

Minnesota Perspective: Fairview Health Services

National Accountable Care Organization Congress
October 25, 2010

Fairview Overview

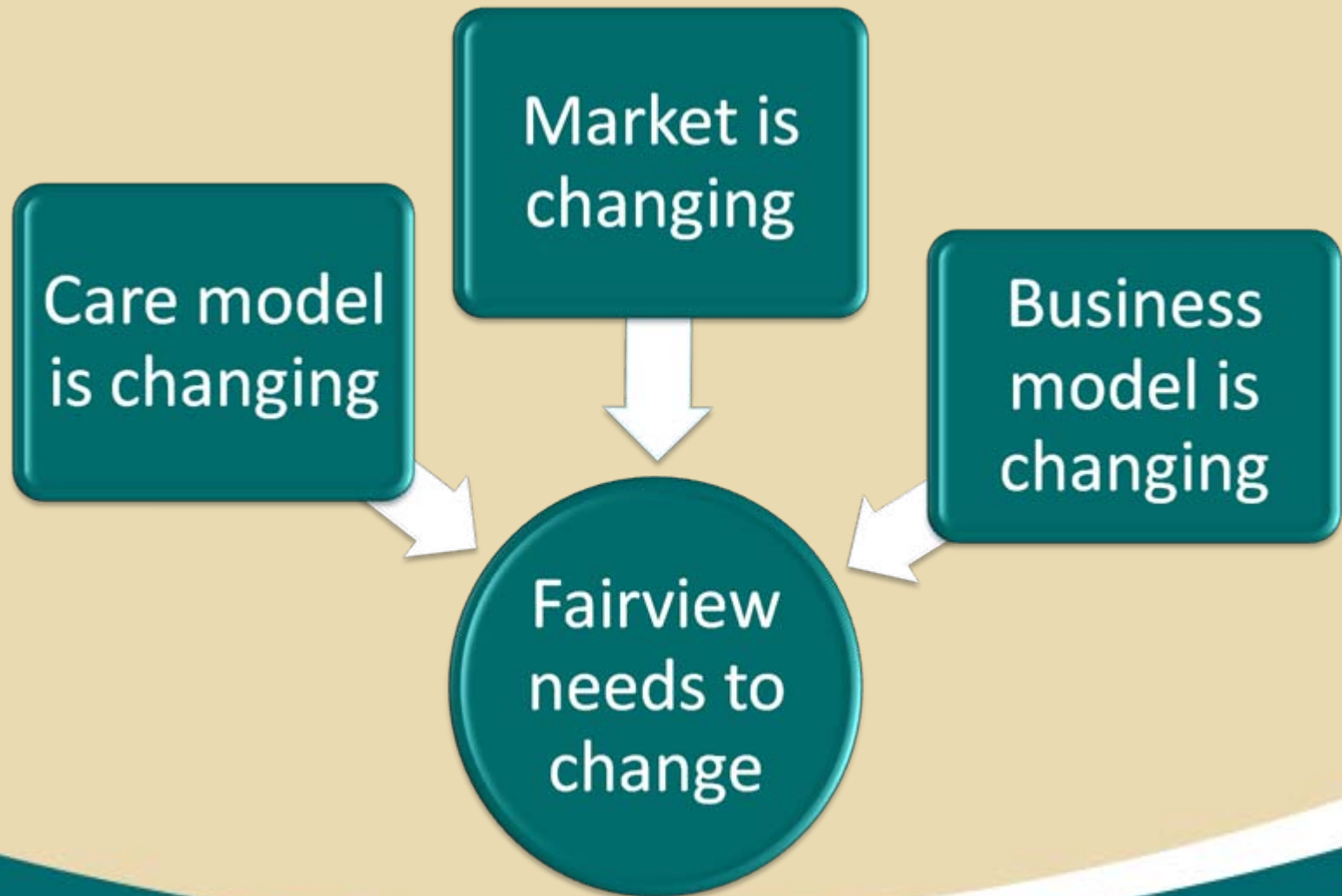
- Not-for-profit organization established in 1906
- Partner with the University of Minnesota since 1997
- 22,000+ employees
- 2,500 aligned physicians
 - Employed
 - Faculty
 - Independent
- 8 hospitals/medical centers (1,515 staffed beds)
- 44 primary care clinics
- 55-plus specialty clinics
- 26 senior housing locations
- 28 retail pharmacies



2008/2009 data

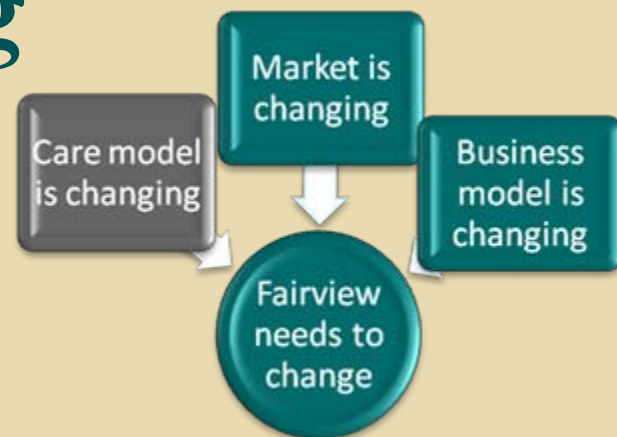
- 4.8 million outpatient encounters
- 80,314 inpatient admissions
- \$425.1 million community contributions
- Total assets of \$2.4 billion
- \$2.8 billion total revenue

The Environment is Changing



Care Model is Changing

- Shift from physician-centric to team-based care
 - Improving access, quality, experience
- Advanced health homes create market value and differentiation
- Measurement is moving from encounters to overall health outcomes
- Patient/family experience will drive long-term market differentiation
- Care will be based on managing the health of populations



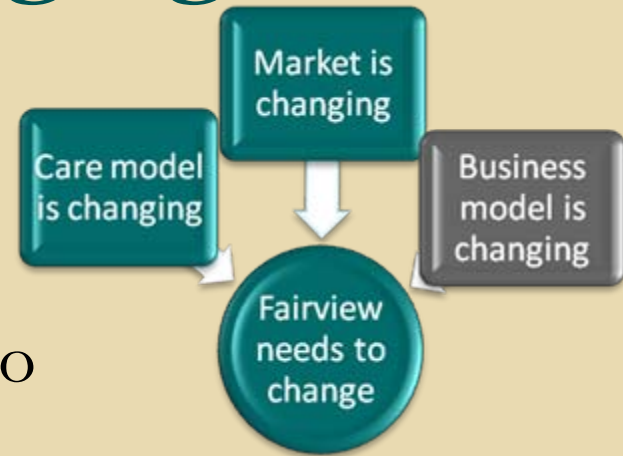
Market is Changing

- We are being asked to deliver greater *value*:
 - Improved clinical outcomes
 - Improved patient experience
 - Lower cost
- We are being asked to care for the health of a population.
- Payment systems and methodologies are changing...rewarding those who deliver value.



Business Model is Changing

- 20% absolute reduction in total cost of care
- Shifting from discount fee-for-service to global payment methods
- New commercial payment models are leading government payment models
- Performance is being measured and rewarded
- Membership growth is critical to achieving economic balance
- Direct contracting with employers

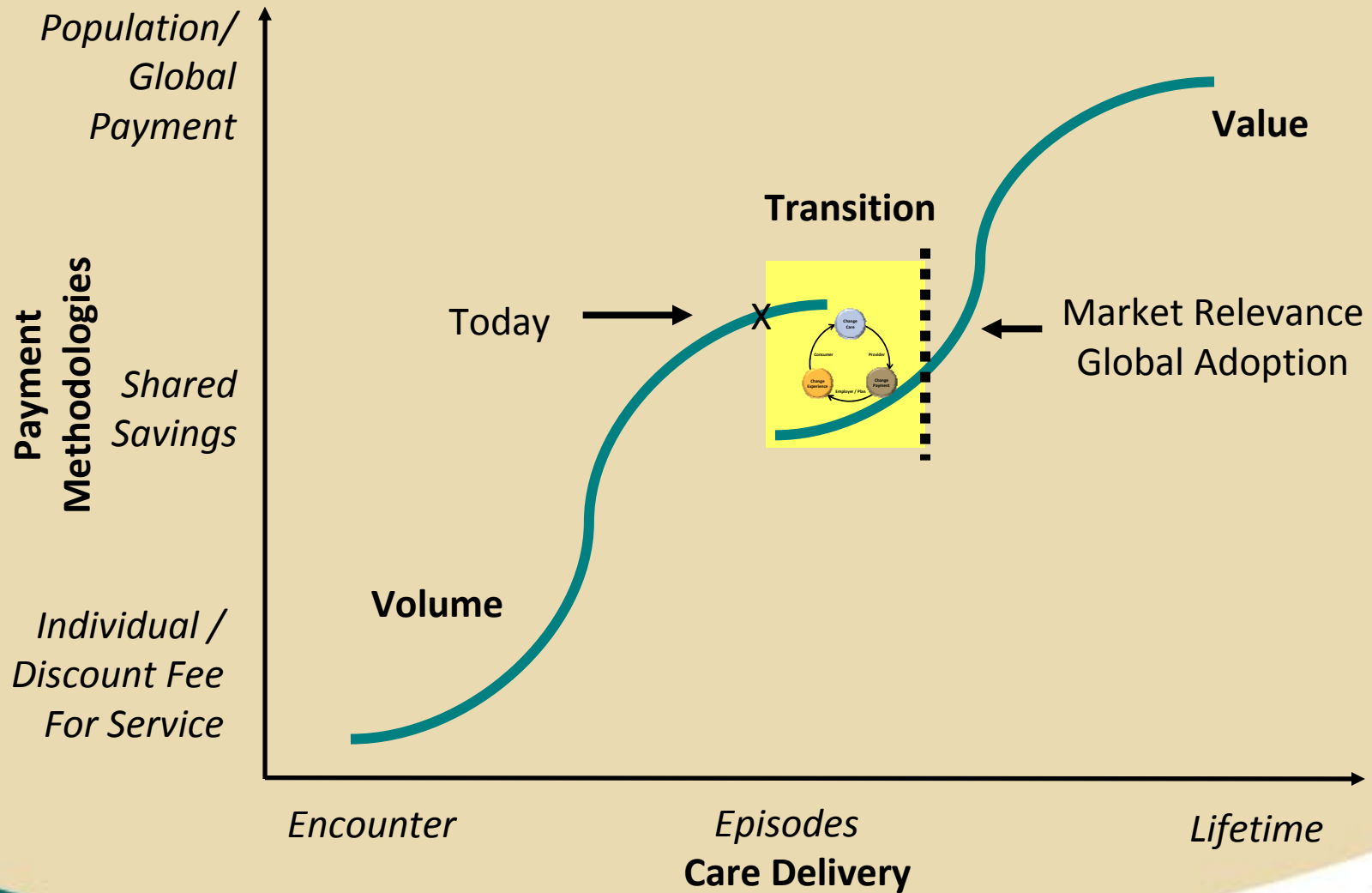


As the Market Redefines 'Value'

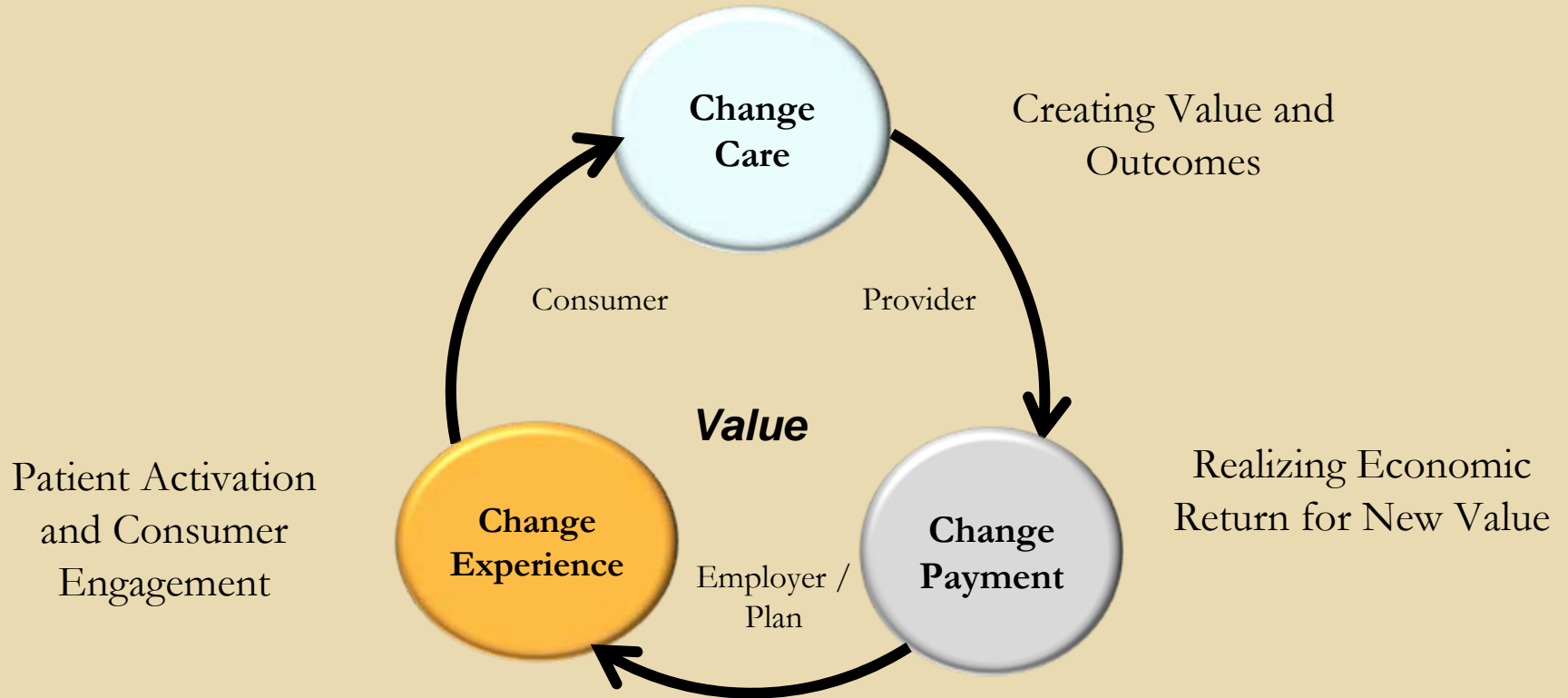
Our Measures of Success Will Evolve

	<u>Current World</u>		<u>New World</u>
Exceptional care	Process & outcomes	⊕	Health status
Exceptional experience	Encounter satisfaction	⊕	Customer loyalty
Effective & efficient use of resources	Cost per case	⊕	Cost per member
Strategic growth	Share of encounters	⊕	Share of attributed lives
Nation-leading research & education	Global affiliation	⊕	Targeted funding

The Market is Transforming

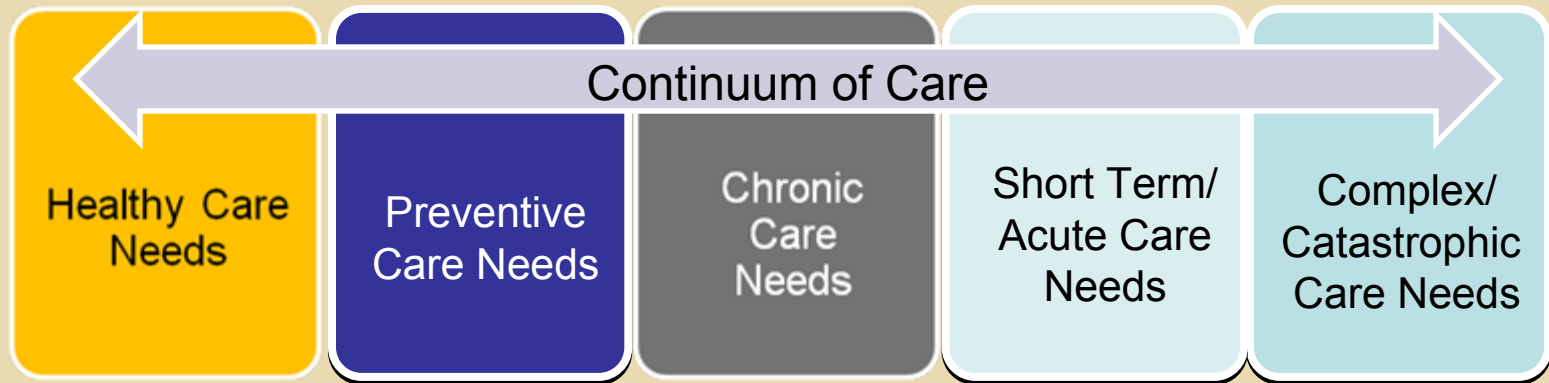


Establishing a New Value Chain



Building a Community Capability to Generate New Care, Experience and Payment Models

Improving the Health of a Population, Requires a Commitment to the Entire Continuum of Care...



Current Focus—Caring for the Sick

Future Focus—Improving Health, Well-Being for a Lifetime

“Helping People Enjoy Life by Improving Their Health”

Our work requires transformational change in organization focus...

Operations

Clinical Enterprise
Realize value

Care Model Innovation
Creating new value

Global Business Services
Creating enabling expertise

Design

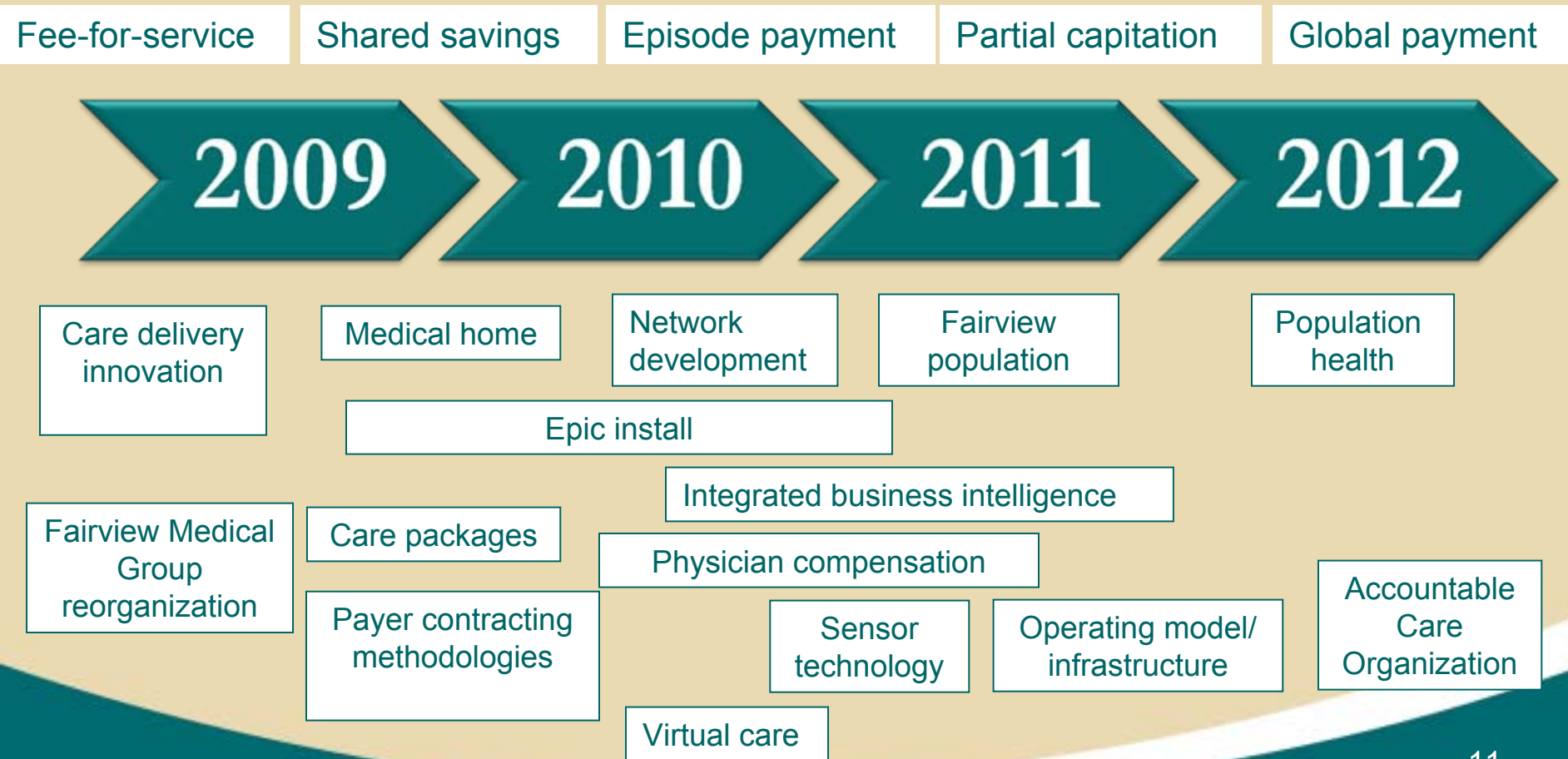
Member Acquisition
Connecting to Members

Business Model Innovation
Recognizing Economic Value

Building Capabilities to Care for the Health of Populations

Volume

Value



Changing Care and Experience

Care Model
Innovation
Creating Value

- Team-based care
- Care packages
- Care management
- Adjustment
- Disease management

Care Packages
*Managing the
continuum*

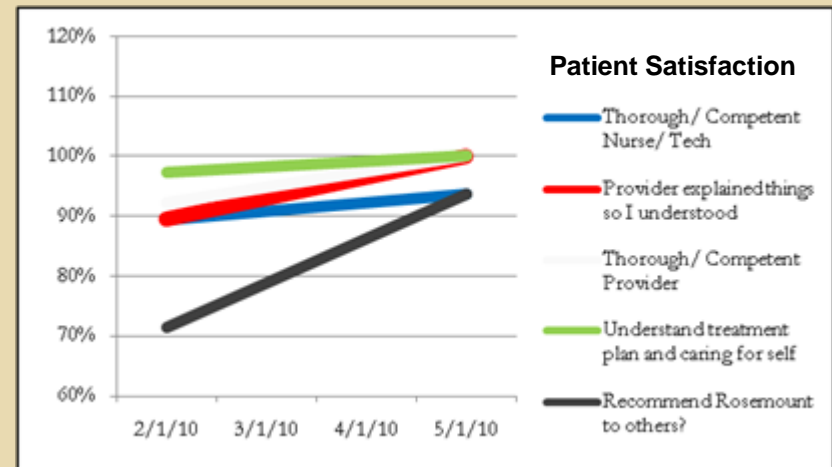
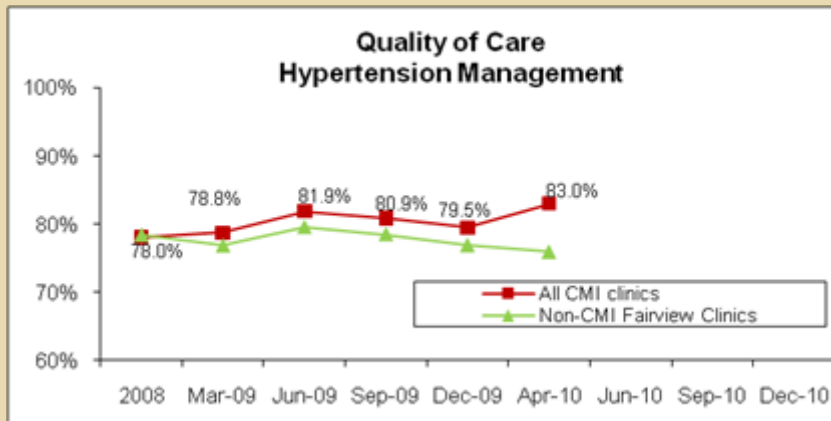
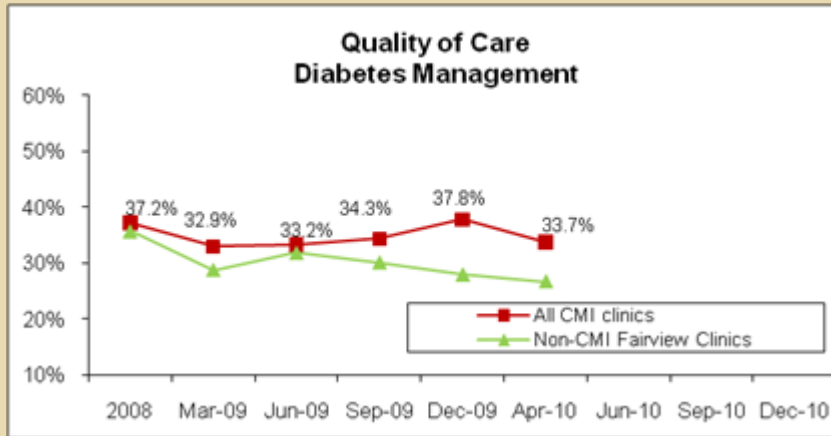
- 12 currently available (Primary Care)
- Developing additional for Specialty Care
- Engaging long-term and Transitional Care

Virtual Care
*Improving
Experience*

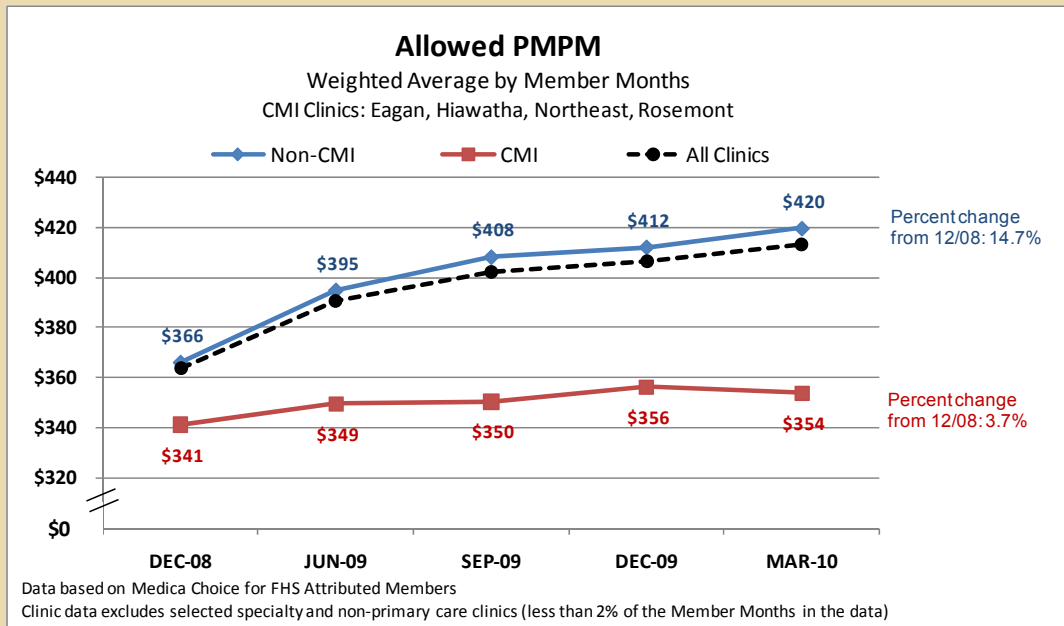
- Virtual Clinics
- Coaching
- Virtual Urgent Care
- Medication Therapy Management
- Active Learning (Condition Specific)
- Sensor Technology (Predicting need)
- e Medical Homes

Design → Prototypes → Diffusion → Operational

Improved quality in CMI clinics

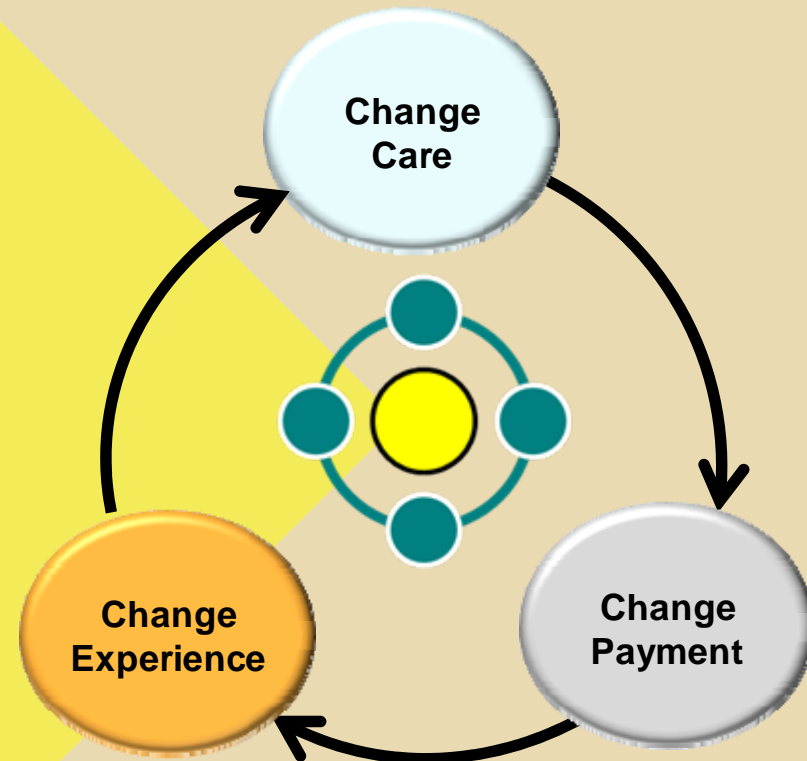
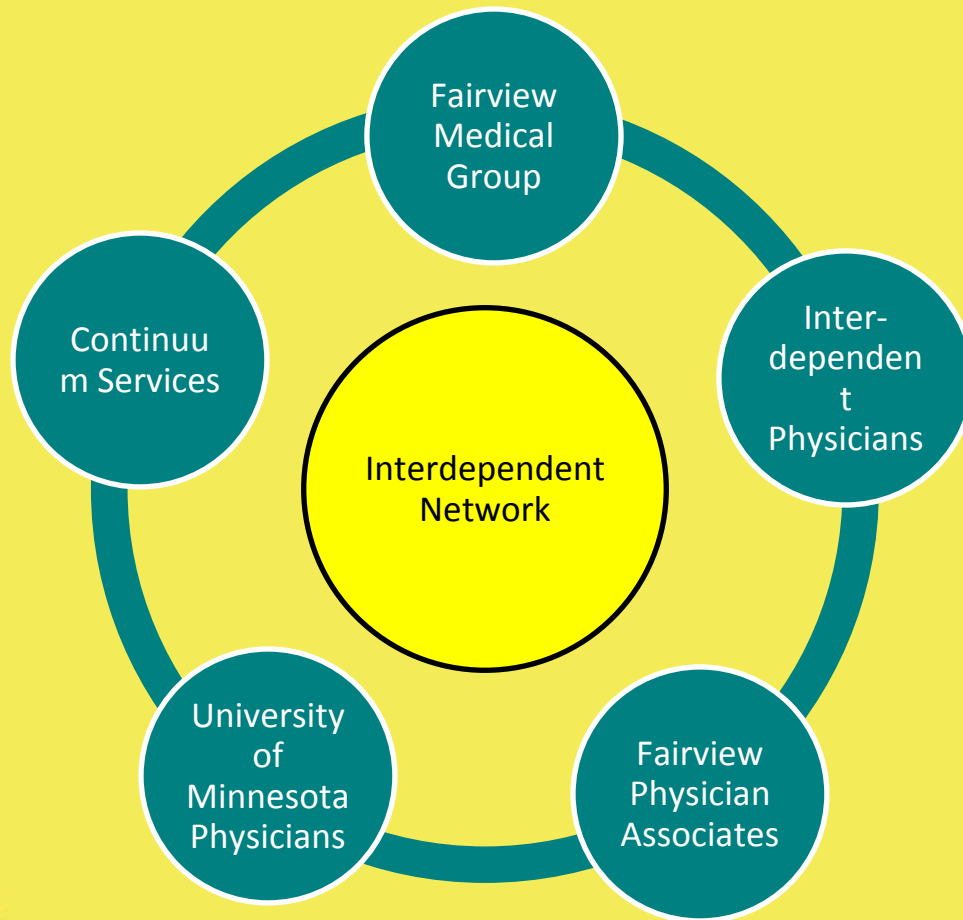


Total Cost of Care Comparison (Preliminary)

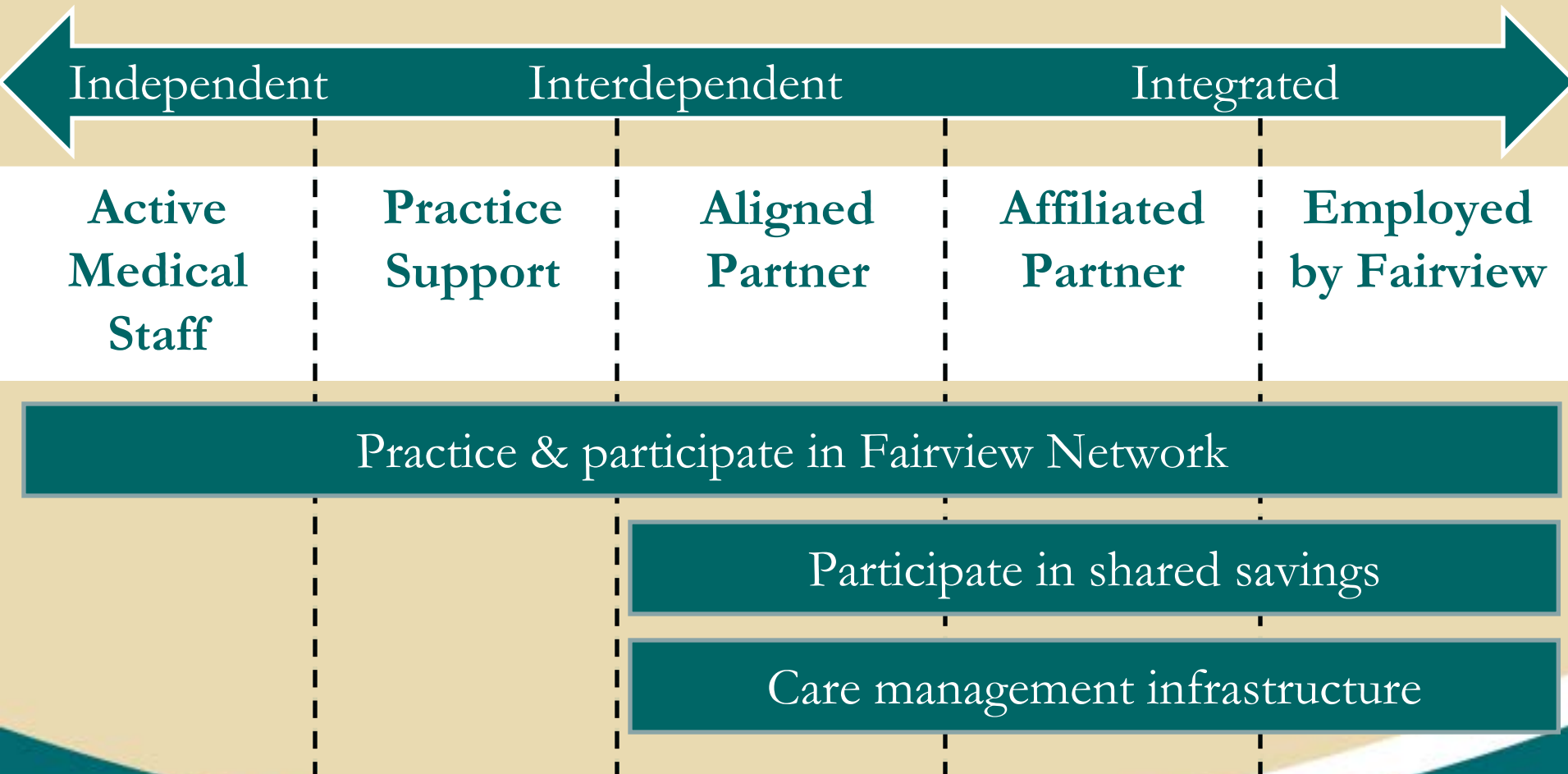


Value Create → Diffuse to Network

Interdependent Network of Providers Creating More Value, Serving 1.5 Million Members



Provider Alignment Options

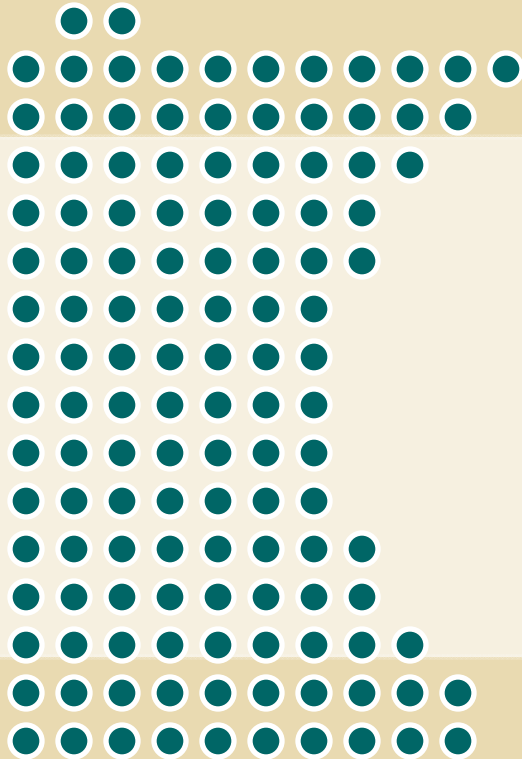


We are engaging population “aggregators” to increase members...

Individuals

Macro Buyers

Payers



3M

WELLS
FARGO

FAIRVIEW



BlueCross
BlueShield
of Minnesota

HealthPartners®

PreferredOne

MEDICA.

Individuals will be attributed, enrolled or assigned to provider networks

Attributed Members

Individuals attributed to the primary care provider they predominately chose for their health care.
(e.g. Medica members)

Assigned Members

Individuals are directed to specific provider networks by their payer.
(e.g. GAMC members)

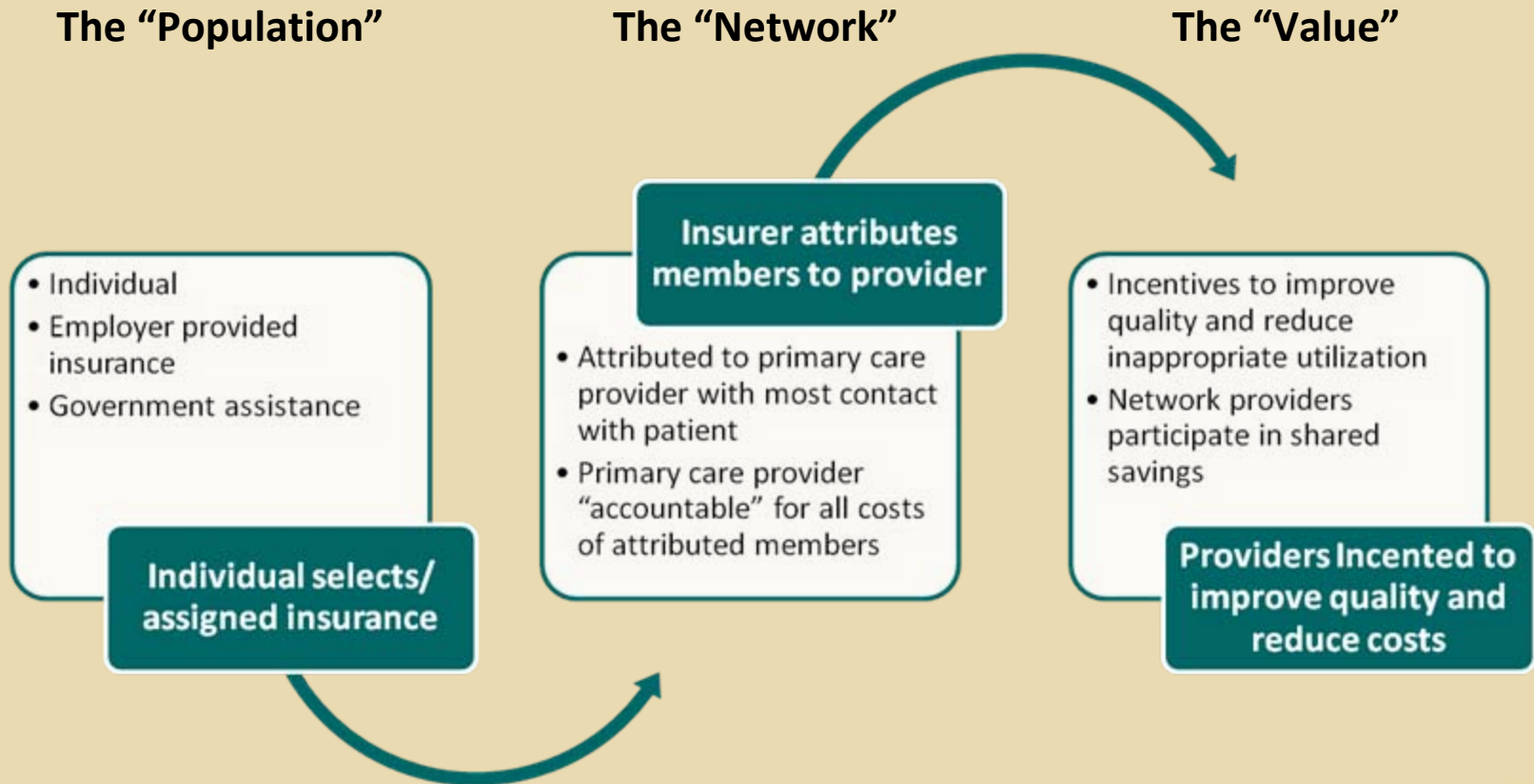
CHOICE

DIRECTED

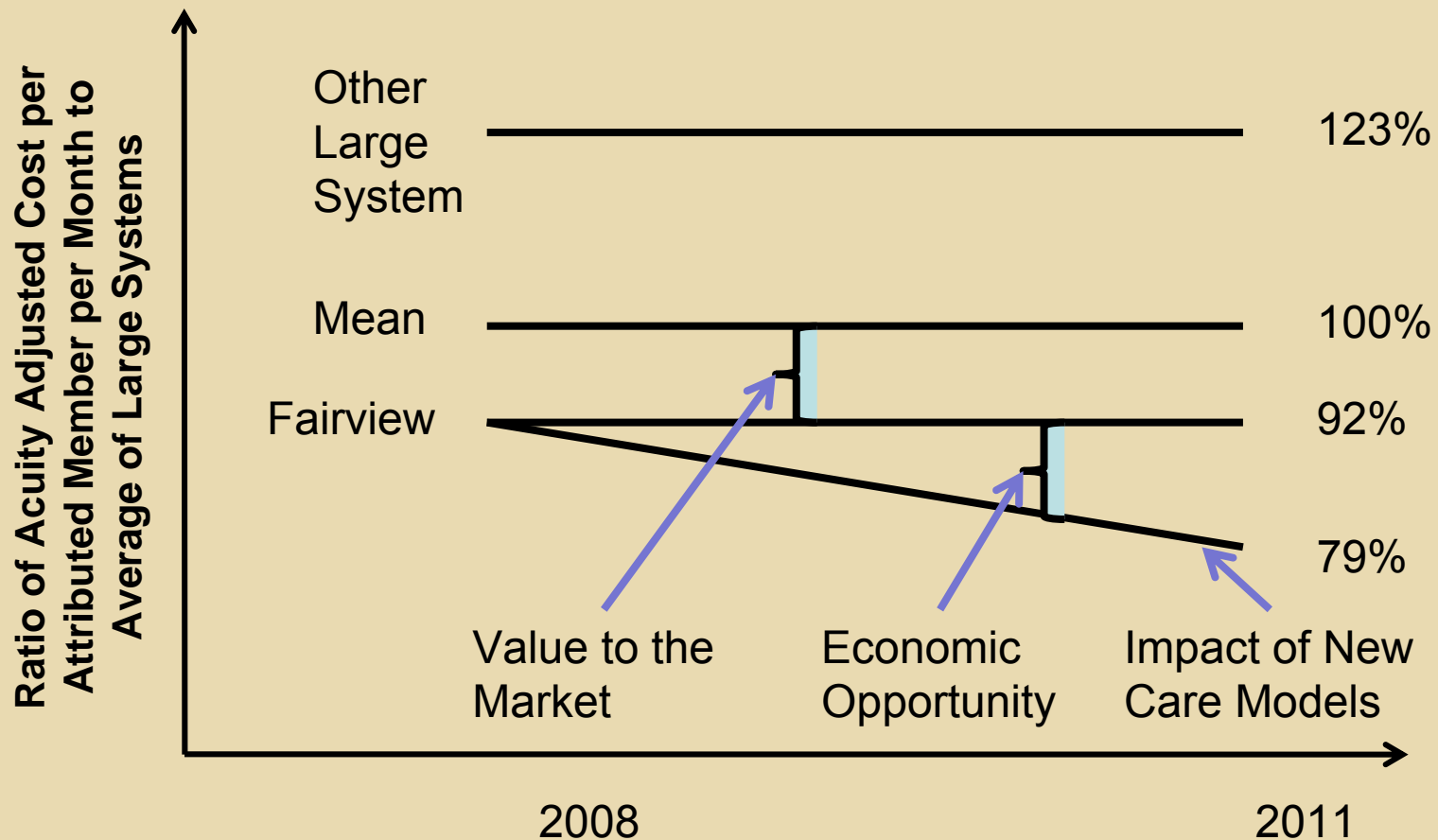
Enrolled Members

Individuals has the choice to select a defined/limited network for care.
(e.g. Medicare Advantage members)

What does managing population health look like?

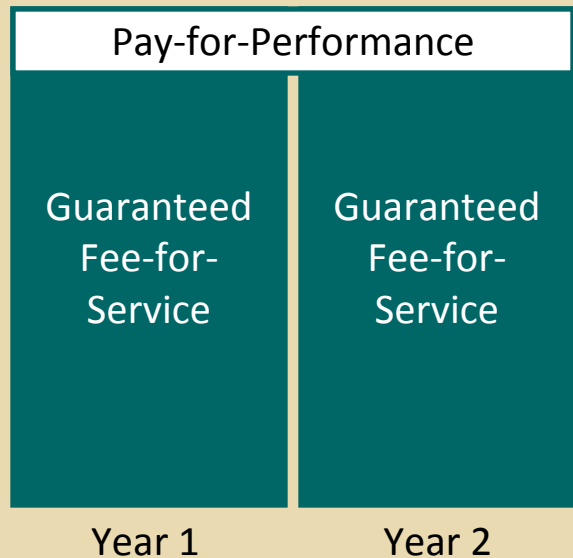


Change *Payment*: The Value of Fairview Primary Care Physicians

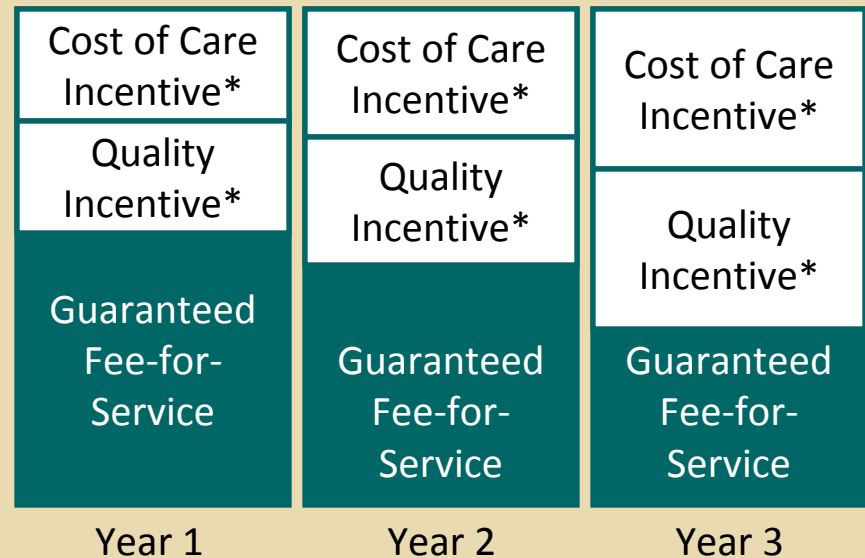


How Fairview's new contracts work...

Historical Contract



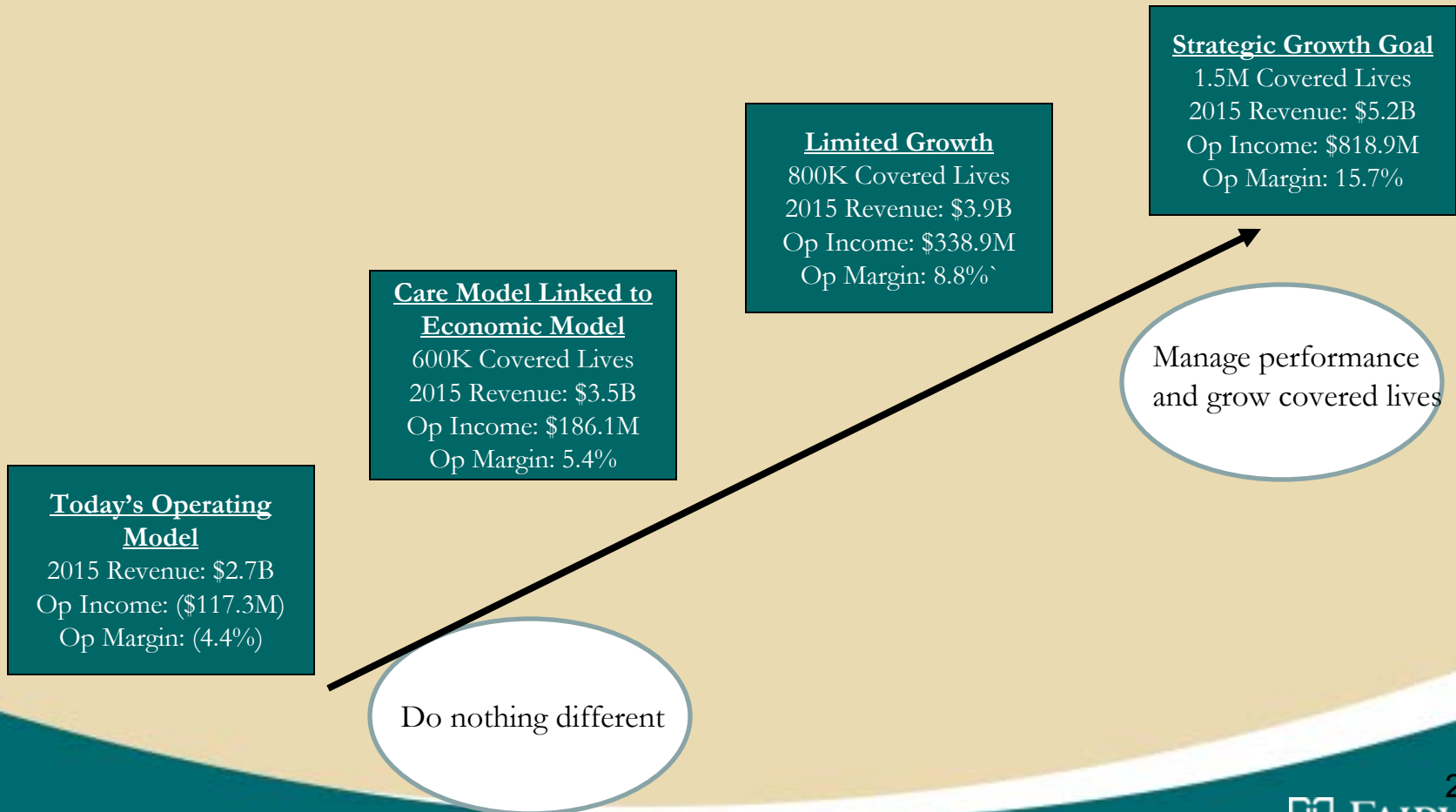
New Contract



* Based on measurable improvements in quality and cost

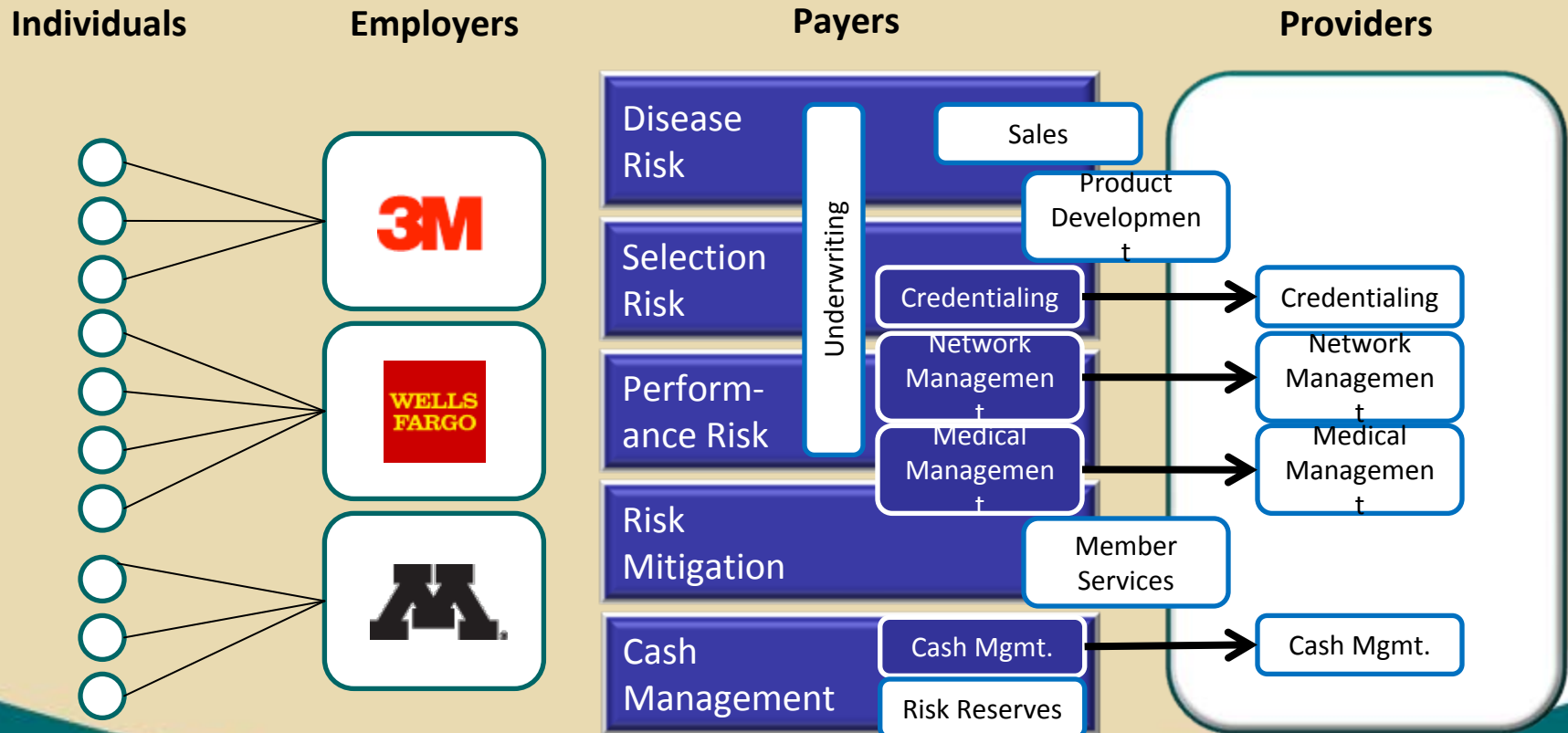
Demonstrating the Transformational Possibilities

- Multiple scenarios represent a diverse financial outlook, and series of operational strategies that will support each scenario



Business model shift

Select functions of payers shifting to providers, as providers take accountability for accepting performance risk and managing the health of populations.



Executive Summary: Challenges

- Thriving in fee-for-service model while transforming to value-based model
- Creating “new value” and “realizing economic value” of new care models
- Cultural transformation to enable new business model
- Physician alignment and integration (primary care/specialists, community/academic, independent/employed)
- Creating financial capacity to invest in care model innovation—internally generated and investments from external partners
- Ownership and commitment to vision
- Creating a sense of urgency—“the burning platform”
- Creating the framework to manage health and performance risk
- Access to information and privacy issues

Executive Summary: Success Factors

- Senior leadership “will” and engagement
- Physician leadership “owns” care model redesign
- Enlightened partnerships with payers and employers
- Physician/clinician alignment and integration
- Partners who bring needed expertise
- Access to data—integrated business intelligence
- Commitment to transformative work to create new value

Appendix

Fairview Needs to Change

Adjusting Our Strategy

Mission

To improve the health of the communities we serve

Vision

The best health care delivery system for America, in partnership with the University of Minnesota.

Goals

Exceptional Clinical care

Exceptional experience

Effective & efficient use of resources

Strategic growth

Nation-leading research & education

Strategies

Create an integrated, multispecialty provider network.

Create an environment for transformation that actively engages employees and physicians.

Eliminate unintentional variation and transform overall performance – quality, experience, cost – across the continuum.

Create new models for innovative care delivery and payment.

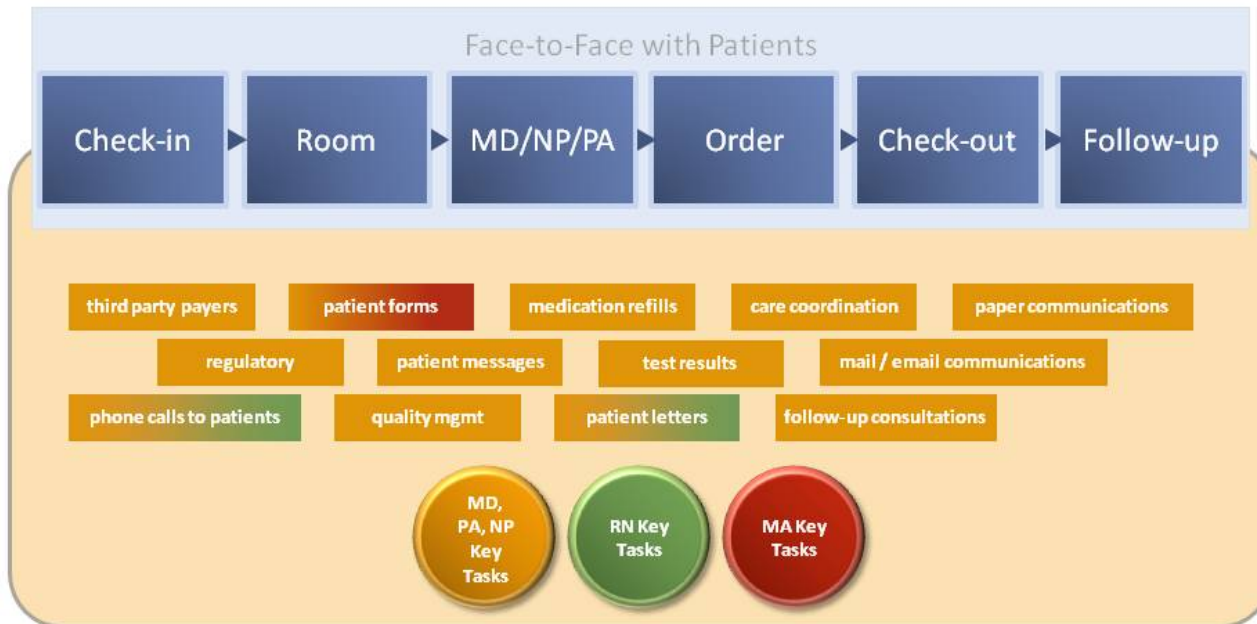
Establish the capabilities to accept risk and manage the health of populations.

Attract new customers and optimize relationships with current customers.

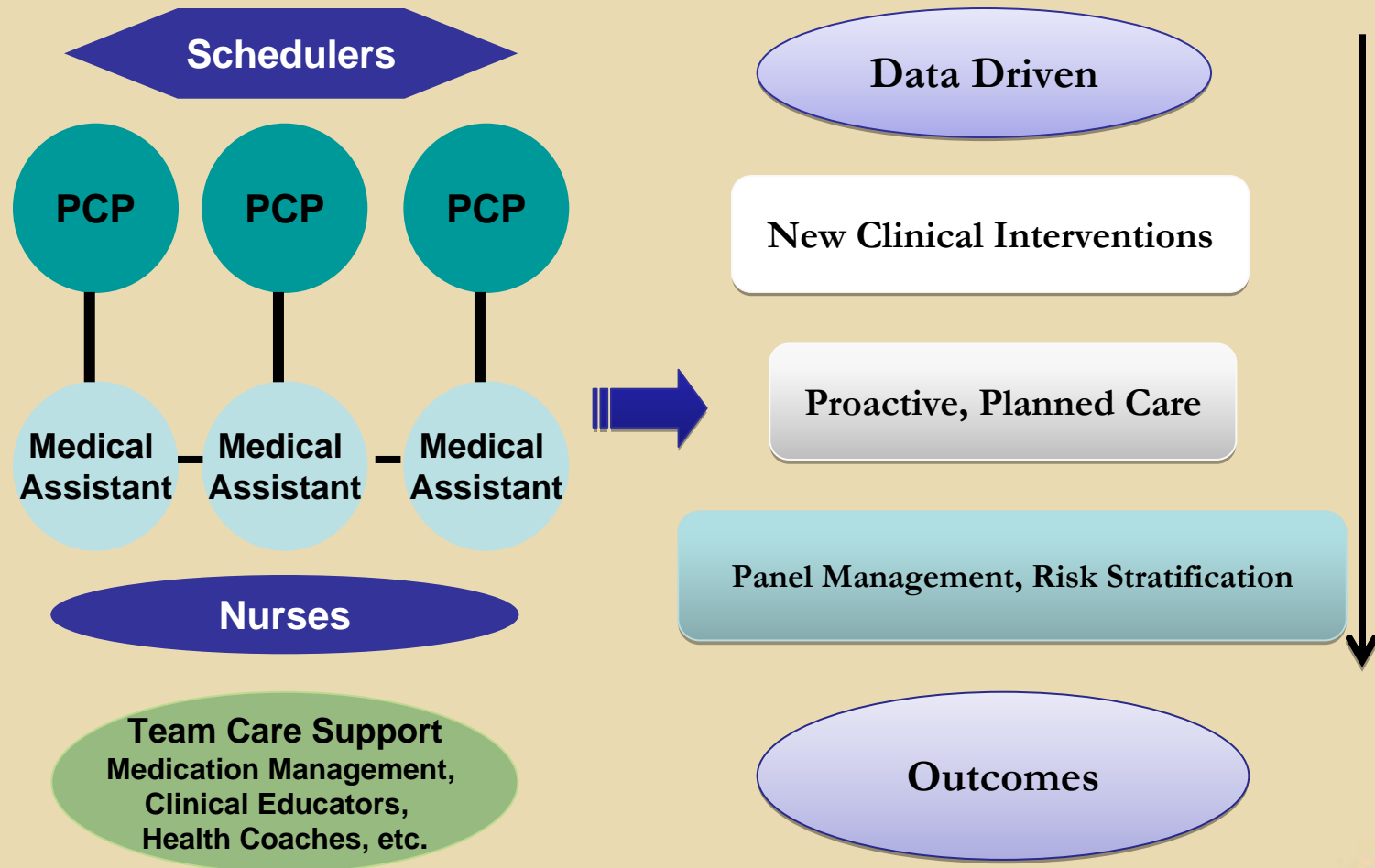
Invest in research and education to create a reliable pipeline of innovation and quality talent.

Create financial capacity to fund quality, innovation and growth.

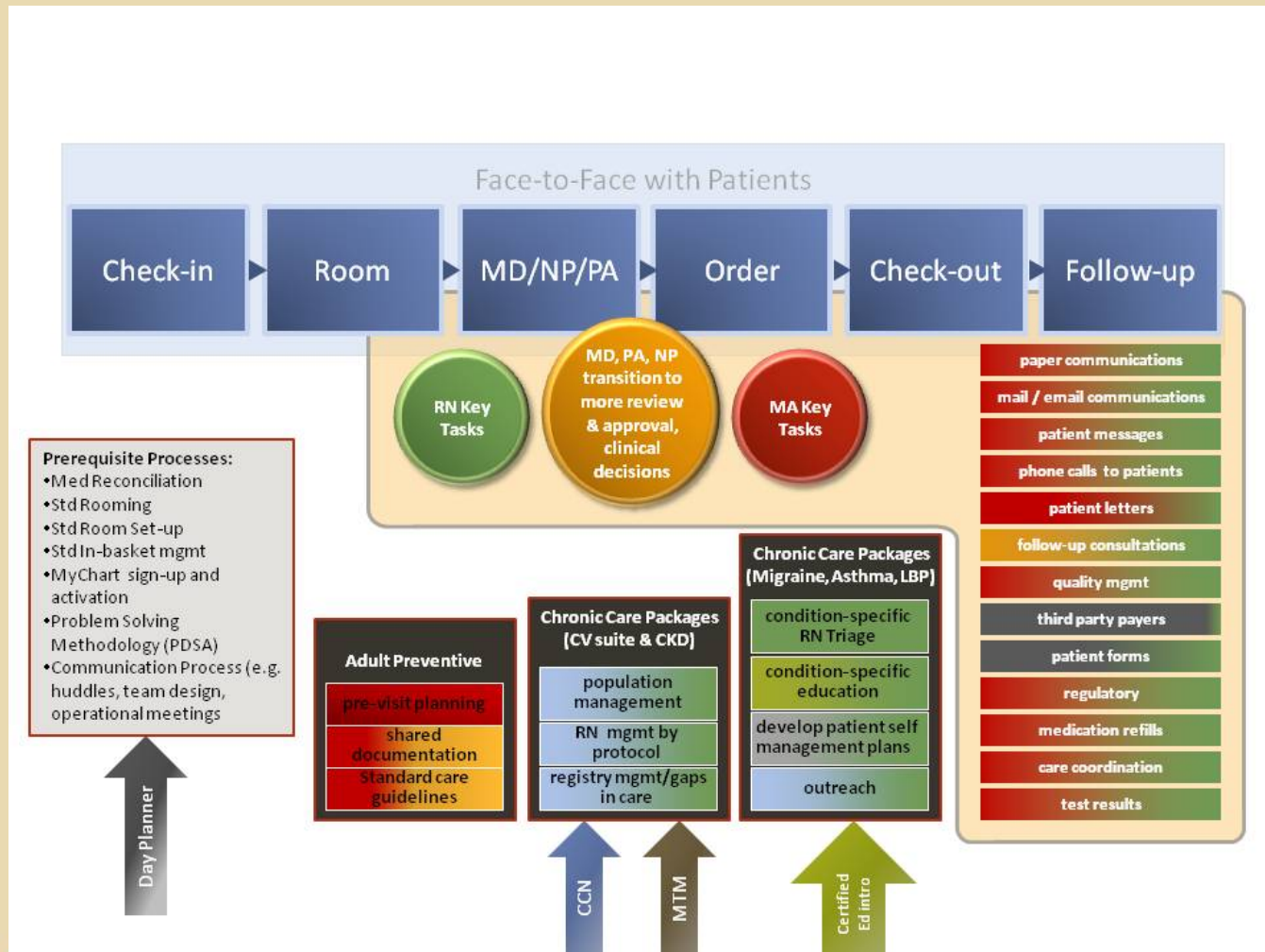
Today...care for the sick is physician centric



Change *Care*: Team-Based Care in Clinics



Tomorrow...keeping patients healthy with team-based care



Change *Experience*: Virtual Care through Fairview NetClinic

The screenshot displays the Fairview NetClinic website. At the top, a blue navigation bar includes links for HOME, EMPLOYMENT & EDUCATION, FOUNDATION, CLASSES, and RESEARCH, along with a search bar and a MyChart logo. Below this, a yellow banner reads "Your health care made easy..." and "See how easy and get a free beach tote." The main content area is orange and features the NetClinic logo with the tagline "Powered by you". A sidebar on the left offers a "Save Time at the Hospital" button and a "Fairview On Call" search function. The main content area is divided into three columns: "Learning Communities" (listing topics like Pediatric Diabetes and Hip Surgery), "My NetClinic" (listing features like My Classrooms and My Chart), and "Manage Your Health" (listing features like My Health Profile and Recommendations). A "Virtual Care DELIVERY" badge is visible in the bottom right corner of the main content area.

Virtual Clinics

- Coaching
- Medication Therapy Management
- Urgent Care
- eMedical Home
- Condition Specific

Online Care Anywhere Dashboard

Cumulative from 11/30/09 to 09/13/10

Consumer Enrollment

2512 Enrolled (7.5% with visits)
1764 Blue Cross (17% of potential)
330 Medtronic (1% of potential)
247 Schwan's (3% of potential)
171 ATK (2% of potential)

Satisfaction with Provider:

4.7 / 5 stars

Satisfaction with System:

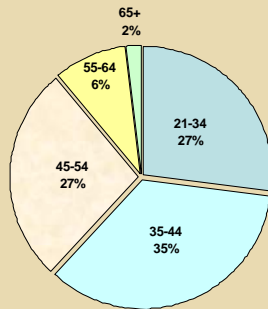
4.4 / 5 stars

Gender:

71.6% Female

28.4% Male

Age:



Consumer Visits

215 Visits (0 paid extensions)
176 Blue Cross
24 Medtronic
6 Schwan's
9 ATK

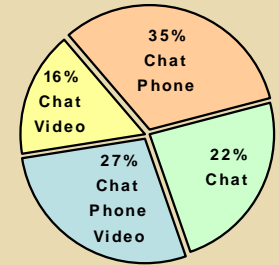
Visit Details

Average length: 10 mins 5 sec

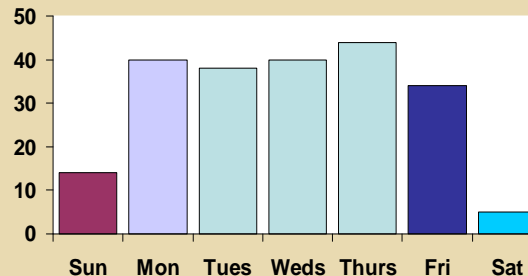
83 Conversations resulting in a Rx (39%)

112 Total Prescriptions written

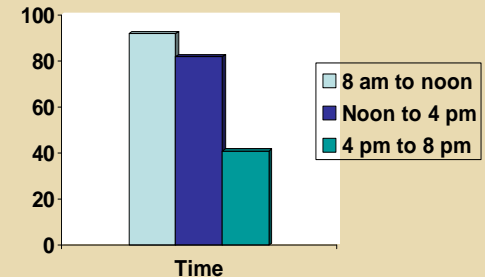
Consumer Modes of Communication



Day of the Week



Time of Day



Providers

38 registered (100% with visits)

Provider Type with Visits:

83% MD

12% Physician Asst

5% Nurse Practitioner

Satisfaction with System:

4.4 / 5 stars

Diagnoses Entered by Provider

Top 5:

1. Sinusitis
2. Minor Injury
3. Chronic Illness
4. Skin Conditions
5. Behavioral Health

Conversation Topics by Consumer

Top 5:

1. Cold & Sinus
2. Medication Advice/Refill
3. Pain / Injury
4. Skin Conditions
5. Behavioral Health

12 Care Packages Developed

- Low back pain
- Diabetes
- Hyperlipidemia
- Hypertension
- Migraine
- Kidney disease

- Kidney transplant
- Adult asthma
- Coronary artery disease
- Adult preventive
- Prenatal care
- Total knee replacement