

# Case Study: Population Health Management in Oregon

November 2015

# What we want to cover today

## Burning Platform

- National Landscape
- Physician Leader Perspective

## Value Based Care

- Our Approach
- Our Technology
- Our Lessons Learned



# The mother of all fiscal problems

Victor Fuchs, emeritus professor of economics and health research and policy at Stanford University

**“If we solve our health care spending, practically all of our fiscal problems go away”**

And if we don't?

**“Then almost anything else we do will not solve our fiscal problems.”**

James L. Reinertsen, MD (Physician, Health System CEO, Sr Fellow at the Institute for Healthcare Improvement)

**“The principal focus of health policy for the next decade will be cost reduction.”**



# How did we get into this position?

*Unsustainable cost and Below average value*

## Government

- Misaligned objectives and incentives
- Failure to target drivers of cost
- Driven by political tolerance above other rationale

## Delivery Systems

- Failure to coordinate
- Failure to target drivers of cost
- Failure to recognize and respond to patient values

## Payers

- Focus on price and provider rates
- Ineffective work-arounds – try to control what you can't
- Failure to target drivers of cost

## Employers

- Ignore cost shift from the government
- Driven by political pressures of the workforce
- Pass the cost on to consumers

## Public

- Abdicate personal responsibility for health
- Sense of entitlement with respect to healthcare resources

***Everyone: Failure to communicate collaboratively, be accountable***



# Overkill, Atule Gawande, MD

- 26 tests or treatments scientifically determined to have no benefit or be outright harmful...
- In one year 25-42% of Medicare patients receive at least one of these tests...
- IOM Report that waste accounts for 30% of healthcare spending...
- ...\$750 billion in waste, more than the national budget for K-12 education

Source: New Yorker Magazine, 5/5/2015



# The Train has left the station

- **Medicare**
  - 30% of our market has already converted into a value based model through Medicare Advantage
  - CMS expects to move 50% of the remaining population by 2018
  - The effect is compounded by our aging population
- **Medicaid**
  - Oregon has embraced a new model of value based care for the vast majority of its Medicaid population
  - ACA initiative to expand this population shifting a large number from the uninsured population in to Medicaid
- **Commercial**
  - **United Health:** “We will increase value-based payments by 20% *this year to beyond \$43 billion, and beyond \$65 billion in 2018*”
  - **Intel:** Contract with Kaiser and Providence for 50,0000 lives.



# Our Approach

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# What is Pop Health?

***Population Health Management*** - A systematic effort to do four things:

- Focused on the needs of a defined population
- Enhance health through disease management and prevention
- Improve care quality
- Reduce waste and variation, and eliminate disparities for ethical and economic reasons





# What is value based care?

**Value based care** - the consistent deployment of scarce resources across a larger population to improve quality and lower total cost.

- Effective risk stratification tool
- Engage the patient
- Apply interventions that make a difference
- Coordinated care team

**Value based contracting** - evolution in payment methodology that:

- Aligns incentives across members, payers, providers and employers
- Focused on improving clinical outcomes, patient experience and cost efficiency
- Defines quality and cost outcomes
- Fosters greater accountability



# Our role

Propel Health is a provider-led organization uniquely positioned to align incentives for Oregon providers and payers to improve care quality and patient health.



**Propel Health brings together key elements of value-based care to advance clinical and business outcomes, including:**

- Care coordination
- Compliance
- Data and analytics
- Payment reform
- Quality improvement
- Patient risk assessment

## Patients

- Become increasingly engaged in their health
- Receive more personalized care

## Providers

- Empowered to provide timely, coordinated interventions
- Receive tools, resources, education and incentives

## Payers

- Establish partnerships with engaged providers, jointly committing to provide high-quality, cost-effective care to patients



# Guiding Principles of Propel

Throughout this endeavor, we will deliver the tools, methods and support necessary for optimal health management in the communities we serve. We will:

**Put patients  
first**

**Demonstrate  
resilience**

**Collaborate  
tirelessly**

**Become the  
system of choice**

We will achieve our vision by:

- Building solutions with physician leadership
- Sustaining performance around meaningful quality targets
- Rewarding participants through aligned incentives
- Using leading-edge technology to drive robust analytics



# Axioms for a successful business model

## Downside Risk



- The level of upside necessary to fund a value-based business is only achievable by also taking downside risk

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## Risk Mgmt Infrastructure



- In order to manage downside risk, a Value-Based Business must invest in adequate risk management infrastructure

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## Scale



- Achieving scale helps mitigate volatility and leverage the fixed cost of risk management infrastructure

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## PCP base



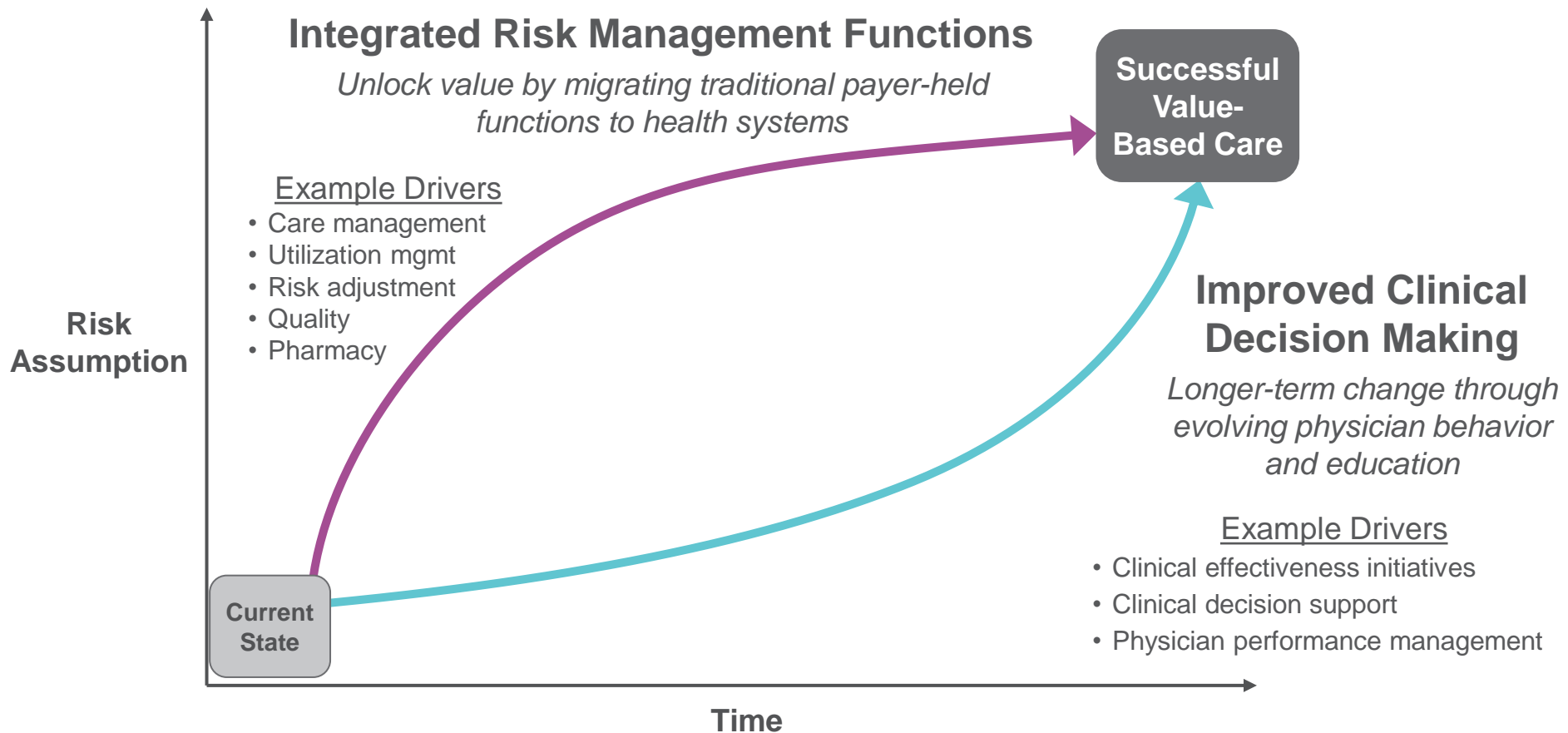
- Scale is driven by the number of participating PCPs, which bring in attributed lives

Source: Evolent Health, 2015



# Path from FFS to Value-Based Care

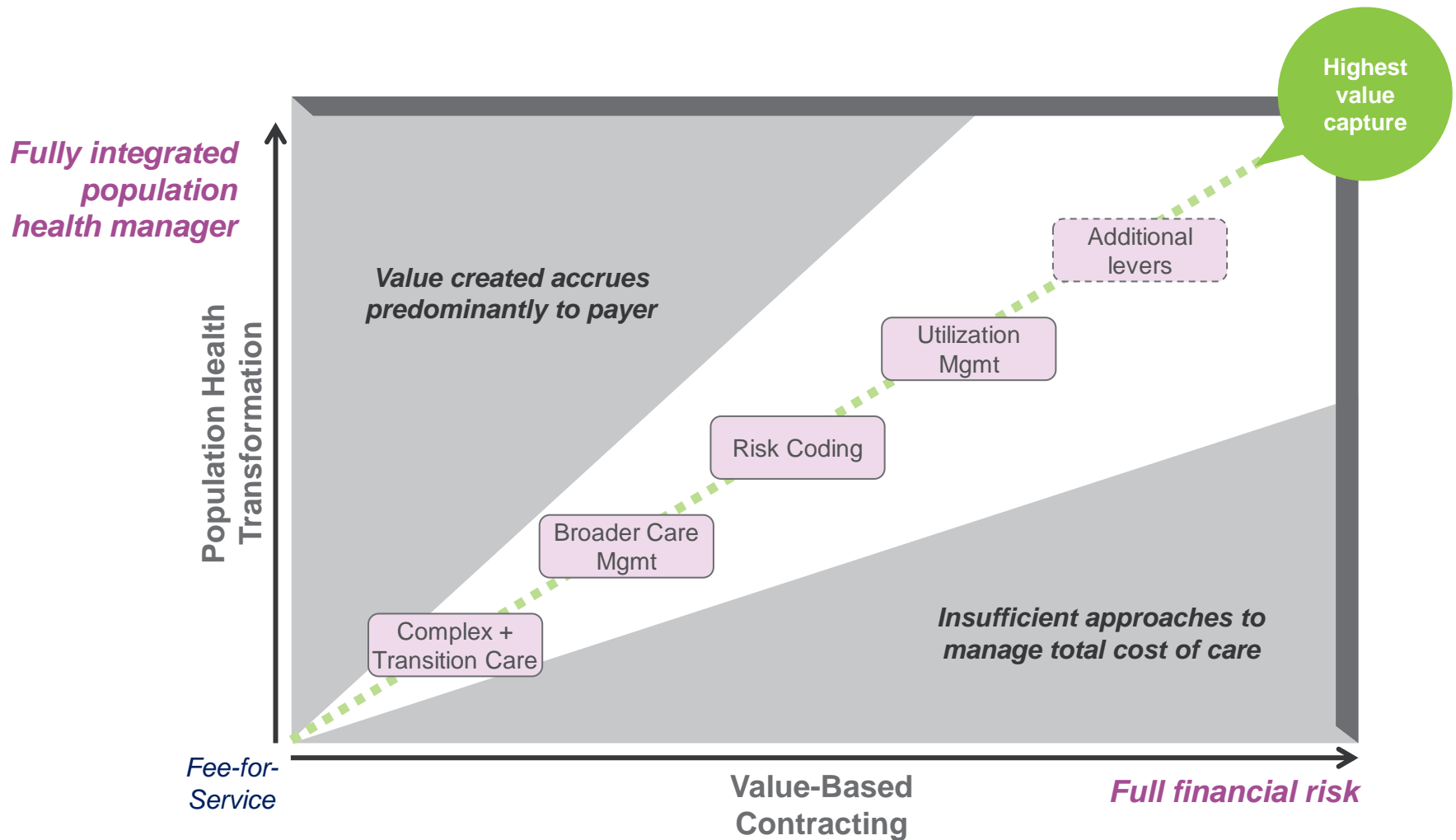
*Building high performing risk management functions allow providers to aggressively assume risk while clinical transformation efforts gain traction*



Source: Evolent Health, 2015



# Risk Management: Balanced Approach to Growth



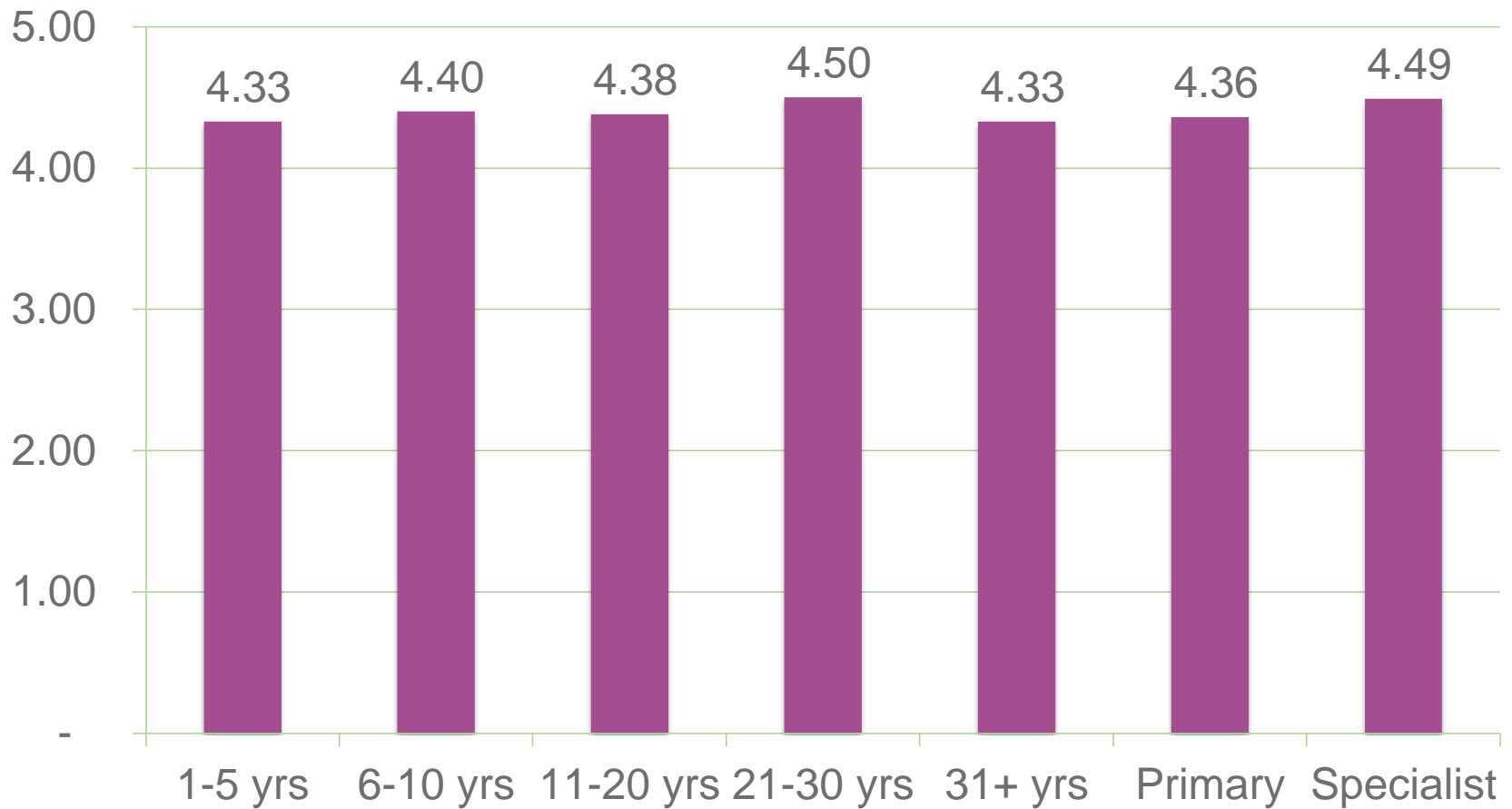
Source: Evolent Health, 2015



# Our Statewide Network



# Physician Survey: Willing to make changes in support of advancing value based care



Scale: 0 = Strongly Disagree, 5 = Strongly agree





# Physician Survey: Key aspects of success

Aspect	Score
Care coordination between providers	4.43
Physician leadership	4.40
Shared learning among practices	4.25
Personalized care for patients	4.21
Data insights that drive care delivery	4.08
Extended primary care team	4.08
Integrated care delivery across payers	4.02
Progressive training opportunities	3.82
Incentives that support quality improvement	3.81
Compensation aligned with outcomes	3.60

1 = Not Important

2 = Slightly Important

3 = Moderately Important

4 = Very Important

5 = Critically Important



# QHM Rafting Trip 2015





# Our initial clinical focus



## Complex Care

- Launch Complex Care pilots with by 1/1/16.
- Complex Care rollout with by 4/1/16.



## Transition Care

- Launch Transition Care by 4/1/16.
- Transition Care rollout by 6/30/16.



## Identifi Rules

- Configuration of technology rules engine by 11/30/15.

Source: Evolent Health, 2015



# Care model transformation

## Future: Broad Range of Risk Management Capabilities

Care Management	Clinical programs: Complex care, transition care, condition care, emergent care
Utilization Management	Use of payment policy and health plan levers to avoid spending on low-value care
Risk Adjustment Factor (RAF)	Accurate documentation of members' diagnoses and risk level
Pharmacy Management	Physician reporting and detailing Formulary design
Quality Measures / Star Ratings	Patient and physician outreach to maximize scores on quality metrics – both <b>process</b> and <b>outcome</b>



# Our Technology

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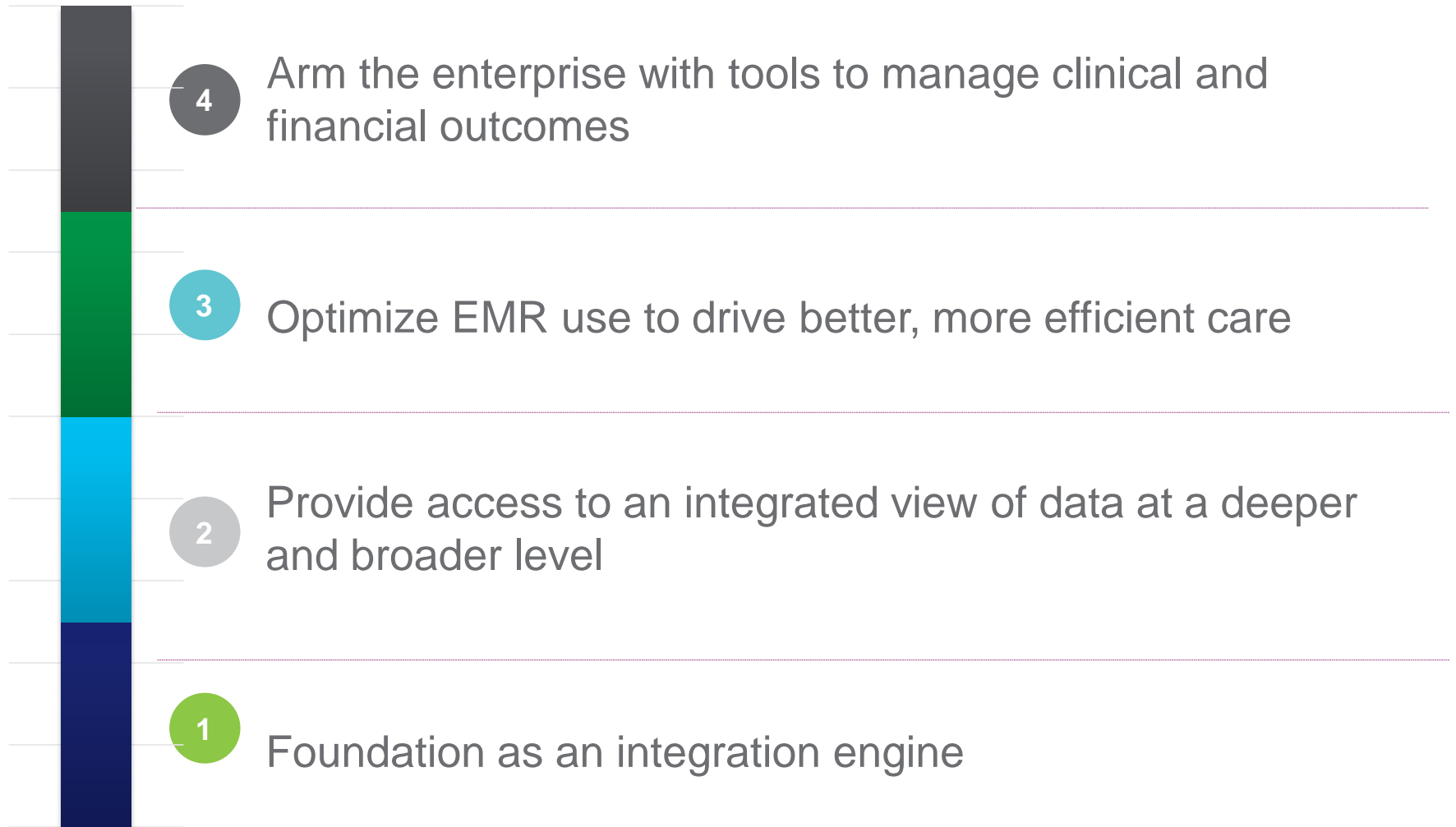
# Evolut Partnership Technology Goals

## Integrate the Identifi technology platform

- Optimize clinical program performance and data sharing capabilities
- Stratify patients to identify those at the greatest risk
- Assess quality improvement opportunities



# Technology Supporting the Value-Based Business

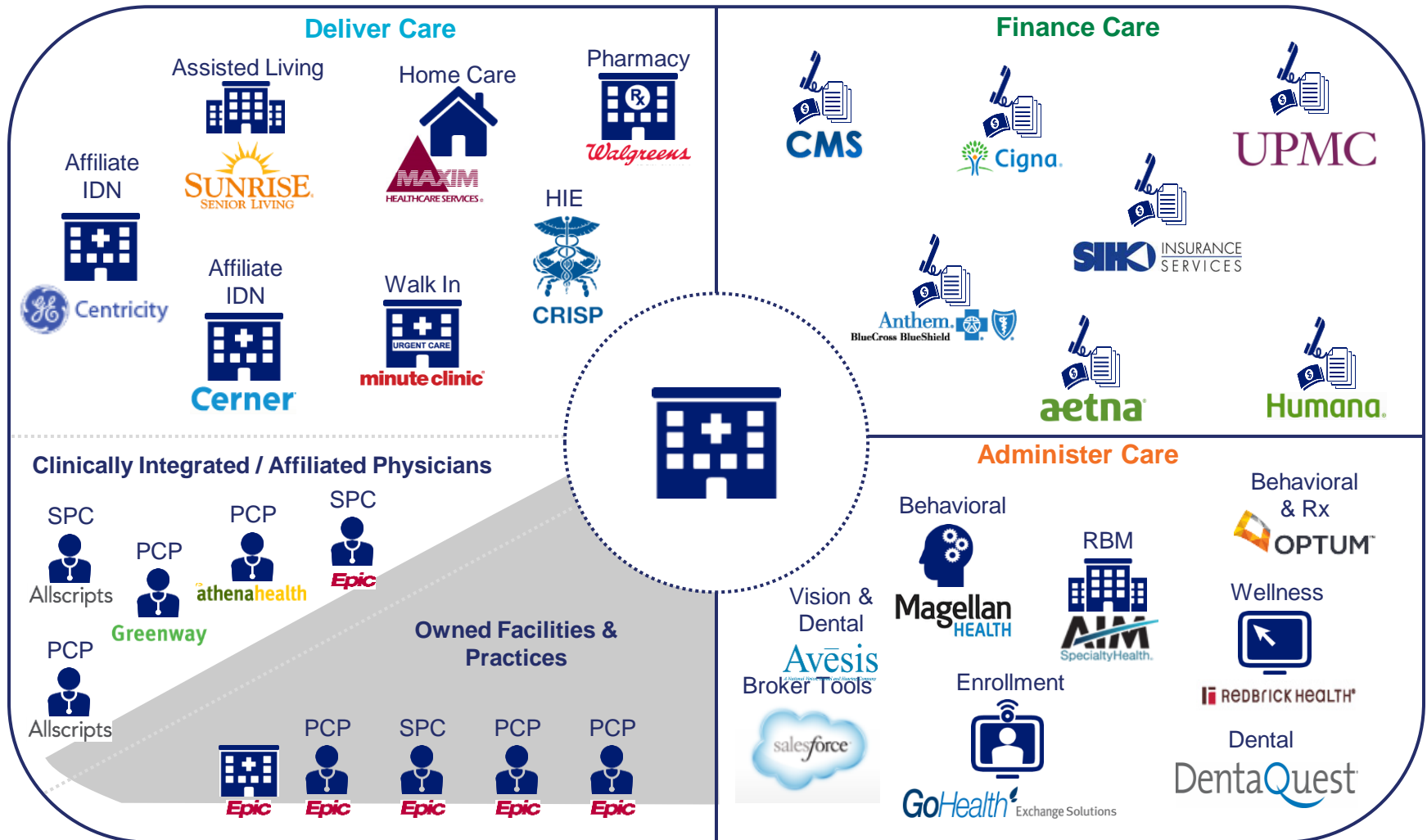


Source: Evolent Health, 2015

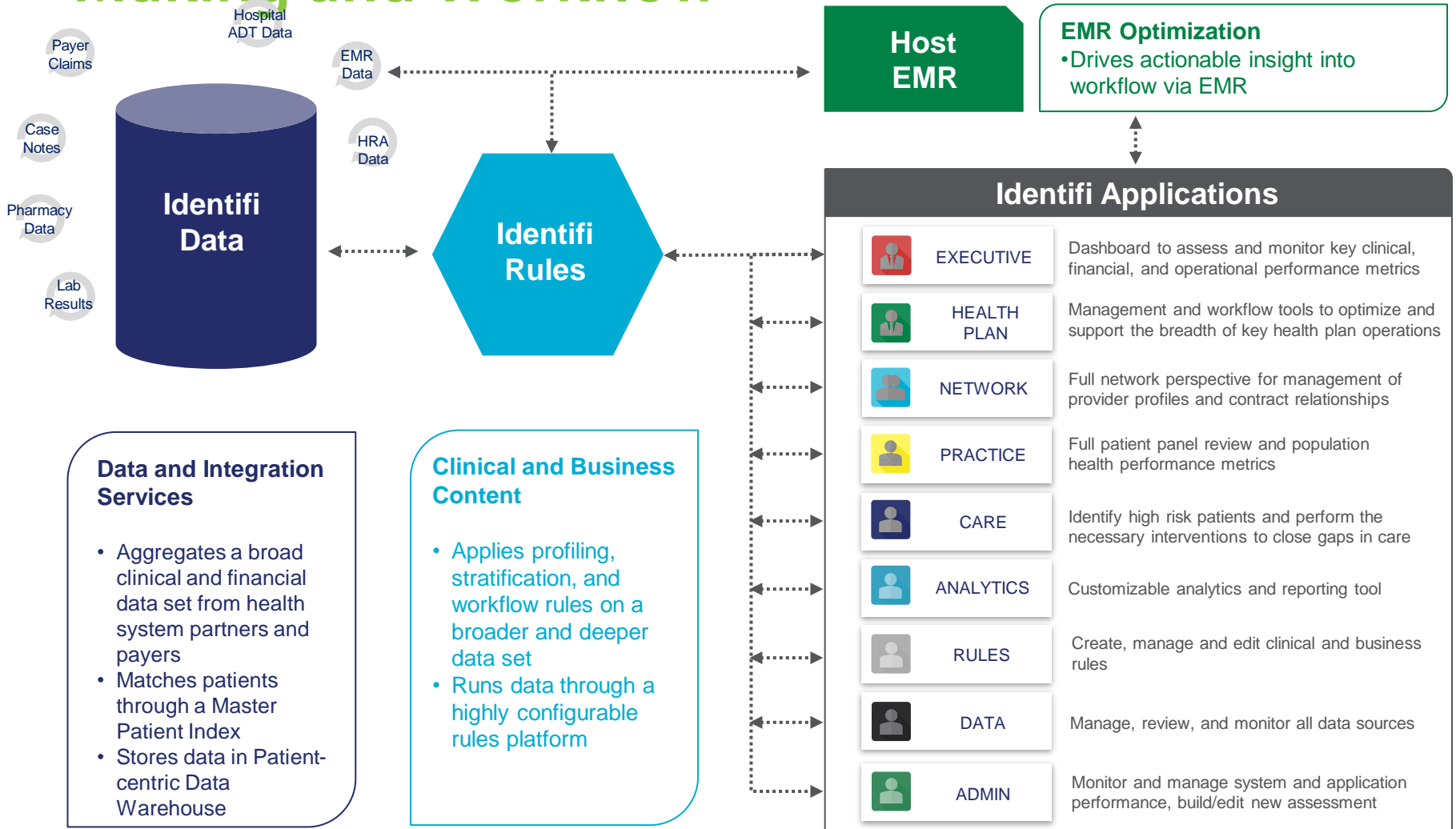




# Succeeding in Value Requires a 360° View of the Patient and System



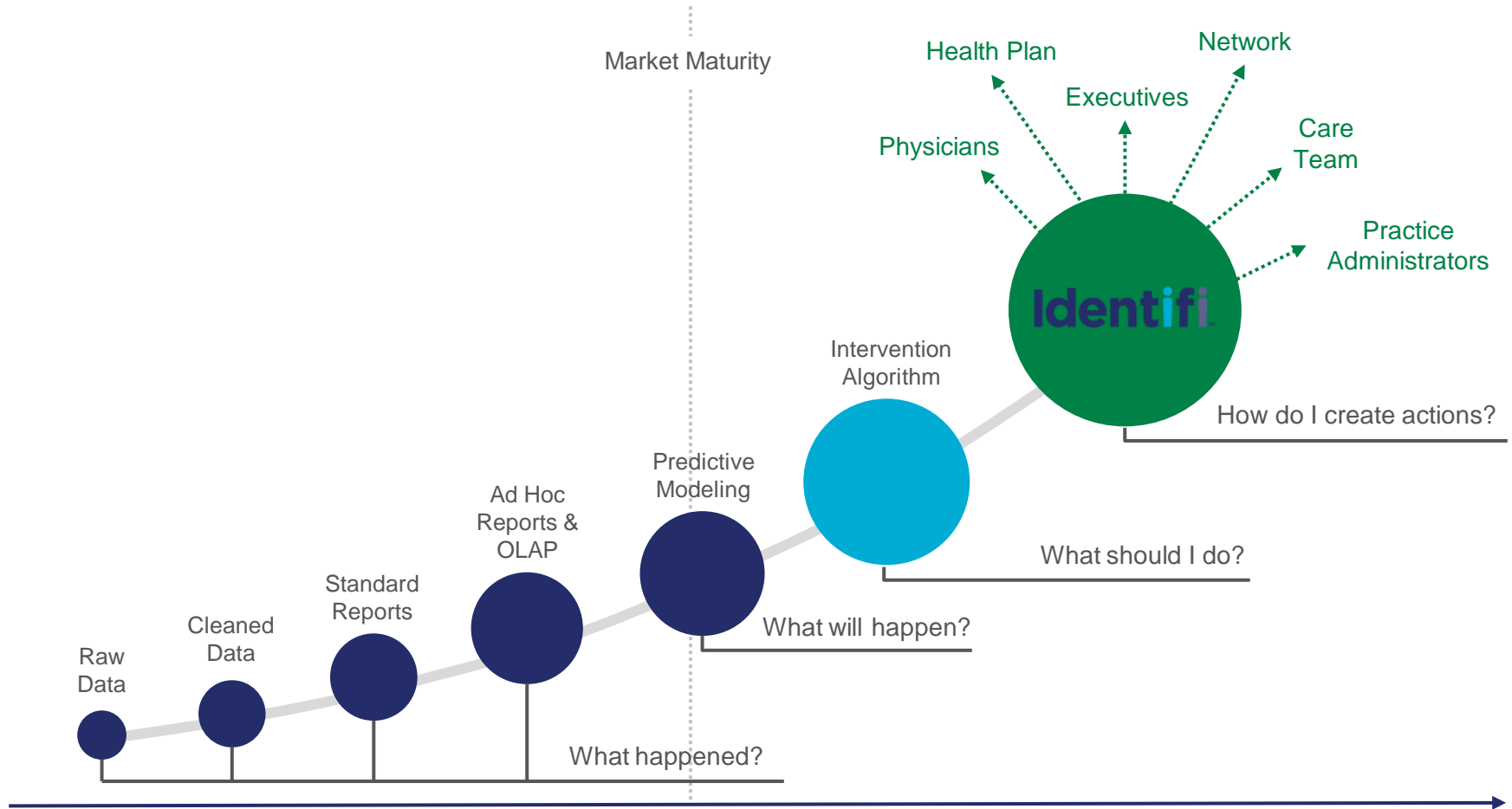
# Identifi Drives Value-based Business Decision Making and Workflow



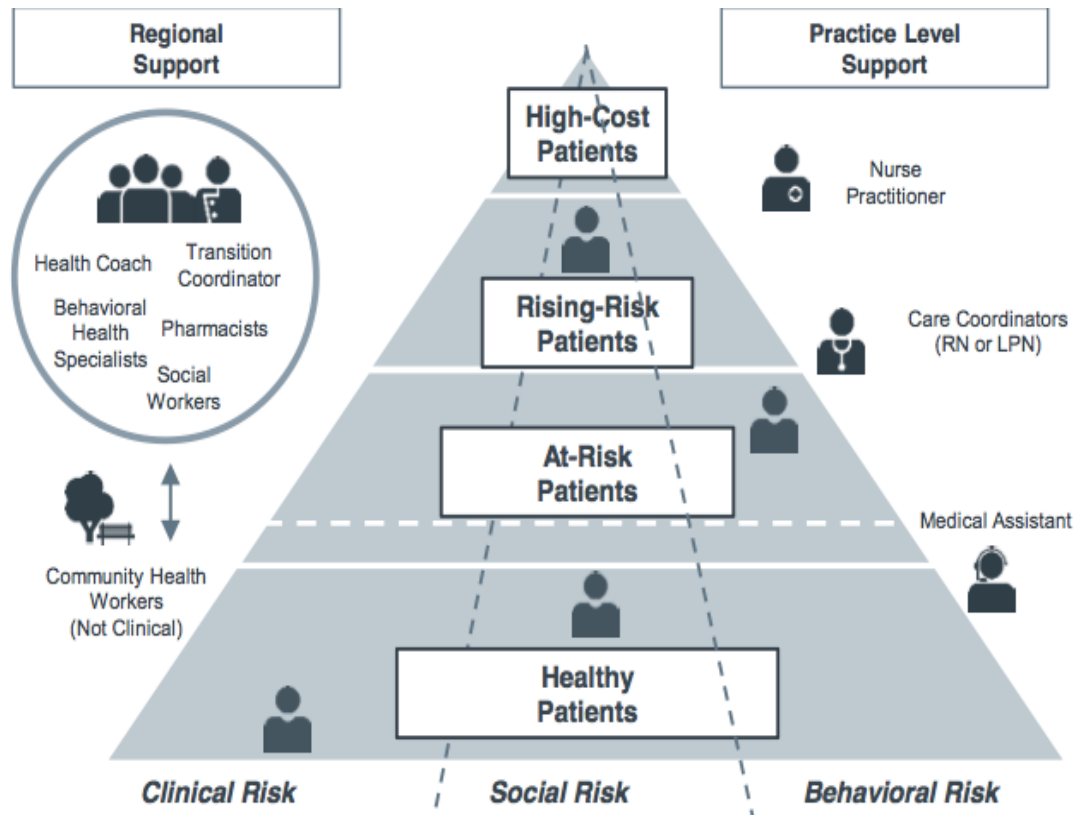
# Value Requires Integrated Solutions to Turn Data and Analytics Into Action

**Sense & Respond**

**Predict & Act**



# Risk stratification



## Critical Questions

1. *Who are my riskiest patients?*
2. *Why are they risky?*
3. *What is the best intervention for them?*

Source: The Advisory Board Company, Prioritizing the investment plan for population health management, 2014



# Our Lessons Learned

Propel Health

## David a. Burton, MD, HFM Magazine, April 2015

“Leaders of health system and payers seem to fall into three camps...

1. *Strategic thinkers* – Those who have embraced value-based payment and are fully committed to making the transition
2. *Bet hedgers* – Taking a tactical, defensive approach to dabble in value based payment. Hopeful that the future is still bright for the old model. When they lose money on a shared risk arrangement they threaten to leave
3. *Ostriches* – In denial doing only what is necessary to avoid penalties



# Further Questions?

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