

Maine Health Management Coalition

www.mhmc.info



Employers

25 Private Employers
5 Public Purchasers



Providers

15 Hospitals
15 Physician Groups



Health Plans

5 Health Plans

Collectively 40% of Comm. Market



The MHMC is a purchaser-led partnership among multiple stakeholders working collaboratively to maximize improvement in the value of healthcare services delivered to MHMC members' employees and dependents.

The Maine Health Management Coalition Foundation is a public charity whose mission is to bring the purchaser, consumer and provider communities together in a partnership to measure and report to the people of Maine on the value of healthcare services and to educate the public to use information on cost and quality to make informed decisions.

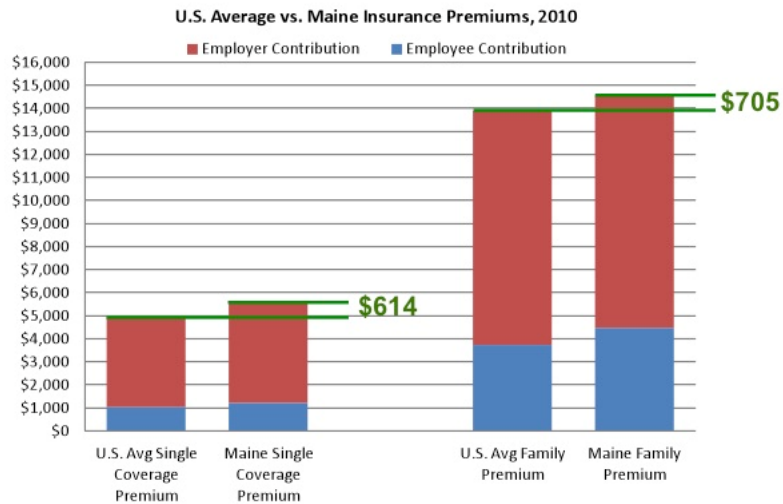
MHMC Value Equation

$$\text{Value} = \frac{\text{quality / outcomes} + \text{improved health} + \text{employee satisfaction}}{\text{cost}}$$

- Best quality health care
- Best outcomes and quality of life
- Most satisfaction
- For the most affordable cost
- For all Maine citizens



Premiums ~\$650 Above Average: \$150-200 Million Excess Costs



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4 Steps to Improving Health Care Value

- 1) Performance Measurement and Public Reporting
- 2) Consumer Engagement
- 3) Value Based Purchasing
- 4) Reformed Payment/Effective Incentives

Performance Measurement and Public Reporting: WHY?

Meaningful system performance measurement and public reporting is necessary for accountability to purchasers, patients and the community.

- Raise awareness of variation
- Motivate improvement
- Identify and reward high performance
- Inform consumer and purchaser choice
- Measure progress over time

Accountability Requires Transparency

- Transparent **total cost**
- Transparent **resource use**
- Transparent **utilization rates and patterns**
- Transparent **patient outcomes**
- Transparent **patient experience**
- Transparent **quality and safety**
- Transparent **prices**

Multistakeholder Leadership: PTE Systems

Employers/Health Plan Sponsors:

- Christine Burke – MEABT
- Joanne Abate – Delhaize America
- Wayne Gregersen – Jackson Lab
- Thomas Hopkins – U Maine System
- Frank Johnson – State Employee Health and Benefits
- Chris McCarthy, Manager – BIW

Consumers:

- David White, MHMC Foundation Board
- SEHC member



Providers:

- Doug Salvador, MD – MMC PHO
- Barbara Crowley, MD – MaineGeneral Health
- David Howes, MD – Martins Point Healthcare
- Jerry Cayer– Franklin
- Bob Allen, MD – St. Joseph Hospital
- Dan Landry, MD - Spectrum

Health Plans:

- Bob Downs, Vice President - Aetna

The screenshot displays the 'GetBetterMaine' website interface. At the top, there is a navigation bar with links for 'Home', 'Contact Us', and 'Comments?'. Below this is a secondary navigation bar with buttons for 'CHOOSE A DOCTOR', 'CHOOSE A HOSPITAL', 'FIND HEALTH RESOURCES', and 'ABOUT US', along with a search box and a 'GO' button.

The main content area features a large green banner with the text 'BEST Learn which of these states has the highest level of quality care'. To the right of the banner are two smaller boxes: 'FIND HEALTH RESOURCES' with a 'MORE' link, and 'PREVENTING HEART DISEASE' with a 'MORE' link.

Below the banner is a search filter section. It includes a 'SEARCH BY:' area with radio buttons for 'Ratings & location' (selected) and 'Name of doctor or practice'. The 'RATINGS & LOCATION' section contains several dropdown menus: '* Doctor type' (with 'Select type of care' selected), 'Rated for a specific condition' (with 'Select condition...' selected), and 'Qualifies for employer discounts' (with 'Select...' selected). There is also a '* Location' dropdown menu (with 'Within 10 Miles of' selected) and an 'Enter Town or Zip Code' text input field. A checkbox for 'Accepting New Patients' is also present. A 'GO' button is located at the bottom right of the filter section.

At the bottom of the page, there is a footer with a navigation bar containing links for 'Choose a Doctor', 'Choose a Hospital', 'Our Rating Process', 'Disclaimer', 'Find Health Resources', 'About Us', 'Contact Us', and 'Comments?'. The footer also includes the text '© 2011 Maine Health Management Coalition Foundation' and the 'Maine Health Management Coalition Foundation' logo.

GetBetterMaine
Maine's Guide to Quality Healthcare

Home · Contact Us · Comments?

COMPARE DOCTORS · COMPARE HOSPITALS · FIND HEALTH RESOURCES · ABOUT US

Compare Hospital Ratings [View on map](#) [Change My Selections](#)

See how your selected Hospitals compare for Quality ratings:
[View](#) [Good](#) [Better](#) [Best](#)
[Where do these ratings come from?](#)

Hospitals ratings for your selected hospitals:

		Maine Medical Center 22 Bramhall Street Portland, ME 04102 (207) 662-0111 See details	Mercy Hospital 144 State Street Portland, ME 04101 (207) 873-3000 (800) 293-6500 See details	Southern Maine Medical Center One Medical Center Drive Biddeford, ME 04005 (207) 285-7000 See details	Mid Coast Hospital 123 Medical Center Drive Brunswick, ME 04011 (207) 729-0101 See details
Effective Provides the care that experts recommend					
Heart Attack Care	Ratings explained	Better	Good	Good	Best
Heart Failure Care	Ratings explained	Good	Better	Better	Best
Pneumonia	Ratings explained	Good	View	Better	Better
Safe Has systems to prevent medical errors					
Preventing Surgical Infection	Ratings explained	Better	Better	Better	Best
Medication Safety	Ratings explained	Best	Best	Best	Best
National Safe Practice Score	Ratings explained	Better	Better	Better	Better
Patient Satisfaction What patients say about this hospital					
Overall Experience	Ratings explained	Better	Better	View	Good
Would Recommend to Others	Ratings explained	Better	Better	Better	Better
Would you like us to ask your doctor or hospital to report?					

Employer Use: Impact and Engagement

- State of Maine Tiered Networks
 - Hospital based on PTE Metrics - 2006
 - Added cost of care w/ quality Aug 2011
 - PCPs based on PTE Metrics - July 2007
- Other Employers/Plan Sponsors
 - Jackson Lab and Barber Foods – January 2011
 - U Maine System – January 2012
 - MMEHT – January 2013
 - City of Portland – July 2013

Consumer Engagement

- Community Awareness
 - Public Reporting - Campaigns
- Community Engagement
 - Book Club – CEO Champions
- Consumer Education
 - GetBetterMaine Curriculum -AAAs Training
- Consumer Leadership
 - Labor Management Groups – ACO Governance



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If food prices had risen at medical inflation rates since the 1930's.

*Source: American Institute for Preventive medicine

	2009
1 dozen eggs	\$85.08
1 pound apples	\$12.97
1 pound sugar	\$14.53
1 roll toilet paper	\$25.67
1 dozen oranges	\$114.47
1 pound butter	\$108.29
1 pound bananas	\$17.02
1 pound bacon	\$129.94
1 pound beef shoulder	\$46.22
1 pound coffee	\$68.08
10 Item Total	\$622.27



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Employee engagement curriculum to develop optimal incentives and engage patients in their role to improve their health and healthcare:

- **Module 1: Examining What You Have, Determining What You Want**
- **Module 2: Bright Spotting: Best Practice Locally, Regionally and Nationally**
- **Module 3: Securing High Quality Healthcare Services**
- **Module 4: Preventing Poor Health**
- **Module 5: Monitoring Your Benefits Package to Secure the Best Value for Benefit Dollars**

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Do Not Underestimate Consumers

'I am part of labor representing about 360 members. My members can not afford a healthcare plan that does not give them the best possible outcome or quality of care. The classes have taught me the buying power of our group. We should not pay for bad results or poor quality of service. As consumers, we need to be more pro-active in our healthcare.'

- City of Portland Employee

'Before I learned about the work of the Coalition, I thought the only thing I could do about healthcare was complain.'

- Prof. Arthur Hill, UMaine Employee

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Accountable Benefit Design: Employer, Employee and Provider Support

Option	Explanation/Rationale
Incent Selection of PCP provider in ACO	If primary care is to be foundation of ACO, plan must encourage use of selected practices
Incent PCP visits v. ER visits	Establish significant differential to obtain care at PCP or network urgent care
Incent compliance with preventive care	100% coverage or preventive services and age-sensitive screenings linked to health credit
Incent participation in practice based care management	Waive all co-pays for participation in practice based care management for members with chronic conditions

Creating the Environment

- **Trusted Information**
 - Timely data from a neutral source
 - Multistakeholder forum
- **Engaged Employers**
 - Cost Pressures
 - Readiness to **Act**
 - Courage (and support: peers and Coalition)
- **Engaged Employees**
 - Awareness of problems and role in solving

‘NO NEW MONEY!’

- Tiering Hospitals and Specialists
- Narrow Networks
- Direct Contracts
- Employee Cost Sharing
- High Deductible Health Plans
- Risk Contracts with PMPM Targets
- *PATIENT CENTERED MEDICAL HOMES*

Change is Coming: *These are your options*

Global Payment for Population Care

- Patient-centered, coordinated care
- Flexible payment
- Good outcome measures
 - Patient Experience
 - Functional Status
 - Prevention
- Fair total price

Managed Fee for Service (In Your Shorts)

- Uncoordinated care
- Transparent pricing
- Detailed process measures
- Utilization management and pre-authorization
- Tiering or narrow networks

What employers want to Buy

Employers Want:

Informed Employees
Care Coordination
Functional Status
Improved Outcomes
Prevention
Return to Work

What this Means:

Patient and family engagement
Shared Decision Making
Practice and community-based
Care Management
Integrated physical, behavioral care
Informed referrals
Coordinated care planning
Proactive population based care
Shared data and information

You Get What You Pay For

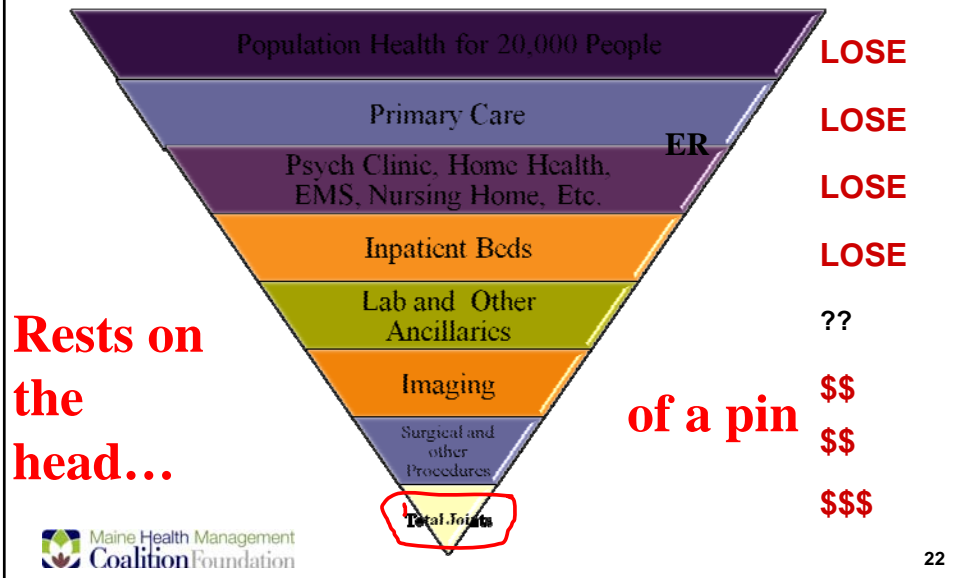
Employers Want:

Informed Employees
Improved Outcomes
Care Coordination
Prevention
Functional Status
Return to Work

Employers Pay For:

Tests
Visits
Procedures
Prescriptions
Errors & Complications

Dr. Steele: The Way YOU Pay is a Major Part of the Problem!

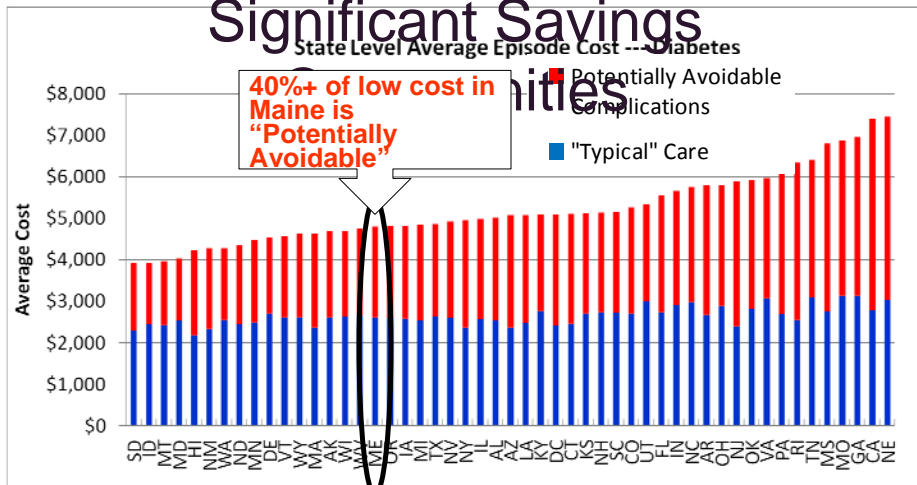


Identifying Opportunities and Strategies for Win-Win Savings

Questions to Address:

- Is this a desirable opportunity to pursue?
 - Does the opportunity vary among regions or among employers?
 - What are the barriers and how could they be overcome?
 - What does each stakeholder need to do differently to support success?
 - Employers/Medicaid
 - Health Plans
 - Hospitals
 - Physicians
 - Consumers/Patients/Families
 - What additional information is needed to develop the business case for a win-win-win approach and implement the changes?
- Maine Health Management Coalition Foundation

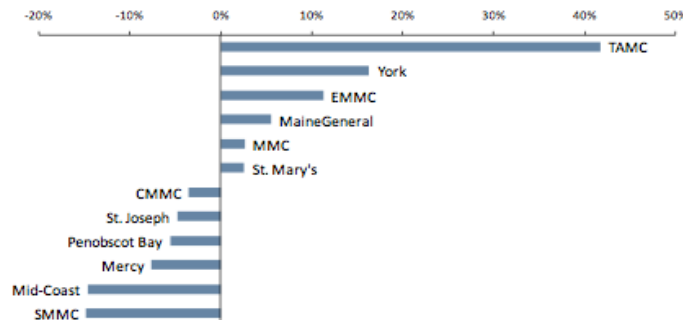
Even With Low Utilization/Costs, Significant Savings



Source: Health Care Incentives Improvement Institute
Coalition Foundation

Cost Variation

Figure 2. Large Maine Hospitals (Level 2). Mix-Adjusted Average Payment Variance for Inpatient & Outpatient Level 1 and Level 2 Services. 2010 Commercial Claims Data.

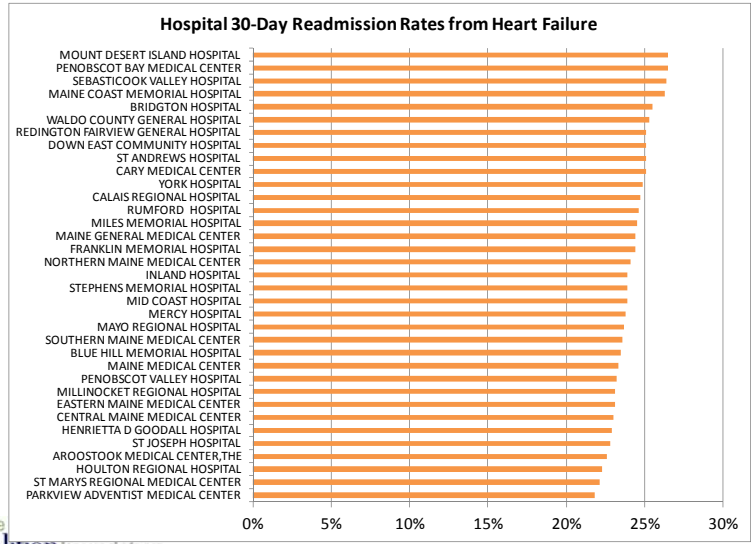


Onpoint Health Data • Hospital Cost Comparison for Hospital Tiered Benefit, January 2012

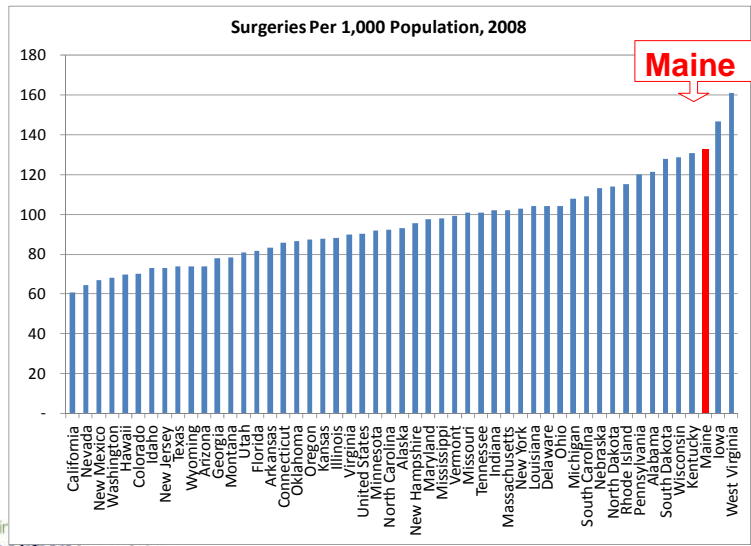
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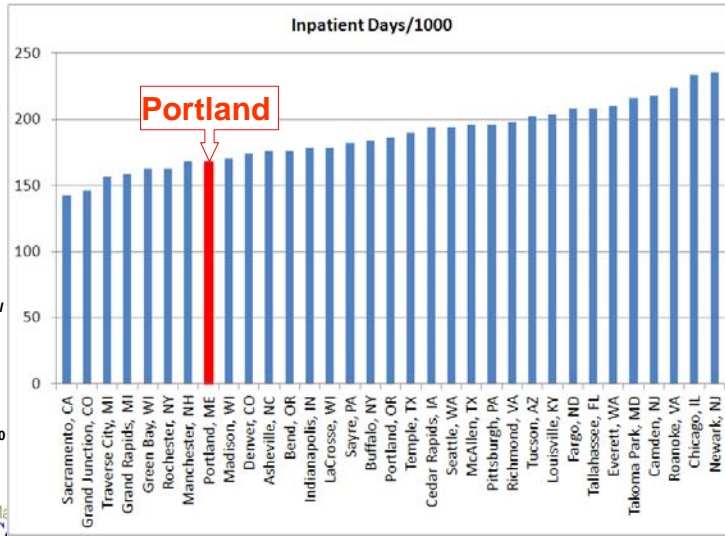
20-25% of Chronic Disease Admits Return Within 30 Days



Maine Has 3rd Highest Rate of Surgeries in U.S.



But Inpatient Utilization Is Low, Meaning Cost/Day is Higher



Source:
Commercial
Cost
Variation
by
Hospital
Referral
Region,
Milliman
August 2010



Many Procedures Could Be Done for 80-90% Less Than

Massachusetts Health Care Cost Trends

Price Variation in Massachusetts Health Care Services

Table 5: Observed Prices for Selected High-Volume Medical DRGs by Severity of Illness, 2009

APR-DRG and severity	Minimum price	Median price	Average price	Maximum price
Knee joint replacement (302)				
Severity 1	\$5,202	\$21,241	\$21,040	\$50,726
Severity 2	\$7,599	\$21,887	\$22,743	\$68,901
Severity 3	\$16,069	\$28,173	\$30,376	\$59,252
Cesarean delivery (540)				
Severity 1	\$3,244	\$7,598	\$7,859	\$15,915
Severity 2	\$2,828	\$8,718	\$9,338	\$20,424
Severity 3	\$3,621	\$11,389	\$13,266	\$26,018

10-Fold Difference

5-Fold Difference



Workgroup Product

Priority set of interventions that, if fully implemented by all stakeholders, will collectively reduce Total Cost of Care to an established goal.

1. Target Setting

Defining the PMPM cost reduction target to be achieved through a set of priority initiatives and changes.

Success will be measured by Total Cost of Care measures from Health Partners using all payer data.

What is our target?

Category of Spending	Projected Spending	Change in Utilization	Savings
	\$	-%	(\$)
	\$	-%	(\$)
	\$	-%	(\$)
	\$	-%	(\$)
	\$	-%	(\$)
	\$	-%	(\$)
		0%	\$0
		0%	\$0
		0%	0
		-%	(\$)

2. Prioritize Cost Reduction Opportunities

What are priority **Opportunities** for cost reduction opportunities:

- Behavioral health integration
- Administrative savings
- Reducing admissions/readmissions for people with chronic illness
- Medication adherence
- Hospital transitions and infrastructure
- Reducing price variation
- Reducing overutilization of services
- Reducing cost shifting from public payers

3. Next Steps: Benchmarking

Defining the difference between state/national best practice and current performance to quantify opportunity

- Maine best practice
 - Lowest cost DRGs in Maine
- National best practice
 - Admission rates for people with chronic illness
 - PMPM cost by region

4. Next Steps: Identify Interventions

Identify what each stakeholder group would need to do to achieve change in each area.

Assess level of change that can realistically be achieved.

Getting to Lower Cost Care

Type of Patient	Type of Care	Cost of Care	Type of Intervention	Savings Expected
Chronic Disease	Admission for Exacerbation	\$X PMPM	Improved Care Management	\$Y PMPM
Chronic Disease	ER visit for Exacerbation	\$X PMPM	Improved Care Management	\$Y PMPM
Pregnant Women	Labor & Delivery	\$X PMPM	Reduced C-Sections	\$Y PMPM
Pregnant Women	Labor & Delivery	\$X PMPM	No Early Elective Delivery	\$Y PMPM
Arthritis/Injury	Joint Replacement	\$X PMPM	Lower Prices on Implants	\$Y PMPM
All Admissions	Complications	\$X PMPM	Reduce Infections	\$Y PMPM
All Admissions	Readmissions	\$X PMPM	Better Discharge/Transition	\$Y PMPM
All Patients	Cancer Screening	\$X PMPM	Lower Cost Facilities, Etc.	\$Y PMPM
All Patients	Other	\$X PMPM	Other	\$Y PMPM
TOTAL		\$X PMPM		\$Y PMPM
SAVINGS				% = Y/X

5. Next Steps: Define Key Strategies

How will we best address opportunities:

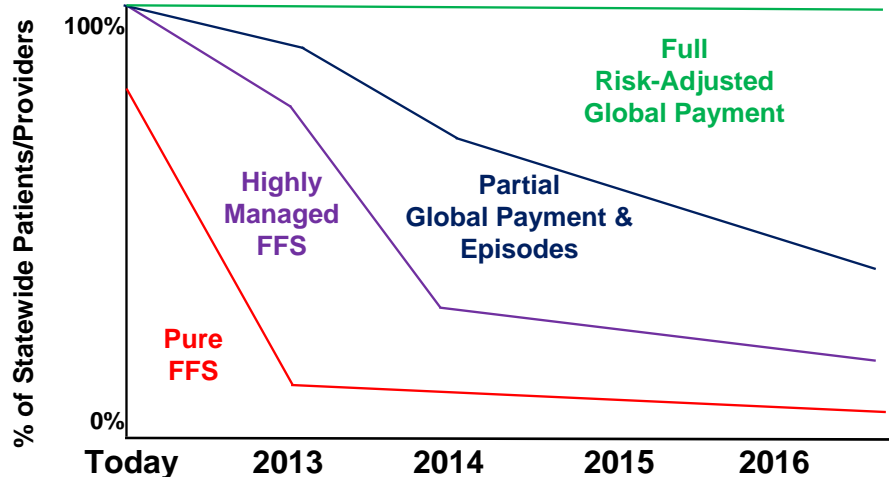
- 1) Reduce infrastructure and regionalize services
- 2) Expand PCMH and CCTs
- 3) Increase transparency of cost, quality, utilization
- 4) Change payment- ie global budgets
- 5) Change benefit design
- 6) Tiering by system
- 7) Other?

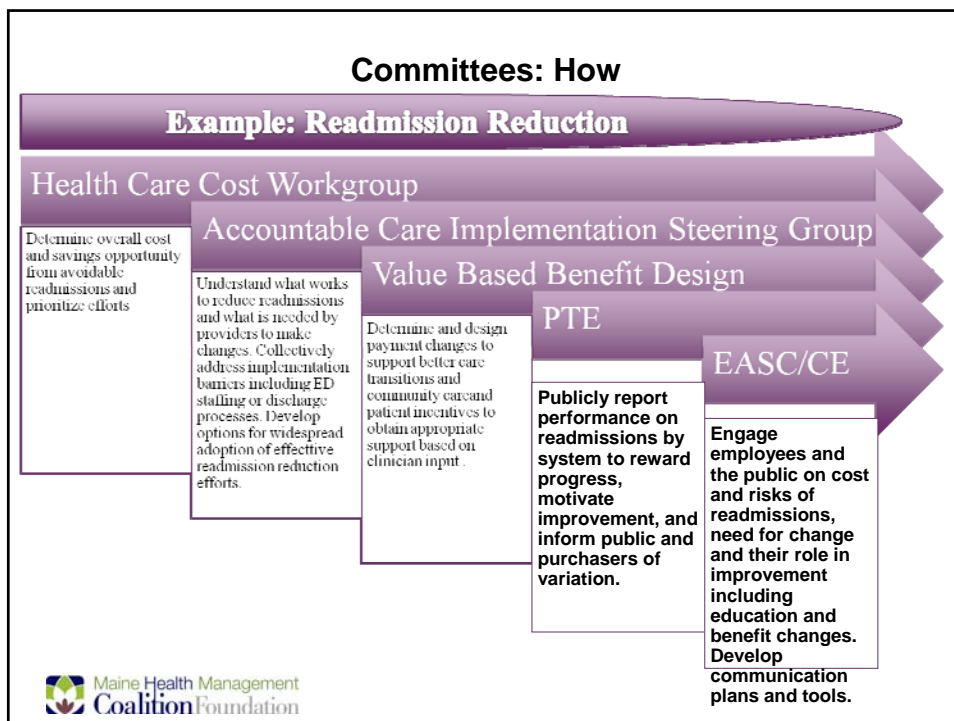
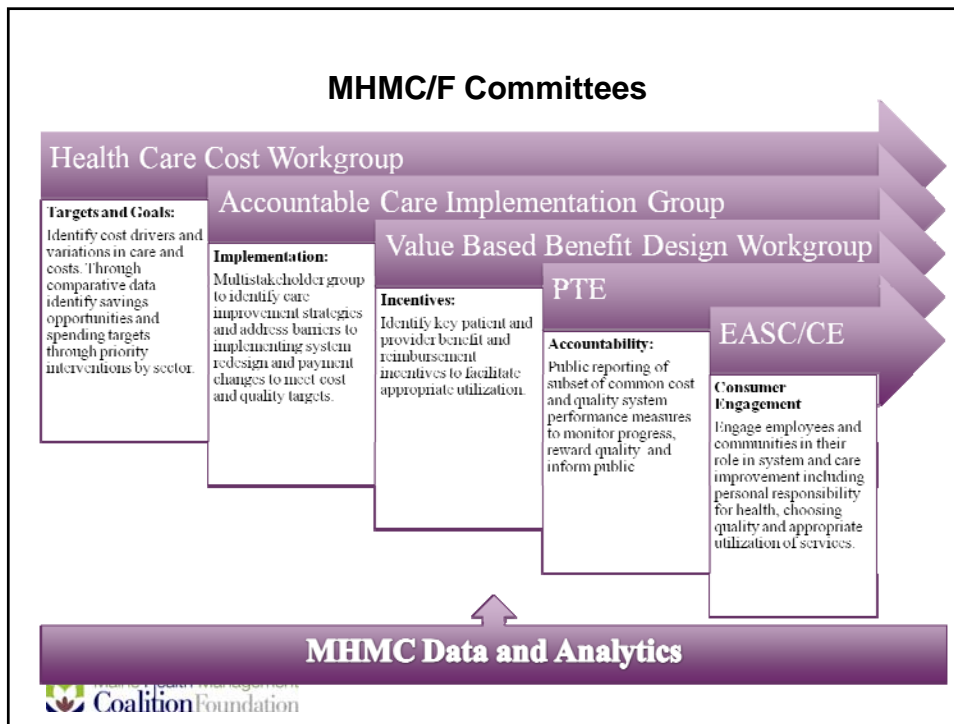
Design prioritized process for change including transition timelines and stakeholder

Goal and Transition

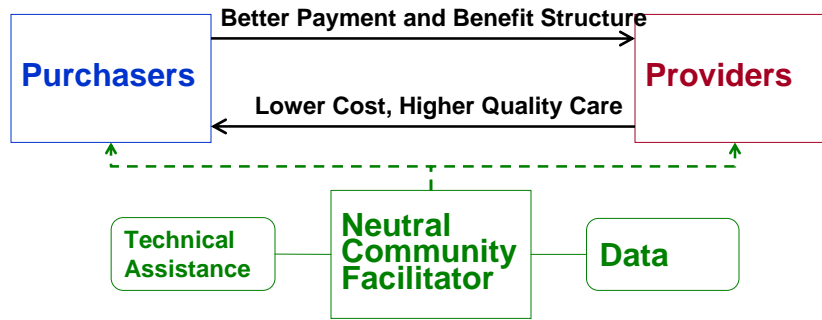
- Goal: Move as many patients/providers to full (all services) risk-adjusted global payment as quickly as feasible
- Transition:
 - Support transitional payment structures based on provider capacity and cost saving opportunities
 - Partial global payment (some services/patients)
 - Episode payment
 - Institute service-specific controls and incentives (tiering, reference pricing, etc.) for providers which are not pursuing an aggressive transition

Progression of Payment Reform in Maine





Purchaser/Provider Partnerships, With Facilitation



Regional Collaboratives: The Innovation Infrastructure

- Regional Partners to **Implement** Change
- Experts in Measure Use and Impact
- Knowledge of Local Challenges and Opportunities
- Using Data to Transform Care
- Consumer and Community Engagement
- Scalable Solutions
- Leaders and Forums Dedicated to System Improvement for **Community** Benefit

In Summary....

- Opportunities do exist
- Need comparative data to understand your costs
- Plug into established networks and build partnerships
- No need to go at it alone - MHMC gives both large and small employers a voice
- Employee education + options + incentives = quality + wise utilization → lower cost