Reducing Medical Cost Trend in ACO/AQC Environments: An Innovative Approach to Physician Engagement

AMGA 2013 Annual Conference March 15, 2013

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Agenda

- MGH initial approach to engaging specialists in managing medical expense trend (2:00-2:20)
- Group activity #1: Dashboards for medical expense trend (2:20-2:50)
- Engaging physicians: MGPO Quality Incentive Program (2:50-3:00)
- Group activity #2: Designing physician incentives (3:00-3:10)
- Wrap up (3:10-3:15)

Learning Objectives

Learn from each other's experience using data to engage specialists
Brainstorm tactics for engagement There are three ways society is combating rising costs

Contain Implement Turn payment rates through patients into reform regulation consumers **ACO** AQC

What we're facing...

- Constraining the growth of healthcare costs is a national priority
 - Involvement of physicians through changed incentives is unavoidable
 - PPACA includes several new payment mechanisms the imperative will persist even if the specifics change
- The market is using the same play book closed networks, budget-based risk, cost sharing, restriction of choice and this may generate the same backlash as 1990s managed care era
- But...
 - The economy is much worse
 - Government is more proactive
 - Rate of change is slower (caps on increases, not cuts)
- And we have...
 - Better health IT and data for population management
 - Strategies and tactics that we know will improve care and reduce costs
- Providers will need a playbook that will be successful under any of the new payment models

What we're facing...

- The focus should be on reducing medical expense trend to as close to the rate of general inflation as we can
- This means taking risk and changing care models
 - Shared savings (Pioneer ACO)
 - Bundled payments
 - Global payments (AQC/capitation)
 - Care redesign
- Challenges
 - How to make the external incentives internal in a meaningful way, within a complex organization
 - At the right pace
 - Moving *too fast* will lose the docs in the rush to implement MDs attitude often creates the patient's attitude (managed care backlash)
 - Moving *too slow* will mean not succeeding under the contracts and worsening the regulatory environment

Why Partners/MGH is aggressively pursuing global payment/population management

- Leadership opportunity to bend cost curve
- Efforts to reduce health care spending not going away
 Government and private sector being proactive
- Lesser of two evils
 - Continued fee-for-service with endless rate cuts
 - Global payments → care redesign, which → decreased utilization, which → (1) shared savings and (2) backfill opportunity
- Partners increased ability to care for populations of patients
 - Universally adopted EHR
 - Successful CMS Demo

We are at the center of the conversation

Blobe

Payment Reform Commission



"The Special Commission concludes that global payment models....should serve as the direction for payment reform....implemented over a

period of five years

-Commission Report

Referring Physicians



"...the organization could better coordinate care at Beth Israel Deaconess, partly because the hospital has agreed to send patients back to their primary care doctor or a specialist at Harvard Vanguard after their inpatient stay, rather than keep them in the more expensive hospital system..."

"...About half of Atrius patients are covered by a global payment..."

Boston Globe, 2/25/10

Media

"Massachusetts General Hospital and Brigham and Women's Hospital typically...[are] paid 15 percent to 60 percent more for essentially the same work as other hospitals, even though the quality is not superior...." Boston Globe Spotlight Series, 2008



Attorney General



"...points to the market clout of the best-paid providers as a main driver of the state's spiraling health care costs..."
AG Investigation of Health Care Cost Trends and Drivers, January, 2010



"We hope this is the beginning of a movement in Massachusetts in which **health plans, hospitals, and physicians work together on a shared agenda to improve care and lower costs**,"

Andrew Dreyfus, Blue Cross, on the importance of AQC

Partners entered new contracts with our two biggest payers on January 1, 2012

	Alternative Quality Contract (AQC) Blue Cross Blue Shield	Accountable Care Organization (ACO) Medicare Shared Savings
Population	Commercially-insured patients who receive primary care at Partners	Medicare patients with most of their care at Partners
Quality Measures	DM, CVE, HTN, Depression, Cancer Screening, Bronchitis, Patient Experience	DM, CVE, HTN, CHF, Preventative Care, Care Coordination, Patient Experience
Medical Expense Trend	1% less than non-PCHI in cost per member per month from baseline	1% less than comparison group in cost per member per month from baseline

Chiefs Leadership Incentive on Trend

• Goal

- Departments produced a written plan for achieving trend goals, relevant to their specialties
- Specialists understand contribution to spending trends and key drivers
- Process
 - Developed utilization and costs reports for at risk population to help inform divisions on high spend areas and guide possible areas of clinical opportunity
 - From June Sept 2012, we met with Chiefs and senior administrators from 23 departments total :
 - Provided limited data on utilization and costs for select resource areas
 - Engaged in a focused discussion on clinical opportunities to reduce overall costs of care while maintaining quality
 - Chiefs receive \$\$ bonus for turning in trend plan

Increasing Trend



High cost, flat or decrease trend Priority Area #2	High cost, increase trend Priority Area #1
Low cost, flat or decrease trend Priority Area #4	Low cost, increase trend Priority Area #3

Specialty trend matrix

- p ,	Inpt Serv	Med Pharm	Pharm	Visits	Amb Proc	Diag Serv	Pathology	Immun
Anesthesia								
Dermatology								
Emergency Services								
Mass Eye and Ear		\uparrow						
Medicine - Allergy Immunology								
Medicine - Cardiology								1
Medicine - Clin Ed/HospMed/AHS								
Medicine - Endocrine Division								
Medicine - Gastroenterology								
Medicine - Hematology Oncology								
Medicine - Infectious Disease	1							
Medicine - McLean Hospital								
Medicine - Nephrology Division								
Medicine - Palliative Care								
Medicine - Pulm & Critical Care								
Medicine - Rheumatology								
Neurology Service								
Neurosurgery Service								
OB GYN Service								
Oral and Maxillofacial Surgery								
Orthopaedic Surgery								
Pathology								
Pediatrics								
Physical Medicine & Rehab								
Primary Care								
Psychiatry								
Radiation Oncology								
Radiology Service								
Surgery Service								
Urology Service								

For illustrative purposes

Above average medical spend compared with all Department/Resource Area combinations Below average medical spend compared with all Department/Resource Area combinations

Methodological approach

BCBS	Members wit	h an MGH PO	CP
BCBS MemID	MGH MRN	Eligible Start	Eligible End
1235290	0000001	1/15/11	12/15/11
5903720	0000002	3/15/11	12/15/11
4730434	0000003	1/15/11	7/15/11

Records must meet MGH MRN and MGH Provider criteria for analysis

BCBS MemID	MGH MRN	Eligible Start	Eligible End	Туре	Procedure Name	Resource Area	Date of Service	Allowed Amount	MD Name	MD Bucket
1235290	0000001	1/15/11	12/15/11	IP	Subsequent Hospital Care	Inpatient Services	4/1/11	\$150	Rao	Primary Care
1235290	0000001	1/15/11	12/15/11	ОР	Office/Outpatient Visit	Visits	2/7/11	\$230	Weilburg	Psychiatry
5903720 •	000002	3/15/11	12/15/11	OP	Emergency Dept Visit	ED Visits	V/30/11	\$160	Weil	Primary Care
4730434	000003	1/15/11	7/15/11	OP	Flu Vaccine, 3 Yrs & >	Immunizations	1/9/11	\$15	Rao	Primary Care
							Resource trend tea	Areas defi m	ned by	

Costs, Utilization and PMPM are summarized by QI Bucket and Resource Area

QI Bucket	Resource Area								
	Inpatient Services	Visits	ED Visits	Immunizations	Ambulatory Procedures				
Primary Care	\$ X	\$ Y	\$ Z						
Psychiatry									

Data on utilization and costs

			I	
MCD0 2014 D	Orthopa rocedures Or Events	aedic Surger		
Ambulatory P		1570	52.35%	S2.94
	E ARTHROSCOPY/SURGERY	81	5.35%	\$2.54
	HROSCOP ROTATOR CUFF REPR	48	5.09%	(//T 1 1°1 1
	HROSCOPY OF JOINT	35	3.10%	"Looks like onl
	ULDER ARTHROSCOPY/SURGERY	68	2.67%	way to cave \$ ic.
	E ARTHROSCOPY/SURGERY	34	2,42%	way to save \$ is
	IN/INJECT, JOINT/BURSA	251	2.00%	not operate."
	ULDER ARTHROSCOPY/SURGERY	61	1.93%	not operate.
	PAL TUNNEL SURGERY	42	1.75%	.10
29888 - KNE	E ARTHROSCOPY/SURGERY	16	1.68%	\$0.09
Other		934	26.36%	\$1.48
Visits		2777	23.59%	\$1.33
	CE/OUTPATIENT VISIT, NEW	777	8.05%	\$0.45
an I see this by	CE/OUTPATIENT VISIT, EST	980	6.65%	\$0.37
	CE/OUTPATIENT VISIT, NEW	157	2.58%	\$0.15
condition?"	CE/OUTPATIENT VISIT, EST	194	1.98%	\$0.11
	ICE/OUTPATIENT VISIT, NEW	206	1.54%	\$0.09
992 FFI	ICE/OUTPATIENT VISIT, EST	380	1.53%	\$0.09
Other		83	1.25%	\$0.07
Inpatient Serv	/ices	243	21.76%	
27130 - TOT	AL HIP ARTHROPLASTY	35	5.25%	"Would be great to
27447 - TOT	AL KNEE ARTHROPLASTY	32	5.01%	would be gleat to
23472 - REC	ONSTRUCT SHOULDER JOINT	7	1.02%	see variation by
Other		169	10.48%	5
Pharmacy		551	2.10%	physician by
Opioid Agor	nists	131	0.52%	1 5 5
Viscosupple	ements	11	0.47%	condition."
Throat Prod	ucts - Misc.	10	0.27%	
Nonsteroid	al Anti-inflammatory Agents (NSAIDs) 96	0.24%	
Other		303	0.60%	\$0.03
Medical Bene	fit Pharmacy	392	0.19%	\$0.01
J3301 - TRIA	MCINOLONE ACET INJ NOS	278	0.07%	\$0.00

Imaging variation report example

MASSACHUSETTS GENERAL PHYSICIANS ORGANIZATION	I		lma For M Imaging Orders	IGH	EVE	RET	T FAI	MILY	CARE		, 2011						
Provider	Modeled Patients	Observed Exams	Expected Exams			-		-	O/E	-	-				Tendency to Image	Intercept p v	value
Flovider	307	83	67	1.	23		0.2	0.4	0.6	0.8	1 1.2	1.4	1.6	1.8 2	0.106	-0.0	0001
	158	36	26	-	_	 		1							0.0616		0.05
				-	_]							_		
	419	44	63	0.	70				-						-0.0305	5	0.20
	498	70	98	0.	71				-						-0.0001	2	0.99
	715	177	108	1.	64										0.0981	<0.0	0001
	932	141	155	0.	91					-					0.0100	•	0.601
	373	50	67	о.	74										-0.0055	5	0.822
	355	22	57	о.	38										-0.0661	3	0.008

Color Key:

Significantly lower intercept than the practice mean

Not significantly different from the practice mean

Significantly higher intercept than the practice mean

2011 Loyalty Cohort, Outpatient CT/MR/Nuc Imaging Performed in 2011. Observed / Expected With Hierarchical Provider Intercept, p-value Delivered Via IPORT And Email

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Reports requested: Data by episode and department

Episodes										
Departments	АМІ	CABG	Breast Cancer	Diabetes	Trauma	Screening	Other	Total		
Cardiology	\$\$\$	SSS	\$\$\$	SSS	s Cu	rrent Da	ita 🔰	\$\$\$		
Endocrinology	\$\$\$	SSS	\$\$\$	SSS	\$\$\$	SSS	SSS	SSS		
^{Surge} What Depts W	lant V	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$	\$\$\$		
Psychiatry	5\$\$	\$\$\$	\$\$\$	SSS	\$\$\$	\$\$\$	\$\$\$	\$\$\$		
Physical Med/Rehab	\$\$\$	\$\$\$	\$\$\$	SSS	\$\$\$	SSS	\$\$\$	\$\$\$		
Primary Care	\$\$\$	\$\$\$	\$\$\$	SSS	\$\$\$	\$\$\$	\$\$\$	\$\$\$		
Hematology Oncology	\$\$\$	SSS	\$\$\$	\$\$\$	SSS	\$\$\$	\$\$\$	\$\$\$		
Radiology	\$\$\$	\$\$\$	\$\$\$	SSS	SSS	SSS	\$\$\$	\$\$\$		
Emergency Medicine	\$\$\$	\$\$\$	\$\$\$	SSS	\$\$\$	<u>\$\$\$</u>	\$\$\$	\$\$\$		
Other	\$\$\$	\$\$\$	\$\$\$	SSS	SSS/	\$\$\$	\$\$\$	932		
Total	\$\$\$	\$\$\$	\$\$\$	SSS	SSS	\$\$\$	SSS	SSS		
					W					

Potential Targets

Discussion questions

We asked each group to respond to the following questions:

- 1. Identify patient populations or episodes in which you believe there are opportunities to reduce overall costs of care without affecting quality or patient experience?
- 2. Across populations, specific resource areas where you think there is over is overuse or misuse?
- 3. For those populations or resource areas, what tactics should be deployed to improve efficiency? Which tactics can be employed internally within your department or collaboratively with other departments? (Short or long intervals?)
- 4. What do you need to move forward with these tactics?

Breakout Session #1- Dashboards for medical expense trend

- Instructions:
 - Break into small groups and discuss how you would develop and implement a similar cost and utilization report at your institution.
 - The handout will provide guidance and focused questions to consider.
 - Identify a team member to report back to the group a brief summary of your approach, methods, anticipated challenges.

Original plan vs actual implementation

Original Plan	What Actually Happened
Show data on cost and utilization	 Data not great – unexpected limitations Data wasn't a driver for planning/unable
for all resource areas for past 2 yrs	to produce specific trend reduction goals
with trend goals	across all departments
Identify opportunities to reduce	 Many groups didn't need data to
cost standardized medical expense,	generate ideas Many interested in collaboration with
based on priorities identified in	other groups Desire for condition/population specific
data	data
Create QI Measure to address 2% reduction in CSME	 Most interventions at system level not MD level Not developed enough for QI measure Insufficient data for fair measurement

Department-specific summary for Pathology

Current Initiatives	-Inpatient lab ordering initiative -Ambulatory order sets (e.g. celiac screening)
Specific Populations	High Risk: Cancer Low Risk: Cervical cancer screening, routine labs
Relevant Resource Areas	Labs, biopsies
Variation Report Topics	PCP practice variation lab ordering
Potential Tactics: Internal	-Ordering of additional stains/studies on biopsies -Improved communication with referring physicians
Potential Tactics: External	 -Pre-operative testing -Feedback reports to PCPs re: lab ordering and appropriateness -Standard protocol and procedures reflective of clinical guidelines developed for specific conditions (e.g. paps, PSA, HPV, celiac) -Create policy addressing duplicate readings/billings from BWH pathologists;
Potential: QI Measure	Appropriateness guidelines
Potential Targets	Lab testing variation and spending per patient
Potential Collaborations	Primary Care, Surgery, BWH, Derm, GI
Best Practices/Other Areas to Consider	None identified

Emergency Department : Chiefs Plan to Reduce Medical Expense Trend



Emergency Department Chiefs Plan to Reduce Medical Expense Trend Due: November 15%, 2012

Background: As of 2012, MGH entered new contracts (commercial insurers and Medicare ACO) that include measures focused on reducing therate of rise in total per capita medical expense. To assist with this goal, the MGPO has asked all departments to identify opportunities to curb medical expense trend without affecting quality, safety, or patient experience. A plan for each department is due by November 15, 2012.

Below is a plan for reducing per capita spending for Department of Emergency.

1. Summary of Current/On-going Efforts:

- Creation of a new 18-bed Short Stay Unit for observation patients. This is in addition to the existing 14-bed ED Observation Unit on Bigelow 12, which increases our observation bed capacity to a total of 32 beds.
- Collaborative effort between the Emergency Department and Partners Continuing Care to reduce unnecessary ED visits for PCC patients
- ED length of stay reduction efforts, specifically in:
 - Screening process redesign
 - Pedi ED process redesign
 - o Admission handoff (with the Department of Medicine)
- Multidisciplinary project to reduce ED utilization from our Multiple Visit Patients ("frequent flyers") through improved care management pathway coordination
- · Creating decision support for CT for low risk pulmonary embolism
- Creating decision support for CT for mild traumatic head injuries

2. Target Populations:

- · High Risk: observation patients who rule in for serious conditions (STEMI, stroke)
- Low Risk: correctly identified low risk PE and head injury patients

3. Relevant Resource Areas:

- Imaging
- Observation units and associated support services (Case Management, Pharmacy, timely imaging services, physical therapy)
- Information Resources (for Multiple Visit Patient care pathways)

4. Identified Collaborations

- Partners Continuing Care
- Department of Medicine
- Pediatrics



5. Potential New Tactics

Internal (within dept)

 Direct to Observation ("DTO") for certain defined conditions, such as chest pain and presumed TIA

External (to dept/system integration)

- TIA protocol w Lee Schwamm
- PCC protocols development for long term care patients

6. What do you need to move forward with these tactics?

- Dedicated project management support
- Process redesign support
- Possible IT/EDIS programming
- · Full ramp up of Short Stay Unit staffing and approval of outstanding budget requests

7. Please identify the key initiative (either existing or new) that you plan to focus on the most over the next year.

• Full ramp up of Bigelow 7 Short Stay Unit

8. What is a potential process or outcome measure we could use to track your success? Is there a possible MGPO Quality Incentive measure to engage physicians in this work?

- LOS reduction for discharged patients from the ED. This could be incorporated into a possible MGPO quality metric
- Reduction in the number of patients admitted as inpatients from the ED and who stay only 24 to 48 hours

<u>9. Contact Person:</u> (Please identify one person to be key representative and report on progress) Name: <u>Robert Seger</u>

Email: rseger@partners.org

Title: Executive Director, Emergency Services and Emergency Preparedness

Target populations

High Risk Cost Populations	Low Risk Cost Populations
 Cancer -GYN -Skin -Pancreatic -Colon -Melanoma -Breast -Lymphoma Critical Care ALS Diabetes HTN COPD Patients discharged from psych hospital 	 Acne Warts UTI Pneumonia TIA Acute appendicitis Normal vaginal delivery Cervical Cancer screening Celiac disease screening General surgery Hematuria

Summary of tactics proposed by department

	Care Receiption	. 4.	Ø .		dizo		\$	ene .		Hospital Actimitation iss	iency		Procedures A.	se	\$	
	Care Re Initiative PHS Mur	Variation MD.	Referral Mainagen	Pre-Op Planning Tesning	Stamoardize Careardize	Climical Collaboratio	Visits Ambular	Site of Care	Patient Ingage	Hospita Admita ise inte	OR Efficiency	Ouioeuu	Pr _{oce} di Dr _{obria}	1000	Pharmacy	
Anesthesia	•			•	•			•			•	•		•		
Dermatology		•	•		•	•	•		•					•	•	
Emergency Services		•			•	•		•		•		•				•
Neurology Service	•								•			•	•			
Neurosurgery Service		•		•		•	•			•		•				•
Medicine	• 4		• 1		• 1					• 3			• 4	• 1	• 3	
OB GYN Service	•						•	•		•				•	•	
Oral and Maxillofacial Surgery			•		•		•	•			•	•				
Orthopaedic Surgery	•		•			•		•	•			•	•			
Pediatrics								•							•	•
Pathology		•				•							•	•	•	
Psychiatry		•					•									•
Radiology			•		•							•				
Surgery	٠	٠		•				٠		•	٠	٠	٠		٠	
Urology Service			•		•						•		•			•

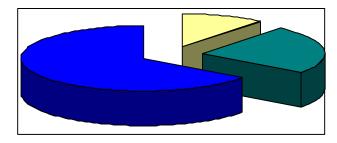
*Will continue Care Redesign already in progress Medicine includes the number of sub-divisions for each tactic

Quality Incentive Program

- 1,700 eligible physicians
 - Clinically active, non-trainees
 - In at least 2 major managed care contracts
 - Grouped into 3 RVU-based tiers
 - Includes hospital-based and MGPO MDs
- Incentive payments total \$6.5 million/year (~1.5% NPSR)
 - Started with a bonus check in December 2006
 - Since then, 2 terms, 2 incentive payments per year (July & December)
 - Max of \$5,000 per MD per year
 - Plan to pay out ~80% of funds each term
- 3 quality measures per term
 - 2 are system measures & apply to all docs
 - 1 is chosen by the clinical department in consultation with the QI Program
 - Measurement can be individual, practice group, department or hospital-wide
 - ~140 different measures have been used to date



Eligibility Distribution



Tier 1 (\$500)	Tier 2 (\$1250)	Tier 3 (\$2500)							
50-250	250-750	750+							
RVUs over 6 months									

Examples of department measures

Care Effectiveness.

- Perioperative antibiotics
- ACE/ARB for CHF and AMI patients at discharge
- Antibiotics to pneumonia patients
- Normothermia in the OR
- Inpatient stroke standards
- Antibiotics at Cesarean delivery
- Complete transition to OPPE
- Psychiatric global assessment of functioning

Coordination/Continuity of Care.

- Pediatric head injury discharge instructions
- Required discharge summary elements
- EMR/operative note timeliness
- Dermatologic pathology report follow-up
- Radiology/pathology report timeliness

Safety.

- MD hand hygiene compliance
- E-prescribing
- Admission note timeliness
- Dating peripheral IVs
- Use of patient identifiers
- Safety reporting
- Surgical handoff policy
- Electronic pathology report sign-out

Efficiency.

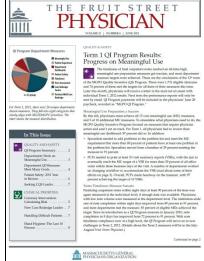
- PCP list review
- Reduced "red" rate for ROE orders
- Cross cultural training
- Deploy anesthesia charting system
- Structured problem list

These have applied to entire departments or smaller groups of physicians within a department.

Incentives coupled with clear communication

- The *Fruit Street Physician* newsletter announces measures for the term and performance results
- 20-30 emails are sent each term (to explain and remind MDs) and have a high open rate
- The MGPO website has all program details – MDs can see their own performance and
 - that of the group
- Each term a personal results letter/email shows performance

Newsletter announces results at term end





You Are Currently Not Meeting the Visit Summary Report Target (PCP)

There is still time to improve on the MGPO Quality Incentive (QI) Program, Term 2, 2012, meaningful use preparation measure for primary care physicians (PCPs): Provide a visit summary report (VSR) to patients within three business days for 50% of patients.

Based on your July meaningful use dashboard, our records show that you have not yet reached the target of 50 percent. Remember that any staff person in your office can provide the VSR to the patient. Please note, that if you have worked to improve your performance in the last week or so, your efforts will not yet be reflected due to the dashboard data lag. The MGPO will alert physicians by email when the dashboard has been updated.

To track your progress, go to the <u>meaningful use dashboard</u>. Clicking on the measure will give you more information on what needs work.

For more information about VSRs, <u>click here</u>. For Oncall user information, <u>click here</u>.

For additional meaningful use resources and steps to improve your results, <u>click here</u>. For questions, go to the <u>MGPO QI website</u>, or send an email to the <u>QI Program mailbox</u>.

Sample email to low performer

What are other ways to engage specialists?

Goals				Individu	al Accountabili	tv		
			Example	Individual	Practice	Division	Dept	Hospital
Collaboration vs. Accountability	Low Risk	Bonus for process measure	Follow-up discharge calls					
Actionable vs. Results		Bonus for outcome measure	ED visits /1000					
(e.g process vs. outcome)		% of compensation on value based process/outco me measure	20% of comp contingent on efficiency measures					
		Sub cap or bundle payment	Rate per surgery					
		Capitation/shar ed savings	AQC					

Breakout Session #2-Designing physician incentives

- Instructions:
 - Break into small groups and discuss approaches to engaging physicians and senior leadership using the following questions:
 - 1. How are you currently structuring incentives for your specialists?
 - 2. Which approach would you choose? What are advantages/disadvantages?
 - 3. How would you engage physicians and senior leadership? What are some anticipated challenges or barriers? How would you overcome these?
 - 4. Any key learnings from your group?

Wrap up

- Key points
 - Data is important, but not critical \implies if you pursue, data driven strategy: physician-level condition-specific variation
 - Engaging physicians is a journey Awareness Accountability