

If Healthcare Was Like Legos...



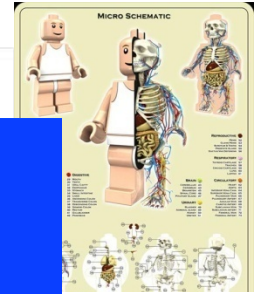
acaphealth

June 2011

A High Value System

Employers are
Rewarded

The PCP



Getting
Best
Care



Value Based
Practices

DATA



Insurance
Company
Alignment

Compliant w
Care

Select Hospitals and Specialists
based on Value

The Hopeless/Helpless Response

Employers

- “Overall, 30% of employers will definitely or probably stop offering employer-sponsored insurance in the years after 2014.”

McKinsey Quarterly June 2011

Physicians

- A recent survey by the American Hospital Association indicates that by March of this year, almost 40 percent of physicians surveyed were considering sales of their practices.

American Medical News 9/7/09

“ACOs are going to transform health care, but individual patients don't need to be part of the transformation if they don't feel like it.” *Wall Street Journal 6/20/11*

The greatest **good** of health insurance is to
actively connect
individuals with the
medical providers
that give them the
best chance
to get better in a
financially accountable
system.



Actively Connecting



The **patient** to the system
The **employer** to the system

Inconsistent Healthcare Delivery Drives Unnecessary Cost

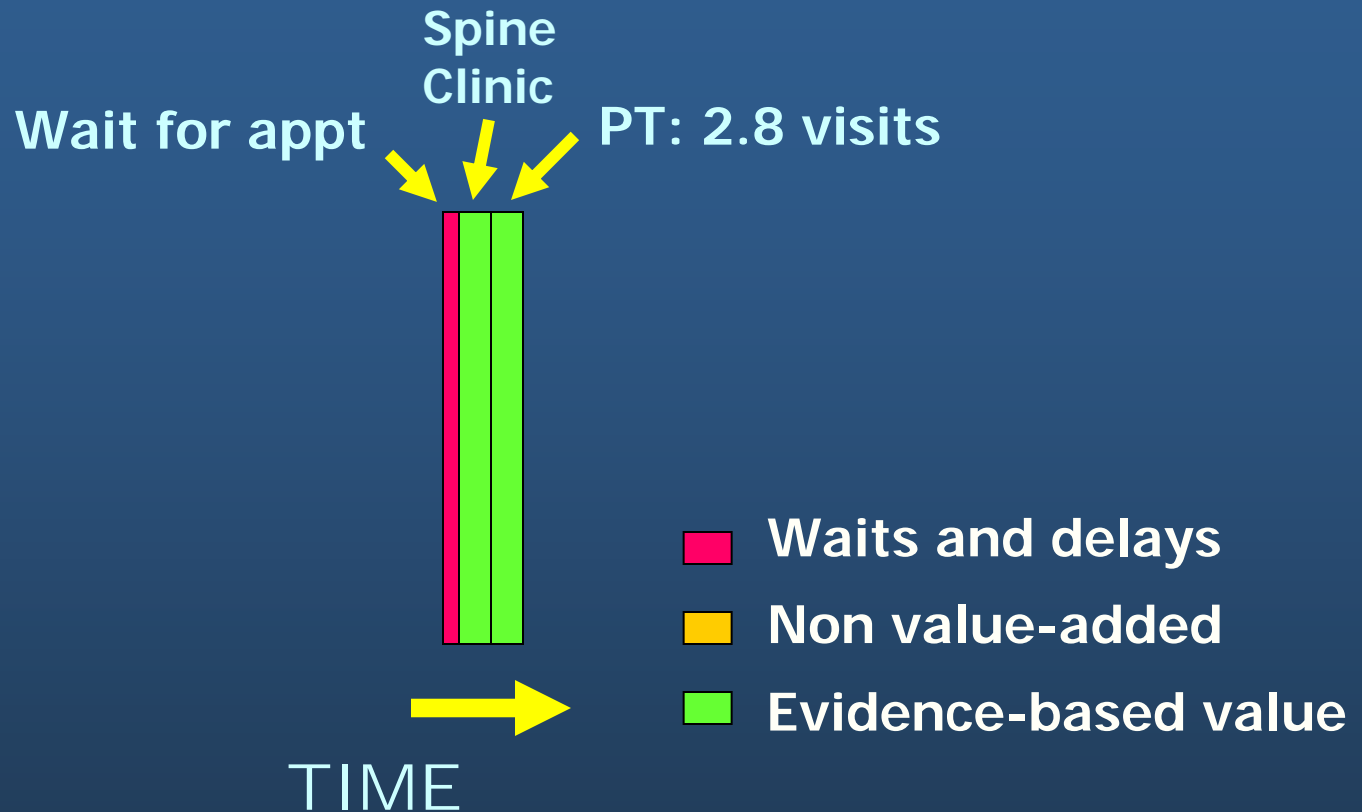
1. Unnecessary waits and delays

Reduces efficiency

2. Non-value-added variation in care

Reduces effectiveness

Back Pain: Current State



Waiting has indirect cost to employer of over \$18/hr.

Purchasers Win

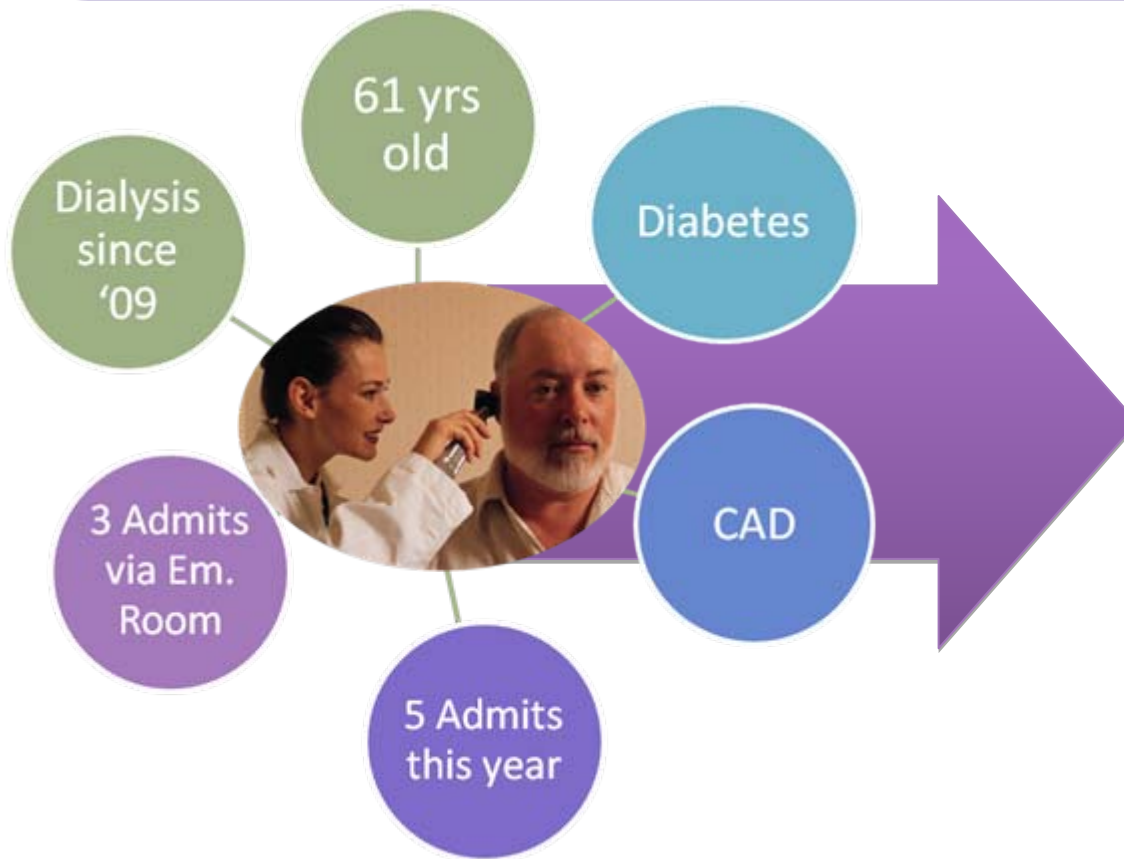
Save Up to \$1.7M/yr

1. Less imaging
2. Less Physical Therapy
3. Less time off for medical visits
4. More rapid return to function

Providers Win

1. **Cost of production 20% less**
2. **Patient volumes 400% more**

The Fragmented System



Current Challenge

1. Multiple health issues including wound infection
2. Care by different, unconnected physicians
3. No PCP "Quarterback"

What Now?

1. Multiple insurer nurse outreaches
2. Rejected nurse case mgmt assistance
3. Annual claims of \$650,000 and under transplant evaluation



Aligning the pieces for better care

The medical providers that
give patients the best chance

Medical Clinic of North Texas, P.A.

MCNT



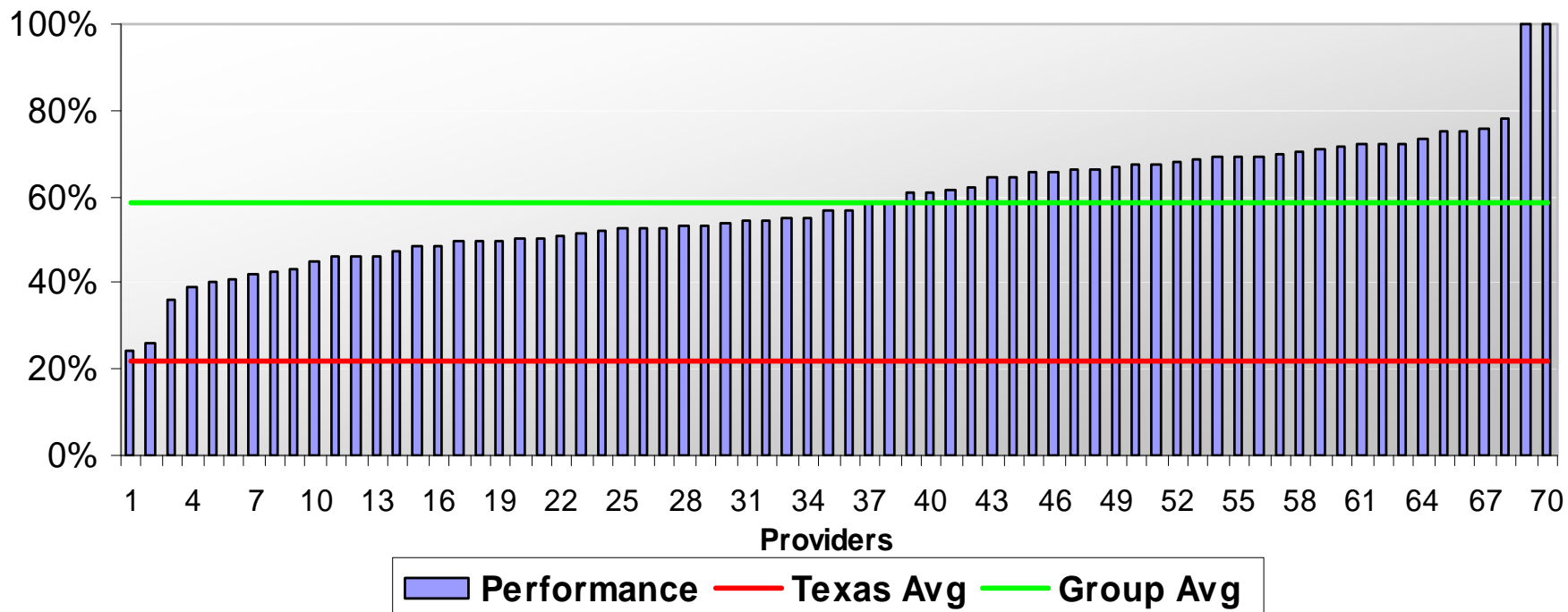
- **Physician Owned Primary Care Medical Group Practice since 1995**
- **Mission, Vision and Values driven with active physician decision making committees formed around 5 Pillars: Quality, Service, People, Finance & Growth**
- **Electronic health records (NextGen) since 2000**
- **Multiple Specialties with 44 locations around DFW:**
 - Internal Medicine/Pediatrics
 - Pediatrics
 - Podiatry
 - OB/Gyn
 - Neurology
 - Rheumatology
 - Endocrinology
 - Family Practice
 - Family Practice/Sports Medicine
 - Infectious Disease
 - Internal Medicine
 - Internal/Geriatric Medicine

MCNT

Best Quality Outcomes



Diabetic A1c Control < 7 mg/dL 2008



The Health Plans' Contributions

Full-Time RN Care Coordinators and Data

- Upfront funding to hire RN coordinators
- Approximately 350 high risk patients per Care Coordinator
- Incorporate carrier's claims data, hospital census, ER list, and preferred labs and high tech radiology providers into the EHR
- Access to pharmacist and to clinical resources at the health plan
- Reviewing EHR patient charts directly

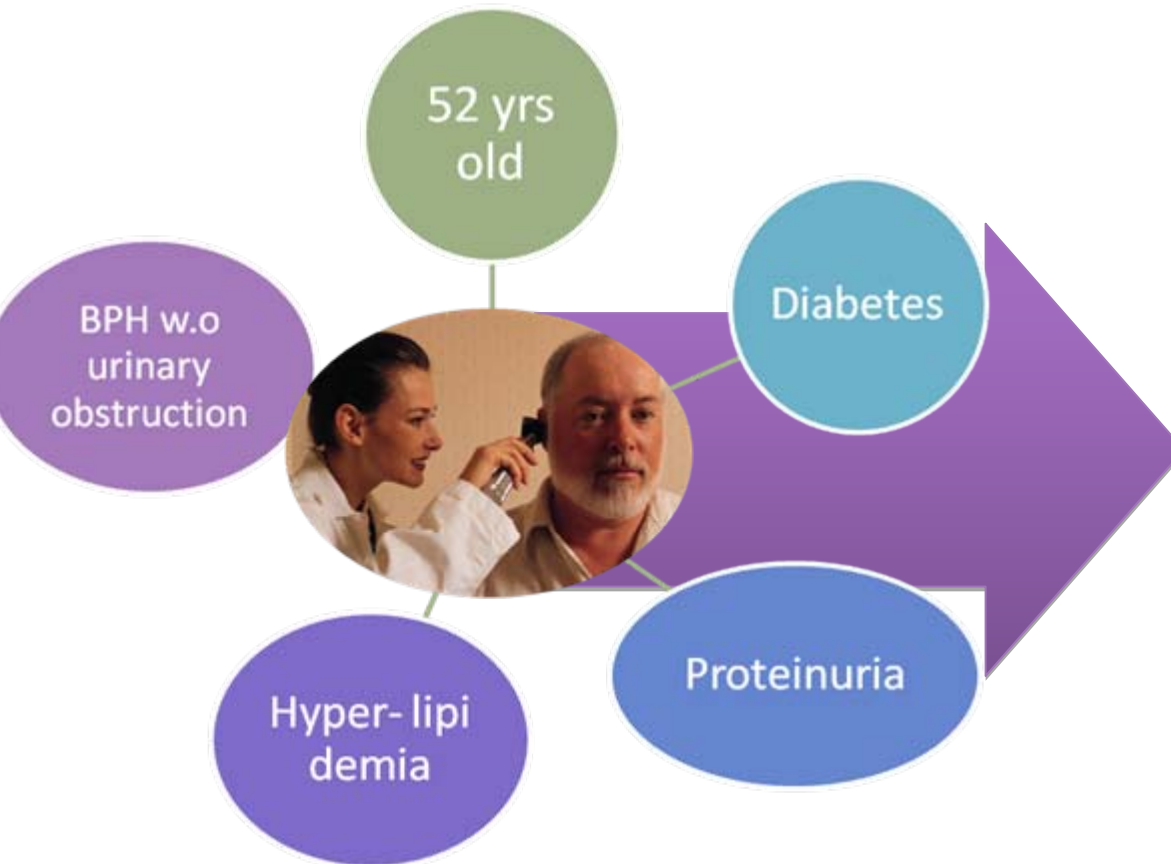
The Impact of Coordinated Care

Reviewed Baseline Period (MY08-MY09) to Measurement Period (FY2010)

- Total Cost trend for MCNT 2.4% **better** than market trend
- Potentially avoidable ER visits **decreased** by 13.3%
- High tech scans/1000 **decreased** by 12%
- Drugs administered trended 10% **less** than market

Measure	Outcomes FY2009	Outcomes FY2010	Change
A1c Below 7	49.6%	52.5%%	2.90%
A1c Below 9	86.9%	89.80%	2.90%
DM LDL Below 100	62.1%	64.8%	2.7%
BP < 130/80	37.1%	38.7%	1.6%

Clinical Care Engineering Applied



Action

- Proactive outreach by Care Coordinator in Dr's office
- Patient returned Care Coordinator's calls
- Learned underlying causes of non-compliance

Challenge

- Wife lost job
- No money for Rx or Dr visits
- Embarrassed and remorseful

Response

- Provided 1 mth Lantus sample
- PCP changed meds to the \$4.00 Wal-Mart agents
- Set up payment plan
- **A1c level decreased from 12 to 9!**



Aligning the pieces through Market Collaboration



The North Texas Accountable Partnership

- Real healthcare reform is underway in North Texas
- A non-profit 501(c)3 formed to drive change
 - Focus on Health IT and Health Info Exchange
 - Develop Care Coordination model at physician level
 - Create alternative reimbursement model
 - Facilitate physicians and hospitals working with employers
 - Determine community-wide health goal
- Stakeholders from hospitals, physician groups, carriers and employers are collaborating for value

The Partnership's Direction

- Mission Statement: To promote and reward local healthcare clinical performance for the citizens of North Texas, that is coordinated, transparent, and value based.
- Focus on Diabetes, Congestive Heart Failure, Asthma
 - 4 Workgroups: Metrics, Care Coordination, Rewards, Plan Design
- Early Win - State HIE Grant just awarded for \$730,000 with additional funds available
 - Staff hired to develop business plan and initiate IT vendor selection
 - Governing council established including various stakeholders

Diabetes Shared Savings Model

Shared Savings
\$1,000,000

Employer
\$500,000

Medical Care Fund
\$500,000

Bonus Quality Pool
\$190,000

Medical Care Bonus Pool
\$310,000

A1C

1% \$1,900
2% \$3,800

LDL

1% \$1,900
2% \$3,800

Blood Pressure

1% \$1,900
2% \$3,800

Diabetic Eye Exam

\$3,800

Glaucoma Screening

\$3,800

Diabetic Nephropathy Screening

\$3,800

Foot Exam

\$3,800

Smoking Cessation Advice

\$3,800



The Pursuit of Value and Accountability!

Employers are key for holding individuals and providers accountable

Clinical care “products” are needed from providers

Real reform comes from collaboration amongst the willing stakeholders

Shift from fee for service to an accountable payment with reward for quality and cost efficiency

