The Shifting Mission of Health Care Delivery: Carilion’s Experience So Far

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Carilion Clinic

- Headquarters: Roanoke, VA
- 8 Hospitals
- Large multi-specialty physician group-550 physicians, 125 MLPs
- Significant teaching programs- 170 residents, 60 medical students
- New VTC School of Medicine (42 students)
- New VTC Research Institute
- Brookings ACO Pilot, Medicare Advantage Health Plan
- $ 1.3 B net revenue
The Dilemma

• Flawed- health is produced only by individual actions of “good” clinicians working hard

• New model- Establish teams and organizations accountable for aims and capable of redesigning practice

• Two big questions:
  • How to change physician behaviors
  • How to change business model for providers and payors
Key Aspects of Our Culture

- Honest, Forthright, Transparent
- Teamwork – about group not individuals
- Shared Success – accountable to each other
- Physician Leadership – Must be real and committed
- Change, uncertainty, vagueness, learning
- Clinical and financial integration - physician “owner/managers”
How We Are Getting There

• Ceaseless iterative conversation
• Urgency, case for change, burn the platform when ready
• Clarifying vision with all constituents
• Align incentives- physician compensation
• Accountable care consistent focus
• Physician leadership development
How We Are Getting There

• Tolerate uncertainty, participatory problem solving
• Honesty and transparency
• Don’t be afraid to re-organize
• Focus on primary care, chronic diseases, quality outcomes
• Don’t be too bold too fast
• In the end, it is all about change management and communication
Physician Leadership Development

- Communication skills
- Behavior/Performance management
- Working in teams across organization
- Business and finance essentials
- Quality improvement
- Practice management
- Healthcare trends
- Leadership
- Vision Blueprint – Culture
- Change management
Early Challenges and Risks

- Reliable timely information (ex. registries, clinical outcomes, costs)
- Balancing the need to reduce hospitalizations with managing hospitals (ie. success means parasitizing yourself)
- Changing physician behavior- being more patient-centered, adopting new practice styles, being accountable for waste and evidence-based care
- Getting all of us on board
Organizational Challenges

• Significant technical foundation: data, measurement, financial modeling
• Understanding and managing risk, actuarial assumptions, risk corridors
• Shared high-level vision of leadership and governing board to support move toward ACO
• Demonstrate capabilities without threatening revenues too quickly
Organizational Challenges

• Developing strategy to work across providers, national and local, to achieve critical mass

• Developing clinical capacities to achieve significant value enhancement—informatics, care management, coaching

• Implementing ACOs while taking advantage of other opportunities in payment and regulation

• Convince patients/community quality really is better, different care is OK
Cautions

• Who will be integrators of care?
• Revenue reductions will hit hospitals and specialists most
• Who organizes the ACO- hospital, physician group, IPA, HMO, payor, employers?
• To whom will benefits of savings accrue? Divided too much? Beneficiaries?
• Beneficiaries role in choosing, engaging
Moving Forward Pragmatically

• Undertake technical work required for success: performance measures, assess readiness and approach to payment reforms, efficiency, evaluate cost structure, optimize quality

• Consider pilots: bundling, disease management, imaging, avoidable hospitalizations

• Engage physicians in broad conversations

• Interact, monitor and learn
Take Home Messages

• Integrated care- tactic, planned, many objectives some of which are not about better care at lower cost
• Accountable care- vision, passion, culture focused on better care, lower cost
• This takes time- get started