

Population Health Management:

Improving Patient Care and Optimizing Financial Performance



As health care continues to shift from productivity and fee-for-service models to more of a quality and performance-based approach, value-based care (VBC) strategies, including population health management (PHM) programs, are becoming a top priority for health care systems across the nation. Leaders within these organizations are searching for more effective and sustainable solutions as they navigate declining reimbursement, regulatory changes, physician burnout and the need for better patient care and lower costs.

These challenges can be addressed with a tailored PHM strategy that supports organizational improvement in the following key areas:

- Maximizing operational processes and outcomes
- Developing a support network for physicians and advanced practice providers (APPs)
- Mitigating risk
- Enhancing performance in a value-based environment

By identifying actionable and targeted opportunities for improvement through a series of evaluations and readiness assessments, Union Health, an integrated, not-for-profit health system based in western Indiana, was able to develop comprehensive VBC and PHM strategies better aligned with their patient-focused approach to coordinated care.

THE SITUATION

As a six-year participant in a local, tertiary accountable care organization (ACO), Union Health had fully outsourced its operational leadership to the parent ACO member. This legacy partnership and arrangement was simply not producing the desired results from a clinical, operational or financial perspective for Union Health – with data and analytics, physician engagement, embedded care management and post-acute care spend being specific areas of concern. Around 2018, Union Health was at a strategic crossroads in regard to its investment in VBC initiatives as the PHM program was not generating the desired results.

This highlighted the need to more effectively integrate operations across departments and service lines, align incentives for leadership and physicians, and reallocate related resources. At the same time, many competing health systems in Indiana were already realizing the benefits of a highly functional PHM program. The leadership at Union Health recognized the key to success would be through a more consistent approach, improved internal processes and engaged leadership.

The organization decided to narrow its focus by strengthening internal capabilities around care management, physician engagement, analytics and reporting to help ensure greater levels of risk-based contracting success with the Centers for Medicare and Medicaid Services (CMS) and other commercial payors.

THE APPROACH

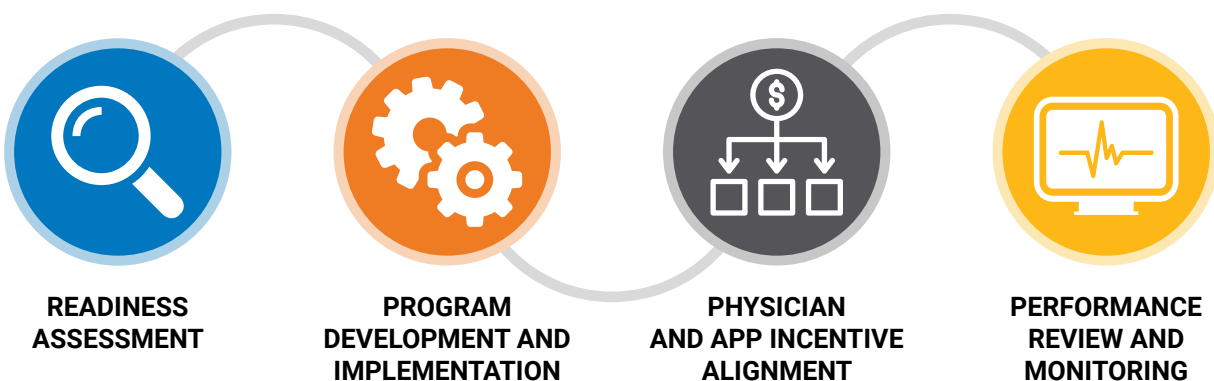
In late 2018, Union Health was presented with an opportunity to partner and align with a large, nationally-recognized health system in a more advanced Next Generation ACO. A Next Generation ACO model offers more risk and reward (both upside and downside risk scenarios) for health systems who already have highly functional internal capabilities in place to support performance. These models represent some of the most advanced value-based arrangements and require greater system-wide operational sophistication. Union Health was looking for a hands-on approach to align initiatives and ensure success.

In order to assess internal operational capabilities, physician and APP engagement levels, incentive models and other key functional areas related to VBC, senior leadership at Union Health collaborated closely with SullivanCotter to help quantify this opportunity. After conducting a comprehensive VBC readiness assessment, which included a close examination of the program's core functional areas such as partnerships, utilization management, attribution and chronic disease management, Union Health elected to partner with the health system who had already demonstrated greater success in the Next Generation ACO model. Moreover, Union Health committed to this arrangement for a minimum of two years to support the development of a strong VBC program. Health systems across the country often partner and align with other systems or independent groups to help mitigate risk and better manage overall cost.

SullivanCotter's primary role with Union Health was to develop and implement an independent PHM program that would help to improve risk-based contracting performance. The program focused on five core principle areas:

- Annual care
- Risk acuity
- Utilization management
- Care management
- Incentive alignment

With these principles in mind and a significant amount of physician and APP input and collaboration, the design of the system's VBC strategy and approach included the following phases:



To help implement the multi-phased strategy, a task force consisting of Union Health's executive team and leaders in Business Development, Population Health Management, Physician Services, Utilization Management and Care Management was created to help oversee the process. The initial phase of the project consisted of in-depth interviews with physicians and stakeholders, a thorough review of data and performance metrics, and an operational **Readiness Assessment**. Key findings from this phase revealed:

- Low engagement from physicians, APPs and other staff with annual care and preventative medicine strategies
- Significant lack of Care Management resources and coordination such as outpatient pharmacy support, discharge planning and risk stratification
- Limited definition of roles and responsibilities for Care Management and Operations team members specific to VBC and PHM
- Insufficient value-based data resources such as reporting capabilities, quality dashboards and clarity surrounding key performance indicators
- Lack of clarity in the scope of practice for nurse practitioners and physician assistants in current team-based care model

- Physician and APP compensation and incentives were not aligned with VBC strategies and initiatives; no incentive for physicians and APPs to enhance value-based performance
- The CMS benchmark or threshold was not met in the contract in order to achieve shared savings – resulting in negative financial impact and poor contract performance

Using the findings from this readiness assessment, SullivanCotter helped executives and physicians at Union Health to further develop a roadmap for the **Program Development and Implementation** phase.

Roadmap initiatives included the development of:

- Physician and APP educational and engagement materials for workshop sessions
- Clearly defined roles and scope of practice for nurse practitioners and physician assistants in primary care
- Outpatient-focused clinical capacity analysis to support Care Management
- Comprehensive annual care strategy focused on prevention and wellness
- VBC Management team to monitor performance and contract relationships
- Physician and APP incentive components to enhance VBC and PHM
- Standardized dashboards for the entire care team
- Post-acute care strategies more closely aligned with Care Management
- Strategies to monitor ongoing performance

Once the initial components of the roadmap were deployed, the task force worked with SullivanCotter to begin the planning process for two remaining phases within in the PHM model: **Physician and APP Incentive Alignment and Performance Review and Monitoring**. These processes were also implemented and rolled out during PHM program development and focused on monitoring and enhancing performance in all value-based contracts.

The work accomplished in these two phases included:

- Population health metrics related to annual care, preventative screenings, vaccinations, utilization management, Care Management team engagement and risk-adjustment
- Value-based compensation design concepts and continued education provided to physicians and APPs
- Regular monthly huddles with Care Management team members to review patient volume
- A risk stratification process to determine appropriate care levels for patients
- Physician and APP interviews for feedback and evaluation
- Physician and APP engagement scoring and methodology
- Refinement of key performance indicators
- Development and rollout of physician and APP performance dashboard

THE RESULTS

Through the investment in and development of the PHM program and other related VBC initiatives, Union Health was able to achieve the following results over a 12-month period:

- Achieved significant shared savings in year one of the Next Generation ACO as compared to historical performance with improvement of over \$6M
- Reduced per member per month spend compared to prior year by 12%

- Implemented a newly redesigned approach to primary care by focusing on team-based care delivery
- Increased the number of completed and billed Medicare Annual Wellness Visits (AWV) from 900 to 5900 with AWV revenue up from approximately \$150,000 to \$944,000
- Raised the number of documented Care Management team episodes by more than 200%
- Lowered number of emergency room visits in the Next Generation ACO population that were deemed “PCP treatable”
- Documented more than 100 Care Management success stories
- Boosted the clinical diagnosis documentation rate by more than 20%
- Enhanced coordination with post-acute care partners and facilities to help reduce total cost of care for ACO patients by 11%
- Conducted regular meetings and monthly Care Management huddles to enhance physician and APP engagement with knowledge of VBC and PHM concepts and monitoring of individual performance
- Initiated strategic planning to redesign primary care and other specialty compensation models with a focus on performance and value

TIPS FOR SUCCESSFUL VBC/PHM PROGRAM IMPLEMENTATION

- Assign dedicated resources to care team optimization.
- Collaborate with and gather input from physicians and APPs to strengthen engagement and buy-in.
- Align physician and APP incentives to help streamline and reward clinical efforts.
- Establish achievable milestones to maintain momentum and engagement.
- Conduct regular key stakeholder meetings to provide updates on progress, celebrate successes and course-correct as needed.

LESSONS LEARNED

Despite the many factors that differentiate health systems, such as organizational size, complexity, or the communities they serve, there are a common set of fundamental guiding principles and success factors that can be tailored to each organizations’ VBC and PHM strategies.

Union Health’s multi-phase approach – including **Readiness Assessment, Program Development and Implementation, Physician and APP Incentive Alignment, and Performance Review and Monitoring** – has proven to be an effective way of improving overall performance through the creation of comprehensive VBC and PHM strategies.

Dedicated to enhancing internal capabilities, resources and value-based performance with the objective of improving population health, Union Health partnered with SullivanCotter to develop a long-term, sustainable strategy and implement a comprehensive program to help to improve access and health outcomes for its patients, strengthen physician and APP engagement, and significantly boost financial performance.

Leveraging data-driven insights and over 25 years of experience, SullivanCotter partners with organizations to develop comprehensive value-based care and population health management strategies tailored to the unique needs of each client.

For more information on how we can partner with your organization, contact us at 888.739.7039 or info@sullivancotter.com.