

# Payer-Provider Partnerships to Share Risk and Improve Care

George Isham, M.D., M.S.  
Senior Advisor, HealthPartners

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# HealthPartners®

## Health Plan

- 1.5 million members

## Medical Clinics

- 1,700 physicians
- 50 primary care locations
- 55+ medical specialties

## Dental Clinics

- 60 dentists across 22 clinics
- 6 dental specialties

## Hospitals

- 6 hospitals
- Level 1 trauma and tertiary center
- Acute care hospitals
- Critical access hospitals

➤ **Consumer-governed, non-profit**

➤ **Integrated health and financing**

➤ **22,500 team members**

# Mission

To improve health and well-being in partnership with our members, patients and community.

# Vision

Health as it could be, affordability as it must be, through relationships built on trust.

# Values

## EXCELLENCE

We strive for the best results and always look for ways to improve.

## COMPASSION

We care and show empathy and respect for each person.

## PARTNERSHIP

We are strongest when we work together and with those we serve.

## INTEGRITY

We are open and honest and we keep our commitments.

# PARTNERS FOR BETTER HEALTH GOALS 2020



Partners for Better Health Goals provide an ambitious road map for HealthPartners to improve the health and well-being of each member, patient and the entire community. As an integrated organization that provides both care and coverage, we have a unique opportunity to take this big-picture approach. Since 1994, these forward-looking, five-year stretch goals have provided a successful blueprint to achieve our mission.

## OUR MISSION

To improve health and well-being in partnership with our members, patients and community.

## Driver Diagram – High Level

## OUR VISION

Health as it could be,

affordability as it must be,

through relationships built on trust.

## SUCCESS

Members, patients and families experience the best possible health and well-being, in thriving communities built in partnership.

Health care and coverage are more affordable, with members and patients receiving best value.

Members, patients and families experience us as a trusted partner.

## WHAT DRIVES SUCCESS

Care and coverage are:

- Compassionate
- Safe
- Coordinated
- Equitable
- Based on individual needs, well-informed decisions and what works
- Best-performing in quality for all
- Integrated to link good oral, mental and physical health

Members and patients have support, education and engagement for healthy lifestyles.

Community partnerships support social, economic and environmental health and well-being.

Care and coverage are:

- Based on effectiveness and innovative approaches that lower cost
- An active partnership with members and patients
- Improved through administrative efficiency

Every member and patient will experience:

- A sense of feeling genuinely cared for and respected
- Compassionate and consistent communication
- Information, support and services that are easy to access and use
- Customized and convenient care, coverage and services
- Clear, simple and useful information about health plan benefits, health care services, costs and bills
- Care and service that reflects our culture of Head + Heart, Together

## HOW SUCCESS IS MEASURED

- Members and patients have the best performing local and national health results
- Health care costs are the most affordable in the region

- Total cost of care for members and patients is the lowest in the region
- Cost increases at or below general inflation

- Members who rate HealthPartners an 8 to 10 is in the top 10 percent in the nation
- Patients who would recommend HealthPartners clinics and hospitals to family and friends is in the top 10 percent in the nation

# How We Lead & Manage Across Plans, Hospitals and Clinics and From the Board Room to the Front Lines

- One Mission & Vision
- Triple Aim Focus – Health, Affordability, Experience (including quality of care)
- One Governing Board (... and subsidiary Boards w delegated responsibilities)
- One CEO
- One Management Team (banish the “we/they” language)
- One Budget
- One set of Partners For Better Health Goals
- One Strategic Plan in Four Dimensions (People, Health, Experience, and Stewardship)
- Face to Face Senior Management Engagement with all 22,500 Employees every quarter & daily huddles across the system.



# Some HealthPartners' Assets

- Consumer governance
- Stable leadership
- Strong workforce morale (Including strong physician morale and aligned physician culture) – we hire for and promote organizational cultural alignment & compatibility in our workforce)
- Triple aim focus with clear ambitious long and short term goals
- Sound financial condition and expanding market share
- An agreement on what is a cost and what is a revenue at a scale that matters. (Single budget and bottom line)
- Organization wide understanding of what health and health care are at a scale that matters.
- Full range of outpatient and inpatient care (medical and dental)
- Electronic Medical Record Systems and many other automated systems and databases.
- Full range of medical and dental financing capabilities and products
- HealthPartners Institute for Education and Research



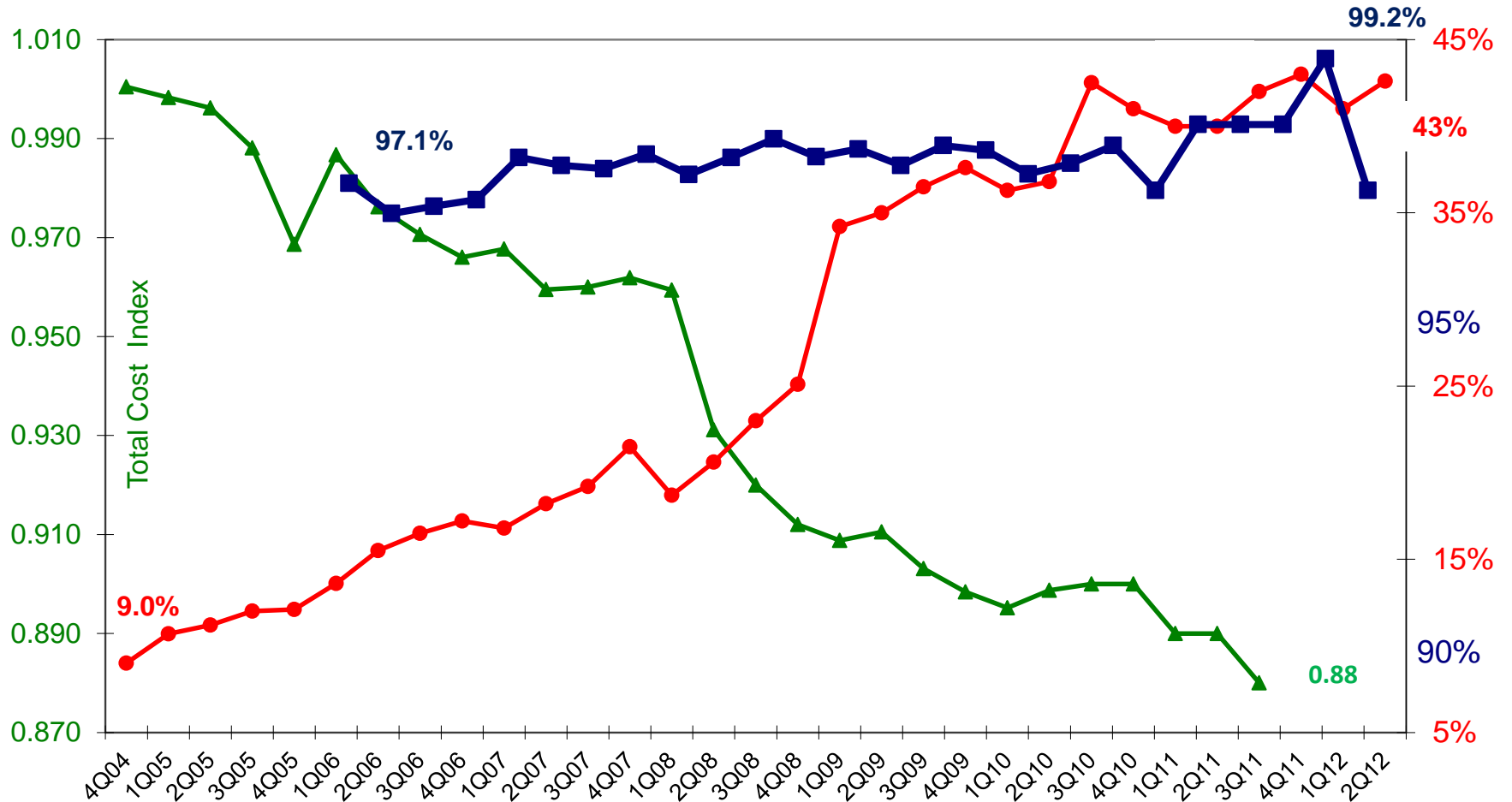
# Some HealthPartners' Assets

- Robust and integrated analytic capabilities across all lines of business. (measurement for quality of care & its cost, ability to assess and manage health and risk in individuals and populations, ability to measure total cost of care, developing a summary measure of health)
- Utilization management capabilities
- Deep and robust quality improvement capabilities.
- Lean process improvement capabilities
- Coordination of care capabilities
- Longstanding commitment to transparency of performance and a confidence in our ability to perform.
- Growing alternative venues for providing care – internet (Virtuwell) retail, and worksite clinics.
- Longstanding partnerships with provider systems in our network beyond our own care systems. (... and collaboration including with our competitors)
- Marketing capabilities - Close to our state government and private purchasers.
- Patient/member/community focused.



# TRIPLE AIM: Health-Experience-Affordability

## HealthPartners Clinics



▲ **Total Cost Index**  
*(compared to statewide average)*  
 < 1 is better than network average

● **% patients with Optimal Diabetes Control\***  
 \* controlled blood sugar, BP and cholesterol (per ICSI guideline A1c changed from < 7 to < 8 in 1Q09 and BP control changed from <130/80 to <140/90 in 3Q10), AND daily aspirin use, AND non-tobacco user

■ **% patients "Would Recommend" HealthPartners Clinics**



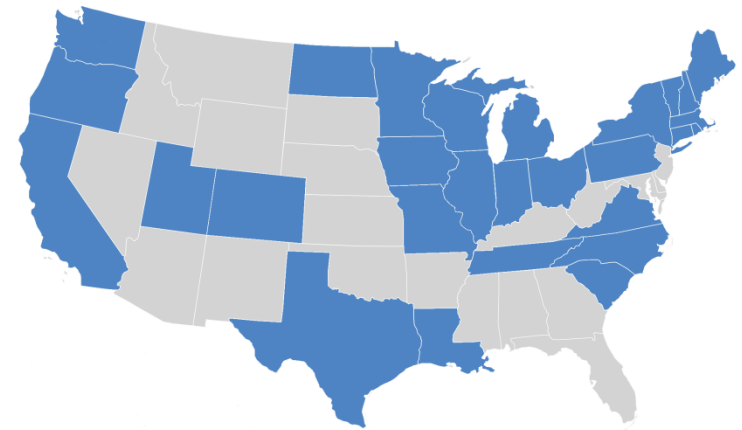
# High Impact Measures



## WHAT IS TOTAL COST OF CARE?

- **Population-based model**
- **Attributable** to medical groups for **accountability**
- Includes **all care, treatment costs**, places of service, and provider types
- Measures **overall performance relative to other groups**
- **Illness-burden adjusted**
- **Drillable** to condition, procedure and service level
- Identifies **price differences and utilization drivers**
- National Quality Forum-endorsed

## UPTAKE ACROSS THE COUNTRY



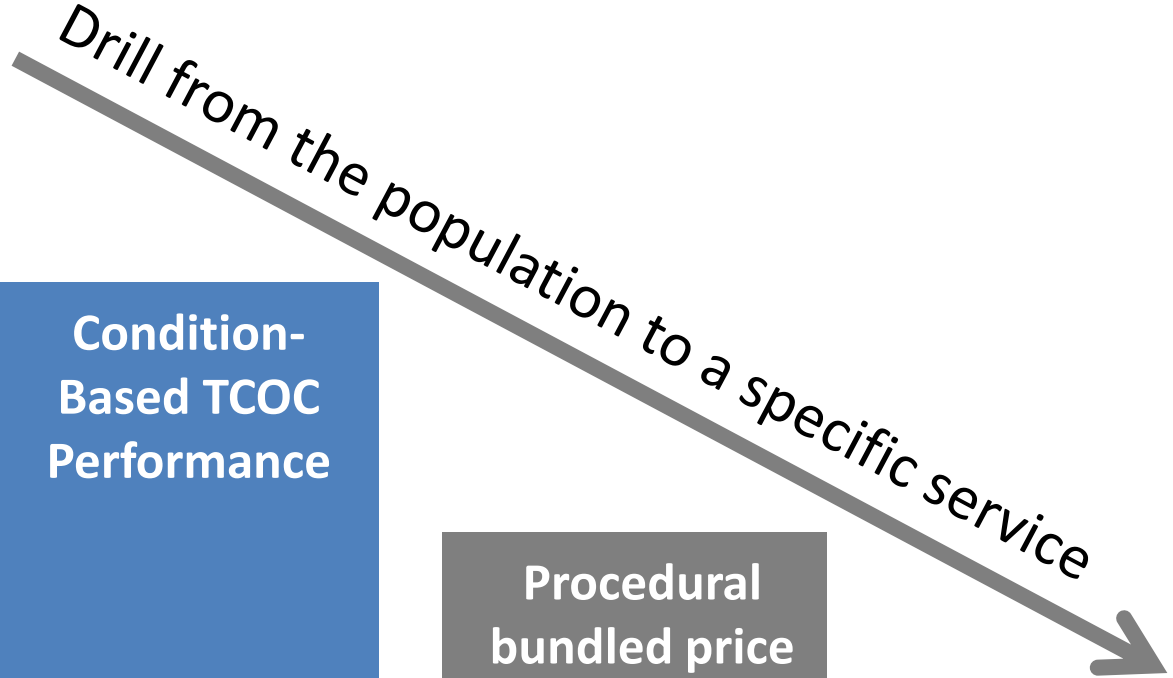
# Multiple Levels of Transparency

**Population-  
Based TCOC  
Performance**

**Condition-  
Based TCOC  
Performance**

**Procedural  
bundled price  
transparency**

**Service specific  
price  
transparency**



# Web and Mobile Transparency

HealthPartners®

Home Clinics & Services Health Insurance Health & Wellness

Pharmacy Log On Sign Up Contact Us Search

Home > Health care cost and quality ratings

## Cost and quality ratings

**Tools and Resources**

- Cost of care
- Plan comparison
- Drug cost calculator
- Quality care resources

**Total cost of care**  
Nationally-endorsed methods

**Our rating methods**  
How do we calculate ratings?

**HealthPartners members**  
Additional tools and resources

### Medical Group and Hospital Ratings

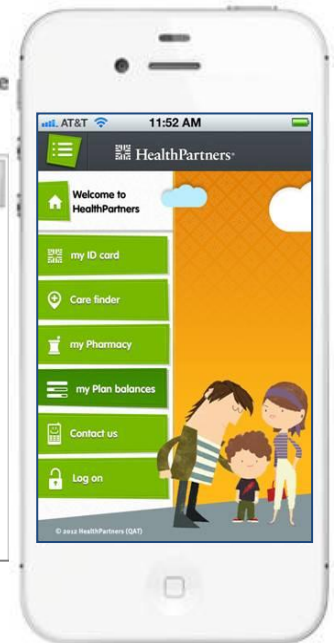
High cost doesn't necessarily mean best quality; lower-cost providers often deliver high-quality care. HealthPartners cost and quality ratings for primary care, specialists and hospitals help consumers have a better understanding of health care value.

★★★★ = Highest Value

Primary care Specialty care Hospitals

Search:

Provider group	Overall Cost	Overall Quality	Getting Care	Comm-unication	Staying Healthy	Chronic Care	Tech & Safety
Northwest Family Physicians, PA	\$\$\$\$	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★☆
HealthPartners	\$\$\$\$	★★★★	★★★★	★★★★	★★★★	★★★★	★★★★
Entira Family Clinics	\$\$\$\$	★★★★	★★★★	★★★★	★★★★☆	★★★★☆	★★★★☆
Allina Medical Clinic	\$\$\$\$	★★★★	★★★★	★★★★	★★★☆☆	★★★★	★★★★



# Provider Payment

January → December

Claims paid to providers



Pool built from provider payment



Quarterly

Performance Reporting

The screenshot shows a performance reporting dashboard with the following sections:

- Header:** HealthPartners logo, report title, and navigation icons.
- Summary Table:** A table with columns for 'Provider Group', '2016', '2017', '2018', '2019', '2020', '2021', '2022', '2023', '2024', '2025', '2026', '2027', '2028', '2029', '2030', '2031', '2032', '2033', '2034', '2035', '2036', '2037', '2038', '2039', '2040'. Rows include 'Provider Group', 'Total', and 'Sub-Total'.
- Performance Metrics Table:** A table with columns for 'Metric', '2016', '2017', '2018', '2019', '2020', '2021', '2022', '2023', '2024', '2025', '2026', '2027', '2028', '2029', '2030', '2031', '2032', '2033', '2034', '2035', '2036', '2037', '2038', '2039', '2040'. Rows include 'Metric', '2016', '2017', '2018', '2019', '2020', '2021', '2022', '2023', '2024', '2025', '2026', '2027', '2028', '2029', '2030', '2031', '2032', '2033', '2034', '2035', '2036', '2037', '2038', '2039', '2040'.
- Additional Metrics Table:** A table with columns for 'Metric', '2016', '2017', '2018', '2019', '2020', '2021', '2022', '2023', '2024', '2025', '2026', '2027', '2028', '2029', '2030', '2031', '2032', '2033', '2034', '2035', '2036', '2037', '2038', '2039', '2040'. Rows include 'Metric', '2016', '2017', '2018', '2019', '2020', '2021', '2022', '2023', '2024', '2025', '2026', '2027', '2028', '2029', '2030', '2031', '2032', '2033', '2034', '2035', '2036', '2037', '2038', '2039', '2040'.

Electronic tools to support patient level care coordination

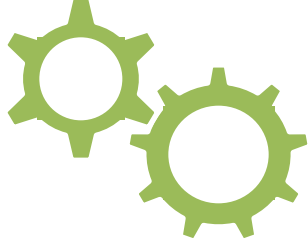
Year End

Triple Aim Goals met:  
Shared savings paid to the provider



or

Goals not met:  
withhold plus interest returned to the employer



# Triple Aim Shared Savings

- Provider maintains benchmark quality performance
- Shared Savings approach for achieving TCOC targets
  - Targets are set based on a providers own performance
  - and/or
  - Achieving market based targets
- There must be actual savings tied to achieving TCOC targets or Shared Savings is not paid out

# Translating Information to Action

## Quarterly Reporting

### Financial View

- Contract performance monitoring

### Benchmarking View

- Practice performance compared to peers
- Identify areas of opportunity to drive Improvement
- By condition & episode
- Referral partner use and performance
- Pharmacy use and generic prescribing

### Patient-Level View

- Support care redesign and practice improvement
- Detailed information allows care systems to create customized analyses
- Includes information like predicted risk, ED, hospital use and physician prescribing profiles

# Patient Management Application

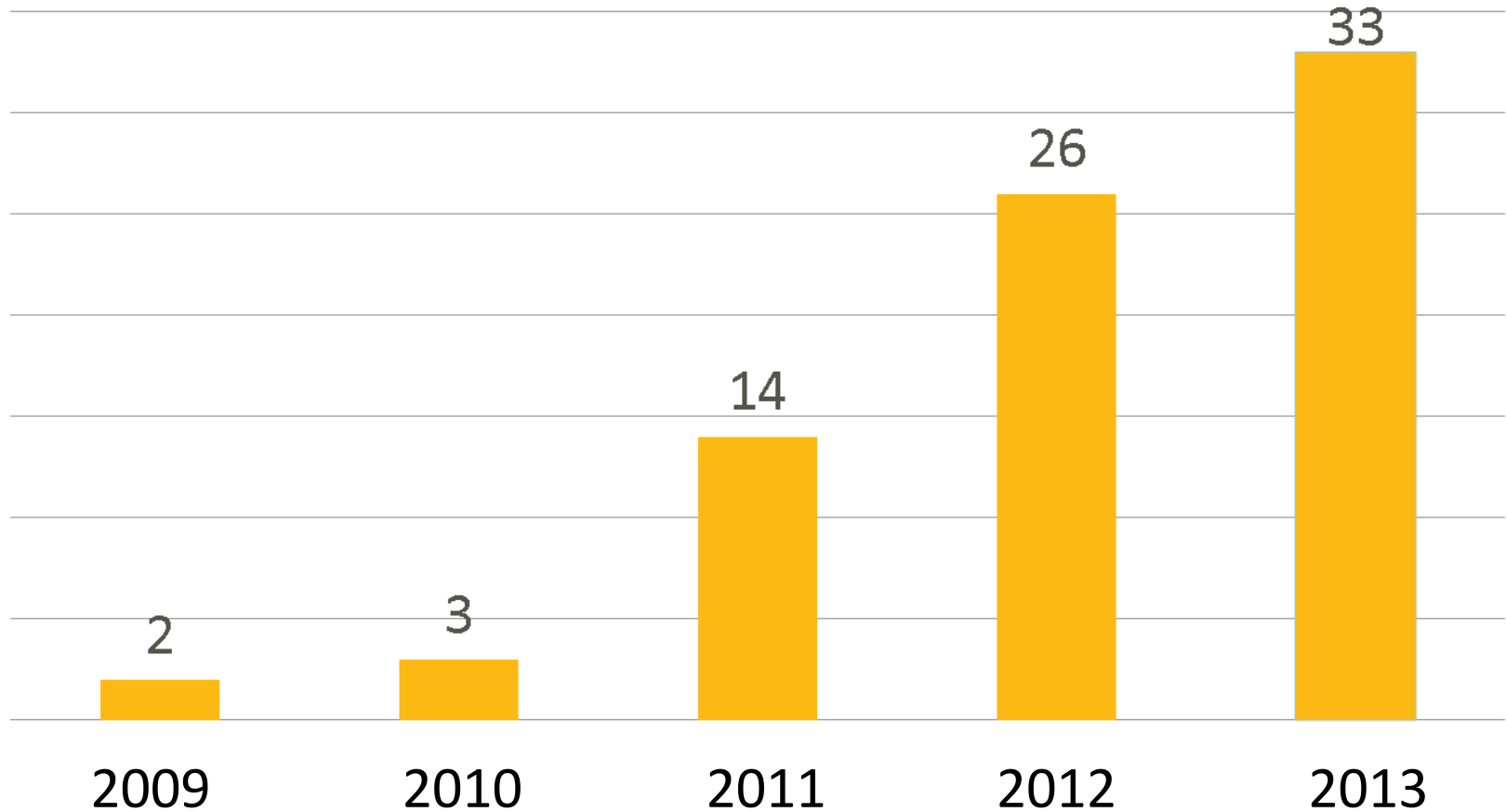
- Enables timely patient outreach and management
- Helps to identify high risk patients

Predicted  
total cost  
index

Probability of  
an inpatient  
admission

Concurrent  
risk score

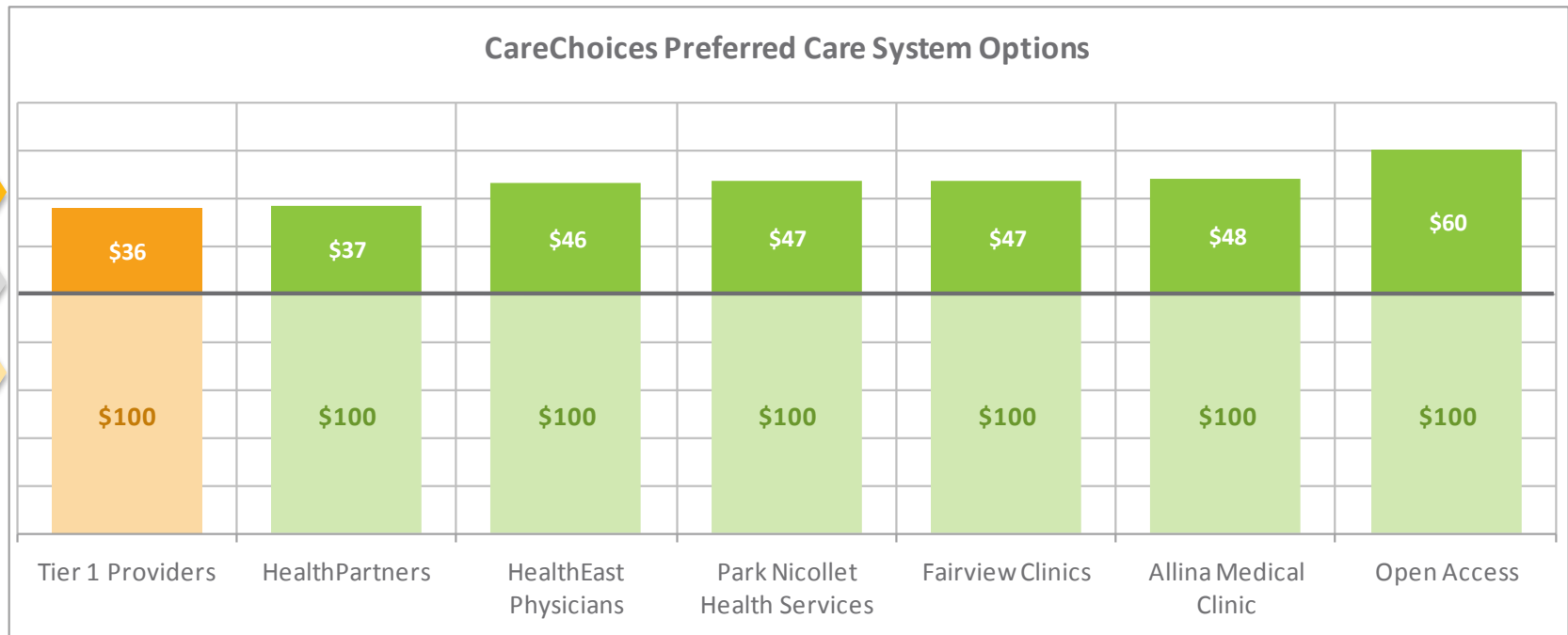
# Care System Partnerships

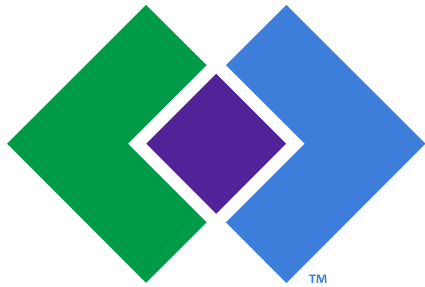




# Value-based exchange product

- Develop Accountable Care Organizations
- Add to exchange product based on Total Cost of Care





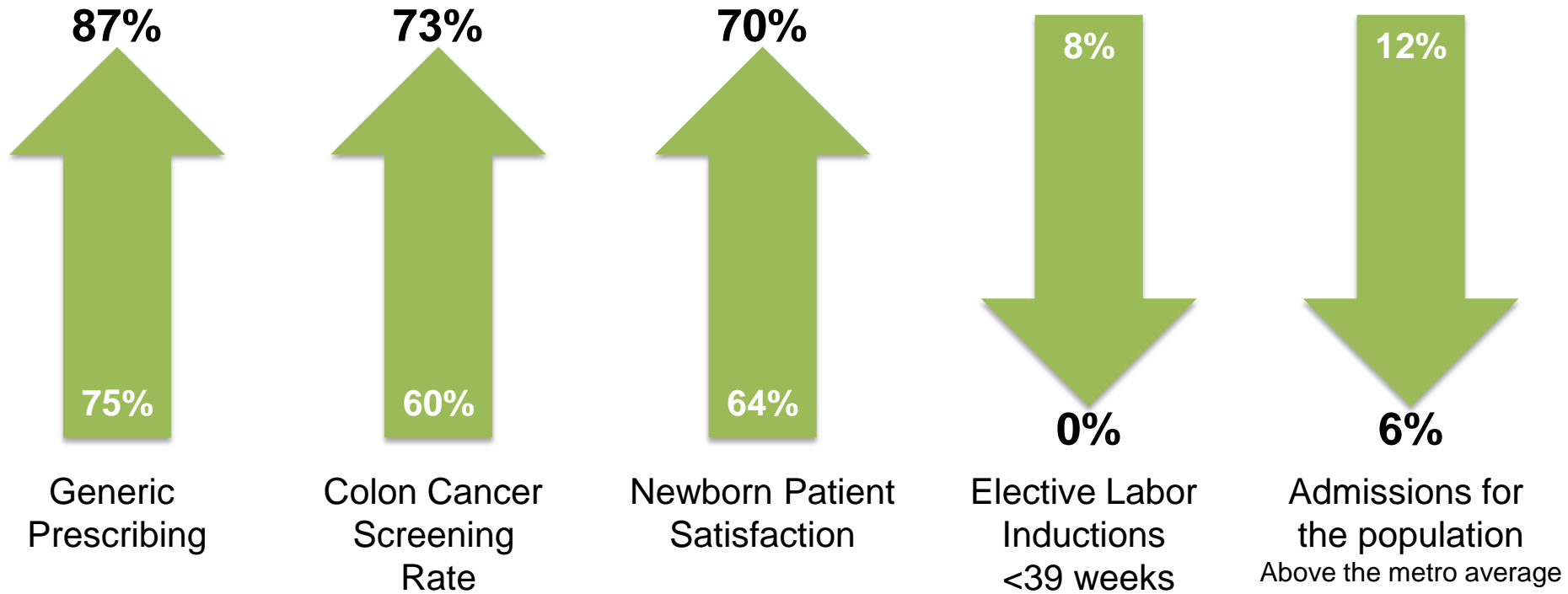
# Long Term Strategic Partnerships

# Northwest Metro Alliance



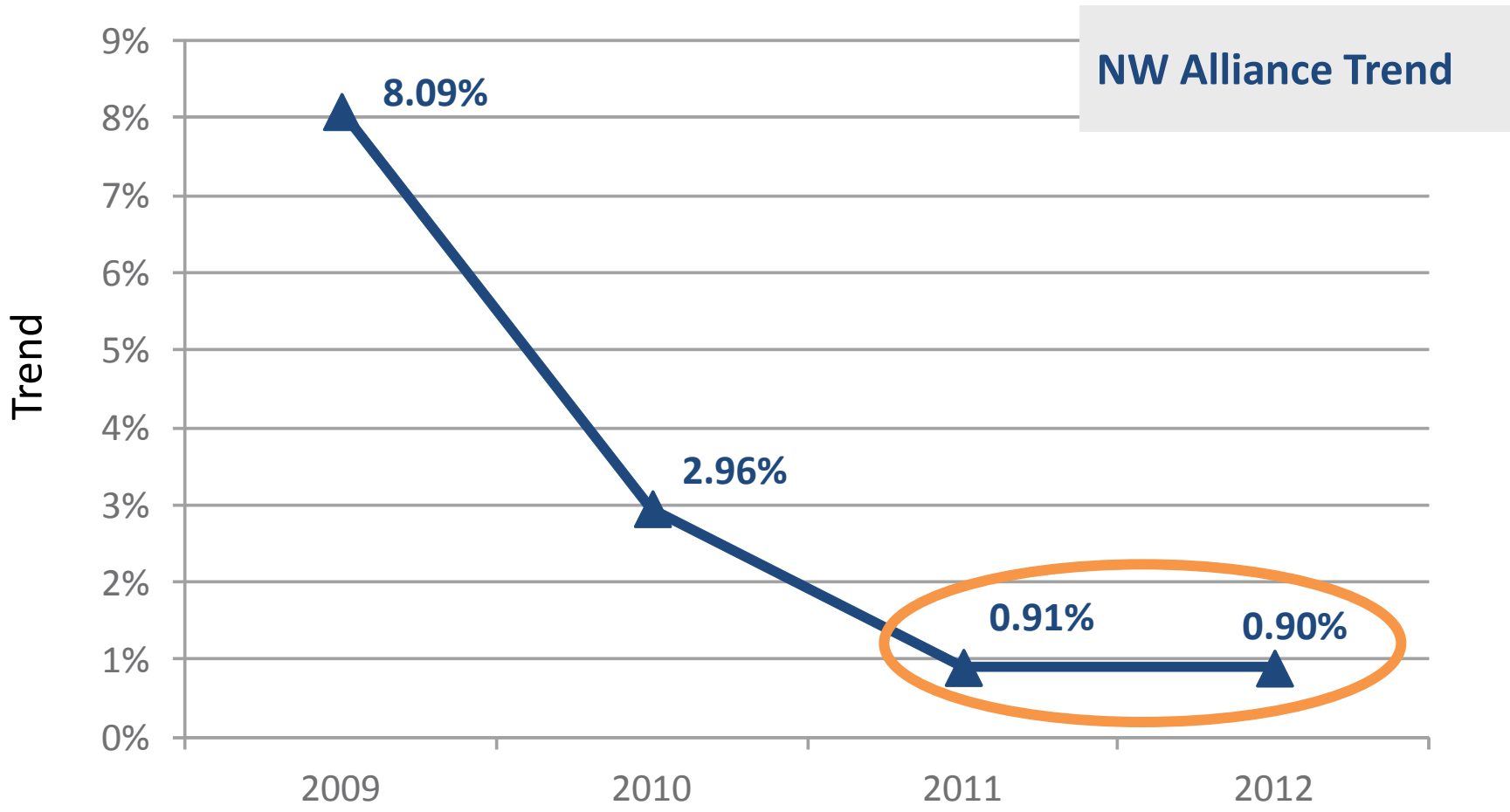
- Allina Health and HealthPartners
- 27,000 commercial lives at risk
- Year 3 of 7 year evolutionary strategy

# Year 3 Triple Aim Highlights (2012)



# 2012 Year End TCOC Trend Results

Northwest Alliance Risk Adjusted PMPM Trend, Yearly



# Needed for Success Regardless of the Form of Payer-Provider Partnership

- Clarity of purpose & vision.
- Leadership at all levels
- Highly skilled and motivated workforce (including Physicians)
- Alignment of a system of excellent care and health improvement for a population with a complementary source of payment for value in that population. (Benefit Design)
- A commitment to the health of the larger community.
- Partnerships – deep relationships around aligned purpose and success.
- Understand the needs of purchasers (Medicaid, private purchasers)
- Information for improvement and management, measurement for accountability, transparency of both cost and quality performance.
- Increased person and patient focus in a retail environment.



# Specific Capabilities Useful for Successful Payer-Provider Partnerships

- Deep, broad and comprehensive data base, reporting and analytic capabilities.
- Relationship skills (skills, analytic and data support for clinical partners), (partnership skills for relationships with public health and non-traditional partners in broader community health improvement, i.e. education)
- Health Assessment and Improvement Skills
- Quality of Care Assessment and Improvement skills
- Utilization management skills and systems
- Financial Management Systems (Risk, Actuarial, Budget)
- Lean process improvement skills
- Coordination of care capabilities
- Alternative means of providing Care (Internet, Telemedicine, retail delivery sites)
- Patient focused, person focused – ability to listen, learn, & serve



# Some of My Thoughts on Policy Implications-

- Compared with the status quo, payer-provider relationships can succeed by improving costs and outcomes within one integrated organization, across contracts with systems and groups, and in strategic long term partnerships between systems of care.
- Once committed to it, improvement against the status quo is relatively easy given the degree of fragmentation and waste in the US health and health care and the strong resistance of many market participants to change in the status quo.
- A most important key issue is collective and real commitment of leadership to improved health and better experience of care at lower cost.





# Some of My Thoughts on Policy Implications-

- Across contracts, smaller provider groups (ACO's?) need:
  - standard processes (guidelines) (i.e. the Institute for Clinical Systems Improvement [ICSI])
  - quality improvement help (training and assistance) (i.e. ICSI)
  - and participation in standard transparency and accountability measurement systems (i.e. Minnesota Community Measurement)
  - as well as data and technical assistance with Utilization, Actuarial, Financial and Risk analysis (HealthPartners)
  - and an approach tailored to their capabilities (HealthPartners).
- The regional efforts particular to Minnesota partially compensate for the lack of:
  - effective professional clinical process guidance at a practical level by national professional societies.
  - and the fragmentation and lack of integration of government efforts to synthesize evidence that is useful in coverage & clinical practice. (USPSTF at AHRQ, The Community Guide at CDC, Immunization Guidance from the CDC, Pediatric and Women's health from HRSA, and the large scale, economically blind, effort on comparative effectiveness at PCORI)



“It is amazing how little you are able to do with so much!”

- A visitor to the US from Finland