The Evolution of Value Based Care at the Ochsner Health System

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Agenda

• Overview of Ochsner Health System

• Population Health Management

• Aligning Physicians for Value
  – Ochsner Physician Partners
  – Ochsner Health Network

• Ochsner’s Pursuit of Value Initiative
  – Cost Engineering
  – Clinical Variation Reduction
  – Process Improvement

• Results and Key Learning
Ochsner Health System
Ochsner Health System

Our Mission is to Serve, Heal, Lead, Educate, and Innovate

Largest Health System In Louisiana

- 12 Hospitals (Owned & Managed)
- 15 Affiliated Hospitals
- 45 Health Centers
- 1000+ group practice physicians in over 80 subspecialties
- 440+ Aligned Community Physicians
- 1,600 Community Physicians
- 16,000+ employees
- #1 fitness chain in Louisiana
- 9 of 12 specialties nationally ranked by U.S. News & World Report

2014 Budgeted Patient Activity

- More than 57,000 discharges
- More than 1.5 Million clinic visits
- More than 270,000 ED visits
- More than 6,600 Deliveries

Revenue ($B)

2010 $1.6B  2012 $1.8B  2013 $2.0B  2014 $2.2B
Proven Quality - Top 1% in US

1. Transplant of Liver
2. Overall Hospital Care
3. Transplant of Kidney
4. Trauma Care
5. Heart Attack Treatment
6. Overall Surgical Care
7. Gastrointestinal Care
8. Interventional Carotid Care
9. Neurologic Care

#28 in Diabetes & Endocrinology
#36 in Ear, Nose and Throat
#18 in Gastroenterology & GI Surgery
#46 in Geriatrics
#34 in Nephrology
#24 in Neurology & Neurosurgery
#41 in Orthopedics
#26 in Pulmonology
#46 in Urology
Growth in Unique Patients Seen

Unique Patients
12 Months

- 2012: 227,382
- 2013: 269,051
- 2014: 289,698

Primary Care
- 2012: 227,382
- 2013: 231,537
- 2014: 239,953

Specialty Care
- 2012: 249,438
- 2013: 269,051
- 2014: 289,698

Growth:
- 16% Growth (2012-2014)
- 6% Growth (2013-2014)
Ochsner Centers of Excellence Strategy

**Where People Want To Be Cared For**
- Top Clinical Services & Outcomes
- Leading Clinical Research
- Strongest Referral Relationships
- Deep Clinical Capability

**Improving Quality of Life**
- Primary Care Focus
- Chronic Disease COEs
- Digital Health & Prevention
- Lowering the Cost of Care
- Partnerships with Insurers

**Trusted Partner In Care**
- Exportable Clinical, Quality & Care Delivery
  - Operational & Cost Improvements
  - Payor and Employer Partnerships
  - Exportable Technology & Innovation

Ochsner Health System
Ochsner is Leading the Transition to Value-Based Healthcare

Crossing the Crevasse

Fee for service
• All about volume
  – More visits
  – Duplicate tests
  – More procedures
  – Complications
  – Readmissions
• Focus on specialists
• The wrong incentives

Value-based payment
• All about quality & cost
  – Transparent data
  – Managing populations
  – Accountable care
  – Clinical variation
  – Reward quality
• Focus on primary care
• Aligned incentives
Ochsner Risk Populations

- Full risk
  - 34,000 Medicare Advantage seniors (Humana)
  - 19,000 employees + dependents (self-insured)
- Shared Savings
  - 22,000 Medicare (ACO-MSSP)
  - 9,000 Medicare Advantage (PHN)
  - 47,000 BCBSLA commercial
  - 7,000 CIGNA commercial
  - 21,000 United commercial
- Total risk: 158,000 out of 400,000 (>1/3)
The Distribution of Costs Across a Population

Source: AHRQ Healthcare Costs, 2011
Ochsner Infrastructure Investment ready to Deliver Value under Healthcare Reform

Physician Alignment
- Ochsner Physician Partners

Medical Home Infrastructure
- Embedded Care Coordinators

Primary Care Access
- Same/Next Day Appointments
- Extended & Weekend Hours
- Walgreens Take Care Clinics

Electronic Medical Records
- Epic

Patient Activation
- My Ochsner Patient Portal
- Ochsner Telemedicine
- Ochsner Executive Health
- Ochsner Corp. Wellness

OHS Post-Acute Affiliations
- 17 SNF Affiliations
- LTAC JV
- Home Health JV

Care Management Programs
- Complex Case Managers
- Transition Navigators
- Pure Healthy Back
- 65% Generic Drugs
  - Project RED
  - Pursuit of Value

Investment in Patient-Centered Care Management

Population Health Analytics
- Quality Reporting
- Financial Reporting
- Utilization Reporting

Information Exchange
- Community Connect
- Epic Care Link
  - HIE

Ochsner Telemedicine
It’s About Aligning Around Value...

One Patient
One Team
One Network
Clinical Integration

- CI is commonly defined as a health network working together, using proven protocols and measures, to improve patient care, decrease cost and demonstrate value to the market.

- Clinical integration is a viable option to:
  1. Increase quality
  2. Reduce cost and waste in the current system to maintain margins
  3. Sustain independence for physicians not ready for healthcare organization employment model
  4. Position providers to take on higher levels of accountability to effectively manage utilization and the health of populations through joint contracting, sharing best practices, etc.
Ochsner Physician Partners

• **Mission**
  – We will enhance the value of care we provide across our network through a partnership with physicians that is patient centric, quality driven and cost effective.

• **Vision**
  – To be the Clinical Integration Network of choice for community physicians committed to realizing clinical, financial and personal rewards associated with their active engagement in Ochsner Physician Partners.
Creating a Share Vision results in Cultural Transformation..

- Awareness
- Understanding
- Acceptance
- Commitment

Degree of organizational Support vs. Time

Collaboration
Transparency of Results

Meetings with Steering and Subcommittees and MD/Practice Coordinators
Clinical Integration Network
Stakeholders

• Payor Relationship

• Physician Network
  – Employed and Community

• Patients
Collaborative Leadership

OPP Board

Ochsner Physician Partners Operating Committee

- Performance Improvement Subcommittee
- Payor Strategy and Contracting Subcommittee
- Network Development and Credentialing Subcommittee
Physician Leadership and Engagement

Operating Committee

• Create and approve strategic plan
• Approve network design
• Recommend network policy
• Approve new partner credentialing and partnership status
• Oversee contract performance
• Appoint subcommittee partners
• Approve payor contracting recommendations
• Approve distribution model
• Present annual report to the Board
• Recommend capital and operational budget for CI Program
Physician Leadership and Engagement

Payor Strategy

• Oversee OPP’s payor strategy and contracting activities
• Evaluate cost/benefit of contract opportunities with OPP management
• Approve payor contracting recommendations
• Present annual report to the Board
• Recommend capital and operational budget for CI Program
Physician Leadership and Engagement

Performance Improvement

- Oversee design and implementation of OPP Performance improvement Plan (Quality, Safety, Efficiency and Patient Satisfaction)
- Ensure CI Program meets regulatory requirements
- Implement and oversee Population tools
- Develop plan for monitoring all OPP member quality
- Recommend clinical initiatives for network focus
- Recommend performance improvement measures for OPP scorecard
- Update OPP Operating Committee and Board with activities
Physician Leadership and Engagement

Network Development & Credentialing

• Oversee physician recruitment and credentialing process
• Develop an efficient application and credentialing process for OPP members
• Develop and implement a process for assessing and managing the performance of physician members
• Provide the OPP Operating Committee and Board with an annual report of committee activities
Payor: Joint Contracting

Contracts Gated By Quality Metrics

Humana Medicare Rewards Agreement
- FFS
- PMPM Quality Reward
- Shared Savings

Humana Commercial Rewards Agreement
- FFS
- Quality metrics
- PMPM

BCBS Quality Blue Primary Care Agreement
- CMF’s
- 3yr Plan
- Chronic conditions

BCBS Quality Blue Value Partnership Agreement (shared savings)
- 3 Targets
- Tiered Savings

United Shared Savings Agreement
- Quality Metric
- % shared savings

Aetna Shared Savings Agreement
- Quality Metrics
- % Shared Savings

Value Based Contracts

FFS - Commercial
Payment System Changing from Volume (Curve 1) to Value (Curve 2)

Hospital and physician providers must address how to optimize performance in the current environment while also preparing to “jump” from Curve #1 to Curve #2.

**Curve #1: FEE-FOR-SERVICE**
- All About Volume
- Reinforces Work In Silos
- Little Incentive For “Real” Integration

**Curve #2: VALUE-BASED PAYMENT**
- Coordinate Care
- Shared Savings Programs
- Bundled / Global Payments
- Value-Based Reimbursement
- Rewards Integration, Coordination, Quality, Outcomes and Efficiency
- Blurring Lines Between Payors and Providers?
Demonstrating Value to the Payor

Hey, Guys! We’re on The Same Team
In The Beginning...............
Quality Improvement by the Payor

• Team of quality consultants
  – Focus on larger practices (>200 paneled patients)
  – Monthly and quarterly visits to primary care practices to review quality performance and clinic documentation (HCCs)
  – Quality reports sent to practices
  – Poorly received by most primary care practices
The Agony

- Monthly meetings between Ochsner Physician Partners staff and the payor’s quality team
  - “We can’t share the member level data with you because your network is not assuming full risk.”
  - “We are sending the reports to the doctors. They can share the information with you.”
  - “We need your network to improve quality.”
The Ecstasy

• Data, Data and More Data
  – Gaps To Stars reports with member-level detail
  – ED utilization reports
  – Medication adherence reports
  – CAHPS/HOS reports
  – Generic dispensing reports
  – Electronic attestation forms
  – Panel reports
The Ecstasy

• Collaborative monthly meetings
  – Review quality data
  – Create joint initiatives
  – Exchange of resources
  – Share practice concerns with payor
  – Feedback on payor initiatives and programs
  – Physician voice brought to the table
Components of Integrated Care

Collaborative Leadership
- Governance body
- Compliant legal structure
- Payor strategy
- Culture change

Aligned Physicians/Incentives
- Value based compensation
- Program infrastructure
- High Performance Network
- Physician leadership and support

Clinical Programs
- Disease programs
- Care protocols
- Clinical metrics
- Population Health Management

Technology Infrastructure
- Health Information Exchange
- Disease registries
- Patient longitudinal record
- Patient portal to enable engagement

Clinically Integrated Care
Clinical Programs

- Physician Profiling
- Quality Reporting
- Risk Management
- Utilization and Cost

**Future State:**
- Population Stratification
- Predictive Modeling

Patient Care Management

- Patient Centered Care
- Key Areas of Focus:
  - Admission and Readmission Reduction,
  - ED Avoidance,
  - High Risks Med
  - Cost Containment
- Payor – Value-Based Contracting
  - Shared Savings Opportunity
  - Documentation Excellence
  - HCC

**Future State:**
* Ochsner On Call
  - Acute to Home
  - Post Acute Setting
  - ED to Home

* Nurse Advice Line
  - Triage Protocols
  - Medication Program
  - Patient Access program

Care Coordination Center

- Practice Coordinator Program
- Care Gap Management
  - HEDIS Gaps
  - Annual Physicals
  - Health Risk Assessments
**Pursuit of Value**

**Our Mission:** Highest Quality Care at an Affordable Cost

**Our Approach**

“Pursuit Of Value” initiatives utilize data and analytics to help clinicians and other stakeholders design Performance Improvement backed solutions to improve quality (e.g., CAUTI, CLABSI, etc.) and reduce costs (e.g., ALOS, Physician Preference supply chain items, etc.) to achieve sustainable value.

1. **Cost Engineering**
2. **Variation Reduction**
3. **Process Improvement**

**Our Structure**

- Physician Led
- Project Mgmt.
- Clinicians
- Supply
- Analytics

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Ochsner Health System

[Source: Ochsner Health System]
Case Study 1: Total Knee & Hip Replacement

Challenges

- Physician Understanding & Acceptance of the Data
- Patient acuity and complexity makes it difficult to show apples to apples comparisons
Total Knee LOS
All Knees

Knee Replacement LOS - All Knees

- OHS Total Knee
- Loosely Managed
- Moderately Managed
- Well Managed
Collaborative Leadership
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- Compliant legal structure
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Clinically Integrated Care
Value Our Partners

• EMR Subsidy
• Affiliated Purchasing Group
  – Average 16% decrease in costs
• Patient Digital Connect
  – Approximately 1,000 new patients to the practices
• Education/Training
  – Hosted 12 modules on Ochsner Learning Network
• Vendor Partnerships:
  – Biohazard- in process
  – Billing, Linens under review
• HealthCare and Other Insurance Offerings
  – Reviewing preferred offering
Training & Education

- Leverage Technology
  - WebEx, On-line, Video Conferencing, Teleconferencing
- Ochsner Learning Institute and Network
  - 16 modules
- Physician and Staff Education
  - In office Rounding
- Pending: CE and Grand Rounds
Components of Integrated Care

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- Compliant legal structure
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**Clinical Programs**
- Disease programs
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- Population Health Management

**Technology Infrastructure**
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- Disease registries
- Patient longitudinal record
- Patient portal to enable engagement

**Clinically Integrated Care**
Integrated Data Platform

- Access to a comprehensive health record - completing the longitudinal picture of the patient’s health.

- Run powerful analytics for population health management.

- Proactively manage the patient’s health and implement optimal care paths.
Value to the Network

It’s All About Performance
We All Win Together

• Met or exceeded the national benchmark in the following quality metrics (2013):
  − Colorectal cancer screening
  − Breast cancer screening
  − Diabetes control: HgbA1C < 9%
  − Diabetes: LDL control <100
  − Diabetes Treatment Management
  − Glaucoma screening
We All Win Together

• 4 star or higher performance on the following quality metrics (2014):
  – Breast Cancer Screening
  – Colorectal Cancer Screening
  – Diabetes Care: LDL control
  – Diabetes Care: Attention for Nephropathy
  – Diabetes Treatment Management
  – High Risk Medications
We All Win Together

• Opportunities for improvement
  – 30 day readmissions
  – Medication adherence
  – Diabetes Care: Retinal Exams
Demonstrating Value to the Patient

It’s All About The Patient
It’s All About The Patient

• Improved quality scores

• Physicians more engaged in population management
  – Caring for the seen and the unseen
  – Promotion of case management
It’s All About The Patient

• Improved patient safety
  – Decreased high risk medication usage (5 Star rating in 2014)
  – Medication adherence education
  – Increased attention by providers to falls, bladder control and physical activity
It’s All About The Patient

• ED avoidance initiatives
  – Increased access
  – Education about extended hours and urgent care options
  – Expansion of 24 hour nurse triage services (Proposed)
It is our belief that in addition to operational efficiency, improved quality and lowering costs.

We have driven Cultural Transformation

- Awareness
- Understanding
- Acceptance
- Commitment

Yields Results

Collaboration Transparency of Results

Meetings with Steering and Subcommittees and MD/Practice Coordinators
Path to the Future

• Technologic / Analytic Platform
  – Enhance population health management tool to integrate clinical and claims data from multiple payors
  – Data Acquisition
  – Increased staffing needed for clinical integration network

• Alternate Payment Models
  – Bundled Payments
  – Transforming Clinical Practice Initiative
Path to the Future (cont)

• **Enhanced Quality Agenda**
  – Improved clinical documentation and coding
  – Claims-level data to understand cost-drivers and how to impact shared savings performance
  – PQRS
  – QIO Participation

• **Staffing to Support our Growth**
CIN Infrastructure Leads to Improved Care Coordination and Communication

ONE Network that can Demonstrate Value

Payors and Employers

Physicians

CIN

Health System

Employed Medical Group

Employee Health Plan

Ambulatory Facilities

Hospital

Hospital
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