

# The Memorial Hermann and the Race to Accountable Care

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President and Physician in Chief MHMD

Chief Medical Officer MHACO



- Spend the time, energy and money to
  - Educate, engage and empower physicians
  - Build an information infrastructure
  - Establish mutual trust
- Provide virtual care management
- Cost and quality data by name in “public”
- Sell the vision, not the money

- Overview of Memorial Hermann Health System and its Physician Network (MHMD)
- A Brief Look at Current State
- Building a High Performance Physician Network
  - Establishing a common understanding of current issues
  - Establishing a common, believable vision for the future
  - The Compact
  - Physician Governance
  - Data and Information
  - Providing Benefits
- What success looks like

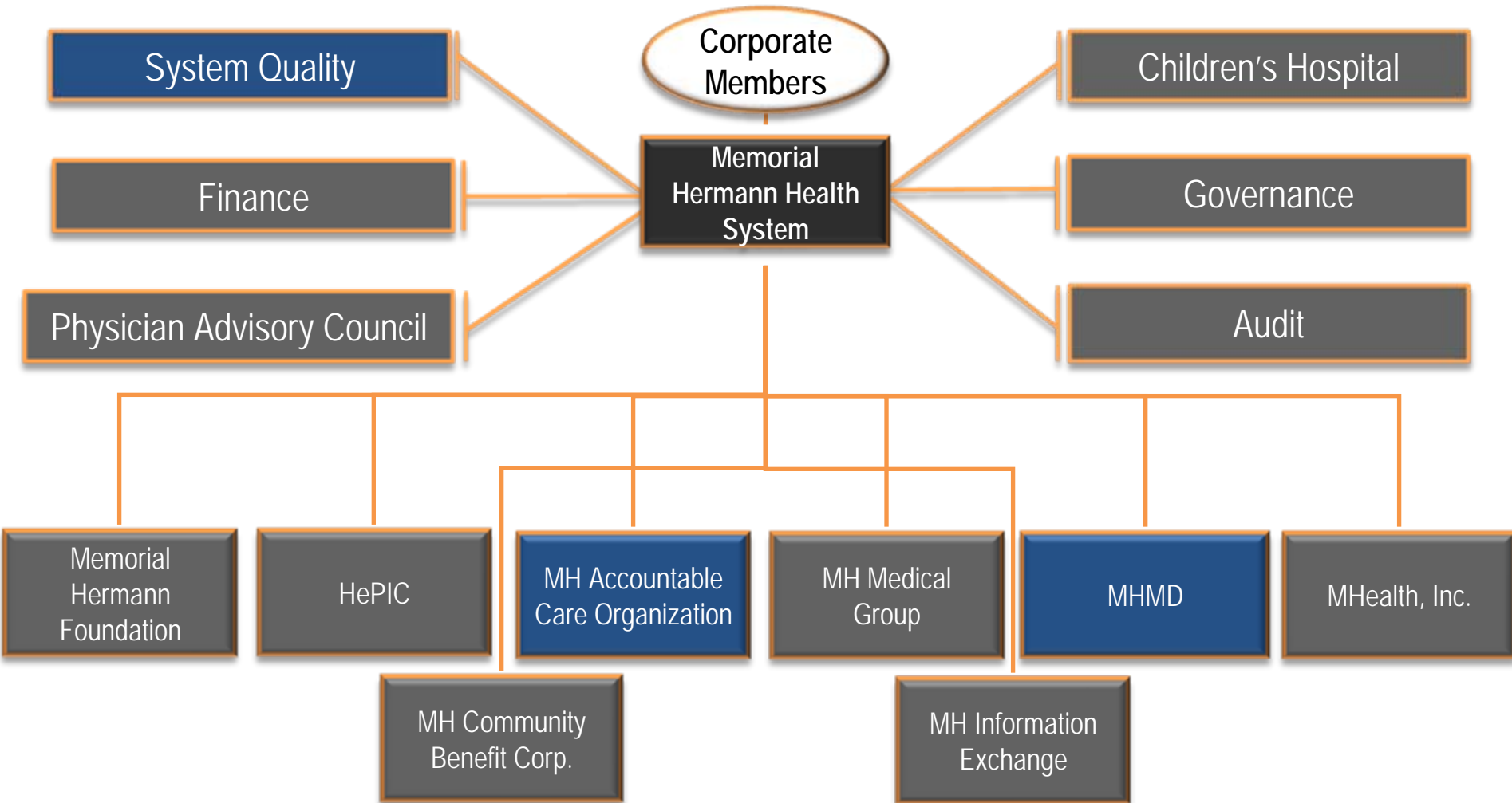
## MHMD

- 3500 practicing physicians
  - 2000 Clinically Integrated
  - 1850 CI physicians in MHACO
  - 300 Advanced Primary Care Practices (PCMH)
  - 250 additional PCPs
  - Evolving High Performance Specialty Physicians (250-500)
  - 1850 are in private practice

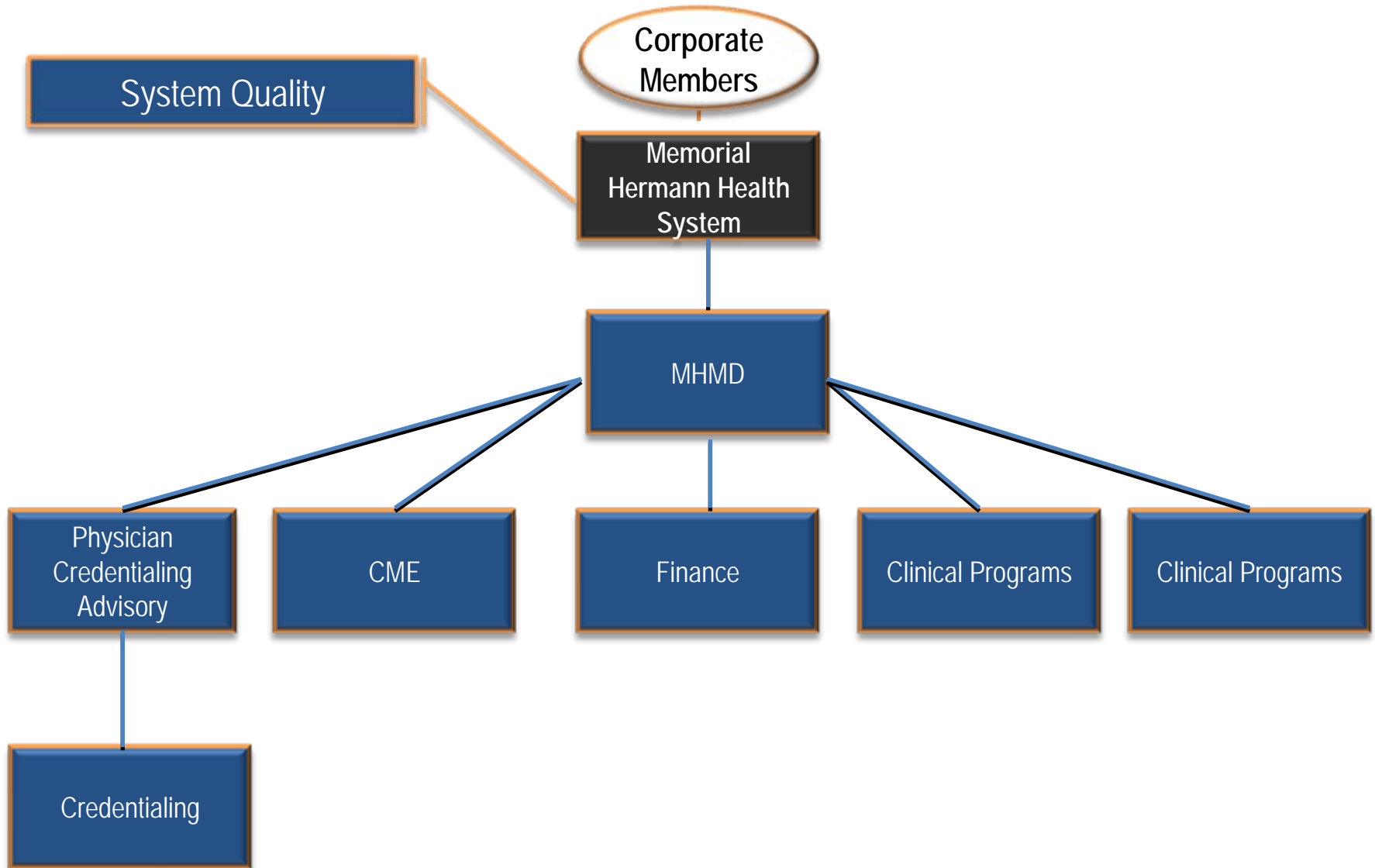
## Memorial Hermann

- Second Largest Non-Profit in Texas
  - 6,000 practicing physicians
  - 11 Acute Hospitals, 3 Heart & Vascular Institutes
  - Children's & Rehabilitation Hospital
  - 100 Outpatient Sites: Ambulatory Surgery, Imaging
  - Sports Medicine, Neuroscience, Transplant COE's
  - The nation's busiest Trauma program

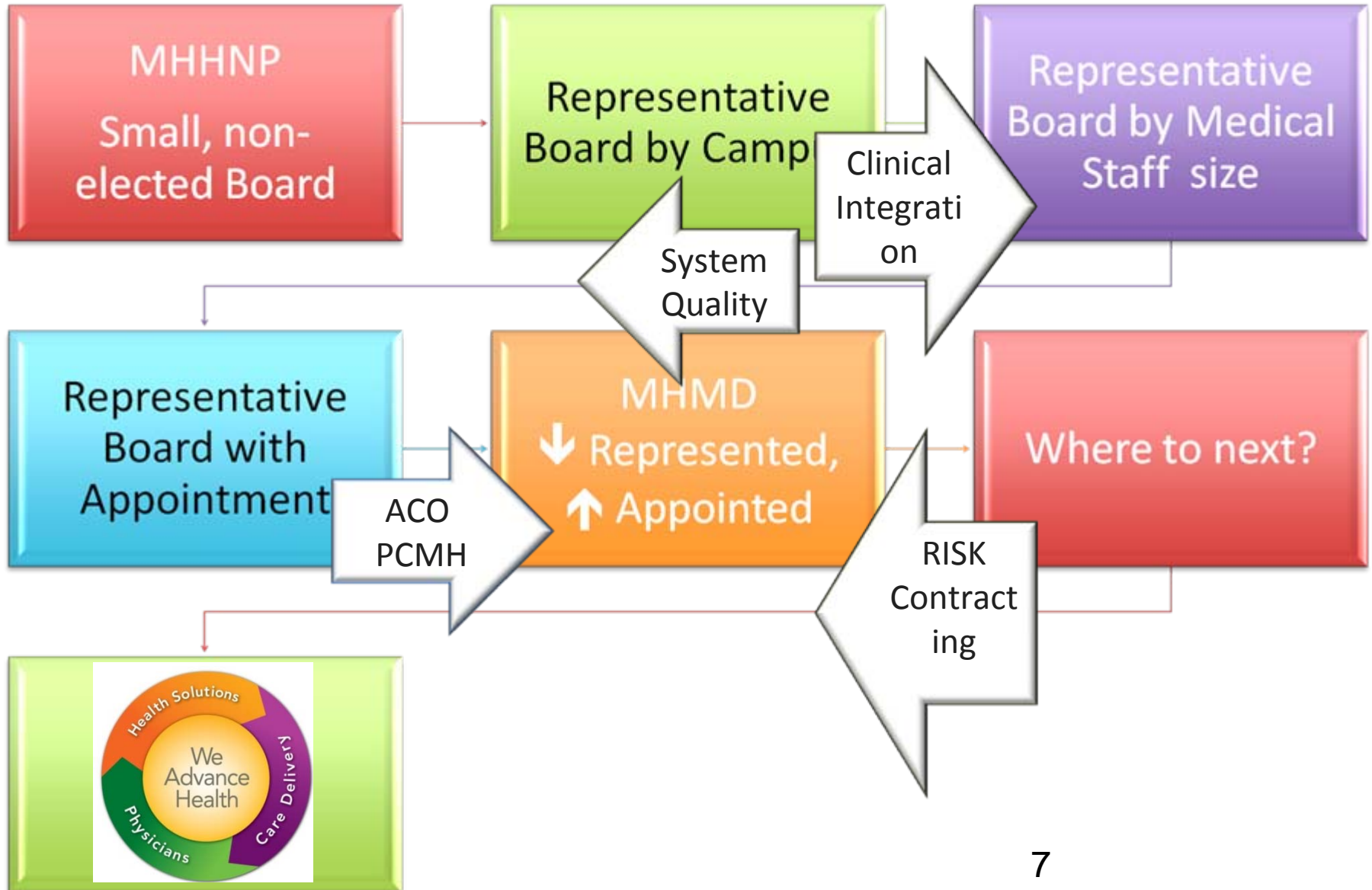
# Memorial Hermann Board Structure



# MHMD Board Structure



# Governance



# Board Composition

Board of Directors:

22 directors total

9 nominated by membership and campus MEC

13 appointed by board

Board Nominating Committee screens all

Bylaw changes under consideration will eliminate campus designation in favor of regions



# DELIVERING HEALTHCARE THAT WORKS



Education Critical to Establishing a Common Vision

# MHMD UNIVERSITY II at Rice University

20 Physicians  
10 Administrators  
10 Days over 5 months  
Team projects  
Certificate Program  
Rice, National and Local Leaders

MEMORIAL  
HERMANN

## ***Clinical Integration is...***

Integration of Physicians with each other (and often with a hospital or hospital system) on a clinical basis to

- Determine the right and best ways to practice medicine
- Commit to practice that way
- Commit to mutual accountability
- Develop active performance improvement programs to enhance healthcare quality and efficiency

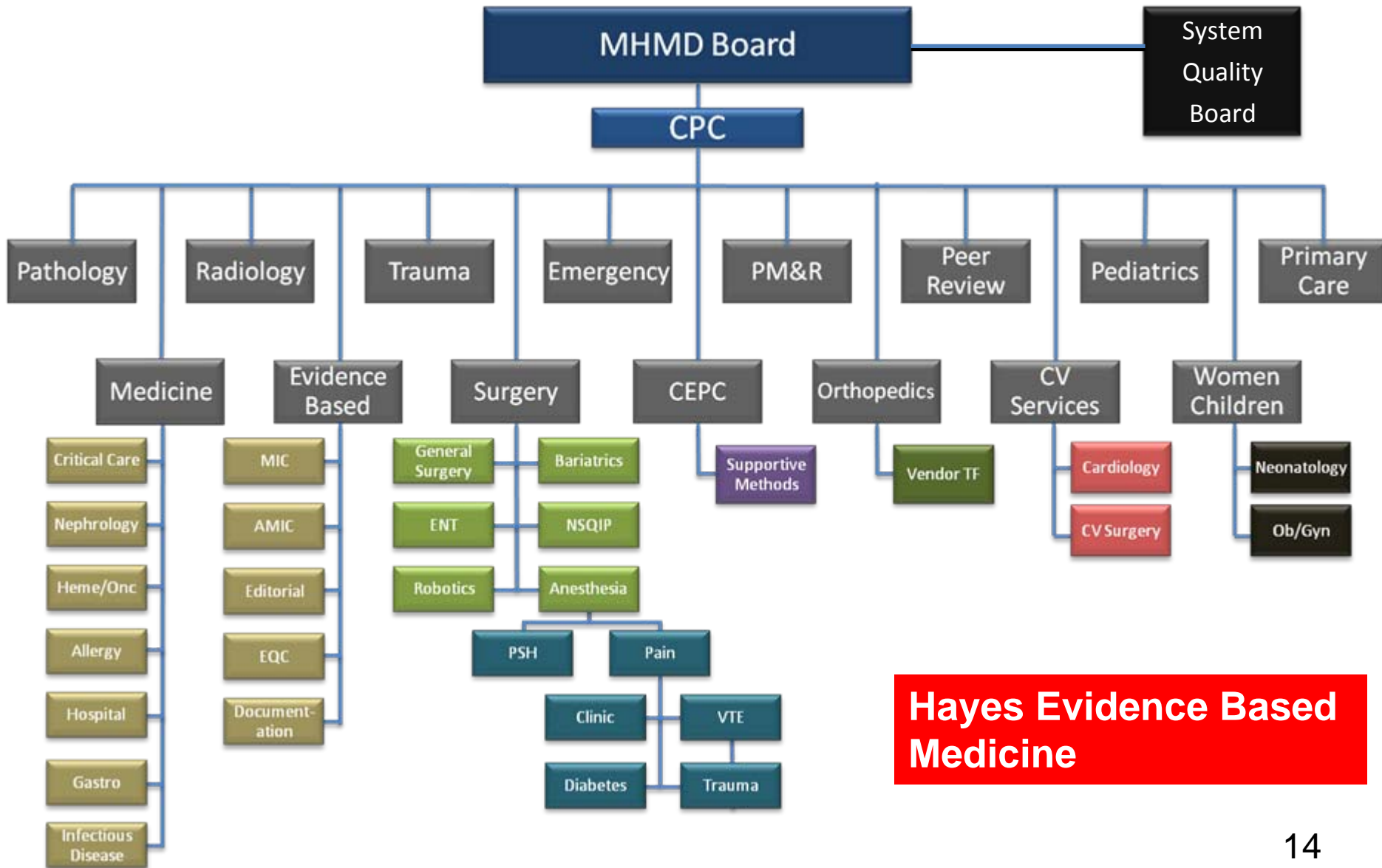
## MHMD agrees to:

- Maintain primary ***loyalty*** to physicians
- Negotiate well to ***align incentives***
- Include physicians in work and decision making
- Provide ***clear and timely information***
  - Membership Criteria, Quality Measure Scoring
  - Accountability / Improvement Process
  - Contract, Financial Performance
- Provide physicians with information, services, and education to ensure high quality and ease practice burdens
- Seek feedback from its physicians
- Maintain confidentiality
- Communicate, communicate, communicate
- Make meetings worthwhile and engaging
- Create leadership training programs

## Physicians agree to:

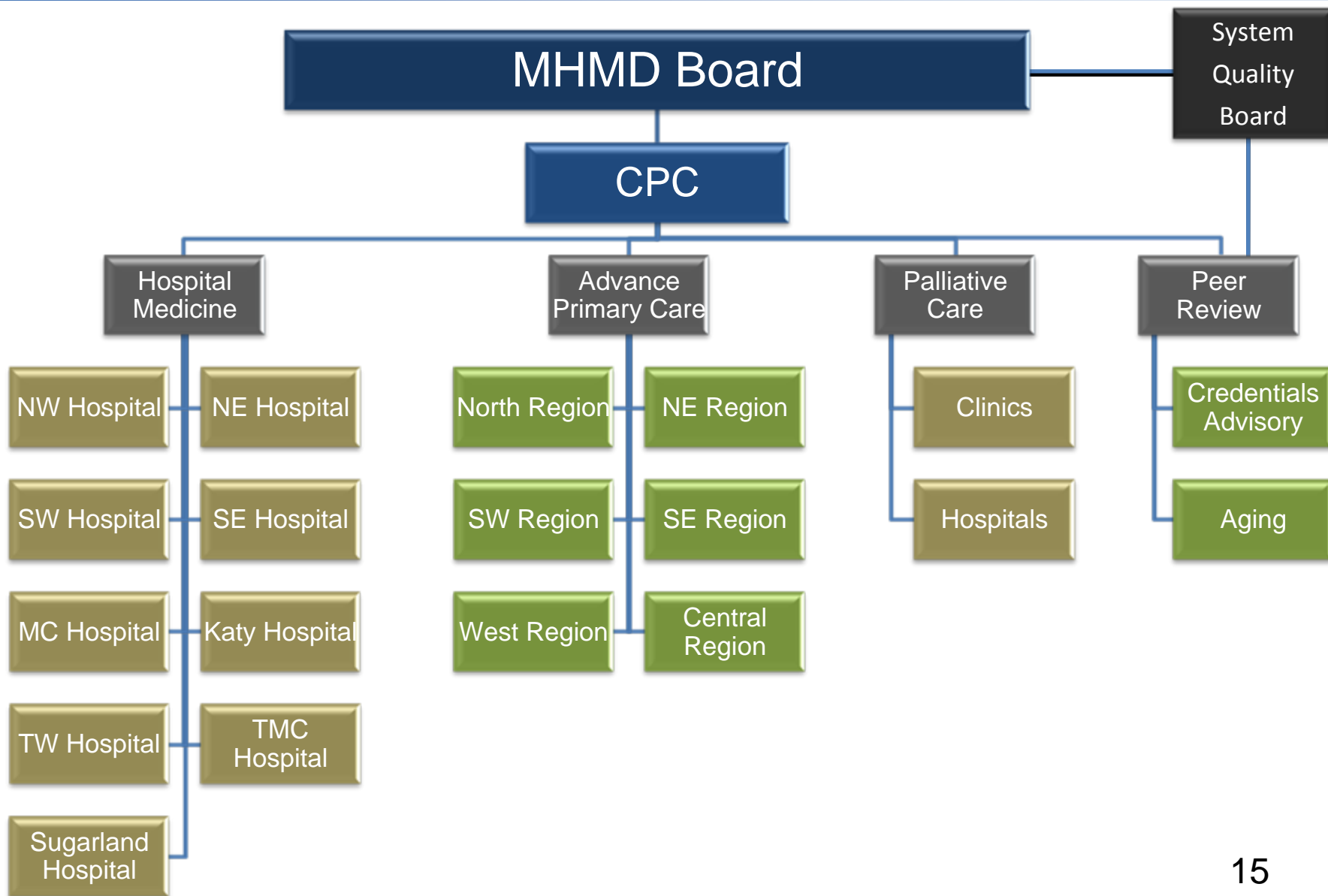
- Practice evidence-based medicine
- Uphold regulatory, quality, and safety goals
- Report quality data
- Meet CI criteria
- Come to meetings and performance feedback sessions
- Pay attention to information from MHMD
- Accept decisions by physicians in MHMD committee settings
- Be flexible, share ideas
- Collaborate with colleagues and hospitals
- Behave as professionals

# Engagement and Implementation Platform



**Hayes Evidence Based Medicine**

# MHMD Physician Governance

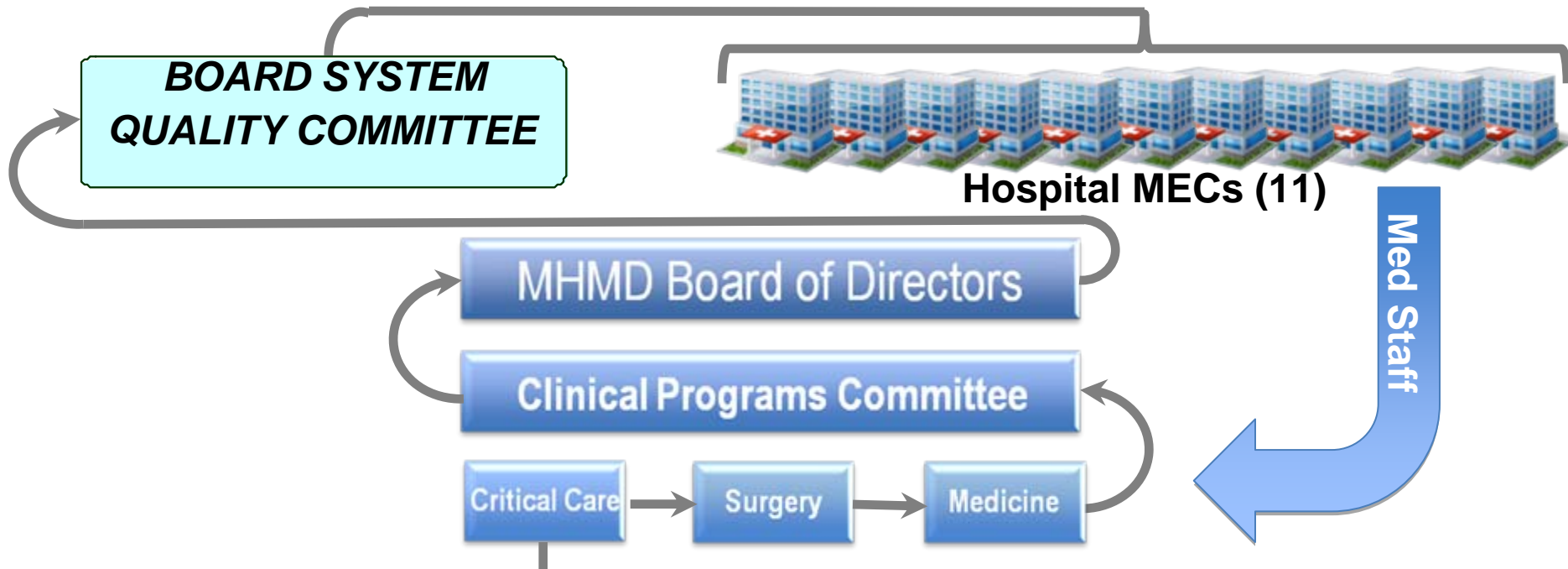


## *Delegation from the health system*

- Protocols (creating and measuring EBM practices and order set templates)
- Performance (setting and monitoring progress against established quality standards and protocols)
- Products (drives the standardization of vendors, formularies, supply chain decisions)
- Payment (Pay for performance goals, co-management agreements, ACO project metrics, PCMH elements)
- Projects (ED to ED transfer policy, CT scanning in pediatric head trauma, standardized order sets in Observation units, service line, credentialing and privileging standards)
- Program Rationalization (Consolidation and concentration of clinical service delivery – i.e. open heart and joint programs)



## “Up and Over”



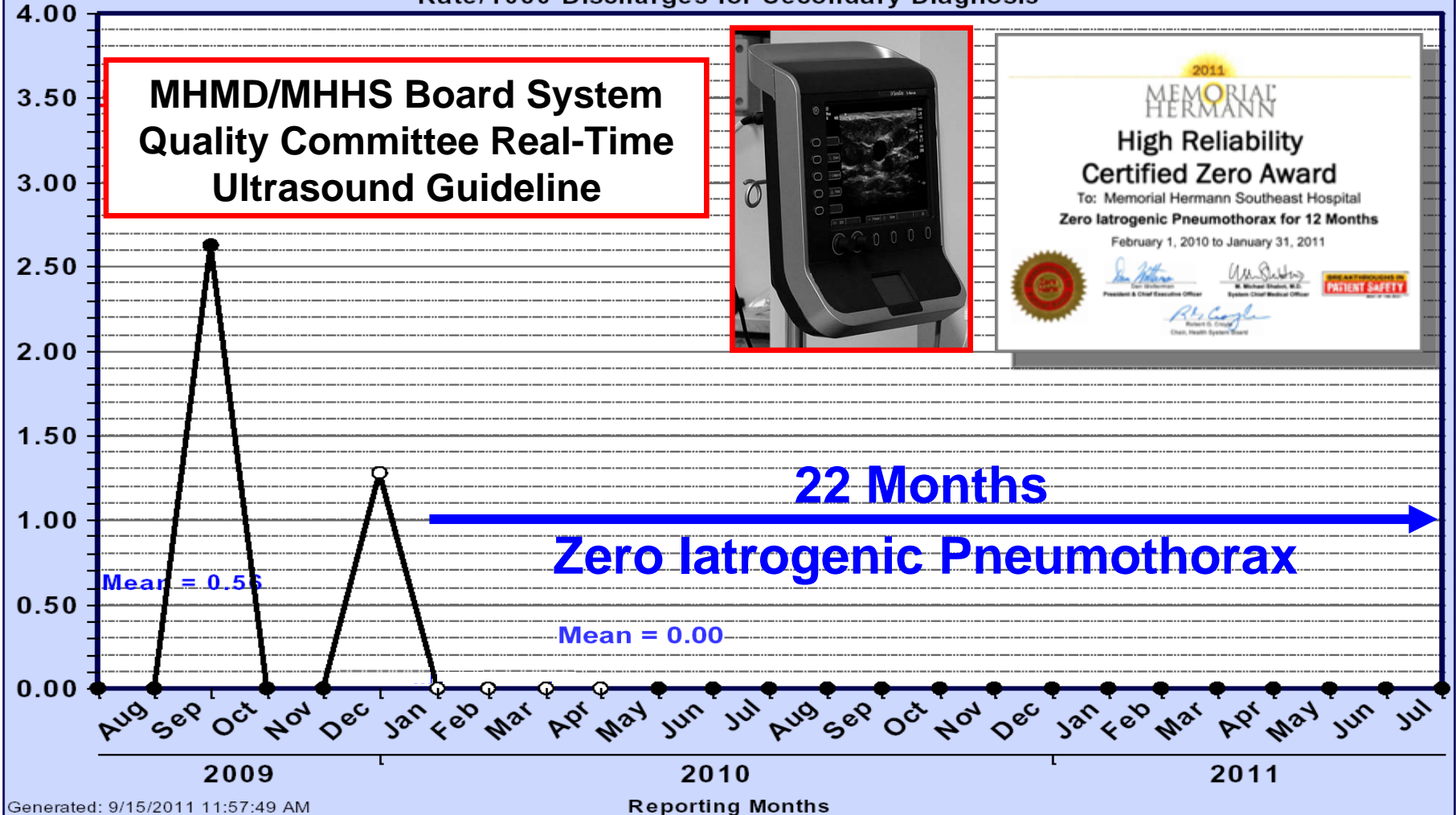
**ICU Safe Practice Guideline:** To prevent injury to adjacent organs when central lines are inserted, the following practice guideline is recommended:

- Real-time ultrasound guidance will be used for placement of all central venous catheters, whenever possible.
- Physicians and other individuals placing central lines under real-time ultrasound guidance will receive appropriate training in the use of ultrasound for this purpose.

# Results

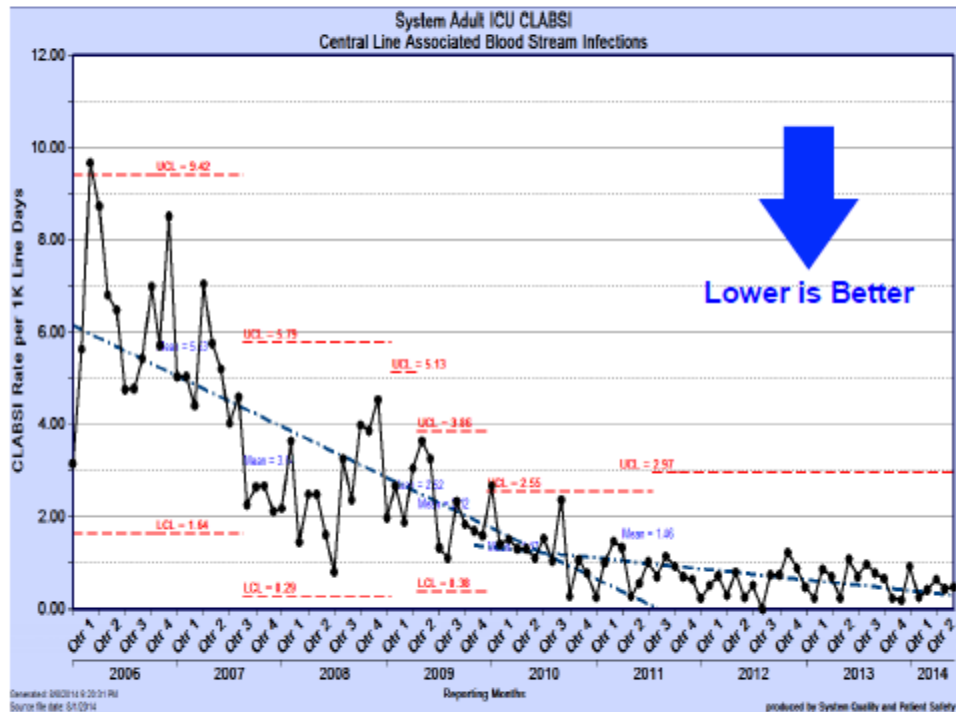
## MH Southeast Hospital

Southeast Adult Iatrogenic Pneumothorax  
Do No Harm  
Rate/1000 Discharges for Secondary Diagnosis

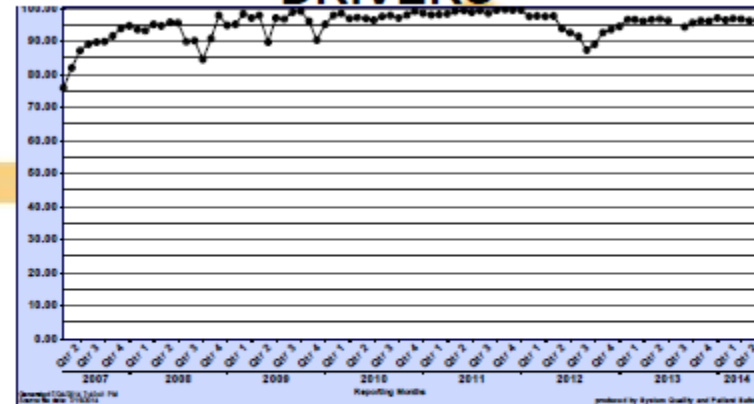


## Do No Harm (Adult ICUs) Central Line Associated Blood Stream Infections (CLABSIs)

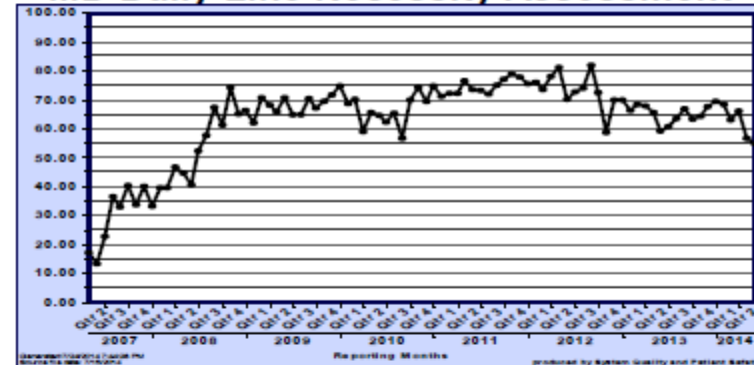
### MHHS Adult CLABSI Rate



### DRIVERS



### MD Daily Line Necessity Assessment

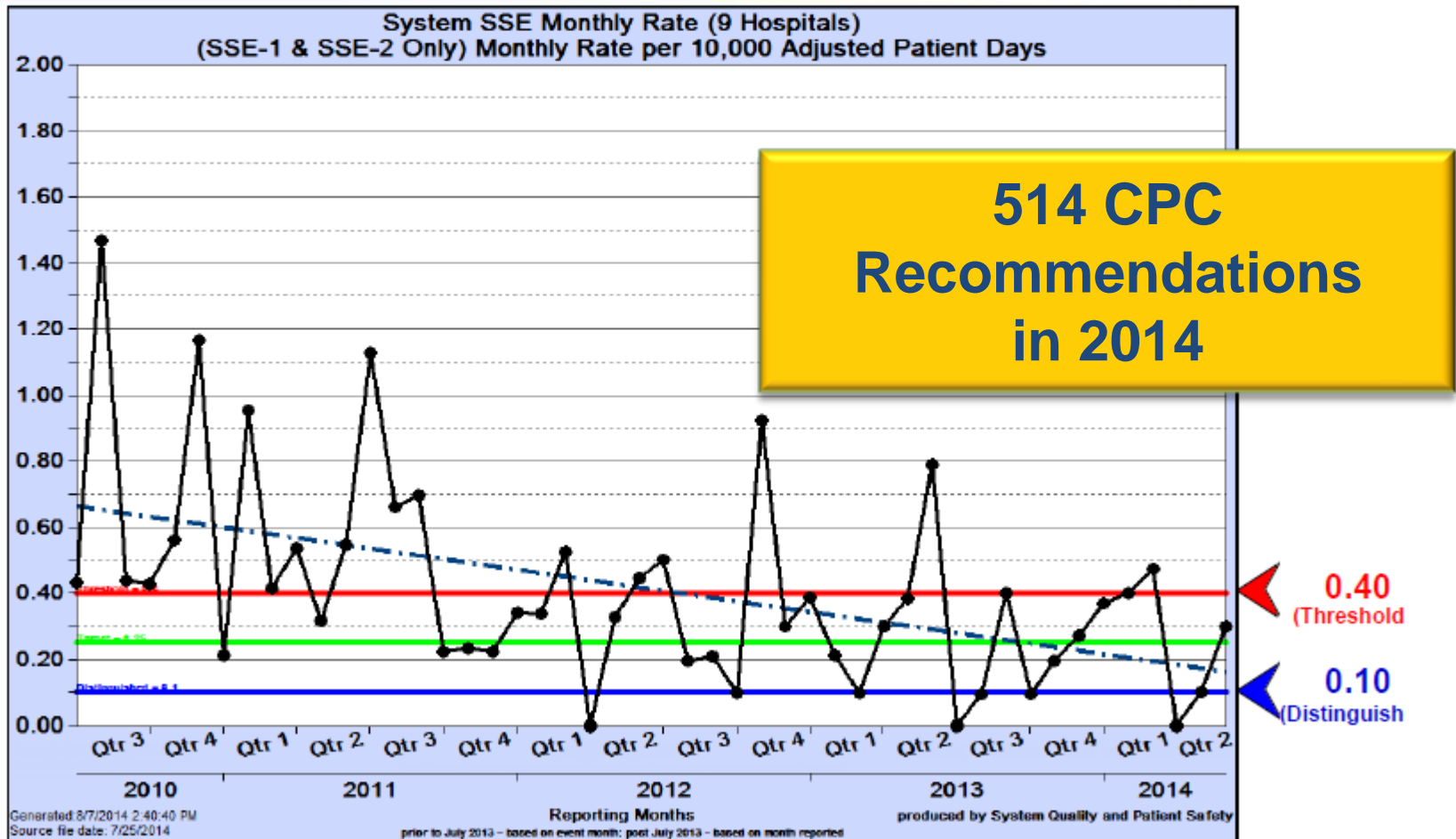


### Line Maintenance Bundle Compliance



# Saving Lives

Serious Safety Events (SSE1-2 Monthly Rate)  
FY2011 – FY2014



# Certified Zero Awards

## High Reliability 2011-14 Certified Zero Awards



**122**

ICU Central Line Associated Bloodstream Infections (13)

Hospital-Wide Central Line Associated Bloodstream Infections (3)

Ventilator Associated Pneumonias (23)

**Surgical Site Infections**

Retained Foreign Bodies (27)

Iatrogenic Pneumothorax (14)

Accidental Punctures and Lacerations (3)

Pressure Ulcers Stages III & IV (21)

Hospital Associated Injuries (5)

**Deep Vein Thrombosis and/or Pulmonary Embolism**

**Deaths Among Surgical Inpatients with**

**Serious Treatable Complications**

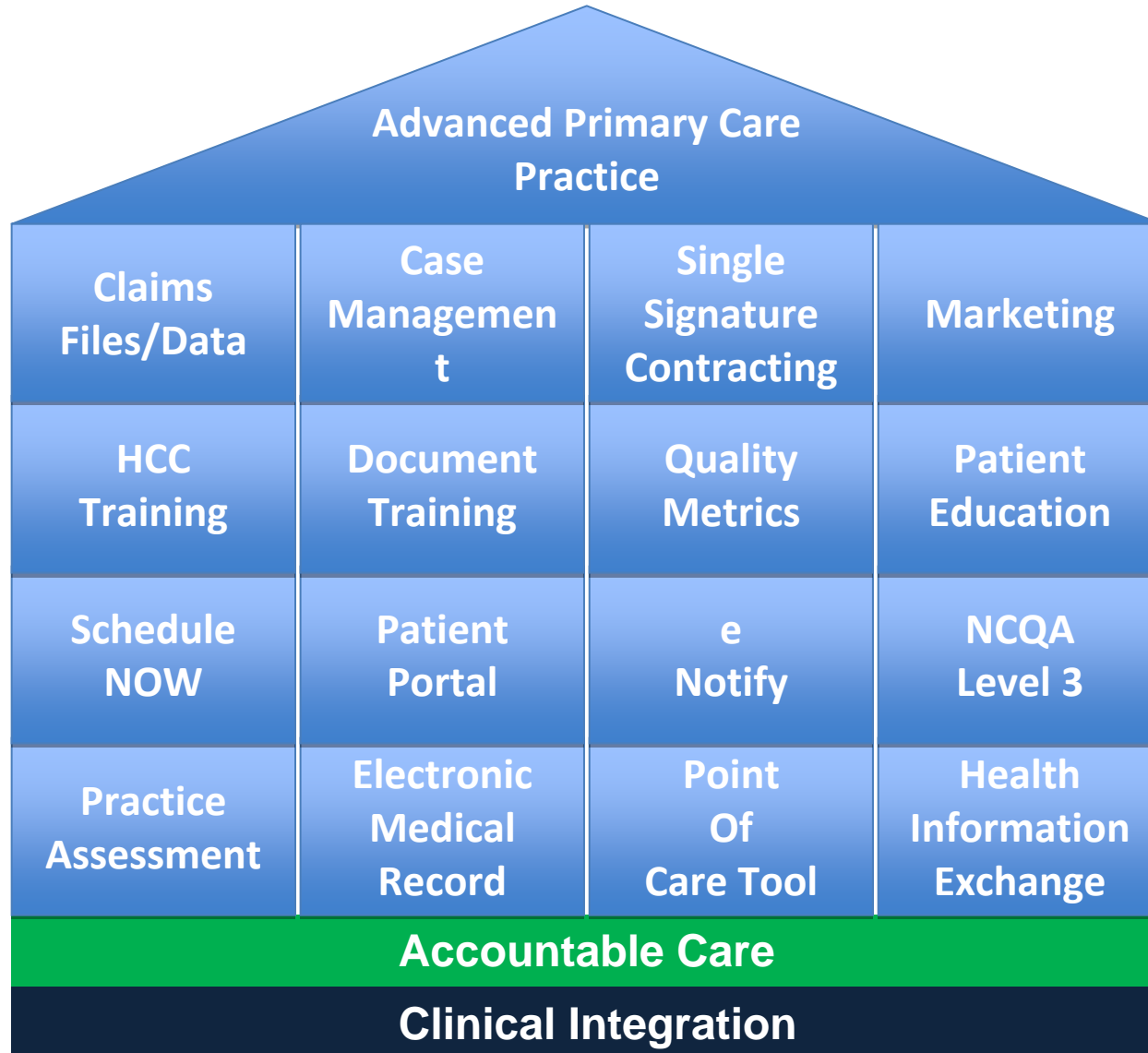
Birth Traumas (11)

Serious Safety Events (1)

**Early Elective Deliveries (1)**

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# The Advanced Primary Care Practice: Quality and Contracting Engine

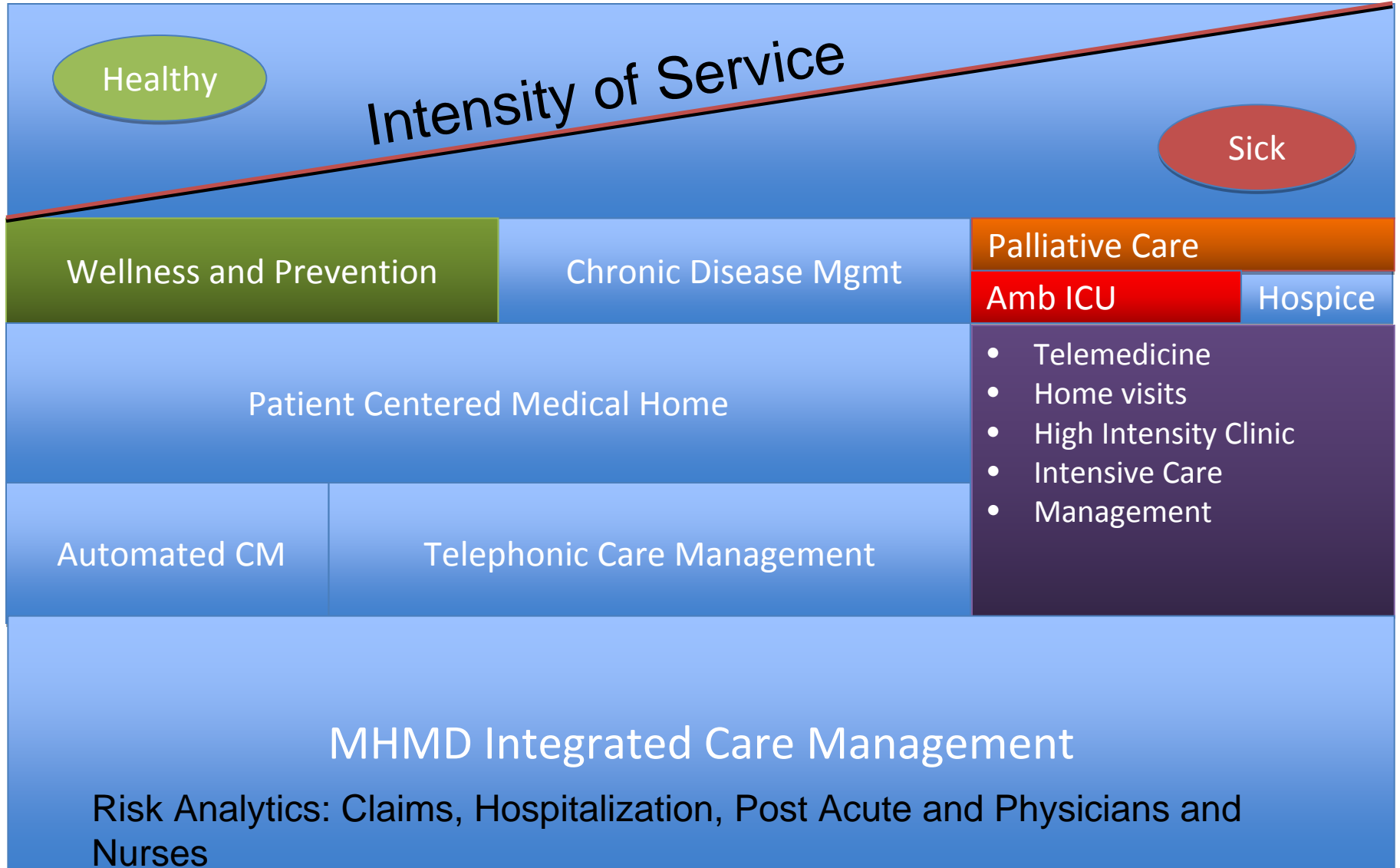


Access

Quality

Technology

# Population Management Right Care at the Right Time



# Population Health



Adults should eat no more than eight ounces of the fish per month, said health department spokeswoman Emily Palmer.



# Consumer Driven Care

There are many kinds of consumers who want or need different “stuff”

Telemedicine

Digital diagnostics

Watches

Bands

Ultra-fast scans

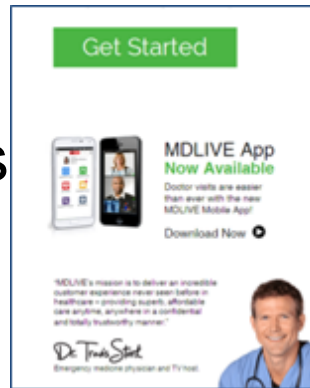
Wearables

Digital therapy

Concierge

Networks and coaching

Self-insured people



<p>AT A GLANCE</p> <p>We strive to make telehealth a meaningful, valuable part of healthcare.</p>	<p>WEB, MOBILE &amp; KIOSK</p> <p>We bring healthcare to you, using your computer, mobile device and our health kiosks.</p>	<p>SYSTEMS INTEGRATION</p> <p>Data capture, exchange and delivery are central to integrated healthcare delivery.</p>	<p>CLINICAL FEATURES</p> <p>Doctors can practice online just as they do in the office. Consult, diagnose, treat and prescribe - online.</p>
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Telehealth kiosk

A clinic like no other lets you bring healthcare to any worksite, retail outlet or community center. Enclosed and freestanding kiosks both include the touchscreen interface and integrated biometric and remote monitoring devices - no staff required. We're revolutionizing the way you bring care to patients.

[Watch the video](#) | [Download the brochure](#)

**MinuteClinic brings the care you need to your neighborhood**



# Data, Financial & Clinical Analytics required for Population Health & a National Strategy

DATA from

Claims  
HIE  
Registry  
Apps  
Retail sites  
UCC  
Partner sites  
LTAC  
SNF  
E Health  
Virtual  
Health  
EMRs  
Service  
Lines  
Public Health

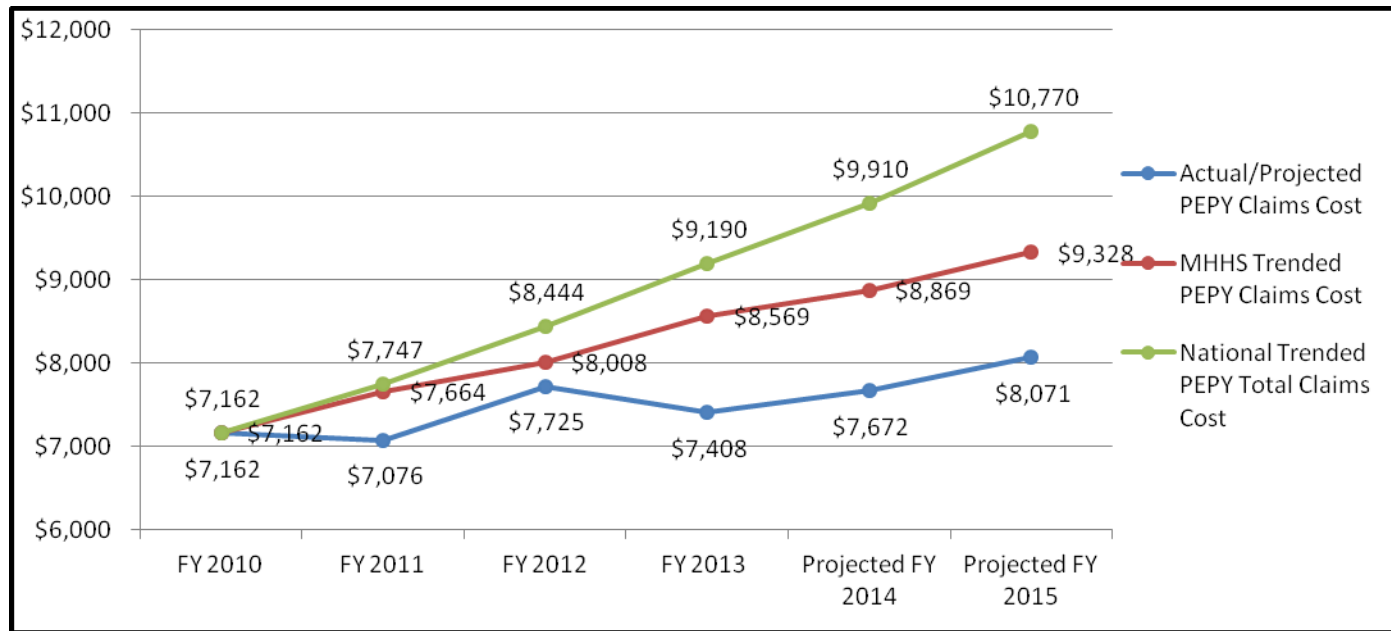


Usable  
Information

**Cost Based Pricing  
Reference Pricing  
Operational Efficiency**

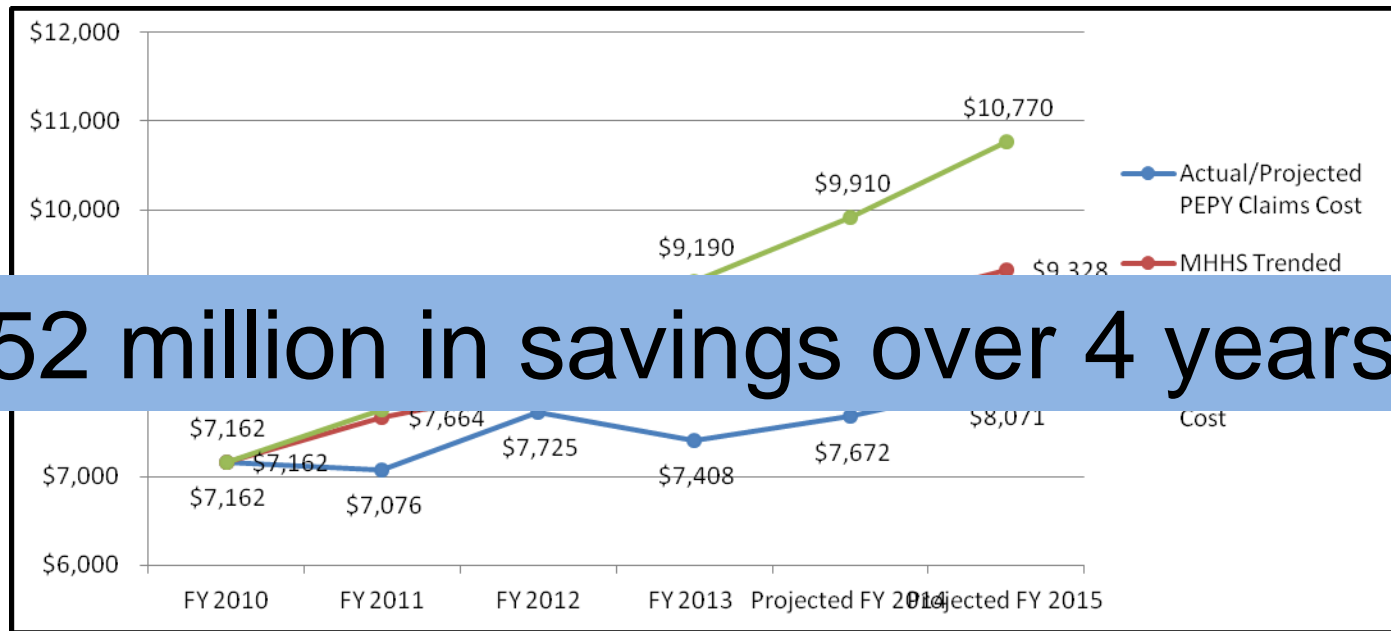
# Early Success

## Edge Clinically Integrated, Proven Results



# Early Success

## Edge Clinically Integrated, Proven Results



# MSSP PY1/PY2 Comparison

## Shared Savings/Losses Award Calculation

Earned Performance Payment (in millions):  
*Difference from Actual:*  
 Upside/Downside:  
 Savings/Losses Generated:  
 MSR:  
 Sharing Rate:  
 Quality Score:  
 Payment Cap:  
 Annual Loss Limit:  
 Sequestration Adjustment:

PY 1 Final	PY 2 Final
18 Months	12 Months
\$28.3	\$22.7
N/A	N/A
Upside Only	Upside Only
11.5%	11.0%
2.4%	2.3%
50%	50%
100%	100%
10%	10%
N/A	N/A
2.0%	2.0%

## For Comparison Only

CY 2013  
  
12.1%

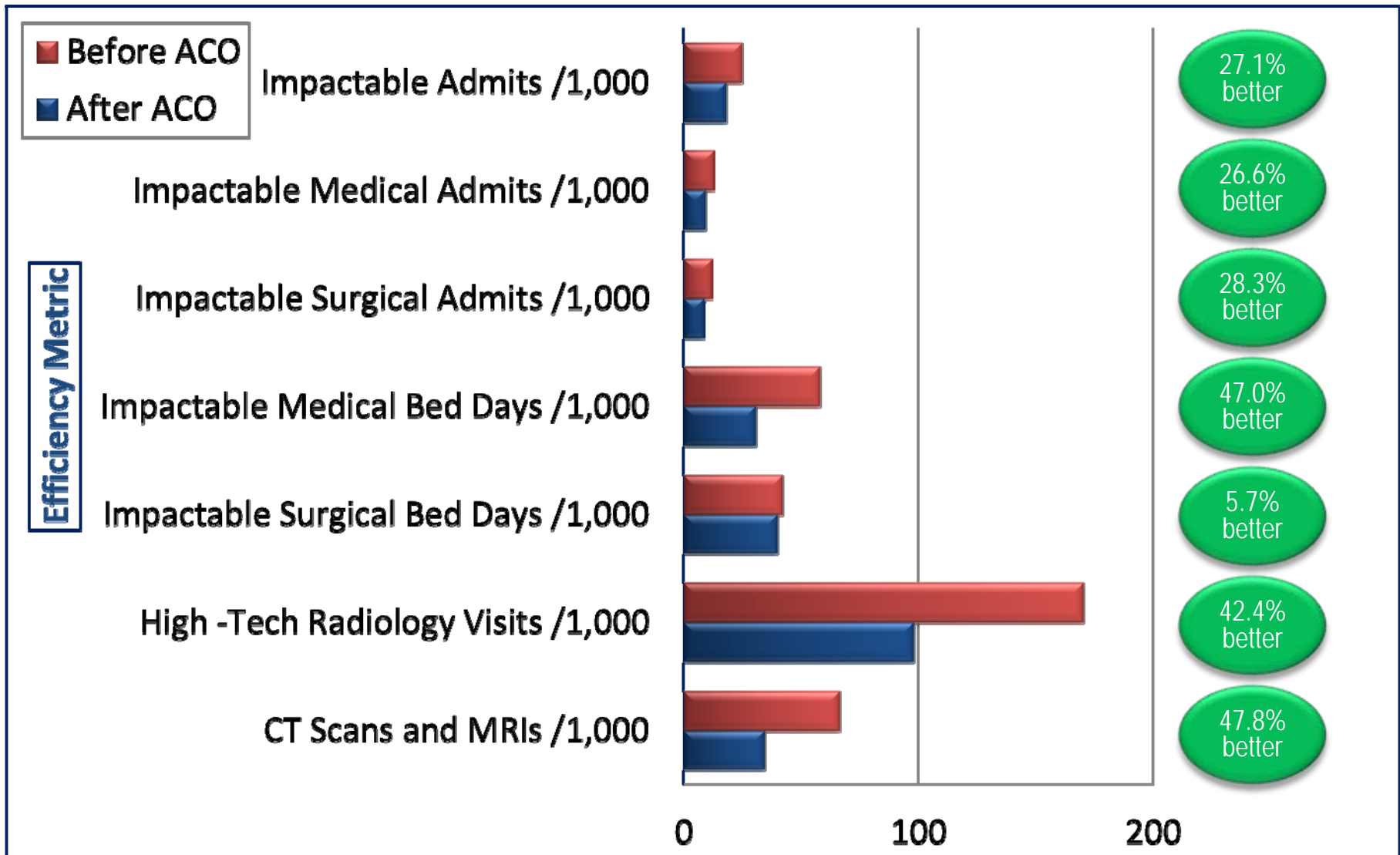
Total Savings and Minimum Savings Rate Calculation	
[T] Beneficiaries Person-Years	
[Y] Total Expenditures (\$)	
[Z] Total Benchmark Expenditures (\$)	
[AA] Total Benchmark Expenditures Minus Total Expenditures (\$)	
[BB] Total Savings (\$)	
[CC] Minimum Savings Rate (%)	
[DD] Minimum Savings Rate (\$)	
[EE] Savings Realized	
Sharing Rate Calculation	
[FF] Quality Performance Sharing Rate (%)	
[GG] Quality Score (%)	
[HH] Final Sharing Rate (%)	
Shared Savings/Loss Calculation	
[II] Shared Savings/Losses (\$)	
[JJ] Shared Savings/Losses Cap (\$)	
[KK] Sequestration Adjustment (\$)	
[LL] Earned Performance Payment (\$)	

PY1 Final	PY2 Final
27,543 (6) / 29,142 (12)	39,818
444,372,224	430,103,255
502,206,316	483,034,702
57,834,092	52,931,447
<b>57,834,092</b>	<b>52,931,447</b>
2.4%	2.3%
11,830,450	11,065,760
<b>Savings</b>	<b>Savings</b>
50%	50%
100%	88%
<b>50%</b>	<b>44%</b>
28,917,046	23,187,046
50,220,632	48,303,470
578,341	463,741
<b>28,338,705</b>	<b>22,723,305</b>

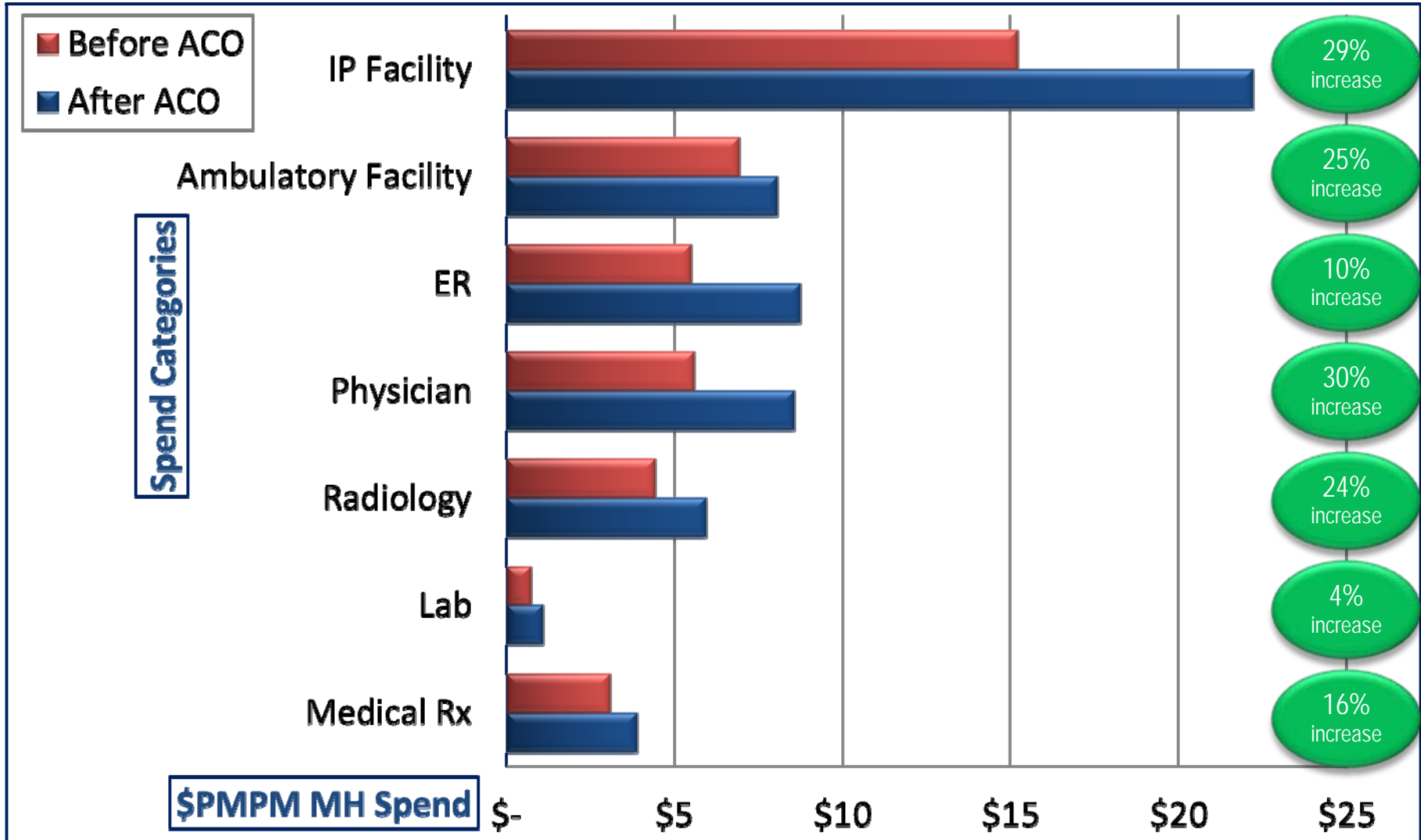
29,142  
300,747,319  
342,191,976  
41,444,657  
**41,444,657**

**Note: Beneficiaries Person Years for PY1 were calculated in two distinct periods (6 month initial period and CY2013).**

# MHHS Aetna Narrow Network



# Network Utilization

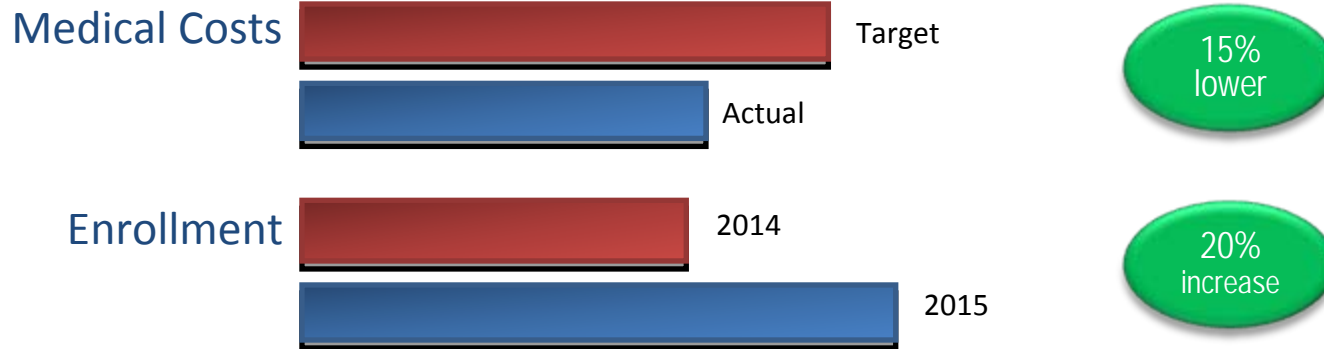


25,000 covered lives: ACO Narrow Network

# Employer Satisfaction

## Small Company (1,600 ACO covered lives)

*Global Engineering and Construction Co.*



Efficiency Results	TARGET	RESULT		DELTA
Impactable Medical Admissions/1,000	55.0	16.7	↓	69.6%
Potentially Avoidable ER Visits/1,000	95.4	65.7	↓	31.1%
High Tech Radiology Visits/1,000	170.3	149.0	↓	12.5%
CT Scans and MRIs/1,000	66.3	60.5	↓	8.7%



# 2014 Performance Year Quality Results



Measure	Aetna National Average	Contractual Target	2014 Performance Year Results		
			Fully Insured	Small Co	Cohort 1 <sup>1</sup>
Asthma: Use of appropriate medications	96%	94%	100%	N/A <sup>2</sup>	100%
Breast cancer screening	86%	83%	79%	98%	91%
Cervical cancer screening	91%	91%	92%	100%	92%
Colorectal cancer screening	71%	68%	54%	100%	73%
Post MI: Beta blocker therapy	87%	88%	NA <sup>3</sup>	N/A <sup>2</sup>	N/A <sup>2</sup>
IVD: Complete lipid profile	87%	85%	84 %	N/A <sup>2</sup>	N/A <sup>2</sup>
Diabetes: Lipid profile	89%	90%	90%	98%	91%
Diabetes: Hemoglobin A1c testing	93%	92%	94%	100%	100%
Diabetes: Medical attention for nephropathy	93%	91%	86%	100%	91%
<b>Result: Measures above target</b>			<b>5/8</b>	<b>6/6</b>	<b>6/6</b>
<b>Result: % of quality metrics met</b>			<b>62.5%</b>	<b>100%</b>	<b>100%</b>

1. Cohort 1 at financial risk; if 50% of targets are met in this cohort we continue to collect the \$4 PMPM payment.
2. No members in the denominator for these metrics
3. < 30 members in the denominator, and the result was below target (75%; 4 in denominator, 3 in numerator), so the metric is not counted

# ACOs– Better or Worse? (modified from N8Kaufmann)

2,000  
Admissions @  
\$10,000 per Adm.



1,400  
Admissions

Hospital Revenue  
\$14,000,000

Savings  
\$6,000,000

ACO/Payer Split  
Savings  
\$3,000,000

Infrastructure Cost  
\$2,000,000

ACO Net Shared  
Savings  
\$1,000,000

50/50  
Physician/Hospital  
Share of ACO Savings  
\$500,000

Hospital Net From ACO  
Effort  
\$14,500,000

Hospital Revenue  
\$20,000,000

- Unless
  - >> Market share
  - Programs promote profit on Medicare
  - Network utilization
  - MSSP
  - MA
  - Risk
  - Insurance Company

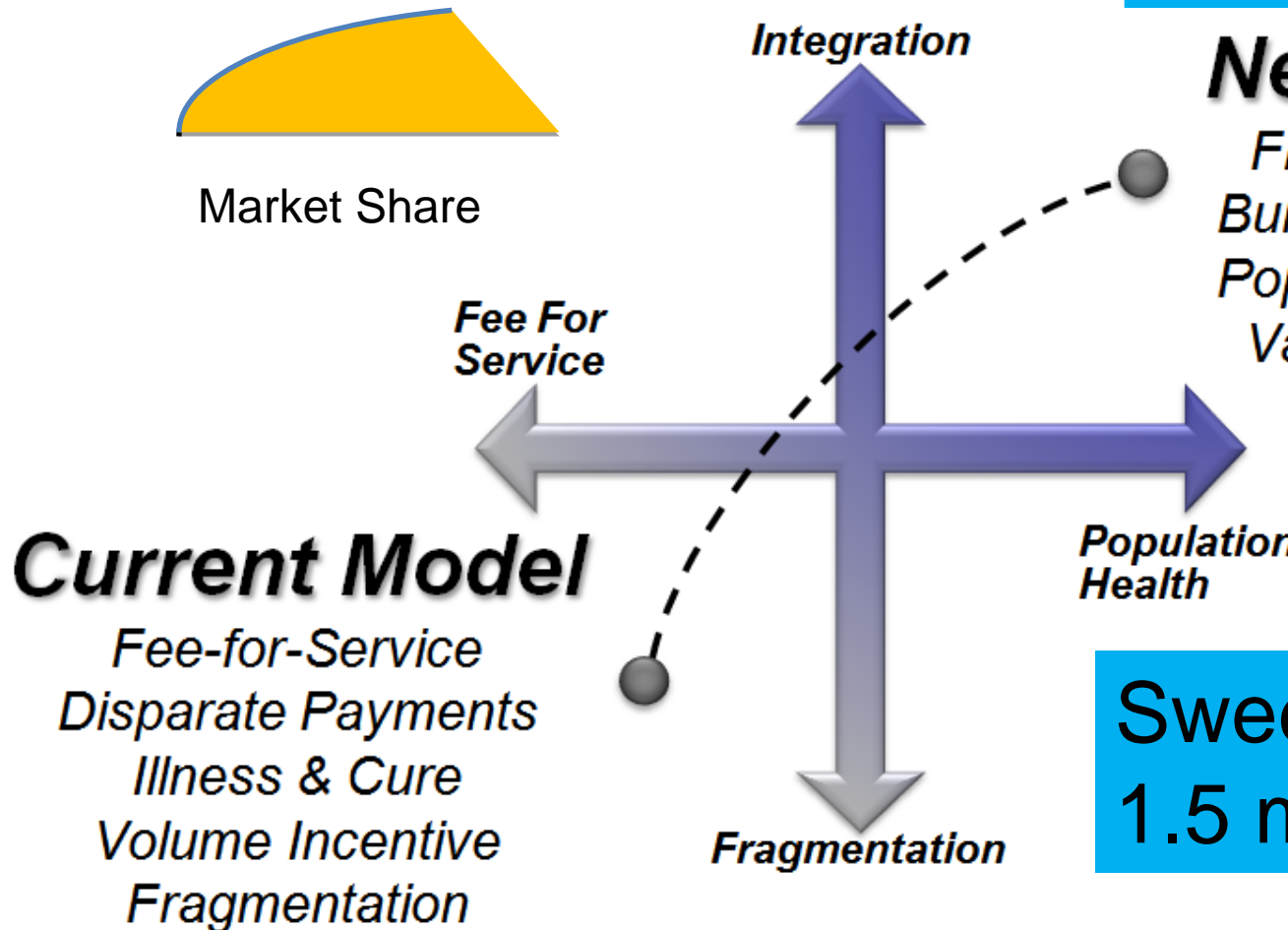
340,000 lives

## **New Model**

*Fixed Payment  
Bundled Payment  
Population Health  
Value Incentive  
Integration*

*Population Health*

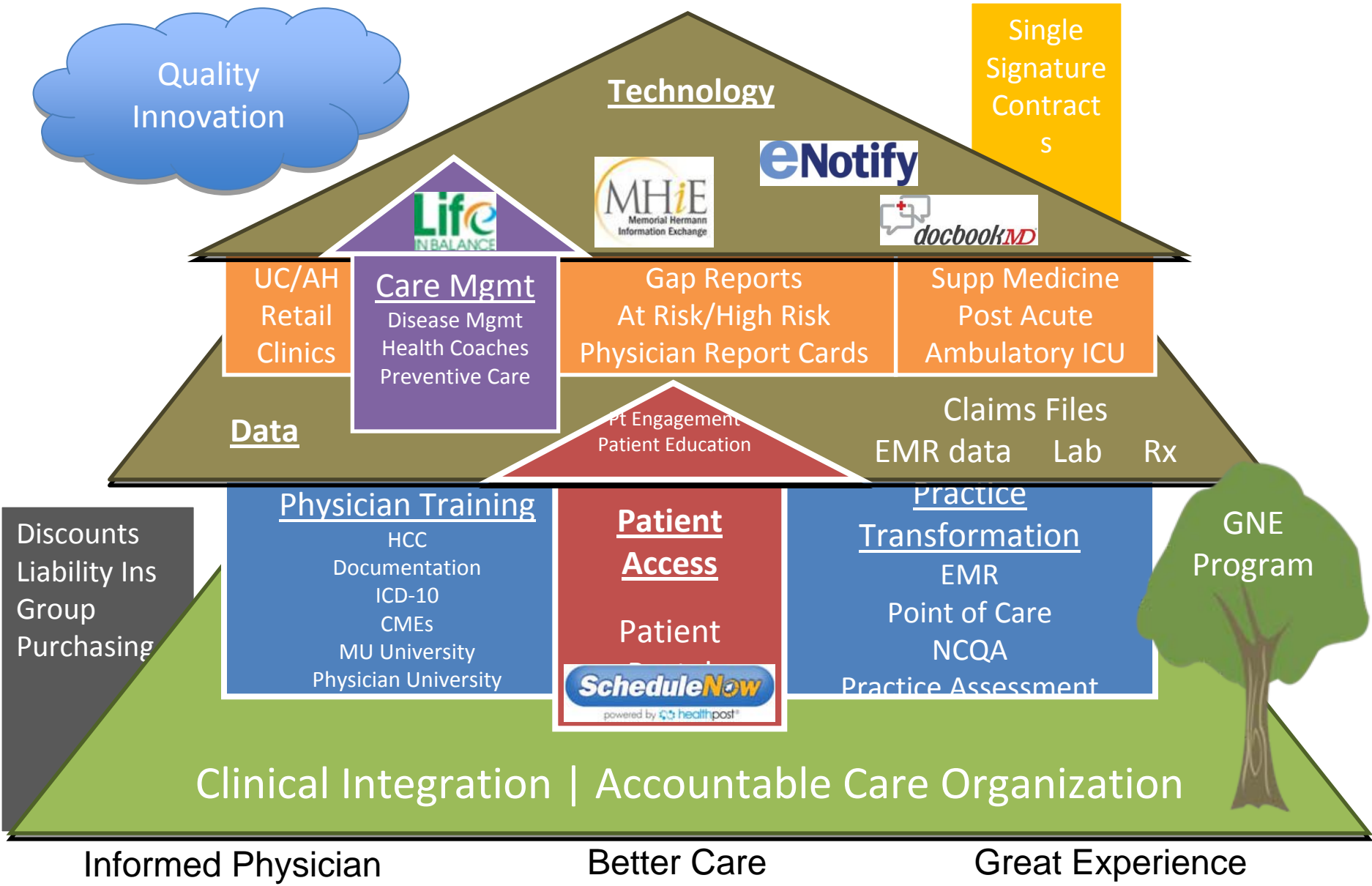
Sweet Spot:  
1.5 million lives



30,000 Lives

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  - Educate, engage and empower physicians
  - Build an information infrastructure
  - Establish mutual trust
- Provide virtual care management
- Cost and quality data by name in “public”
- Sell the vision, not the money

# The Patient-Centered Medical Home





**MHMD**  
Memorial Hermann **Physician Network**