ACO Accelerated Development Learning Session

Baltimore, MD
November 17–18, 2011

Case Study 3: Building an ACO on the Foundation of an IDS

November 17, 2011
10:00–10:30 a.m.

Craig E. Samitt, MD, MBA

President & CEO

Dean Clinic

Our Focus Today

- ***The Structure:*** Introducing Dean Clinic

- ***The Journey:*** The rationale, the strategy, and the fundamental drivers of Dean's value-based journey

- ***Our Lessons:*** Offering some guidance and proposed implementation steps from the perspective of an organization a bit further down the road

An Introduction to Dean

*Images Removed Due To Copyright

A Virtually Integrated Delivery System

- Dean is one of the largest integrated systems in the Midwest
  - December 31, 2010, LTM revenue of $1.3 billion; EBITDA of $50+ million
- Multispecialty physician group practice
  - 500+ physicians providing more than 1.5 million ambulatory visits per year
  - Network of more than 60 locations
  - Strategic partnership with SSM Health Care ("SSM")—began in 1912
  - Estimated 30% service area market share by physician services
- Health insurance provider ("DHI") and PBM ("Navitus")
  - Provides health care coverage to approximately 300,000 members
  - Largest HMO in Wisconsin
  - Pharmacy Benefit Management coverage of approximately 2 million members
- A vision to transform healthcare

4

A Vision Beyond the Schizophrenia

- Our Vision: "We are passionate about keeping our patients healthy, exceptional at caring for them when they are sick, and efficient in providing them with the best value and service."

- Our Focus: Let the rest of our industry focus on Volume. We're focusing on Value.
  - Delivering Effective Care
  - Delivering Patient-Centered Care
  - Delivering Efficient Care

We Have Embraced "Value" By Intensively Focusing Our Efforts In These Critical Areas


Optimal Use of EHR

Alignment

Comp Changes

Expanding Role for Primary Care

Innovation and Care Redesign

Board and MD Leadership

Delivering Value

Care Coordination

Data Reliance

Accountability

Patient-Centeredness
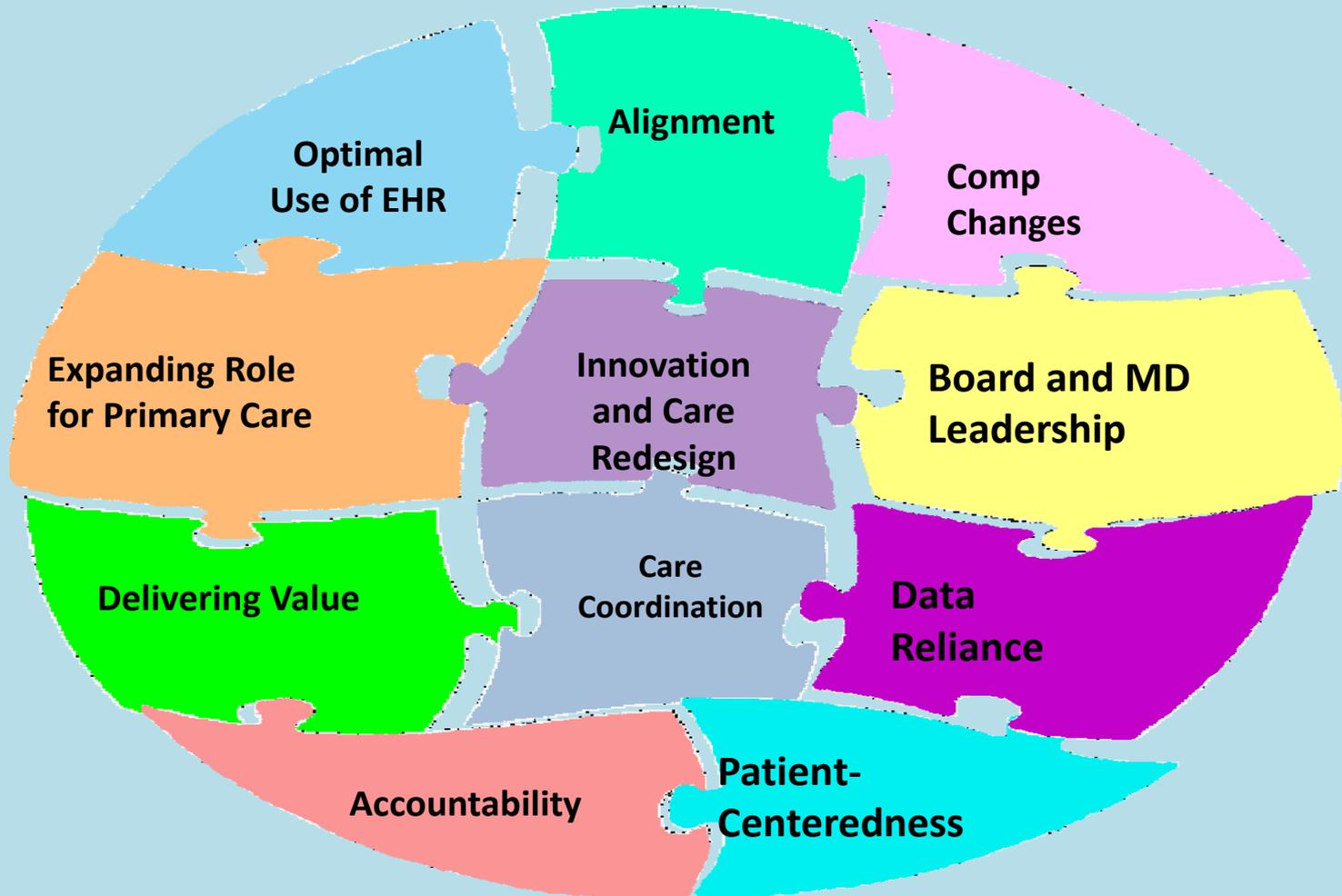
Alignment Between Our Physicians, Hospitals, and Health Plan Has Been Critical To Our Success

DHS/SSMWI Integrated System Strategy Roadmap 2011-2014

Confidential -- DRAFT (4/13/11)

Vision – *A picture of how the Integrated System will look and act five years in the future (20+ years time horizon).*
We will be passionate about keeping our patients healthy, exceptional in caring for them when they are sick and efficient in providing them with the best value and service.

Value Proposition – *How the Integrated System will be different in a way that is meaningful and valuable to those it serves (3-5 year time horizon).*
Our System will be the best value in U.S. health care: Best in quality, service, and efficiency.

Driving Strategies – *The things the System intends to do to accomplish its Vision and Value Proposition (1-3-yr time horizon).*

DST 1: Enhance the Patient Experience Systemwide	DST 3: Preferred Partner for Rural Providers	DST 4: Primary Care Model Redesign	DST 6: Pursue Growth Opportunities (IGOT)	DST 8: Delivering Value (MVP)

Initiatives – *How the Driving Strategies will be accomplished (12-18 month time horizon).*

Confidential	Confidential	Confidential	Confidential	Confidential
Confidential	Confidential	Confidential	Confidential	Confidential
	Confidential	Confidential	Confidential	Confidential
	Confidential		Confidential	
	Confidential		Confidential	Confidential
	Confidential		Confidential	
	Confidential		Confidential	

And Alignment Has Helped Us Achieve Seamlessness Across the Continuum of Care

The Medical Home

The ACO

The Patient

RNs/MAs

NPs/PAs

PCPs

Hospitalists

Hospitals/Specialists

Public Health, Other Providers, the Community
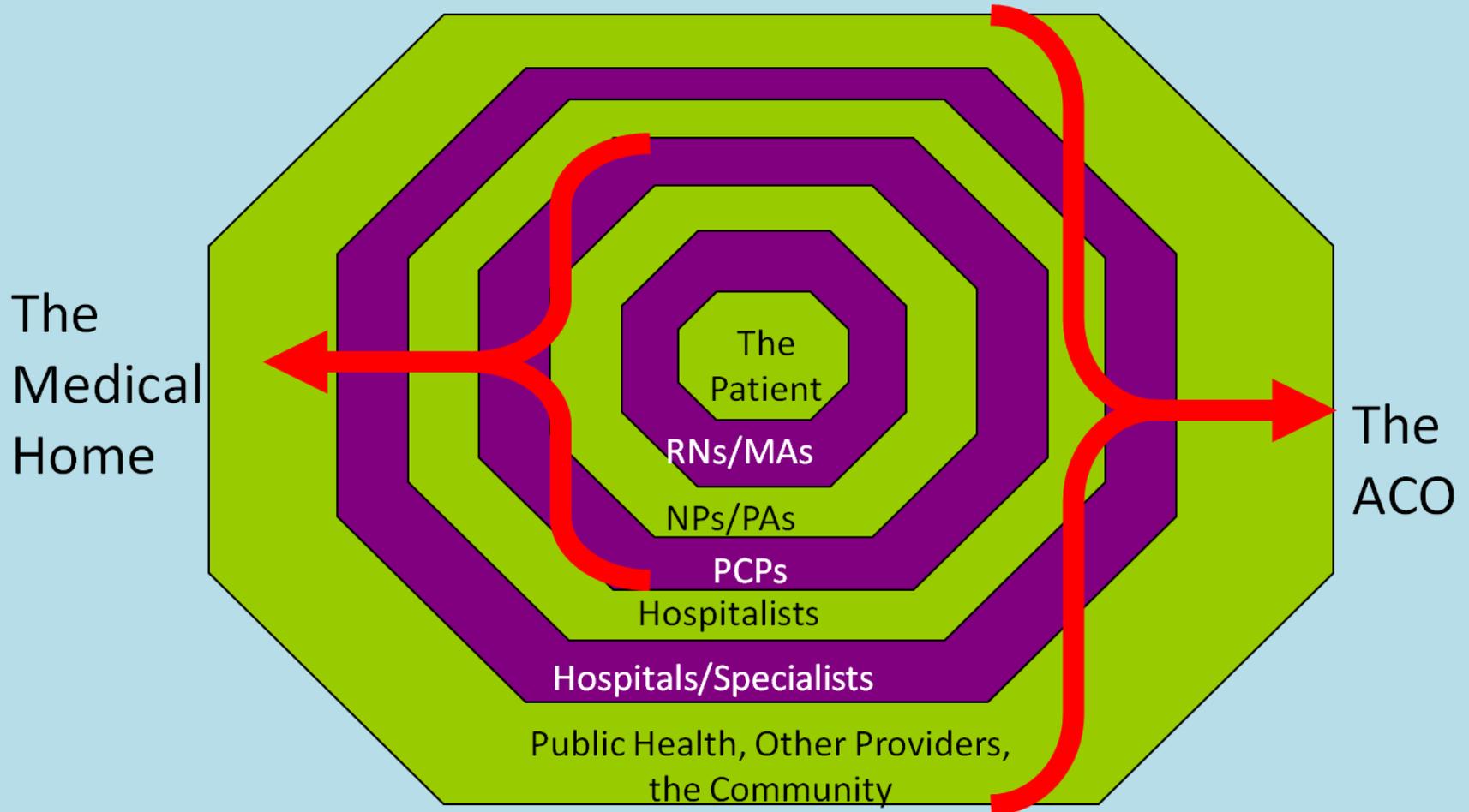
We Have Nurtured, Developed, and Trained MD Directors and Leaders

- We've built a team of MD and non-MD leaders who can innately persuade, lead, and engage physicians.

- MD directors and leaders need:
  - Training
  - Exposure to the industry
  - Access to peers

- We've found that education leads to enlightenment. The more physicians who play a role in some capacity in leadership, the more rapidly the organizational culture changes.

9
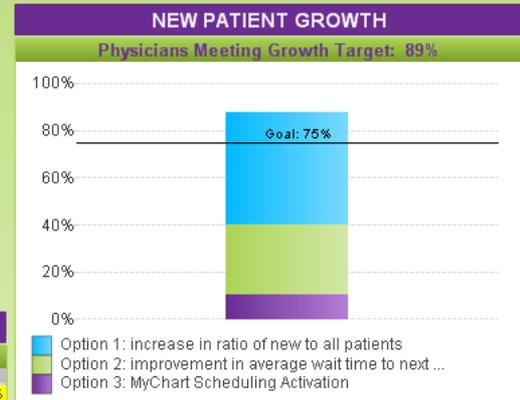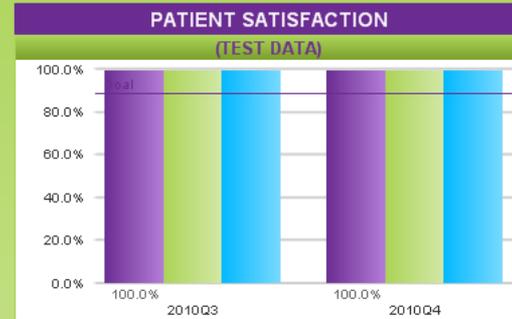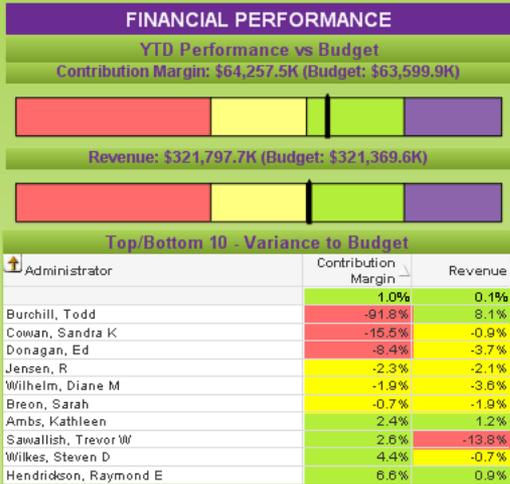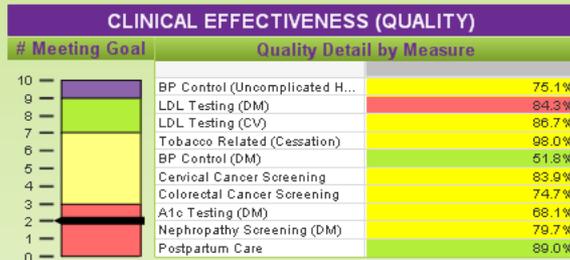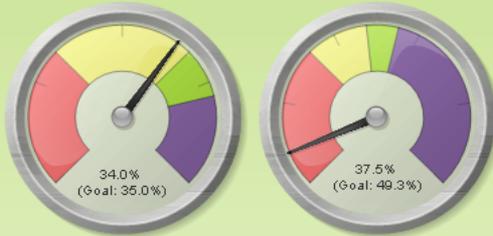
We Are Reliant (and Insistent) on the Availability and Power of Data

We Are Reliant (and Insistent) on the Availability and Power of Data

DEAN CLINIC

OMA Metric Stoplight Report

Comparison of Primary Care (PC), Internal Medicine (IM), and Southern Region IM

Report period ending May 31, 2011

Note: Values shown are for the most recent reporting period.

| | QUALITY | | | | | | | | | | | | SERVICE | | | GROWTH | | FINANCIAL | | |
| | Diabetes Care | | | | IVD* | HTN | | Preventive Care | | | | | | | | | | | | |
	HbA1c Testing Goal: 74.4%	LDL Testing Goal: 90.3%	Nephropathy Screening Goal: 82.1%	BP Control Goal: 56.1%	LDL Testing Goal: 91.9%	BP Control Goal: 78%	Cervical Cancer Screening Goal: 86.3%	Colorectal Cancer Screening Goal: 77.7%	Postpartum Care Goal: 92.4%	Tobacco Cessation Goal: 82.2%	Child Imm (Combo 3) Goal: 86.8%	Child Imm (Combo 10)	Overall Rating Goal: 80.2%	Communication Composite	Access Composite	Avg New Patient Growth (YTD) Goal: Varies by Division**	Avg New Patient Appt Availability Goal: 28	My Chart Enrollment Goal: 18%	Generic Utilization (YTD) Goal: 78%	90-Day Rx Refill (YTD) Goal: 21%
PC East Region	73.3%	90.6%	86.9%	48.3%	88.7%	71.5%	83.2%	75.1%	88.9%	55.4%	86.3%	38.3%	73.9%	80.6%	60.2%	7,178	58	27.5%	83.2%	32.8%
PC South Region	67.2%	86.0%	83.0%	50.1%	83.2%	71.5%	76.5%	67.8%	86.9%	59.6%	82.9%	29.0%	78.2%	83.4%	66.5%	5,400	18	20.9%	81.6%	31.7%
PC West Region	76.8%	89.9%	87.6%	51.8%	90.1%	78.3%	84.7%	77.3%	88.9%	58.6%	86.7%	54.6%	78.5%	84.3%	62.4%	5,208	55	36.7%	81.7%	37.2%
Primary Care (PC)	73.0%	89.2%	86.2%	50.1%	87.9%	74.5%	82.6%	74.4%	88.5%	57.6%	85.8%	43.0%	76.6%	82.6%	62.6%	6,159	48	29.9%	82.3%	34.6%
Dean FH/IM	76.8%	90.4%	88.0%	51.4%	91.5%	80.8%	84.1%	79.3%	84.3%	63.4%	N/A	N/A	79.1%	84.8%	62.6%	4,588	57	40.3%	79.5%	47.5%
East IM	80.6%	92.6%	88.9%	50.1%	92.9%	71.4%	83.0%	79.5%	93.4%	65.8%	N/A	N/A	80.6%	84.2%	55.9%	4,588	82	39.8%	82.1%	42.7%
Southern Region IM	68.3%	83.7%	81.0%	48.4%	81.3%	70.3%	76.0%	70.7%	84.1%	51.7%	N/A	N/A	79.4%	84.0%	58.3%	4,588	38	27.3%	81.0%	33.7%
Stoughton IM	62.2%	90.2%	81.9%	53.9%	87.3%	73.6%	65.9%	59.4%	100.0%	72.7%	N/A	N/A	79.1%	81.3%	61.2%	4,588	14	22.4%	81.7%	41.2%
Sun Prairie IM	61.8%	84.9%	82.2%	45.0%	79.7%	72.1%	75.4%	70.7%	89.5%	39.5%	N/A	N/A	77.6%	81.7%	60.7%	4,588	4	31.4%	80.2%	34.6%
West IM	79.0%	89.4%	89.1%	50.9%	88.5%	74.1%	82.7%	78.8%	92.0%	74.8%	N/A	N/A	80.8%	80.8%	60.7%	4,588	44	43.4%	83.3%	36.0%
Internal Medicine (IM)	74.3%	88.7%	86.0%	49.9%	88.0%	74.3%	81.0%	76.1%	87.8%	59.3%	N/A	N/A	78.6%	83.2%	59.2%	4,588	50	36.7%	81.4%	39.9%
	62.6%	88.3%	87.7%	49.1%	86.3%	75.3%	71.9%	77.2%	80.0%	80.0%	N/A	N/A	83.3%	84.8%	67.5%	4,588	38	26.2%	81.7%	33.7%
	82.9%	88.6%	86.7%	49.5%	89.5%	71.0%	76.1%	77.3%	N/A	51.4%	N/A	N/A	76.7%	79.1%	42.5%	4,588	38	32.7%	77.5%	35.8%
	73.1%	86.9%	88.7%	52.4%	89.4%	76.8%	82.2%	77.0%	85.7%	67.1%	N/A	N/A	75.9%	83.1%	48.6%	4,588	38	32.6%	79.8%	33.2%
	68.6%	78.5%	75.9%	39.3%	81.8%	64.0%	61.4%	60.9%	85.7%	59.2%	N/A	N/A	74.4%	76.7%	71.3%	4,588	38	19.4%	82.8%	41.2%
	68.7%	81.7%	77.9%	52.7%	62.9%	68.6%	52.5%	56.2%	75.0%	44.3%	N/A	N/A	75.6%	77.3%	46.3%	4,588	38	26.0%	79.6%	21.2%
	69.6%	80.4%	81.5%	52.2%	80.8%	75.7%	86.6%	81.8%	100.0%	35.4%	N/A	N/A	88.7%	89.7%	68.8%	4,588	38	38.2%	77.8%	31.8%
	60.4%	80.5%	71.8%	40.9%	76.4%	58.5%	67.9%	64.1%	75.0%	48.0%	N/A	N/A	85.7%	90.3%	58.4%	4,588	38	21.8%	85.5%	42.0%
	20.0%	80.0%	60.0%	0.0%	100.0%	66.7%	77.0%	41.7%	25.0%	44.1%	N/A	N/A	45.9%	69.4%	71.9%	4,588	38	14.8%	82.1%	25.4%
	50.0%	100.0%	87.5%	75.0%	N/A	83.3%	91.4%	68.4%	100.0%	N/A	N/A	N/A	75.4%	85.7%	46.1%	4,588	38	36.2%	74.7%	36.7%
	20.0%	80.0%	60.0%	60.0%	100.0%	100.0%	66.7%	54.5%	100.0%	50.0%	N/A	N/A	86.7%	90.7%	55.0%	4,588	38	27.1%	85.7%	28.5%
	58.1%	77.4%	48.4%	67.7%	66.7%	62.2%	67.3%	60.5%	88.9%	33.8%	N/A	N/A	79.4%	88.5%	72.5%	4,588	38	19.0%	80.3%	33.5%
Southern Region IM	68.3%	83.7%	81.0%	48.4%	81.3%	70.3%	76.0%	70.7%	84.1%	51.7%	N/A	N/A	79.4%	84.0%	58.3%	4,588	38	27.3%	81.0%	33.7%

LEGEND

- Meeting or Exceeding Goal
- Within 5% of reaching goal
- More than 5% below goal
- No goal established or N/A

NOTES

* IVD: Ischemic Vascular Disease Care

** Division: For New Patient Growth (YTD), this is the Specialty for both Primary Care (e.g. all Family Medicine) and Specialty Care (e.g. all Ob/Gyn).

11

We Have Pursued Change With a High Degree of Urgency, With the Presumption That There Will Be Nowhere To Hide

*Yelp, Expedia, Zagat, and Tripadvisor Images Removed Due To Copyright

# We Have Focused on Much More Than Meaningful Use of EHR—We Are Concentrating on Optimal Use

We Have Presumed That Service (Not Just Quality) Is the Future Driver of Patient Loyalty
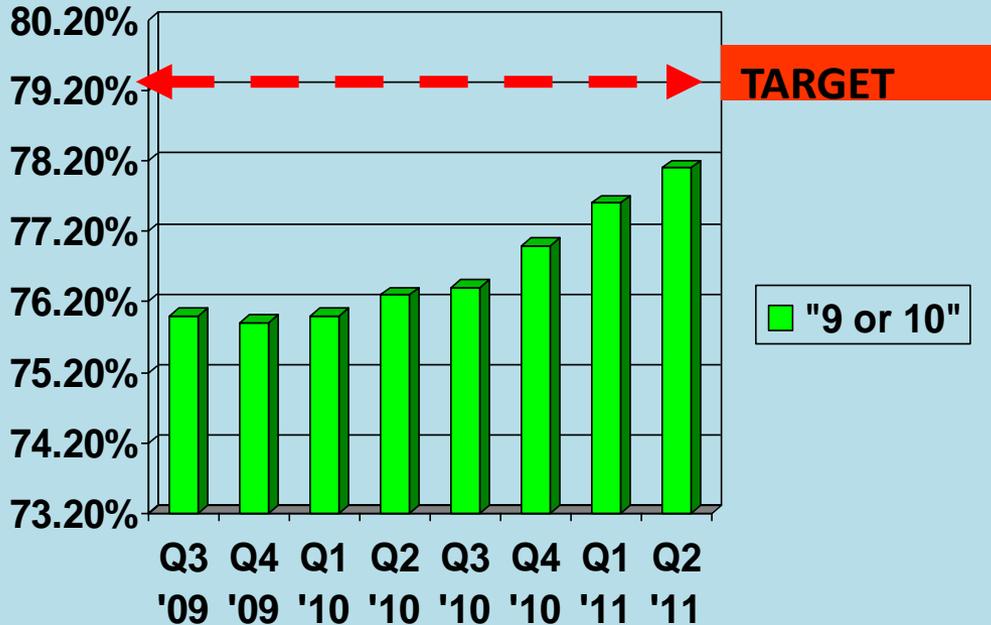
Average Improvement in Overall Provider Rating
(Shadowed vs. Non-Shadowed, variable baseline to Dec. '10)
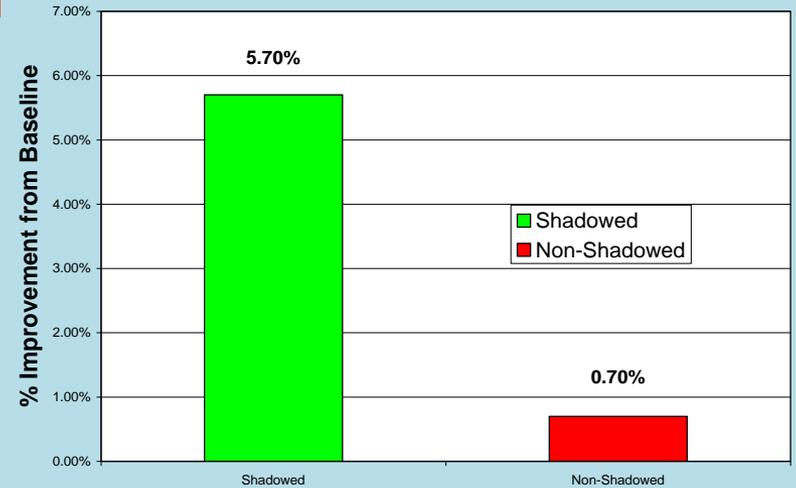
- We have invested heavily in primary care, recognizing that delivering of better care at a lower cost starts in the "home"

The Patient-Centered Medical Home

A Purchaser Guide

Understanding the model and taking action

Patient-Centered Primary Care
COLLABORATIVE
www.pcpcc.net
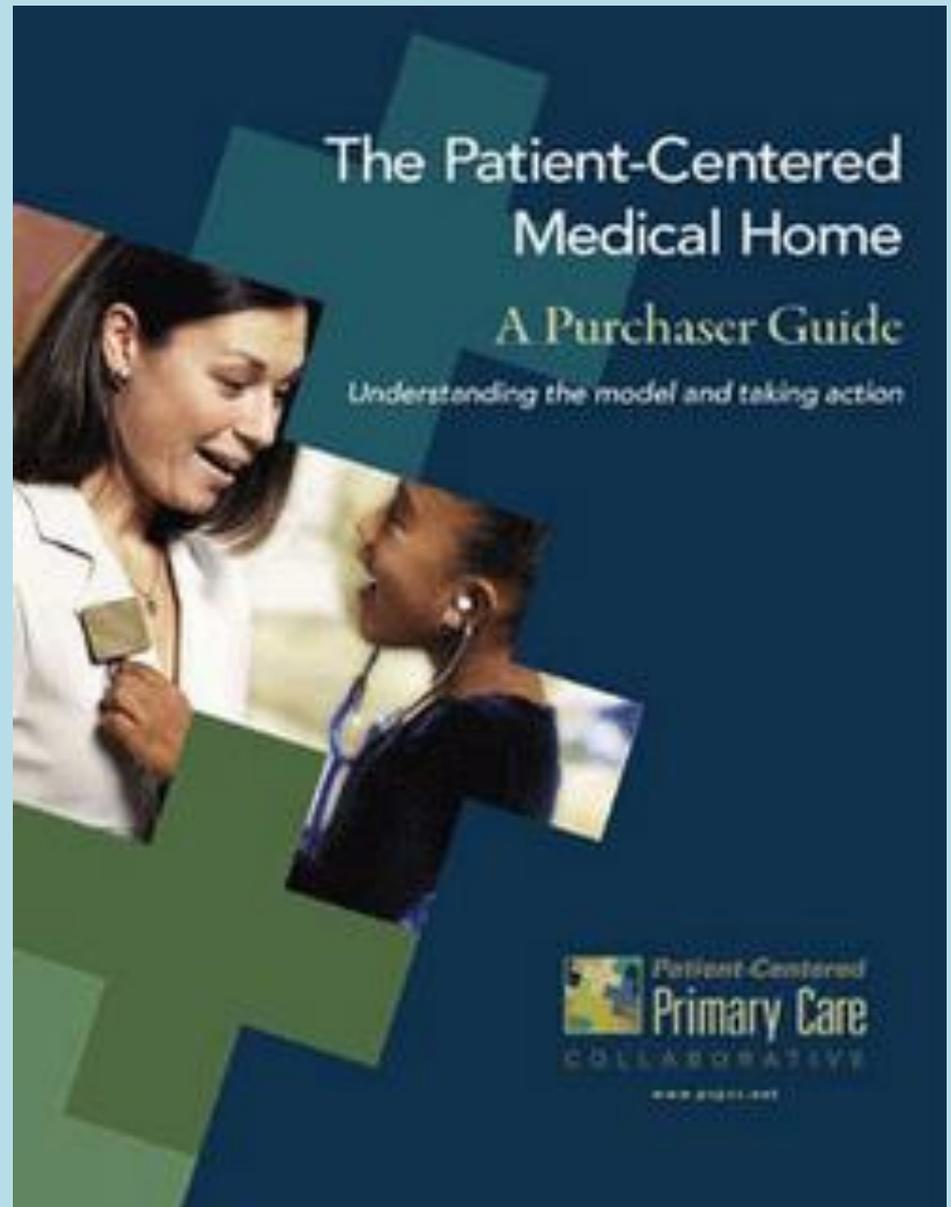
- We have aggressively pursued Lean as a means of generating "out of the box" solutions to drive improvement in service, quality, and cost

We Have Worked To Align Incentives Internally With Value-based Incentives Received Externally

Dean MD Compensation Model Transformation 2009 to 2013

FFS/Volume Based →→→ Value Based

Legend:
- ☐ Growth
- ☐ Efficiency
- ☐ Quality
- ☐ Service
- ☐ Salary
- ☐ Production

17
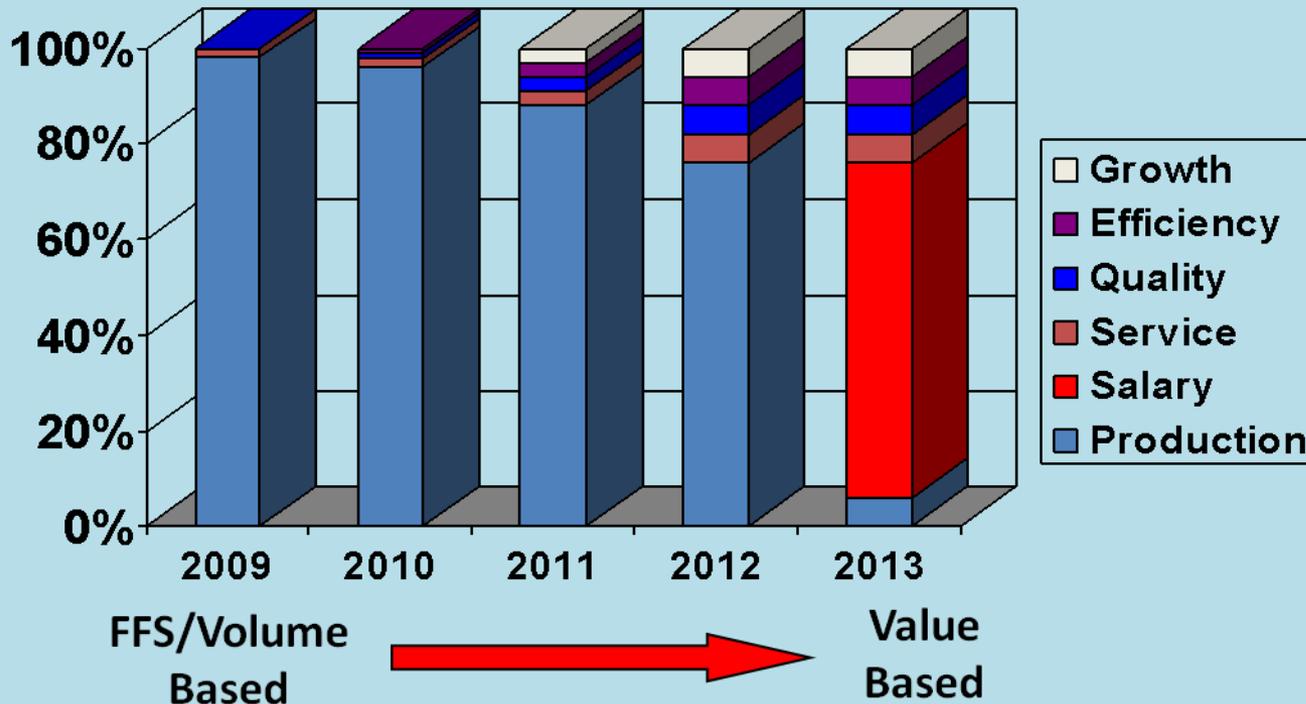
We Have Sought To Deliver Value by Improving Quality While "Bending the Cost Curve"
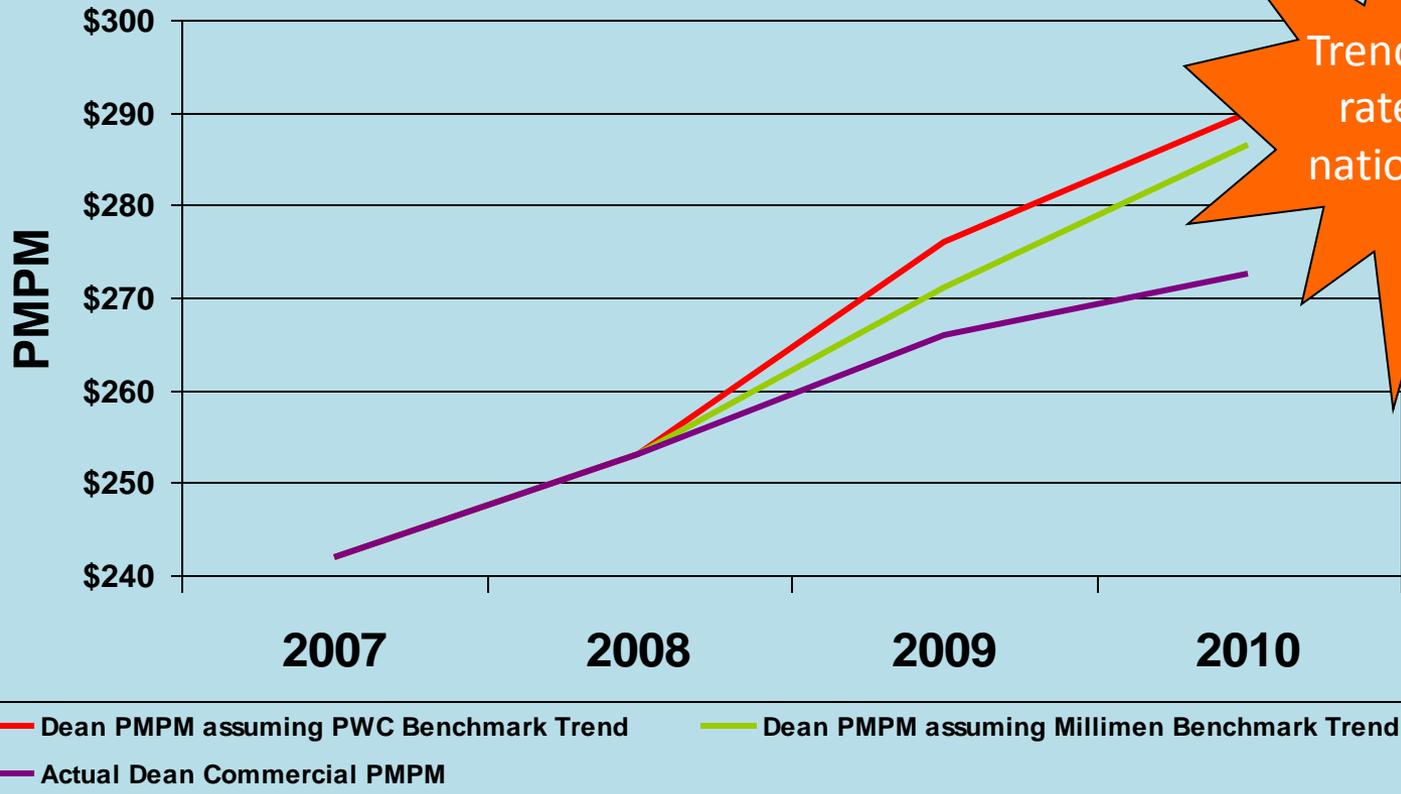
Trend at ¼ the rate of the national trend

PMPM (y-axis): $240, $250, $260, $270, $280, $290, $300

(x-axis): 2007, 2008, 2009, 2010

— Dean PMPM assuming PWC Benchmark Trend
— Dean PMPM assuming Millimen Benchmark Trend
— Actual Dean Commercial PMPM

"We must become
the change we want to see"
Mahatma Gandhi

Implementation Steps—Part 1

- Step 1: "Breathe"
  - Recognize that the transformation to become an ACO is not a sprint, it's a marathon. Don't try to accomplish everything all at once. Stage your implementation.

- Step 2: "Define a Measurable Vision"
  - Even if vision is compelling, a roadmap with measurable milestones will be key to assess progress and to keep your team motivated. Develop clear value-based goals and a corporate dashboard supported by accurate and actionable data.

- Step 3: "Lead and Align"
  - Pursuing value will take organizational fortitude, leadership, and a commitment to change goals, focus, culture, and the business model. Invest whatever it takes to achieve alignment among your board, your doctors, your hospitals, and your payers. Make the business case to all stakeholders.

Implementation Steps—Part 2

- Step 4: "Support"
  - If it doesn't already exist, begin to invest in infrastructure to support your journey—this would include data analysis, technology, process tools, staffing, leadership development, and aligned incentives.

- Step 5: "Persist"
  - We faced significant resistance, and yet have prevailed. Invest 90% of your time in your culture, and 10% of your time in your strategy. You will succeed.

- Step 6: "Take Another Breath"

Sample Implementation Timeline Over 24 Months

Suggested Next Steps	Dates
Step 1 (Breathe): Stage your implementation	Months 1–2
Step 2 (Define a Measurable Vision): Develop value-based goals and corporate dashboard	Months 3–5
Step 3 (Lead and Align): Make the business case for value to your board, your doctors, your hospital, and your payers	Months 6–9
Step 4 (Support): Invest in data analysis, technology, process tools, staffing, leadership development, and incentives to fuel your journey	Months 10–24
Step 5: (Persist): Nurture ongoing culture change	Ongoing

Tools and Resources

- National Institute for Healthcare Reform: Lessons from the Field: Making Accountable Care Organizations Real
  - http://www.nihcr.org/Accountable-Care-Organizations.pdf
- CHQPR: "How to Create Accountable Care Organizations"
  - http://www.chqpr.org/downloads/HowtoCreateAccountableCareOrganizations.pdf
- Commonwealth Fund: "High Performance Accountable Care: Building on Success and Learning form Experience"
  - http://www.commonwealthfund.org/~/media/Files/Publications/Fund%20Report/2011/Apr/1494_Guterman_high_performance_accountable_care_v3.pdf
- Brookings-Dartmouth Toolkit: Accountable Care Learning Network
  - https://xteam.brookings.edu/bdacoln/Documents/ACO%20Toolkit%20January%202011.pdf

Case Study 3: Building an ACO on the Foundation of an IDS

Craig E. Samitt, MD, MBA, President & CEO
Dean Clinic

craig.samitt@deancare.com