Why the Baylor Scott & White Merger?

BaylorScott&White HEALTH

Common Mission, Vision, Values

Similar Physician Engagement Models	Collaborative culture, physician-led, committee structure, P4P
Shift to Population Health from Acute Care	Leverage PCMH, care coordination, IT infrastructure
Create Integrated Health Care Delivery Model	Expands coverage, improves quality/care coordination, rewards effective/efficient care, promotes innovation, controls costs
Health Informatics	Data analytics, data sharing, transparency, big data
Captive Health Plan and Infrastructure	Advances population health efforts, better care management opportunities
Generate Economies of Scale	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**

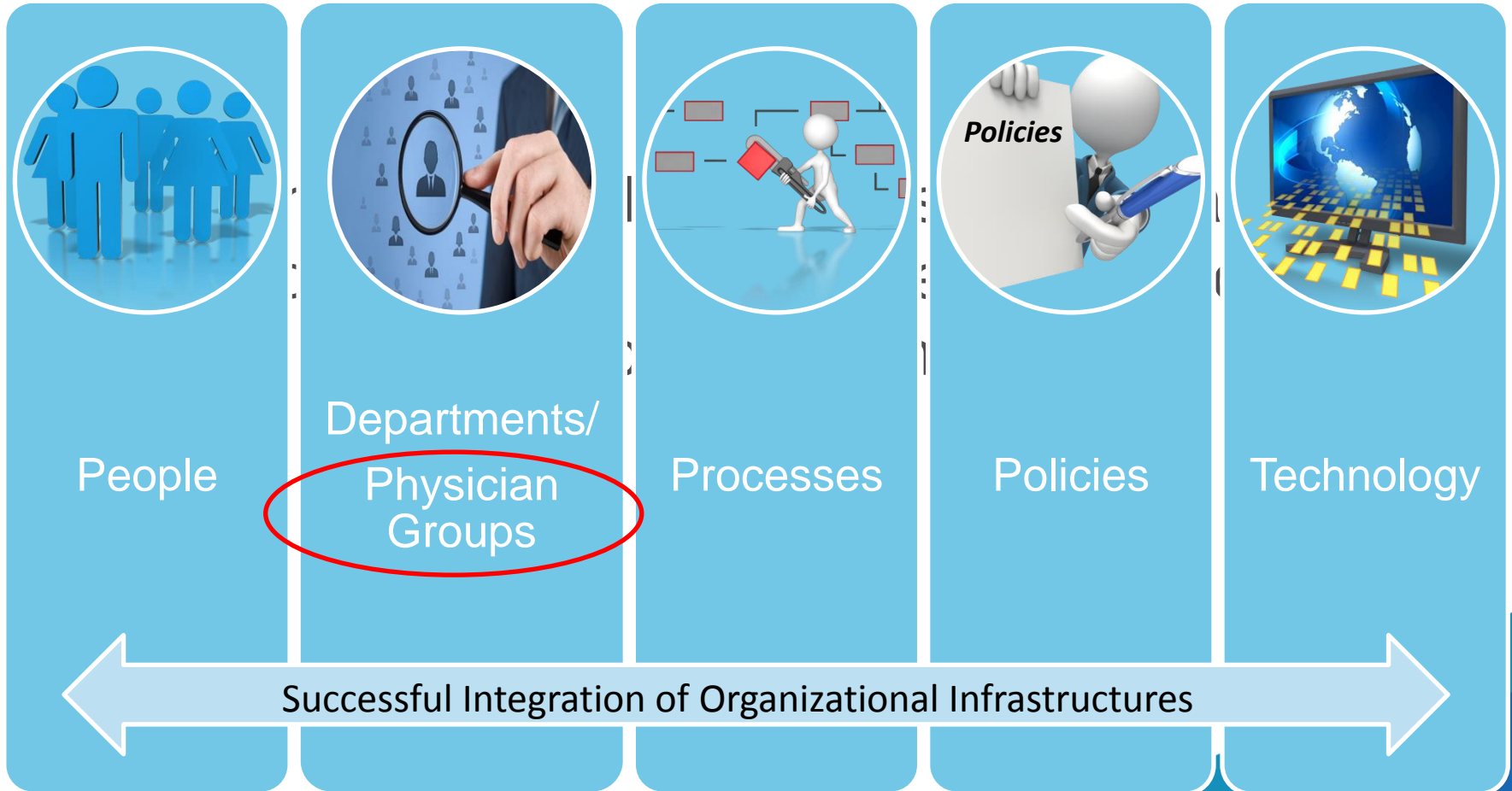**2** **Population health management** requires more **care coordinators**

3 Employers and payers demand **more efficiency**

4 Bundle payments, risk sharing arrangements, better and **more predictable outcomes**

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Becoming One is Successful Integration of…

People

Departments/ Physician Groups

Processes

Policies

Technology

Successful Integration of Organizational Infrastructures

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:
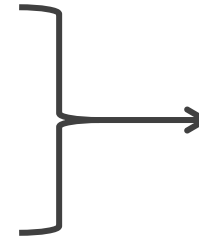Aetna, Humana,
Vital Traditions

Employers

BHCS Employee Health Benefit Plan:
34,000 lives

Scott & White Health Plan:
220,000+ lives
(one of the
highest rated
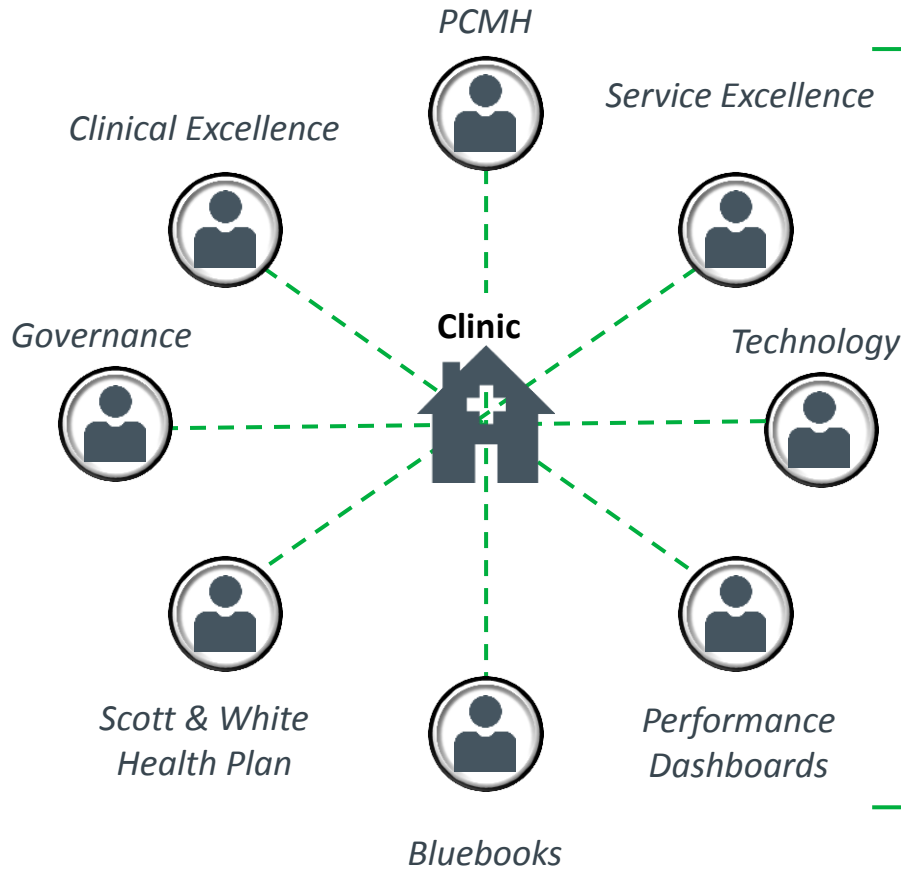plans in the
nation)

Improving Patient Care

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6

Identifying Areas of Physician Group Synergies

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

Leveraging Physician Group Resources to Advance Integration

Existing Infrastructure/Resources

PCMH · Service Excellence · Clinical Excellence · Governance · Clinic · Technology · Scott & White Health Plan · Bluebooks · Performance Dashboards

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.
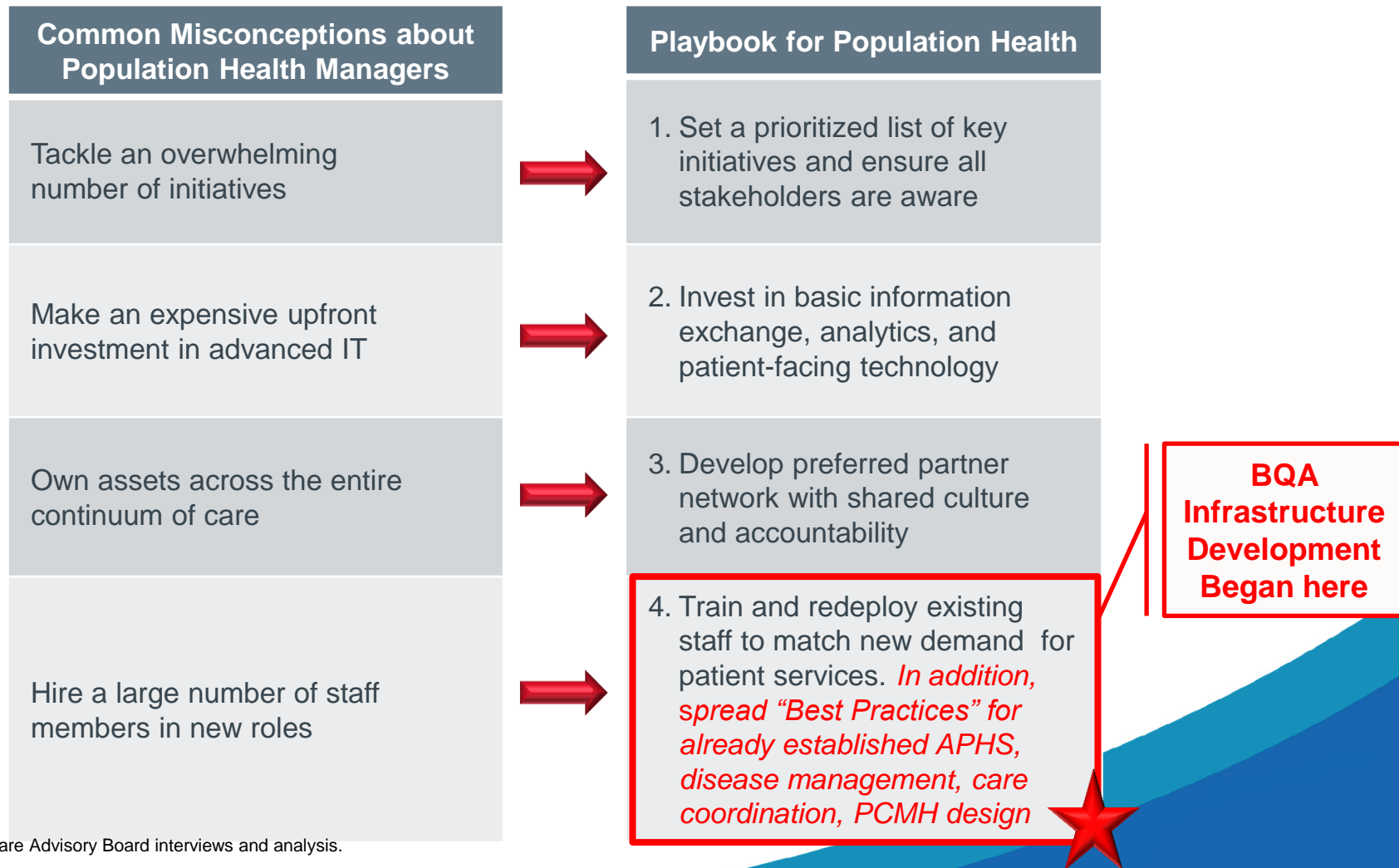
✓ Each survey will be sent to a randomly selected percentage of the newly merged Baylor Scott & White Health organization.

Leveraging HTPN Strengths to Build BQA Infrastructure

Building the Population Health Infrastructure

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

BQA Infrastructure Development Began here

Source: Health Care Advisory Board interviews and analysis.

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Leveraging HTPN Resources/Expertise…

Leadership/ Governance

Network Management

Quality Initiatives

…To Build BQA Infrastructure

PCMH/Care Coordination

Information Technology

Marketing

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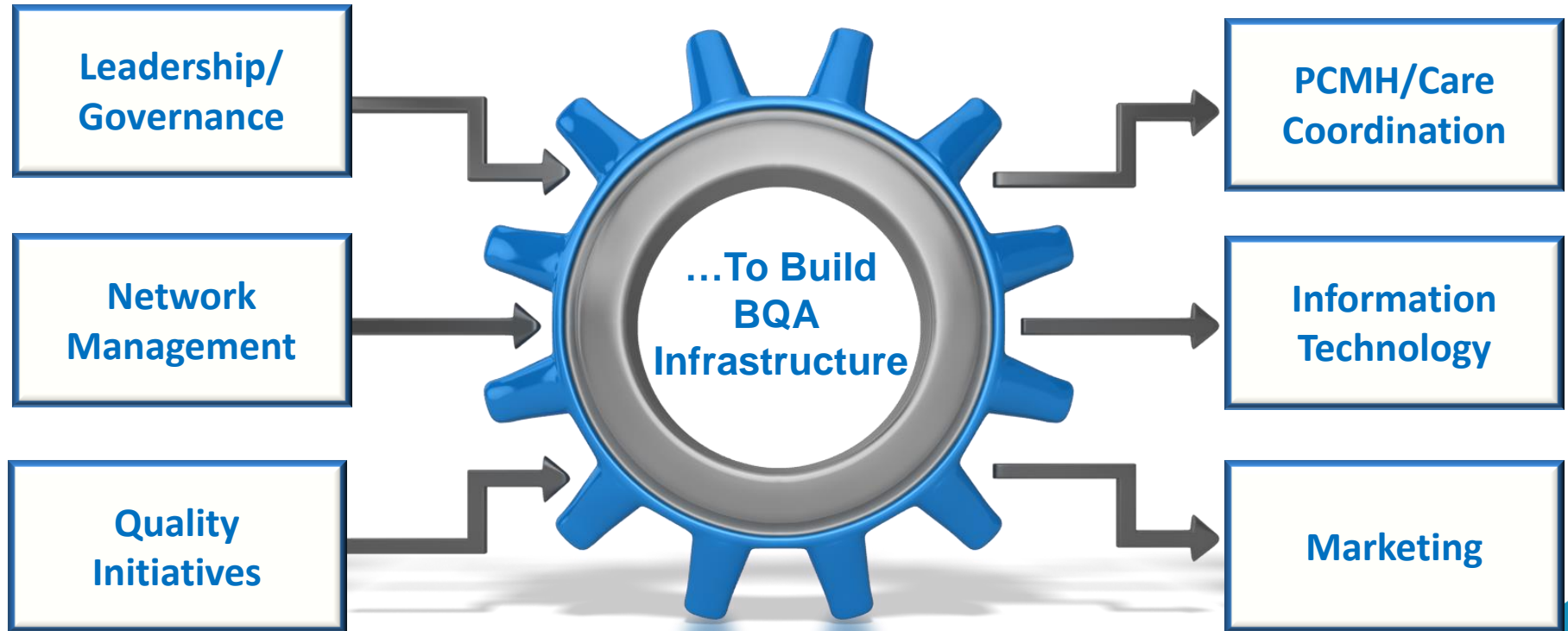
Governance
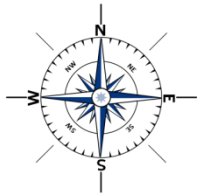
HealthTexas

» **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
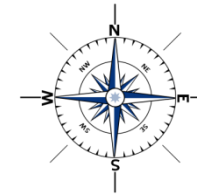
BQA

» **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

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HTPN Committee Structure

Board of Directors

Orthopedic Surgery Section	Nominating Committee	Executive Committee	Peer Review Committee	Physician Satisfaction Sub-Committee
Surgery Section	Volunteers in Medicine Committee	Payer Contract Review Committee	Service Excellence Committee	Specialist Affairs Sub-Committee
Primary Care Regional Sections	Compensation Committee	Lab Advisory Committee	Patient Safety Committee	Vaccine Supply & Purchasing Sub-Committee
Inpatient Care Section	Credentials Committee	Malpractice Support Committee	Best Care Committee	Disease Management Sub-Committee
Cardiology Section	Compliance Committee		EHR Committee	Workflow Redesign Taskforce

Ethics Sub-Committee — Conflict of Interest Sub-Committee
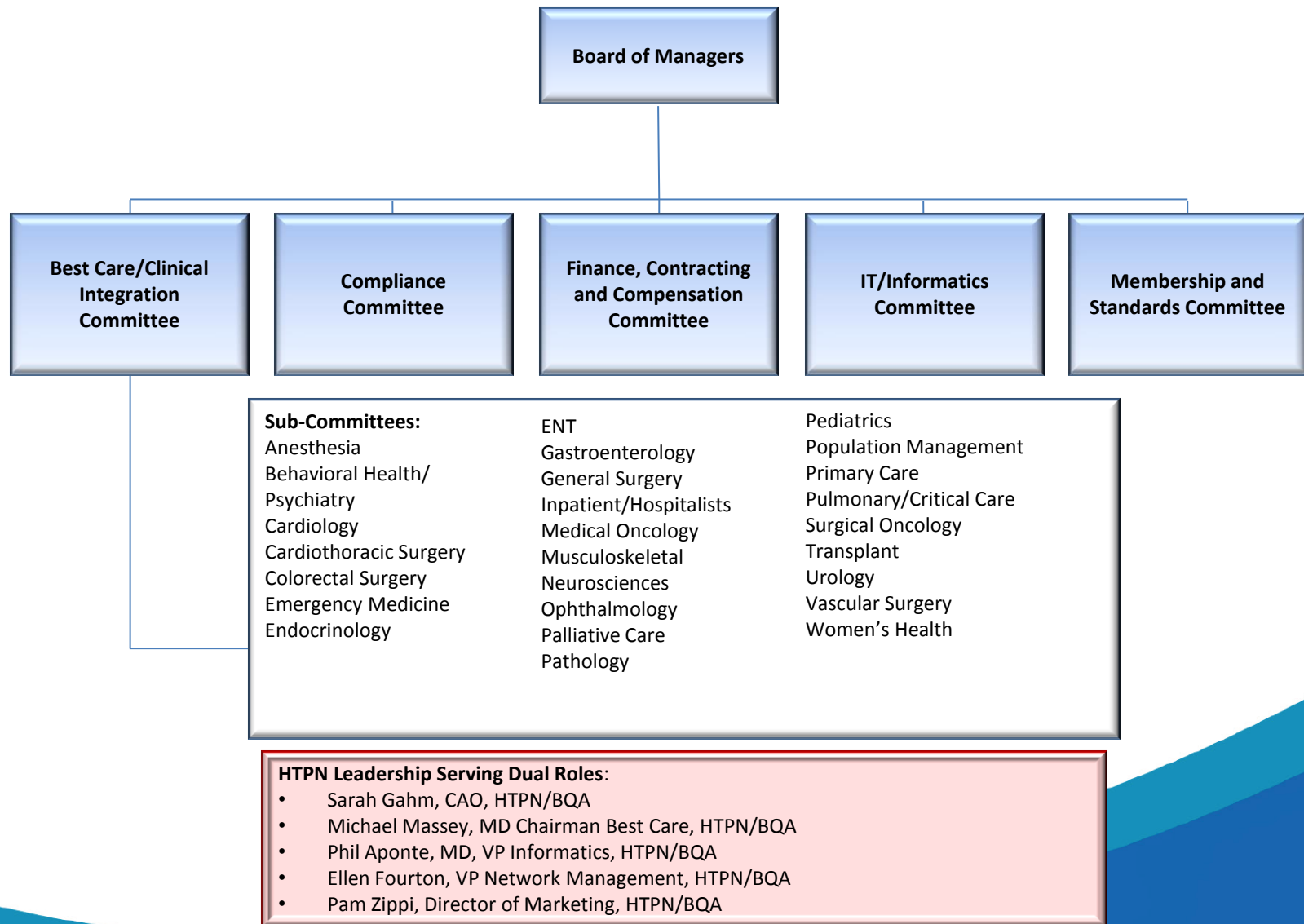
Local Practice Executive Committee

Key to HTPN Success: Promoting teamwork and physician participation

- **25 committees/sub-committees**
- **5 Physician sections**
- **68% of physicians participate as leader or member**

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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

Access		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.
Patient-Centered Medical Homes		Largest number of NCQA recognized PCMH practices in the United States
Care Coordination		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
Data Analytics/Reporting		Significant investment made in clinical solutions offering longitudinal view of individual patients and patient populations (automated patient identification, workflow analysis, risk-stratification, predictive modeling)
Evidence-based Medicine		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
Disease Management/Adult Preventative Health Services		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

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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

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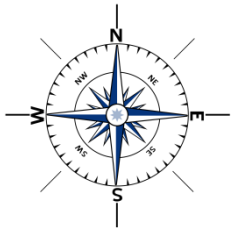
Early Success in Managing BHCS Employee Health Plan

Readmissions

(Covered lives with an inpatient admission resulting in 7 day readmission)

- Average admissions per 1,000: **Decreased 20%** (from 26.7 to 21.4)

*based on comparison of first three quarters of data from 2012 and 2013

Attribution

- **BHCS Employee Utilization** of the HTPN/BQA primary care network **increased 9.4%** during plan year 2013

Financial

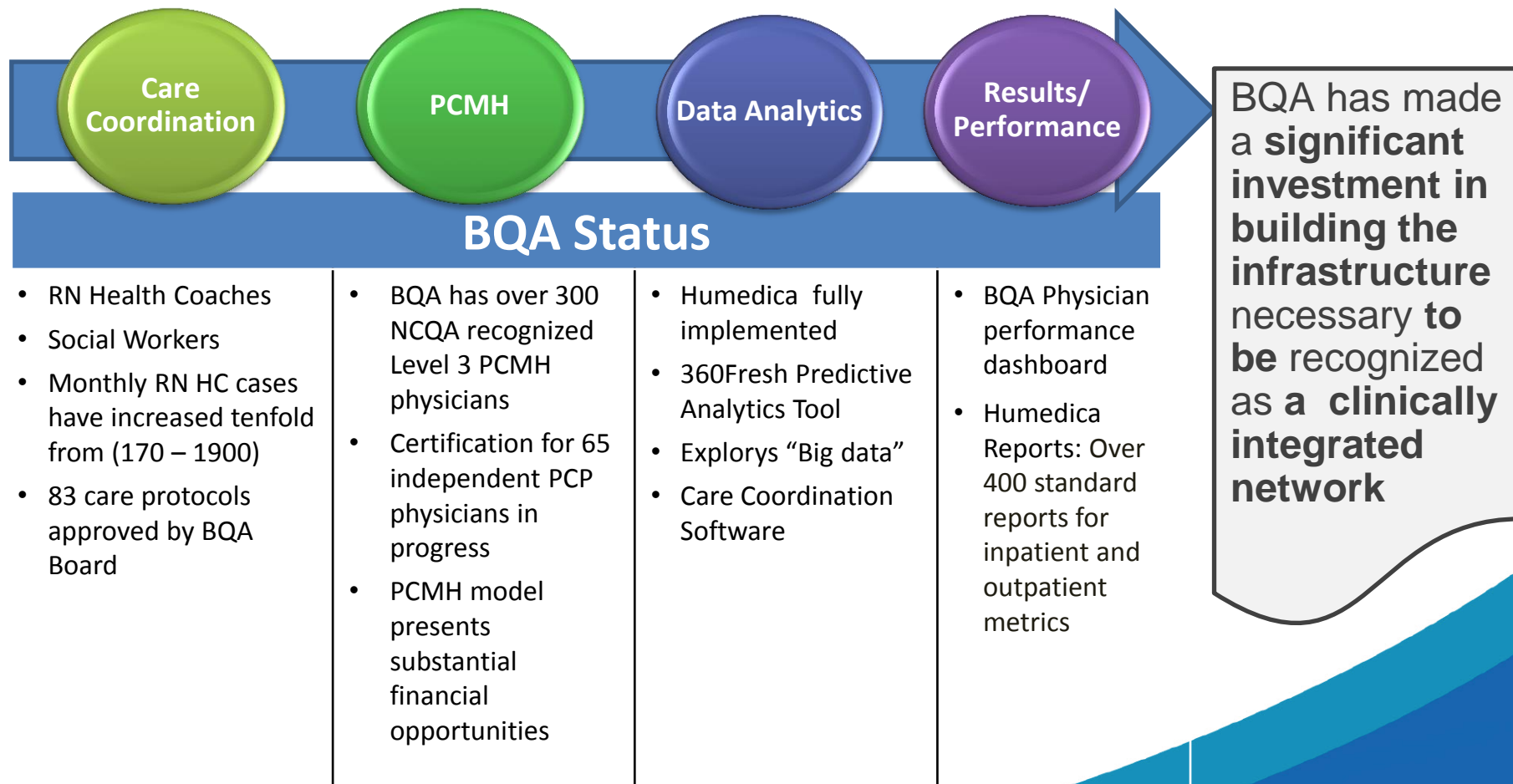- **BHCS Health Insurance expense decreased** approximately **3%** Per Employee Per Month (PEPM) actual vs. budgeted expense PEPM
- **BHCS Health Plan Total Medical Costs decreased** approximately **6.7%** Per Member Per Month (PMPM) actual vs. target PMPM)

Quality Metrics

- **Successfully met or exceeded** quality metrics set forth in the contracts

*All results above are based on preliminary data and is subject to change

Key Strategies for Achieving Clinical Integration

| Care Coordination | PCMH | Data Analytics | Results/ Performance |

BQA Status

Care Coordination	PCMH	Data Analytics	Results/Performance
• 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**

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BQA Prepared to Flex Its Organizational Design to Serve as BS&WQA

BS&WQA Strategy
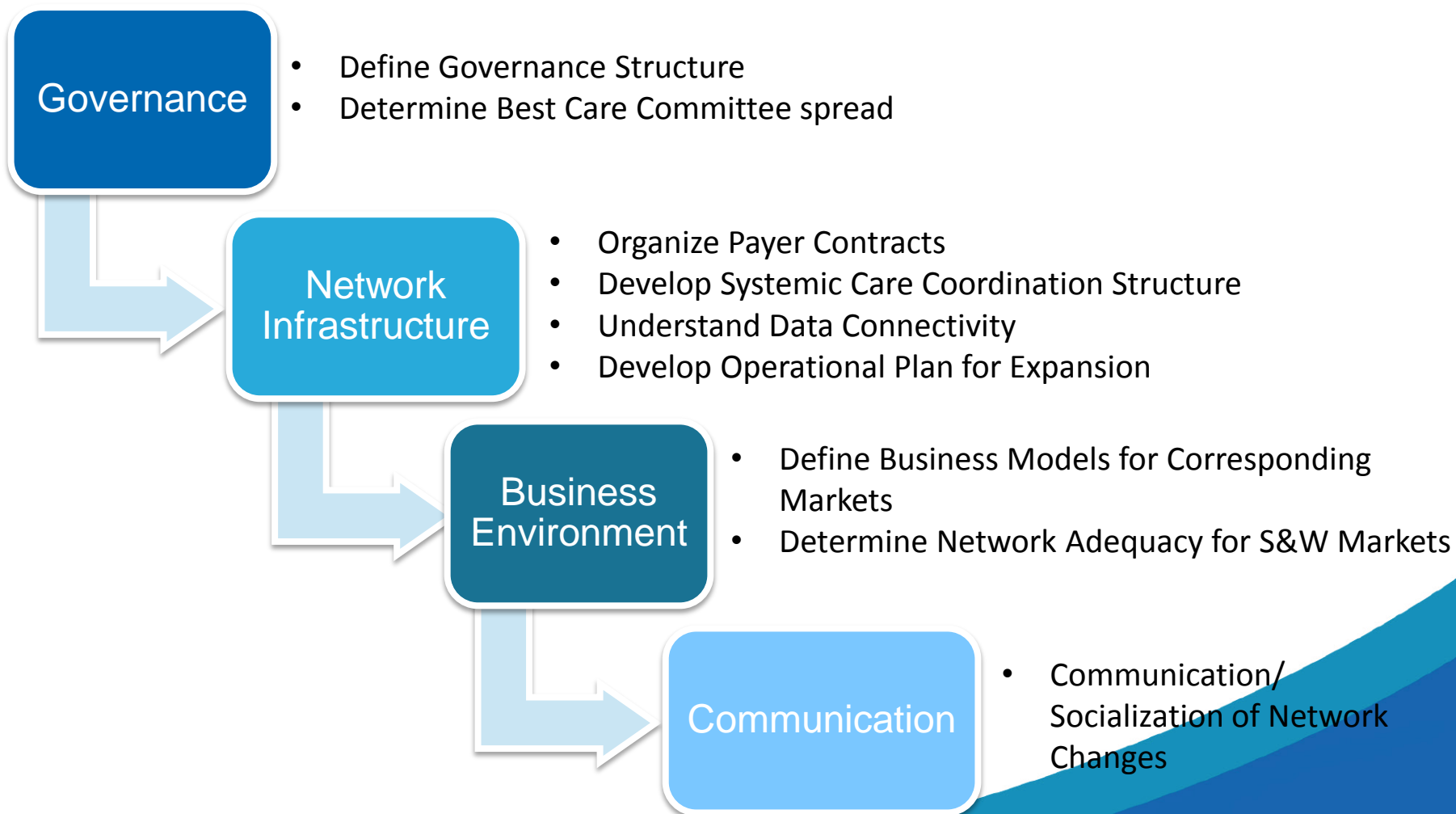
Role of Population Health integrator across both regions

"Provider Driven" ACO

Create capacity for value-based purchasing and full population accountability

BS&WQA

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

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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.

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BQA's Capacity to Serve as Narrow Network

	What Baylor Quality Alliance can bring
High quality select Network	Complete Physician and hospital and post-acute care network with excellent geographic and specialty capacity
Primary Care in a PCMH	Largest PCMH certified PCP Group in US; proven superior disease management, preventive service results.
Care Coordination	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.
Clinical Integration	Committed delivery network. Common protocols, pathways, communication

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BQA's Capacity to Serve as Narrow Network

	What Baylor Quality Alliance can bring
Analytics	Full suite of EMR, Interoperability, and analytic tools; Proven Predictive models.
Cost Reduction	- Proven cost reduction experience - Realistic intense focus on "top 5%" who drive half the cost - Intensive case management for top 5% - BQA "at risk" for performance or no reward
Employee Satisfaction	Proven "top box" Press Ganey and CG-CAHPS performance
Wellness	Full integration of HRA, Biometric Screening and other wellness resources with PCP encounters

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Questions?