ABCs of Building a Clinically Integrated Network

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Please note that the views expressed by the conference speakers do not necessarily reflect the views of Health Forum and the American Hospital Association.
Health Care Wasted Expenditures: 31% of Dollars Spent

From the Institute of Medicine September 2012
Opportunities for Healthcare Cost Reduction

- Improved Inpatient Care Efficiency
- Use of Lower Cost Treatments
- Reduction of Adverse Events
- Reduction in Preventable Admissions
- Improved Practice Efficiency
- Improved Prevention and Early Diagnosis
- Reduction in unnecessary testing ER visits, admissions and referrals
- Improved Management of Complex Patients
- Use of Lower Cost Settings and Providers
- Lower Total Health Care Costs
Cost Containment

- Appropriate utilization of services in the appropriate setting
- Population management
- Quality based care
- Alignment of Physician and facility incentives
- Care coordination at the PHO level
- Medical Management at the PHO level
Attributes for Clinical Integration

- Greater hospital/physician alliance.
- Accountability for the care of an entire patient population.

Payment Reform
- Payment system alignment through regulatory requirements.
- Volume-to-value-based reimbursement.

Performance Measurement
- Frequent reporting of key clinical and financial metrics.
- Transparent, accessible health data to make informed, data-driven decisions.
Antitrust Consideration

- Is the program real (i.e. composed of legitimate, well-founded initiatives, involving all physicians in the network)?

- Is the program designed to create likely efficiencies in terms of better health care quality or lower cost?

- Are joint negotiations with fee-for-service health plans reasonably necessary to achieve efficiencies sought by the program?

- Medical Management at the PHO level
What is a Physician Hospital Organization (PHO)?

A PHO is a legal entity generally formed by physicians and one or more hospitals with the intention of negotiating contracts with payers and sharing in the financial rewards of controlling costs while delivering high-quality care.
Clinical Integration

An active and ongoing program to evaluate and modify practice patterns by the network’s physician participants and create a high degree of interdependence and cooperation among the physicians to control costs and ensure quality.

This may include:

1. Establishing mechanisms to monitor and control utilization of health care services that are designed to control costs and assure quality of care
2. Selectively choosing network physicians who are likely to further these efficiency objectives
3. The significant investment of capital, both monetary and human, in the necessary infrastructure and capability to realize the claimed efficiencies

SOURCE: FTC/DOJ - Statements of Antitrust Enforcement Policy - 1996
St. Vincent’s Health Partners
Overview

Physician-Hospital Organization

- Incorporated May 18, 2012
- Started as a PHO with Physician and Hospital members
- 3 current risk based contracts including commercial and MSSP
- First organization in the nation to achieve URAC Full Accreditation for Clinical Integration March 1, 2014
- Currently 373 providers (278 physicians, 95 mid-levels), 1 hospital, 3 SNFs
- Engaging HHC, Pharmacy, DME
Elements of the Network Operation

- Governance
  - Corporate structure and bylaws
  - Strategic Planning
  - Legal Compliance

- Professional relations
  - Physician Relations
  - Payer Relations

- Clinical Quality, Utilization & Outcomes

- Budget and Finance

- Administrative Operations

- IT
Governance

- Corporate structure and bylaws
  - Decision of first contract
    - CMS MSSP-ACO
    - Commercial-CIN
  - Corporate Structure
    - IPA, PHO (joint venture), Super PHO
    - Subsidiary of hospital/health system
    - LLC, Inc.

- Strategic planning
- Legal compliance
Professional Relations

- Establishes and maintains network relationships-assumes similar roles of insurers
  - Physician recruitment and contracting
  - Hospital recruitment and contracting
  - Ancillary facilities recruitment and contracting

- Communications
  - Website
  - Branding/collateral
  - Newsletter
  - Informational/CME meetings
Clinical Quality, Utilization & Outcomes

- Care coordination/care management

- Reports
  - Tracking and trending metrics
  - Provider and group specific reports/dashboards
    - Quality
    - Utilization
    - Cost/cost savings

- Executive reports
Clinical Quality, Utilization & Outcomes

- Establishes and implements clinical quality improvement
  - Clinical Guidelines/Protocols
  - Network metric assignment
  - Remediation
- Data review
  - Claims analysis
  - Risk assignment
  - Clinical care gap analysis
Administrative Operations

- Hiring personnel
- Creating infrastructure of PHO
  - Prior to contract start
  - Training
  - equipment
- Physical space
- Network Committee support
Budget and Finance

- Operational budget and accounting
- Non-risk based contracting
  - Routine functions of budget and finance:
    - Capital to fund the organization
      - Membership fees
      - Contract fees
      - Grants/loans
      - Distribution of quality bonuses and shared savings
      - Develop methodology within restrictions of FTC for distribution based upon quality and utilization
      - Attribution oversight
Budget and Finance

- Risk based contracting
  - Reinsurance, stop-loss
  - Adequate financial reserves Operational budget and accounting
- Payer contract oversight
Information Technology

- Network operational infrastructure - day to day operations
- Network provider infrastructure
  - Inter-provider connectivity portal
  - Provider IT support
    - Installation
    - Help desk
- IT contract oversight - rfps, compliance
- Regulatory oversight
  - HIPAA
  - MU, PQRS
St. Vincent’s Health Partner’s Board of Directors Organization Chart

St. Vincent’s Health Partner’s, Inc.
Board of Directors

- St. Vincent’s Medical Center
- Thomas A. Raskauskas, MD
  President / CEO Ex Officio
- Medical Staff
  - Primary Care Physicians
  - Specialists
St. Vincent’s Health Partner’s Staff
Organization Chart

Board of Directors

President / CEO

CMIO

Director of Clinical Quality

Care Coordinators

Director of Professional Relations

Director of IT

IT Analysts

Administrative Assistant
St. Vincent’s Health Partners - Membership

SVHP

Hospital Member(s)

- Hospitals
- Skilled Nursing Facilities / Rehab / HHC

Physician Members

- PCPs
- Specialists

- 1 Flagship Hospital – St. Vincent’s Medical Center
- 370 Providers (Physicians, PAs, and APRNs)
- 52 Offices
- 40+ Specialties
St. Vincent’s Health Partner’s
Committee Structure

Board of Directors

- Operations
  - SVHP Staff
- Information Technology
  - Co-Chairs
  - Members
- Quality and Utilization Review
  - Co-Chairs
  - Members
- Finance and Population Management
  - Co-Chairs
  - Members
Building a CIN: Work Plan

Building a CIN: Three-Phase Work Plan

Phase 1: Assessment / Strategy
- Begin aligning executive team, Board, MDs
- CIN / ACO readiness assessment
  - Health system
  - Market
- Network strategy
  - Geography
  - Size / mix
  - Existing groups
  - Link with other initiatives (e.g., EMR / EHR)

Phase 2: Design
- Structure
- Governance
- Institutional relationships
- Management organization
- Participation agreement
- Business plan
- New shared values

Phase 3: Implementation
1. Align Board, executive team
2. Build collaborative culture
3. Develop Board, committees
4. Develop network mgmt team
5. Recruit / credential participants
6. Create CI program
7. Select / deploy CPRS*
8. Engage practices in CI
9. Design incentive program
10. Develop payer strategy
11. Negotiate value-based contracts

Timing: 2-4 months 2-4 months ~1 Year

*CPRS = Clinical Performance Reporting System

BDC Advisors Clinical Integration: The Road to Accountable Care 2011
Questions?

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