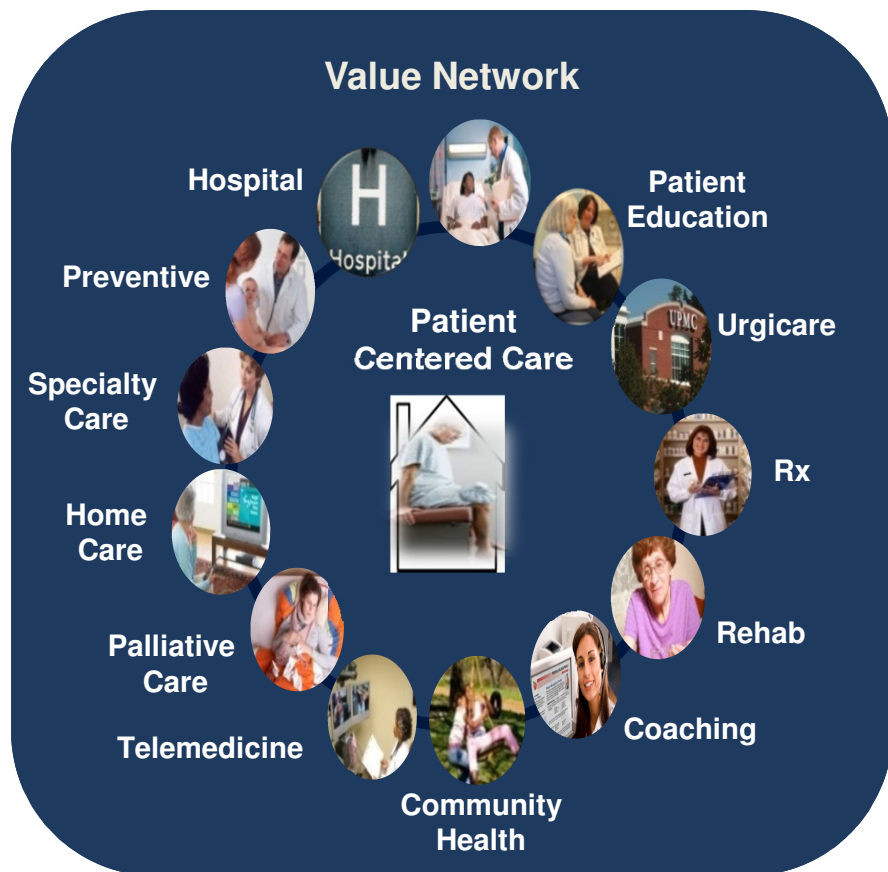




## **Mini Summit II: Health Plan Incentives and Support for the Medical Home**

Roseann DeGrazia, RN, BSN, MEd,  
Executive Director, Clinical Business Development  
UPMC Health Plan

# Integrated Seamless Systems of Care



## Right Clinical Model

- Standardized Protocols & Registries
- Care Transition Programs
- Patient Centered Medical Homes
- Chronic Care Management Models
- End of Life Palliative Programs
- In-Home Treatment and Support
- Telemedicine
- Lifestyle Coaching & Education



## Consumer Support Tools

- Consumer Incentives
- Transparency: Cost/Quality
- Shared Decision Support Tools



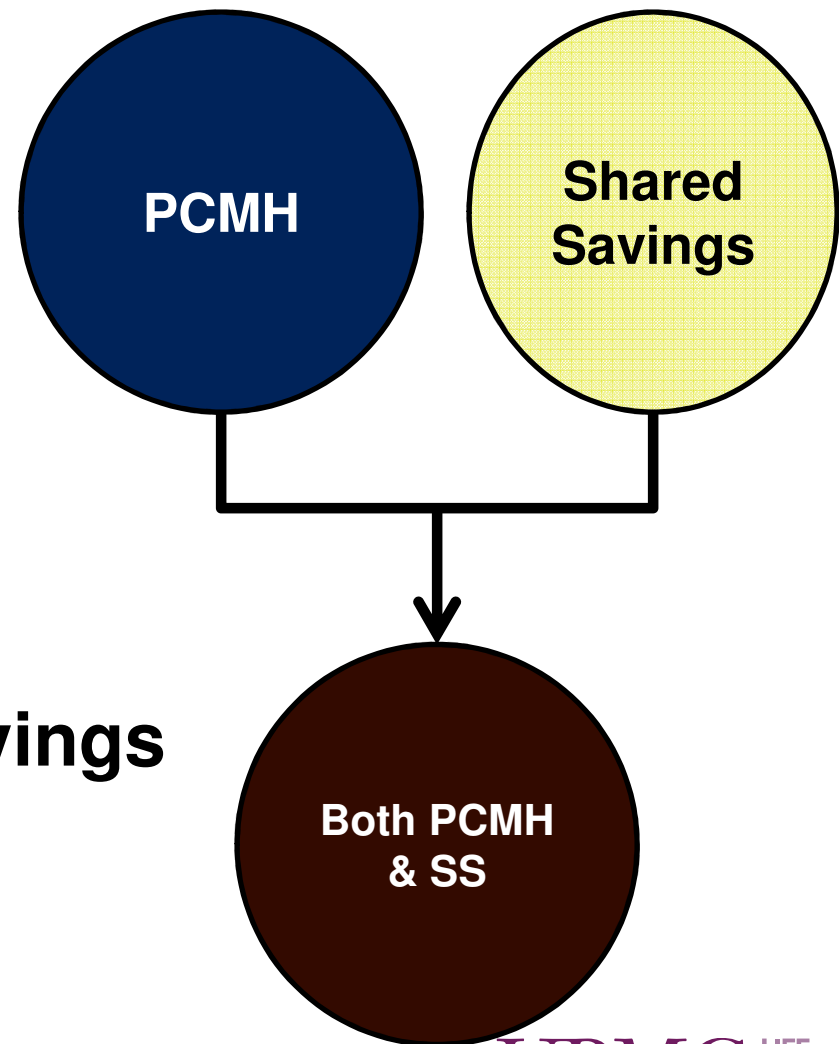
## Right Economic Incentives

- Gainsharing
- Capitation and Bundled Payments
- Care Management Payment
- Performance Payment
- Benefit Designs

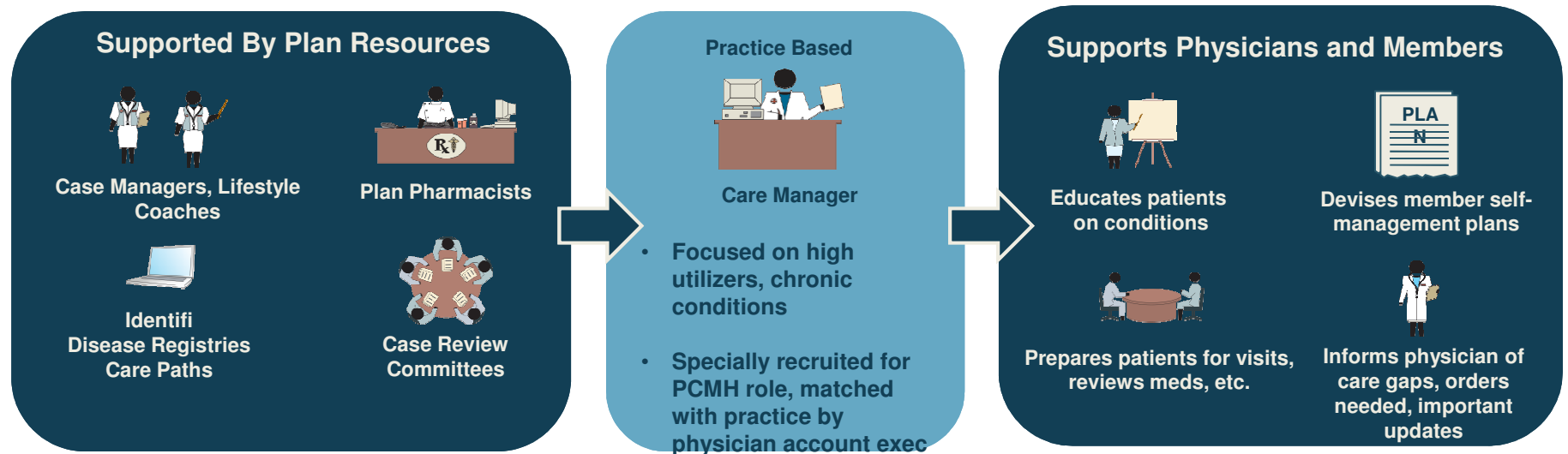


# PCMH and Shared Savings Programs

- PCMH Programs
  - 159 practices (in model)
  - staggered starts since 2008
- Shared Savings
  - 242 practices (in model)
  - staggered starts July 2011
  - 130 coming online in FY14
- **Both PCMH + Shared Savings**
  - 114 practices
  - variety of start scenarios



# Medical Home Program Takes Population Management to the Physician



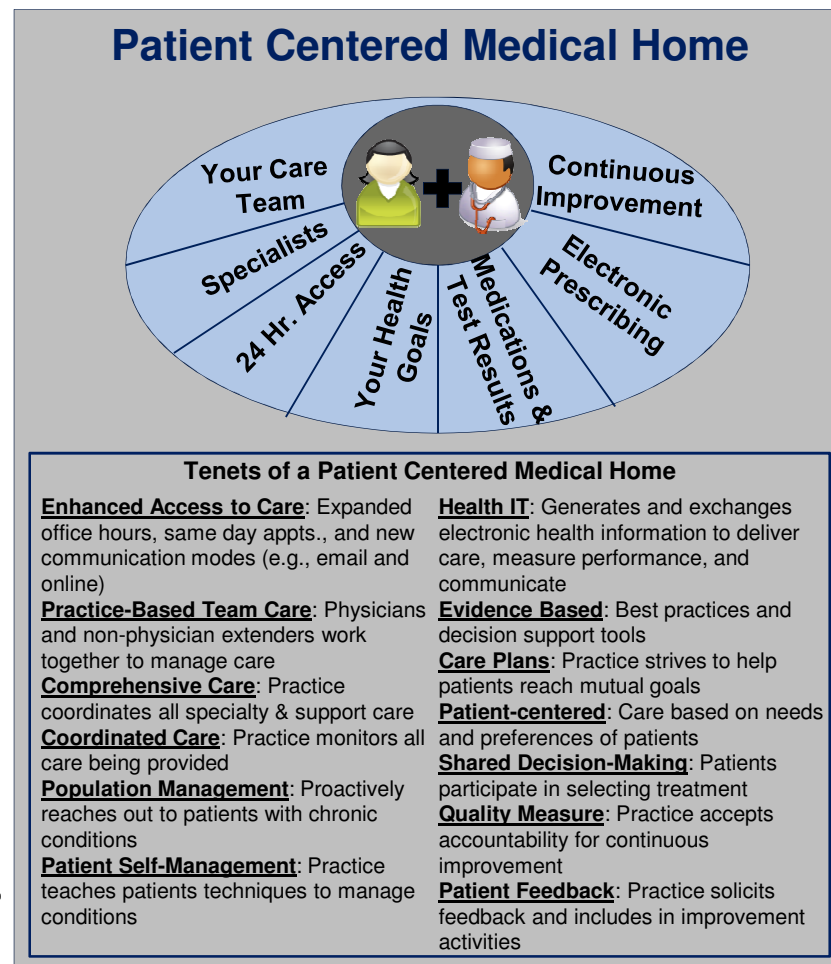
# Patient Centered Medical Homes Provide Coordinated Health Services Through an Interconnected Group of Physicians

## Overview

- Demonstrates significant potential to reduce admissions, ER visits and lengths of stay
- PCMHs are a component of ACO model
- Majority of providers require infrastructure support to effectively manage care

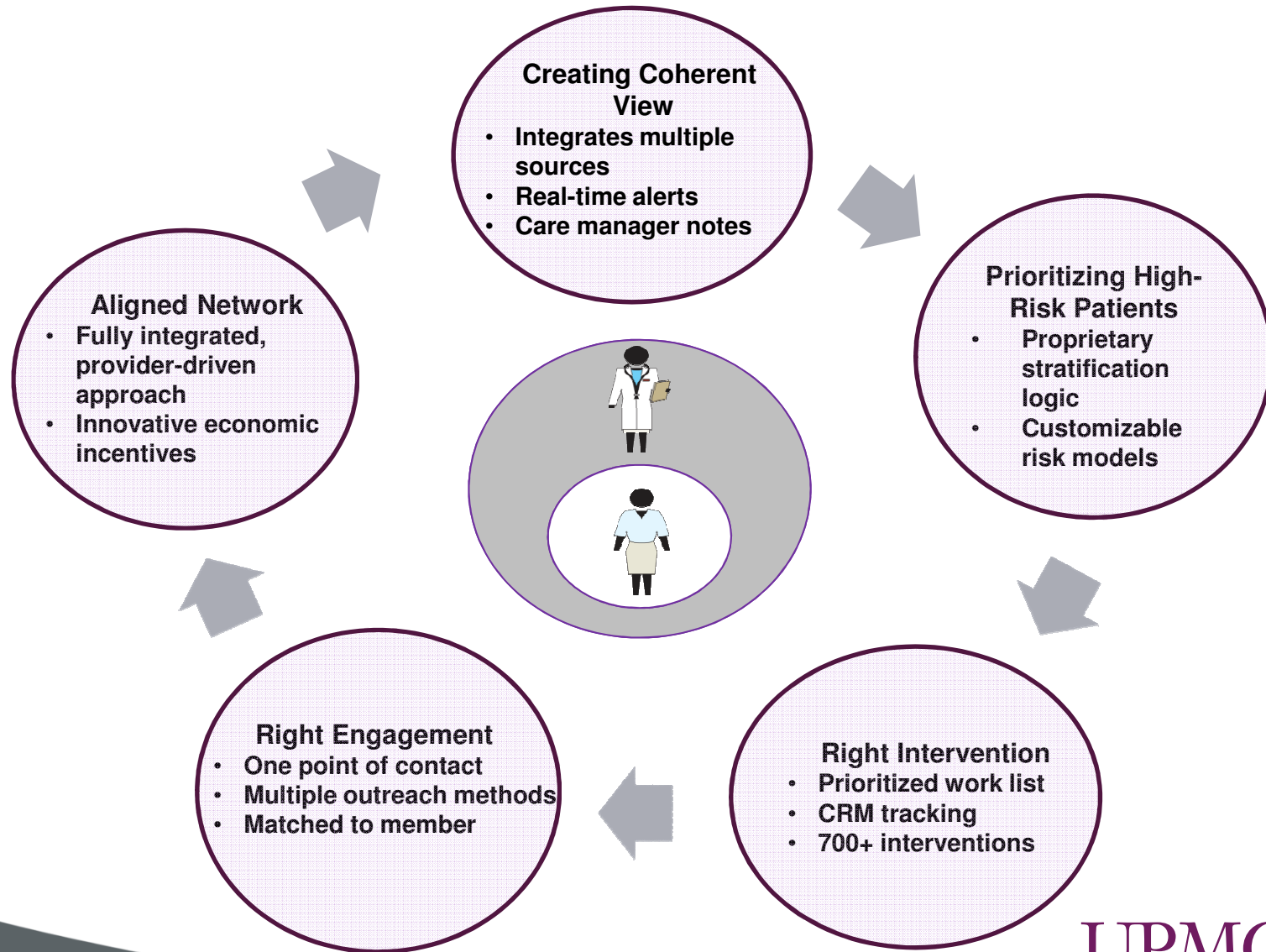
## Strengths

- Multiple documented cases of utilization reductions and medical cost savings
  - UPMC reduces overall costs by 2%
  - Group Health reduced total costs by 2%

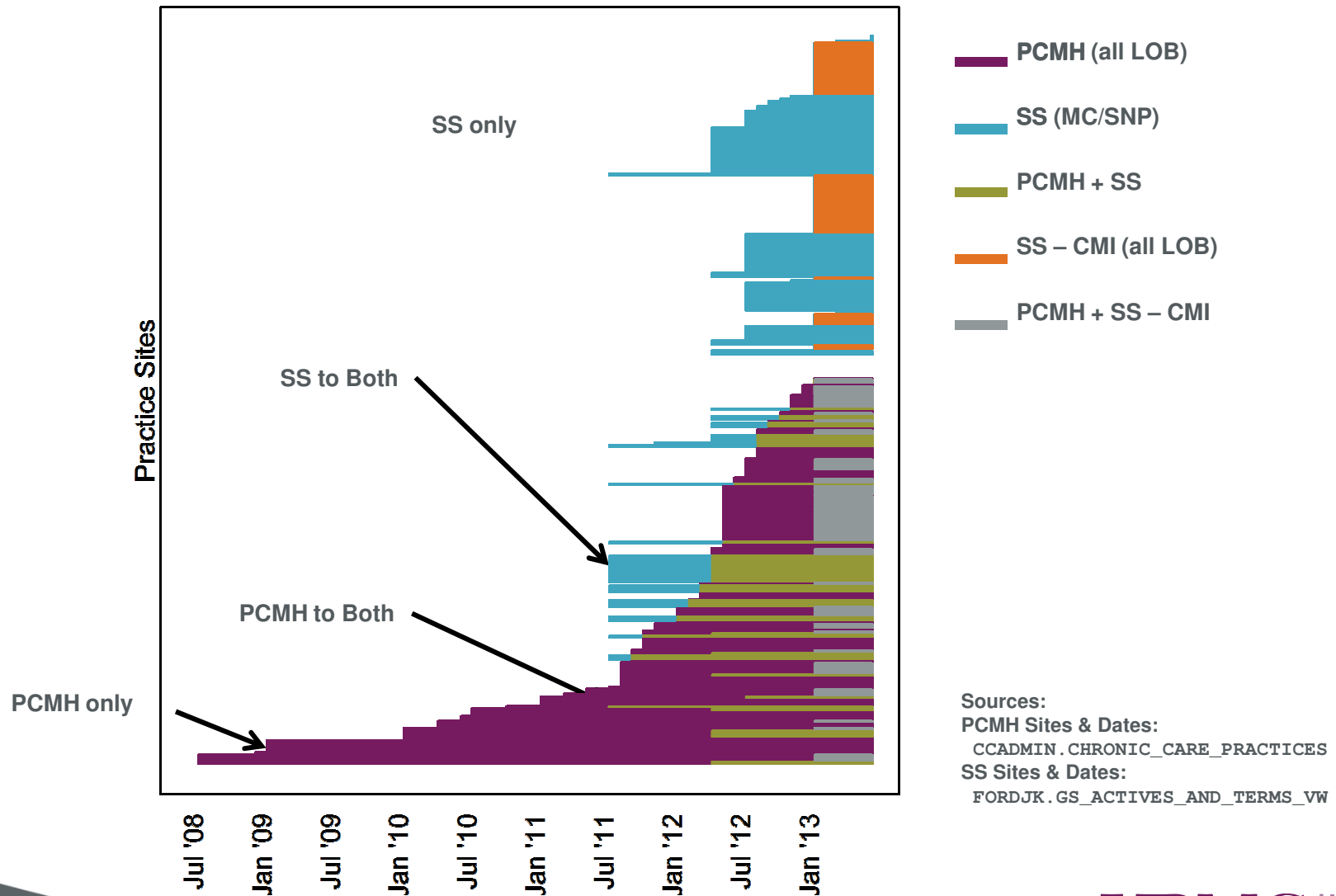


Sources: <http://www.ccjm.org/content/78/9/571.full>;  
<http://www.rwjf.org/files/research/73739.5557.reforminaction.canimplementingpatient.pdf>

# UPMC Approach to Population Health



# How Has This Rolled Out?



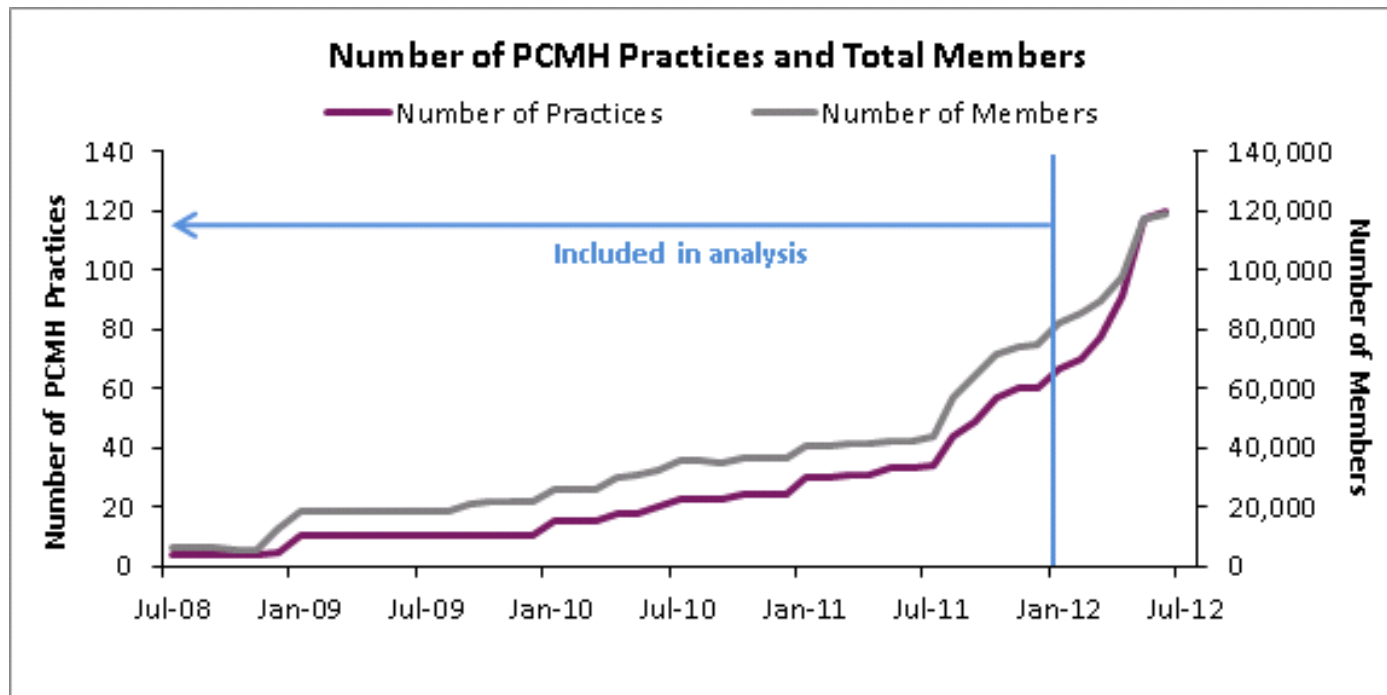
# Integrated Data to Support Clinical Management Population Health Strategy and Clinical Support

- Disparate data
- Medical Claims
- Behavioral Health Claims
- Pharmacy Claims (allows medication possession ratio MPR)
- Worker's Compensation Claims
- Short Term Disability
- Absenteeism Data from Time Cards
- On-Site Biometric Screening Results
- Health Risk Assessments – (self-reported)
- Care Management Assessments/ Phone interaction
- Enrollment & Demographic Data
- Lab Values

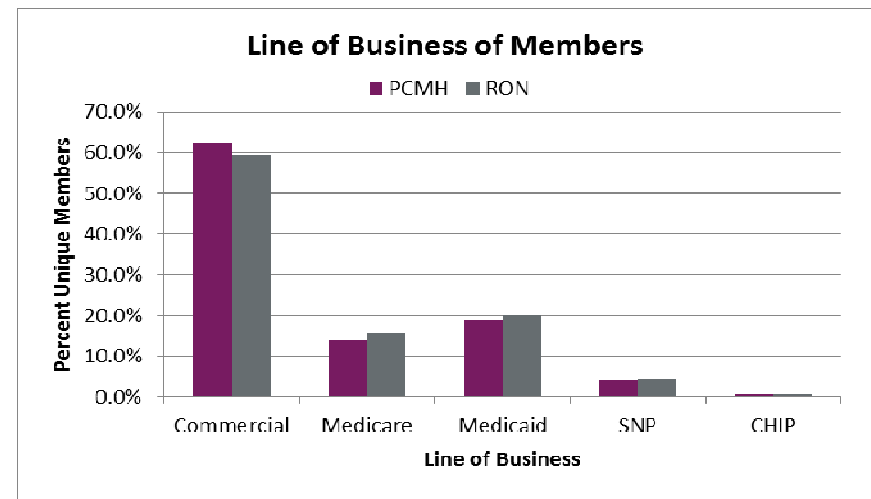
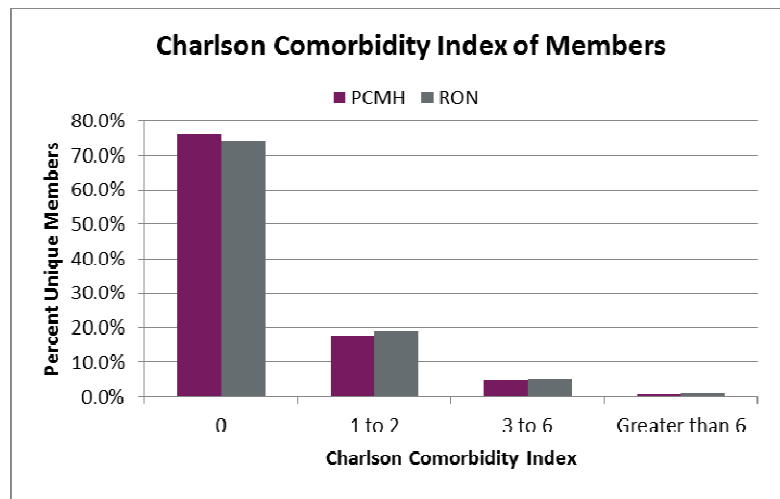
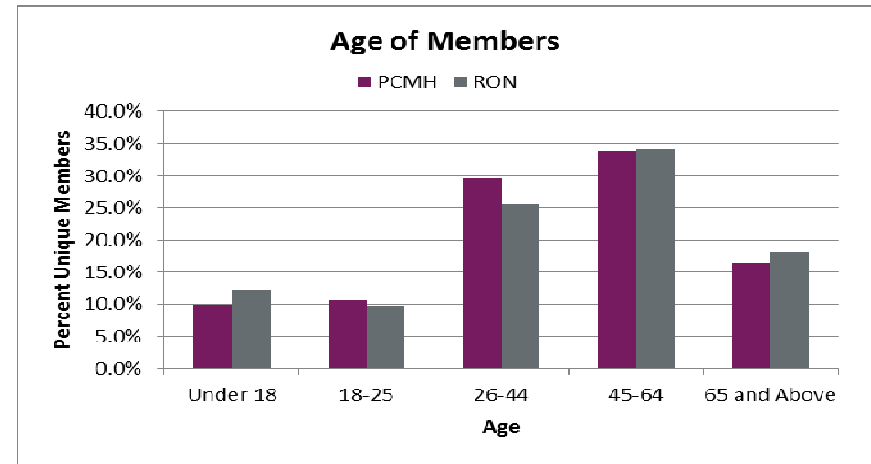
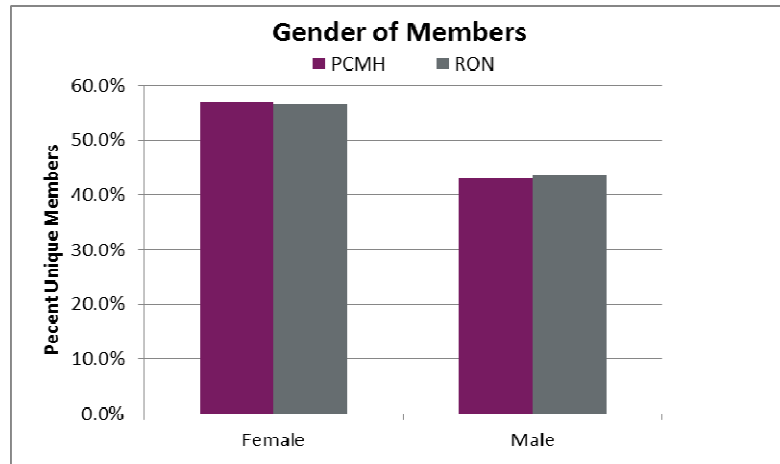
**GOAL: develop centralized registry of member clinical presentation and lifestyle profiles for clinical analysis**

# UPMC Health Plan

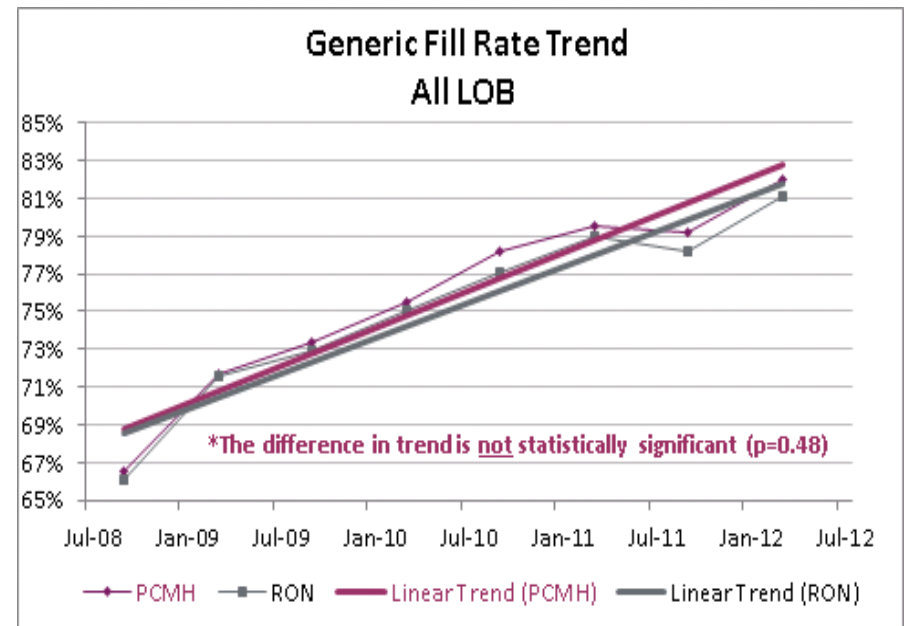
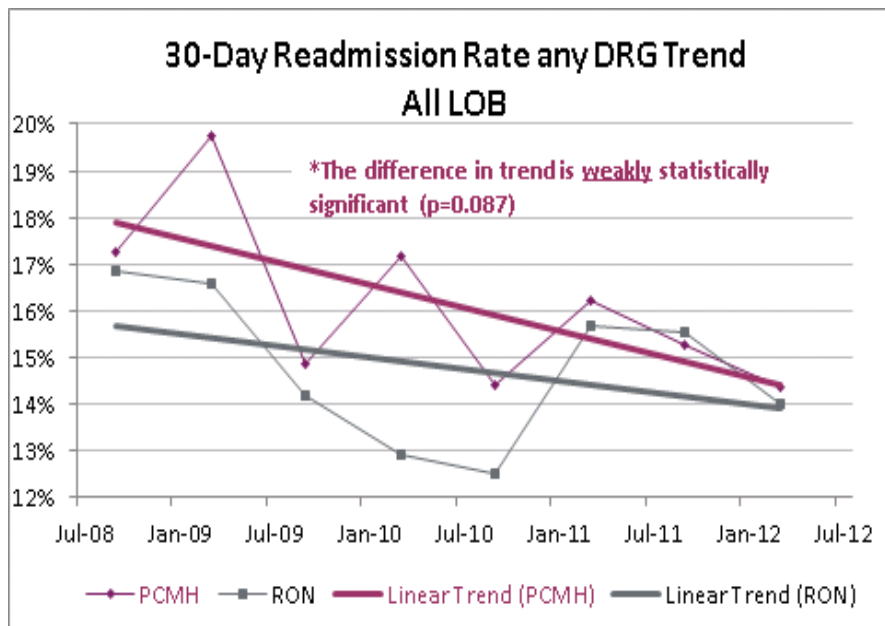
- History of UPMC Health Plan's Medical Home
  - Started in 2008 with six practices



# Patient Centered Medical Home Demographics



# Utilization Trend



# Is there any savings associated with these programs?

## Effect on Cost compared to RON using Mixed Effect Model

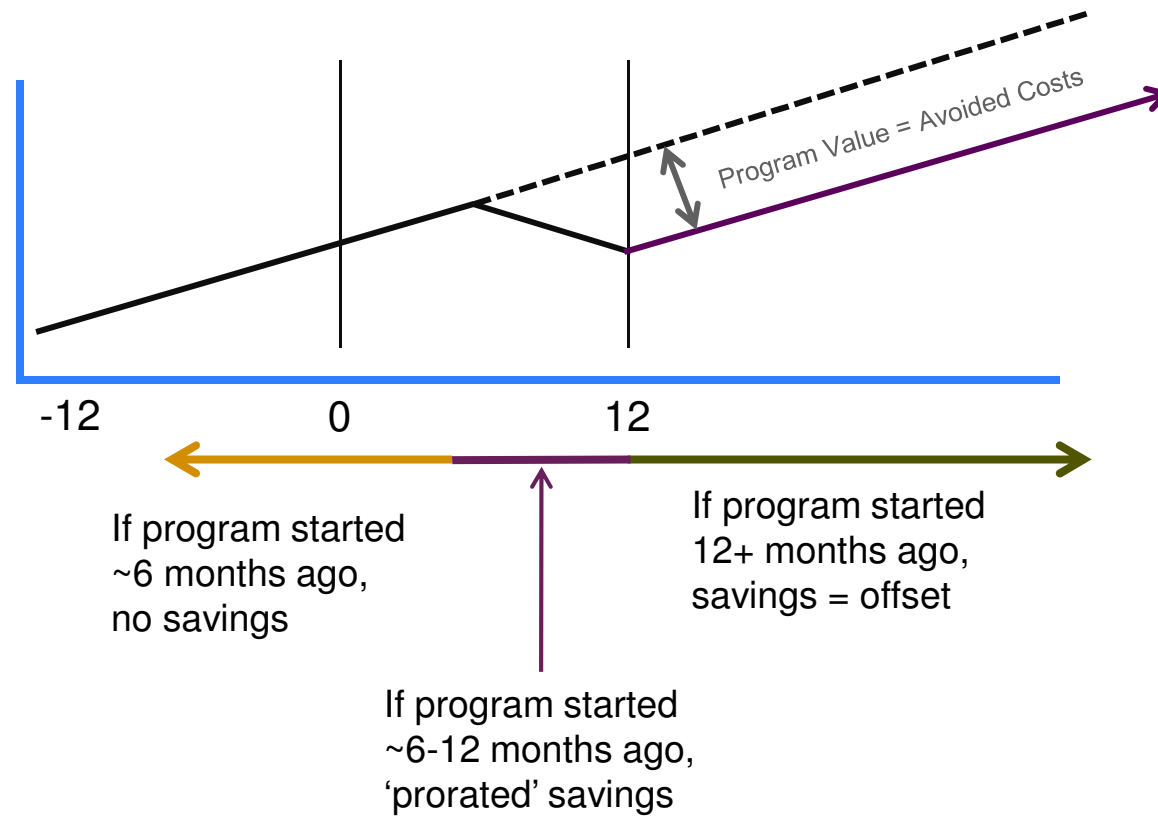
Practice Program Type	Medical Cost	Pharmacy Cost	Medical + Pharmacy Cost
PCMH only	nonsignificant decrease	<b>significant decrease</b>	nonsignificant decrease
SS only	No change	<b>significant decrease</b>	No change
PCMH + SS	nonsignificant decrease	<b>significant decrease</b>	<b>significant decrease</b>

## When Does the Savings Start?

Practice Program Type	Med/RX/Both	Savings PMPM	Delay to Onset of Savings	Duration of Modeled Savings	Significance (strong/weak)
PCMH only	Med	\$0.19 Savings	5 Months	+ 19 Months	
	<b>Rx</b>	<b>\$0.12 Savings</b>	<b>0 Months</b>	<b>+ 24 Months</b>	<b>s</b>
	<b>Total</b>	<b>\$0.31 Savings</b>	<b>0 Months</b>	<b>+ 24 Months</b>	<b>w</b>
SS only	Med	\$0.24 Increase	0 Months	+ 14 Months	
	<b>Rx</b>	<b>\$0.47 Savings</b>	<b>0 Months</b>	<b>+ 14 Months</b>	<b>s</b>
	Both	\$0.21 Savings	0 Months	+ 14 Months	
PCMH + SS	<b>Med</b>	<b>\$1.48 Savings</b>	<b>up to 12 Months</b>	<b>up to 14 Months</b>	<b>s</b>
	<b>Rx</b>	<b>\$0.45 Savings</b>	<b>4-5 Months</b>	<b>up to 14 Months</b>	<b>s</b>
	<b>Both</b>	<b>\$1.91 Savings</b>	<b>up to 12 Months</b>	<b>up to 14 Months</b>	<b>s</b>

"D" - Delay of savings onset depends on whether Shared Savings or PCMH program started first.

# Savings Expectations



# What is the expected value of Shared Savings in Medicare and SNP in FY 14?

Shared Savings Projections (Fiscal Year 2014)					
		FY 2013	Projected FY 14 costs (no savings)	Estimated FY 14 (with model Savings)	FY 14 "Program Value"
#Practices		164	294		
#Members		32,227	34,824		
Yearly MM		386,720	417,892		
Medical	PMPM	\$444.58	\$750.97	\$720.36	\$30.61 (-4.2%)
	Total	\$753,602,026.21	\$313,826,231.06	\$301,033,261.46	\$12,792,969.60
Rx	PMPM	\$116.28	\$180.05	\$173.97	\$6.08 (-3.5%)
	Total	\$197,098,251.90	\$75,240,978.96	\$72,702,452.56	\$2,538,526.40
Med + Rx	PMPM	\$560.86	\$931.02	\$894.33	\$36.69 (-4.1%)
	Total	\$950,700,278.11	\$389,067,210.02	\$373,735,714.02	\$15,331,596.00

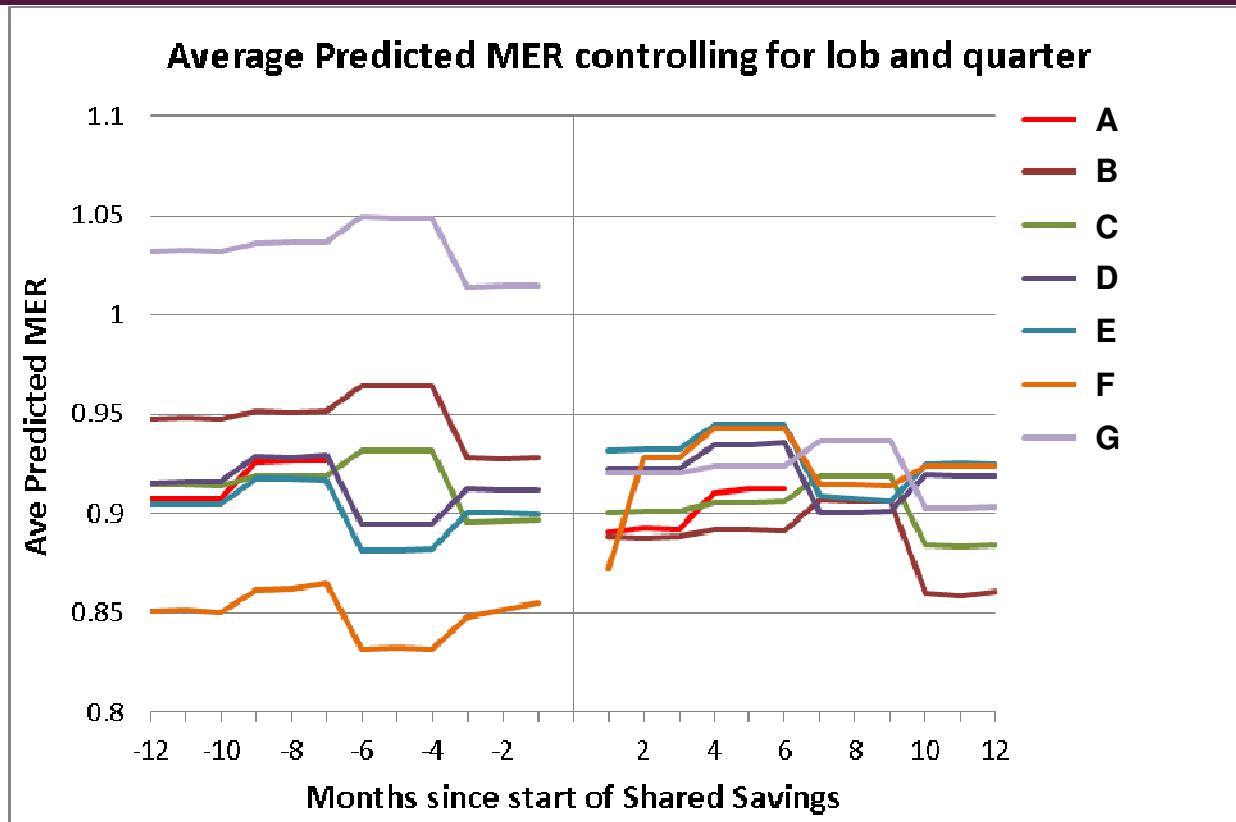
Actual claim values from FY 13

Does **NOT** include Savings.  
(assumes NO SS savings)

Includes **Savings** Modeled from  
this Analysis

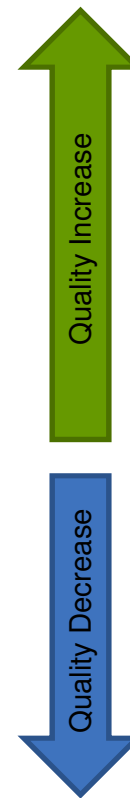
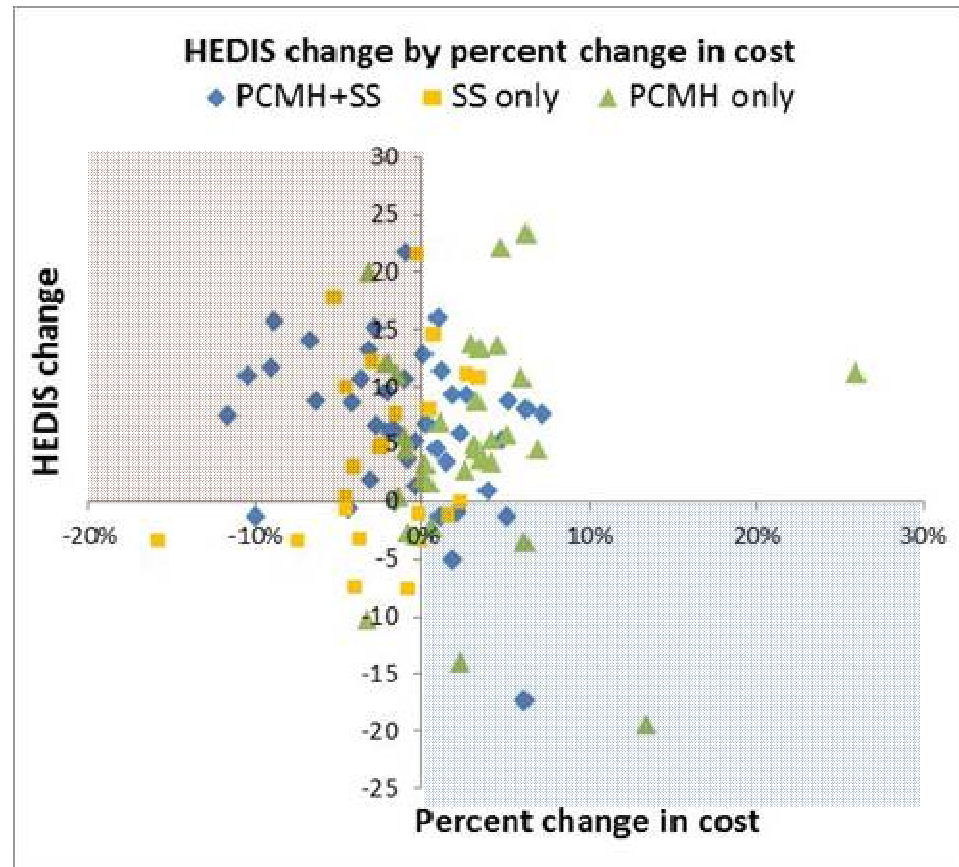
**Modeled Savings**: the difference  
between the two previous  
columns

# How has the MER changed over time?



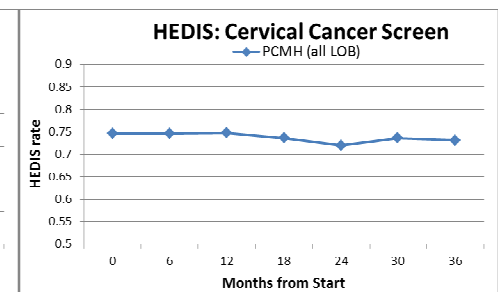
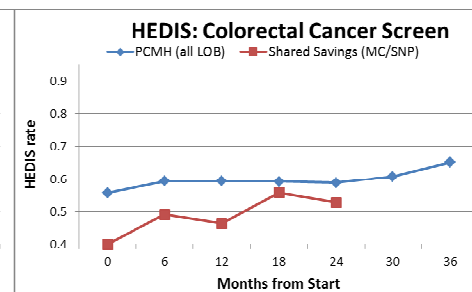
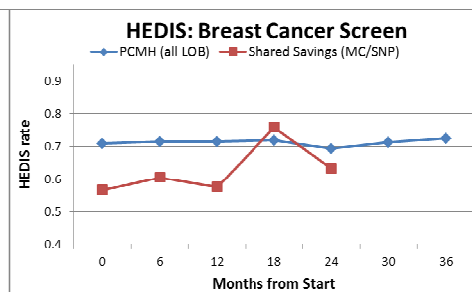
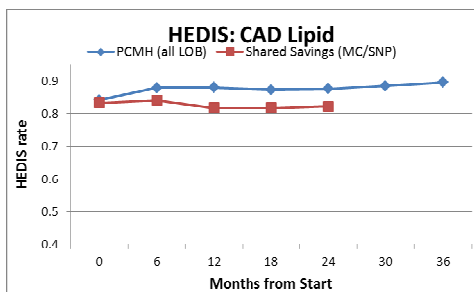
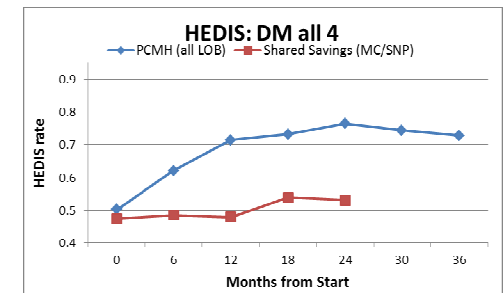
Fixed Effect Model of MER by SS Group						
SS Group	MER		Revenue		Total Paid	
	p	direction	p	direction	p	direction
A			0.027	decrease		
B			0.0001	increase	0.065	increase
C	0.06	decrease				
D			0.0001	increase		
E						
F	0.008	decrease	0.002	decrease	0.0003	decrease
G			0.002	increase		

# What is the impact on Quality?



# Is the Quality Performance Sustainable ?

- Cost has limited utility
  - “background” values change and become difficult to compare
- HEDIS is (more) reliable over time
  - absolute measures w/ similar meanings
- Is the quality change maintained?



# Any Characteristics Associated with Savings?

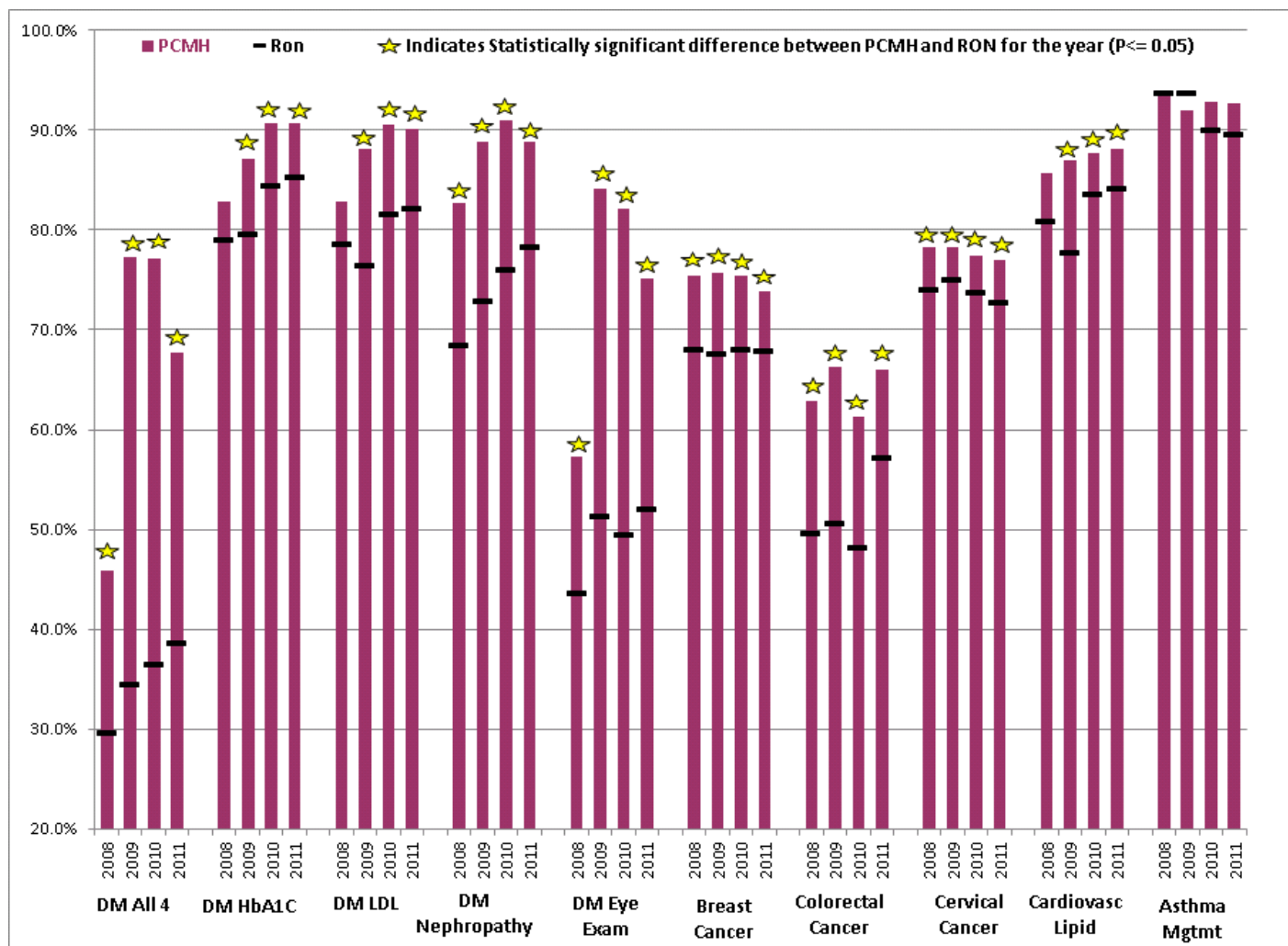
- PCMH

Practice Characteristics for PCMH	
Characteristic	More Savings
CCI	Higher Average CCI is Better
Over 65	Higher Proportion is Better

- SS (MC/SNP)

Practice Characteristics for Shared Savings - Drilldown for Medicare and SNP Savings -	
Characteristic	More Savings
CCI	Lower Average CCI is Better
Female	Higher Proportion is Better
Distance 10	Less than 10 miles from Pgh is Better

# Patient Centered Medical Home Quality Results

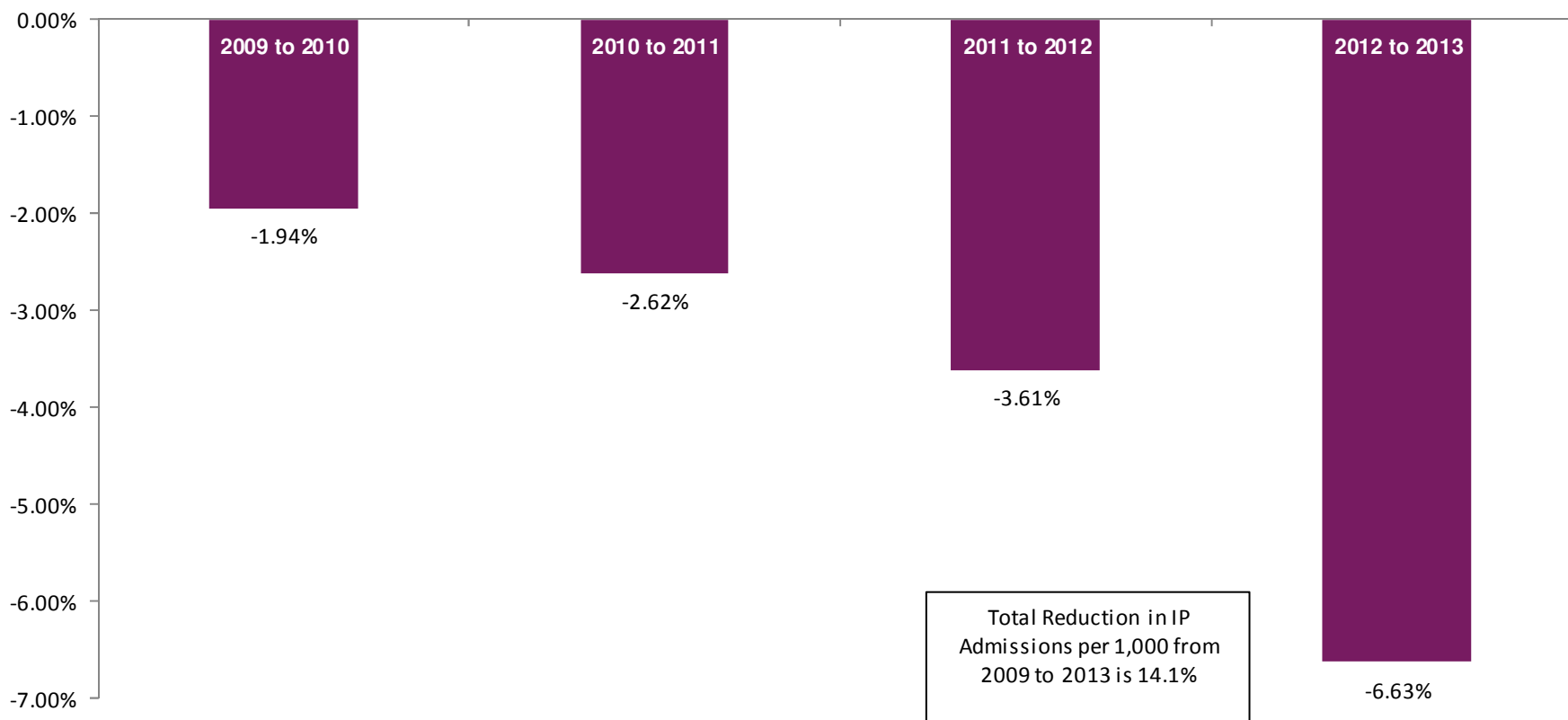


# Shared Savings Groups Performance Improvement Year over Year Results

- PCP visits increased 10%
- Inpatient readmissions decreased 14.1%
- HEDIS quality scores increased 24%.
- Overall cost of care decreased 2.5%

# Inpatient Admissions Reduction Shared Savings Group I

## 2009 - 2013 Inpatient Admissions per 1,000 Year over Year Reduction Shared Savings Group I



**Note:** All claims paid through December 31, 2013 with IBNR Applied.

Average Group Membership: 2009 - 12,708, 2010 - 14,815, 2011- 16,211, 2012 - 18,680, 2013 - 20,689

# The Bottom Line – Impact on Costs

- Results vary by site – some preform and some don't

Site	Decrease MER	Increase MER
Practice A	71	51
Practice B	6	6
Practice C	14	8
Practice D	15	18
Practice E	4	3
Practice F	8	2
Practice G	14	14

## ***Shared Savings MER***

- We observe an overall decrease in MER, *but*-
  - No significant decreases in MER observed for any group in SNP
  - PHN and the Shadyside Virtual Group were the only shared savings groups with statistically significant savings (Medicare driven)
  - CMI had a 3 point decrease in MC (not significant) which due to their size can float the overall results
  - The lack of statistical significance raises the question of repeatability and sustainability of the savings we observe

# The Bottom Line – Impact on Costs

## ***Medical Costs***

- Savings is observed without delay in SS, after 5 months in PCMH, and up to 12 months when the site is both
- Compared to RON, there is no difference in medical

## ***Pharmacy Costs***

- Significant savings in Pharmacy without delay in all programs and significantly better than RON

## ***Total Costs***

- No difference compared to RON, except when site is PCMH + SS

## ***Quality***

- Quality (HEDIS) improves significantly in all programs