The Employers Centers of Excellence Network

ECEN

Concurrent Session IV
Wednesday, June 8, 2016
Sixth National Bundled Payment Summit

Olivia Ross, MPH MBA
Associate Director, ECEN
Pacific Business Group on Health
Session Overview

Vision for Moving the Market
Value for All Stakeholders
ECEN Success Factors
Proven Outcomes
Vision for Moving the Market

Value for All Stakeholders

Success Factors

Proven Outcomes
What is the ECEN?

A successful program by employers for employers that identifies and provides access to high quality care for employees and dependents, while creating cost predictability and downstream savings through prospective bundled payments and improved outcomes.

- Quality Driven
- Turnkey Implementation
- Patient-Focused
- Quantifiable Return on Investment
Pacific Business Group on Health

- Bundled Payment
  - Employers Centers of Excellence Network
  - Maternity Blended Payment: Reducing Unnecessary C-Sections

- High Cost Patients
  - Intensive Outpatient Care Program
  - Transforming Clinical Practice Initiative

- ACOs
  - Employer ACO Audits
  - Policy education and presence on the Hill

- Primary Care
  - California Quality Collaborative
  - Practice Transformation Initiative
Moving the Market Together

“The ECEN is sending a signal to the market that employers will no longer settle for unpredictable, unnecessarily expensive and unreliable care.”

David Lansky
President and CEO,
Pacific Business Group on Health
Vision for Moving the Market

**Value for All Stakeholders**

Success Factors

Proven Outcomes
ECEN Participants

PURCHASERS

PATIENTS

PROVIDERS
Purchasers

- Savings Opportunity
- Value of Collaboration
- Comprehensive Management
- Recruitment and Retention Advantage
Purchasers

“The Employers Centers of Excellence Network capitalizes on the strength of PBGH to organize and deliver a program that provides our associates with exceptional care, the right treatment at the right time.”

Sally Welborn

Senior Vice President,
Global Benefits, Walmart
Turnkey Implementation & Management

“We realized immediately this was something we could easily do for our employees that would have a major impact on their lives.”

Gerri Burruel
VP Total Rewards
McKesson
Alignment with Existing Benefits

Promotes Consumer Engagement:
- Patients educated about quality differentials
- CoEs employ shared decision-making
- Caregivers part of the healthcare team

Bolsters Population Health:
- Assists patients in finding a home provider
- Dental health requirements
- BMI ceilings
- Nicotine free directive
Patients

- Access to Highest Quality Providers
- Savings from Waived Cost Sharing
- Concierge High Touch Experience
- Better Outcomes
“The whole experience was remarkable, how everything was handled and how they took care of you. Everything was great! It’s an excellent program and I hope everybody has the same good experience I had.”

- Lowe’s employee (joint replacement)
Feedback from ECEN Patients

“We cannot say enough good about our experience and we would encourage anyone who may need help that is eligible for the Centers of Excellence Program to make the contact and follow through with the program.”
- Lowe’s employee (spine comprehensive evaluation)

“The professionalism of everyone involved in the program from start to finish was superb. The folks at Health Design Plus were excellent, their assistance made all the pre-operation administrative requirements easy...the total experience was on cruise control. The medical care provided by the nurses and doctors, first class...simply the best!”
- McKesson employee (hip replacement)

“This really is a Center of Excellence. They had a vision for what a facility could be and here it is. Plus, they have the right team in place to make it all happen.”
- Walmart employee (knee replacement)
Providers

- Volume from Outside Service Area
- Recognition of Exceptional Quality
- Collaboration on Patient Care
- Testing Value Based Purchasing
“Through the ECEN, we have the opportunity to partner with other Centers of Excellence to continuously enhance the care we deliver and set the standard for travel joint replacement programs.”

Dr. Harpal Khanuja
Chief, Orthopaedic Surgery
Johns Hopkins Bayview Medical Center
Vision for Moving the Market
Value for All Stakeholders

**Success Factors**

Proven Outcomes
Consistently High Utilization

![Graph showing completed cases and referrals over time.](image-url)
ECEN In Action

Joint replacements

(1/1/2014 to 4/30/2016)
CoE Evaluation Criteria

Rigorous, multi-step evaluation process

- Preliminary Review (geography, experience and public data)
- Invited RFI
- Team Assessment Call
- Comprehensive RFP
- In-person site visit

Center and select surgeons approved

20+ outcome metrics considered

Prospective bundled payment requirement

<table>
<thead>
<tr>
<th>Joint Replacement and Spine Procedure Centers of Excellence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preliminary Review</td>
</tr>
<tr>
<td>---------------------</td>
</tr>
<tr>
<td>Number of Centers</td>
</tr>
</tbody>
</table>
ECEN Benefit Design

Prospective Episode-Based Bundled Rate:
- DRG-based episodes
- 7-10 days in CoE city
- All procedure-related care from onsite pre-op through “clear to travel” visit
  - Labs and diagnostics, Physician fees, Anesthesia fees, Hospital fees, DME, Outpatient or Home Health PT

Associated Covered Expenses
- 100% benefit
  - Waived deductible*
  - Waived copayment or coinsurance
- Travel expenses for patient and caregiver
  - Flight or mileage, hotel, daily stipend

*IRS regulations limit 100% benefit coverage to AFTER patient has met deductible
Session Overview

Vision for Moving the Market
Value for All Stakeholders
Success Factors

Proven Outcomes
Return on Investment

“We were able to get a bundled price, which actually enables us to save money on every single operation...The mere fact that people now think about what they’re doing [also] helps us control costs across the board.”

Bob Ihrie
Senior Vice President, Compensation and Benefits
Lowe’s

Lowe’s Utilization

<table>
<thead>
<tr>
<th>Joint Replacement Cases</th>
<th>Carrier</th>
<th>ECEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/1/14 – 12/31/14</td>
<td>350 (60%)</td>
<td>231 (40%)</td>
</tr>
<tr>
<td>1/1/15 – 9/30/15</td>
<td>275 (64%)</td>
<td>158 (36%)</td>
</tr>
</tbody>
</table>
## Lowe’s 2014 Outcomes

<table>
<thead>
<tr>
<th>Quality Metric</th>
<th>Carrier</th>
<th>ECEN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discharge to Skilled Nursing Facility</td>
<td>9.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Readmissions &lt; 30 Days</td>
<td>6.6%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Revisions within 6 months</td>
<td>1.1%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

![Bar chart showing outcomes for SNF, Readmissions, and Revisions]

- **SNF**: Carrier 9%, ECEN 0%
- **Readmissions**: Carrier 7%, ECEN 0%
- **Revisions**: Carrier 1%, ECEN 0%
Lowe’s 2014 Appropriateness

Approved for surgery

Pending
  o Need to reduce BMI
  o Need to stop nicotine use

Not Appropriate (Avoided)
  o Most followed CoE recommendation
  o Needed to attempt conservative therapy
  o Previous misdiagnosis

Not Appropriate (had surgery outside ECEN)
  o Subset had surgery against CoE recommendation of the CoE
  o Patients paid cost-share under traditional benefit

Saved Lowe’s nearly $1M from avoided, inappropriate care
Primary Reasons for Closed Intakes

2014: 55%
- Inquiry Only: 9%
- Disengaged: 5%
- Local Hospital: 5%

2015: 36%
- Inquiry Only: 28%
- Disengaged: 14%
- Local Hospital: 14%

2016: 33%
- Inquiry Only: 12%
- Disengaged: 11%
- Local Hospital: 11%
### ECEN Joint Replacement Complication Rates

<table>
<thead>
<tr>
<th>Metric</th>
<th>Timeframe</th>
<th>ECEN Rates 2015 N=535</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procedure-related mortality</td>
<td>30 days (Bree, CMS)</td>
<td>0%</td>
</tr>
<tr>
<td>Mechanical complications</td>
<td>90 days (Bree, CMS)</td>
<td>0%</td>
</tr>
<tr>
<td>Wound infection/peri-prosthetic joint infection requiring incision and drainage/revision/revision/removal</td>
<td>90 days (CMS)</td>
<td>0%</td>
</tr>
<tr>
<td>Surgical site bleeding requiring incision and drainage</td>
<td>30 days (Bree, CMS)</td>
<td>0%</td>
</tr>
<tr>
<td>Pulmonary Embolism</td>
<td>30 days (Bree, CMS)</td>
<td>0%</td>
</tr>
<tr>
<td>Acute myocardial infarction</td>
<td>7 days (Bree, CMS)</td>
<td>0%</td>
</tr>
<tr>
<td>Pneumonia</td>
<td>7 days (Bree, CMS)</td>
<td>0%</td>
</tr>
<tr>
<td>Sepsis/septicemia</td>
<td>7 days (Bree, CMS)</td>
<td>0%</td>
</tr>
</tbody>
</table>
Questions & Answers:

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ECEN Centers of Excellence

- Virginia Mason Medical Center, Seattle, WA
- Mercy Hospital, Springfield, Springfield, MO
- Kaiser Permanente Irvine Medical Center, Irvine, CA
- Johns Hopkins Bayview Medical Center, Baltimore, MD
- Geisinger Medical Center, Danville, PA
# Program Snapshot by Condition

<table>
<thead>
<tr>
<th></th>
<th>Joint Replacement</th>
<th>Spine Procedures</th>
<th>Bariatric Surgery</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Launch Date</strong></td>
<td>January 1&lt;sup&gt;st&lt;/sup&gt;, 2014</td>
<td>April 1&lt;sup&gt;st&lt;/sup&gt;, 2015</td>
<td>January 1&lt;sup&gt;st&lt;/sup&gt;, 2016</td>
</tr>
<tr>
<td><strong>Number of CoEs</strong></td>
<td>4</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Bundled Price (discount)</strong></td>
<td>20-30%</td>
<td>20-30%</td>
<td>30-40%</td>
</tr>
<tr>
<td><strong>Format</strong></td>
<td>Virtual evaluation</td>
<td>Virtual review, travel for in-</td>
<td>Virtual review, travel for in-</td>
</tr>
<tr>
<td></td>
<td>Travel for surgery</td>
<td>person evaluation and/or surgery</td>
<td>person evaluation and/or surgery</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(one trip)</td>
<td>(two trips*)</td>
</tr>
<tr>
<td><strong>Site of care</strong></td>
<td>All inpatient procedures</td>
<td>Inpatient and ambulatory procedures</td>
<td>All inpatient procedures</td>
</tr>
<tr>
<td><strong>Other features</strong></td>
<td>Includes initial outpatient physical therapy</td>
<td>Both surgical and non-surgical eligible for travel</td>
<td>One year standardized virtual follow up</td>
</tr>
<tr>
<td><strong>Volume</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Intakes: 3543</td>
<td>Intakes: 446</td>
<td>Referrals: 137</td>
</tr>
<tr>
<td></td>
<td>Referrals: 2018</td>
<td>Referrals: 271</td>
<td>Evaluation Trips: 42</td>
</tr>
<tr>
<td></td>
<td><strong>Completed Cases: 1199</strong></td>
<td><strong>Completed Cases: 167</strong></td>
<td><strong>Completed Cases: 5</strong> scheduled</td>
</tr>
</tbody>
</table>
ECEN in Action

Spine procedures
(4/1/2015 to 4/30/2016)
**STEP 1**

Employee learns about the ECEN via employer, flyers, direct mail pieces and patient testimonials

**STEP 2**

Interested employee contacts HDP directly; HDP Member Advocates provide information and distributes information packet

**STEP 3**

HDP requests information, handles confirmation of program eligibility, and HDP Nurses initiate patient referral to the CoE and offer additional support
STEP 4

CoE reviews patient, submits plan of care to HDP and schedules surgery if medically appropriate; HDP coordinates employee and caregiver travel

STEP 5

In CoE city Patient Navigators provide 24/7 support; patient receives surgery; HDP and CoE partner to monitor patient care experience

STEP 6

Transition home includes CoE and home provider handoff; HDP supports home carrier on discharge planning needs; employee returns home