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

BlueCross BlueShield of Illinois

THOMSON REUTERS
TOP HOSPITALS
HEALTH SYSTEMS

100

American Heart Association
Learn and Live
2009 PLATINUM ACHIEVEMENT

ACS
NSQIP

MAGNET RECOGNITION
AMERICAN NURSES
CREDENTIALING CENTER

U.S. News

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

Best MDs for Today
TOP DOCTORS

U.S. News & WORLD REPORT

Seal of the State of Illinois
AUG. 26TH 1818

joined at the heart
American Heart Association
Learn and Live

Best Places to Work in IL 2009
A workplace analysis and competition

Advocate Physician Partners
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

Employed / Affiliated = 800

Independent APP = 2,800

Independent Non-APP ~ 1,800

AMG (Employed) = 650

Affiliated (Dreyer) = 150
APP Physicians by Practice Group Size

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

Number of PCPs per Group Size

- 1: 350
- 2-3: 150
- 4-5: 50
- 6-10: 10
- 11-20: 5
- >20: 0

PCP Physician Group Size

Number of Specialists per Group Size

- 1: 500
- 2-3: 400
- 4-5: 300
- 6-10: 200
- 11-20: 100
- >20: 0

Specialist Physician Group Size
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
- CIRRIS 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

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.

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

APP Board of Directors

- Contract Finance Committee
- Utilization Management Committee
- Quality & CI Improvement Committee
- Credentialing Committee

1,100 PCPs + 2,500 Specialists = 3,600 Total Physician Members
Local Site Engagement in Governance

APP Board & Committees

- Advocate Medical Group
- BroMenn PHO
- Christ PHO
- Condell PHO
- Dreyer Medical Clinic
- Good Samaritan PHO
- Good Shepherd PHO
- Illinois Masonic PHO
- Lutheran General PHO
- South Suburban PHO
- Trinity PHO
- Future PHO
- Future Medical Group
APP QI Committee

APP Board of Directors

Quality Improvement, Patient Safety and Clinical Integration Committees
Chair – QI Medical Director PCP

IM  IM  IM (Hosp)  PEDS  FM  FM  FM  Gastro
Card  Med Dir FM  OB GYN  SURG  Neph  Neph  Neph

Advocate Physician Partners
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

![Graph showing the number of physician requirements over CI years from 2004 to 2010. The graph indicates an upward trend in requirements over time.]

Advocate Physician Partners
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

**Group / PHO Incentives (30%)**

**Individual Incentives (70%)**

**Group/PHO Distribution**

- **Tier 1 (50%)**
- **Tier 2 (33%)**
- **Tier 3 (17%)**

**Residual Funds**

**Individual Criteria**

**Individual Distribution**

**Residual Funds**

*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

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
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| 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 Rollout 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 Rollout in Independent Practices** |
Advancing Evidence-Based Medicine and Care

<table>
<thead>
<tr>
<th>Year</th>
<th>Program</th>
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<tbody>
<tr>
<td>2004</td>
<td>Physician Reminders for Care</td>
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<tr>
<td></td>
<td><strong>Chart Based Patient Management</strong></td>
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<tr>
<td>2006</td>
<td>Patient Outreach</td>
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<tr>
<td>2007</td>
<td>Physician Office Staff Training</td>
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<tr>
<td>2008</td>
<td>Chronic Disease Collaboratives</td>
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<td></td>
<td>Patient Coaching Program</td>
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<tr>
<td></td>
<td>Hospitalists</td>
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<tr>
<td>2009</td>
<td>Diabetes Wellness Clinics</td>
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<tr>
<td></td>
<td>Pharmacy Academic Detailing Program</td>
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</table>
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

- **Primary Care/Ambulatory Measures**
  - Early Years: 2004 - 2006

- **Increasing Specialist Measures**
  - Middle Years: 2007 - 2009

- **Increasing Physician/System Integration**
  - Maturing Years: 2010 - 2020
Why Physician Engagement Matters

Adoption of eICU® - 2007

Note: Measure Subsequently “Retired” and Made a Condition of APP Membership
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
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