisory opinion approving Norman PHO's proposed "clinically integrated" network after a review process that took roughly a year and nine months
- Norman PHO includes 280 physicians representing roughly 38 specialties and Norman Regional Health System's facilities, including four hospitals.
- Historically, it had a "messenger model" program for contracting between its participating providers and third party payors.

STUART MILLER – CLINICAL INTEGRATION

- Electronic Medical Record System and Electronic Interface
- Physician Committees
  - — Quality Assurance Committee
  - — Mentor's Committee
  - — Specialty Advisory Groups

- Clinical Practice Guidelines
- Required Physician Involvement
- Non-Exclusivity
- Limiting Anti-Competitive “Spillover” Effects

- The network must operate as proposed because the FTC will continually monitor.
- Continuing antitrust counseling and training should be provided to the network's providers and administrators.

Does not require a PHO – could be done with an IPA.

STUART MILLER – THE FTC "DUE DILIGENCE" LIST

- What do the physicians plan to do together from a clinical standpoint?
- How do the physicians expect to accomplish these goals?
- What basis is there to think that the individual physicians will actually attempt to accomplish these goals?

STUART MILLER – THE FTC "DUE DILIGENCE" LIST

- What results can reasonably be expected from undertaking these goals?
- How does joint contracting with payors contribute to accomplishing the program's clinical goals?

STUART MILLER – THE FTC "DUE DILIGENCE" LIST

- To accomplish the group's goals, is it necessary (or desirable) for physicians to affiliate exclusively with one IPA or can they effectively participate in multiple entities and continue to contract outside the group?
- If rank-and-file docs were deposed, would they be able to describe the things your organization does to improve patient care?
- http://www/usdoj.gov/atr/public/healthcare/204694/chapter2.htm#4b3

Group Practice Without Walls

Dorma L. Kohler, MBA, CMPE
AlteraMed Group, LLC

DORMA KOHLER – DEFINITION OF A GPWW

Definition:

1. Practices that come together under a single legal entity
2. Goal to save costs and improved profitability
3. Retain autonomy

DORMA KOHLER - FEATURES OF A GPWW

1. Bill under the same tax id
2. Staff become employees of the centralized management
3. Physicians may own the management or it can be contracted to a third party firm
4. Benefits become standardized
5. Share the same EHR
6. Do not have to move under the same roof

DORMA KOHLER - BENEFITS OF A GPWW

- Can act on behalf of members without fear of violating antitrust, safe harbor
- Shared marketing efforts
- Improved advantage to contract with vendors
- Economies of scale cost savings
- Stronger ability to share risk on managed care
- Collective negotiating leverage
- Efficiencies and sophistication of centralized billing and administration
- Can recruit other practices or new physicians to the group

DORMA KOHLER - BENEFITS OF A GPWW

- Improved clinical care through shared standards of care and communication among members
- Centralized HR management
- Allows physician to focus on their practice of medicine
- Physicians control individual finances
- Shared collegiality and professional support from other physicians with same values and goals
- Provide an option for practices that are struggling financially and operationally

DORMA KOHLER – RISKS INHERIT IN A GPWW

- Conflicts in practice ethics
- Internal competition for patients
- Failure to institute proper governance
- Poor oversight of centralized operations
- Risk management and quality assurance not implemented properly

DORMA KOHLER - WHERE TO START WITH A GPWW

- Identify “like-minded” physicians with similar medical care standards
- Identify management structure
  - Contract a Management Service Organization (MSO), or
  - Hire Experienced Internal Management
- Engage an attorney and consultant with experience build the new structure

Systems & Clinical Integration

Wes Spears
The Weston Group

WES SPEARS - THE ROLE OF INFORMATION TECHNOLOGY

- IT should **follow** the business model
  - Metrics are different
    - Consider Fee for Service - # Patients
    - Shared Risk – Patient Health
  - Helps with provider integration testing as it relates to the FTC

WES SPEARS - INTEGRATION CONCERNS

- Integration
  - Operation Clinical Data
    - Assessment and Plans
    - Op Notes
    - Etc.

OR

  - "Big Data"
    - Community Health Characteristics
    - Sickest Patients

WES SPEARS - INTEGRATION WARNING

- Beware of integration promises
  - Vendor offerings are immature
  - Rolling your own is costly and has maintenance headaches

WES SPEARS - OPTIONS FOR INTEGRATION

- Data Integration
  - Same system
    - Easiest way to make a lot of physicians angry
    - Catalyst to change??
  - Integrate systems
    - Very costly
- No easy solution, ensure your entity's ROI supports the prices to be paid

WES SPEARS - WHERE CAN IT HELP?

- Design
  - Mechanisms to improve health and automate
  - Mechanisms to improve process and automate
- Helps with provider integration testing as it relates to the FTC

WES SPEARS - WHAT MUST YOU DO FOR SUCCESS

- Find an IT Architect
  - Someone who understands the business
  - Someone who understands IT
  - Must have the concept of what is being done

Medical Home, Telemedicine and Patient Engagement Services

Dr. Kim Dunn, MD
Your Doctor Program

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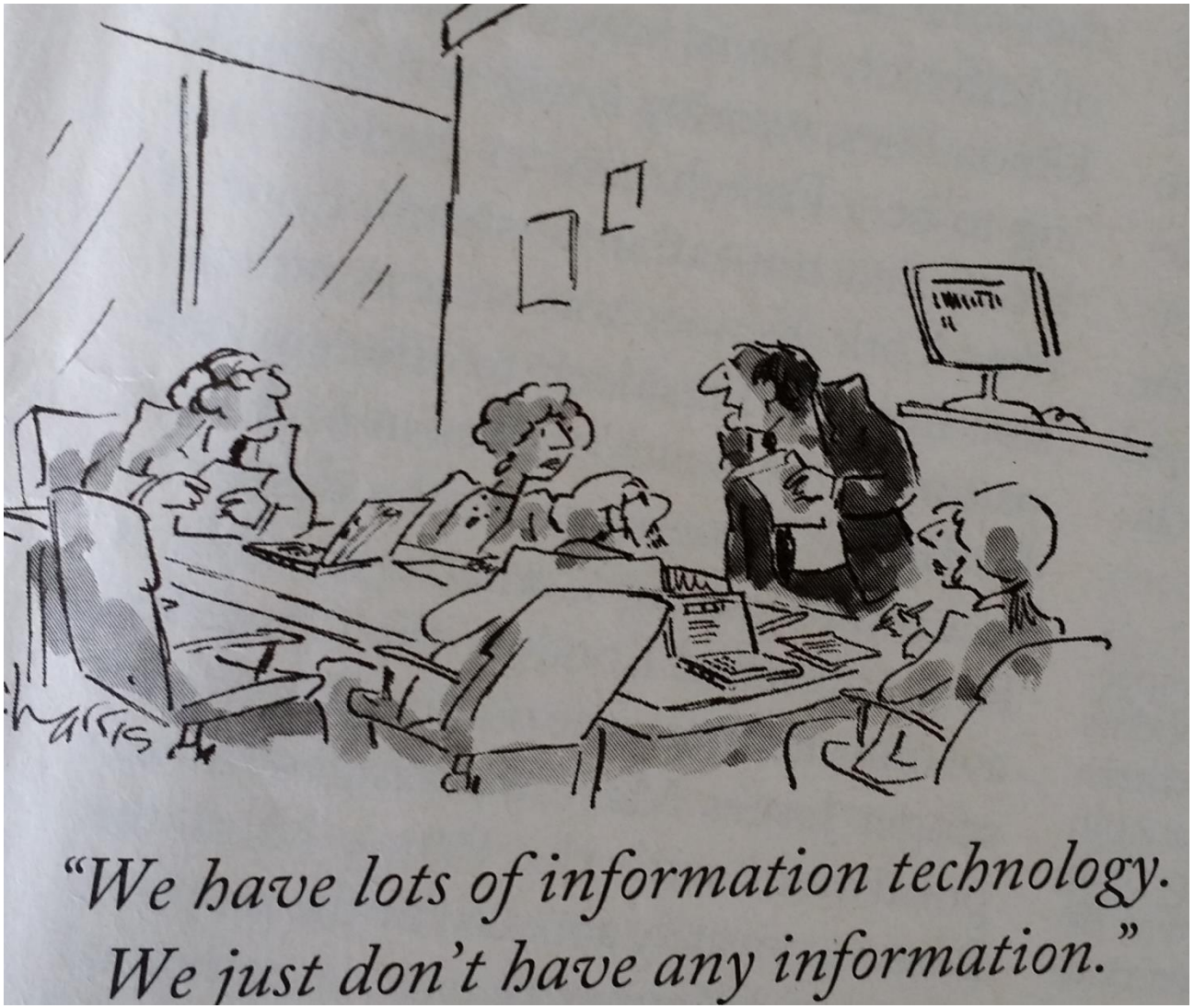
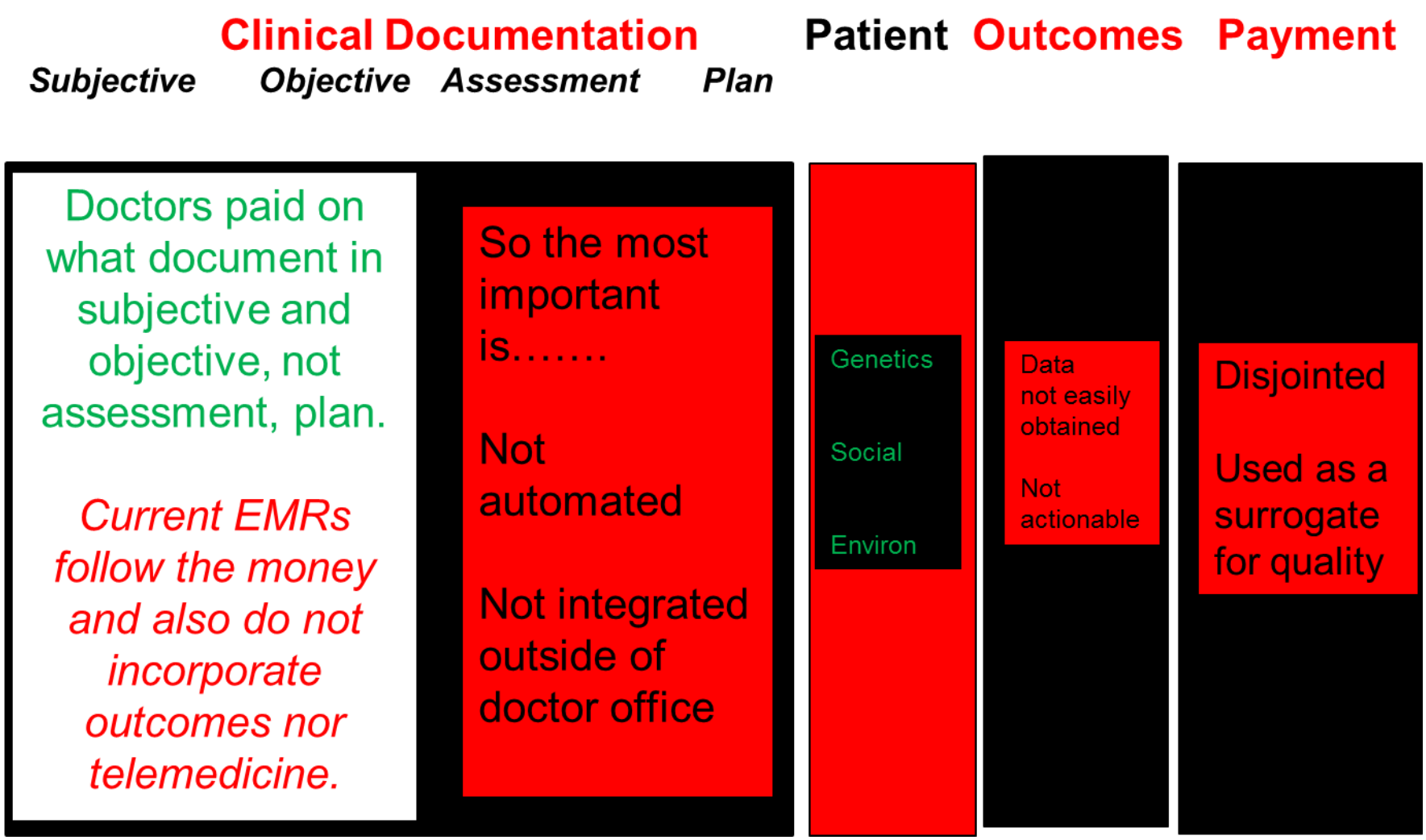

"We have lots of information technology.
We just don't have any information."

KIM DUNN, MD - CURRENT MODEL OF INFORMATION MANAGEMENT



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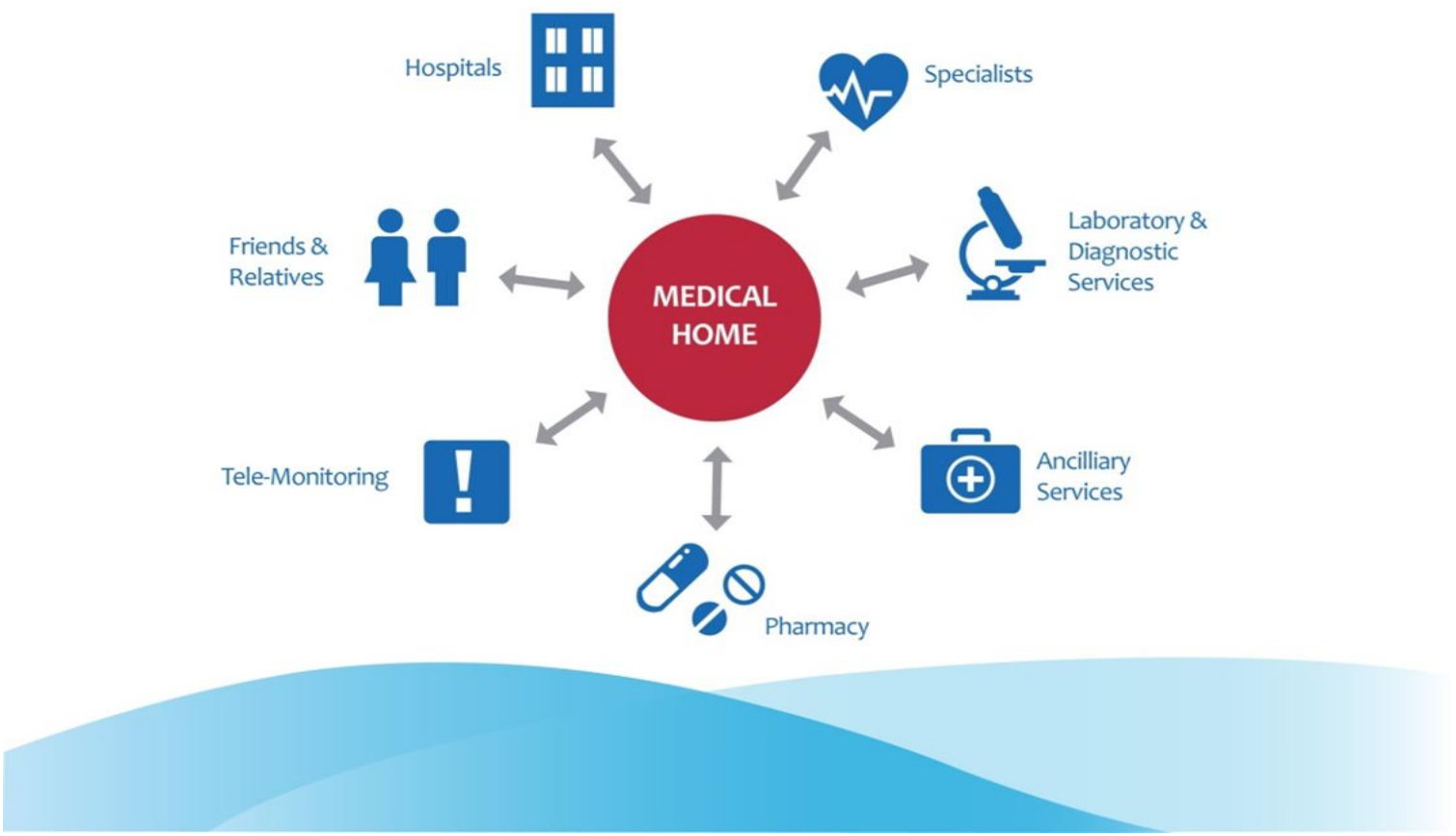
KIM DUNN, MD - MEDICAL HOME FRAMEWORK



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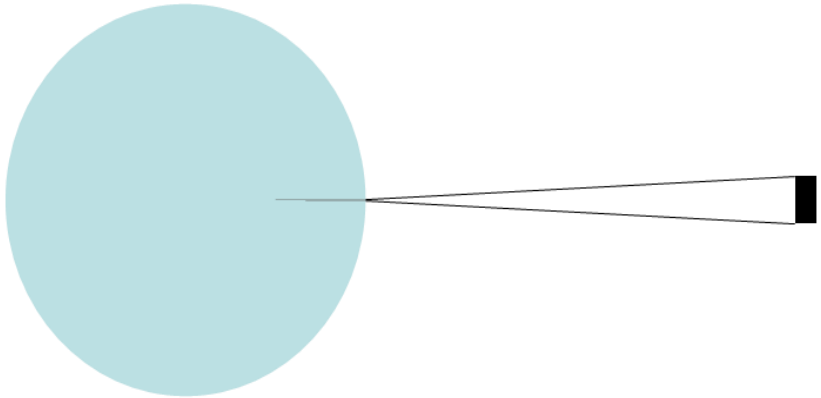
KIM DUNN, MD - PATIENT OWNERSHIP/ENGAGEMENT

Time is a Four Letter Word



- Self management (8756 hrs, 99.95%)
- External influences (8760 hrs, 100%)

  McDonalds, Sedentary, etc……
- Doctors (4 hrs, .05%)

Self management

- Education
- Accountability
- Wellness
- Bio monitoring
- Social support
- Disaster preparedness

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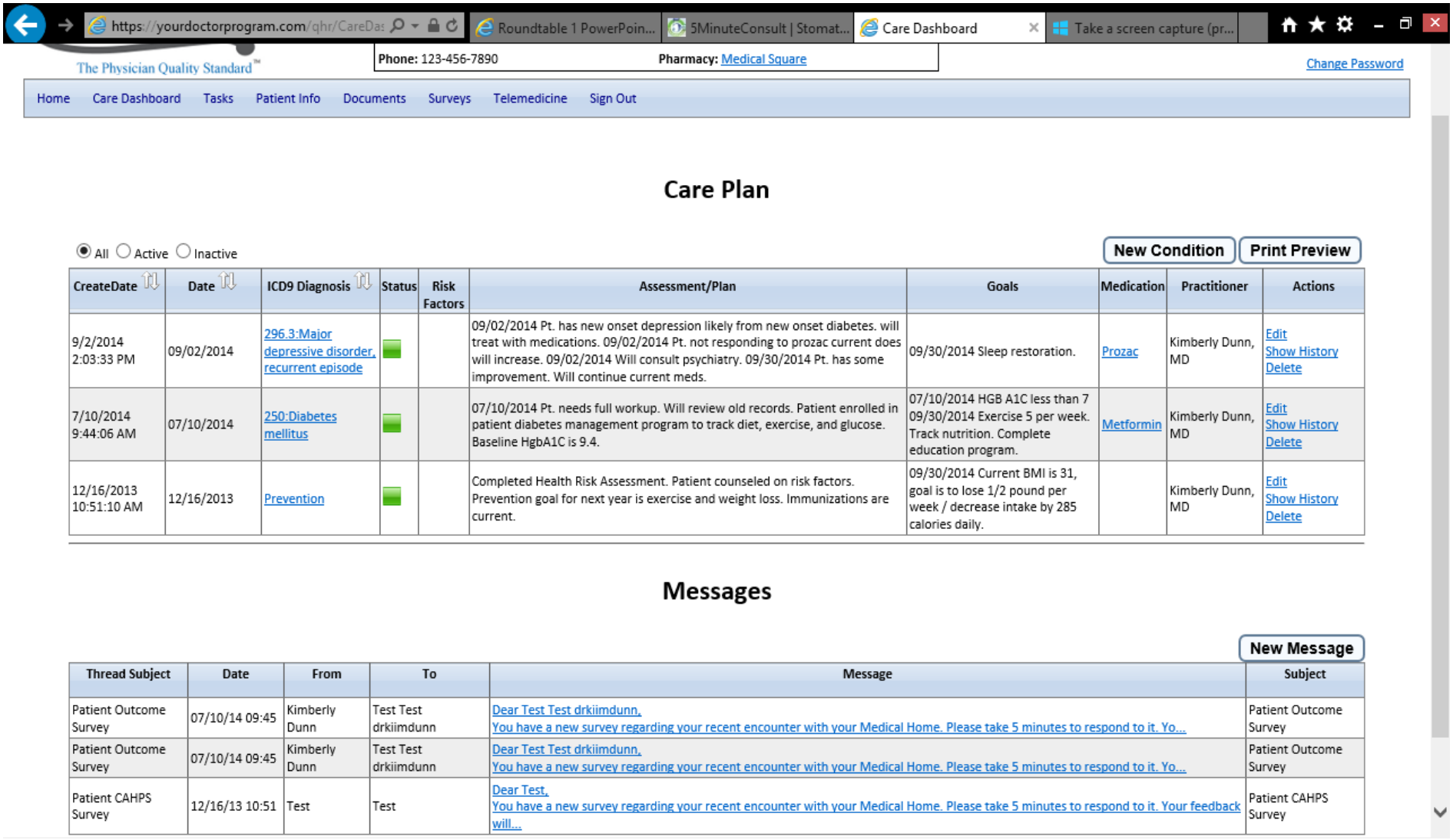
- **Care plan** (all records available and translated into an integrated care plan)
- **Biomonitoring**
  - Ambulatory, track blood pressure, glucose, weight
  - Inpatient biomonitoring
- **Messaging / texting for administrative tasks** (prescription refills, schedule appointments, call center support)
- **Telephonic / live interactive visits**

KIM DUNN, MD - CARE PLAN AND TELEMEDICINE



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KIM DUNN, MD - PAYMENT MODELS FOR VALUE BASED CARE

Actual			New Revenue by Population Health / Value Based Contracting				
• $2.8 M annual revenue • 6 physicians • Active patients: 34750 • Average pts / doctor / day: 18	Daily	Monthly	Annual visits not covered	Comprehensive Annual YDP new wellness / disease management / preparedness model for service delivery model with increase of $100	Physician care plan oversight: Info / Quality management / Biomonitoring: 2.5/5/12.5 PMPM	Telephone visit payment during day 2/ doctor plus on call 4, total daily is 16 / day $30	Clinically Integrated Specialists: $50
Average per day per doctor	18						
Number of doctors	6						
Total Visits	108	2160	8830				
Acuity Level of patients				INCREASED ANNUAL			
Level 1	26,461	2.5	883000	2646100	793830	793830	
Level 2	6289	5		628900	377340	188670	
Level 3	2000	12.5		200000	300000	60000	
P4P			883,000	3,475,000	1,471,170	1,042,500	6,871,670
		Current model	YDP model				
Annual		200	300				
1 visit		100	100				
Telemedicine							
2 telephonic / day / practitioner / 5 oncall		0	60				
PCO/ QM / Biomonitoring (50/50 split)		0	60				
NP extender for annual visits home / office	Phone calls and wellness visits						
		300	520				

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Questions?