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# Geisinger's Innovations and Strategies for Bundled Payments

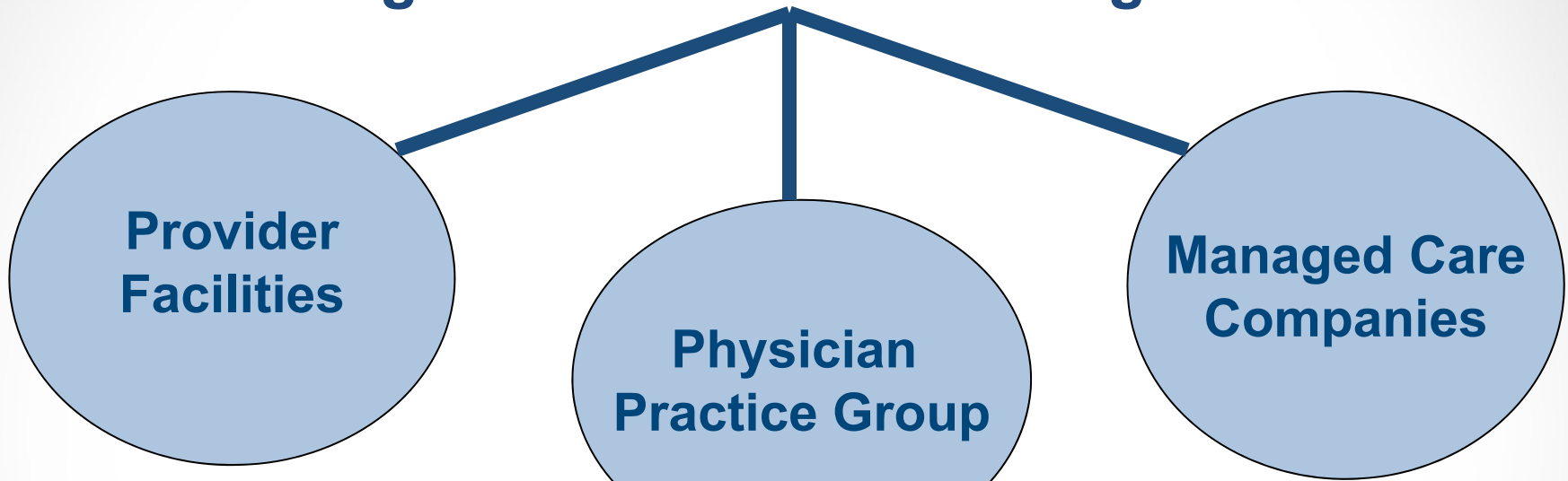
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IHA's 2<sup>nd</sup> National Bundled Payment Summit  
George Washington University  
Washington, DC  
June 12, 2012

**Glenn Steele, Jr., MD, PhD**  
*President & CEO*  
*Geisinger Health System*

# Geisinger Health System

## An Integrated Health Service Organization



- **Geisinger Medical Center**
  - Hospital for Advanced Medicine, Janet Weis Children's Hospital, Women's Health Pavilion, Level I Trauma Center
  - Geisinger Shamokin Community Hospital
- **Geisinger Northeast (3 campuses)**
  - Geisinger Wyoming Valley Medical Center with Heart Hospital, Henry Cancer Center, Level II Trauma Center
  - South Wilkes-Barre Adult & Pediatric Urgent Care, inpatient rehab, pain mgmt, sleep center
  - Geisinger Community Medical Center
- **Marworth Alcohol & Chemical Dependency Treatment Center**
- **Mountain View Care Center**
- >69K admissions/OBS & SURUs
- 1,372 licensed inpatient beds

### Physician Practice Group

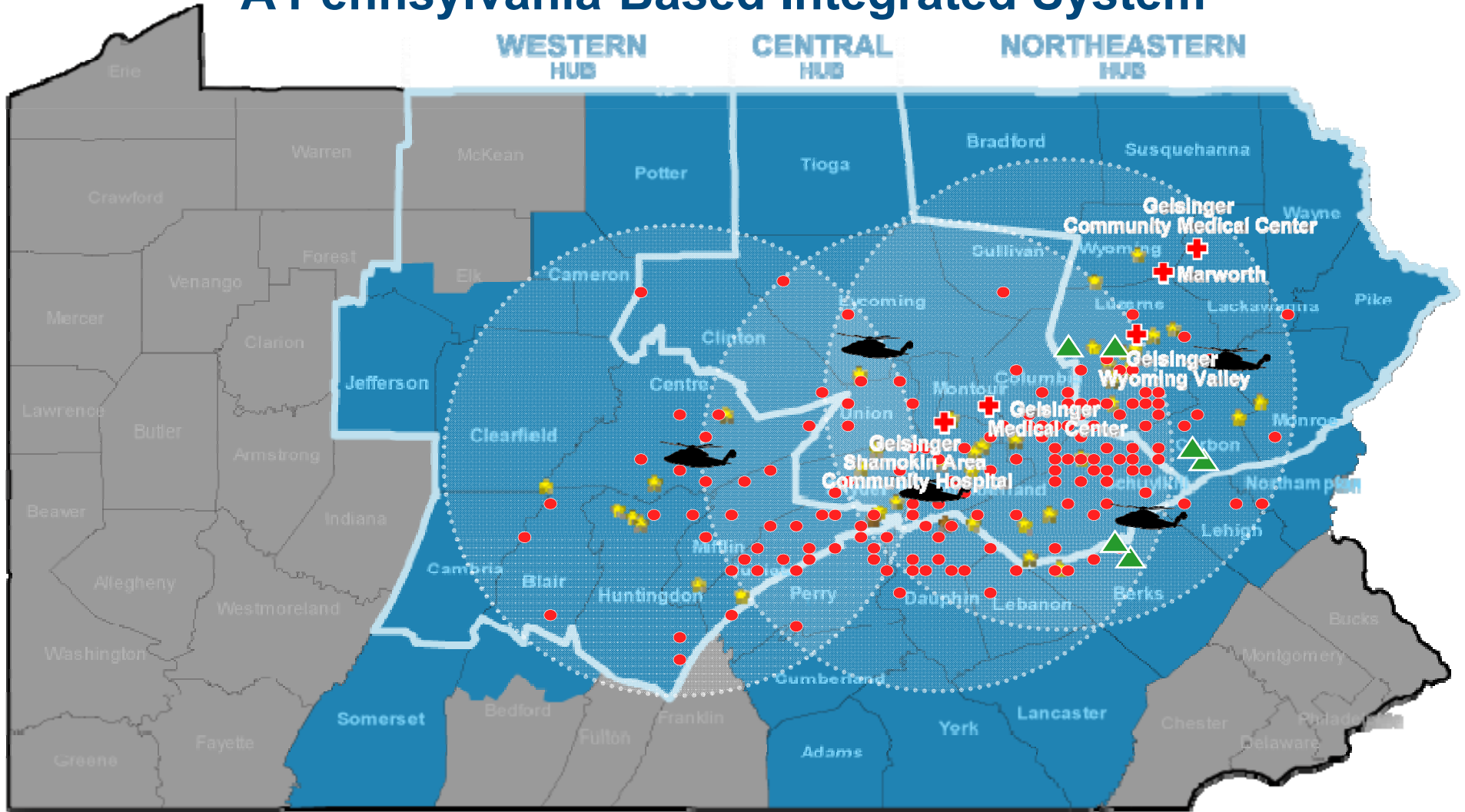
- **Multispecialty group**
- ~1000 physician FTEs
- ~520 advanced practitioner FTEs
- 65 primary & specialty clinic sites (37 community practice sites)
- 3 Ambulatory/outpatient surgery centers
- >2.1 million clinic outpatient visits
- ~360 resident & fellow FTEs












### Managed Care Companies

- ~298,000 members (including ~63,000 Medicare Advantage members)
- Diversified products
- ~30,000 contracted providers/facilities
- 43 PA counties

# Geisinger Health System

## A Pennsylvania-Based Integrated System



- |   |   |   |
|---|---|---|
|  Geisinger ProvenHealth Navigator Sites  |  Geisinger Inpatient Facilities                    |  Careworks Convenient Healthcare   |
|  Contracted ProvenHealth Navigator Sites |  Ambulatory Care Facility                          |  Non-Geisinger Physicians With EHR |
|  Geisinger Medical Groups                |  Geisinger Health System Hub and Spoke Market Area |  LifeFlight Base                   |
|  Geisinger Specialty Clinics             |  Geisinger Health Plan Service Area                |   |

# Transforming Healthcare with Technology

- Fully integrated electronic health record (“EHR”)
  - Live since 1996
  - Running cost: 4.4% of annual revenue
  - >3 million unique records
  - MyGeisinger patient portal, ~195,000 users
  - GeisingerConnect (non-Geisinger provider access), ~4,400
- Regional Health Information Organization
- Clinical Decision Intelligence System (“CDIS”)
  - Clinically-rich data warehouse supporting evidence based practices
- Earning Meaningful Use incentive payments

# Strategic Priorities

## Quality and Innovation

- Patient Centered Focus
  - Patient activation (empowerment)
  - Culture of quality, safety and health
- Value Re-Engineering

## Market Leadership

- Extending the GHS Brand
- Scaling and Generalizing Innovation

## The Geisinger Family

- Personal and professional well being

# Where We Are Now

- Unjustified variation in quality, access, and cost of care
- Unwarranted and fragmented care-giving
- An addiction to perverse payment incentives
  - Piece rate Medicare/Medicaid payment model
    - Driving up units of work
    - Driving up cost
    - Diminishing value and quality
- Few incentives to fundamentally innovate clinical care

# Where Do We Want to Be?

- Affordable coverage for all
- Payment for value
- Coordinated care
- Continuous improvement/innovation
- National health goals, leadership, accountability



# The NEW ENGLAND JOURNAL of MEDICINE

Volume 348(26) 26 June 2003 pp 2635-2645

## The Quality of Health Care Delivered To Adults In the United States

McGlynn, Elizabeth A.: Asch, Steven M.: Adams, John: Jeesey, Joan: Hicks, Jennifer:  
DeCristofaro, Alison: Kerr, Eve A.

### **BACKGROUND**

We have little systematic information about the extent to which standard processes involved in healthcare—a key element of quality—are delivered in the United States.

### **METHODS**

We telephoned a random sample of adults living in 12 metropolitan areas in the United States and...received written consent to copy their medical records...to evaluate performance on 439 indicators of quality of care for 30 acute and chronic conditions as well as preventative care...

### **RESULTS**

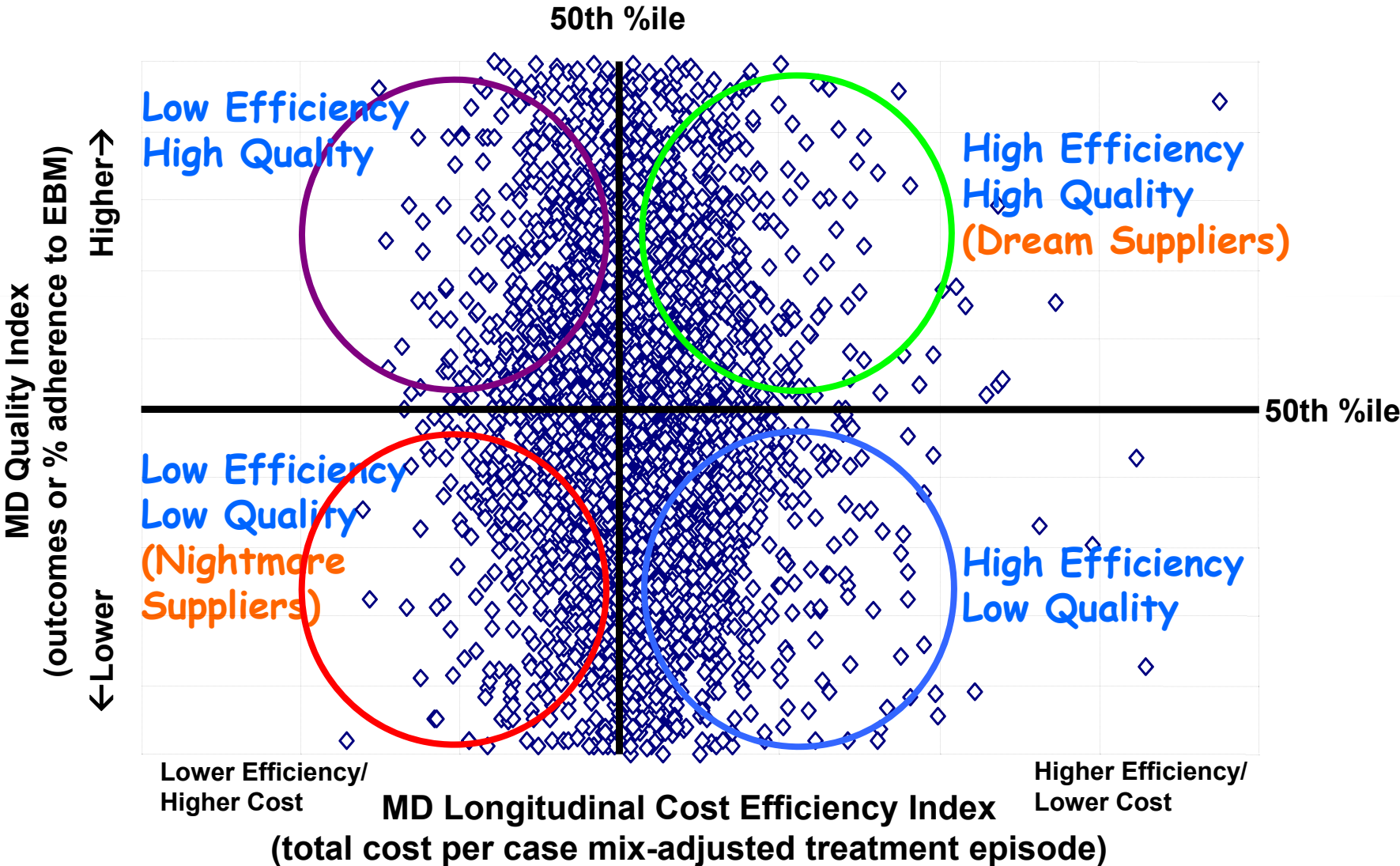
Participants received 54.9 percent of recommended care.

### **CONCLUSIONS**

The deficits we have identified in adherence to recommended processes for basic care pose serious threats to the health of the American public. Strategies to reduce these deficits are warranted.



# Cost/Quality “Correlation”



Adapted from Regence Blue Shield; Arnie Milstein, MD - Mercer

**Cost ↓ = Quality ↑**  
**2006-2010**  
**GHS Innovations**

**Cost/Quality ≠ R**  
**2003**

**Cost ↓ or Quality ↑**  
**1993-1994**  
**Hillary-Care 'Debate'**

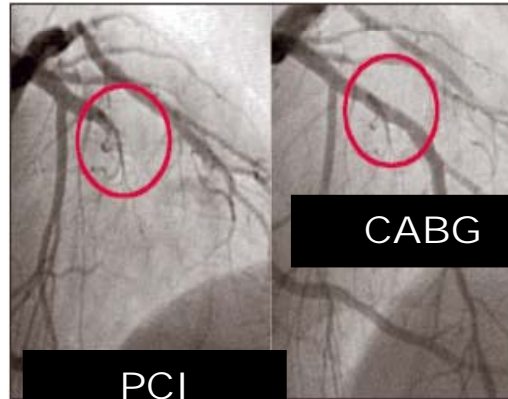


# Geisinger Transformation Initiatives

- **ProvenCare® Acute Episodic Care**
- **ProvenCare® Chronic disease optimization**
- **ProvenHealth Navigator®** (Advanced Medical Home)
- CMS Physician Group Practice Demo converted to “ACO” pilot 1/1/11
- Keystone Beacon Community
- GIO Incentives Quality and Efficiency

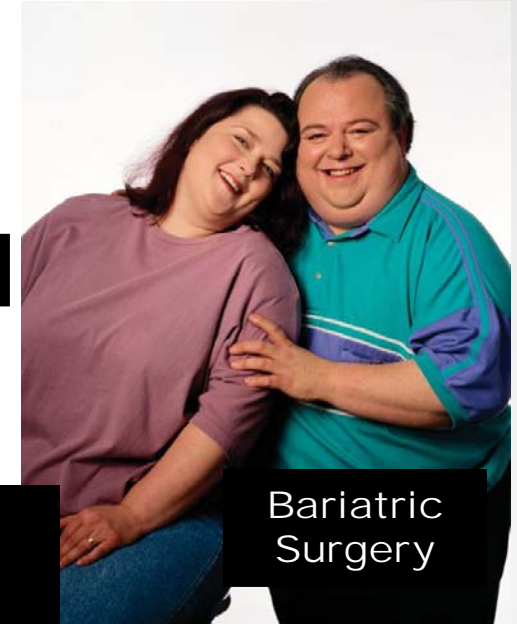
# ProvenCare® Acute Programs

Perinatal



CABG

PCI



Bariatric Surgery



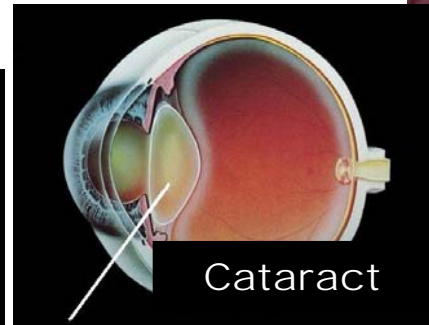
Low Back



Knee

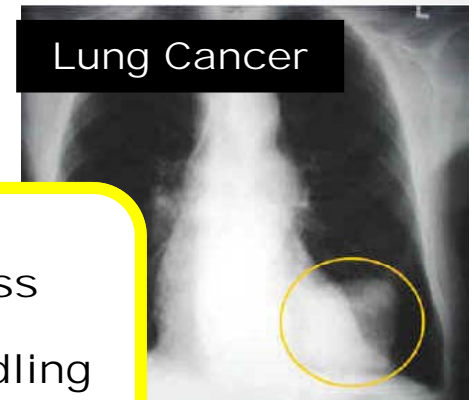


Hip Replacement



Cataract

Lung Cancer



- External Clinical Collaborations in Process
- Preparing for CMS Bundling Initiative

Others: Erythropoietin (EPO)

# ProvenCare<sup>®</sup> for Acute Episodic Care

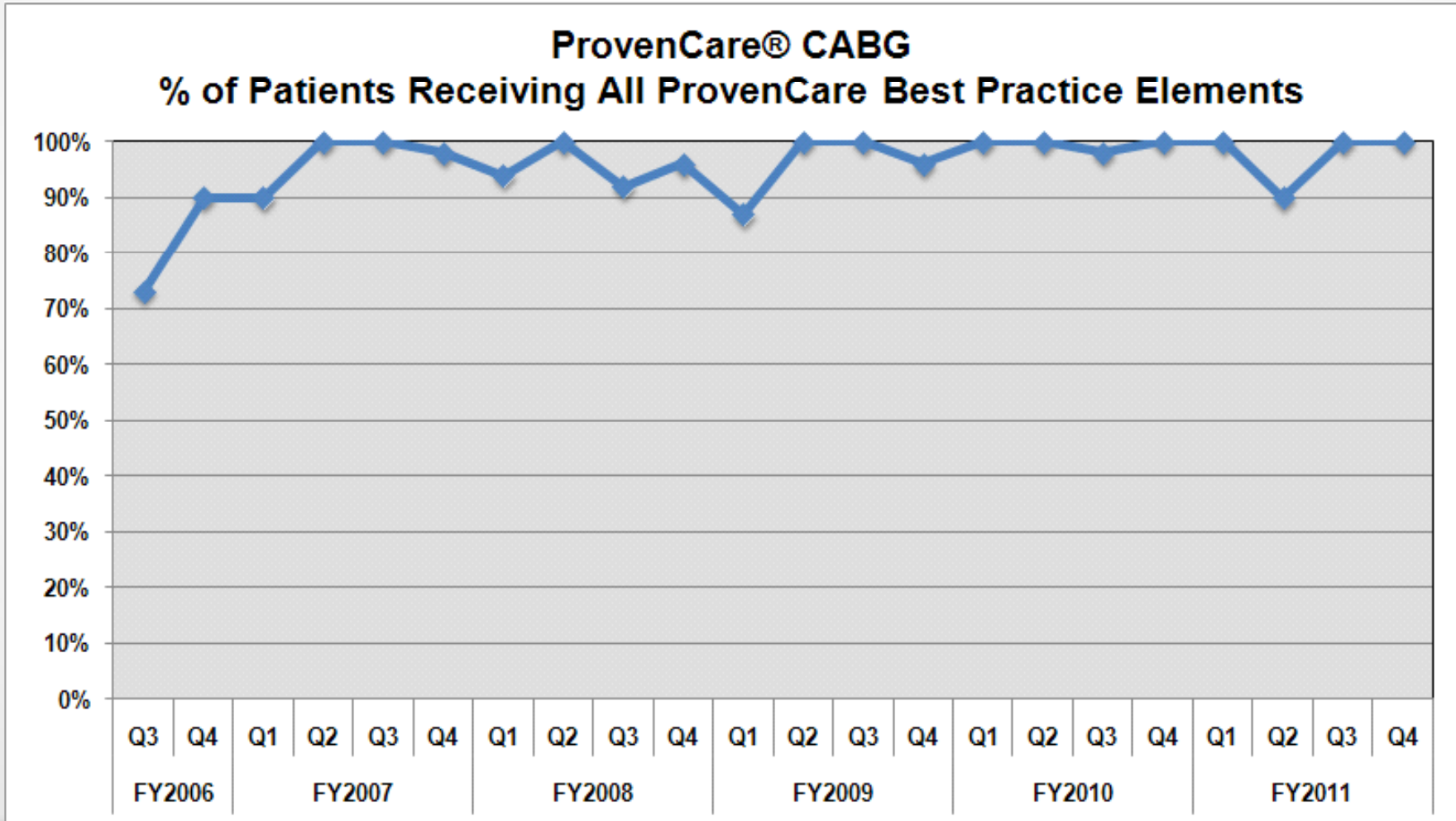
## ProvenCare<sup>®</sup>

- Identify high-volume DRGs
- Determine best practice techniques
- Deliver evidence-based care
- GHP pays global fee
- No additional payment for complications

# ProvenCare<sup>®</sup> CABG

Reporting Period: FY2011 Q4 Apr-Jun

Update Date: July 5, 2011



# ProvenCare<sup>®</sup> CABG

## Clinical Outcomes: Pre vs. Post ProvenCare<sup>®</sup> protocols

	Before ProvenCare <sup>®</sup> N = 132	After ProvenCare <sup>®</sup> N = 554	% Improvement (Deterioration)
In-hospital mortality	1.5 %	0.5 %	<b>67 %</b>
Patients with <u>any</u> complication (STS)	38 %	34 %	<b>10 %</b>
Atrial fibrillation	24 %	20 %	<b>16 %</b>
Permanent stroke	1.5 %	1.3 %	<b>13 %</b>
Prolonged ventilation	5.3 %	4.9 %	<b>8 %</b>
Re-intubation	2.3 %	1.4 %	<b>40 %</b>
Intra-op blood products used	24 %	12 %	<b>48 %</b>
Re-operation for bleeding	3.8 %	2.4 %	<b>37 %</b>
Deep sternal wound infection	0.8 %	0.2 %	<b>76 %</b>
Post-op mean LOS	5.2 d	5.0 d	<b>4 %</b>

# ProvenCare<sup>®</sup> CABG: Financial Outcomes

## Hospital:

- Contribution margin increased 17.6%
- Total inpatient profit per case improved \$1946

## Health Plan:

- Paid out 4.8% less per case for CAB with ProvenCare<sup>®</sup> than it would have without
- Paid out 28 to 36% less for CAB with GHS than with other providers



# ProvenCare® Portfolio

## ProvenCare®:

- CABG
- PCI (Percutaneous Coronary Interventions  
Angioplasty/Angioplasty + AMI)
- Hip replacement
- Cataract
- EPO
- Perinatal
- Bariatric surgery
- Low back
- Lung cancer
- Knee Replacement
- Epilepsy

# Portfolio of ProvenCare® Chronic Disease Programs

- Diabetes
- Congestive Heart Failure
- Coronary Artery Disease
- Hypertension
- Prevention Bundle



# Value Driven Care for 25,250 Patients with Diabetes

	3/06	3/07	1/11	1/12
Diabetes Bundle Percentage	2.4%	7.2%	11.8%	14.8%
% Influenza Vaccination	57%	73%	76%	74%
% Pneumococcal Vaccination	59%	83%	84%	78%
% Microalbumin Result	58%	87%	78%	81%
% HgbA1c at Goal	33%	37%	50%	52%
% LDL at Goal	50%	52%	55%	53%
% BP < 140/80	39%	44%	53%	67%
% Documented Non-Smokers	74%	84%	85%	85%

Measure change resulted in a 9% decrease February 2010  
BP changed from 130/80 to 140/80 November 2011

# Transforming the Management of Diabetes

**Likelihood of GIO members with diabetes to have MI, retinopathy, stroke, or amputation**



**13-25% less**



**If they also have a Geisinger provider**



**17-60% less**

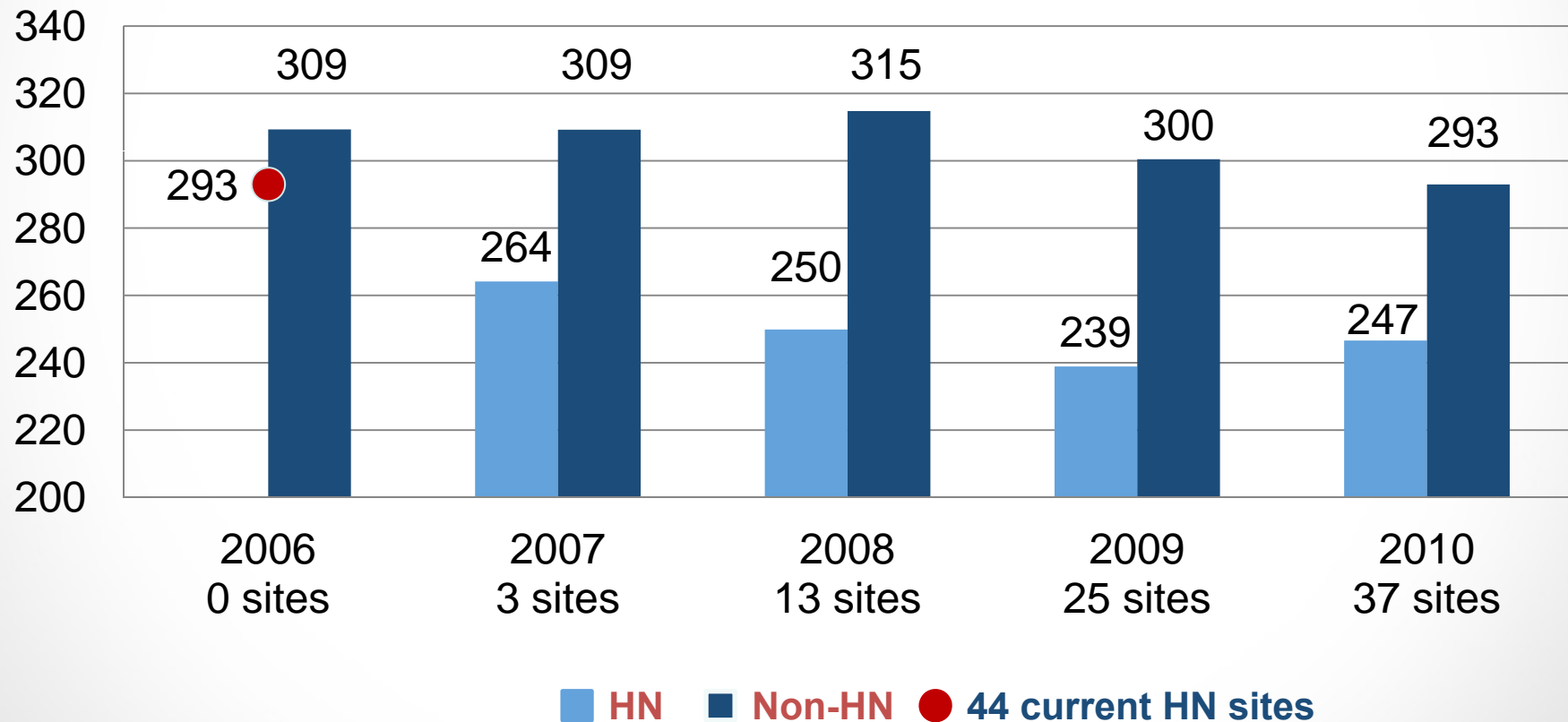
# ProvenHealth Navigator<sup>®</sup>

- “Embedded” nurse manager coordinates care
- Explains medications
- Develops care plans/monitors compliance
- Schedules appointments, facilitates phone access
- Arranges for community support services
- Helps patient avoid unnecessary hospitalizations/trips to ER
- Deploys remote monitoring technology

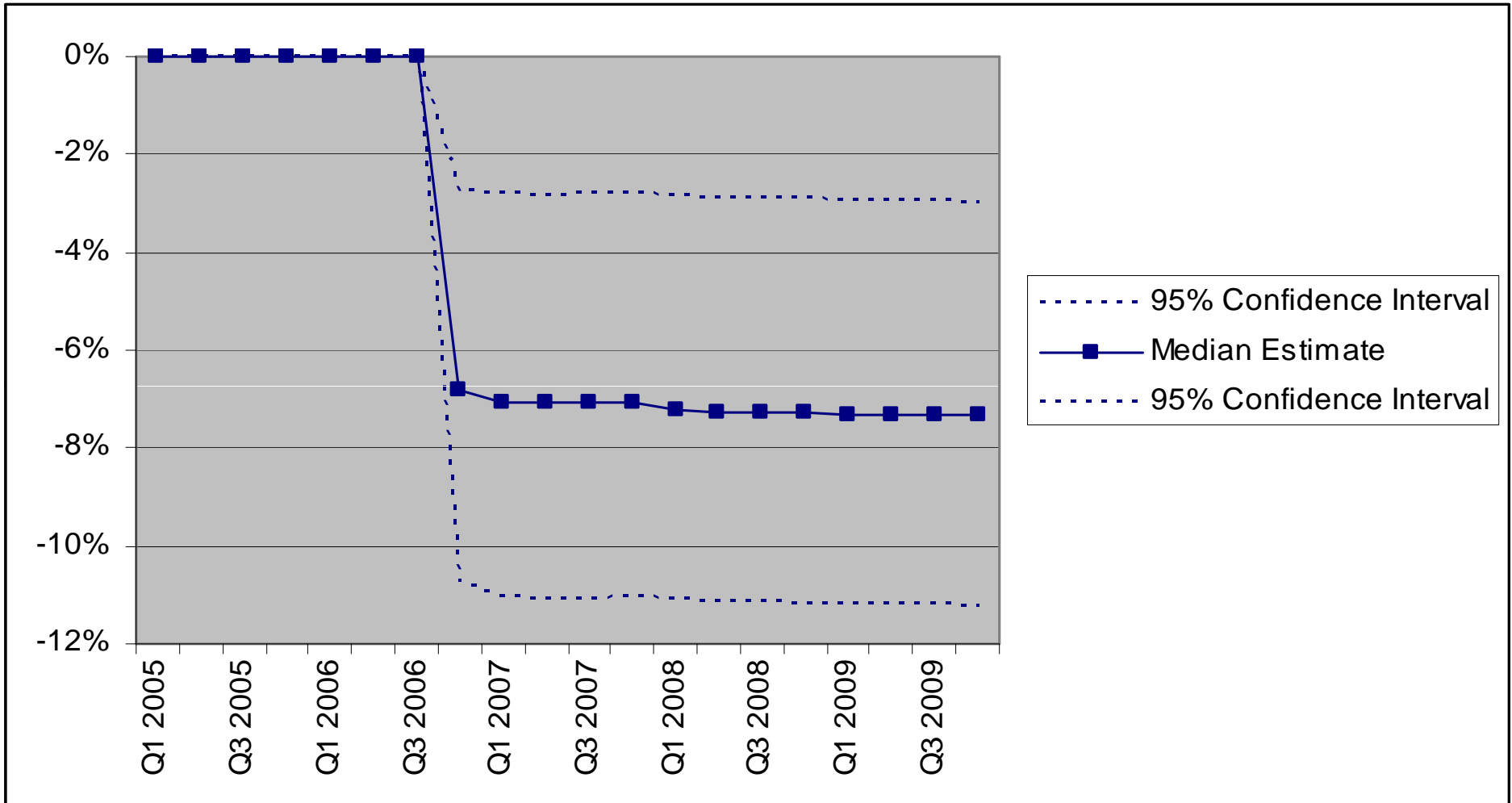


# HN Admissions Show 16% Reduction Over Four Years

## Medicare Advantage Risk Adjusted Acute Admissions Per 1000



# Cumulative percent difference in spending attributable to PHN



Cumulative percent difference in spending (Pre-Rx Allowed PMPM \$) attributable to PHN in the first 21 PHN clinics for calendar years 2005-2009. Dotted lines represent 95% confidence interval.  $P = < 0.003$

Source: Reducing Long-Term Cost by Transforming Primary Care: Evidence From Geisinger's Medical Home Model (*Am J Manag Care.* 2012;18(3):149-155)



# Physician Group Practice (PGP) Demonstration Project

April 1, 2005 – March 30, 2010

Do large multispecialty group practices deliver higher quality care at lower cost than surrounding physicians and hospitals?

<u>NAME</u>	<u>STATE</u>
Billings Clinic	MT
Dartmouth-Hitchcock Clinic	NH
Everett Clinic	WA
Forsyth Medical Group	NC
Geisinger Clinic	PA
Marshfield Clinic	WI
Middlesex Health System	CT
Park Nicollet Health Services	MN
St. John's Health System	MO
University of Michigan	MI



# Physician Group Practice (PGP) Year 5 – GHS Results

TCC – 1.4% vs. 5.8% National  
All quality metrics achieved  
No shared Savings

# Caveats I

For all of the Innovations

↓ Cost in hospital

↓ Hospital volume

↓ Total cost of care

∴ New relationship to payer

or

New payment incentives

or

Backfilled volume with new payer mix

# Caveats II

- Scalable?
- Applicable to non-Integrated Delivery Systems?
- Applicable in absence of real-time EHR?
- Applicable in fee-for-service settings?
- Pending wider use in marketplace
- ?Reliance on partnering with CMS or CMMI?
- Market based response may be even more important!

# *Are we moving fast enough...*



# Scaling and Generalizing

## ➤ GHS Consulting

- ProvenCare® Acute: CMMI Bundled Payment 35 systems
- PHN: Taconic IPA, North Florida Hospital
- Physician Practice Redesign: Wellstar, Singapore Health Ministry
- Population Management Case Manager Training: U Michigan
- ProvenCare® Acute: Lifebridge Health System

## ➤ GHS Collaboratives

- Keystone Beacon (5 “wired” PA rural counties)
- Integrated System Development : Singapore Health Ministry, HSHS, Bon Secours, Boston
- Single National Patient Identifier: Care Connectivity Consortium (Mayo/Intermountain/Kaiser/Group Health)
- Premier/Geisinger Integrated Care Collaborative
- Clinical Enterprise Development in Academic Medicine: U Central Florida
- ProvenCare® Acute: ACS Commission on Cancer Collaboration
- Insurance Risk Products Provider-Payer Partnership: New Jersey
- Insurance TPA Plus/Population Management: West Virginia, Maine, Delaware, NY

# Geisinger Strategies

## Existing

- Consulting – ProvenKnowledge™
- National Partnerships
  - PGP TD
  - CMMI Bundled Payment
- ACO Development

## In Development ‘National Innovation Center’

- “Geisinger in the Cloud”
- Geisinger “Apps”
- NE US Regional Delivery “Influencer”
- NewCo

# *Are we moving fast enough...*



# NEXT STEPS



- Regional Innovation Engines
- Expanded Medicare Advantage
- Partial Population Payments (moving ACOs away from Fee-for-Service)
- Using Social Media to Bring Greater/Faster and National Transparency to Cost/Quality Problems in Medicare
- Setting Spending Targets for Medicare
- Uniform and Transparent Cost/Quality Outcome Metrics