Managing Populations: The Role of a Large Health System

P. Terrence O’Rourke, MD
EVP Clinical Transformation
CHE Trinity Health
March 17, 2014
Outline

• The Question
• Overview CHE Trinity Health
• The Infrastructure
• The Key Tool
• Preliminary Results
The Question

Can a Large Health System Manage Populations?
The Proverb

“All Health Care is Local”

Wise Ancient Muse
"All Health Care Standards are National"

Terry O’Rourke
March 17, 2013
Reality 2014

Wide Variation in Health Care Delivery

Lesser But Significant Variation in Outcomes
Industry is faced with the demand for **Fundamental Change** in how we operate and what we produce.
This will require **Fundamental Change** in clinical and business model.

### Measures of Success
- Volume Driven Revenue
- Unit Price / Utilization Driven Margin

### Core Capabilities
- Hospital Management
- Medical Staff Relations
- Supply Chain

### Prevalent Payment Model
- Fee-for-Service
- DRGs
- RBRVS

### People-Centered
- Population Driven Revenue
- Triple Aim Results Driven Margin
  - Better Health
  - Better Care
  - Lower Cost through Improvement
- Population Health Management
- Clinically Integrated Networks
- Evidence-Based Care Redesign
- Improved Quality Outcomes

### Producer-Centered
- Hospital Management
- Medical Staff Relations
- Supply Chain

- Volume Driven Revenue
- Unit Price / Utilization Driven Margin

- Population Driven Revenue
- Triple Aim Results Driven Margin
  - Better Health
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- Shared Savings
- Episode-Based Payments
- Value-Based Purchasing
- Capitation
Our Mission drives our strategy

We, CHE Trinity Health, serve together in the spirit of the Gospel as a compassionate and transforming healing presence within our communities.

Core Values guide our decisions

Reverence  Justice  Stewardship  Commitment to the poor  Integrity

We serve diverse populations, with over 18M people in our communities.
Our 20 State Diversified Network now extends across the full continuum of care

86 Hospitals

44 Home Care agencies serving 160+ counties

13 PACE Programs

52 Other Continuing Care Facilities

3,200 Employed Physicians

21,600 Affiliated Physicians

Note: Home Care & Physician coverage based on communities served.
We are building on our Population Health Expertise

2 Insurance Plans

5 ACOs

5,400 Physicians Committed to 10 Clinically Integrated Networks

6 RHMs* pursuing Bundled Payment Programs

29 RHMs with 65 Patient-Centered Medical Home Programs

1M+ Attributed Lives, through 45 Value-Based Reimbursement Programs

*Operations are organized into Regional Health Ministries ("RHMs"), each an operating division which maintains a governing body with managerial oversight subject to authorities.
Unified Clinical Organization is spreading our Quality Improvement Capability across the entire network.

We score and report performance for acute care, home health and long term care organizations on 25 clinical quality metrics that roll up to an overall performance “GPA”

<table>
<thead>
<tr>
<th>Hospital</th>
<th>Perfect Patient &amp; Clinical Process Scores (30%)</th>
<th>Patient Safety (30%)</th>
<th>Patient Experience of Care (30%)</th>
<th>Regulatory/BSN Rate (10%)</th>
<th>Clinical Grade Point Average (GPA)</th>
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<tbody>
<tr>
<td>Hospital A</td>
<td>4.3</td>
<td>4.1</td>
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Note: The data and related GPAs reflect actual scores for a subset of CHE Trinity Health hospitals.
... resulting in **Significantly Improved Outcomes**

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We continue to produce **Strong and Consistent** financial results…

<table>
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<tr>
<th>Operating Cash Flow Margin (%)</th>
<th>FY10</th>
<th>FY11</th>
<th>FY12</th>
<th>FY13</th>
<th>FY14 Budget</th>
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<tr>
<td>9.4%</td>
<td>9.5%</td>
<td>9.3%</td>
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<td>9.6%</td>
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<th>FY11</th>
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<th>FY13</th>
<th>Q1FY13</th>
<th>Q1FY14</th>
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<tr>
<td>2.7%</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.1%</td>
<td>3.0%</td>
<td>1.8%</td>
<td>2.0%</td>
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Note: All time periods reflect the change of accounting for bad debt as a net patient revenue deduction and exclude discontinued operations. CHE Trinity Health data has been adjusted to reflect June 30 fiscal year end.
The Infrastructure

The Goal of the Unified Clinical Organization (UCO)

Consistent delivery of the highest quality, safest and the most efficient care for every person, every time, in every CHE-Trinity Health location.
The Unified Clinical Organization (UCO) Approach

• Allows clinicians to lead the effort
• Leverages the system intellectual capital and leverages system scale to design once and implement many
• Keeps clinical work sacred
• Standardize care across the continuum
• Advance clinical leadership and collaboration
• Leverage technology, particularly the integration of electronic health records to improve clinical processes and practices
• Promote accountability
• Builds upon existing high performance
• Encourages data-driven decision making
• Makes it easy to do the right thing
• Comprehensive organizational support
UCO Governance puts patients, families and caregivers at the forefront.

- **UCO Governance**: Focuses on patients, families, and caregivers.
- **UCO Management Team**: Supports collaborative teams.
- **Operational Execution**: Involves operations and support teams.
- **Strategic Oversight**: Includes sponsorship teams.
- **Input into Design and Ongoing Improvement**: Influences design and continuous improvement.
- **Design, Implement and Sustain**: Engages ministry teams.

**UCO Governance**

- Patients and Families
- Caregivers
- Collaborative Teams
- Ministry Teams
- Operations Team
- Sponsorship Team

**UCO Management Team**

**Staff Support**
CHE Trinity Health’s Approach to Change

The Change Pyramid

- **UNIFIED**
  - WHAT
  - Technical
    - What We Do
    - Tools, Technology, Outcomes
  - Process
    - How We Do It
    - Systems, Structures, Processes
  - People
    - How We Do It Through People
    - Behaviors, Development, Training
  - Culture
    - Why We Do It
    - Collectively: Mission, Core Values, Vision, Guiding Behaviors
    - Individually: Attitudes, Beliefs, Thoughts, Purpose & Meaning

UCO GOAL: Consistent delivery of the highest quality, safest and the most efficient care for every person, every time, in every CHE Trinity Health location
**Vision:** Through effective collaboration, Trinity Health will integrate with physicians and others to manage the health of defined populations and become the highest quality and lowest cost health system in each of our markets.

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**We are**

- Developing Clinically Integrated Networks (CINs) in each RHM (Trinity)
  - through support & development of local executive and physician leader partnerships
- Aligning all partners
  - employed and independent physicians
  - other partners in the local health care continuum
- Developing appropriate standardized infrastructure
  - support & assure CINs/ACOs can manage the defined populations for whom they take responsibility
  - includes the poor & underserved
- Aligning with Payer and Product innovation leaders in “risk contracts”

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**In order to**

- Capture market share/covered lives
- Achieve the “triple aim” objectives: improve quality & experience, reduce cost
- Generate revenue and maintain profitability
- Perpetuate and enhance our mission to serve our communities as their preferred & trusted health care partner
Clinically Integrated Network (CIN) Scope

Key Elements

Network membership / credentialing
- Participating providers commit to active participation in performance improvement initiatives and care redesign

Clinical management infrastructure
- Evidence based clinical protocols to reduce variation in care
- Clinical IT system to share information across entire network
- CIN staff works with and enhances practices
- Care Management

Joint contracting for health system and physicians (employed and independent) to enable sharing value for improved performance

Accountability for joint agreed on attainable goals (Payer-blind – System administers)

New governance model engaging both employed and independent physicians
Steering Committee followed by Governing “Board” Membership

Two Classes of Members:

- P = independent and employed
- H = 2 to 4 Health System Executives (at large)

1 Community Member

- Independent
- Employed Physicians
- Health System Executives

P = Physician
H = Non-Physician
Clinical Integrated Network (CIN)

- New “Pluralistic” entity
- Health System Trustees
- Clinically Integrated Network
- Aligned goals and incentives – Speaks with one voice
- Consistent contract terms
- Joint Contracting
- Incorporate full continuum

- Hospital
- Medical Group
- HHC
- CIN Board
- Specialists
- PCPs
- SNF

- BC/BS
- Aetna
- United Health
- Humana
System Role in Clinical Integration

- Change Leadership:
  - Understanding the magnitude of change
  - Managing the change
  - Change leadership guidance
  - Executive Sponsorship onboarding
- Teaching and Coaching:
  - Communication (7 times 7 ways)
  - Physician/Executive Leadership Development
  - Stakeholder Engagement
  - Care Management strategy and managers
  - Care improvement priority and process
  - Replicating successful practices
- Building CINs/ACOs:
  - Steering Committee
  - Defining the network legal structure
  - Project Management support
  - Aligning with development partners
  - Payer contracting
  - Defining the population
  - Predictive modeling

- Developing and Deploying Infrastructure
- Developing and Deploying Clinical Initiatives
- Working in Parallel with Payer and Product Innovation

Realize Clinical Integration Vision
Preliminary Results

Ambulatory Diabetes

Sepsis

Perinatal Patient Safety
1. Care Transformation Model* created with front-line Clinicians/Staff
*Based on Chronic Care Model

2. Mason City, IA Pilot (2 clinics)

   **Interventions:**
   1. Pre-visit Planning/Huddles
   2. Patient Stratification related to diabetes control
   3. Pharmacy Medication Therapy Component

   **Outcomes:**
   a) Improved Outcomes on Diabetic Metrics

<table>
<thead>
<tr>
<th></th>
<th>March</th>
<th>Nov.</th>
</tr>
</thead>
<tbody>
<tr>
<td>BP &lt; 140/90</td>
<td>52.17%</td>
<td>76.33%</td>
</tr>
<tr>
<td>Urine Screening</td>
<td>65.22%</td>
<td>81.66%</td>
</tr>
<tr>
<td>LDL &lt; 100</td>
<td>16.77%</td>
<td>27.22%</td>
</tr>
<tr>
<td>A1c &lt; 8%</td>
<td>37.27%</td>
<td>46.15%</td>
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   b) Practice Teams Engagement
   • “Have created processes that are being valued by the Medical Assistants”
   • “When it came time to roll to next provider, they all wanted to start”

3. Spread pilot learnings to entire collaborative **Feb– June 2014**
   • Start with Foundational components of Pre-visit Planning & Huddles
   • **Next Phase** – Care Management & Self-management support
Sepsis Inpatient Mortality FY 2010 – YTD FY 2014 (Sep. 13)

1393 fewer deaths over 4 years

Sepsis Inpatient Mortality Rate Overview
Source: DSS

Simple
- FY2010: 4.9%
- FY2011: 5.3%
- FY2012: 3.9%
- FY2013: 4.7%

Severe Sepsis
- FY2010: 4.9%
- FY2011: 5.3%
- FY2012: 3.9%
- FY2013: 4.7%
- FY2010: 16.4%
- FY2011: 14.6%
- FY2012: 12.7%
- FY2013: 13.2%
- YTD FY 2014: 10.7%

Septic Shock
- FY2010: 35.0%
- FY2011: 33.7%
- FY2012: 31.8%
- FY2013: 32.1%
- YTD FY 2014: 27.6%

Sepsis Total
- FY2010: 4.9%
- FY2011: 5.3%
- FY2012: 3.9%
- FY2013: 4.7%
- FY2010: 15.8%
- FY2011: 15.0%
- FY2012: 13.0%
- FY2013: 13.2%
- YTD FY 2014: 10.8%
ALOS for sepsis FY 2010 – YTD FY 2014 (Sep.13)

Over $25M in Direct Variable Cost Savings

- Simple: FY2010 7.0, FY2011 6.5, FY2012 5.9, FY2013 5.7, YTD FY 2014 6.1
Perinatal Patient Safety Initiatives

• Trinity Health Data:
  ✓ 41 children & families avoided life changing injuries since FY 2009
  ✓ Losses as a percentage of total professional liability costs and average cost per claim have steadily declined.
  ✓ Claims/10K Discharges have decreased from 5.5% (FY09 Q1&2) to 0.7% (FY12 Q1&2)
  ✓ SREs/10K Discharges have decreased from 97 (FY10 Q1&2) to 74 (FY12 Q1&2)

• CHE Trinity Health: Elective Delivery <39 Wks 1/14 Scorecard (target <=1%) Combined: 0.9% CHE: 2.5% TH: 0.7%
CHE Trinity Health is well-positioned to Bridge the Transition
Happy St. Patrick’s Day

May the road rise to meet you
May the wind be always at your back
May the sun shine warm upon your face
The rains fall soft upon your fields and,
Until we meet again
May God hold you in the palm of His hand