



Creating the Culture for Accountable Care: The Advocate Physician Partners Model

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Presentation Overview

- Background on Advocate & APP
- The APP Clinical Integration Program
- Thoughts on Shaping Culture
- How APP Shapes Culture & Drives Results
- How to Find Out More

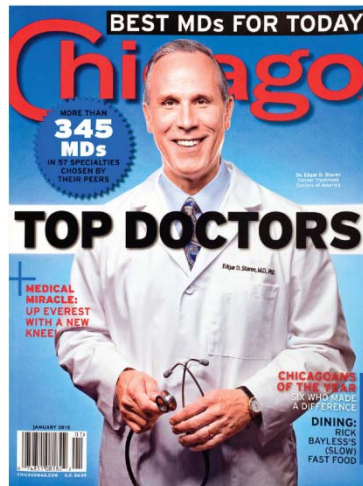
About Advocate Health Care

- 10 Hospital Campuses
- 5,400 Medical Staff
- 200 Sites of Care
- 27,000 Associates
- \$4.1 Billion Annual Revenue
- AA Bond Rating
- 2.5 Million Visits Annually
- ***Pluralistic Physician Integration Approach***

Professional and Community Recognition 2009



This workplace has been recognized by the American Heart Association for meeting criteria for employee fitness.



APP Vision Statement

The Vision of Advocate Physician Partners is to be the leading care management and managed care contracting organization.

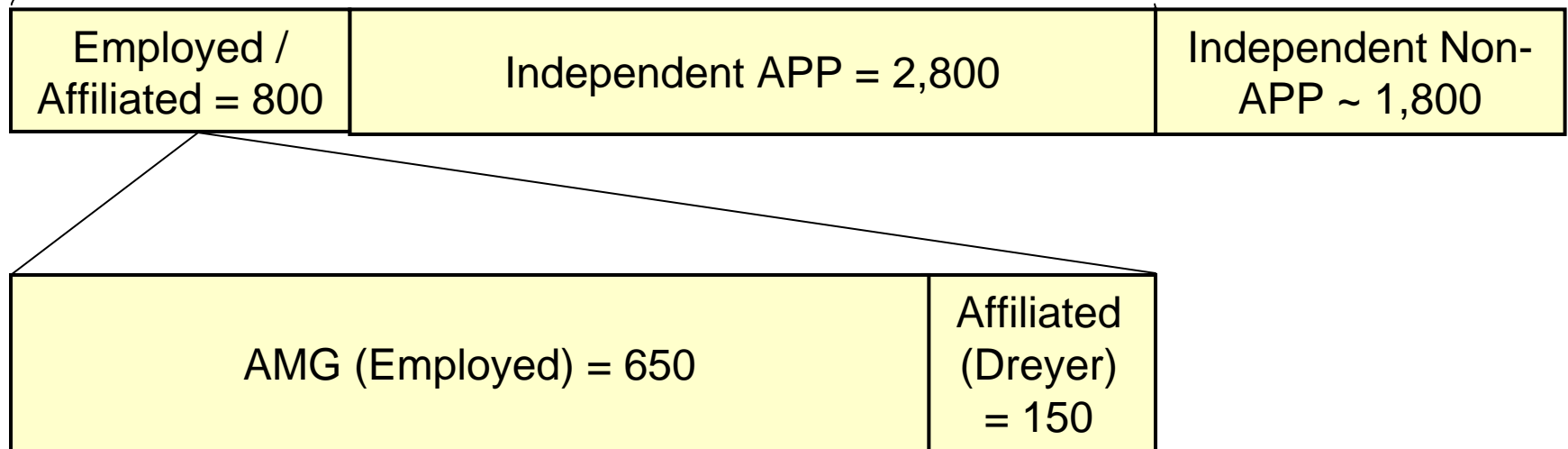
APP Fact Sheet

- Joint Venture Between Advocate & Physicians
- Formed in 1995 As a “Super PHO”
- Currently, 9 Physician Hospital Organizations
- Over 3,600 Participating Physicians
- 8 **Clinically Integrated** Fee-for-Service Contracts
 - Covering Over 700,000 PPO Lives
- 2 Capitated HMO Contracts
 - Covering Over 230,000 Capitated HMO Lives

Advocate's Physician Platform

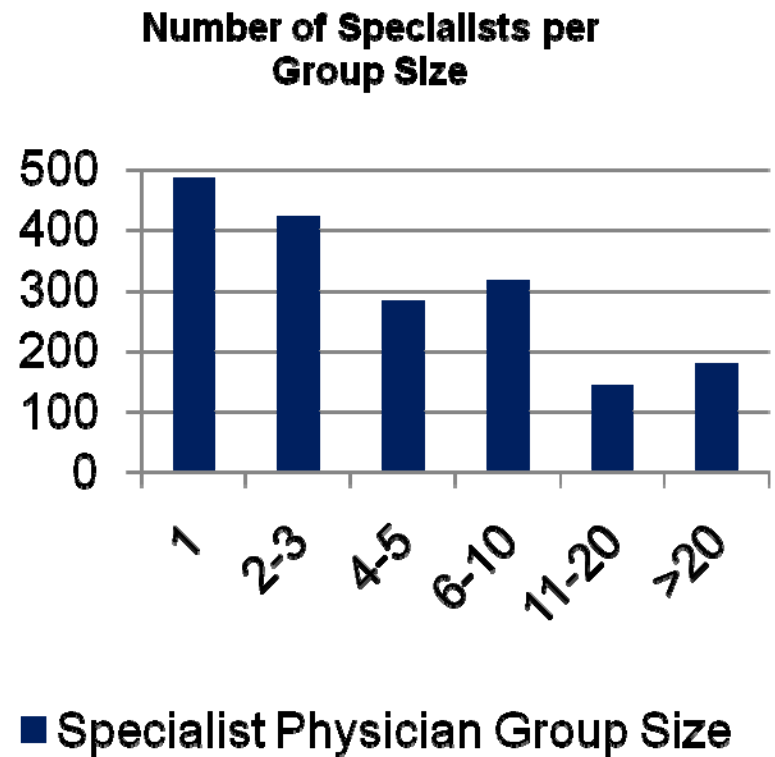
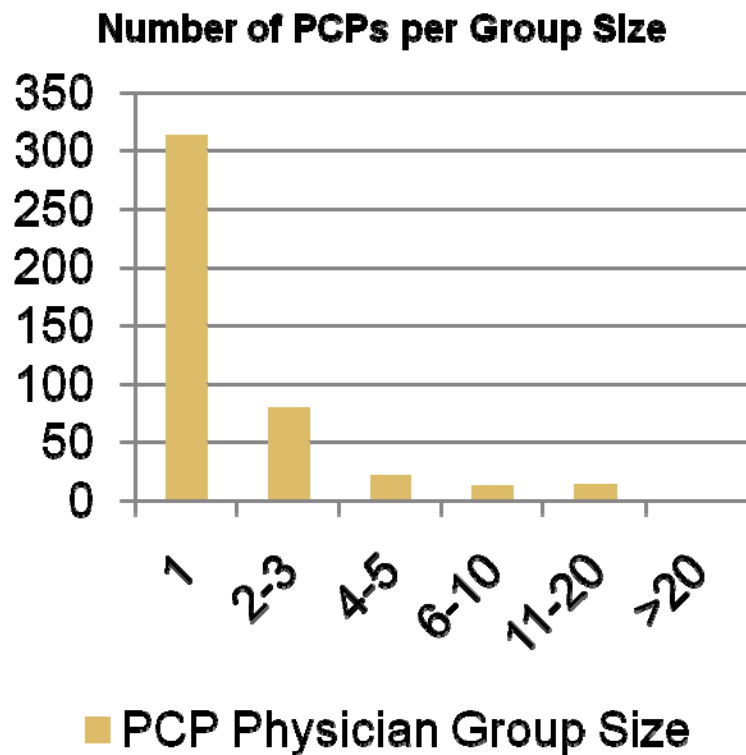
Total Physicians on Medical Staffs ~ 5,400

Total APP Physicians = 3,600



APP Physicians by Practice Group Size

50% of PCPs Are Solo Practitioners, 27% In Offices of 2-3



Clinical Integration Defined

- Comprehensive Care Management Program to Improve Outcomes and Reduce Costs
- Allows Competitors to Jointly Negotiate with Managed Care Organizations
- Value Created by Program Exceeds Real or Potential Danger of Cartel That Might Otherwise Be Present According to Federal Trade Commission and Others

How the APP CI Program Works

- Select Top Impact Areas for Employers & Community
 - Chronic Disease Conditions & Generics
 - Benefits Costs, Absenteeism, Presenteeism
- Utilize Best Evidence-Based Practices
- Establish Performance Targets Annually
- Obtain Contracts to Reward Improvement
- Provide Physicians Tools, Training & Feedback
- Develop Physician Progress Reporting System
- Reward Performance At End of Year

Measures Create Focus

- 41 Initiatives (Diabetes, Asthma, etc.)
- 116 Specific Measures (in 2010)
- 28 Specialty-Specific Physician “Report Cards”
- Multiple Areas of Focus:
 - Clinical Effectiveness
 - Medical & Technological Infrastructure
 - Efficiency
 - Patient Safety
 - Patient Experience

Guidance in Selecting Initiatives

- IOM Priority Areas
- The Leapfrog Group
- Healthy People 2010, U.S., HHS
- HEDIS of NCQA
- Quality Improvement Organizations of CMS
- ORYX of JCAHO
- Medical Associations and Colleges
- Managed Care Organizations
- Advocate Efficiency and Cost Information

APP Infrastructure Investment: Information Technology

- eICU Adoption
- Electronic Data Interchange Requirement
- High Speed Internet Requirement
- ERMA Referral Authorization System
- APPeX e-Prescribing System
- Mining of PPO Claims Data
- CIRRIIS Disease Registry System
- E-Learning Initiative/APP University
- SynAPPs EMR/Practice Management System

APP Infrastructure Support Services

- Online Physician “Report Cards”
- Online Patient Education Tools & Protocols
- Patient Reminders and Coaching
- Orientation for New Physicians
- Medical Director Coaching
- Physician Collaboratives
- Hospitalist Program
- Diabetes Clinics

Participating Health Plans

- Includes All Major Plans in the Market
- Includes Risk and Fee-for-Service Products
- Payment Composed of Base Rates and Incentive Compensation
- **Same Measures Across All Payers**
- Common Procedures at Practice Level

Highlights of APP's 2009 CI Results

"Moving the Dial" on Quality

- Generic Prescribing: 5-7% > Local Plans
- LDL Good Control: 56% > National Rate
- Childhood Immunizations: 41% > National Rate
- Depression Screening: 109% > National Rate
- Diabetic Care: Exceeded National Rate on All 9 Measures
- Asthma Action Plans: 137% > National Rate

Putting It All Together

THE 2010 VALUE REPORT

Reporting the 2009
Clinical Integration Results

Benefits from Clinical Integration

 Advocate Physician Partners

To obtain a copy, go to

www.advocatehealth.com/valuereport

or call 1-800-3-ADVOCATE

Value for Physicians

- Access to Managed Care Contracts
 - Turnkey P4P Program
- Positioned for Healthcare Reforms
- Clinical Innovation
- Centralized Credentialing
- Patient Reminders & Education
- Medical Management Services
- Clinical IS (Disease Registries, EMR)
- Value Added Services

Value for Hospitals & IDNs

- Creates Business Partnership with Key Physicians to Drive Quality & Safety, Lower Cost
- Helps Focus Physicians on Hospital Goals
- Strengthens Loyalty/Increases Engagement
- Physicians Drive Clinical Outcomes

Value for the Marketplace

- Focus on Clinical Outcomes
- Demonstration of Efficiencies
- Ongoing Improvement
- Stable/Cohesive Network
- Measure and Display Results
- Led by Physicians

Thoughts on Shaping Culture

The Essential Problem: Lack of Innovation

“The cause of runaway healthcare costs is malpractice, but not the medical kind. Rather, we’re guilty of business model malpractice on a grand scale.”



Clayton Christensen,
Harvard Business School,
Author of
'The Innovator's
Prescription'

What It Costs – An Estimate

- Seven chronic illnesses result in \$1.1 trillion in lost productivity and \$277 billion in treatment costs—a total impact of \$1.377 trillion
- Our current path would increase that impact to \$4.2 trillion by 2023
- With modest improvements in treating and preventing chronic disease, we could reduce that impact by 27%-- saving \$218 billion per year and adding \$905 billion to the GDP through productivity gains.

Source: DeVol et al, **An Unhealthy America: the Economic Burden of Chronic Disease**. *The Milken Institute, 2007*

Clinical Integration & Health Care Reform

- Foundation for **Accountable Care Organization**
- Provides Infrastructure for **Medical Home**
- Creates Conditions for **HIT “Meaningful Use”**
- Facilitates **“Pay-for-Performance,”** ,
“Bundled Payment”, **“Gainsharing,”** and
“Shared Savings” Arrangements
- Allows Physicians to **Collectively Negotiate**
with Health Plans or Establish Cooperatives

Thoughts on Culture

- Culture Beats Strategy Every Time
- What Is Culture Anyway?
- Chicken or Egg?
 - Can Culture Be Shaped ...
 - ... Or Is It An Artifact of What You Do?
- What Are Ways APP Is Creating & Attempting to Influence Culture?

How APP Shapes Culture & Drives Results

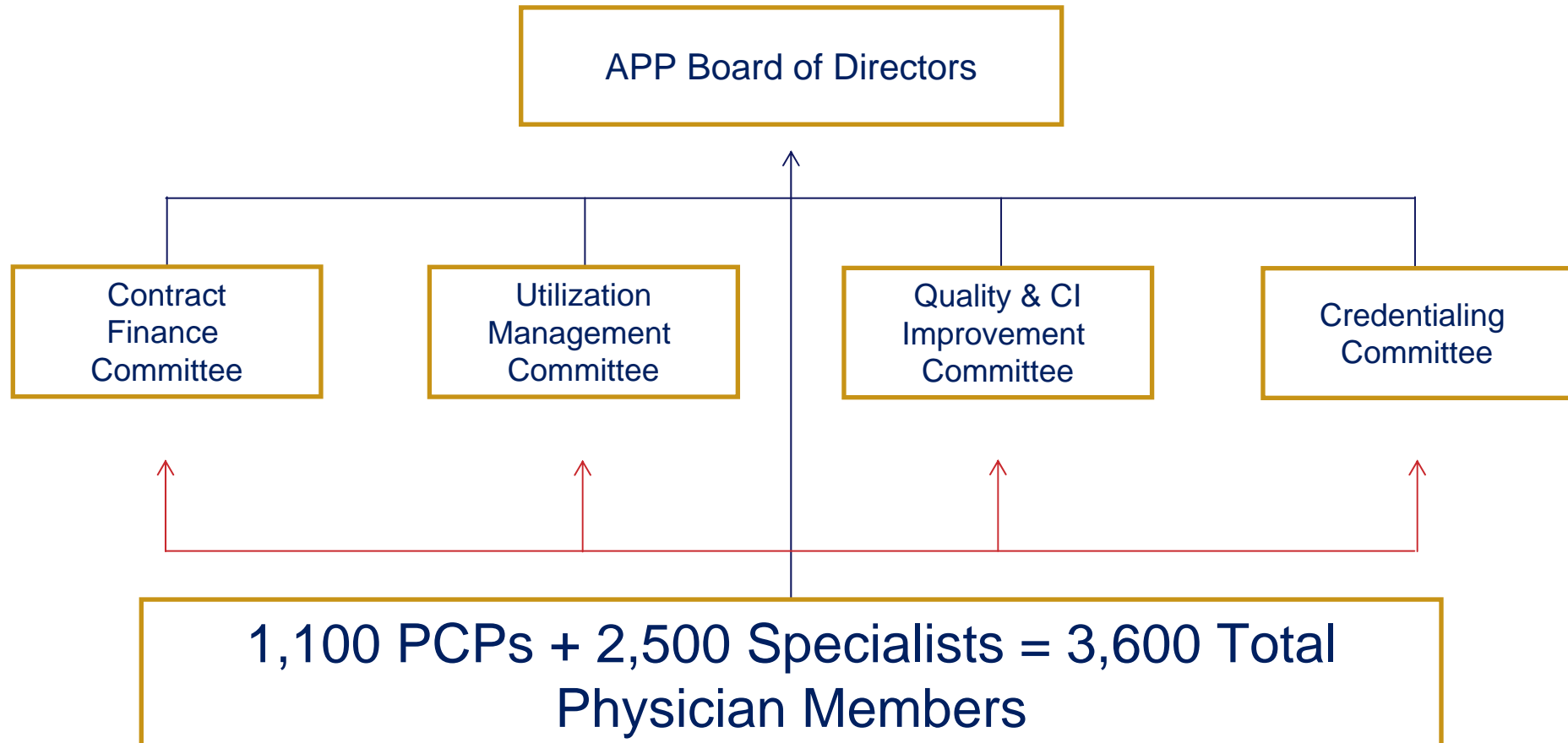
Creating a Culture of Engaged Physicians

- Physician Engagement in Governance
- Physician Leadership Development
- Shared Identity & Values → “Membership”
- Infrastructure Investment to Enable Success
- Appeals to Pride & Sense of Excellence
 - Recognition for Quality & Efficiency
 - Consistent Use of Evidence-Based Medicine
 - Power of the Outcomes of the Group

Reflections on Governance

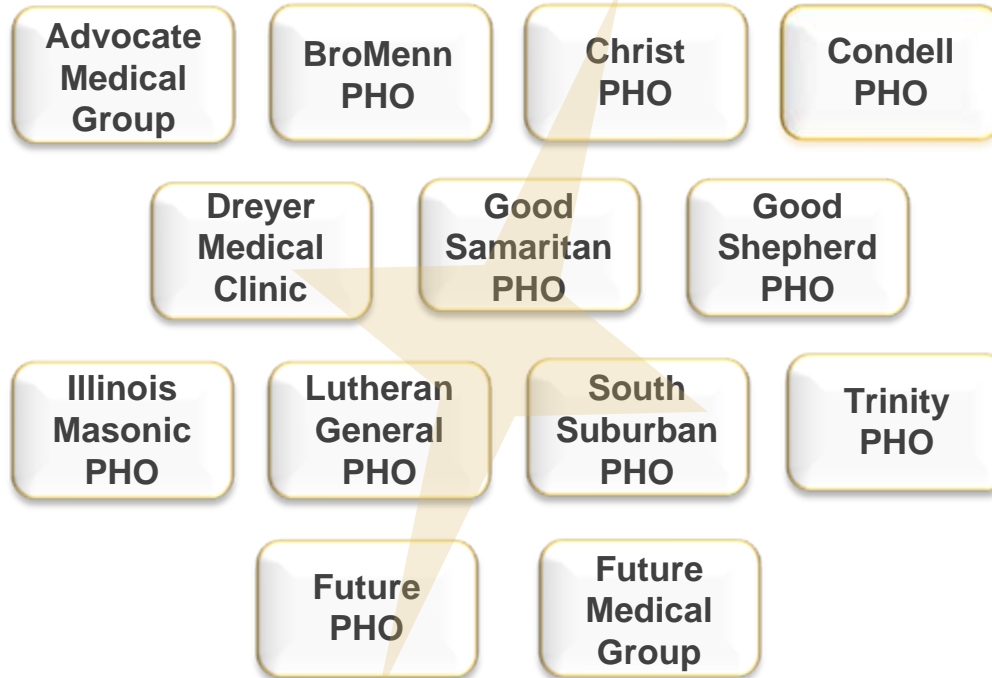
- Evolution: Self Governance & Town-Hall Democracy To Collective Decision Making & Representative Democracy
- Physician Leadership & Representation
- Pay for Participation
- Charters, Composition, Evaluation

APP Board and Committee Structure



Local Site Engagement in Governance

APP Board & Committees

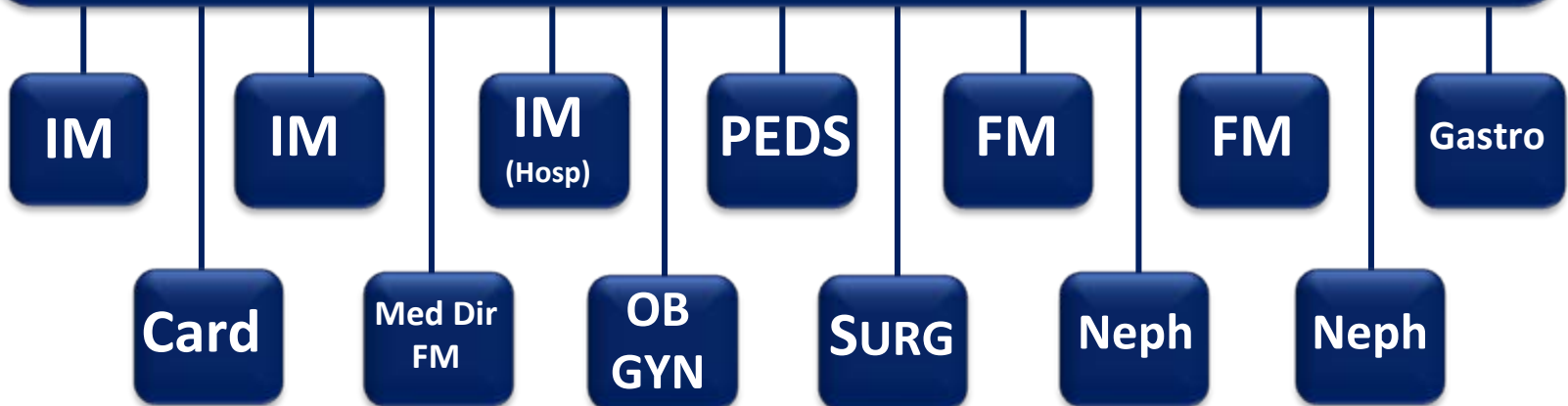


APP QI Committee

APP Board of Directors

Quality Improvement, Patient Safety and Clinical
Integration Committees

Chair – QI Medical Director PCP



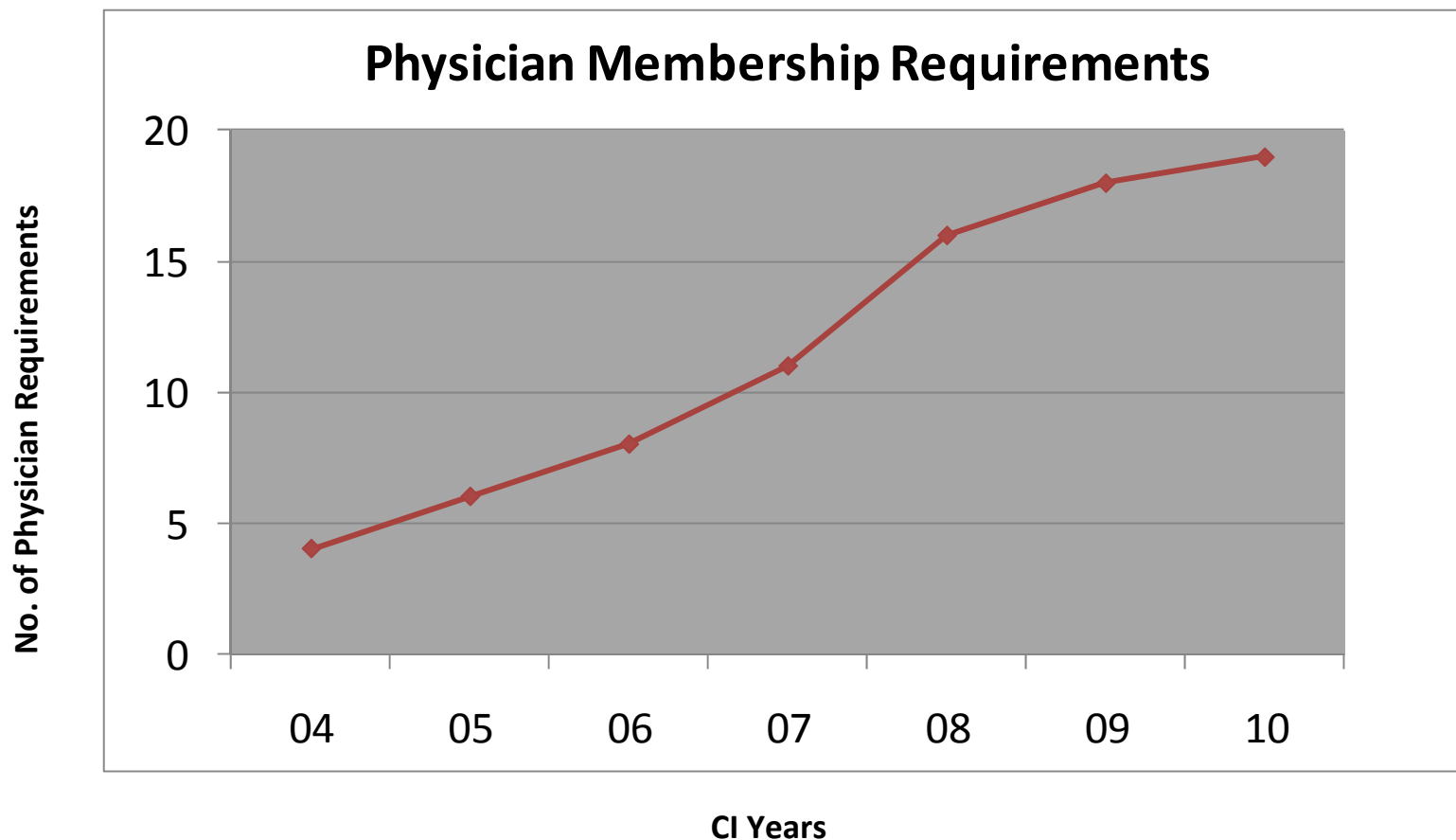
Physician Leadership Development

- Identification and Promotions Via Committees
- Formal Governance Training
- Mentoring Program for New Leaders

Shared Identity & Values

- Organizational Structure that Aligns Physicians and Hospitals
- Joint Contracting for Clinical Integration
- Membership Criteria

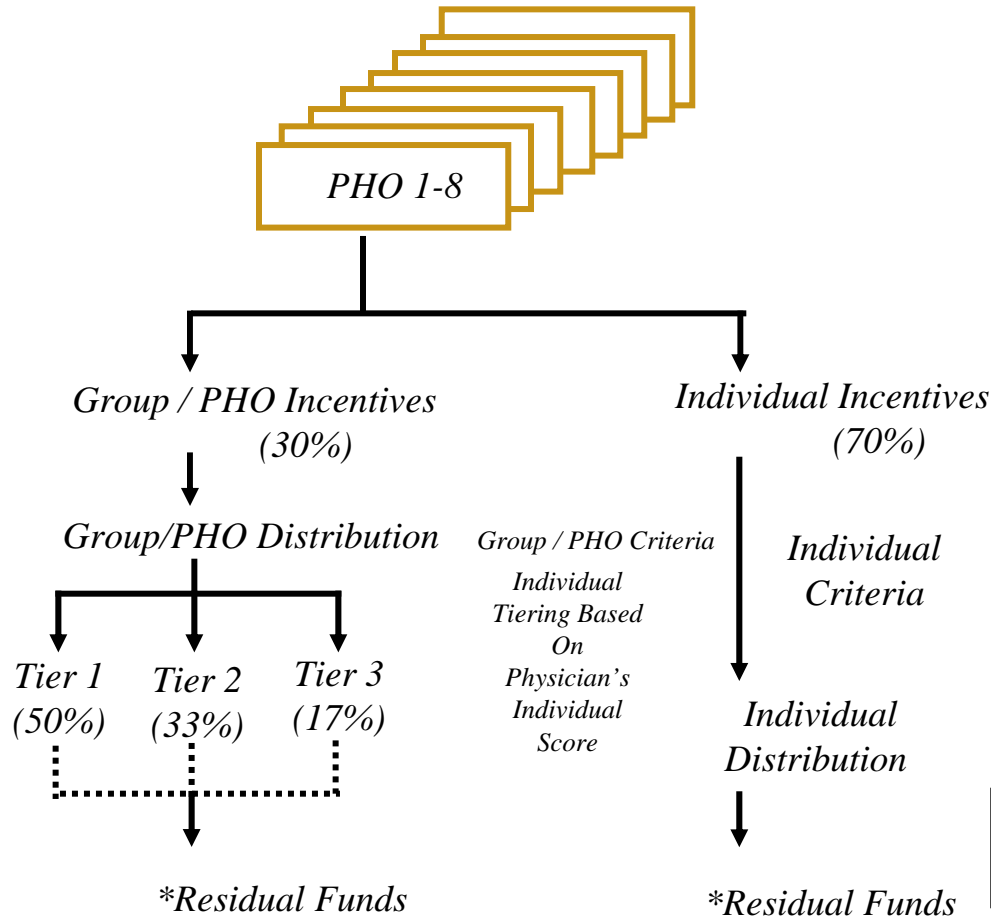
Creating a Sense of Membership



Pride In the Outcomes of the Group

- Clinical Integration Fund Rewards Quality and Cost Effectiveness at Both Individual and Group Level
- Common Performance Measures
- Value Report Sums It Up For All to See
 - ***Huge Impact with Physicians!***

Creating Culture Thru Group Incentives



* Residual Funds are rolled over into general CI fund (not tied to individual physician or originating PHO) to be distributed in the following year

Adoption of Evidence-Based Care for Individual and Population Health

- Tools to Achieve Performance Goals
- Communication Systems
- Dramatic Impact of Combined Results

Advancing Technology Adoption

Year	
2004	High Speed internet Access in Physician Offices
	Centralized Longitudinal Registries
	Access to hospital, lab and diagnostic test information through a centralized Clinical Data Repository (Care Net and Care Connection)
2005	Electronic Data Interchange (EDI)
2006	Computerized Physician Order Entry (CPOE)
	Electronic Medical Record Roll out in Employed Groups
2007	Electronic Intensive Care Unit (eICU) use
2008	e-Prescribing
2009	Web-based Point of Care Integrated Registries (CIRRIS)
2010	e-Learning Physician Continuing education
	Electronic medical records Roll out in Independent Practices

Advancing Evidence-Based Medicine and Care

Year	
2004	Physician Reminders for Care
	Chart Based Patient Management
2006	Patient Outreach
2007	Physician Office Staff Training
2008	Chronic Disease Collaboratives
	Patient Coaching Program
	Hospitalists
2009	Diabetes Wellness Clinics
	Pharmacy Academic Detailing Program

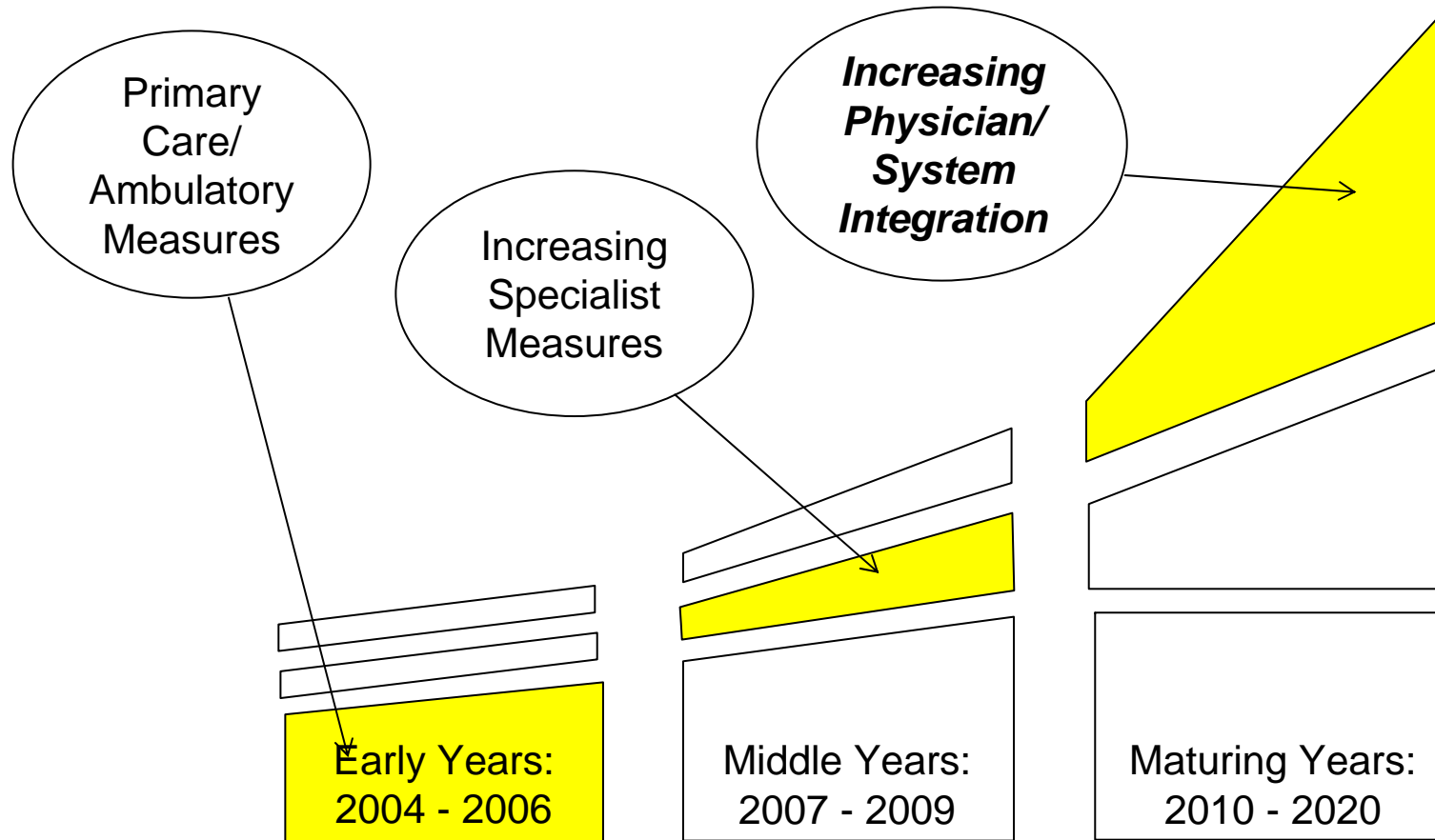
Linking Physician & Management Incentives

From Hospital as Utility to Hospital as Partner

- Common Areas of Focus
- Shared Management and Physician Performance Targets
- Aligned Management & Physician Incentives

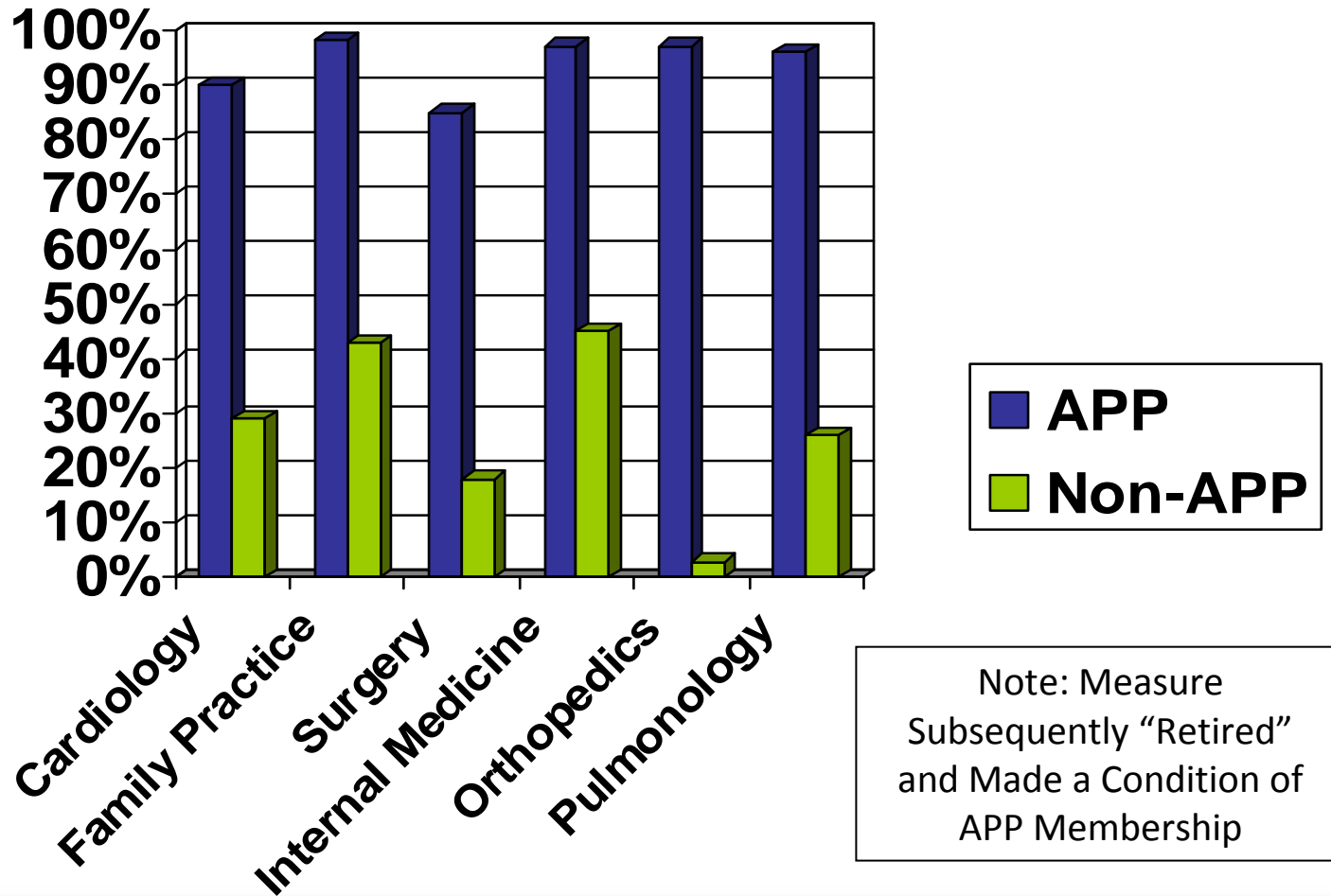
Clinical Integration 3.0:

Increasing Physician/System Integration



Why Physician Engagement Matters

Adoption of eICU[®] - 2007



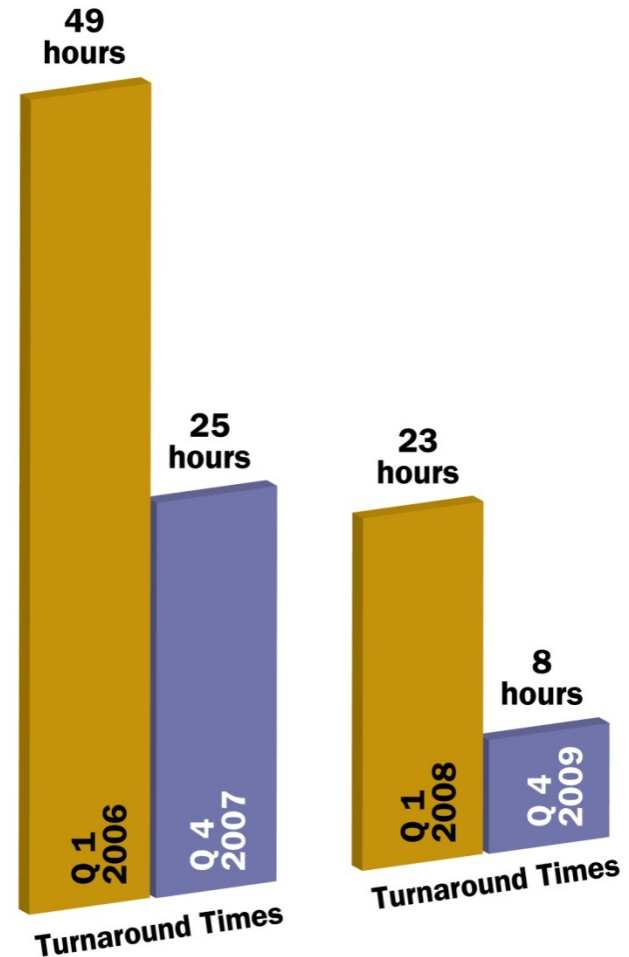
Why Physician Engagement Matters: *Radiology Report Turnaround Time*

Hospital Efforts

- 49% Decrease From 49 to 25 Hours

Hospital w/APP Efforts

- ***Additional 65% Decrease From 23 to 8 Hours***



Value for Physicians

- Better Alignment with Hospital
- Marketplace Recognition
- Focus on Outcomes
- Incentives Compensate for Additional Work
- Interface with Multiple MCOs

Critical Success Factors



- Physician Driven
- Same Measures & Procedures Across All Payers
- Minimize Additional Administrative Costs
- Additional Funds Recognize Extra Work by Physicians & Staff
- Infrastructure Necessary to Support Improvement
- Physician/Hospital Alignment

Contact Information

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Committees

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