Beyond Medicare Advantage
Prepayment as a Tool for Delivery System Partnership and Redesign
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Overview

• Who We Are
• Why We Did This
• What We Hope To Accomplish
• What We’ve Learned
• Addendum: The emerging story for Medicare Advantage

Presbyterian Intercommunity Hospital (PIH) is part of an Integrated Delivery System

Presbyterian Intercommunity Hospital, a 444-bed, not-for-profit facility that serves nearly 1.5 million residents in Los Angeles and Orange Counties and the greater San Gabriel Valley.
• Centers of Excellence including the Heart & Lung Center, the R.C. Baker Foundation Emergency Center, the Ruby L. Golleher Comprehensive Cancer Program, Critical Care Services, Maternal-Child Health Services, Hospice and Home Health, and the Patricia L. Schelly Breast Health Center.
• Specialty Community Services include A Day Away Adult Day Health Care Center, the PIH Blood Donor Center, and Care Force One Mobile Health Van.
• Bright Health Physicians of PIH, a nonprofit medical foundation and a large independent physician association (IPA). The medical foundation includes 11 clinic locations, 46 primary care physicians, 23 specialty care physicians, an inpatient hospitalist program with 13 adult and 6 pediatric hospitalists, and manages the operations of a family practice residency program and 425 employees. Bright Health Physicians operates an IPA with over 130 primary care and 160 specialty care physicians.
Presbyterian Intercommunity Hospital (PIH) is part of an Integrated Delivery System

What We Stand For:
• A single, integrated entity:
  Our organization is responsible for providing all services that ensure our success in the healthcare industry.
• A seamless continuum of services:
  Consumers are provided a consistent point of access to all services and their care is coordinated and managed.
• We manage fixed resources:
  Our integrated network allows us to avoid duplication, conserve resources and keep consumers healthy.
• A community health focus and accountability:
  Our network focuses on improving the health status of the entire community which we serve.

Presbyterian Intercommunity Hospital (PIH) is part of an Integrated Delivery System

Our system is organized to provide a positive patient experience by assuring:
• Information Continuity
  Clinically relevant information is available to all care providers at the points of care and to patients through electronic medical records.
• Coordination of Care
  Patient care is coordinated among multiple providers and at times of transitions of care.
• Accountability
  We hold ourselves accountable for a positive patient experience in a cost-effective manner. We deliver high quality, high value care.
• Marketplace Strength
  Being part of an Integrated Healthcare Delivery System assures our organization’s financial stability for future growth and community security.

Community Health

What do people want? To be healthy and at PIMA.
**CareMore**
A Deployable Model Wrapped in Health Plan

Our Markets
- San Bernardino - 2008
- San Jose - 2009
- Modesto - 2010
- Las Vegas - 2010
- Tucson - 2010
- Phoenix - 2011
- Las Vegas 2011

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**CAREMORE CLINICAL MODEL**

15% of the members account for 75% of the cost

- **Frail Population**
  - Intensive management of frail and chronically ill members (approximately 15% of members) that account for 75% of medical costs

- **Non-frail Population**
  - Close monitoring of non-frail members to proactively identify at-risk members and aggressive management of chronic conditions to prolong the onset of frailty

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**CAREMORE INTEGRATED PATIENT CARE DELIVERY SYSTEM**

A Cohesive Center of Gravity

- PCP
- Extensivist
- Senior Patients
- Clinical Care Centers (CCC)
- PCP
- CHF Program
- CKD Management
- COPD Management
- Hypertension Management
- Mental Health Program
- Palliative Care Team
- Hospice
- Clinical IT
- Anticoagulation Program
- Pre-op Clearance
- Hospital Wireless Blood Pressure Monitoring
- Healthy Start Program

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Source: Management estimates for membership for the year ending 12/31/11
The Deal
Top-to-Bottom Financial Partnership
Joint Management *** 10 Year Deal
Health Plan Risk for Variable Cost

Executive Director/Steering Committee

A Generation Away from “Cap and Run”

• Top-to-Bottom Sharing
  – No argument about what “pool” things belong in
• Trust**Trust**Trust
• Data**Data**Data
• Long Term – we HAVE to work it out
• Plan is a clinical care provider – partners share a clinical orientation

Steering Committee Role

• Jointly hired Executive Director
• Steering Team of three senior leaders from each organization
• Responsibilities
  – Network configuration
  – Clinical Program Improvement
  – Relationship Building inside both organizations
  – Brainstorming and planning future initiatives
  – “Owning” the data and results and steering course corrections
Getting Started

• No One Could Believe It
• Overcoming History
• Re-enforcing CEO Solidarity
• Absorbing initial political/territorial reactions
• Aligning the vision and role of the Steering Team
• Getting out of the weeds and into strategy

Early Wins

• Consistent CEO unity change management behavior
• Revision of Standing Orders
• ED and Stroke Consults
• Hospitalists
• Community PCPs
• HCC Coding
• Readmission Reduction
• Modifying disruptive behavior

Challenges

• Personality Issues
• Learning each other’s language
• Default to traditional roles
• Aligning the PCP Compensation Models
• Impact on PIH doctors not in the program
• Fear of physicians not in PIH Foundation
What Would We Have Done Differently

• Create a clearer, more comprehensive communication plan
• Plan IT Integration from the beginning – especially EMR
• Change PCP Compensation from the beginning

Paradigm Changes

• Focus on the customer, not the contracts
• Long term deal forces cooperation
• Possibilities for other products emerge
• Possibilities for other health care services emerge
• We really CAN learn from each other

Emerging Opportunities

• Service Area and Provider consolidation
• Standardize formulary for high cost items
• Innovate to improve readmission results for sepsis and cardiac disease
• Impact/Integrate SNP and other levels of care into care management
• Integrate IT
The Model of the Future?

- Economic Support for Delivery System Redesign
- Economic model for physician consolidation
- Star Ratings

The Glass Half

Prognosis for Medicare Advantage

- Revenue Cuts
- Survival of the Fittest
  - Fittest = best medical cost outcomes
- Star Ratings
- 6 Weeks Marketing
- Reduction of non-Medicare benefits
- Coding