

HEALTH INDUSTRY FORUM

March 2011

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Chief Medical & Quality Officer



That's more than healthcare. That's smartcare.

**Regardless of health reform,
Regardless of the CMS ACO regs,
We are leaving where we are now,
and will not return.**

Objectives



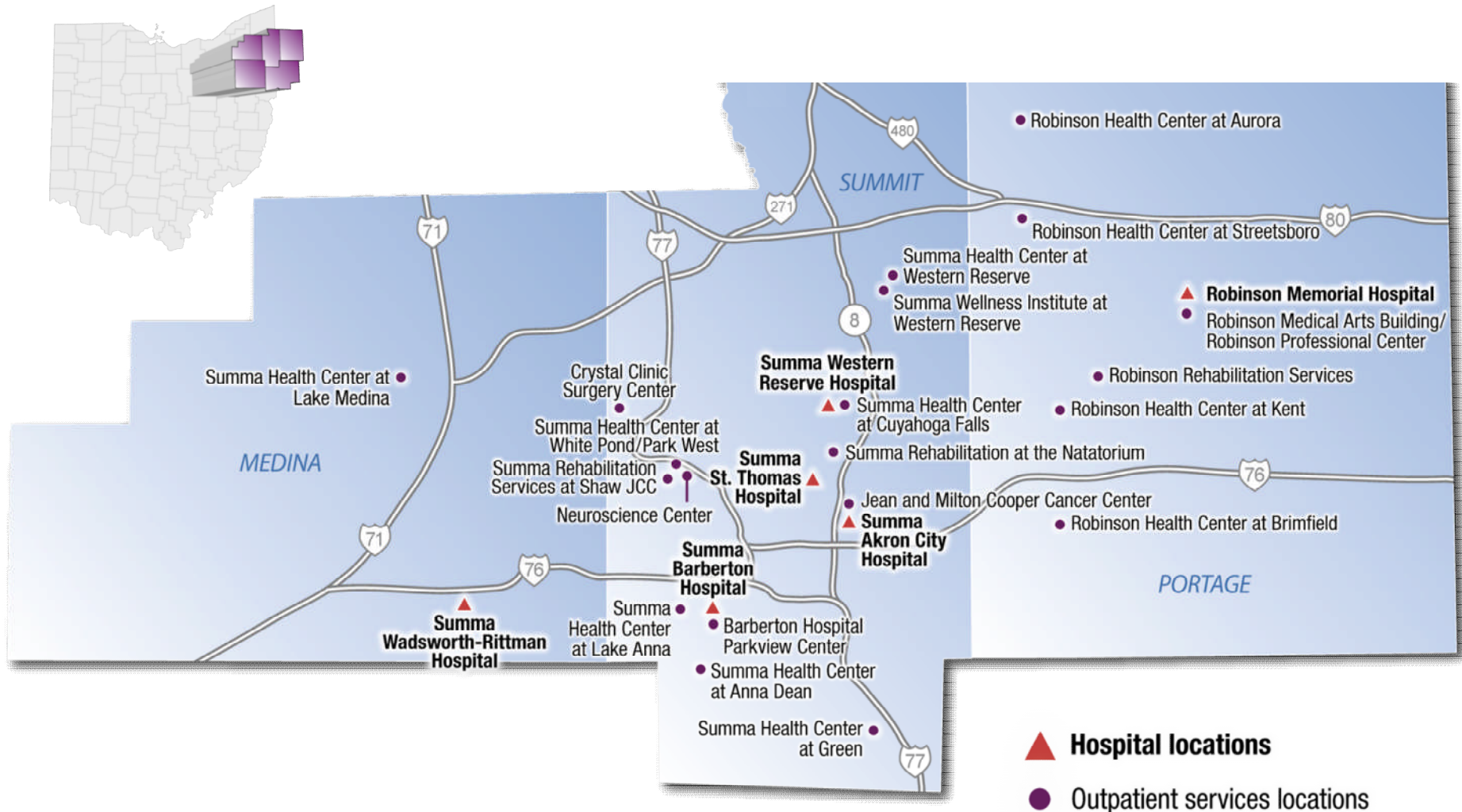
WHO?

WHAT?

HOW?

WHY?

Summa... WHO?



That's more than healthcare. That's smartcare.

Hospitals

Inpatient Facilities

- Tertiary/Academic Campus
- 3 Community Hospitals
- 1 Affiliate Community Hospital
- 2 JV Hospitals with Physicians

Outpatient Facilities

- Multiple ambulatory sites
- Locations in 3 Counties

Service Lines

- Cardiac, Oncology, Neurology, Ortho, Surgery, Behavioral Health, Women's, Emergency, Seniors

Key Statistics

- 2,000+ Licensed Beds
- 62,000 IP Admissions
- 45,000 Surgeries
- 660,000 OP Visits
- 229,000 ED Visits
- 5,000 Births
- Over 220 Residents

Physicians

Multiple Alignment Options

- Employment
- Joint Ventures
- EMR
- Clinical Integration
- Health Plan

Summa Physicians, Inc.

- 240+ Employed Physician Multi-Specialty Group

Summa Health Network

- PHO with over 1,000 physician members
- EMR/Clinical Integration Program

Health Plan

Geographic Reach

- 17 Counties for Commercial
- 18 Counties for Medicare
- 55-hospital Commercial provider network
- 41-hospital Medicare provider network
- National Accounts in 2 States

155,000

Total Members

- Commercial Self Insured
- Commercial Fully Insured
- Group BPO/PSN
- Medicare Advantage
- Individual PPO

Foundation

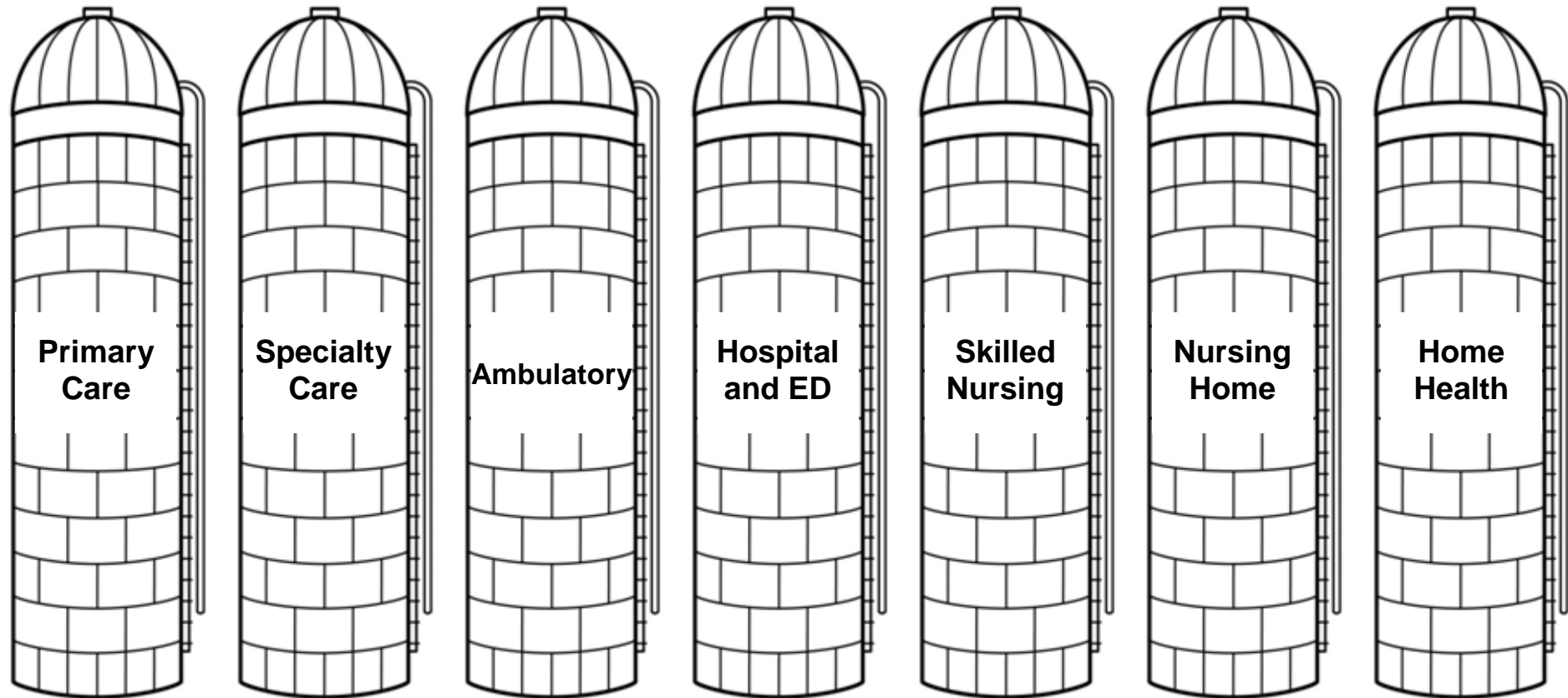
System Foundation

Focused On:

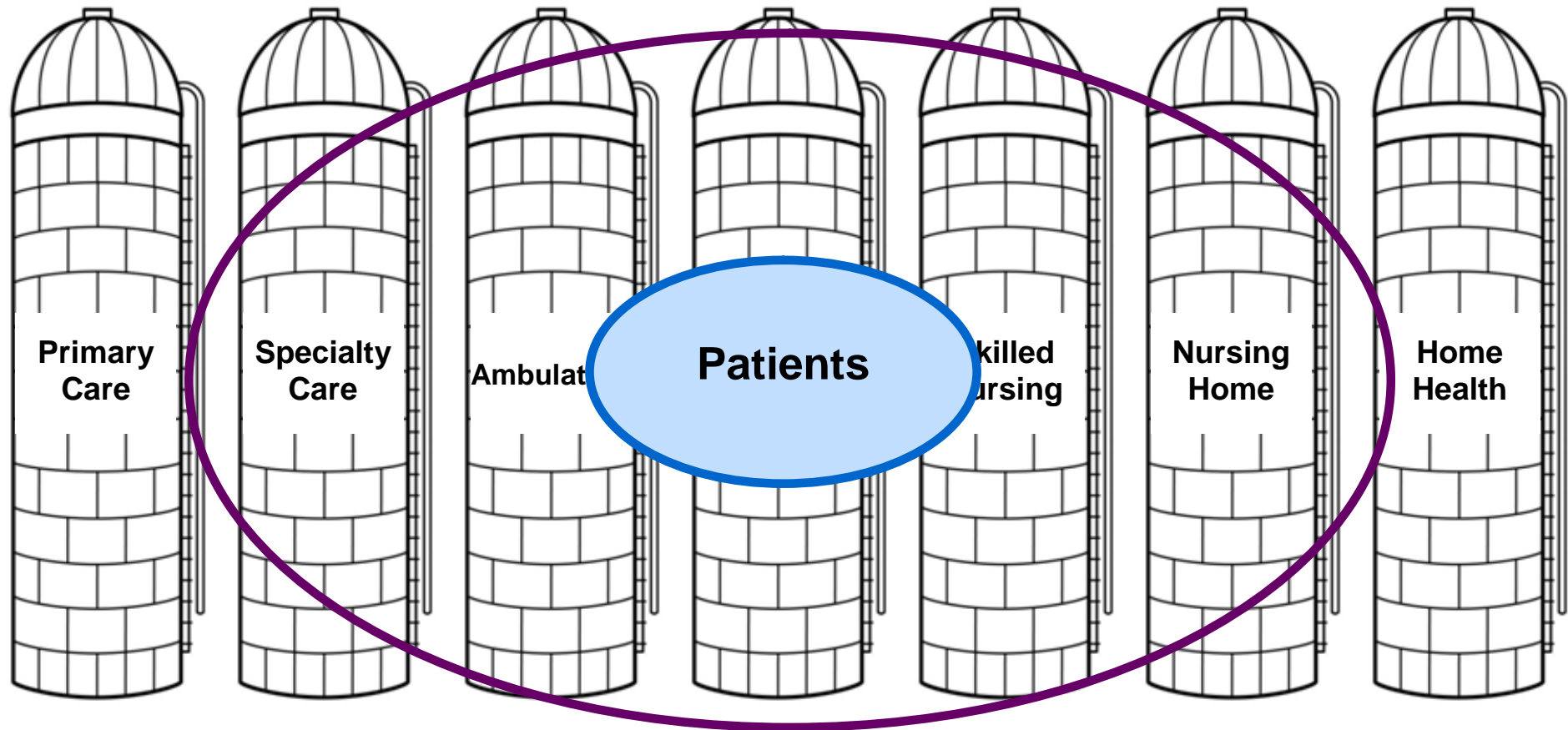
- Development
- Education
- Research
- Innovation
- Community Benefit
- Diversity
- Government Relations
- Advocacy

Net Revenues: Over \$1.6 Billion
Total Employees: Nearly 11,000

WHAT



WHAT



That's more than healthcare. That's smartcare. 7

HOW?... Our ACO collaborative



Our ACO is a clinician-led care collaborative that partners with communities to compassionately care for and serve our populations in an accountable, value- and evidence-based manner.

Organizational Facts

- **Start Date** – Began operations January 1, 2011
- **Initial Pilot Population** – 10,000 SummaCare Medicare Advantage members that currently see a participating primary care physician
- **Legal Entity** – Non-profit taxable structure allows for physician majority on the Board
- **Board Composition** – 4 community primary care physicians, 1 medical specialist, 1 surgical specialist, 3 Summa representatives

Our ACO Collaborative



COLLABORATIVE

Physician Groups	Hospitals
Community Health Care	Summa Akron City Hospital
Pioneer Physicians Network	Summa St. Thomas Hospital
Premiere Medical Partners	Summa Barberton Hospital
Primary Care Associates	Summa Wadsworth-Rittman Hospital
Robinson Health Affiliates	Summa Western Reserve Hospital
Summa Physicians, Inc.	Robinson Memorial Hospital
	Crystal Clinic Orthopaedic Center
Payer Partner	
SummaCare	

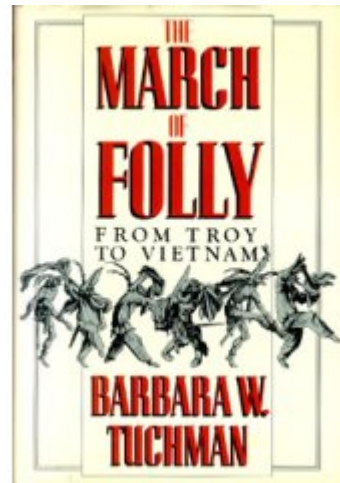
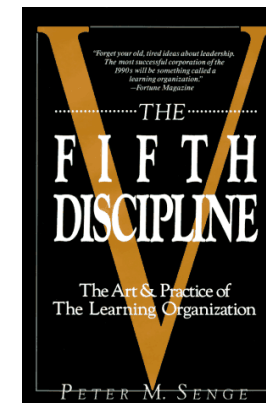
WHY?

“Every system is built perfectly for the results it achieves.”



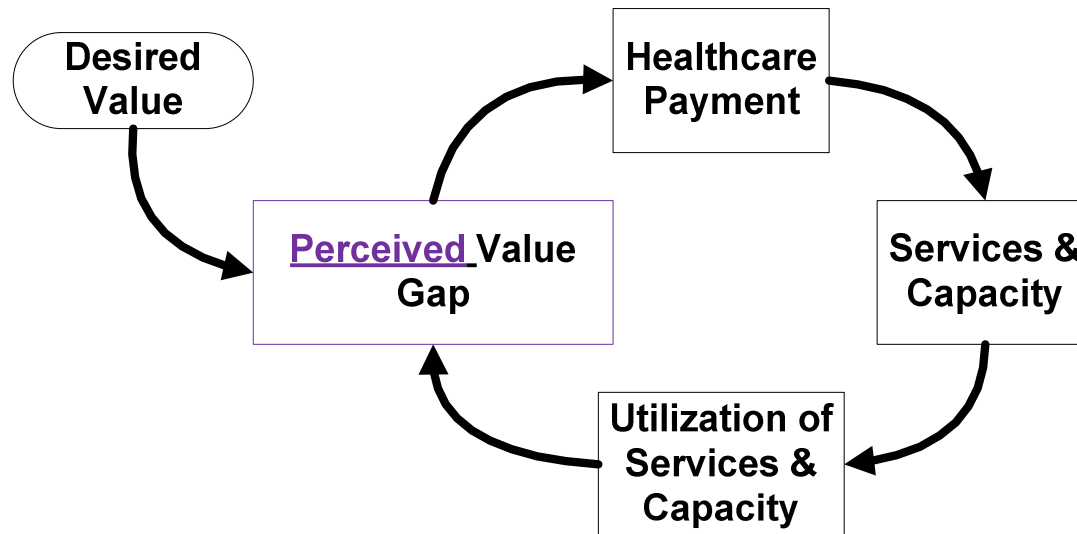
“Reality is made up of circles... interrelationships...”

Today’s problems are yesterday’s solutions



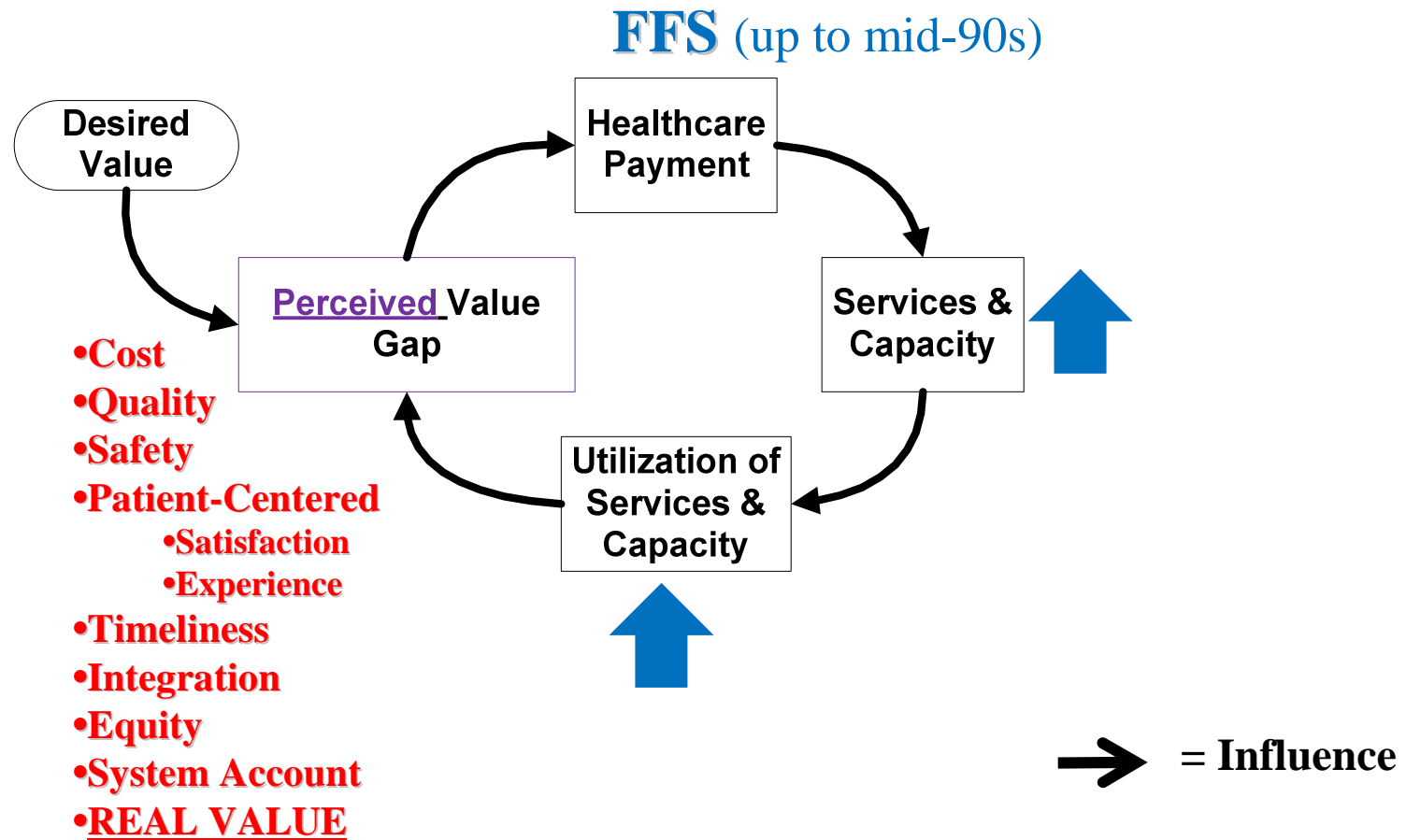
A history of [devastating large-scale policies]... “pursued contrary to ultimate self-interest.”

Why? ...



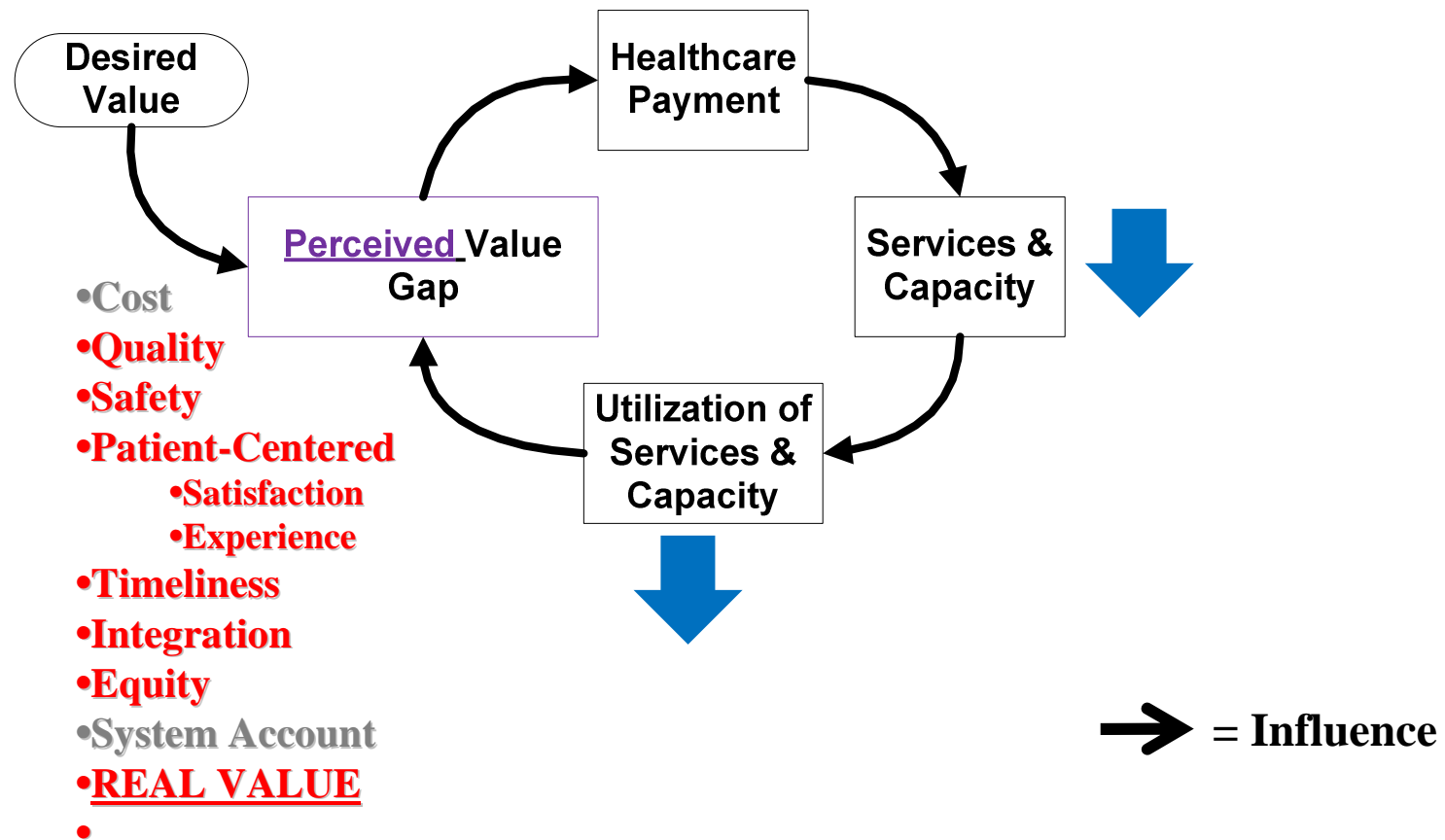
➔ = Influence

Why? ...



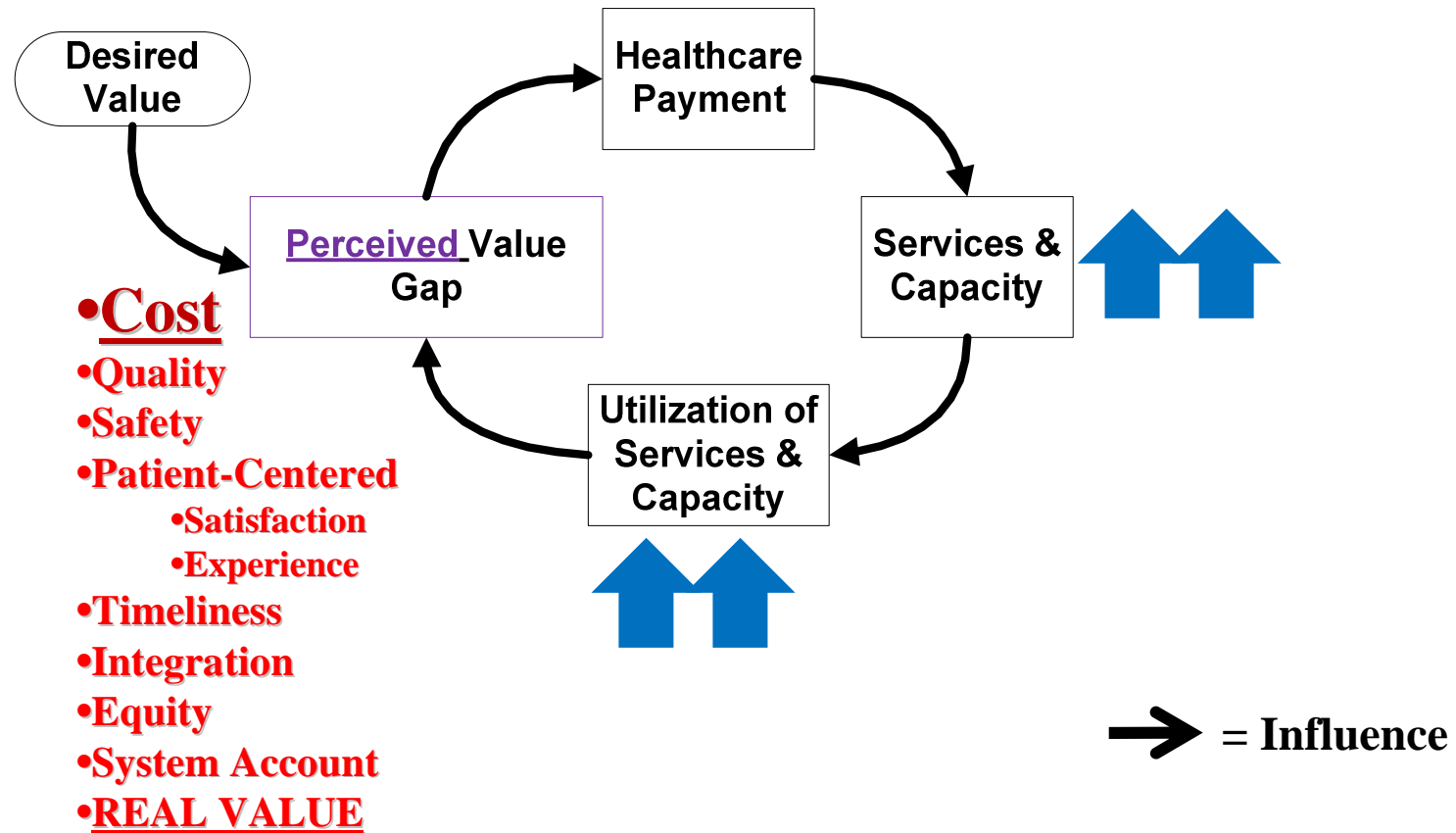
Why? ...

MANAGED CARE 90s



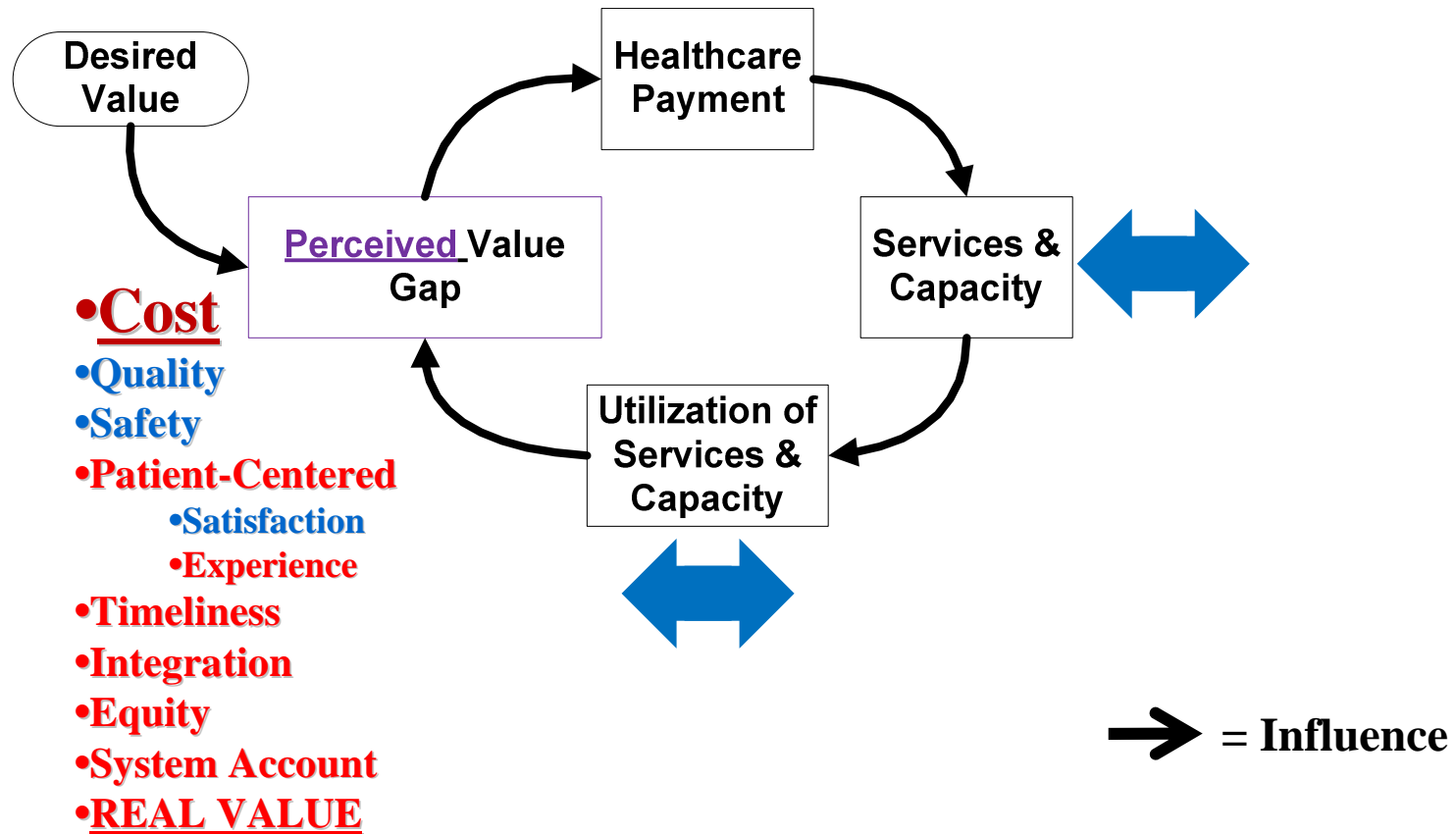
Why? ...

FFS² (post- managed care)



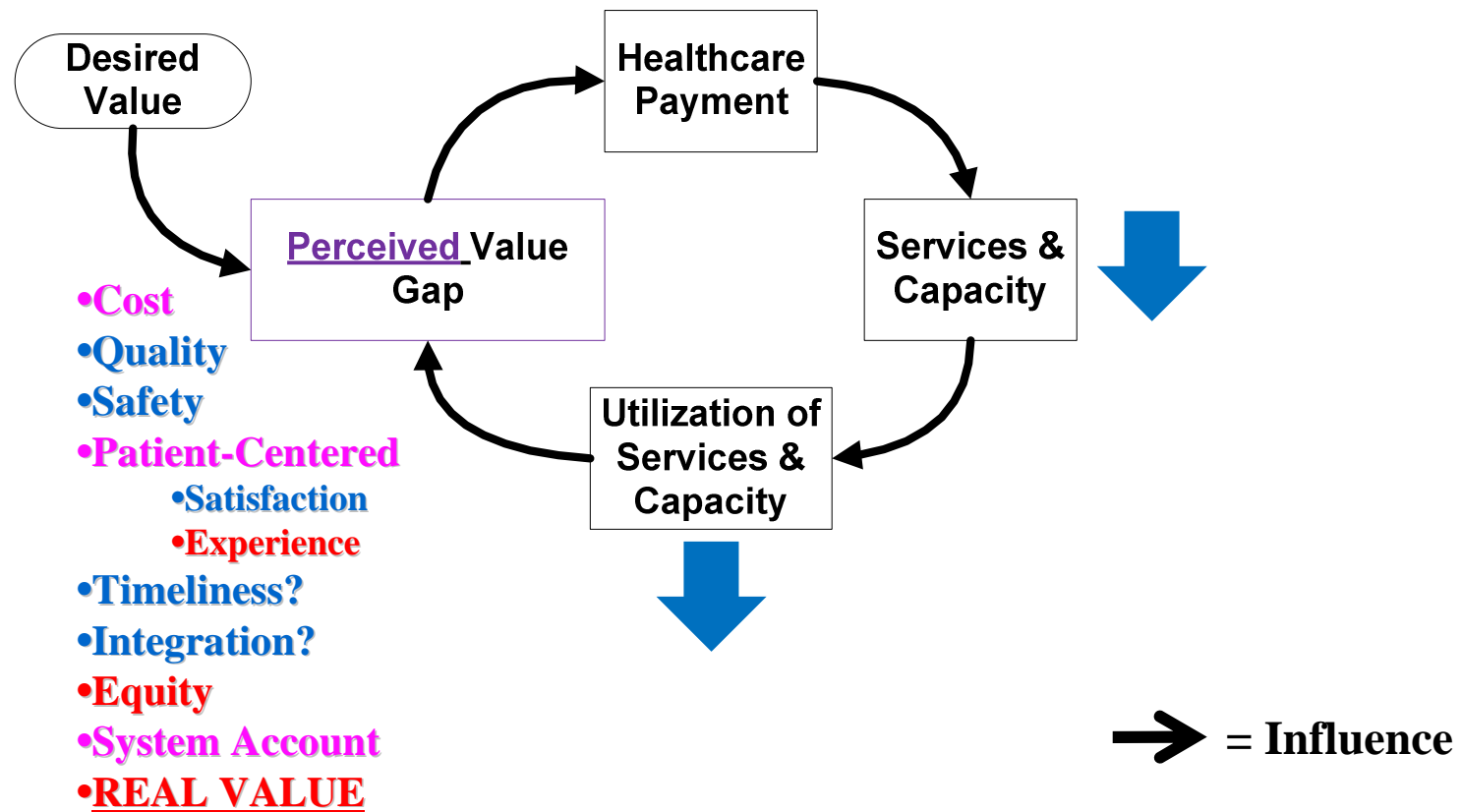
Why? ...

Pay-for-Performance



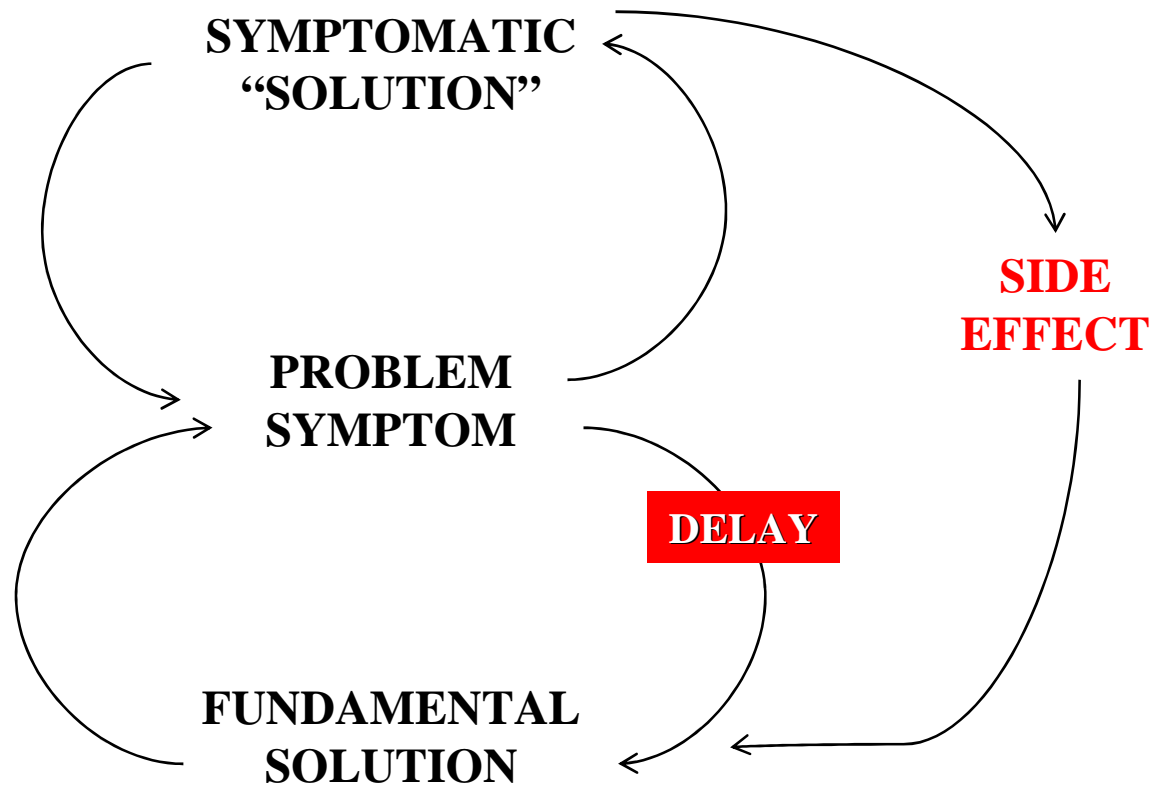
Why? ...

Shared Savings +/- P4P

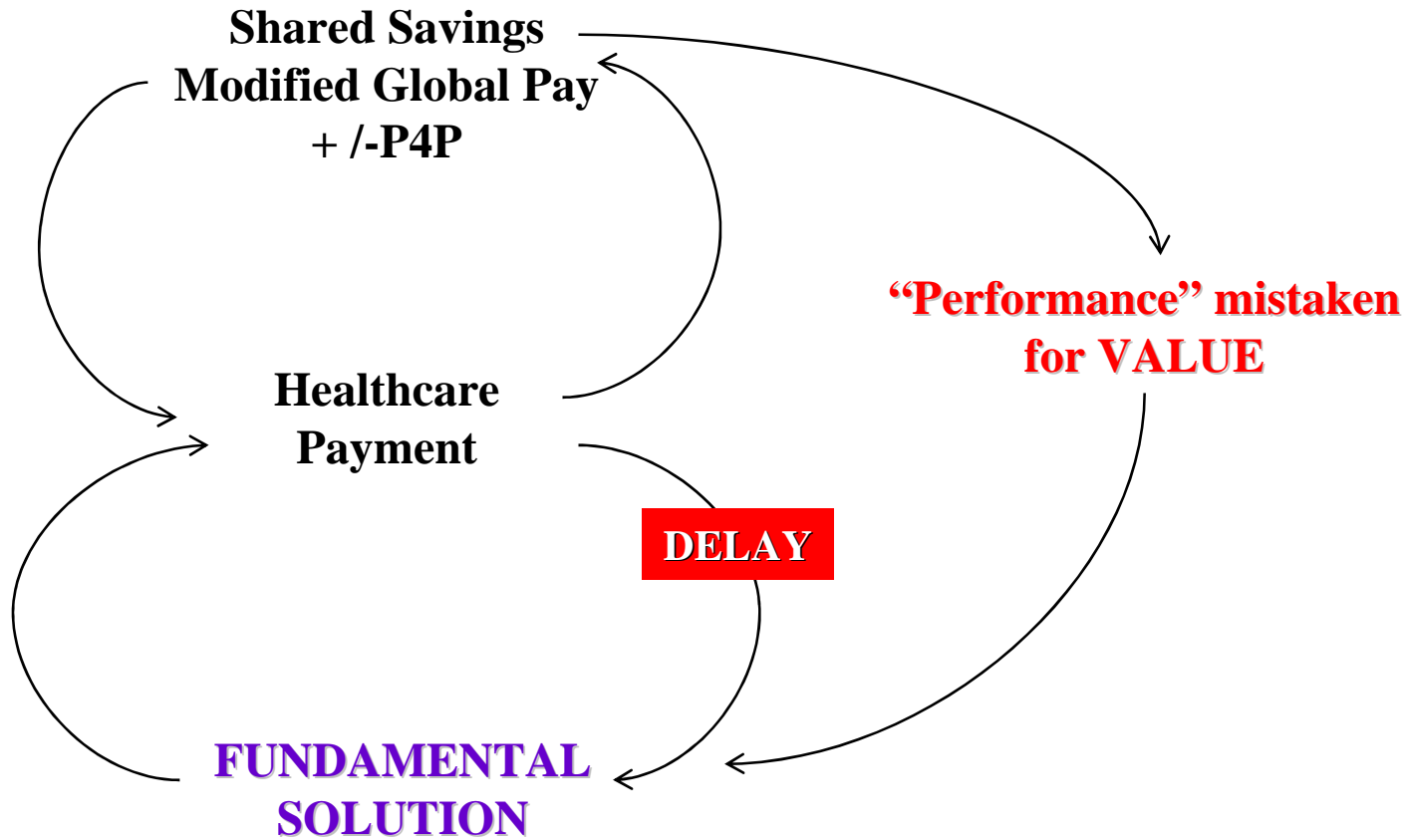


- **Cost**
- **Quality**
- **Safety**
- **Patient-Centered**
 - **Satisfaction**
 - **Experience**
- **Timeliness?**
- **Integration?**
- **Equity**
- **System Account**
- **REAL VALUE**

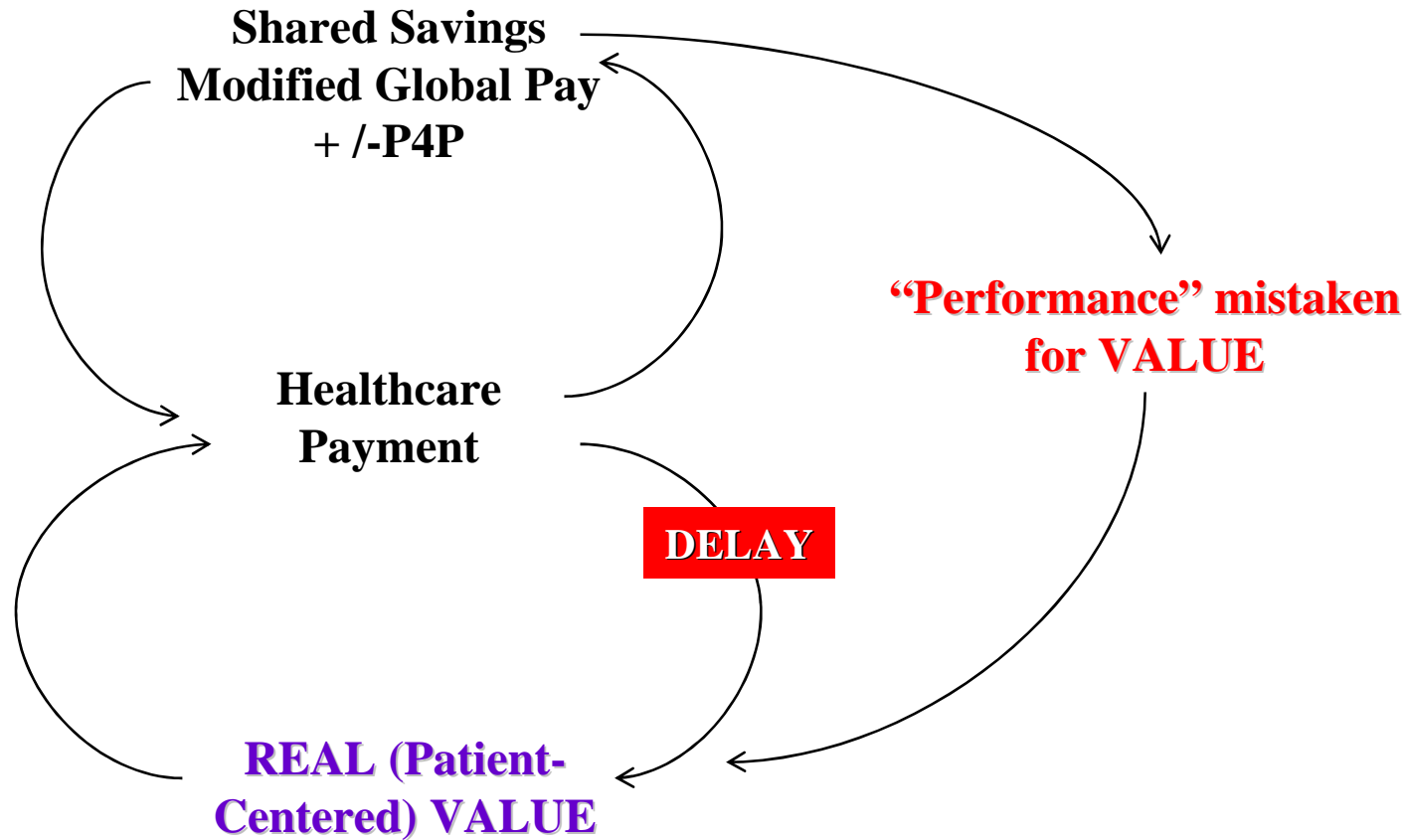
Shifting the Burden



Shifting the Burden



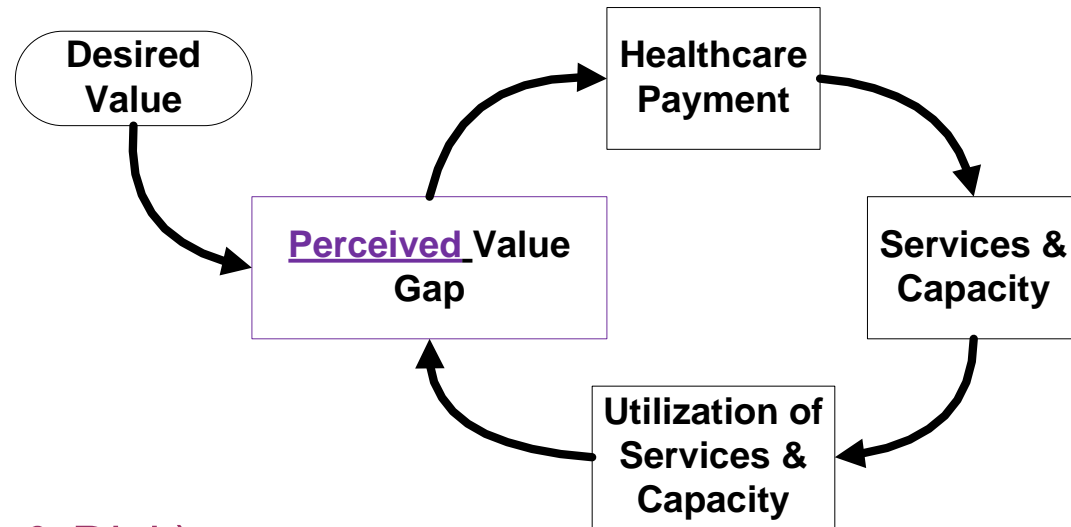
Shifting the Burden



Summa's Next Steps



- **ACO Expansion**
 - Populations
 - Integration (I & E)
 - Capabilities (i.e. Msrmnt & Risk)
- **CMS Demonstration if...**
- **Premier ACO Collaborative/Value Sprint**
- **Learn P-C Value**



Thank you.

hillmanm@summahealth.org

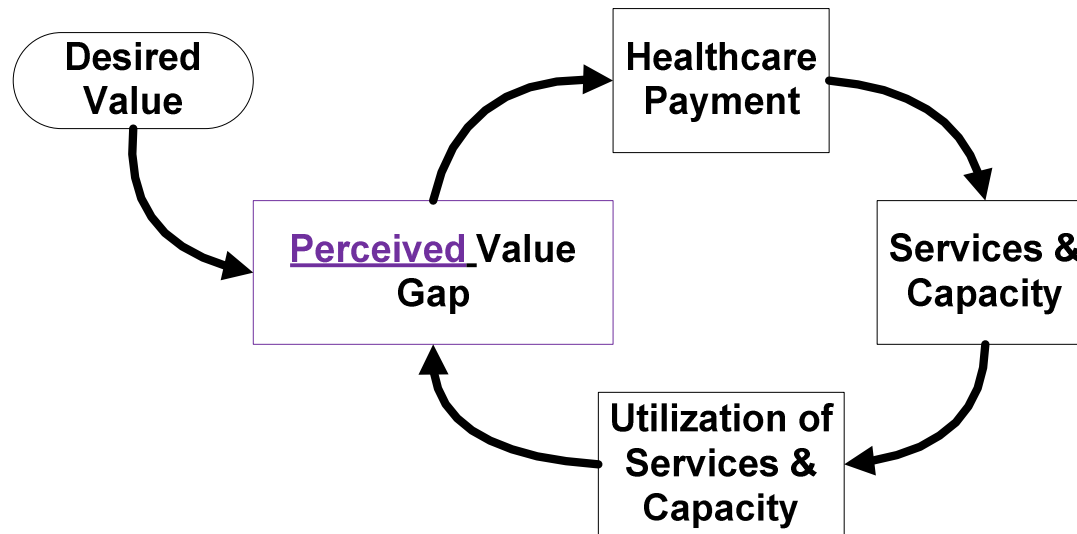


That's more than healthcare. That's smartcare.

P

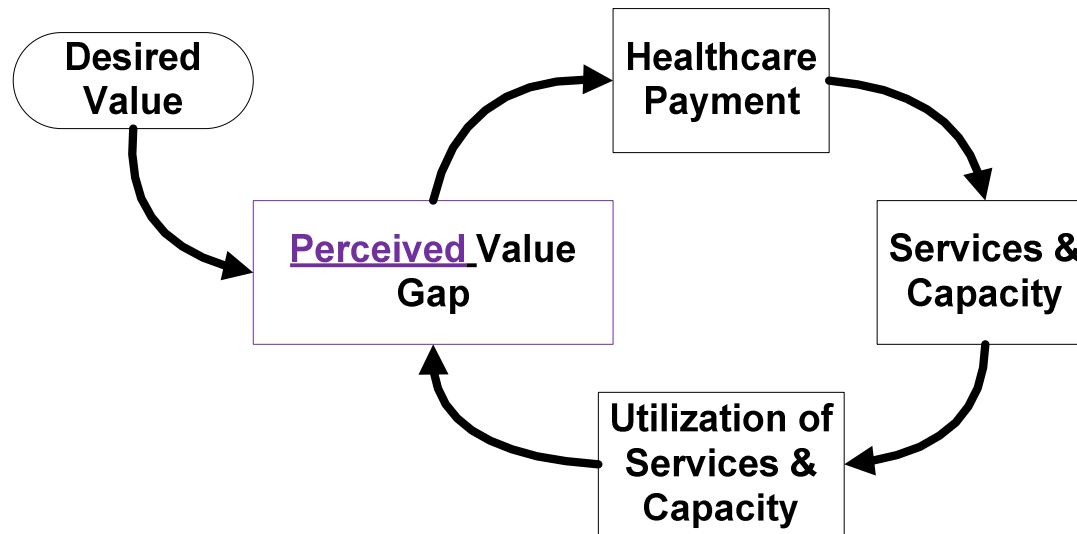


Why? ...

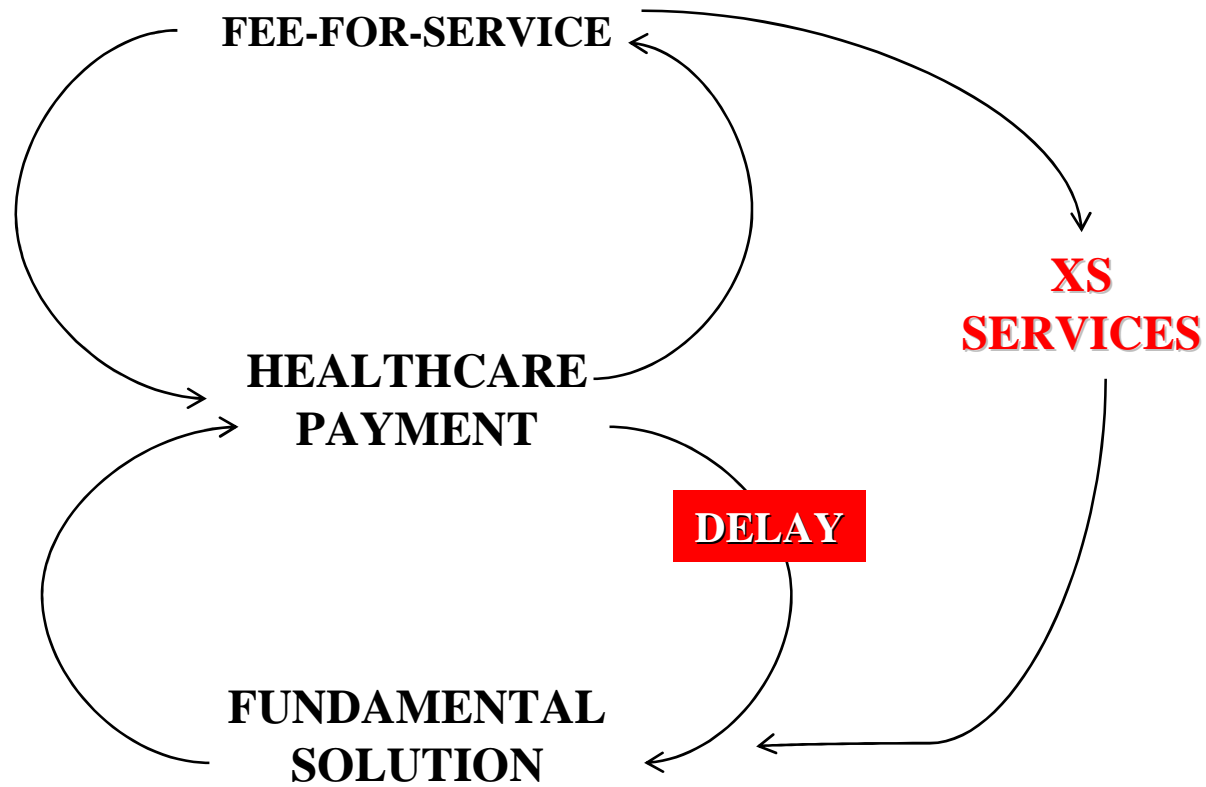


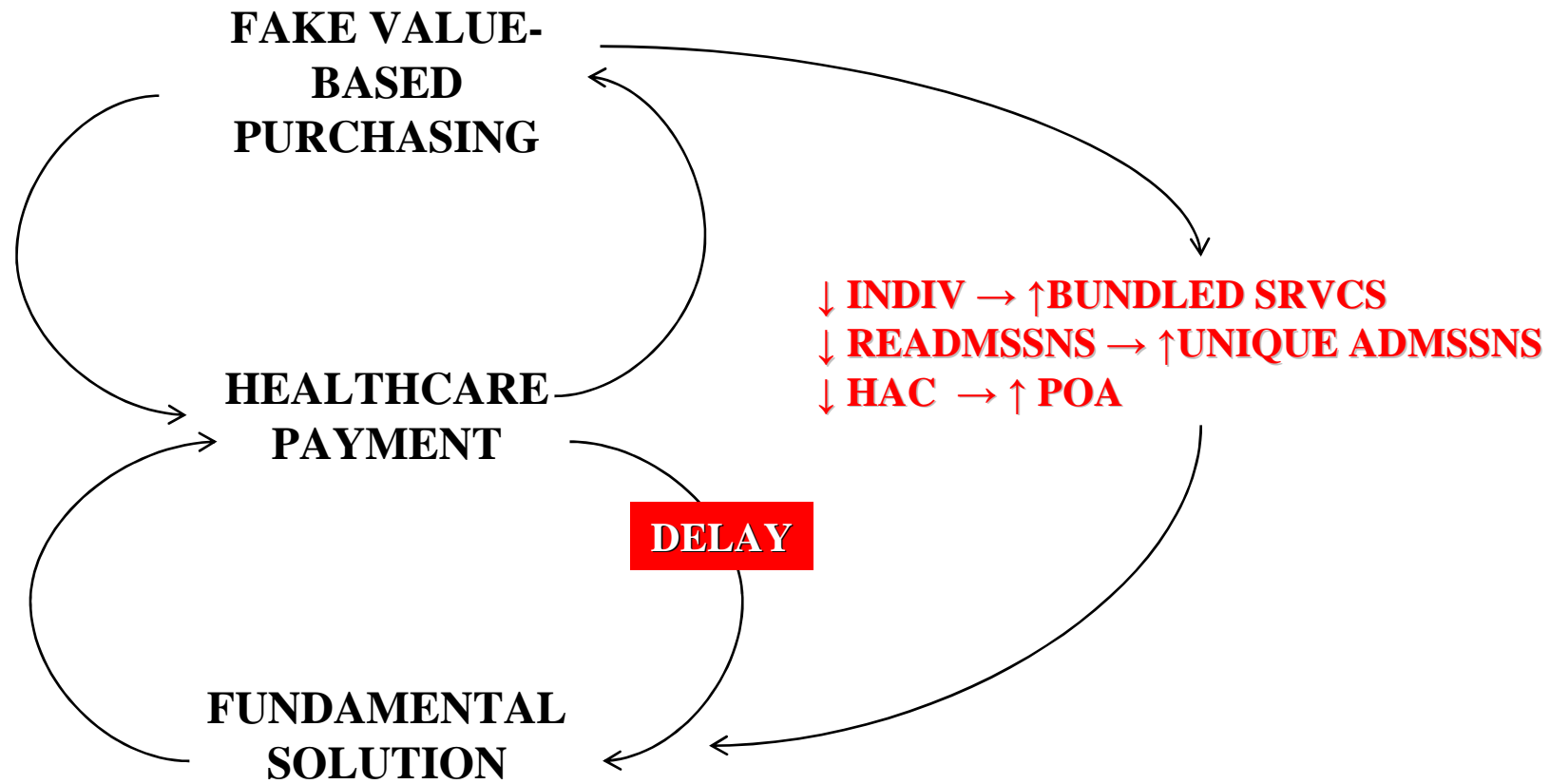
→ = Influence

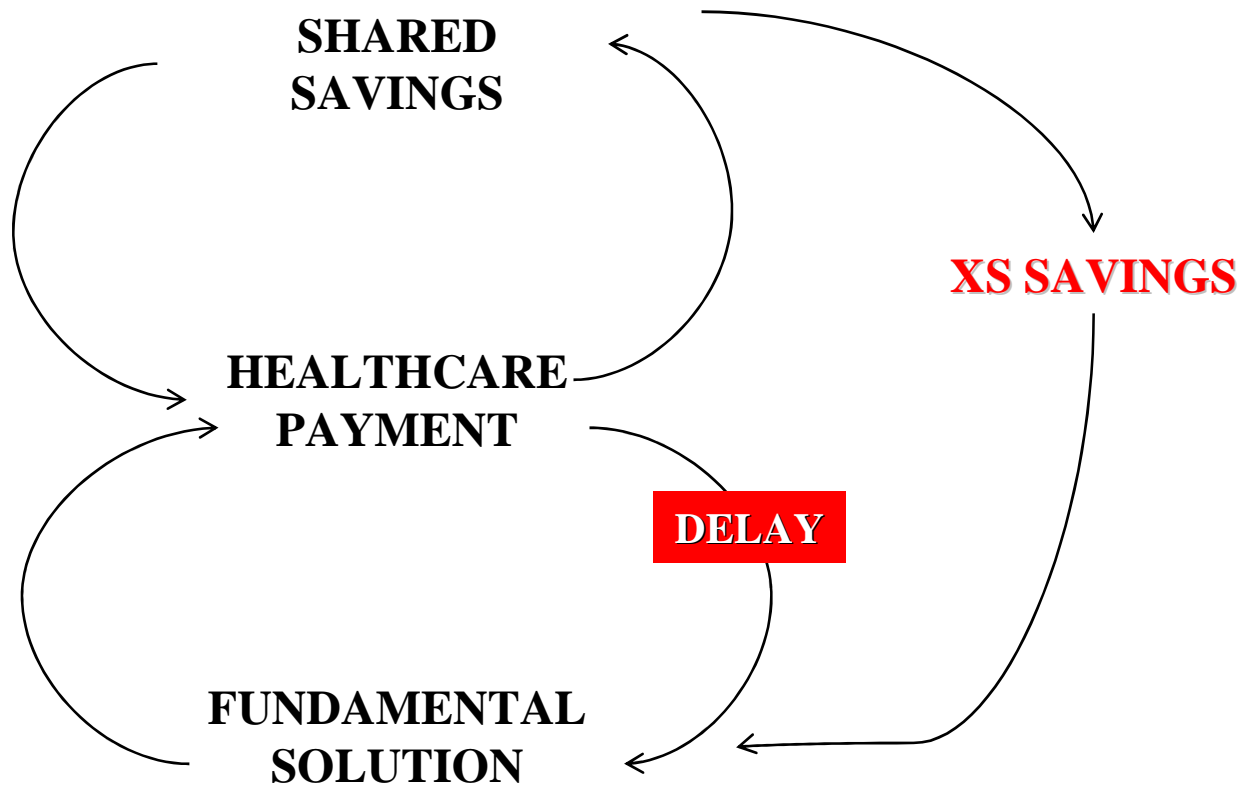
Why? ...

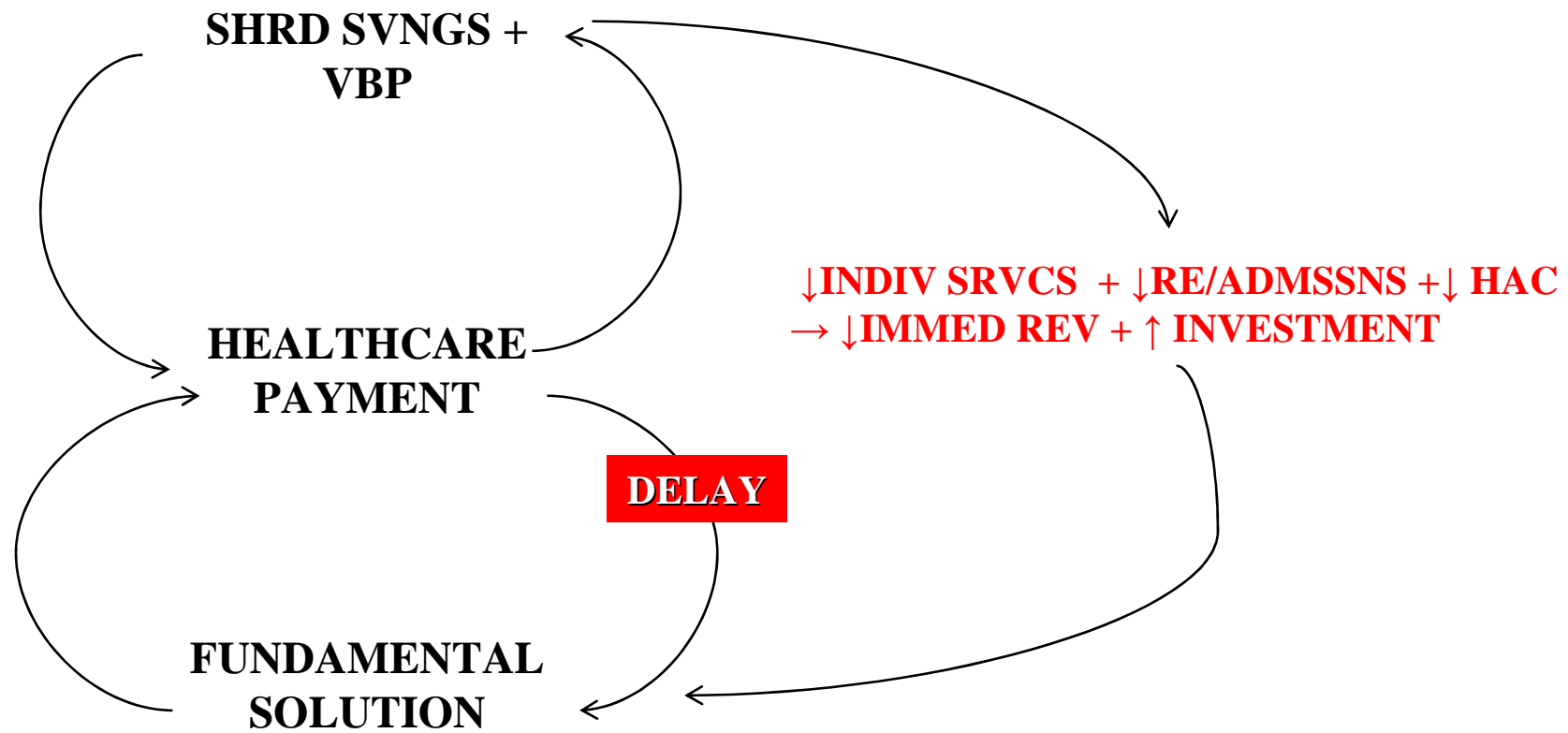


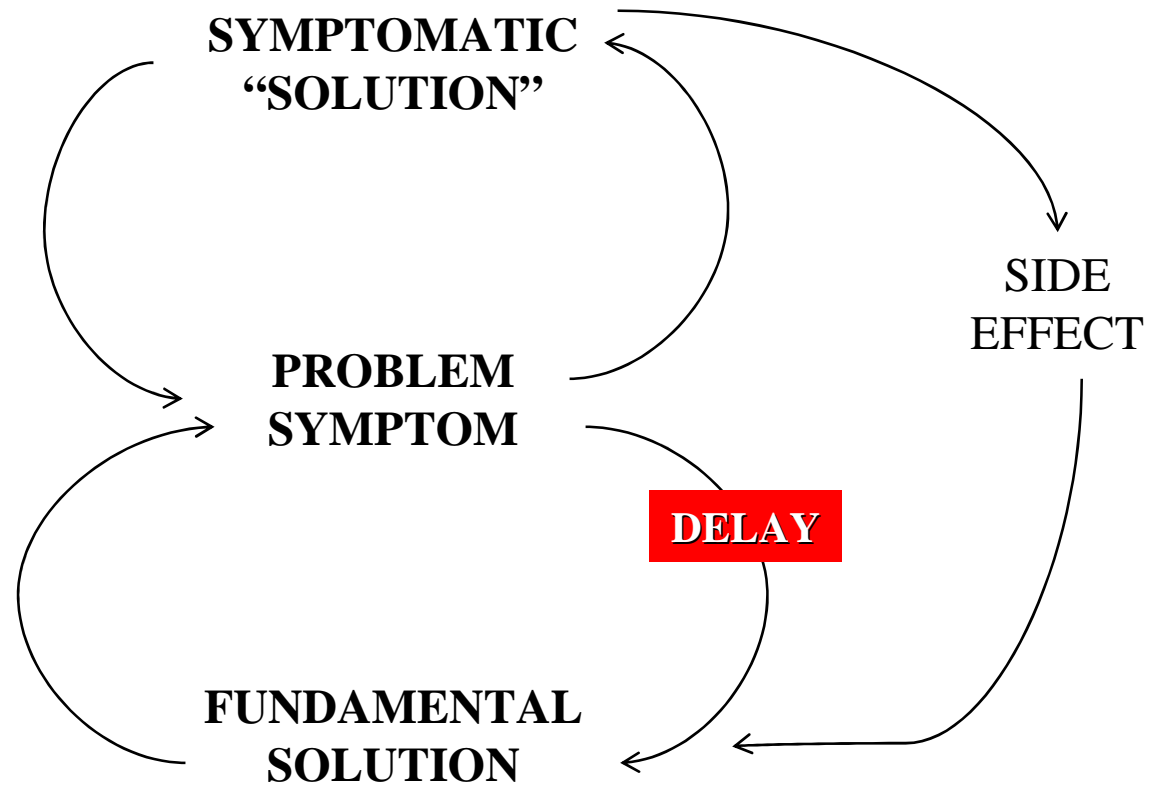
➔ = Influence











The Change Process



ACO Steering Committee
Physician and Executive Strategic Thought Leaders Guiding the Process

*Co-Chaired by
CEO and
System VP of
Quality*

**IT
Work Group**
System IT
SummaCare IT
SHN/EMR
CPOE
Data Warehouse

**Delivery
Network
Work Group**
PHO
Physician Leaders
JV Partners

**Care Model
Work Group**
Service Lines
Physician Leaders
Primary Care
Nursing
Care Management

**Finance
Work Group**
Entity CFOs
Hospitals
SummaCare

*Physician and
Administrative
Co-Chairs*

*Included
Community-
Based
Physicians*

System-Wide Educational Forum
Large-group vehicle for communication and reporting to key constituencies across the System, including:
Board Leaders, Entity Presidents and Senior Leaders, Physician Leaders from Entities and the Community, Joint Venture Leadership, All Work Group Members

*Educational
sessions
occurred at
Summa
and with
participating
physician
groups*

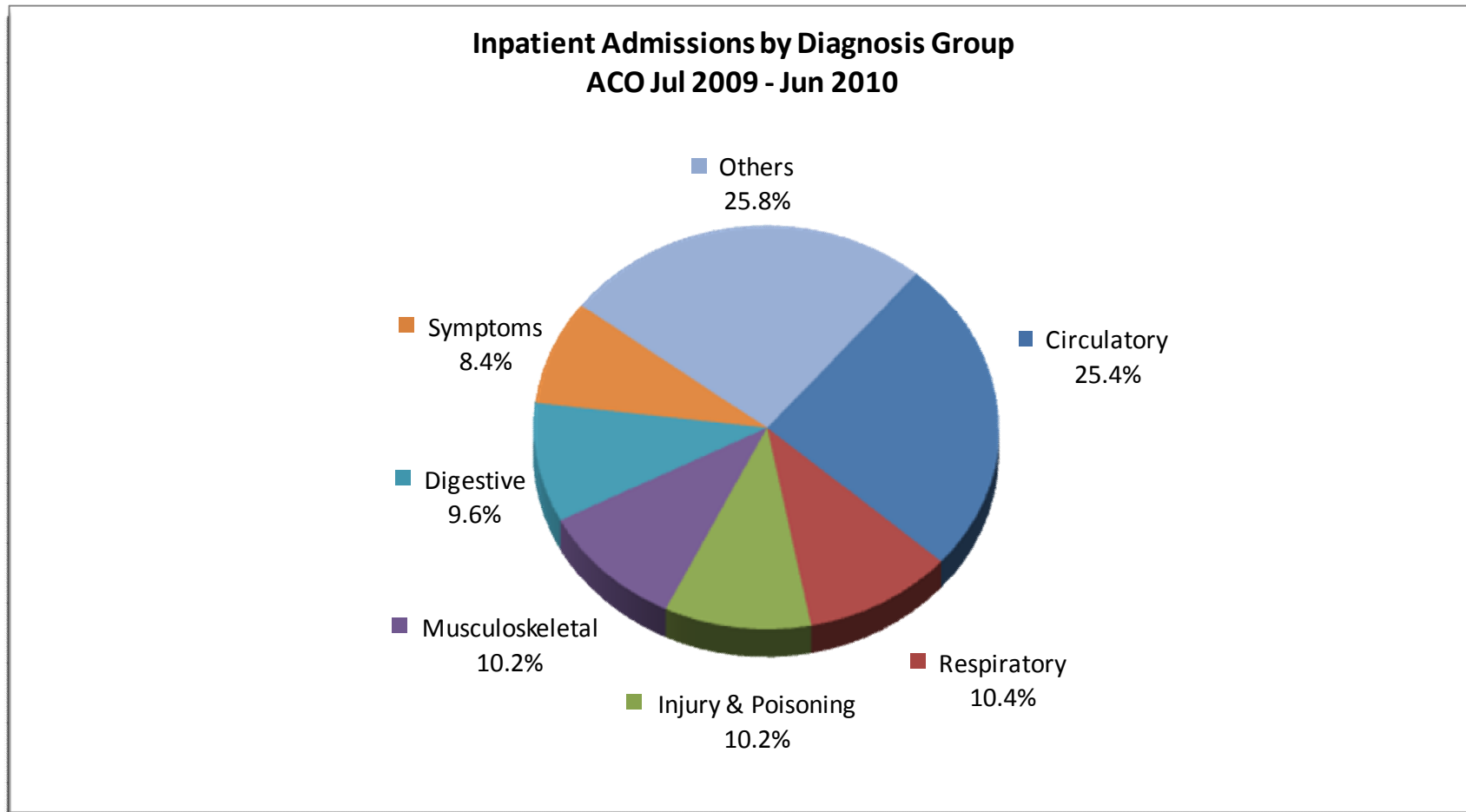
Delivery Network



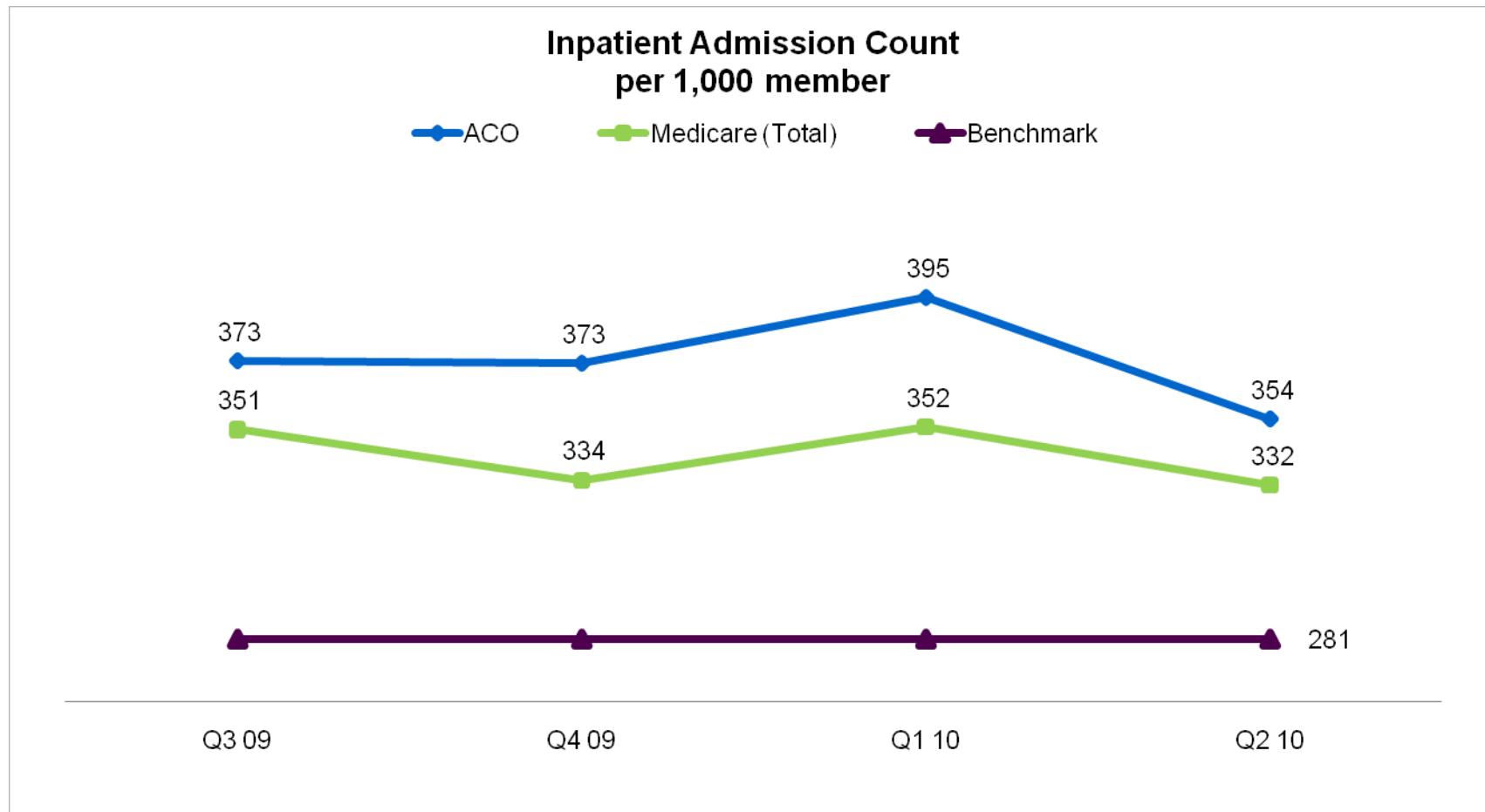
- **Inclusive, not exclusive**
 - View the ACO as a community collaboration
 - Must engage both employed and independent providers
 - Needs to expand to all levels along the care continuum
 - Inclusive of all physicians that want to participate as long as they meet ACO quality and utilization standards

- **Initial partners include about 200 PCPs, more than 200 specialists and 7 hospitals**
 - 4 independent primary care groups
 - 2 employed multi-specialty groups
 - All Summa hospitals
 - SummaCare as a payer partner

Segmenting the Opportunity: *The Value of SummaCare Data*

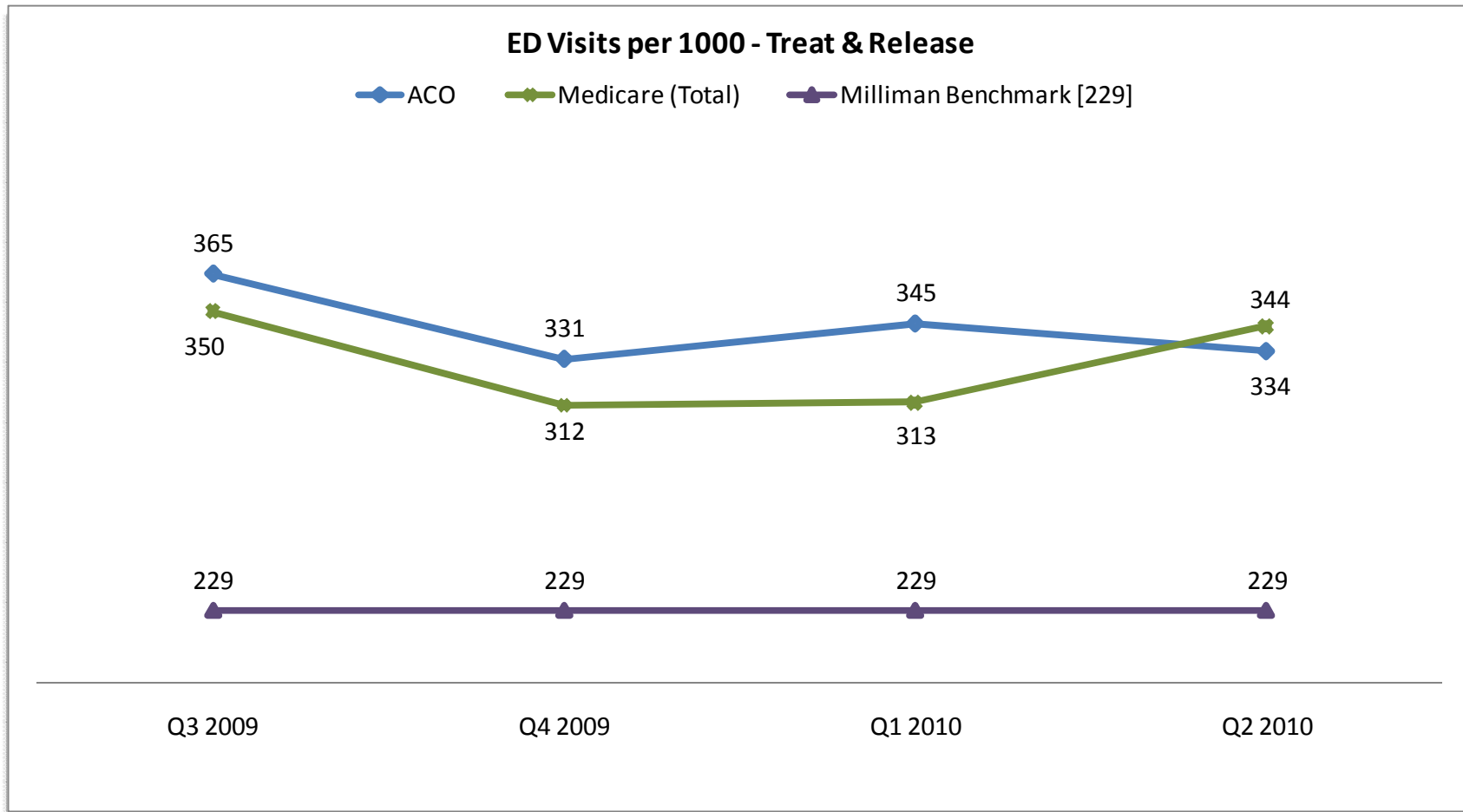


Opportunity: *Total Admits*



Note: Benchmark is based on Moderately Managed Midwest Utilization Targets – Milliman

Opportunity: *ED Utilization*

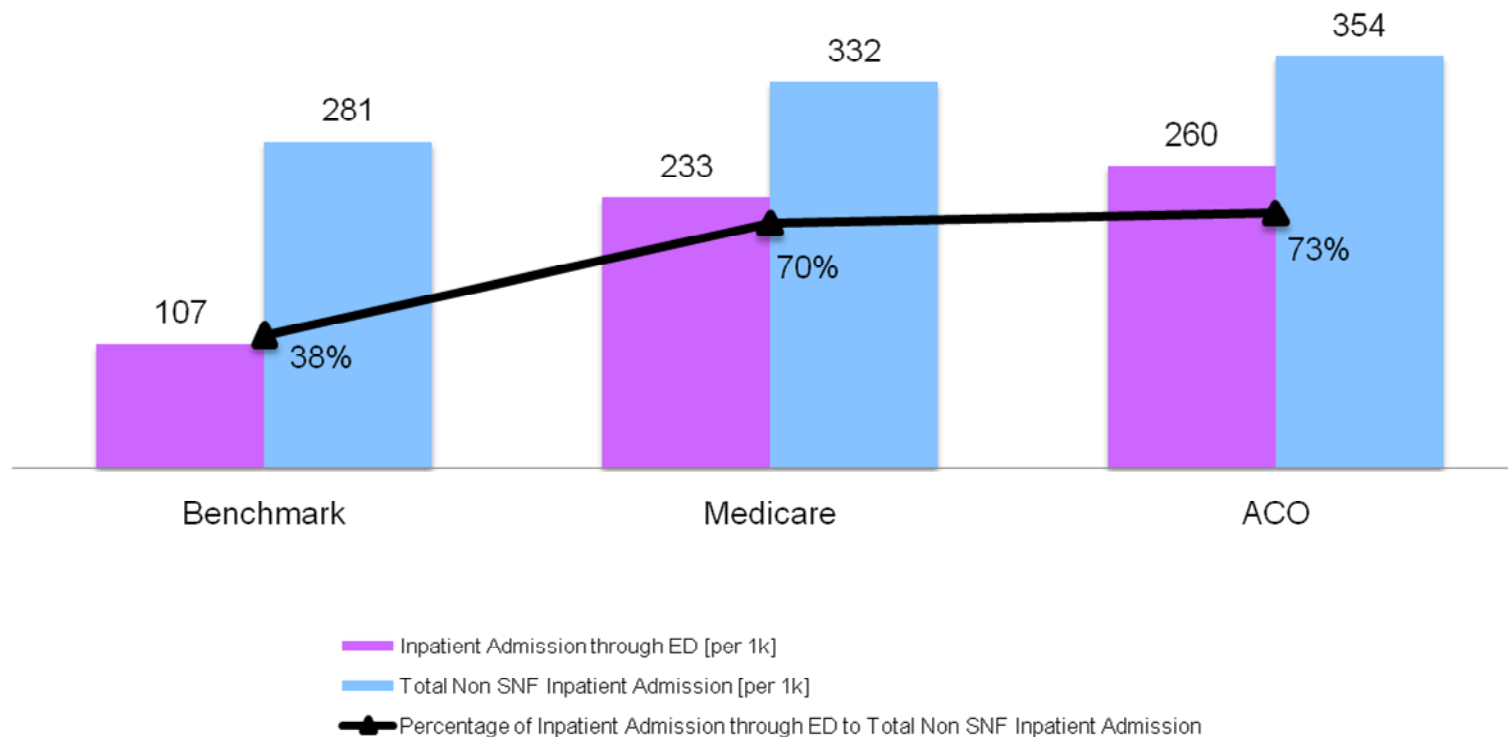


Note: Benchmark is based on Moderately Managed Midwest Utilization Targets – Milliman

Opportunity: *Admits from the ED*

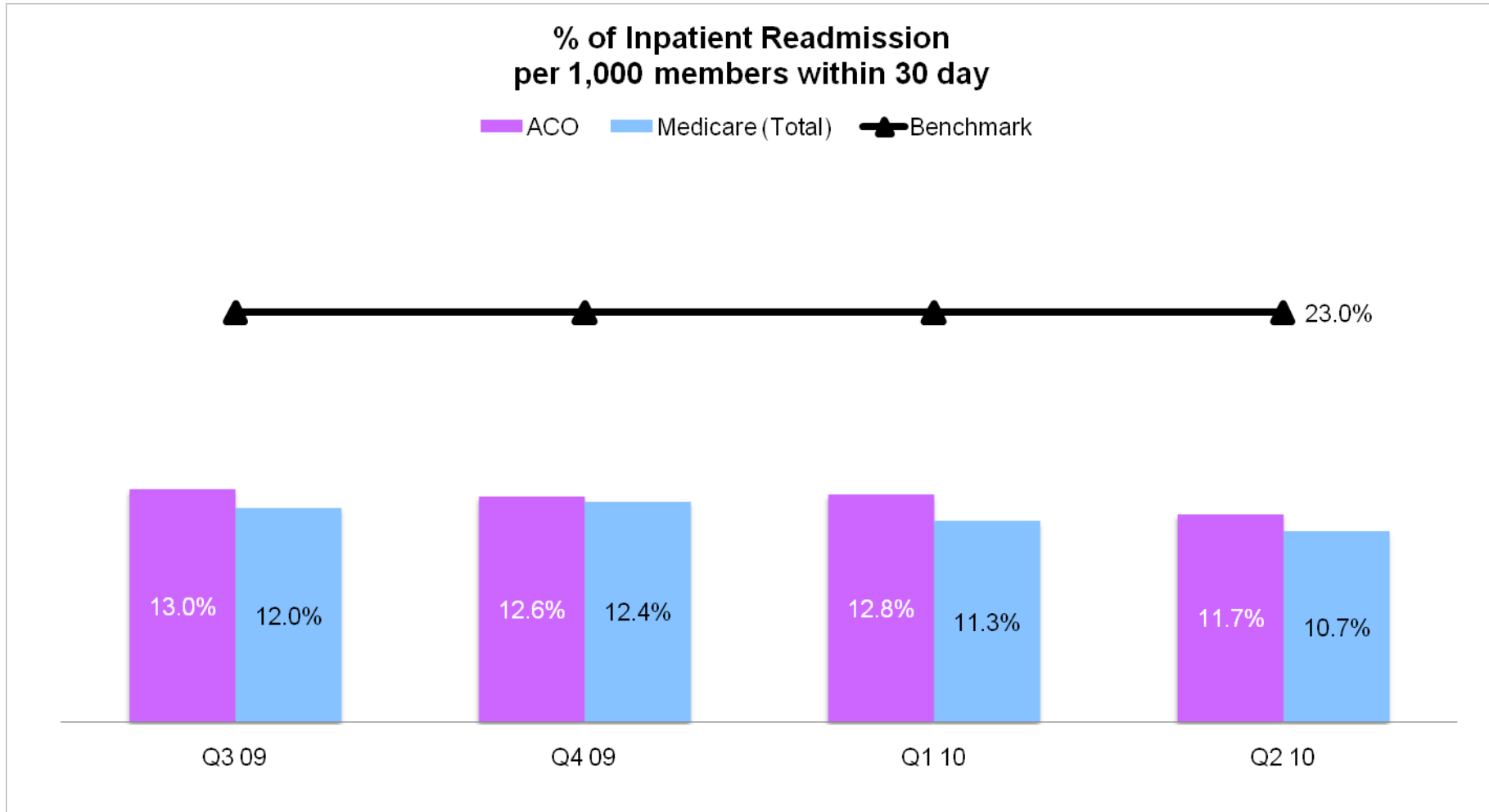


Inpatient Admission through ED compared to Total Non-SNF Inpatient Admission
Period: Q2 2010



Note: Benchmark is based on Moderately Managed Midwest Utilization Targets – Milliman

Example of SummaCare's Success: *Readmissions*



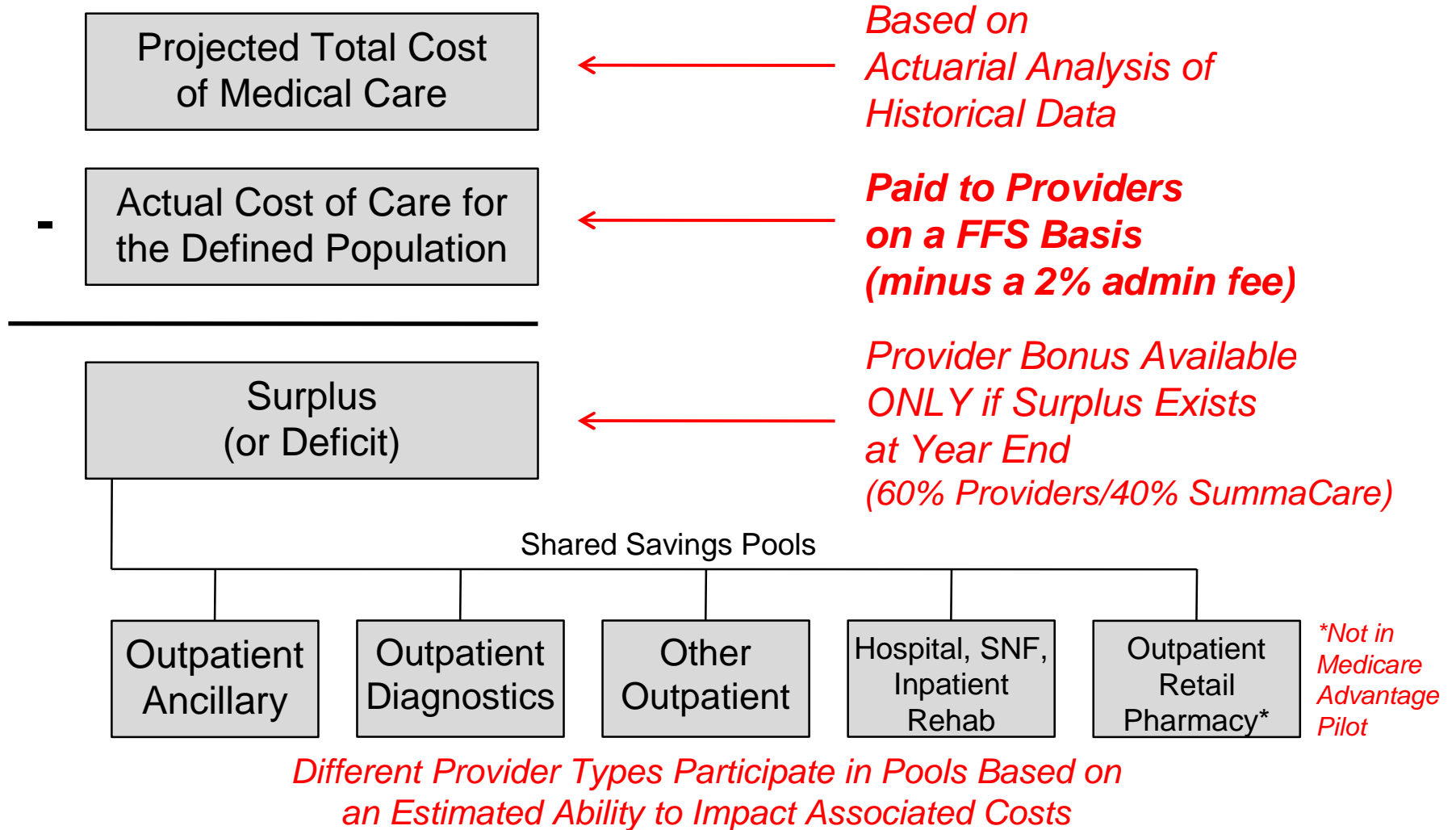
Note: Benchmark is based on Moderately Managed Midwest Utilization Targets – Milliman

Selection of Shared Savings Model



- **Key drivers of the selection:**
 - Model driven by ACO goals and fundamentals of the “Triple Aim”
 - Easy to put into operation
 - Deals with the Total Medical Spend (not just components)
 - Allows for the inclusion of quality and service criteria
 - Model should provide a good transition step to other financial models as the ACO evolves
 - Does not require providers to take insurance risk (but shows more is available if they move that way in the future)

The ACO Financial Model



ACO Financial Model

General Flow of Funds: Pools

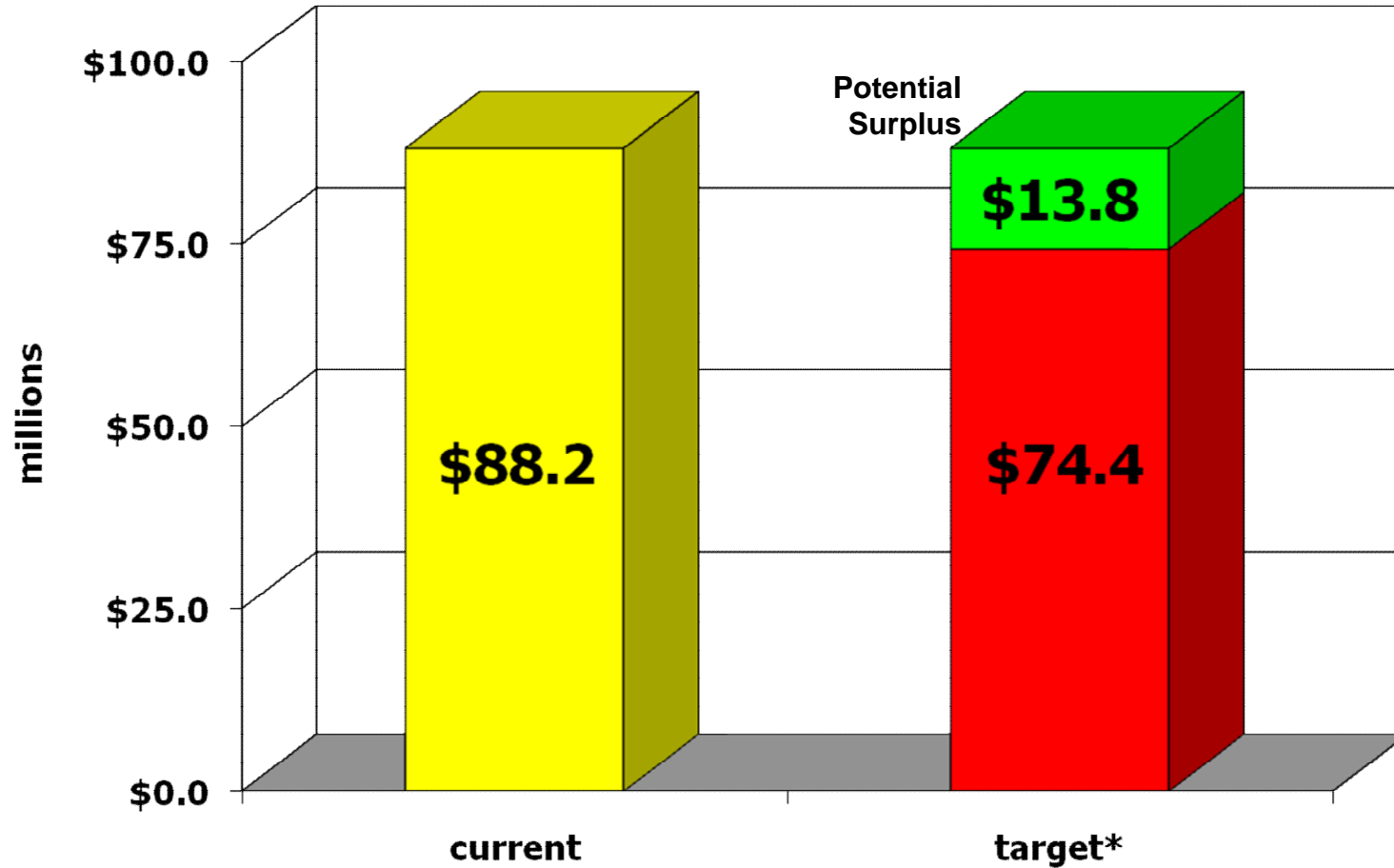


	Year End Pools			
	Outpatient	Hospital, SNF, Inpatient Rehab	Outpatient Services	Outpatient Diagnostics
PCPs	X	X	X	X
Specialists	X	X	X	X
Hospitals	X	X	X	

- Pools are established using actuarial data tied to CMS filing
- Actual claims expenditures are charged against the pools
- Surpluses available for distribution (deficits absorbed by SummaCare)
- Available bonus for each provider is calculated based on panel size for PCPs and unique encounters for specialists
- Actual bonus is dependent on meeting quality, utilization, care model and educational targets established by the ACO Board

Medical Expenditures

Total Medical Spend for ACO Pilot Population (8,500 members)



*Target based on Moderately Managed Midwest Utilization Targets – Milliman

What Would We Do with the \$13.8 Million Surplus?



For 2011...

- **40% would go to SummaCare**
 - SummaCare retains 100% of any downside risk
 - Can be reinvested into improved benefits in order to attract more enrollment to its Medicare product

- **60% would go to the ACO**
 - ACO has no downside risk in the event of deficits
 - ACO redistributes its portion of the surplus to physicians and hospitals participating in ACO based on established criteria

Next Steps for the ACO



- **Continued Network Development**
 - Primary Care Physicians
 - Enrollment of second phase of PCP physicians currently underway
 - Open enrollment for this year ends after 1Q 2011
 - Specialists
 - Developing based on care model focus and development
 - Financial model allows for continuous enrollment
 - Gives flexibility to add needed specialties based on utilization

- **Exploring New Populations**
 - Employee Health Plan
 - Medicare FFS Demo
 - Other Commercial Payers / Direct to Employer