Synergizing Medical Groups For Improved Care and Clinical Excellence

David Winter, MD, MSc, MACP
Sarah Gahm, CAO
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Why the Baylor Scott & White Merger?

Common Mission, Vision, Values

- Similar Physician Engagement Models
- Shift to Population Health from Acute Care
- Create Integrated Health Care Delivery Model
- Health Informatics
- Captive Health Plan and Infrastructure
- Generate Economies of Scale

- Collaborative culture, physician-led, committee structure, P4P
- Leverage PCMH, care coordination, IT infrastructure
- Expands coverage, improves quality/care coordination, rewards effective/efficient care, promotes innovation, controls costs
- Data analytics, data sharing, transparency, big data
- Advances population health efforts, better care management opportunities
- Operational efficiencies
Economies of...

- **Scale**: $67M annualized in first year
- **Scope**: New revenue streams (i.e., accountable care organization, Health Plan)
- **Structure**: Care coordination, access, new patient visits
- **Skill**: Service line development: transplant, cardiovascular, orthopedics, cancer care
Top 5 Trends in Healthcare

- Reimbursement compression
- Shift in financial accountability for medical risk
- Change in care venue
- Health care financing
- New forms of competition
New Market Demands

1. Population growth in North Texas requires expansion of all services

2. Population health management requires more care coordinators

3. Employers and payers demand more efficiency

4. Bundle payments, risk sharing arrangements, better and more predictable outcomes
Becoming One is Successful Integration of…

Successful Integration of Organizational Infrastructures

People

Departments/Physician Groups

Processes

Policies

Technology
Resulting in Broadening our Reach to Improve Patient Care

**Hospitals**
- BHCS: 27 Hospitals, 6 Short Stay Hospitals, 34,000 employees
- *Scott & White*: 12 Acute Care Hospitals, 1 Emergency Hospital Site, 14,000 employees
- **Total**: 46 Hospitals, 48,000 Employees

**Physicians**
- HTPN: 633 Primary/specialty care physicians, 130 Mid-levels, 230 Care Sites
- *Scott & White*: 1,200 Primary/Specialty care physicians and scientists, 140 Care Sites

**ACO Payers**
- BCBS
- Cigna
- Mercer
- Medicare Advantage: Aetna, Humana, Vital Traditions

**Employers**
- BHCS Employee Health Benefit Plan: 34,000 lives
- *Scott & White* Health Plan: 220,000+ lives (one of the highest rated plans in the nation)

Improving Patient Care
## Identifying Areas of Physician Group Synergies

<table>
<thead>
<tr>
<th>Areas</th>
<th>HealthTexas Provider Network</th>
<th>Scott &amp; White Health</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>Over 750 employed providers (630 physicians, 130 Advanced Practitioners). Nationally recognized multi-specialty group practice</td>
<td>1,200+ employed physicians, scientists, and Advanced Practitioners. Nationally recognized multi-specialty group practice</td>
</tr>
<tr>
<td>Location</td>
<td>Serve 10 county area of Dallas/Fort Worth</td>
<td>29,000 square miles across Central, TX</td>
</tr>
<tr>
<td>History</td>
<td>Long history of success in quality patient satisfaction, adult preventive health services, disease management</td>
<td>Risk management experience (one of the nation’s highest rated health plans)</td>
</tr>
<tr>
<td>Market Type</td>
<td>Located in rural, urban, and suburban markets</td>
<td>Located in rural and suburban markets</td>
</tr>
<tr>
<td>Organizational Structure</td>
<td>501 (a) organization – physician-led board of directors and committee structure</td>
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<tr>
<td>Physician Compensation</td>
<td>Full employment with short-term salary guarantee moving to net revenue or work RVU productivity</td>
<td>Full employment with salary guarantee for term of employment. Productivity bonus incentives</td>
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<tr>
<td>EMR</td>
<td>Centricity/GE</td>
<td>Epic</td>
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</table>
Leveraging Physician Group Resources to Advance Integration

Existing Infrastructure/Resources

- Clinical Excellence
- Service Excellence
- Technology
- Governance
- PCMH
- Scott & White Health Plan
- Performance Dashboards
- Bluebooks
- Physician group integration efforts focus on overall strategy of new Baylor Scott & White Health system
- Transforming physician group infrastructures for optimum alignment
- Best practices for care delivery models and clinical excellence shared between both physician groups for future roll out
- Synergizing to gain momentum and broaden reach for population health management
Survey to Measure How Employees are Adapting to Change

Survey

Survey results will be used to improve communications, accelerate integration efforts and provide better support as synergies take place.

Quarterly surveys will be sent out over the next year with the goal of providing everyone at least one opportunity to take the survey.

Each survey will be sent to a randomly selected percentage of the newly merged Baylor Scott & White Health organization.
Leveraging HTPN Strengths to Build BQA Infrastructure
# Building the Population Health Infrastructure

## Common Misconceptions about Population Health Managers

<table>
<thead>
<tr>
<th>Misconception</th>
<th>Playbook for Population Health</th>
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<tbody>
<tr>
<td>Tackle an overwhelming number of initiatives</td>
<td>1. Set a prioritized list of key initiatives and ensure all stakeholders are aware</td>
</tr>
<tr>
<td>Make an expensive upfront investment in advanced IT</td>
<td>2. Invest in basic information exchange, analytics, and patient-facing technology</td>
</tr>
<tr>
<td>Own assets across the entire continuum of care</td>
<td>3. Develop preferred partner network with shared culture and accountability</td>
</tr>
<tr>
<td>Hire a large number of staff members in new roles</td>
<td>4. Train and redeploy existing staff to match new demand for patient services. <em>In addition, spread “Best Practices” for already established APHS, disease management, care coordination, PCMH design</em></td>
</tr>
</tbody>
</table>

Source: Health Care Advisory Board interviews and analysis.
Leveraging HTPN Resources/Expertise…

...To Build BQA Infrastructure

Leadership/Governance
Network Management
Quality Initiatives
PCMHH/Care Coordination
Information Technology
Marketing
Governance

HealthTexas

» 19 member Physician Board guides initiative development

» Bylaws: 60% primary care representation

» Board committee structure facilitates strong group identity and physician participation in network management

» Board and committee chairs enroll in SMU Advanced Leadership program in preparation for leadership role

BQA

» Physician-led Board of Managers guides initiative development, clinical integration and population health

» Board committee structure facilitates strong group identity and physician participation in network management

» Five main committees (Best Care/Clinical Integration, Finance/Contracting, Membership & Standards, Compliance, Information Technology)

» Subcommittees: 25 Best Care/Clinical Integration subcommittees
HTPN Committee Structure

Key to HTPN Success: Promoting teamwork and physician participation
- 25 committees/sub-committees
- 5 Physician sections
- 68% of physicians participate as leader or member
BQA Committee Structure

Board of Managers

Best Care/Clinical Integration Committee
Compliance Committee
Finance, Contracting and Compensation Committee
IT/Informatics Committee
Membership and Standards Committee

Sub-Committees:
- Anesthesia
- Behavioral Health/Psychiatry
- Cardiology
- Cardiothoracic Surgery
- Colorectal Surgery
- Emergency Medicine
- Endocrinology
- ENT
- Gastroenterology
- General Surgery
- Inpatient/Hospitalists
- Medical Oncology
- Musculoskeletal
- Neurosciences
- Ophthalmology
- Palliative Care
- Pathology
- Pediatrics
- Population Management
- Primary Care
- Pulmonary/Critical Care
- Surgical Oncology
- Transplant
- Urology
- Vascular Surgery
- Women’s Health

HTPN Leadership Serving Dual Roles:
- Sarah Gahm, CAO, HTPN/BQA
- Michael Massey, MD Chairman Best Care, HTPN/BQA
- Phil Aponte, MD, VP Informatics, HTPN/BQA
- Ellen Fourton, VP Network Management, HTPN/BQA
- Pam Zippi, Director of Marketing, HTPN/BQA
## Population Health Infrastructure

<table>
<thead>
<tr>
<th>Access</th>
<th>Complete network of over 2,400 providers made up of physicians (employed and independent), hospitals, post-acute care and other members of the care continuum.</th>
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<td>Patient-Centered Medical Homes</td>
<td>Largest number of NCQA recognized PCMH practices in the United States</td>
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<tr>
<td>Care Coordination</td>
<td>Experienced team of certified RN Health Coaches and one Social Worker. Augment PCMH care coordination for high risk patients. Supports transitions of care and chronic disease management</td>
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<tr>
<td>Data Analytics/Reporting</td>
<td>Significant investment made in clinical solutions offering longitudinal view of individual patients and patient populations (automated patient identification, workflow analysis, risk-stratification, predictive modeling)</td>
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<tr>
<td>Evidence-based Medicine</td>
<td>83 board approved care protocols/metrics for which improvements in care can be compared against and monitored. Standardize care and ultimately reduce unnecessary health care costs</td>
</tr>
<tr>
<td>Disease Management/Adult Preventative Health Services</td>
<td>History of tracking and monitoring the health status of patient populations through our chronic disease management program promoting evidence-based care management and adult preventative health services</td>
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Where BQA is Now

**Strategic Development**
- Mission
- Vision
- Culture
- Strategic financial plan and operating budget developed

**Governance**
- Physician-led Board of Managers
- Five primary committees activated
- Twenty-five specialty subcommittees

**Network Development**
- Network adequacy
- Credentials verification
- Regional care needs assessment
- PAC network
- Rehab, Dialysis, JV ASCs

**Information Technology**
- Informatics infrastructure
- Data analytics implementation
- Physician dashboard
- Member website deployment
- EMR subsidy program
- HIE

**Care Management**
- RN Health Coaches
- Care Coordinators
- PCMH Design
- To 5% focus
- Clear Population Health Strategy

**Contracting/Compensation**
- BHCS Employee Health Plan
- Aetna MA
- Humedica MA
- Scott & White Health Plan
- Shared Savings Distribution Model w/ positive results
**Early Success in Managing BHCS Employee Health Plan**

<table>
<thead>
<tr>
<th><strong>Readmissions</strong></th>
<th>(Covered lives with an inpatient admission resulting in 7 day readmission)</th>
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<tr>
<td>• Average admissions per 1,000: <strong>Decreased 20%</strong> (from 26.7 to 21.4)</td>
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<tr>
<td>*based on comparison of first three quarters of data from 2012 and 2013</td>
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<tr>
<th><strong>Attribution</strong></th>
<th></th>
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<tr>
<td>• <strong>BHCS Employee Utilization</strong> of the HTPN/BQA primary care network <strong>increased 9.4%</strong> during plan year 2013</td>
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<th><strong>Financial</strong></th>
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<tr>
<td>• <strong>BHCS Health Insurance expense decreased</strong> approximately <strong>3%</strong> Per Employee Per Month (PEPM) actual vs. budgeted expense PEPM</td>
<td></td>
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<tr>
<td>• <strong>BHCS Health Plan Total Medical Costs decreased</strong> approximately <strong>6.7%</strong> Per Member Per Month (PMPM) actual vs. target PMPM</td>
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<th><strong>Quality Metrics</strong></th>
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<td>• <strong>Successfully met or exceeded</strong> quality metrics set forth in the contracts</td>
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*All results above are based on preliminary data and is subject to change*
Key Strategies for Achieving Clinical Integration

BQA Status

- RN Health Coaches
- Social Workers
- Monthly RN HC cases have increased tenfold from (170 – 1900)
- 83 care protocols approved by BQA Board

- BQA has over 300 NCQA recognized Level 3 PCMH physicians
- Certification for 65 independent PCP physicians in progress
- PCMH model presents substantial financial opportunities

- Humedica fully implemented
- 360Fresh Predictive Analytics Tool
- Explorys “Big data”
- Care Coordination Software

- BQA Physician performance dashboard
- Humedica Reports: Over 400 standard reports for inpatient and outpatient metrics

BQA has made a significant investment in building the infrastructure necessary to be recognized as a clinically integrated network
BQA Prepared to Flex Its Organizational Design to Serve as BS&WQA
BS&WQA Strategy

Role of Population Health integrator across both regions

“Provider Driven” ACO

Create capacity for value-based purchasing and full population accountability
BS&WQA Work Plan

**Governance**
- Define Governance Structure
- Determine Best Care Committee spread

**Network Infrastructure**
- Organize Payer Contracts
- Develop Systemic Care Coordination Structure
- Understand Data Connectivity
- Develop Operational Plan for Expansion

**Business Environment**
- Define Business Models for Corresponding Markets
- Determine Network Adequacy for S&W Markets

**Communication**
- Communication/Socialization of Network Changes
BS&WQA Contracts: What we can offer payers

Complete ACO Network
With value-based reward contract structure

Care Coordination/ Disease Mgmt
Redirection of care coordination/disease management costs from payer to ACO

Plan Design
Incentivizing network patient retention and attribution

Texas Care Alliance Network
Consistent, high-quality, statewide service delivery

Migration to Full Population Accountability

Wellness
Integrated Wellness

Pharmacy Benefit
BS&W Pharmacies proven cost reduction opportunity.
# BQA’s Capacity to Serve as Narrow Network

<table>
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<tr>
<th>What Baylor Quality Alliance can bring</th>
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<tr>
<td>High quality select Network</td>
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<tr>
<td>Complete Physician and hospital and post-acute care network with excellent geographic and specialty capacity</td>
</tr>
<tr>
<td>Primary Care in a PCMH</td>
</tr>
<tr>
<td>Largest PCMH certified PCP Group in US; proven superior disease management, preventive service results.</td>
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<td>Care Coordination</td>
</tr>
<tr>
<td>Fully developed CC/ Disease management structure coordinated between PCP and Specialists with positive results; an integrated team, including nurse health coaches for highest acuity patients.</td>
</tr>
<tr>
<td>Clinical Integration</td>
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<tr>
<td>Committed delivery network. Common protocols, pathways, communication</td>
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<td><strong>Analytics</strong></td>
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<tr>
<td>Full suite of EMR, Interoperability, and analytic tools; Proven Predictive models.</td>
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<tr>
<td><strong>Cost Reduction</strong></td>
</tr>
<tr>
<td>• Proven cost reduction experience</td>
</tr>
<tr>
<td>• Realistic intense focus on “top 5%” who drive half the cost</td>
</tr>
<tr>
<td>• Intensive case management for top 5%</td>
</tr>
<tr>
<td>• BQA “at risk” for performance or no reward</td>
</tr>
<tr>
<td><strong>Employee Satisfaction</strong></td>
</tr>
<tr>
<td>Proven “top box” Press Ganey and CG-CAHPS performance</td>
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<tr>
<td><strong>Wellness</strong></td>
</tr>
<tr>
<td>Full integration of HRA, Biometric Screening and other wellness resources with PCP encounters</td>
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Questions?