

ACO Accelerated Development Learning Session

Baltimore, MD
November 17–18, 2011

Case Study 2: Building an ACO on the Foundation of a PHO



November 17, 2011
9:30–10:00 a.m.

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Fairview Health Services

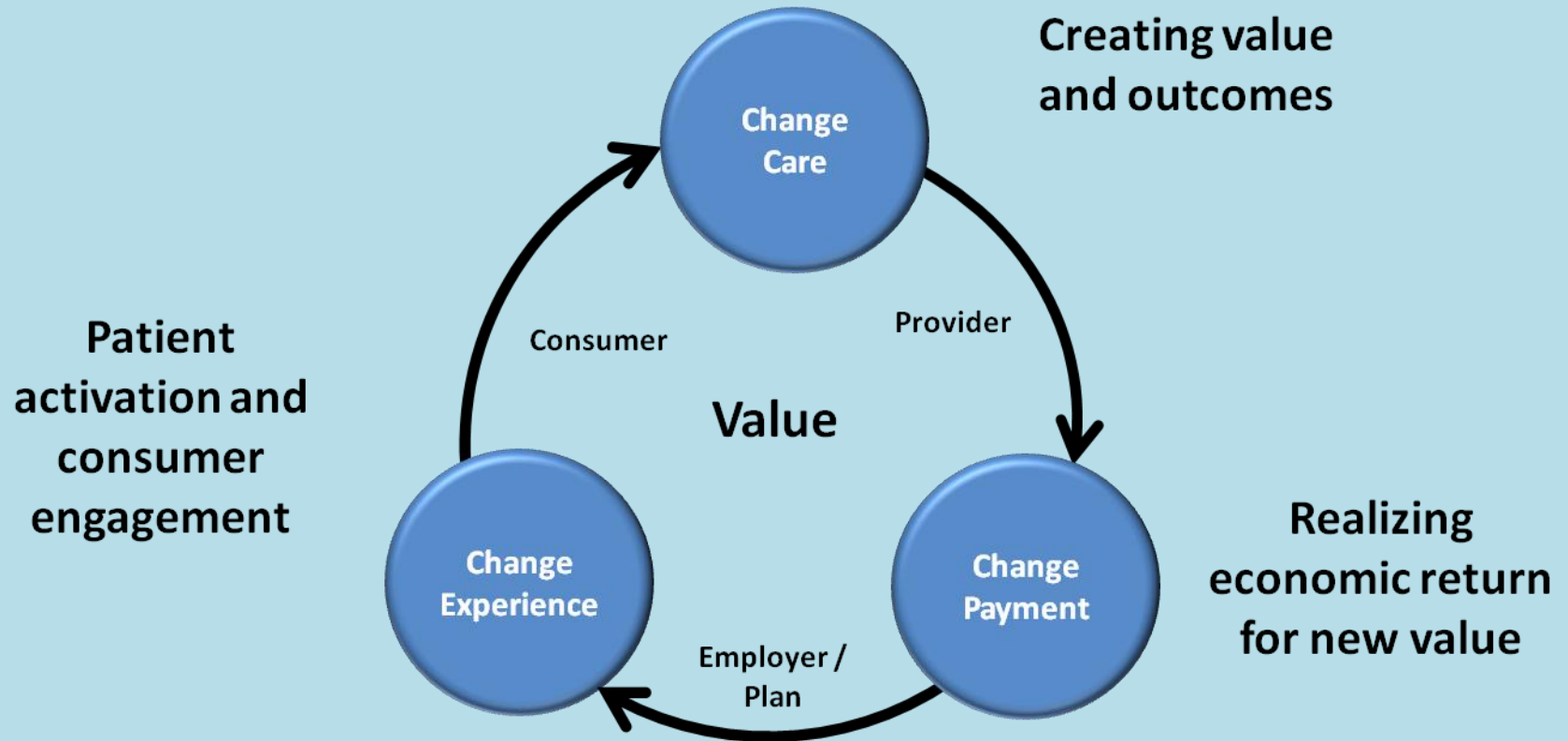
- Not-for-profit organization established in 1906
- Partner with University of Minnesota since 1997
- 20,464 employees
- 3,052 credentialed physicians
- Fairview Health Network— independent and Fairview employed physicians
- 8 hospitals/medical centers (1,627 staffed beds)
- 40-plus primary care clinics
- 55-plus specialty clinics
- 47 senior housing locations
- 30-plus retail pharmacies and much more

In 2010...

- 5.14 million outpatient encounters
- 74,159 inpatient admissions
- \$375.7 million community contributions
- \$2.5 billion total assets
- \$2.8 billion total revenue

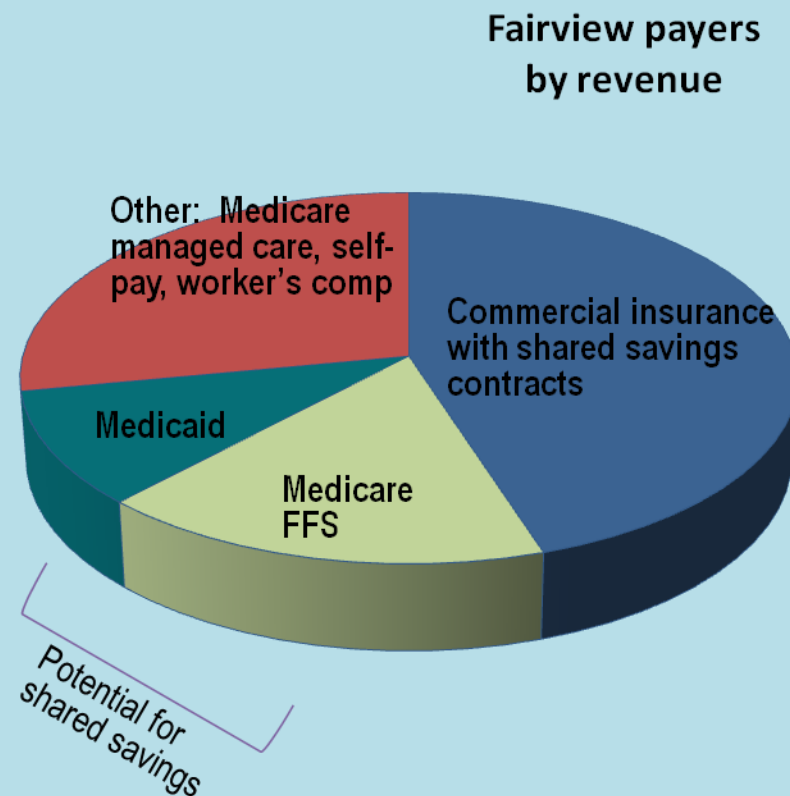


We Are Transforming to Deliver Value



Alternative Payment Models

- Fairview currently delivering in shared savings and other at-risk TCOC and quality payment models—more than 250,000 attributed lives
- Aim to deliver value to Medicare and Medicaid through payment innovations building on success in commercial market
 - Accountable Care Organizations
 - State of MN RFP process



Fairview Physician Associates

- Physician Hospital Organization
 - Formed in 1993 as a 501(c)3 with FHS as sole member
 - Independent governing body including mix of primary and specialty care physicians and community members
 - Fairview Medical Group, University of MN Physicians, Independent
 - Formed to respond to managed care marketplace
 - Created Fairview Health Network as vehicle for participation in shared savings contracts

Network Core Principles

- **Improve community health** and provide enhanced community benefit
- **Deliver greater “value”**— improved quality, improved experience, reduced total cost of care
- **Provide access** to additional health care populations
- **Achieve financial stability**
- **Exchange data** for clinical integration purposes
- Create and adhere to **evidence-based clinical protocols**
- **Create and adhere** to consistent, market-differentiating service standards
- **Have a common operating framework** and resources to accept risk and manage the health of populations (e.g., common risk stratification, clinical care coordination, disease management protocols)
- **Ensure continuity of care** by adhering to in-network requirements
- Support of the academic mission of the University of Minnesota

Provider Participation Criteria

- **Participate in all Fairview's shared savings contracts**
- **Share clinical and financial information** to meet clinical integration and total cost of care needs
- **Perform to defined measurement targets** on quality, patient experience, and total cost of care
- **Create and adhere to evidence-based clinical protocols**
- **Use network clinical care resources** to optimize transitions of care
- **Use network analytics** to perform and deliver results
- **Participate in review of outcomes and case conferences**
- **Use alternate care processes and settings to achieve results** (e.g., use of skilled facilities, access improvement in urgent care models or expanded hours)
- **Participate in learning sessions to achieve goals**

Infrastructure Support

- People, processes, and tools:
 - Economic/contracting models
 - Data and technology
 - Physician engagement and performance
 - Patient engagement
 - Research and development
- Infrastructure to support network:



Fairview Physician Associates Board and Committee Structure

- Fairview Board members: four primary care physicians, two specialty care members, eight community members, FPA President, Fairview CEO, FPA CMO, FPA COO, and Chair Administrative Committee
 - Care Delivery and Quality Improvement Committee
 - Product Development & Contracting Committee
 - Membership & Credentialing Committee
 - Finance Committee

Governance Issues

- Fairview Health Network as subset of Fairview Physician Associates—member enrollment based on criteria
- Participation in shared savings contracts and new products
- Financial capacity and commitment to take on upside and downside risk
- Shared savings distribution methodology
- Engagement in new quality and clinical integration projects (e.g., hospital readmission project)

Challenges

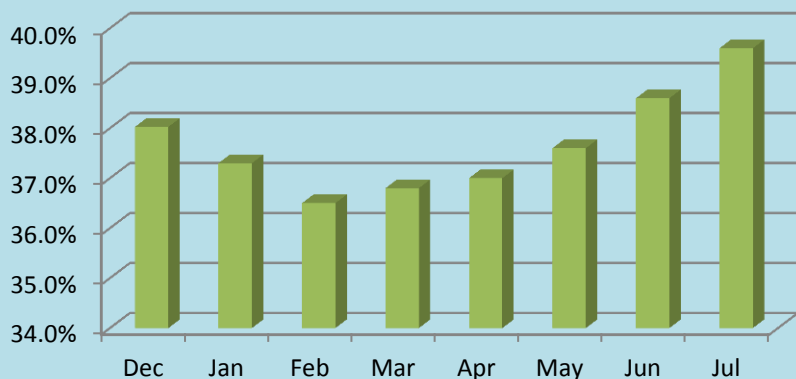
- Data exchange—lag of data and multiple technology platforms and systems of independent providers
- Physician alignment and integration (primary care/specialists, community/academic, independent/employed)
- Creating transparency to build trust in decision-making for multiple partners and their objectives
- Creating financial capacity to invest in care model innovation—internally generated and investments from external partners
- Thriving in fee-for-service model while transforming to value-based model
- Creating a sense of urgency—“the burning platform”
- Creating the framework to manage health and performance risk

New Capabilities

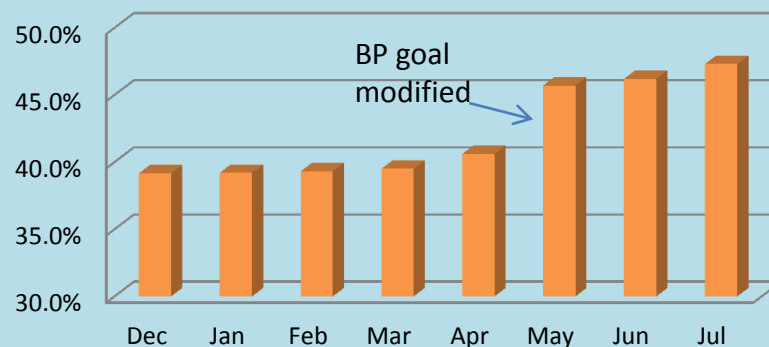
- Physician leadership in partnership
 - President, Fairview Physicians Associates
 - President, Fairview Medical Group
 - CEO, University of MN Physicians
 - Chief Clinical Integration Officer
- Clinical Integration Council
- Care coordination
- Care transitions
- Team-based care in Fairview Medical Group
- Net Clinic—virtual care
- Integrated Access Center

Outcomes: Fairview Medical Group Quality Improvement

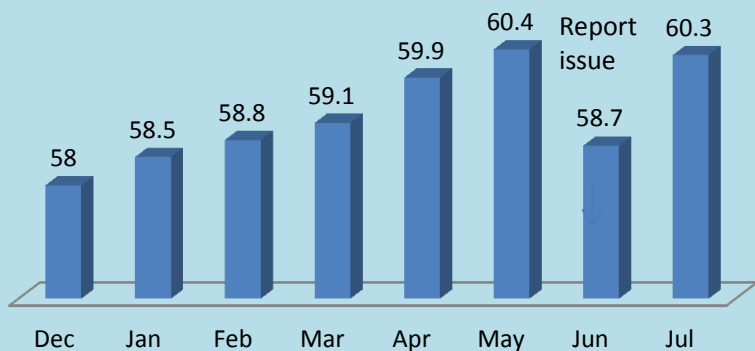
Diabetes



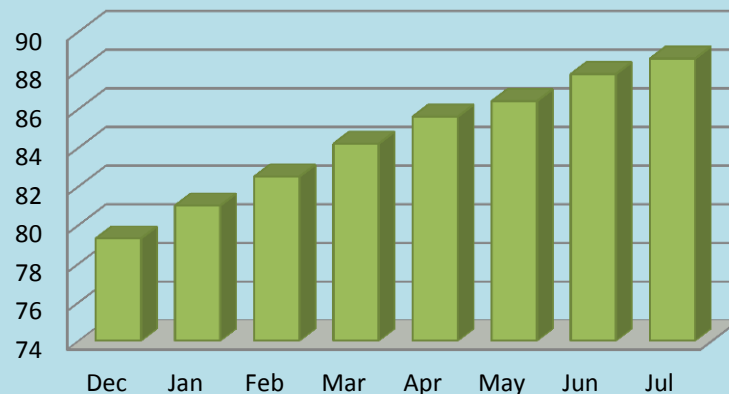
Ischemic Vascular Disease



Composite Cancer



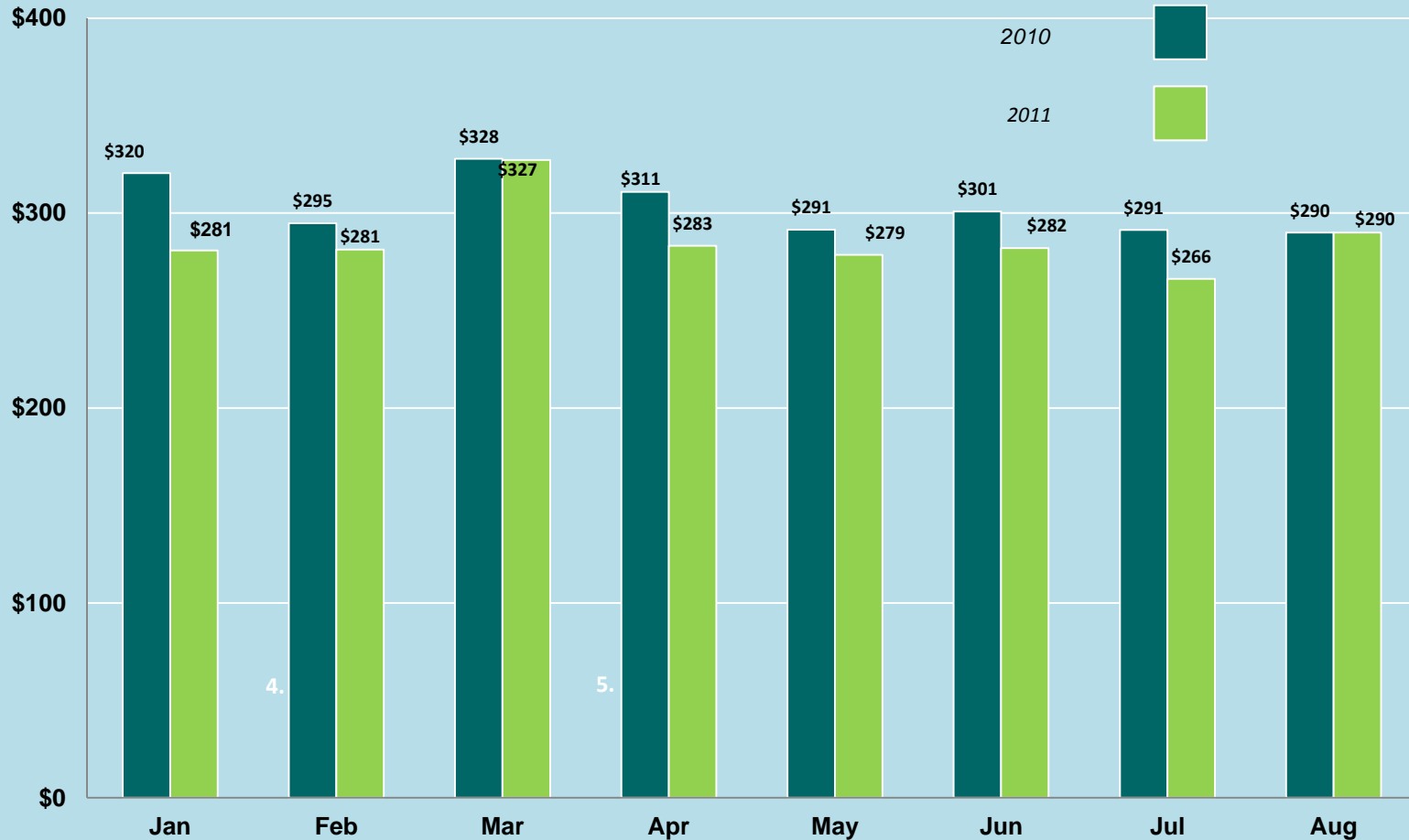
Depression Severity Assessment



Dec. 2010–July 2011

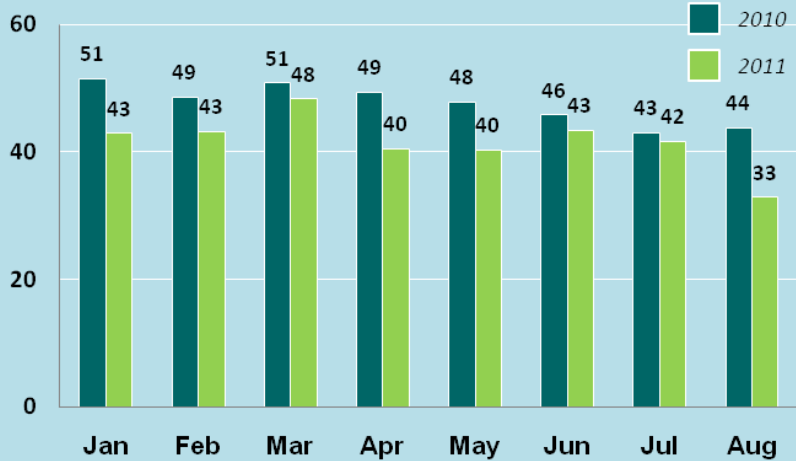
Outcomes: Total Cost of Care

PMPM Internal Charges – FMG (\$)

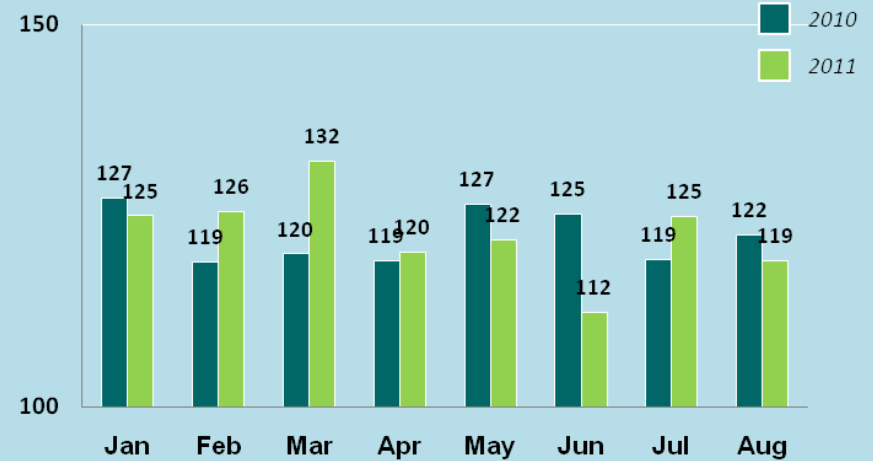


Outcomes: Total Cost of Care

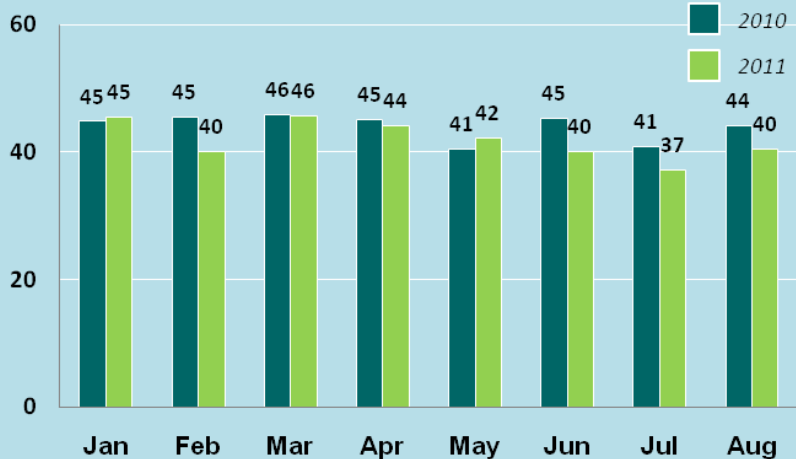
Annualized IP Admissions per 1,000 – In-Scope (#)



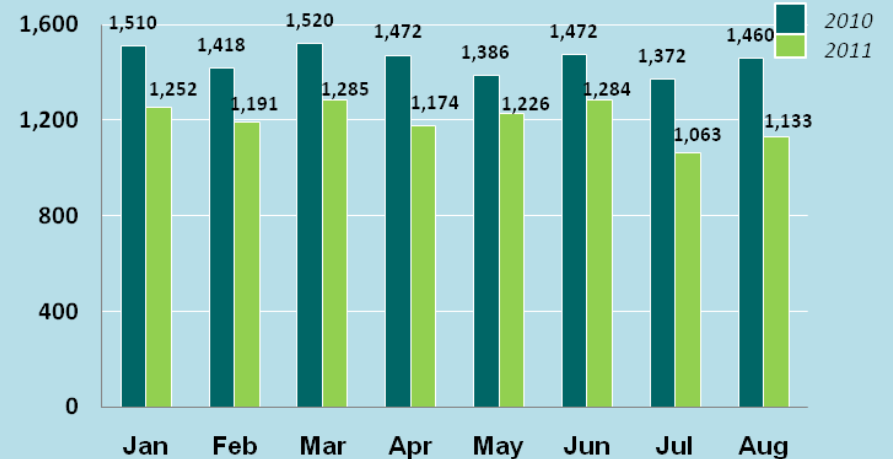
Annualized ED Admissions per 1,000 – In-Scope (#)



Annualized SD / OBS Admissions per 1,000 – In-Scope (#)



Annualized Clinic Visits per 1,000 – In-Scope (#)**



Executive Summary: Success Factors

- Senior leadership “will” and engagement
- Physician leadership “owns” care model redesign
- Enlightened payers and employers
- Physician/clinician alignment and integration
- Partners who bring needed expertise
- Access to data—integrated business intelligence
- Commitment to transformative work to create new value



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