



The National Medicare Advantage Summit

Provider Sponsored Medicare Advantage Plans, Managing Risk Assumptions

April 7, 2017



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 - A. Organizational Overview**
 - B. MA plan experience**
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- 3. Johns Hopkins Healthcare**
 - A. Organizational Overview**
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 - C. Lessons learned**
- 4. Discussion/Questions**
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Panelists

- **Joe Damore, FACHE, Vice President, Population Health Management, Premier**
- **Jim Budzinski, MHA, Executive Vice President and CFO, WellStar Health System**
- **Patty Brown, SVP, esq., Managed Care and Population Health Johns Hopkins Medicine and President, Johns Hopkins HealthCare, LLC**



Medicare Advantage Provider participation alternatives

- **MA Plan Owner**
- **Joint venture with MA plan (co-branded)**
- **Risk Contracts**
 - **one sided risk (upside only)**
 - **two sided risk**
 - **sub-capitation**
- **Fee For Service contract**
- **Non participation**



- **Metrics driving Star ratings**
- **Accurate clinical documentation and coding**
- **Effective/passionate physician leadership**
- **Aligned metrics and provider payment model**
- **Accurate and timely performance metrics**
- **Actionable performance improvement efforts**
- **Effective care management program**
- **Network of effective post-acute care providers**
- **Increased capture of in network utilization**

National Medicare Advantage Summit

April 5-7, 2017

Jim Budzinski

WellStar Executive Vice President and President and CFO

President of the WellStar Health Network ACO

Chairman of the Board of PW HealthPlans





Our Vision

To deliver world-class healthcare

Our Mission

To create and deliver high-quality hospital, physician and other healthcare related services that improve the health and well-being of the individuals and communities we serve.

Our Credo

I believe every person and every job is important and I am accountable for achieving my goals.

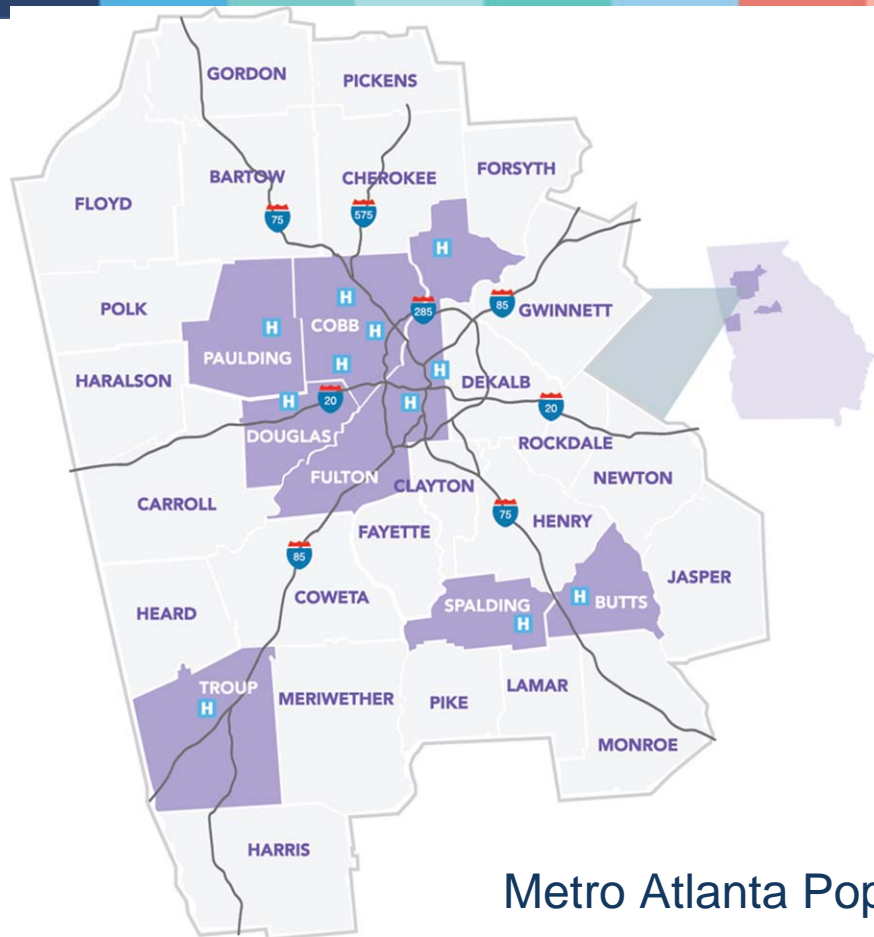
I believe in compassion and understanding.

I believe in innovation and creative thinking.

I believe in the WellStar team and we are making a difference in people's lives.

We believe in life well-lived.
















Metro Atlanta Population-5.7 million





 WellStar Atlanta Medical Center 762 licensed beds between both campuses 2,182 team members	 WellStar Paulding Hospital 112 licensed beds 818 team members
 WellStar Atlanta Medical Center South 762 licensed beds between both campuses 766 team members	 WellStar Spalding Regional Hospital 160 licensed beds 1,016 team members
 WellStar Cobb Hospital 382 licensed beds 2,233 team members	 WellStar Sylvan Grove Hospital 25 licensed beds 100 team members
 WellStar Douglas Hospital 108 licensed beds 853 team members	 WellStar West Georgia Medical Center 276 licensed beds 1,744 team members
 WellStar Kennestone Hospital 633 licensed beds 4,534 team members	 WellStar Windy Hill Hospital 115 licensed beds 383 team members
 WellStar North Fulton Hospital 202 licensed beds 1,137 team members	

- 11 hospitals
- 2,775 licensed beds
- 2,900 medical staff members
- 20,000 team members



- 240 Medical Group office locations, with 800 employed providers
- 8 Urgent Cares sites
- 2 Health Parks, another two under construction.
- 28 OP Rehab locations
- 21 Diagnostic Imaging Centers
- 1 Complex Pediatric Center
- State's largest Medicare ACO with 48,000 beneficiaries
- Self insured employee health plan of 45,000 members
- 50% owner in Medicare Advantage Plan with 13,000 member (2014 and 2015).

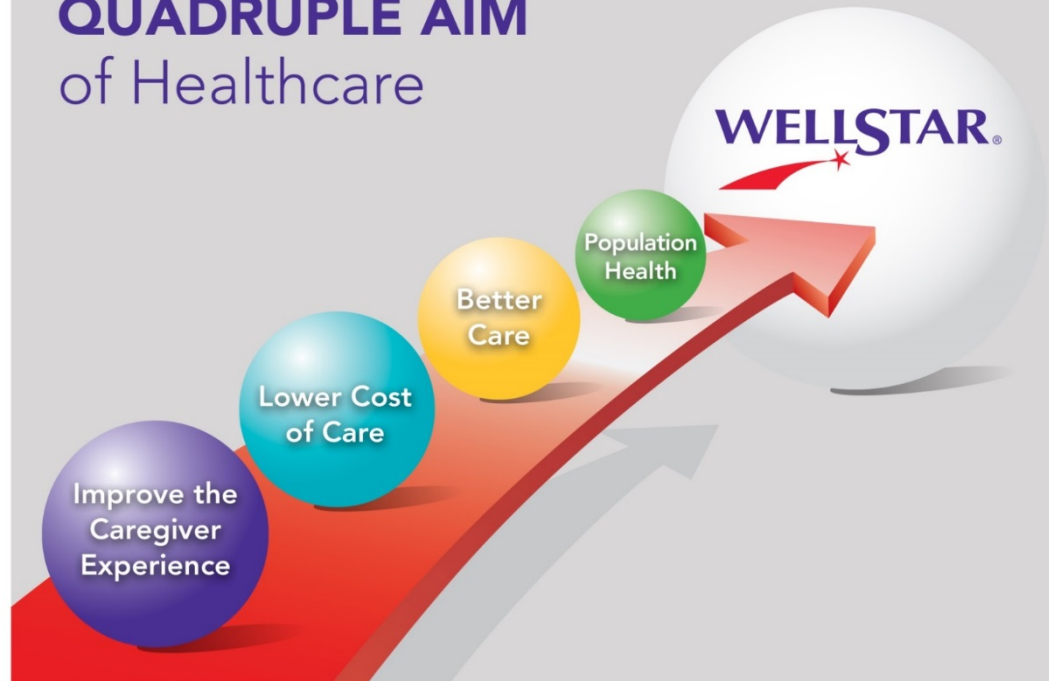


Setting The Bar For World-class Care Healthcare

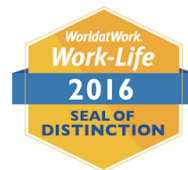
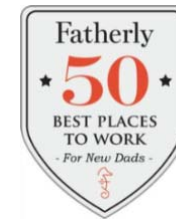




QUADRUPLE AIM of Healthcare



Starts with A World Care Team Member Environment





Johns Hopkins Medicine Provider-Sponsored Health Plans: Medicare

Patricia M.C. Brown, Esq.

Senior Vice President, Managed Care and Population Health

Johns Hopkins Medicine, President, Johns Hopkins HealthCare LLC

Facts and Components

Johns Hopkins Medicine (FY 2015)

- Johns Hopkins Medicine is the virtual joint venture of The Johns Hopkins Health System and the Johns Hopkins University School of Medicine
- \$7.7 billion in operating revenues; Over 2.8 million outpatient visits, 360,000 annual Emergency Department visits, and 115,000 annual hospital admissions
- Johns Hopkins Health System: 6 hospitals, 5 ambulatory centers, one of the State's largest multi-specialty physician groups
- At over \$2 billion, The Johns Hopkins University the leading U.S. academic institution in total research and development spending
- JHM owns Johns Hopkins HomeCare Group, Johns Hopkins International, and Johns Hopkins HealthCare, a managed care organization managing 400,000 lives



Johns Hopkins Medicine Vision

Johns Hopkins Medicine pushes the boundaries of discovery, transforms health care, advances medical education and creates hope for humanity. Together, we will drive the promise of medicine.



Johns Hopkins HealthCare Vision

JHHC will be a leader in innovative health care solutions that fulfill the Johns Hopkins promise of world class healthcare and deliver peace of mind to our members and their families.

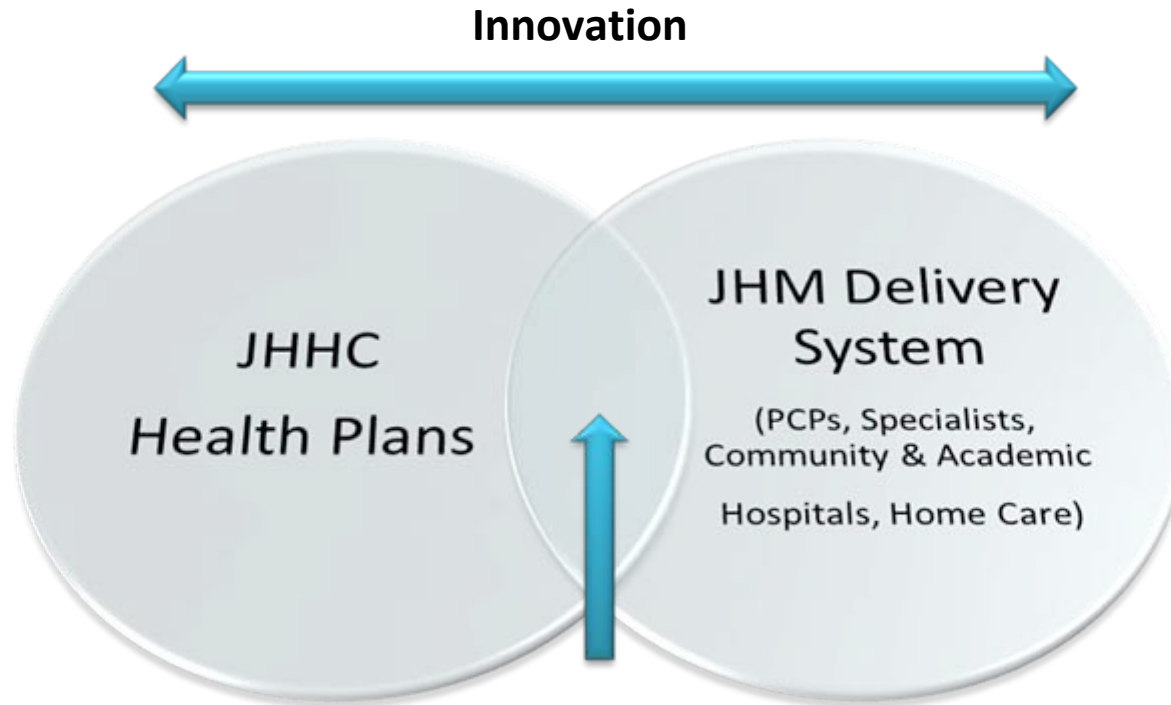




Differentiators

- Over 20 years of insurance experience
- Significant investment and experience in revenue management, coding, risk adjustment, clinical analytics, care management, quality improvement, population health, and outcomes and research
- Substantial State-Wide Network, with “deeming” capability to add new products

Johns Hopkins Medicine: The Plan



***Leveraging the Resources and Incentives of the Health Plan
with the Culture of Innovation and Excellence within the
large, diverse, integrated delivery system***



Johns Hopkins Medicine Aspirational Statement: 2014

In five years we will have developed a health delivery and financing system that improves patient care and the health of the populations while reducing the costs of health care and embracing the Johns Hopkins tradition of innovation.





JHM: Foundation strong. Capabilities well established. Growth achievable.

- Strategic growth of the JHM delivery system to drive “the right care, to the right place, at the right time, at the right price” (Triple Aim)
- Transformation of JHM’s clinical enterprise to a value-based, integrated delivery system that achieves the Triple Aim
- Growth in “covered lives” managed by JHHC, increasing access to “premium dollar”; improving JHHC’s ability to manage risk at the population level; providing additional margin to support JHM’s tripartite mission; and otherwise leveraging the insurance vehicle to meet JHM strategic priorities.



Insurance Growth

- Opportunities in:
 - Medicare Advantage
 - Self-funded employers
 - Medicaid Expansion
 - Commercial (Small Business and Individual)
- All leveraging:
 - Selective network built on JHM strategic footprint
 - Clinical initiatives that embrace best practices
 - Quality improvements to ensure better outcomes and reduced costs
 - System wide integration to ensure collaboration and efficiencies

Johns Hopkins Community Health Partnership



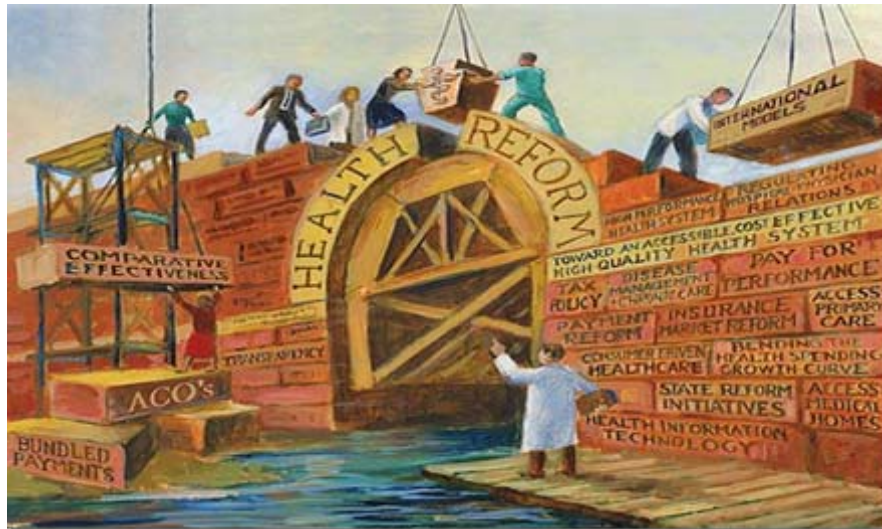
“ACO on Training Wheels”

2012 through 2016



Johns Hopkins Medicine Alliance for our Patients (“JMAP”)

An Accountable Care Organization 2013-present



Medicare Advantage

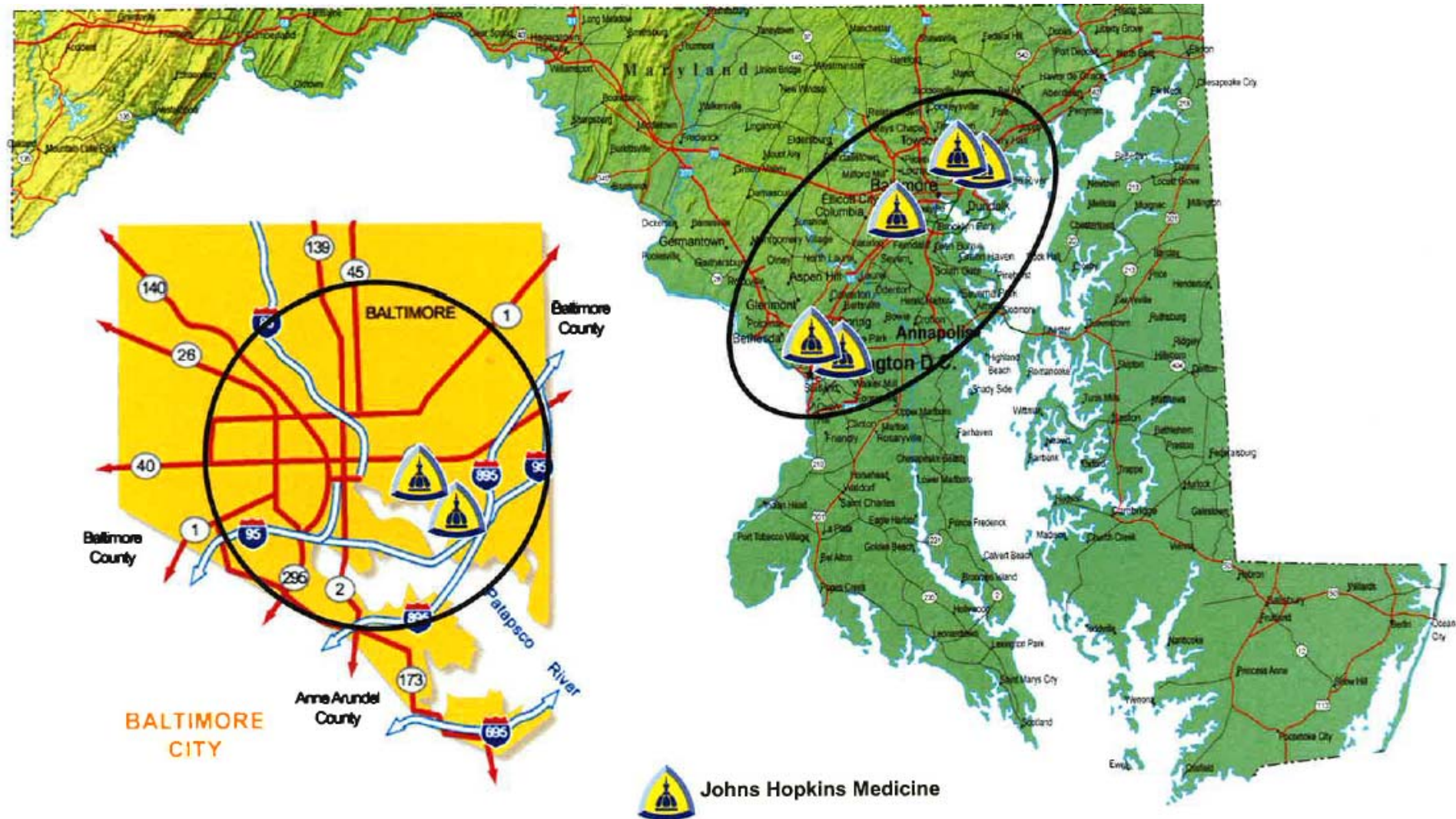
- Strategic JHM Decision
 - Existing Medicare Advantage penetration only 9% in Maryland
 - National changes in delivery system payer behavior
 - Maryland waiver aligning providers around population health
 - JHHC's long standing experience in managing government programs
 - Hopkins' culture of innovation; modernizing patterns of practice; setting new standards of quality; building clinical and financial integration
- Membership Growth/Performance Strategies
 - Successful January 2016 launch, with 4,000 enrollees in 11 Counties
 - January 2017: 7800; plan for 42,000 by year 7
 - Provider owner model aligns with performance-based "value

ADVANTAGE MD

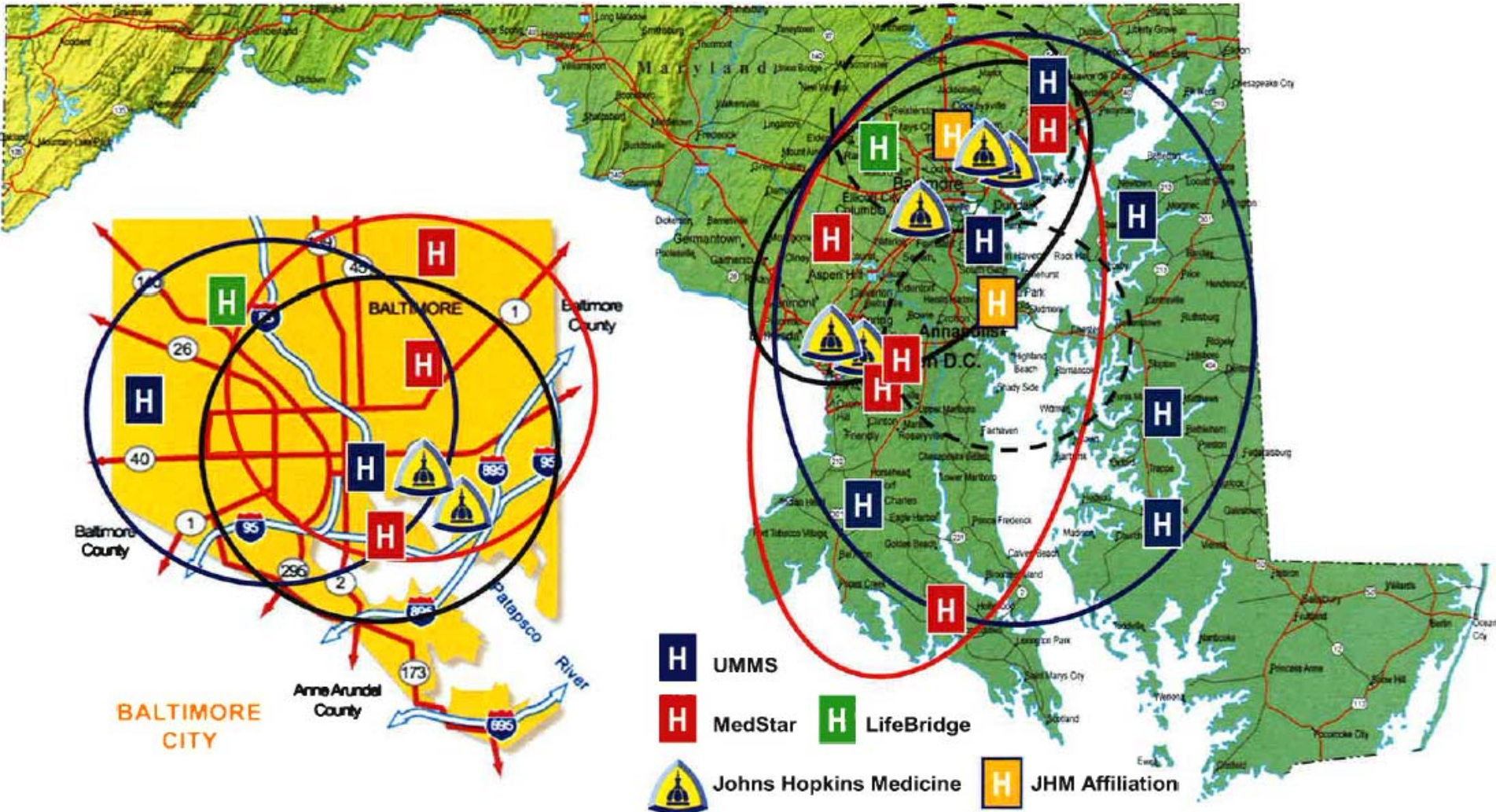
Johns Hopkins Medicine Medicare Plan



JHM Regional Delivery System

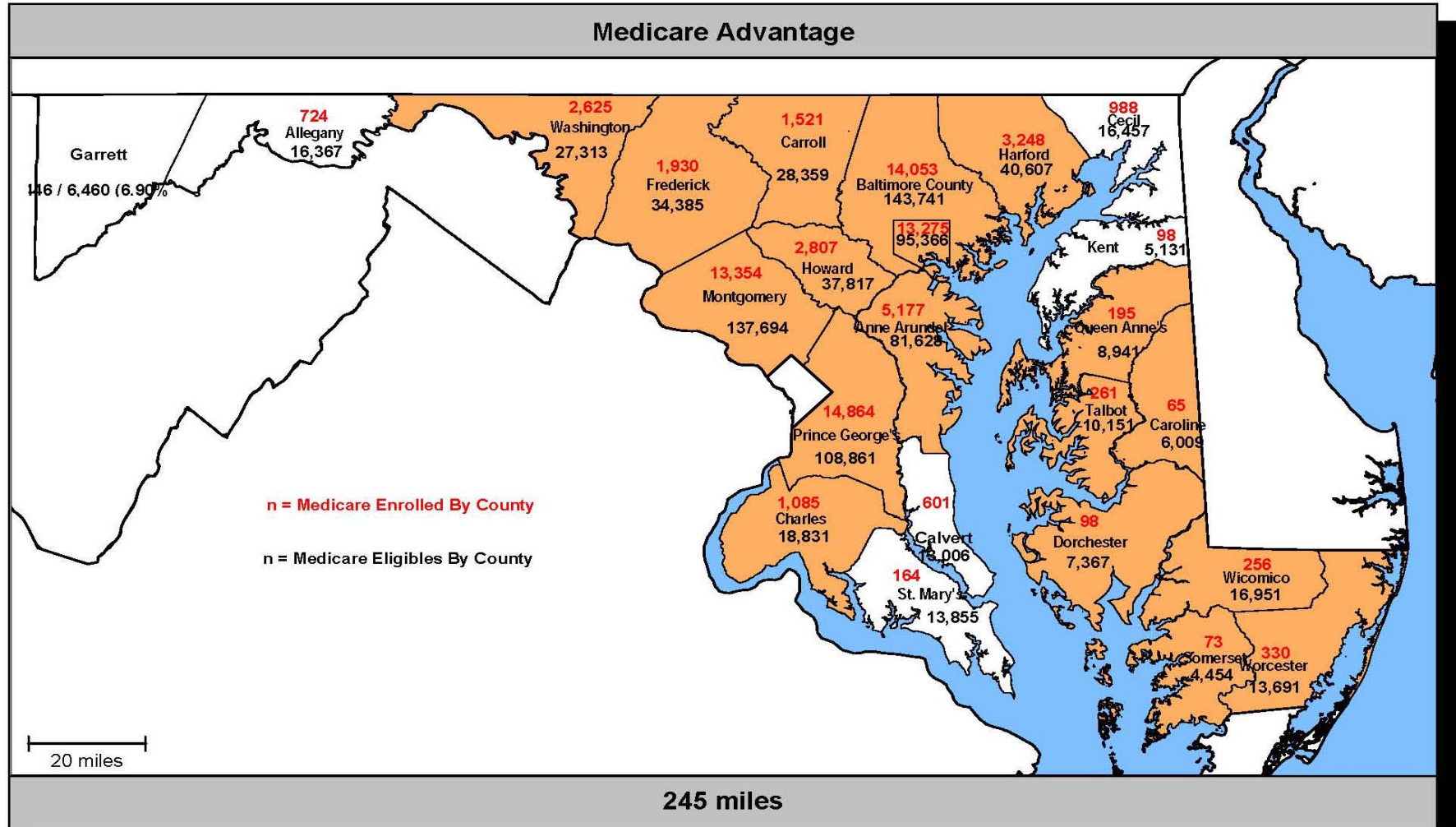


Regional Competition at Hospital and Health System Level:

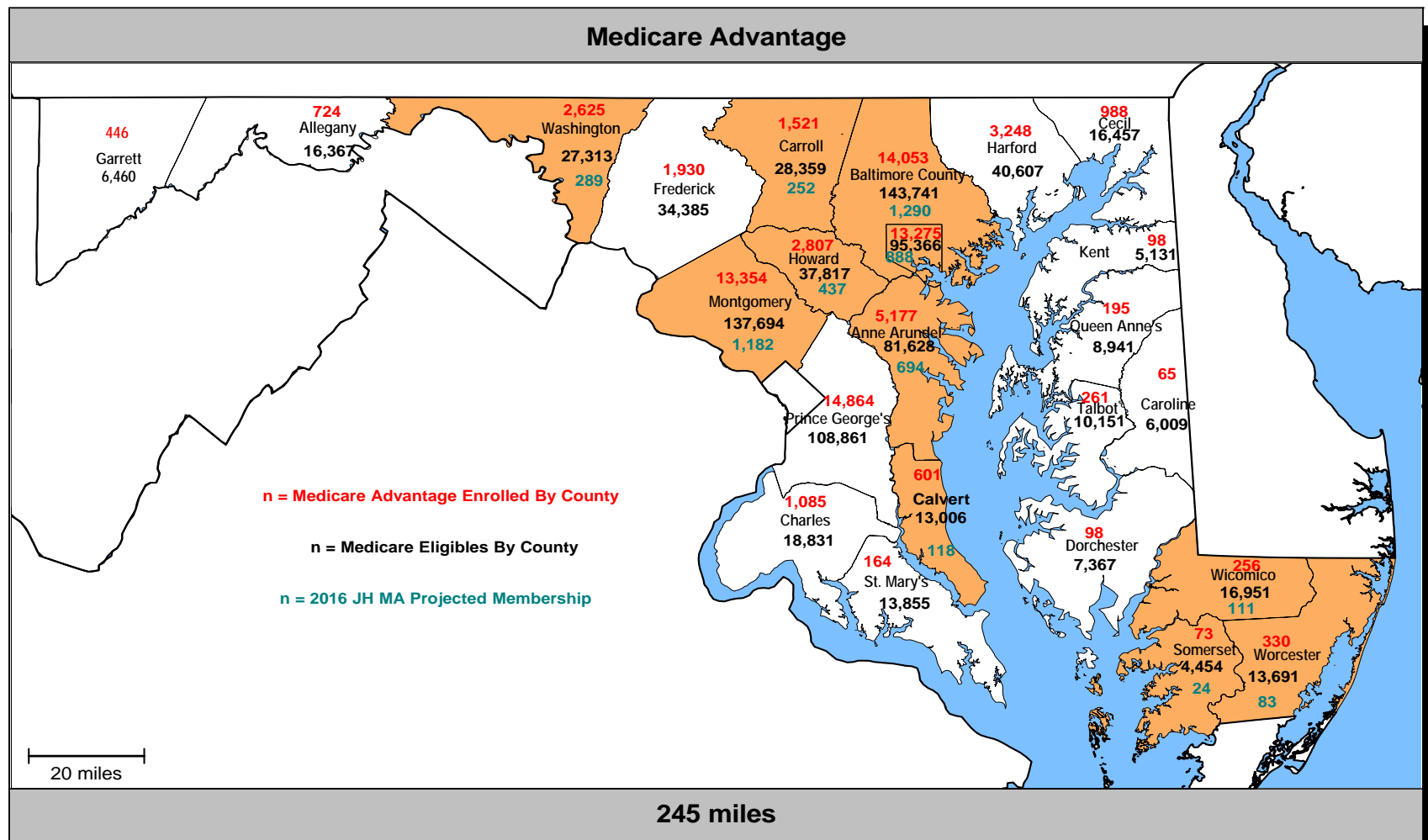




MA Initial Proposed Service Area: Leveraging Much of JHHC Network

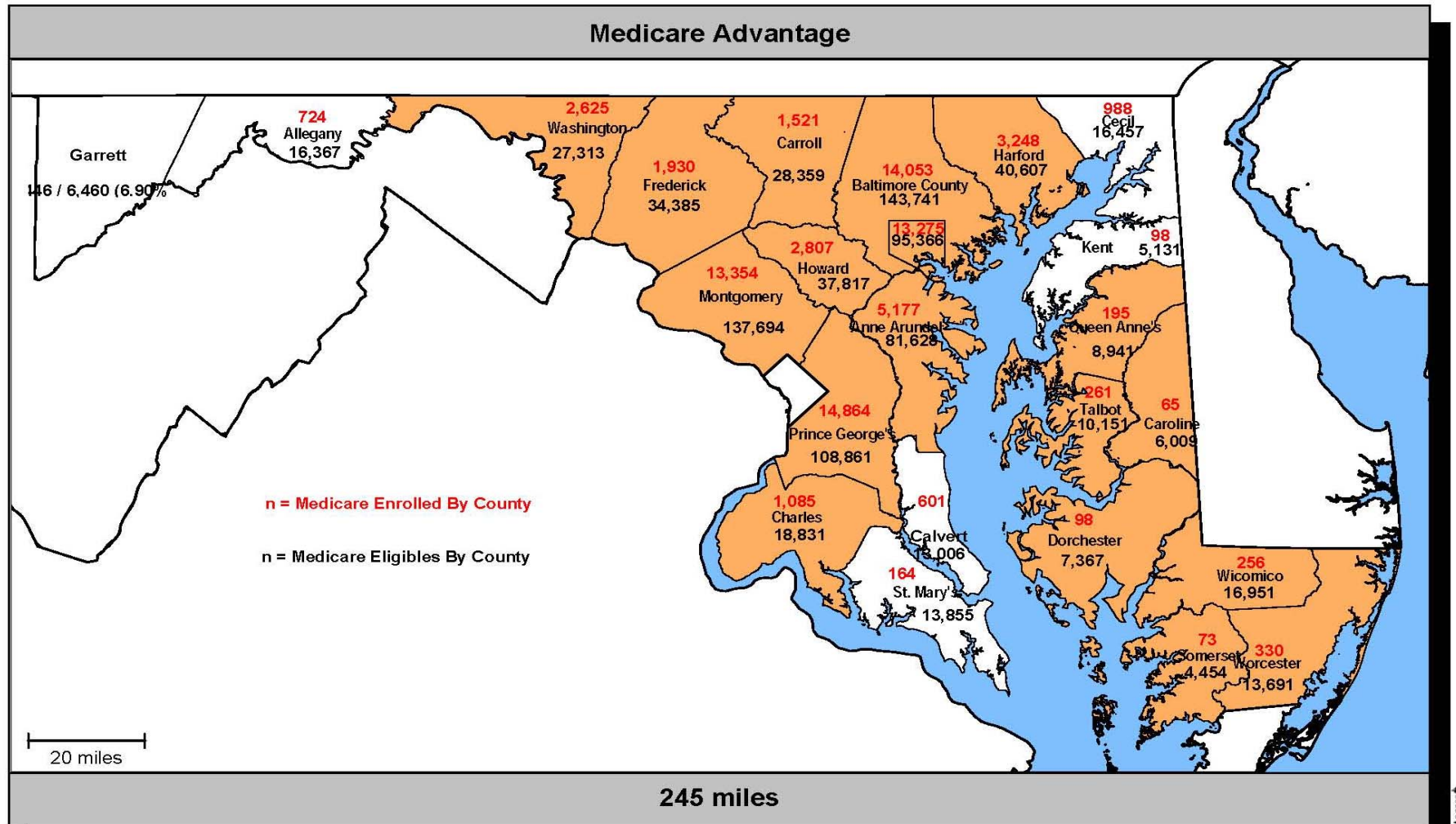


Final MA Service Area



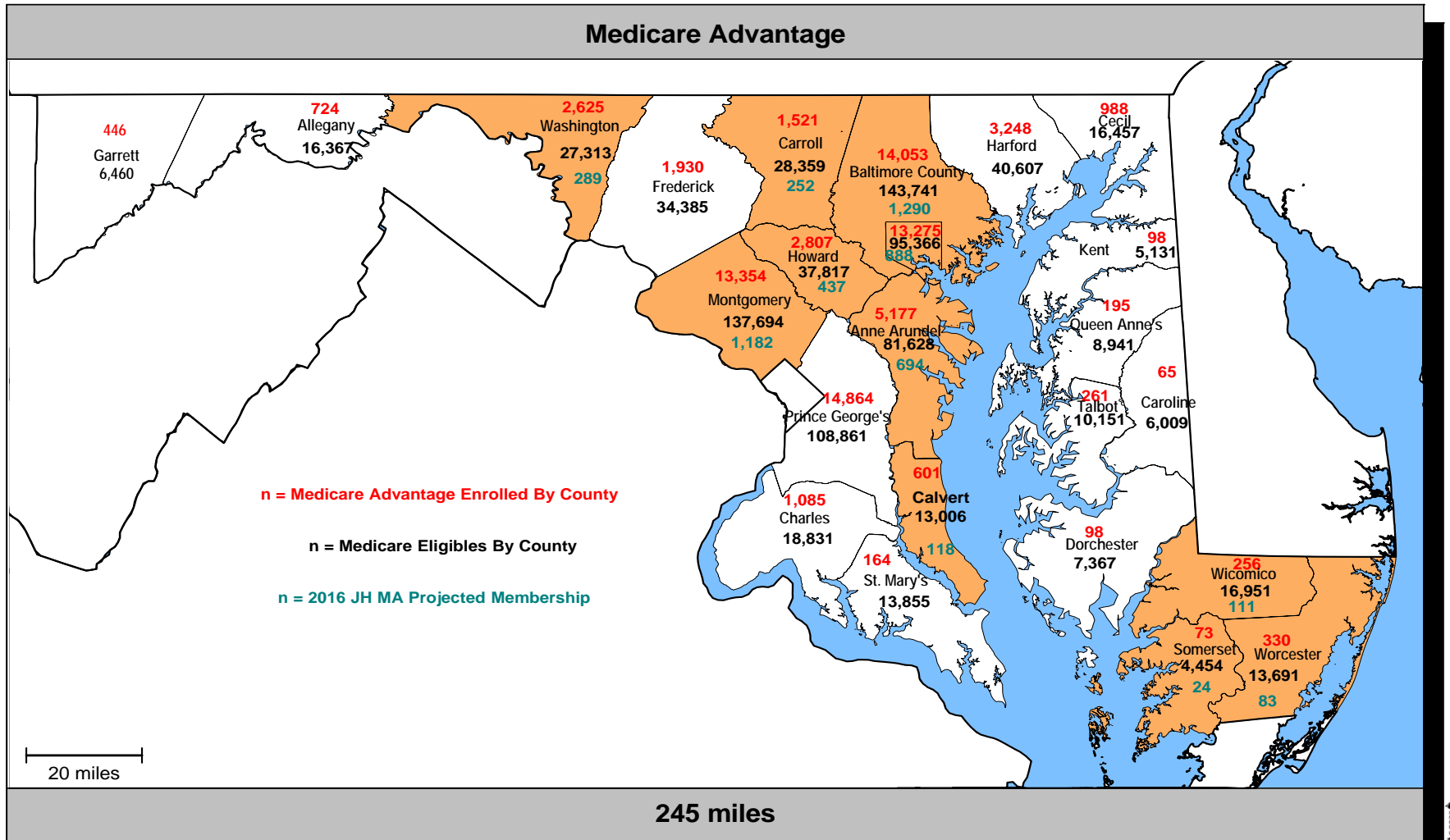


Again, Initial Proposed Service Area: Access to 728,000 Medicare Lives

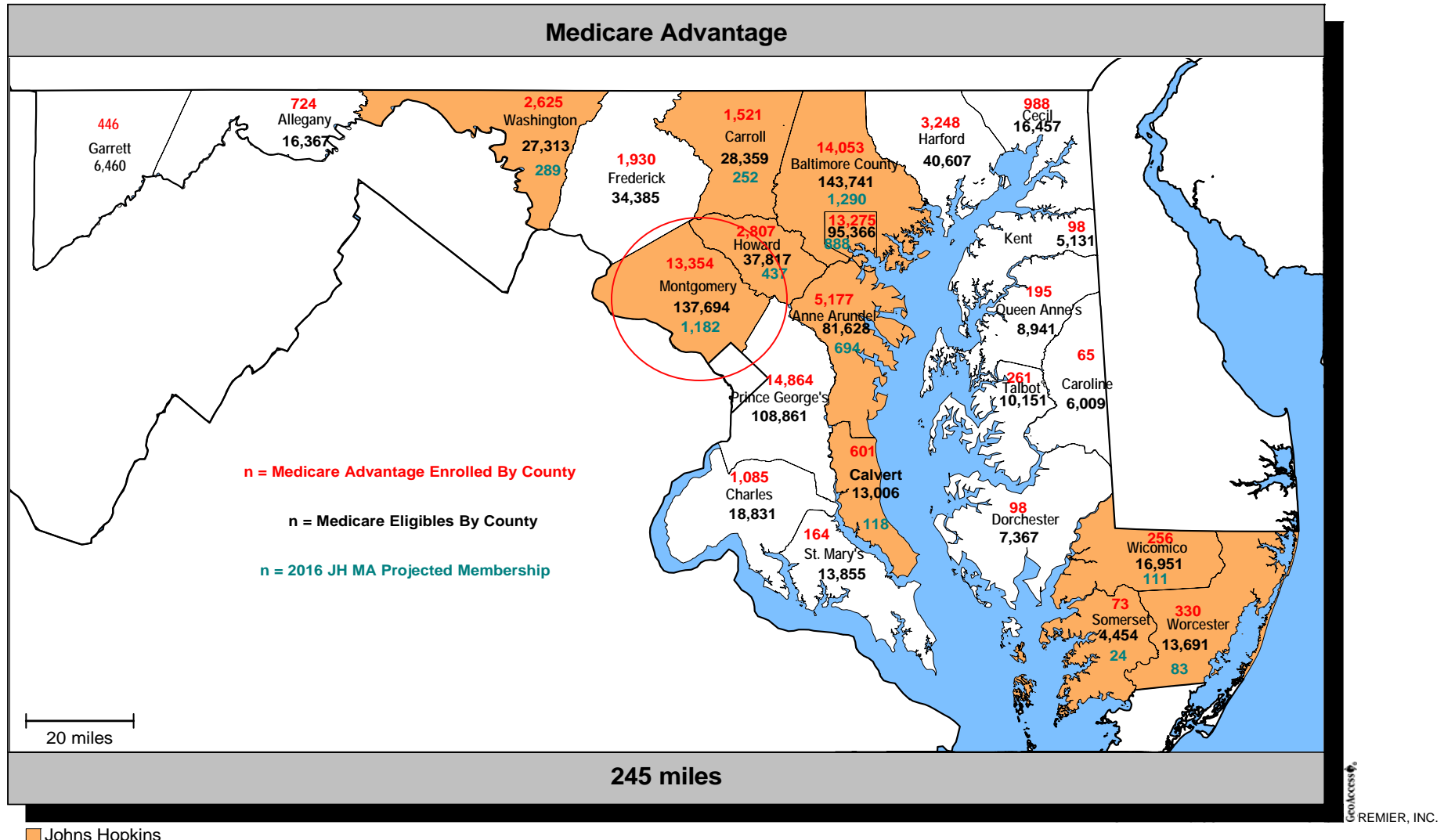


Final MA Service Area:

Access to 493,000 lives

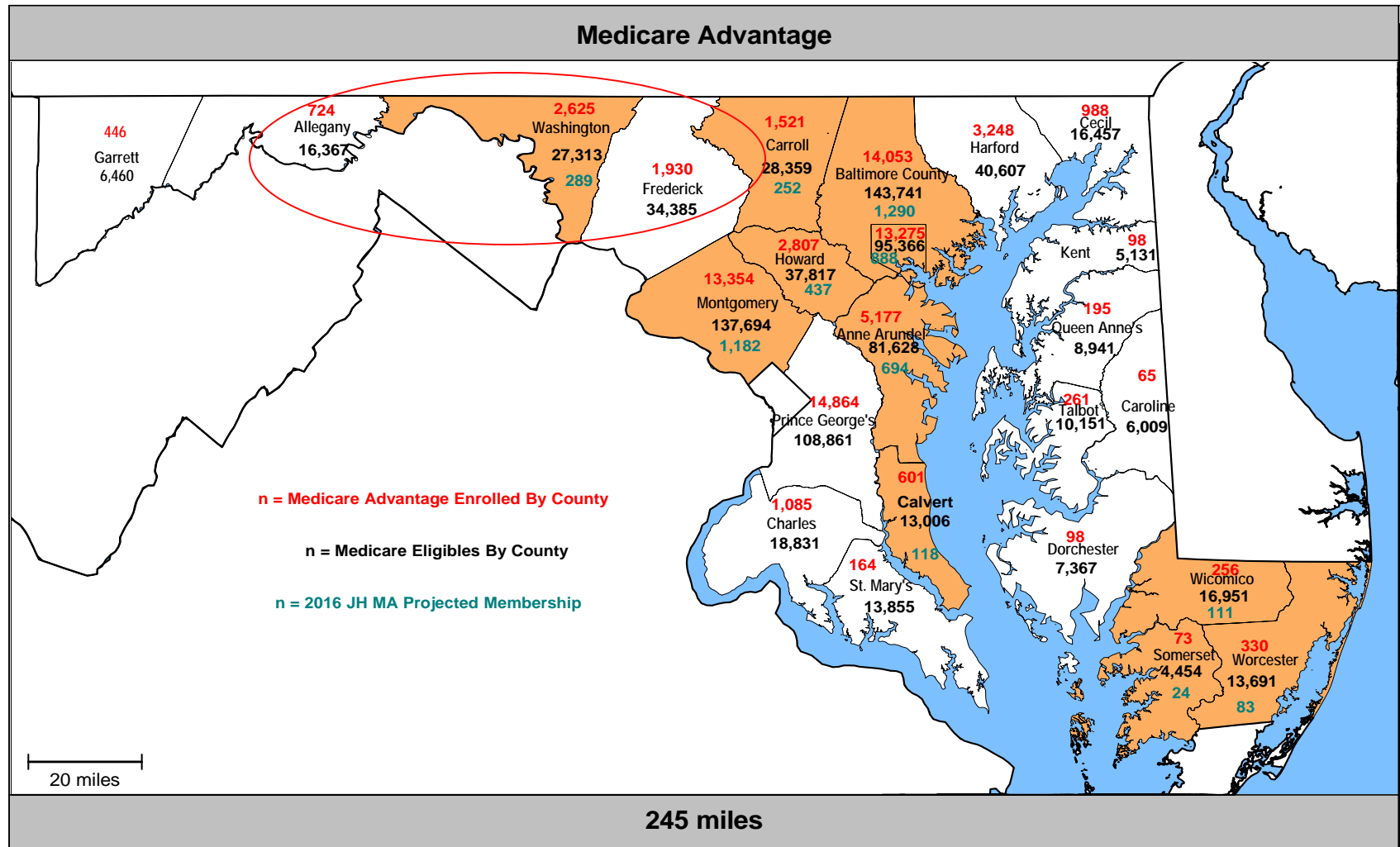


Market Risks/Opportunities: Montgomery County

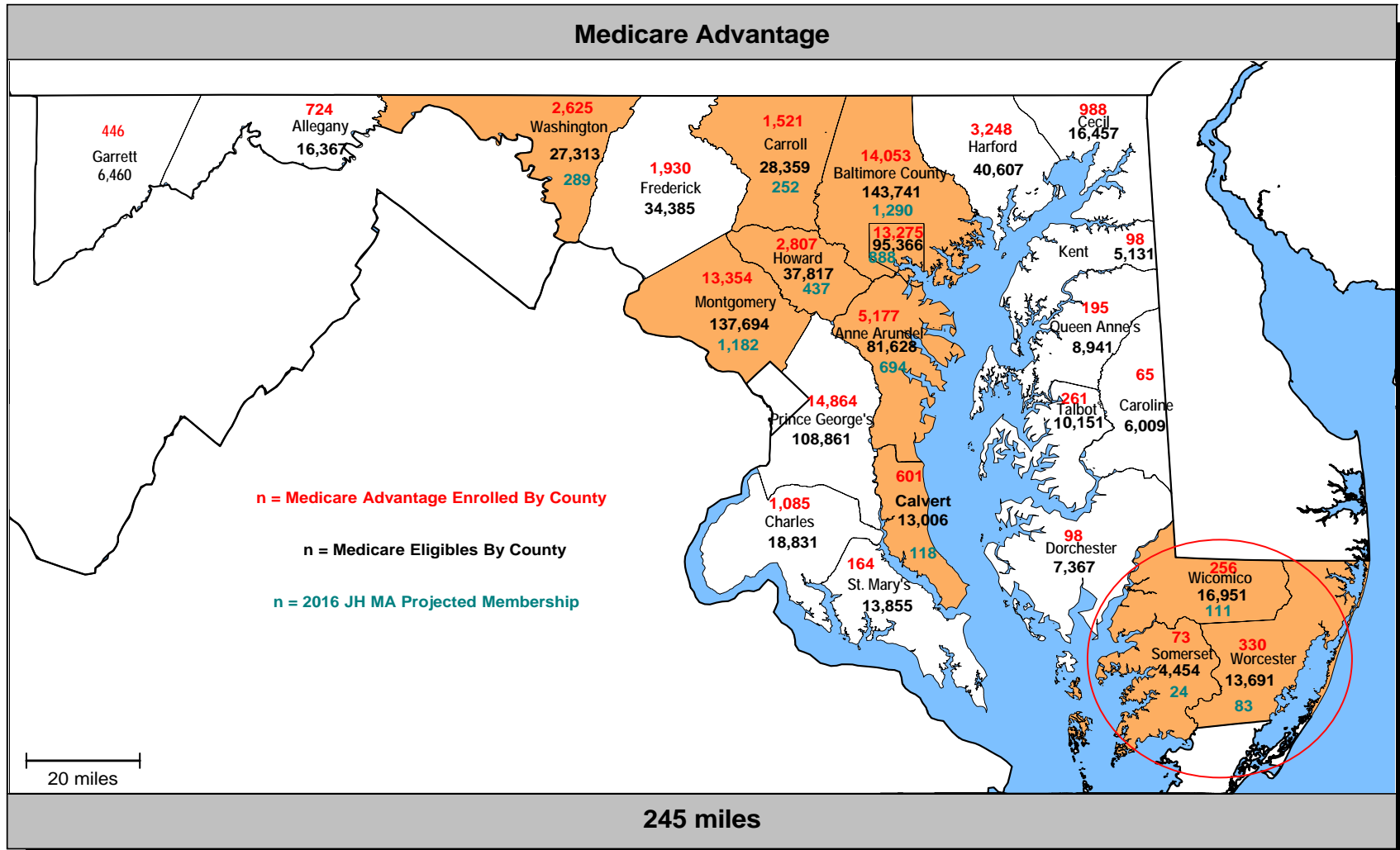


Market Risks/Opportunities

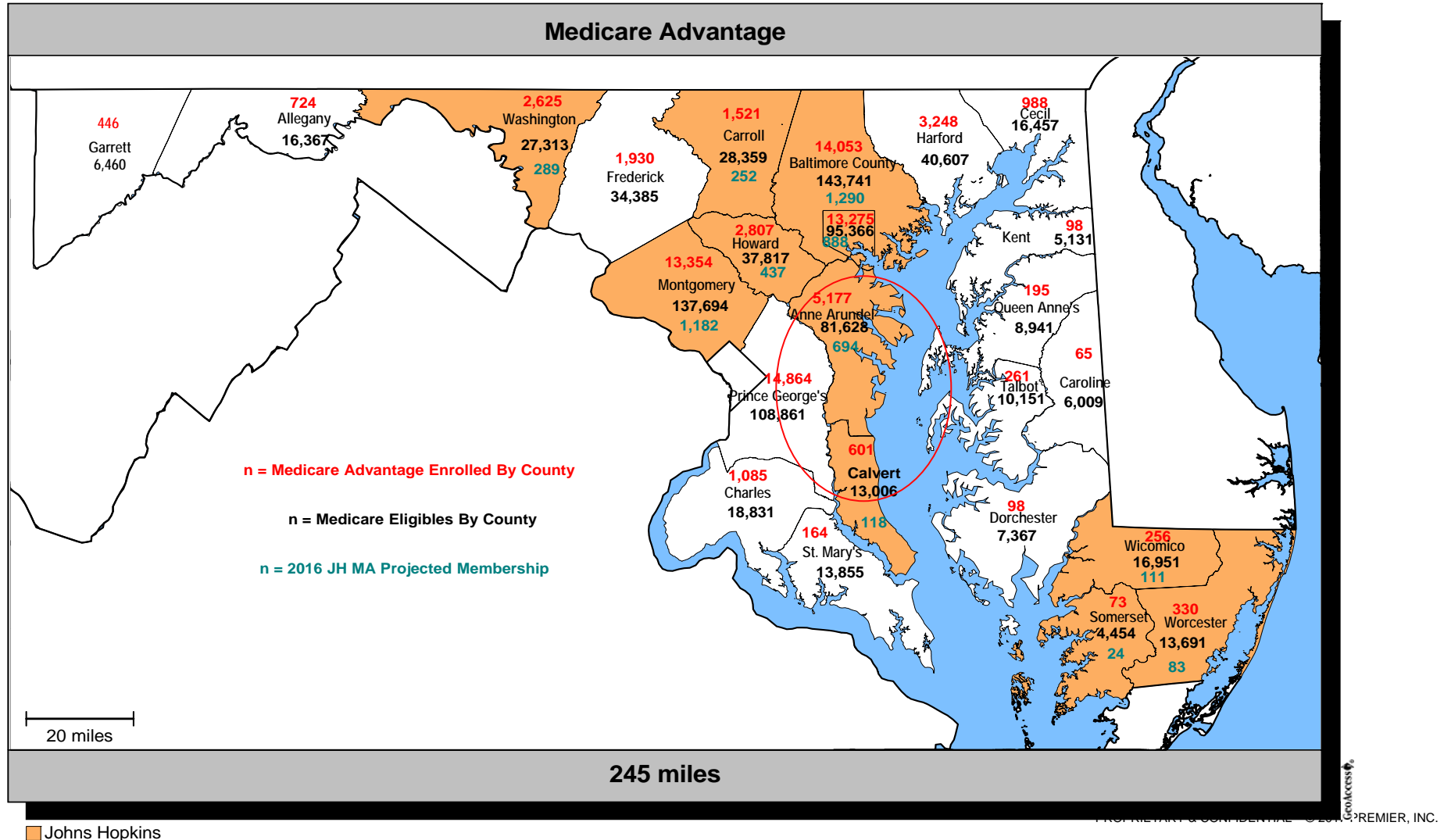
Western Maryland



Market Risk/Opportunities: Lower Shore



Market Risks/Opportunities: Anne Arundel and Calvert Counties





Strategic Priorities for Footprint Work

- JHM had lost meaningful access to large part of its proposed Medicare Advantage service area
- JHM must therefore prioritize securing relationships in Western Maryland, Anne Arundel, Calvert County and the Lower Shore.

All for purposes of aligning footprint and network with our insurance strategies to drive our strategic priority to increase access to populations to serve Mission.



Request for Proposal for Strategic Medicare Program Partner.

- Issued by 6 distinct and independent health systems, covering significant service area, including Western Maryland, Baltimore, and Lower Eastern Shore
- Partnership interested in equity ownership



And so --- Nine months after starting our own Health Plan

- We agreed to give up 37% of our equity in our health plan in exchange for long term contracts -- that is, network security, while maintaining management control

But as importantly:

- We partnered with key health systems, each aligned to drive membership and performance; that is, we aligned incentives, both on the delivery system as well as the plan side, to drive Triple Aim
- The work: leverage each system's own desire to drive performance so "all boats rise"

Summary/Questions