



ACOS: PITFALLS AND SUCCESS FACTORS

JUNE 7, 2018

CHRISTOPHER STANLEY, MD
DON LOVASZ

NAVIGANT

INTRODUCTION



Don Lovasz, MBA

President,
KentuckyOne Health
Partners

- Thirty years of both clinical and healthcare executive experience allowed Don to work closely with patients, clinicians and payers in local, regional and national healthcare settings.
- Currently President of KentuckyOne Health Partners, one of the nation's top Accountable Care Organizations (ACO). The KentuckyOne Health System is a state-wide healthcare provider serving the Commonwealth and is part of the national CHI healthcare organization.
- Don is board member at APG (previously CAPG) and is the chair of their innovative Alternative Payment Model (APM) Committee. Additionally, Don is a board member of the Louisville regional business collaborative which is also focused on improving the value of healthcare through employer education and benefits management.
- Don had clinical training as a respiratory therapist and received an MBA from the University of Illinois.



Christopher Stanley, MD, MBA

Director,
Navigant Healthcare

Former VP, Population
Health at Catholic Health
Initiatives

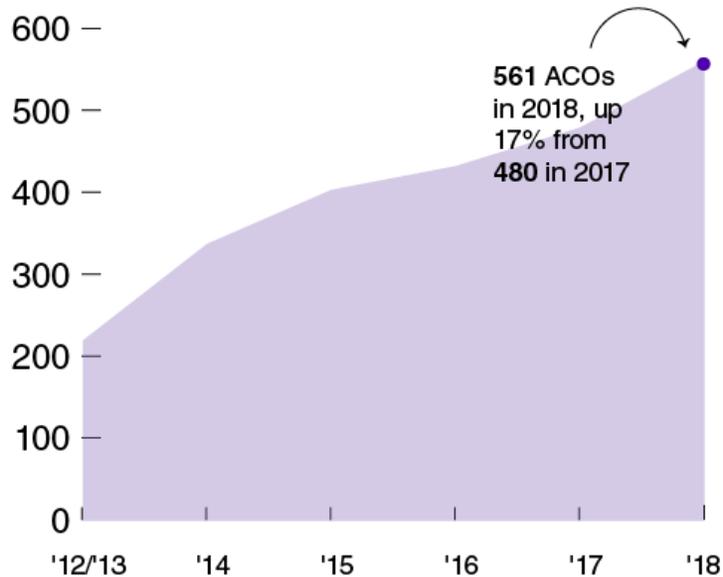
- Expert in working with provider organizations, payers and employers to develop new delivery and payment models to improve cost of care, health status and patient as well as provider experience.
- Extensive experience in population health and value-based reimbursement models, including care management, population health analytics, governance and provider contracting.
- Built clinical and administrative capabilities to successfully manage CMS programs as well as similar government and state programs.
- Thirty years experience in healthcare, including more than ten years as a practicing Pediatrician, a health plan Medical Director and Chief Medical Officer (in NC and CO), and System VP for Population Health.
- Received his Medical Degree from University of Missouri-Columbia, Pediatric training at Tripler Army Medical Center (Honolulu, HI) and MBA from the University of Colorado.

TODAY'S DISCUSSION

- ACOs and CINs: The Current Reality
- KentuckyOne Health Partners: A Leading ACO's Experience
- Questions and Comments

CIN/ACOs CONTINUE TO GROW AS PROVIDERS CONTINUE TO RESPOND TO THE MARKET DEMAND FOR VALUE

Medicare ACOs rise in 2018



Source: CMS

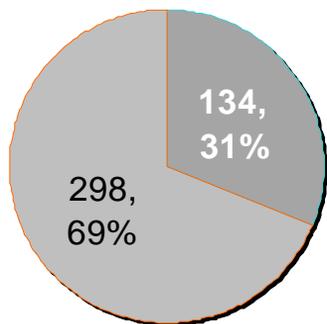
And:

*14 new NextGen ACOs
in 2018 added to 44
renewing = 58 ACOs*

MOST HEALTH SYSTEMS AND PAYORS HAVE **YET TO REALIZE A RETURN** ON INVESTMENTS INTO CINS AND ACOs

2015 & 2016 results in the Medicare Shared Savings Program demonstrate poor performance overall

#1 Few ACOS have Generated Savings



- ACOs with Savings
- ACOs without Savings

#2 Net Savings to CMS Are Negative

	2015	2016
Total Savings ¹	\$651M	\$429M
ACO Payments	\$691M	\$645M
Net Savings	(\$39M)	(\$217M)
<i>% of CMS Total Spend</i>	-0.01%	-0.04%

#3 ACO Savings Rarely Cover Costs

66% of ACOs and CINs are operating at a loss

WE NEED TO EVALUATE THE VIABILITY OF CIN/ACO STRATEGIES WITHIN THE CONTEXT OF NEW MARKET REALITIES

Original Assumptions

New Market Realities



Sustainability & Relative
Consistency of FFS

Continued **revenue and margin degradation** due to FFS rate compression, lower utilization rates, and value-based reimbursement programs



Consolidation & More
Investments Will Produce Value

Continued consolidation and investments will just add costs if **underlying clinical integration** and **systemness are not created first**



Linear & Rapid Pathway
to Risk

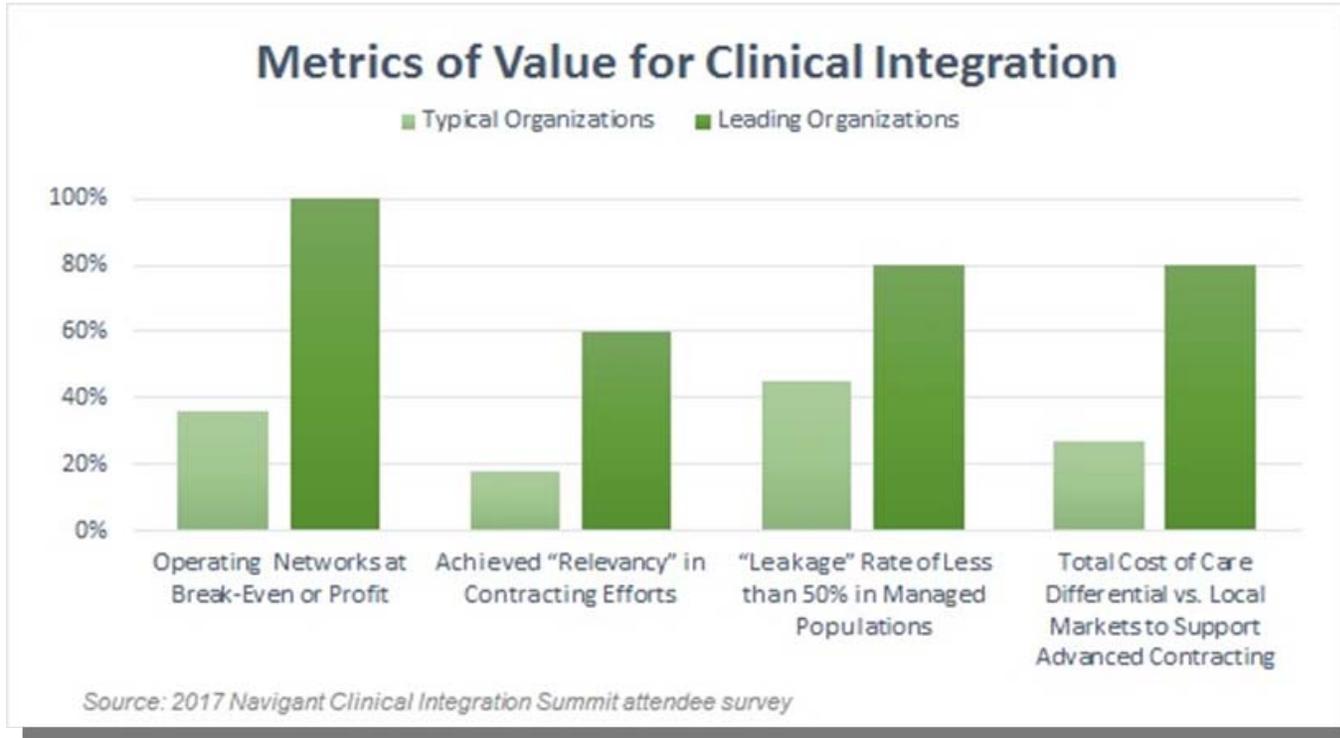
The future state will require providers to operate in a **portfolio of old and new economic models** simultaneously



Divergent Strategies Required
to Pursue Value-Based Care

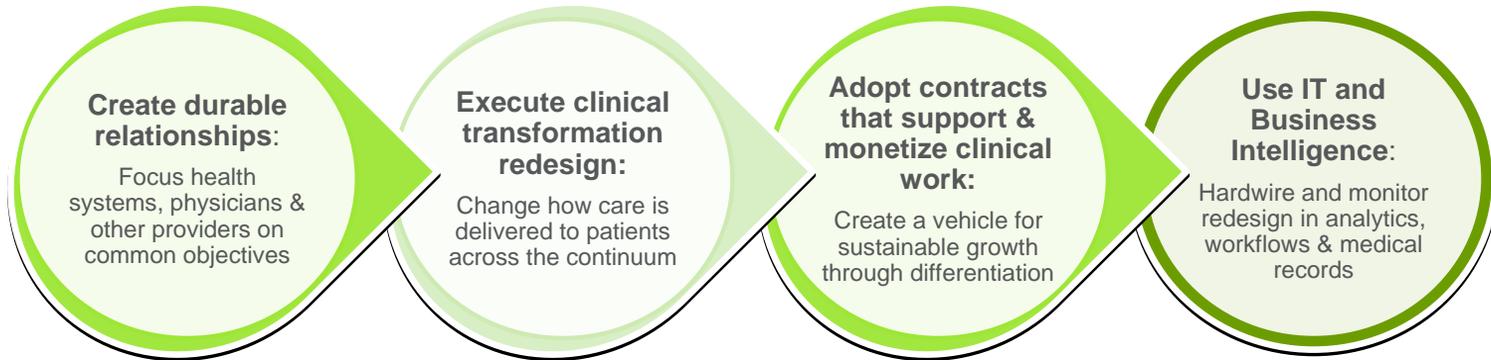
Foundational strategies required for success in value-based care will also help maximize FFS economic performance

...AND ALSO WITH THE RECOGNITION THAT SOME ORGANIZATIONS ARE HAVING SUCCESS

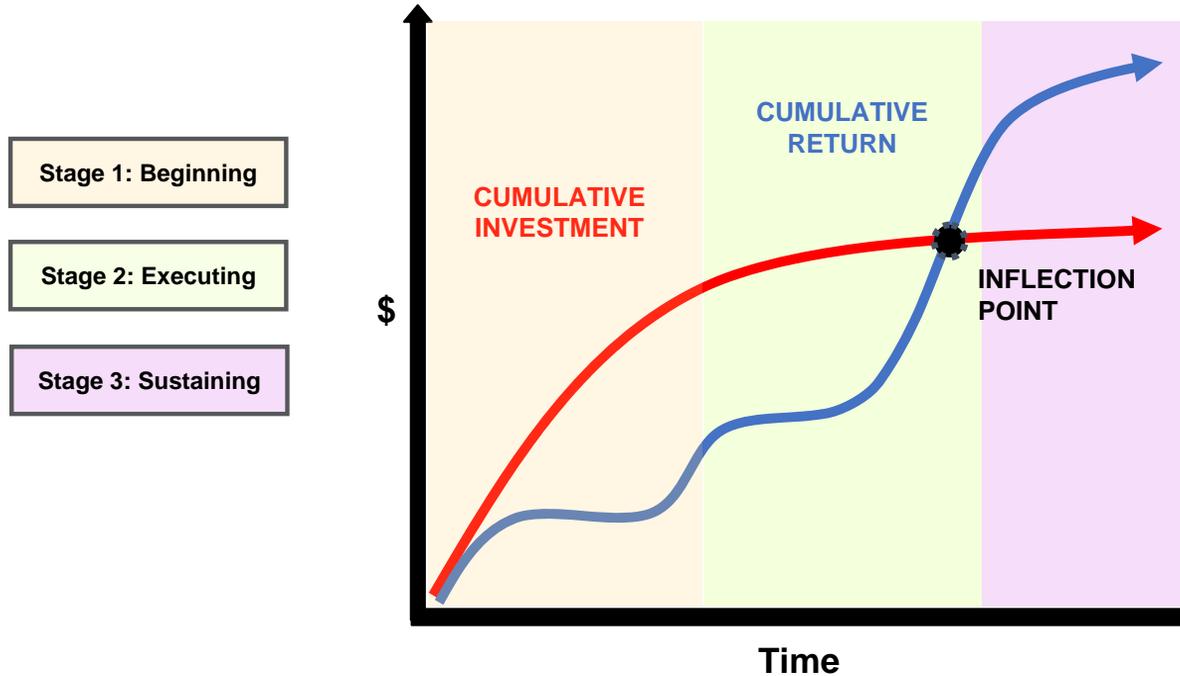


CRITICAL SUCCESS FACTOR #1: TREAT CI NOT AS NOUN, BUT A VERB

Clinical integration should not be a noun. *A network is not sufficient.*
Clinical integration must be a verb, describing a set of actions networks must implement to achieve superior performance, market differentiation, premium dollar access, and growth in net new lives.

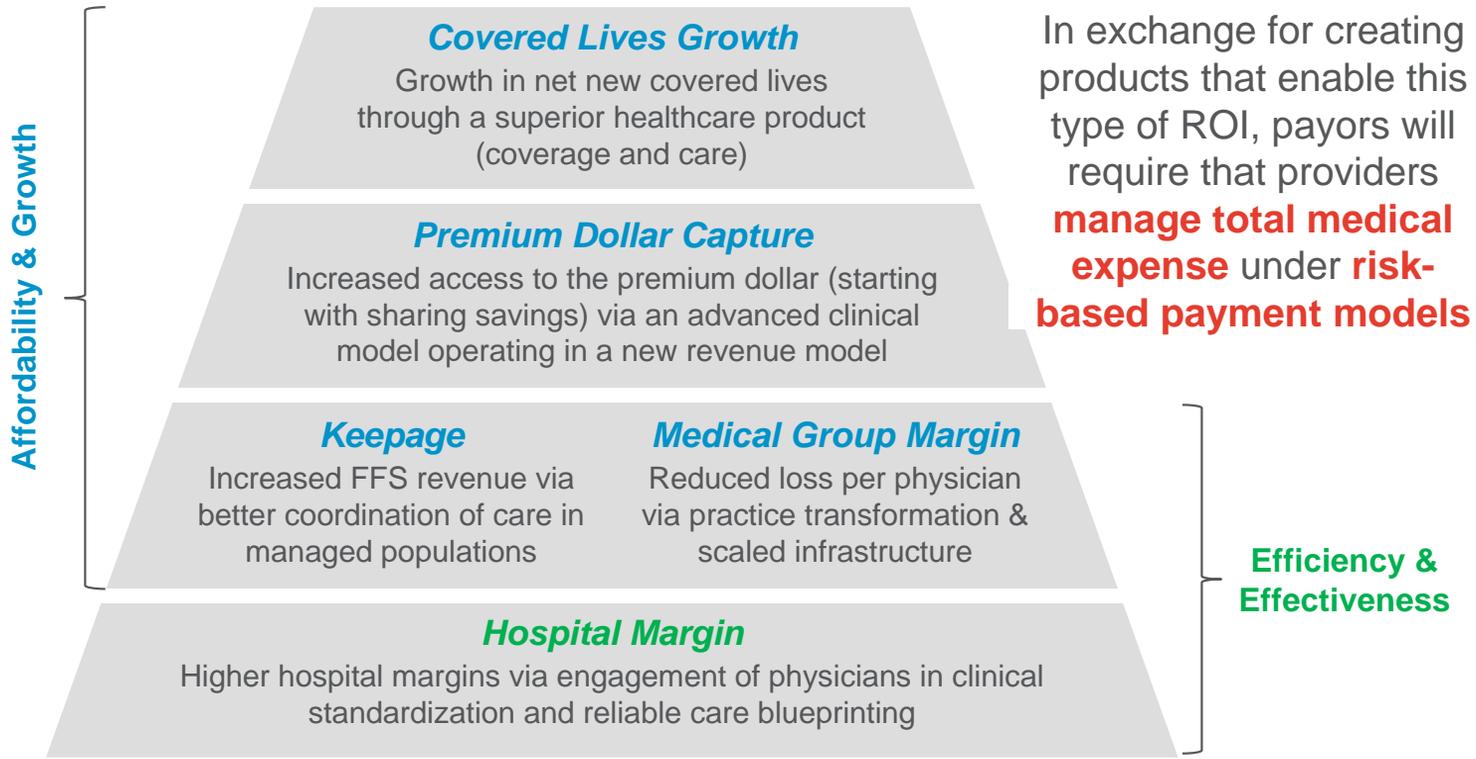


CRITICAL SUCCESS FACTOR #2: REALIZE THAT SHARED SAVINGS ECONOMICS DON'T WORK IN THE LONGER TERM



Most ACOs/CINs remain in the “**Beginning**” stage, so must focus on quickly moving to the **next stage of development**.

CRITICAL SUCCESS FACTOR #3: BUILD STRATEGIES WITH THE FULL ROI PICTURE IN MIND



ACOS MUST DEVELOP **CAPABILITIES ACROSS MULTIPLE DOMAINS** TO ACHIEVE SUCCESS

Clinical		IT & Analytics	
Specialized Care Coordination		Network Medical Record System	
Post-Acute Care Integration		Performance Reporting Infrastructure	
Clinical Transformation Model		Contracting	
Documentation & Coding Program		New Revenue Model Negotiation	
Access & Network Referral Management		Network Development & Mgmt.	
Evidence-Based Care Delivery		Network Adequacy, Scale, Composition	
		Network Maintenance and Cohesion	
Finance		Organizational Effectiveness	
Financial Planning / Distribution Model		Performance on Contracts	
		High Performing Operational Model	





KentuckyOne Health Partners

KentuckyOne Health®



2020 Bi
January

KHP's Journey

2012	KHP Incorporation
2013	MSSP Track 1
2014	Commercial Contracts
2015	Ortho Episodes; 1 st Incentive
2016	Considered NextGen
2017	NextGen and A-APM
2018	Direct-to-Employer

Evolving Care

30 min Office Visits

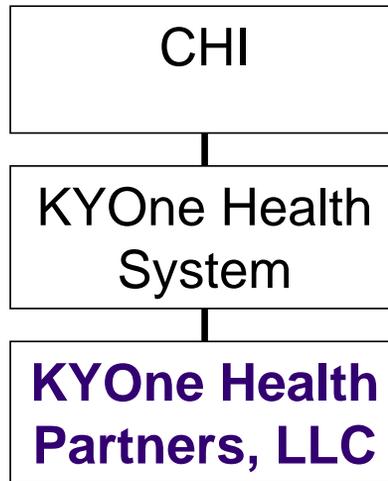
3 hour ED or Procedures

3/30 day Hospital Admits

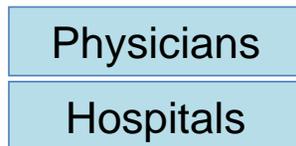
3 month *all-cause, all-cost* Episodes

365 day *all-cause, all-cost* Managed Lives

Legal Structure



ACO Participants



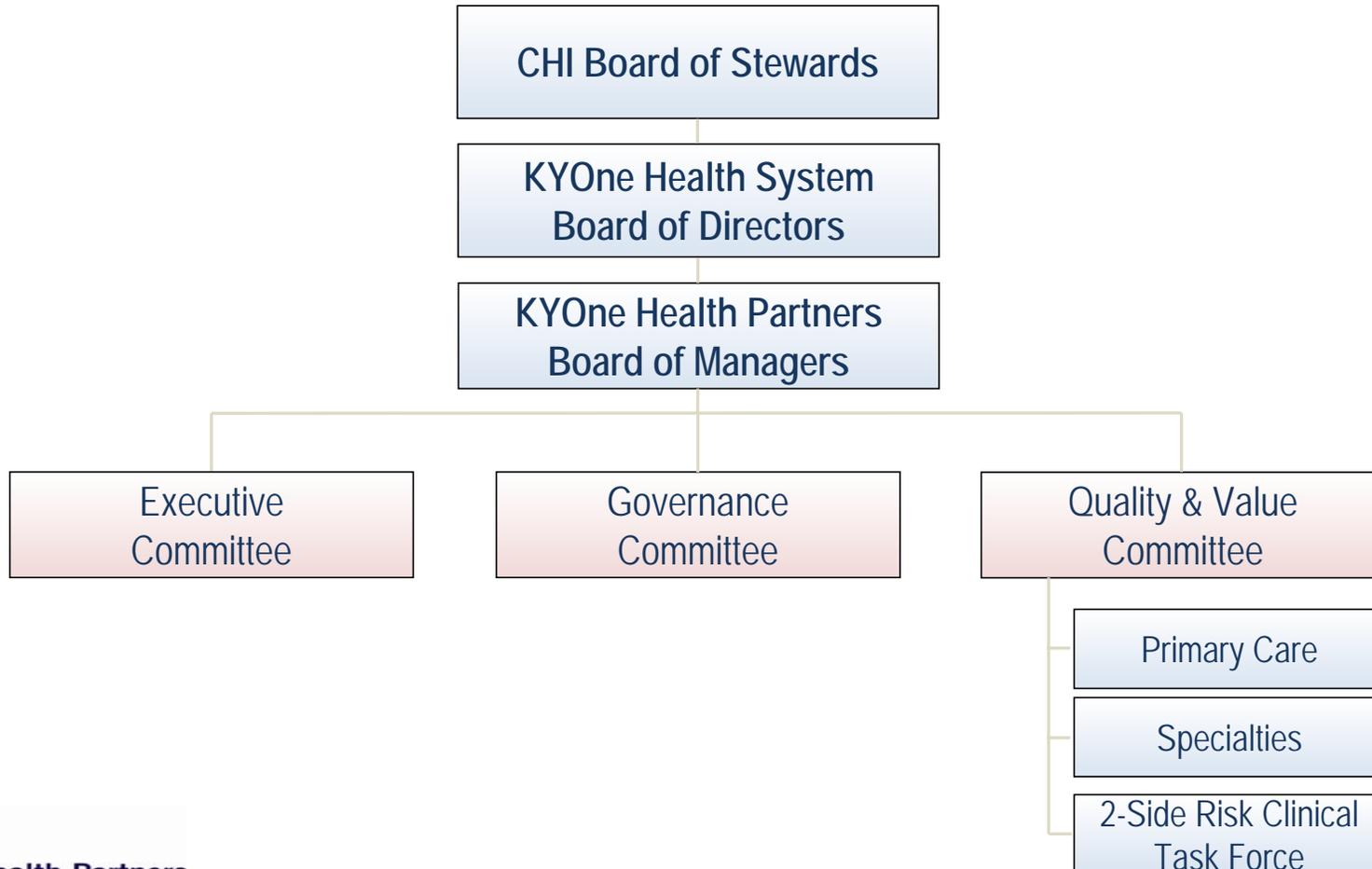
CIN Affiliates



CIN Ancillaries

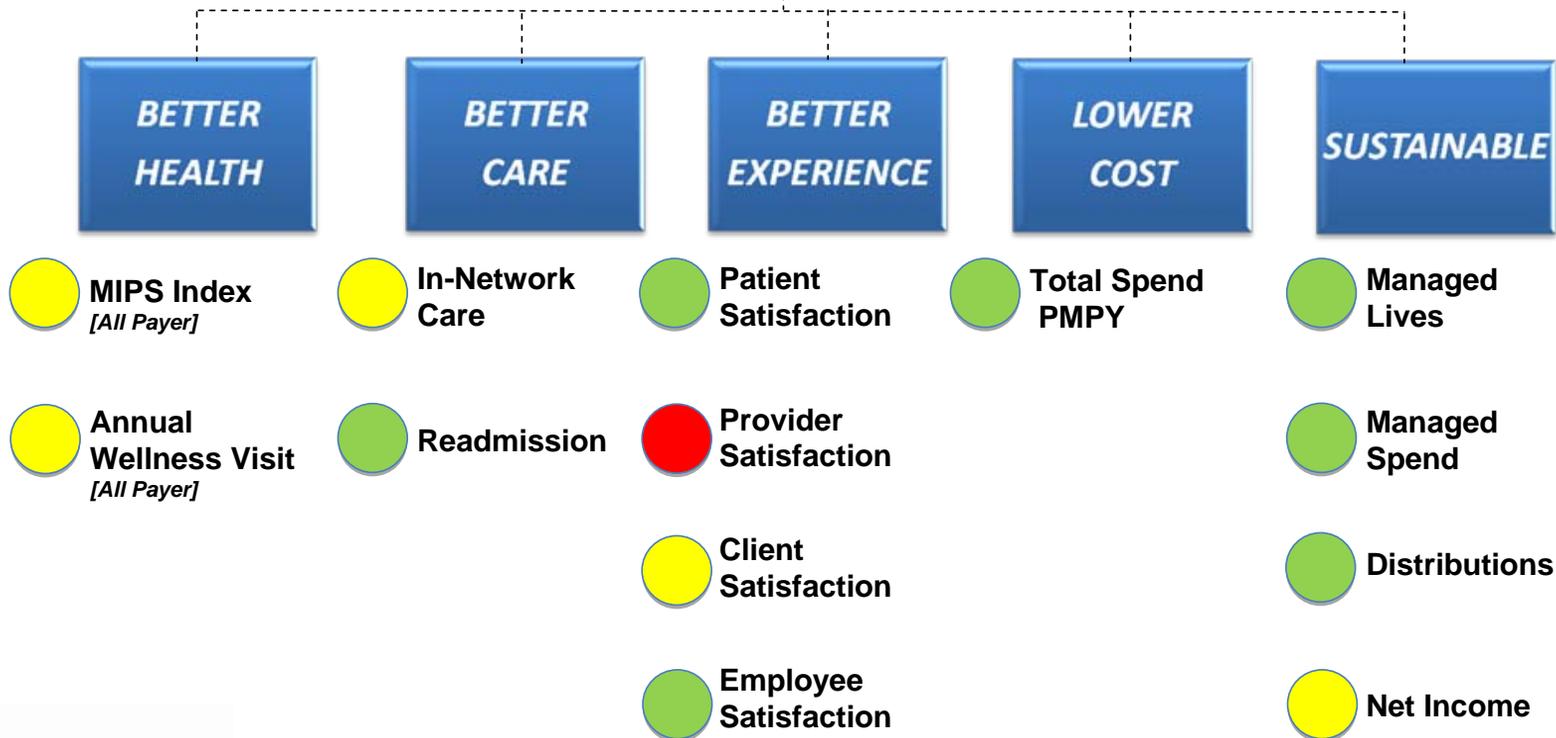


Governance: KYOne Health Partners



KHP Performance Dashboard

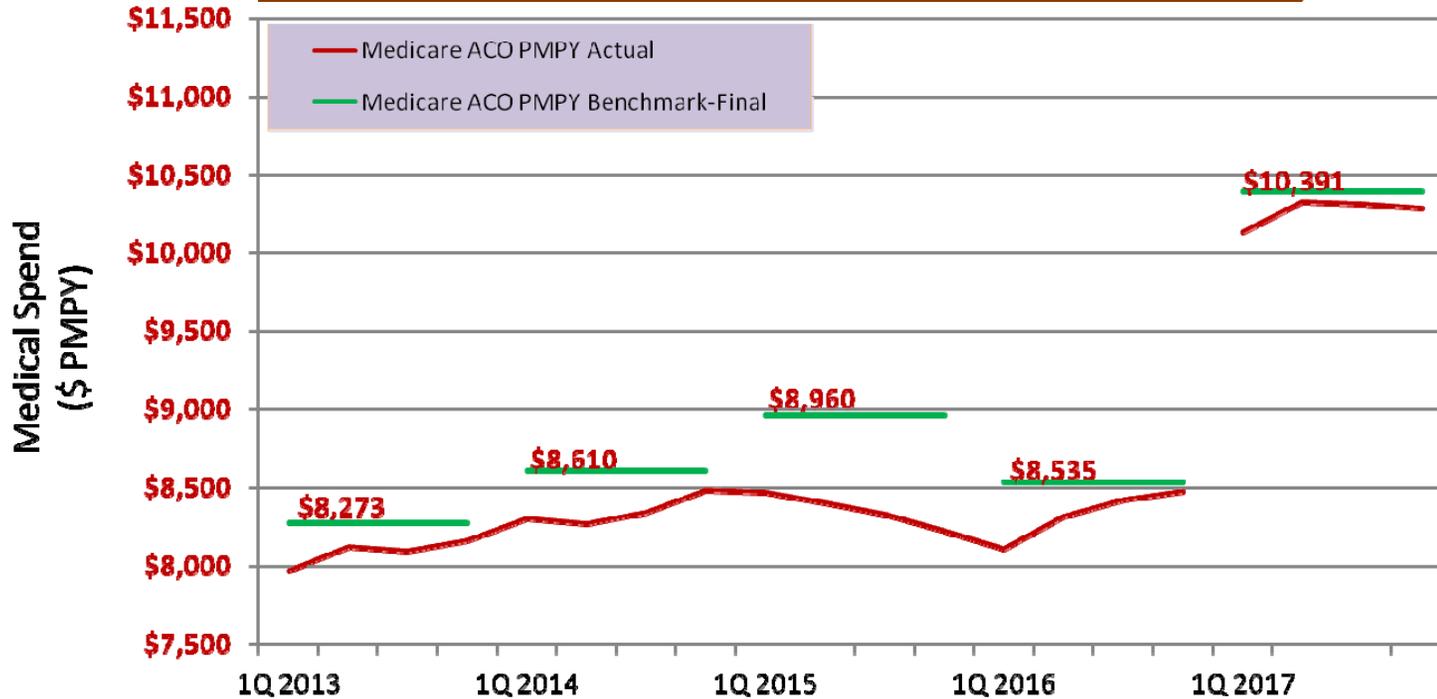
A Provider-Based All Payer Care Management Company



Focus ... Key Metrics

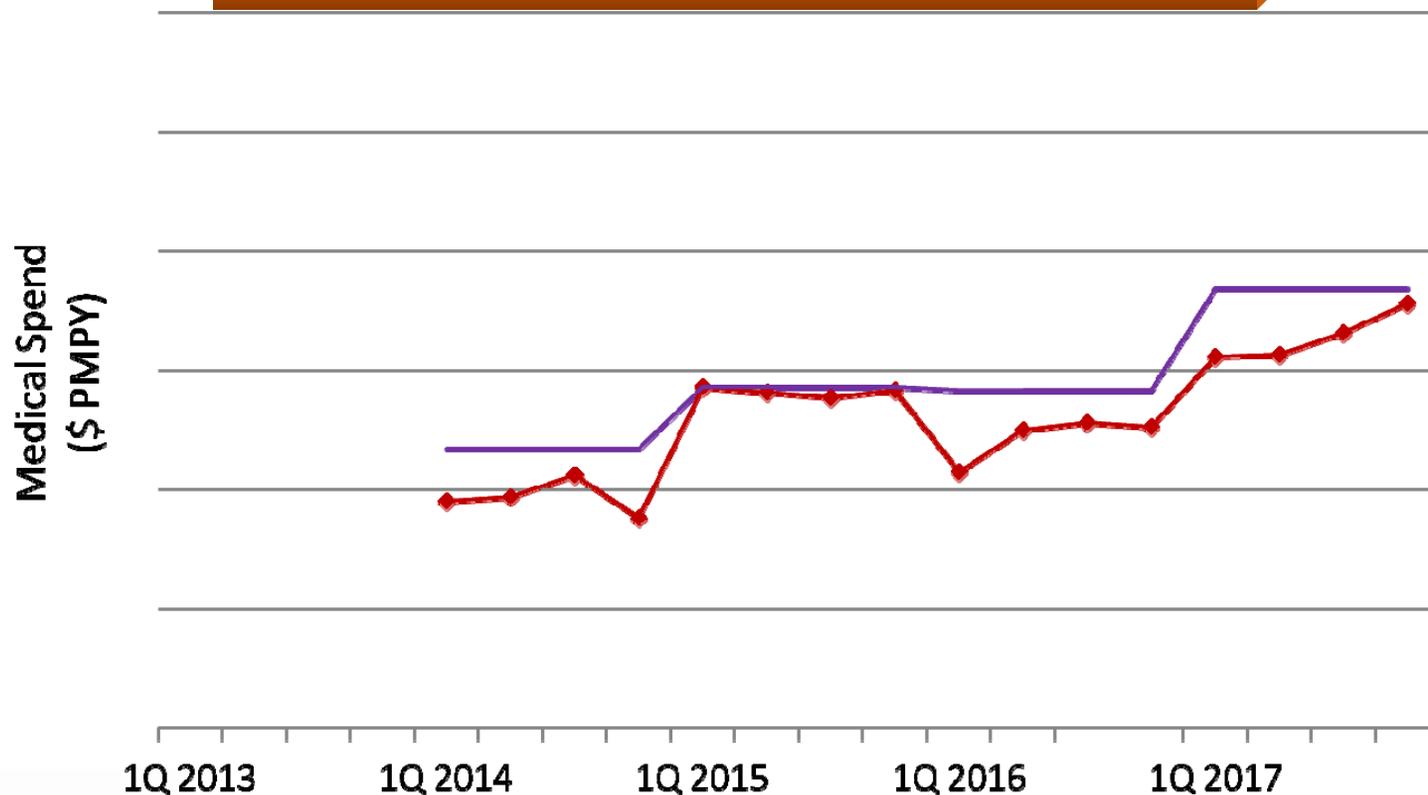
1. Annual Wellness Visits
2. Current Medications
3. Blood Pressure Control
4. HbA1C Control
5. Vaccinations
6. Adult BMI and Follow-Up
7. Tobacco Cessation Counseling
8. Cancer Screenings

Medicare ACO PMPY Medical Spend Trend



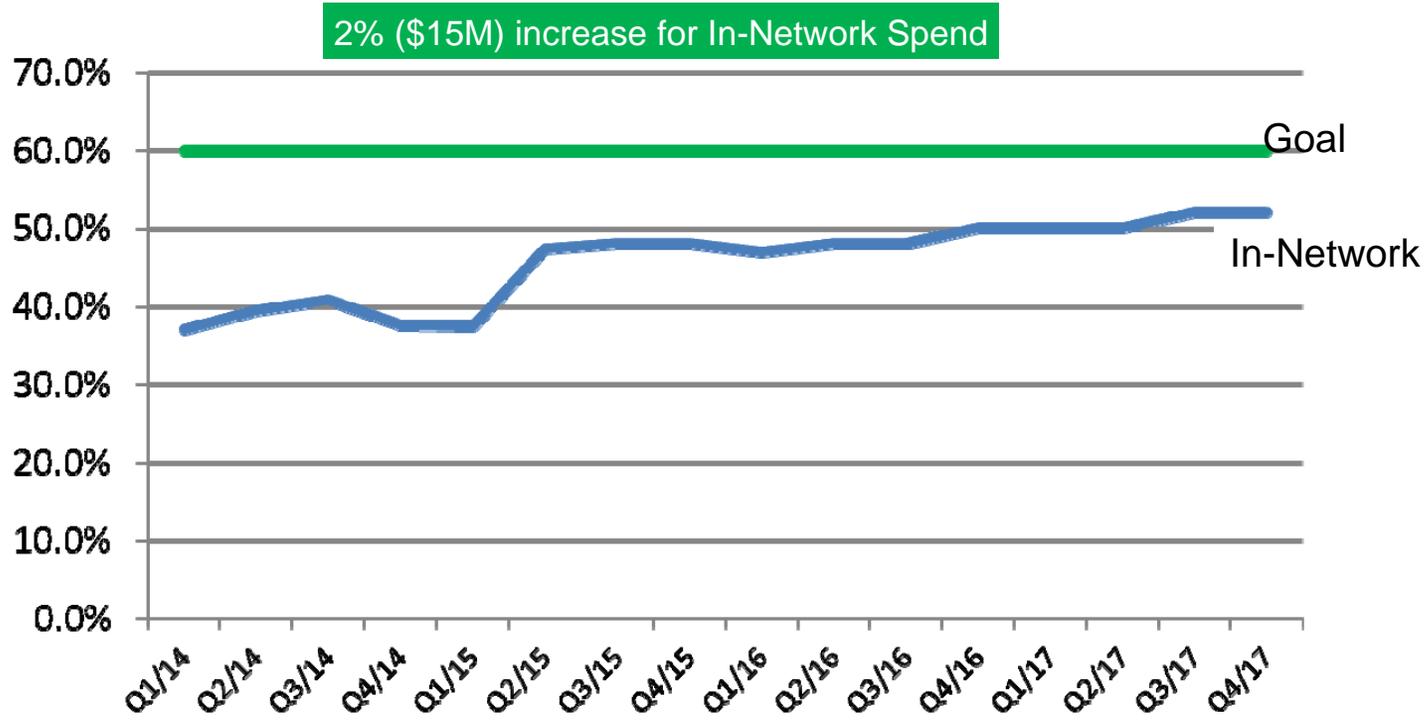
CHI Medical Plan

CHI Medical Plan PMPY Medical Spend Trend



In-Network Spend

Better Care: In-Network Care



Value Report



KentuckyOne Health Partners
KentuckyOne Health®



2017 Annual Value Report

Celebrating Five Years of Accelerating Improvements in Health Care

Year in Review

Year in Review 2017

KentuckyOne Health Partners (KHP) is pleased to share our journey of success through this 2017 Annual Value Report. The work of our outstanding clinical providers and our KHP care management team has resulted in improved outcomes across the spectrum of people we serve. These results have come from continued focus and commitment to our principle aims – to accelerate improvements in the healthcare system that will yield better health, better care, better experience, and lower cost.

2017 was a year of celebrations and significant milestones. KHP celebrated its 5-year anniversary, earned CAPG's 5-Star "Dine & AGO" status, was spotlighted in two national case studies, and was cited in several national reports and publications.

In 2017, KHP received MACRA and MIPS recognition. Because of its work at Becker's Hospital & Health Care Impact resulted in KHP share Institute 14

We are proud of our commitment and our focus on care for all



CHI Best in Class

Catholic Health Initiatives (CHI) recognized KHP as "Best in Class" among all CHI clinically integrated networks. The KHP team was able to generate consistent year-over-year savings in its population health programs. CHI leaders visited KHP to identify drivers of our success and developed a case study that was shared across the organization.

Top Quartile Experience

Results from the third annual MSSP Patient Experience survey process (ACD-CAPUS) were again positive, with more than 800 Medicare beneficiaries giving KHP a composite rating of 82 percent. Patient satisfaction regarding our KHP Care Management services also continues to improve.

Transforming the Patient Care Experience

Physicians Share Secrets to Top Quartile Quality

Compared to physicians in the region and in the country, Dr. Cathleen Morris and Dr. Amy Patel have consistently achieved high quality performance across key health measures. In a recent KHP Case Study, Drs. Morris and Patel shared three processes they've put in place that they believe account for their success – a patient checklist, pre-visit planning and high performing medical assistant workflow.

"The checklist is central to the work of our entire office," said Dr. Morris. The team uses the checklist for every patient visit to make sure important measures don't fall off our radar.

Dr. Patel shared that she and Dr. Morris do pre-visit planning on each patient to identify needed screenings and make sure results are documented correctly. Prior to the providers seeing patients, their medical assistants review patient charts, the checklist, and call for missing test results, such as retinal eye exams and mammograms.

Drs. Morris and Patel achieved top quartile quality scores on all of the MIPS measures and have demonstrated a very positive return-on-investment for their preparation and followup. Their checklist and office processes are now being adopted by other offices to help ensure best practice care.



KHP's Added Focus on Pharmacy

This past year, KHP added a full-time, managed care pharmacist to the KentuckyOne Health Partners team. The added knowledge and information has further helped us accelerate improvements yielding better health, better care, better experience and lower co-sainthis past year has been invaluable. The day to day real-time interaction of the care managers and the on-site pharmacist.

KHP's Pharmacy team is developing tips to A Polypharmacy.

In addition, we consume published issues as Articles Standard Association as well as a newsletter medical.

Orthopedic Bundle Success



Orthopedic Bundle Payment Success
During the first year of operation, six KentuckyOne Health hospitals participating in the Orthopedic Episode Program collectively generated substantial Internal Cost Savings. In addition, because of the efficiencies in care management, the 90-day Total Medical Spend for those patients was also reduced \$2 million below budget. Given their contributions, participating hospitals and orthopedic physicians received a portion of the \$1.5 million 1st year Performance Award.

As a supporting organization, KHP was spotlighted in the 2017 nationally published CAPG Case Studies of Excellence report. Cross-program coordination provided by KHP helped expedite the start up phase, implementing six hospital episode programs in just four months. By operating multiple programs and increasing scale, KHP lowered administrative costs to 1% vs. the national average of 5%.

While the volume of episodes increased by 45% during the first year, hospital and post-acute care demonstrated reductions in length of stay, and hospital readmissions declined by nearly 50%. The unique partnership and coordination among physicians, hospital caregivers and KHP care managers allowed for the improved total care management of the patient. Clearly the episode program enhanced quality, safety and experience during the orthopedic acute stay and surgical procedure. Additionally, the KHP care managers worked with the physicians and hospital teams to improve the patient's overall health – addressing the patient's chronic conditions, such as diabetes, heart failure, behavioral health and socio-economic challenges.



Keys to Success

1. Multi-year Business Plan
2. Corporate Concurrence
3. Effective Provider Network (peers)
4. Useful and Timely Data
5. Extraordinary Care Managers
6. Diligent KHP Management

Care Management Team

- Multi-Disciplined (*RN, SW, PharmD, IT*)
- 24/7 in-person or telephonic
- Evidenced-Based Care Standards
- Motivational Interviewing Certified
- Central office and selectively embedded

Process

Our multidisciplinary team includes nurses, social workers, pharmacists, rehabilitation specialists and others who together implement the care management process:

1 Identification

- Risk stratification
- PCP referral
- Patient outreach

2 Screening

- Review all available data
- Gaps in care
- Benefits to conduct outreach

3 Contact

- Contact patient
- Explain the program
- Consent to participation

4 Establish Relationships

- Get to know patient
- Review past medical history
- Conduct the core assessment

5 Set Goals

- Motivational interviewing
- Evidenced-based medicine
- Care protocols

6 Optimizing Care

- PCP connectedness
- Ancillary needs
- Preventive care

7 Follow-up and Tracking

- Contact info and education
- Future activity reminders
- Outreach call tracking

8 Measuring Outcomes

- Monitor health status of populations

Care Management System

1. Patient Longitudinal Care Record
2. High Risk Patient Lists
3. The Performance Dashboard
 - by Provider or Provider Networks
 - by Geography or Payer
 - by Clinical Conditions
 - By Care Management Team

Care Management: Portal

Population Health ▼ Clinical Performance ▼ Financial Performance ▼ My Favorites ▼ Tools ▼ Logout

Client Portal

Welcome to the Portal!

We have made a lot of changes to give you a richer, more engaging experience. Click one of the product line groupings below to get started or use your same favorite apps in the menu up above. To learn about the recent changes in more detail, click the link below to review our Fall 2013 release notes and access our application crosswalk.

[Learn More >](#)

[Close \[X\]](#)

Population Health

Clinical Performance

Financial Performance

Friday, November 8, 2013 12:31:50 PM
Copyright 1997 - 2013, InforMed, LLC. All rights reserved.

Accelerating Improvement in Healthcare Value

Provider Portal: Longitudinal Care Record

Include Network(s): KY Out of Network

Employer: ALL Plan: ALL

Patient Lookup

Show me Results for: PCP | My Patients | My Practice | All Enrollees Lookback: 1 Year

Last Name: First Name: DOB:

<< < Displaying records : 1 through 50 of 317 > >>

Name	Address	Date of Birth	Employer/Plan	View
1 XXXXXXXXXXXX, XXXXXXX	XXX XXXXXXXXXX XXXXXX, XX	08/27/1940	CMS Kentucky Medicare	Chart Referrals Enrollment
2 XXXXXXXXXXXX, XXXXXXX	XXX XXXXXXXXXX XXXXXX, XX	04/29/1934	CMS Kentucky Medicare	Chart Referrals Enrollment
3 XXXXXXXXXXXX, XXXXXXX	XXX XXXXXXXXXX XXXXXX, XX	04/20/1942	CMS Kentucky Medicare	Chart Referrals Enrollment
4 XXXXXXXXXXXX, XXXXXXX	XXX XXXXXXXXXX XXXXXX, XX	07/04/1940	CMS Kentucky Medicare	Chart Referrals Enrollment Messages
5 XXXXXXXXXXXX, XXXXXXX	XXX XXXXXXXXXX XXXXXX, XX	11/12/1945	CMS Kentucky Medicare	Chart Referrals Enrollment

My Population's Management Needs

Risk Level	Total	Nurse Assigned	No Nurse Assigned
Priority	2 1%	0 0%	2 100%
High	60 19%	19 32%	41 68%
Moderate	117 37%	16 14%	101 86%
Low	85 27%	5 6%	80 94%
No Known Risk	53 17%	1 2%	52 98%
Total	317 100%	41 13%	276 87%



My Population's Conditions

Medication-Part D Medication Adherence (National Standard)	18 6%	8 44%	10 56%
Diabetes Care (National Standard)	48 15%	46 96%	46 96%
Diabetes Care - Extended Condition Confirmation	56 18%	52 93%	46 82%
Diabetes Mellitus	104 33%	99 95%	94 90%
Diabetes: Hospitalization	1 0%	0 0%	1 100%
Diabetes: Appropriate Treatment of Hypertension-Part D (National Standard)	47 15%	37 79%	10 21%
Total Unique Patients	317	98%	100%
Total Unique Rules	343	89%	74%

Provider Portal: Performance Dashboard



At Risk Population	Score
CAD: Drug Therapy for Lowering LDL-Cholesterol	93
Diabetes Composite (All or Nothing Scoring): Low Density Lipoprotein (<100)	86
HTN: Blood Pressure Control	88
IVD: Complete Lipid Panel and LDL Control	88
Diabetes Composite (All or Nothing Scoring): Tobacco Non-use	88
Diabetes Composite (All or Nothing Scoring): Blood Pressure <140/90	86
Diabetes: HbA1c Poor Control	81
CAD: ACE Therapy	78
IVD: Use of Aspirin or Another Antithrombotic	78
HF: Beta-Blocker Therapy for LVSD	74
Diabetes: Antiplatelet medication or Aspirin Use with IVD	67
Diabetes Composite (All or Nothing Scoring): Hemoglobin A1c Control (<8%)	48

Preventive Health	Score
Pneumococcal Vaccination	100
Influenza Immunization	98
Tobacco Use Screening and Cessation Intervention	98
Breast cancer screening	98
Adult BMI Assessment	96
Screening for High Blood Pressure	88
Depression Screening	87
Colorectal cancer screening	78

Care Coordination/Patient Safety	Score
Screening for Future Fall Risk	100
Medication Reconciliation	81
Quality for EMR/EHR Program Incentive Payment	78
Heart Failure Admission per 1,000 members***	23
ICD9D or Asthma Admission per 1,000 members***	22
All Condition Readmission***	12

*** Lower rate indicates better performance; rate is adjusted in the overall aggregated scores.

Patient/Caregiver Experience	Score
Getting Timely Care, Appointments and Information	92
Shared Decision Making	84
Health Promotion and Education	82
Health Status/Functional Status	81
How Well Your Doctors Communicate	78
Access to Specialists	77
Patients' Rating of Doctor	68

Business Development - Employers

KENTUCKYONE HEALTH EMPLOYER SOLUTIONS

ADVISORY SERVICES



- Benefits Design
- Insurance Comparison, Selection
- Management Training, Incentives

MEDICAL SPEND MANAGEMENT



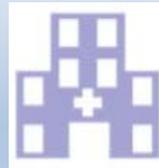
- Episodes of Care
- Disease Management
- Total Spend Management

WELLBEING SERVICES



- Health Risk Assessments
- Biometrics
- Wellness Portal
- Wellness / Lifestyle Coaching
- Health Education

ACCESS TO SERVICES



- Employee Health Services
- On-site / Near-site Clinics
- On-site Pharmacy
- Occupational Medicine
- Worker's Comp Clinical Services



ACOS: PITFALLS AND SUCCESS FACTORS

JUNE 7, 2018

CHRISTOPHER STANLEY, MD
DON LOVASZ

NAVIGANT