Saint Francis Care and Cigna CAC

Meeting the Triple Aim Together

Christopher M. Dadlez, President and CEO
Saint Francis Care

Jess Kupec, President and CEO
Saint Francis Health Care Partners

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Key Questions

Case Study Overview

- **Who** are the participants?
- **Why** are we doing this?
- **What** are we doing?
- **How** are we going to do it?

Please note that the views expressed by the conference speakers do not necessarily reflect the views of Health Forum and the American Hospital Association.
Case Study Overview

- Saint Francis Care Overview
- Regional Landscape Analysis
  - Where have all the inpatients gone
- Volume to Value
- Saint Francis HealthCare Partners
- Cigna CAC Partnership
# Meeting the Triple Aim Together

## The Partners

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<thead>
<tr>
<th>Saint Francis Care</th>
<th>Saint Francis HealthCare Partners</th>
<th>Cigna</th>
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<tr>
<td>• Integrated healthcare delivery system in central Connecticut</td>
<td>• 50/50 joint venture between SFC and 1,000 providers</td>
<td>• Approximately 35,000 employees worldwide</td>
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<td>• Largest independent Catholic healthcare provider in New England</td>
<td>• Clinically Integrated network</td>
<td>• Approximately 75 million global customer relationships</td>
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<td>• 20+ years experience</td>
<td>• Sales in more than 30 countries and jurisdictions</td>
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Saint Francis Care as a partner in the ACO relationship
Saint Francis Care is an integrated healthcare delivery system in central Connecticut, providing access to nearly 1,000 affiliated physicians, three hospital campuses, 12 satellite medical offices, and a variety of community clinics.
- **981** active medical staff members
  - 786 active medical staff

- The system is built upon strong relationships with private practice physicians

- SFC coordinates its recruitment efforts with private practice physicians, including its medical practice foundation, Saint Francis Medical Group, Inc.

- The system currently employs approximately 230 physicians, including 330 midlevel professionals.
Most Wired 2014: Recognized as one of the nation’s Most Wired hospitals

Healthgrades: - Patient Safety & Women’s Health Excellence Awards.

Premier Supply Chain Excellence Award – Saint Francis is only one of 35 Premier members to receive the award this year.

Consumer Reports: One of two statewide hospitals to receive the highest available “Best Hospital for Surgery” ranking, and was also named among the top five U.S. hospitals that perform the safest knee and hip replacement surgeries (2013)

Alliance of Independent Academic Medical Centers: Received the 2014 Innovation Award in recognition of innovative medical education programs (2013)

LeapFrog: Received an “A” rating Hospital Safety Score for the 5th consecutive year.

CareChex: Recognized for patient safety and medical excellence achievements, including being ranked #1 in Connecticut in 24 clinical and surgical areas (2013)
The Regional Landscape
The Challenge: Growing Market Share in a market that is not growing.
The Connecticut Insurance Marketplace

- Anthem has historically dominated the market, and continues to today
- However, there is market competition, and United/Oxford and Cigna have continued to gain share in recent years
- There are approximately 200,000 covered lives under the healthcare exchange in the State of Connecticut

Source: State Insurance Department, Consumer Report Card on Health Insurance Carriers in Connecticut, 10/20/2010
Historical Market Share in the Hartford Region

Saint Francis Hospital and Medical Center

23.5% 24.0% 24.5% 25.0% 25.5% 26.0%
FY 2011 FY 2012 FY 2013 Q1 2014

Hartford Health Care in HS IV Region *

45.0% 45.5% 46.0% 46.5% 47.0% 47.5%
FY 2011 FY 2012 FY 2013 Q1 2014

Source: CHIME Discharge Data
* Includes Hartford Hospital and The Hospital of Central Connecticut
Volume: Where have all the inpatients gone?

- Inpatient utilization is declining across the country
- Rightsizing the business – determine what size will our inpatient and outpatient business be going forward
- Reengineer care delivery and transform healthcare delivery
Moving to *The Second Curve*

Managing Change

**Established way of doing business**

Volume- Based Fee for Service

**Curve 1: Fee-for-Service**

- All about volume
- Reinforces Siloes
- Little incentive for “real” integration

**Second Curve**

Value- Based Population Management

**Curve 2: Value-Based Payment**

- Coordinate Care
- Shared Savings programs
- Bundled/Global Payments
- Value-based reimbursement
- Rewards for integration, coordination, quality, outcomes and efficiency

Investment for the second curve produces financial constraints.

Ian Morrison, Healthcare Futurist 2011
Value creation will be at the Per Member Per Month (PMPM) level.
Network Development

Connecticut is ready for change

- Development of Medicare ACOs
- Expansion of Commercial ACO contracts
- Development of networks
  - Hartford Healthcare
  - Saint Francis Care
  - Western CT Health Network
  - Yale New Haven Health Systems/Tenet
- Introduction of Exchange products
Partnering for the Future
Saint Francis HealthCare Partners | “A Tradition of Healthcare Innovation”
Who we are as an organization

• Need to tell us who you are and why you are different than other PHO's
Ahead Of The Curve

*A tradition of healthcare innovation positions us for success in today’s ACO model*

- First CI plan developed in 2002
- Ambulatory IT strategy developed in 2003
- Developed two-tiered physician fee schedule in 2006
- Developed Care Coordination model in 2007
- Receive significant payor funding to support infrastructure
- Ambulatory care pathways embedded in EMR
- EMR optimization process developed
- Care coordination across the continuum
- EMR adoption by January 1, 2015 mandatory for membership
Contemporary Organizational Models

PHO
- SFHCP Inc.
  - Incorporated in 1993
  - Formed as 50/50 joint venture between physicians and SFH&MC
  - Not for Profit but Taxable
  - Single signature contracting authority
  - Commercial ACO contracts with Anthem & Cigna
  - Commercial contracts with Aetna, ConnectiCare, & United/Oxford
  - Medicare Advantage contracts with Aetna, ConnectiCare, United, and WellCare

ACO
- SFHCP ACO, Inc.
  - Incorporated in 2013
  - Wholly Owned Subsidiary of SFHCP
  - Not for Profit but Taxable
  - Infrastructure provided by SFHCP
  - Medicare contract with CMS for 19,000 Medicare MSSP lives

CIPP
- Connecticut Care Alliance, LLC
  - Membership Owned LLC
  - Developed to create a state-wide Integrated Delivery System
  - Allows access to capital, equity model to unleash capital
  - 2 Classes of Members (A&B):
    - (A) Owners/shareholders, voting rights
    - (B) Members that provide specific aspects of care to patients i.e. Hospitals, HCCs
“Value” is a perception of your stakeholders

- Practices
- Payors
- Hospital
- Employees

- It constrains the products and services you must bring forth to attain the “Value” perception

- Stakeholders can be educated on new Value Models
Defining Value

- Control claims costs
- Improve population health
- Optimize administration
- Unify fee structures

Payors
Payor Contract Progression and Strategic Direction

- FFS
- P4P
- PCMH
- SHARED SAVINGS
- BUNDLED PAYMENTS
- SHARED RISK
- FULL RISK
- PROVIDER-SPONSORED HEALTH PLANS
Network Development

**Strategic Assumptions**

- Adoption of population management principles will drive the market configuration
- Two delivery system models will dominate
  - Vertical Integration
  - Clinical Integration
- Payors will transfer risk to delivery systems
- Direct Employer contracting will develop
- Narrow (Tiered) Networks will become a viable alternative
The Value of Collaboration

Combining Hospital, Ambulatory and Community Resources

**Financial Realities:**
- Healthcare Reform has lead to a decline in budgeted inpatient volume
- Economies of Scale is essential to compete in the marketplace
- Resource deficit across the enterprise

**Opportunistic Realities:**
- Opportunities exist to develop new revenue streams
- There is a need to evaluate organizational readiness in order to participate

**Collaboration Provides:**
- A framework to continue advancement of hospital priorities including reducing readmission and improving patient flow
- Enhanced focus on extension of care coordination (PCMH) in the PCP office and across the community

**Desired Outcome:**
- Collaboration will solidify a vision of managing patient populations now and in the future – supporting a flexible and nimble organization in an ever changing marketplace
## Guiding Principles

| Deliver the highest quality of patient care at the lowest cost |
| Identify patient risk level through predictive modeling; analysis of utilization data, risk stratification, and claims |
| Coordinate care based on patient’s risk level |
| Develop collaborative partnerships across the continuum and throughout the community |
| Identify and engage preferred post-acute and home care partners |
| Collaborate integration of care transitions strategy across the continuum |
| Leverage payor's programs and data resources |
| Integrate the use of data within Primary Care practices |
| Expand PCP knowledge of Population Health Management within primary care |
Evidence based measures

19-25% better compliance rate with diabetes measures compared to market

Closing gaps in care

21% more gaps in care closed through the electronic gaps in care information from Cigna

Specialist referrals

81% better than market referral rate to Cigna Care designated specialists

Pharmacy

52% conversion rate to lower cost drugs through engagement with embedded care coordinator

Emergency Room

72% lower ER medical cost spend compared to market

Source: 2014 Cigna.
Care Coordination Services Provided by SFHCP

• Out of Network Care Coordination
• Disease specific Coordination
• Wellness Care Coordination
• Physician PCMH Alignment
• Care Coordination and Population Health – Data Warehouse

• PMPM $2.25
• Offset Cigna Care Coordination Fee
Key Components

• PMPM Care Coordination Fee based upon membership tied to PCPs
• Shared Savings Component – split between two parties
• Delegated Care Coordination Program to SFHCP
• Agreement to share data

Shared Savings Opportunity

• Quality Metrics - payout to SFHCP adjusted based upon results as compared to baseline
• Cost Metrics - payout to SFHCP adjusted relative to results compared to overall market trend
High Impact PMPM Could Translate to Shared Savings

- Program effective date – October 1, 2013
- 20,000 attributable lives
- Population Management payment PMPM
- Saint Francis cost advantage -$17.00 PMPM
If you can't afford a doctor, go to an airport - you'll get a free x-ray and a breast exam, and if you mention Al Qaeda, you'll get a free colonoscopy.