ACO Accelerated Development Learning Session

San Francisco, CA
September 15-16, 2011

Case Study 1: Building an ACO on the Foundation of an Independent Practice Association

September 15, 2011
9:20–9:40 a.m.

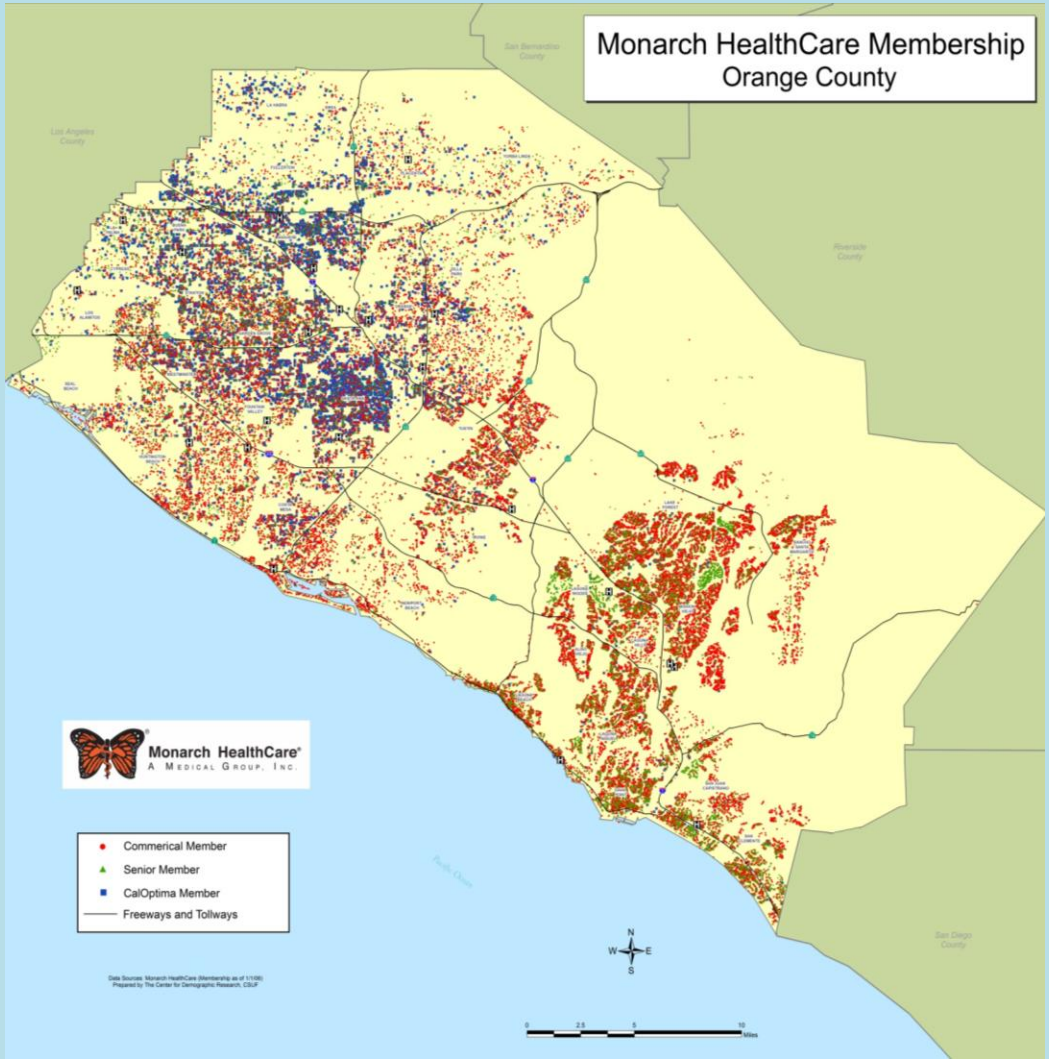
Nancy Boerner, MD, MBA, CMO
Monarch HealthCare

Presentation Agenda

- Monarch HealthCare—"Facts and Figures"
- The Brookings-Dartmouth ACO Pilot
- The "Why" of an ACO
- Organizational development
- Methods for restructuring care delivery and operations
- Financial risk bearing and financial management
- Health Information Technology (HIT) and the role of data analytics
- Key concepts in leading ACO development
- Learning from experience

Monarch HealthCare—Facts and Figures

"Helping Physician Partners Advance Medical Excellence in the Communities We Serve"

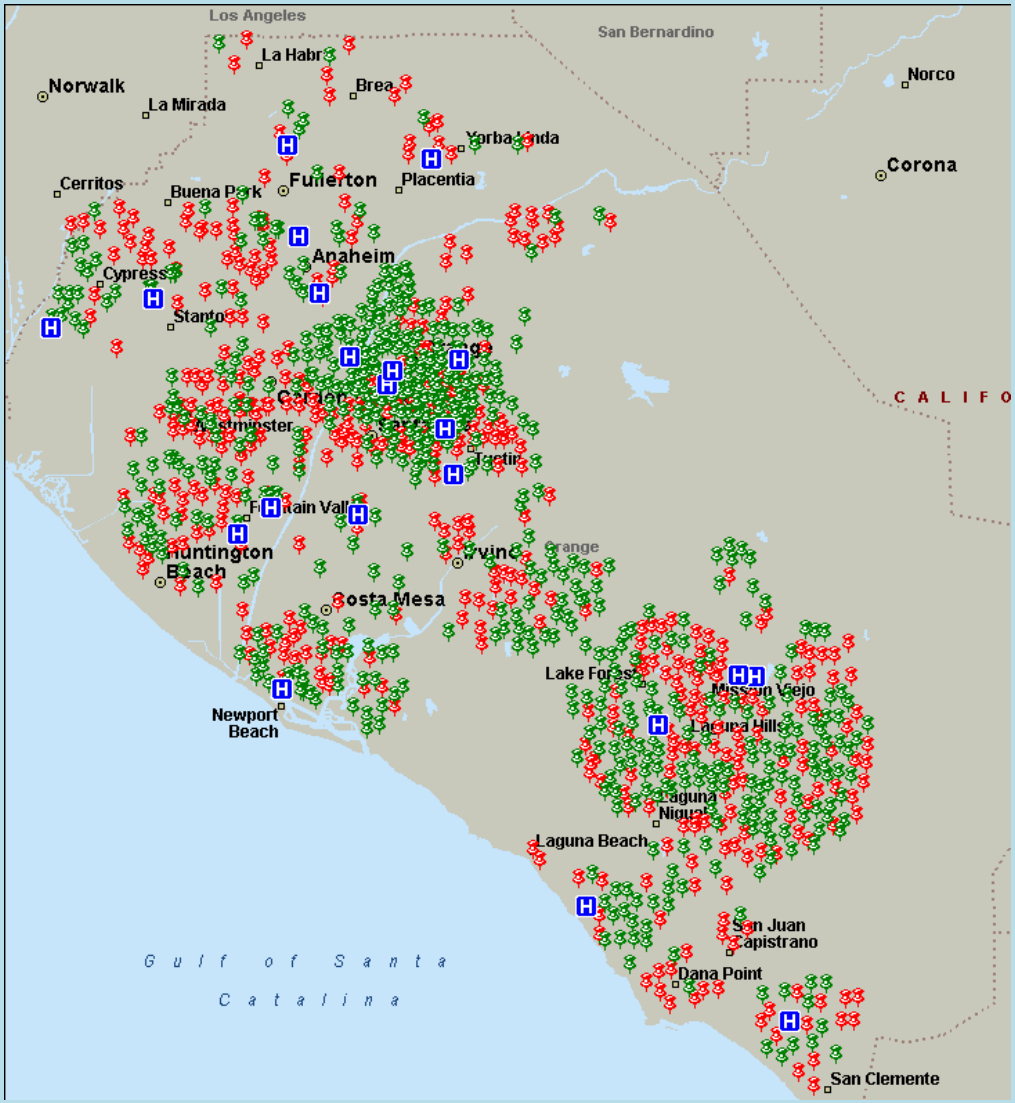


- Formed in 1994 as an Independent Practice Association (IPA)
- Aggregation of three predecessor IPAs
- Later had contiguous geographic expansion
- The only physician delivery system that spans Orange County (excluding Kaiser)
- Relationships with all major health plans

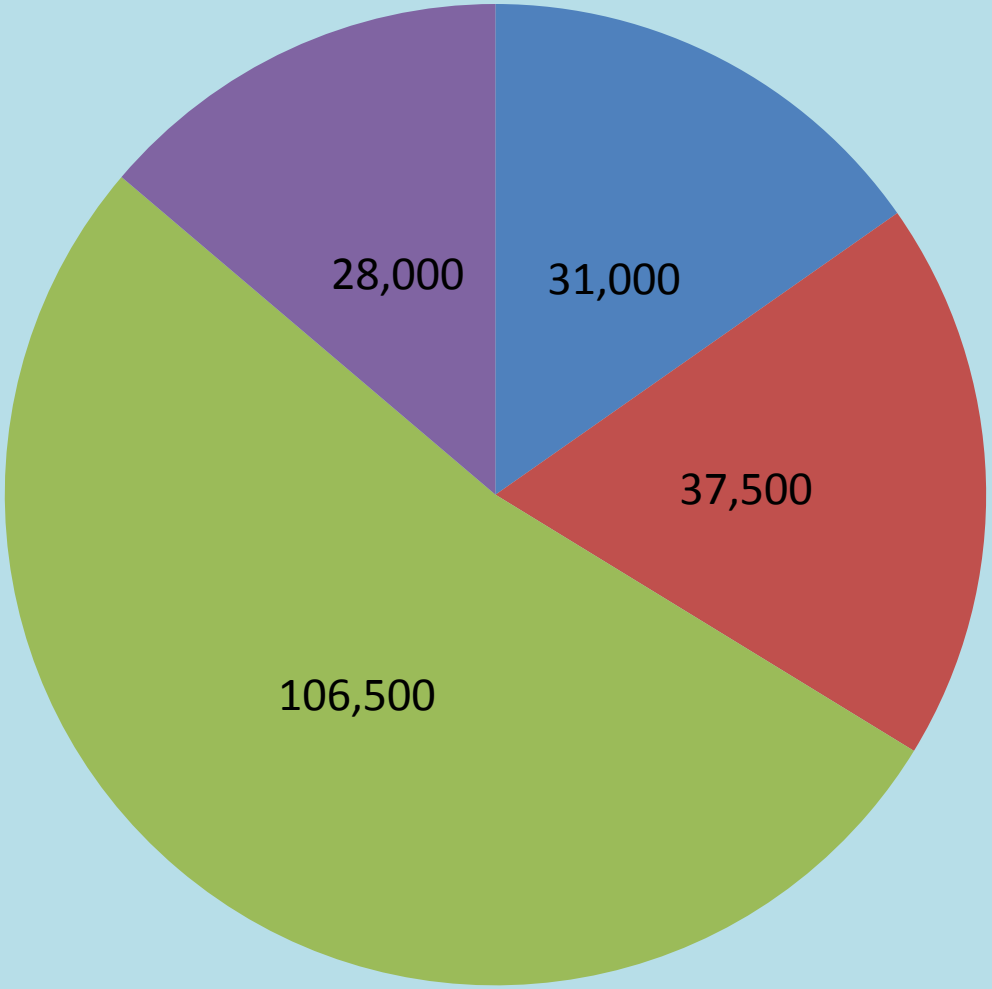
Monarch HealthCare—Fact and Figures *continued*

- 750 primary care providers (PCPs) and 1,600 specialists
- 18 hospital contracts, countywide

H	Hospitals
	PCPs – 750
	Specialists – 1,600



Monarch HealthCare—Fact and Figures *continued*



- Medicare Advantage
- Medicaid/State Programs
- Commercial HMO
- Commercial PPO (ACO)

Total Membership 203,000

The Brookings-Dartmouth ACO Pilot

- In 2010, selected by the Brookings-Dartmouth Institute
- One of five ACO pilot sites in the nation
- Five-year pilot, began January 1, 2011
  - 28,000 Anthem Preferred Provider Organization ACO patients
  - Patients receive a new ID card and welcome letter explaining benefits of ACO and program details
- Focus on identifying performance measures for the commercial population and implementing improvements impacting quality and cost

ENGELBERG CENTER for Health Care Reform at BROOKINGS

THE DARTMOUTH INSTITUTE FOR HEALTH POLICY & CLINICAL PRACTICE

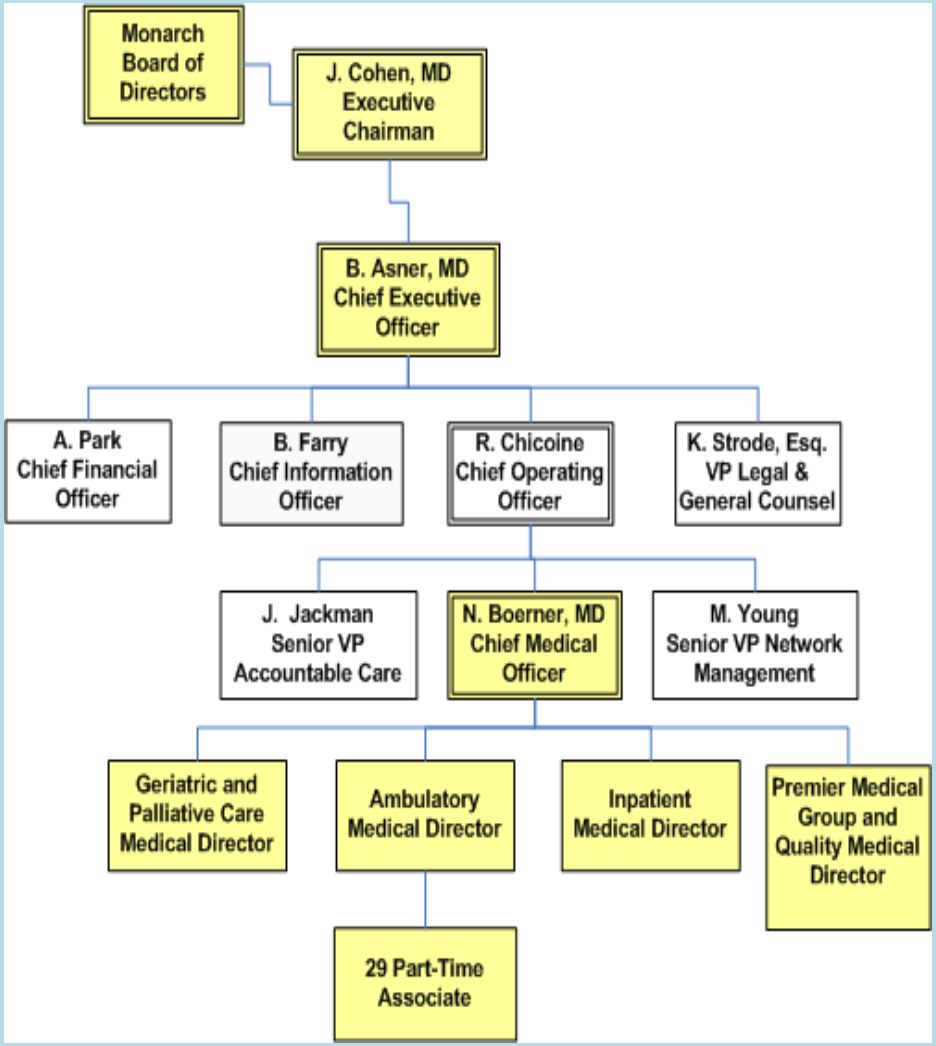
Where Knowledge Informs Change™

The “Why "of an ACO

- Three-part aim: better population health, better healthcare delivery, reduce costs
- An ideal opportunity to utilize Monarch’s core competencies
- A value proposition for physicians
  - Preserves the independent practice of medicine
  - Participation in a high-quality “branded” delivery system
  - Care management support
  - Assistance through reports, tools, and prompts
  - Cultural commitment to “do the right thing”
- A value proposition for Monarch
  - Growth potential in a new market
  - New financial and partnership opportunities
  - Monarch’s mission will include more providers and patients
  - Enhances provider engagement and success through aligned incentives

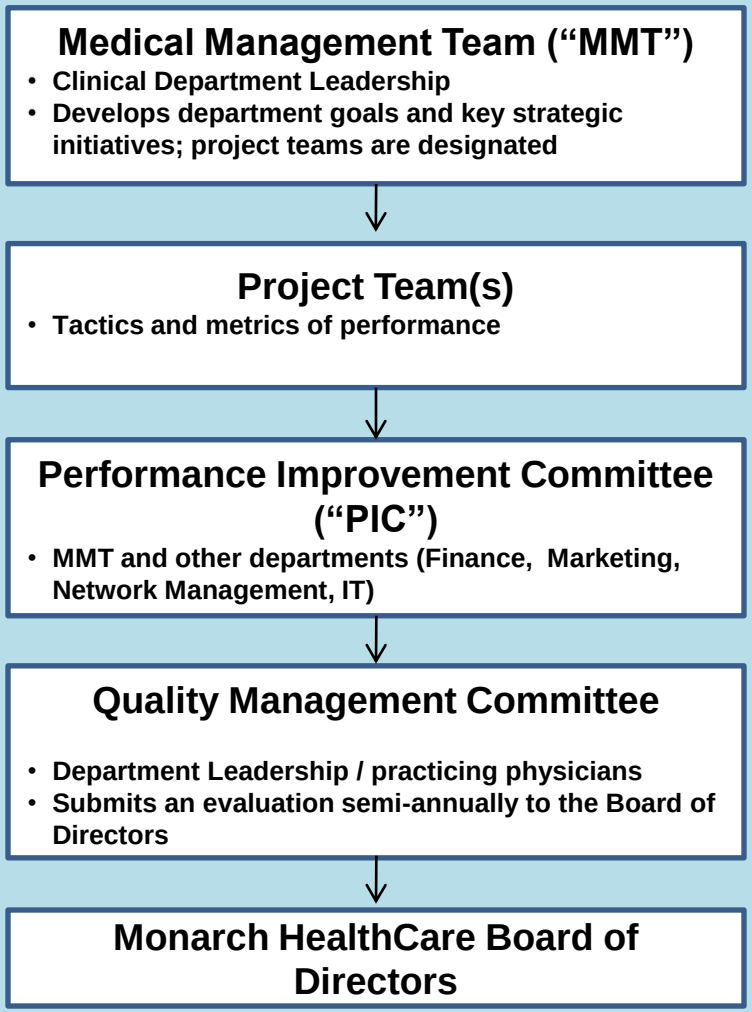
Organizational Development

- Strong Physician Leadership
  - Emphasis on Physician Leadership Development
- Annual strategic planning
- Aligned departmental goals
- Electronic network connectivity and electronic health records (EHR) deployment
- Performance is measured against quality and efficiency benchmarks



Organizational Development *continued*
Clinical Services and Priority Setting

- Chief Medical Officer
- 4 FT Medical Directors
- 29 PT specialty-specific Associate Medical Directors
- Director of Strategic Projects (RN)
- Pharmacist
- Registered Nurse Practitioners (NPs)
- RNs
- Licensed Vocational Nurses (LVNs)
- Social Workers
- Certified Diabetes Educators
- Health Educators

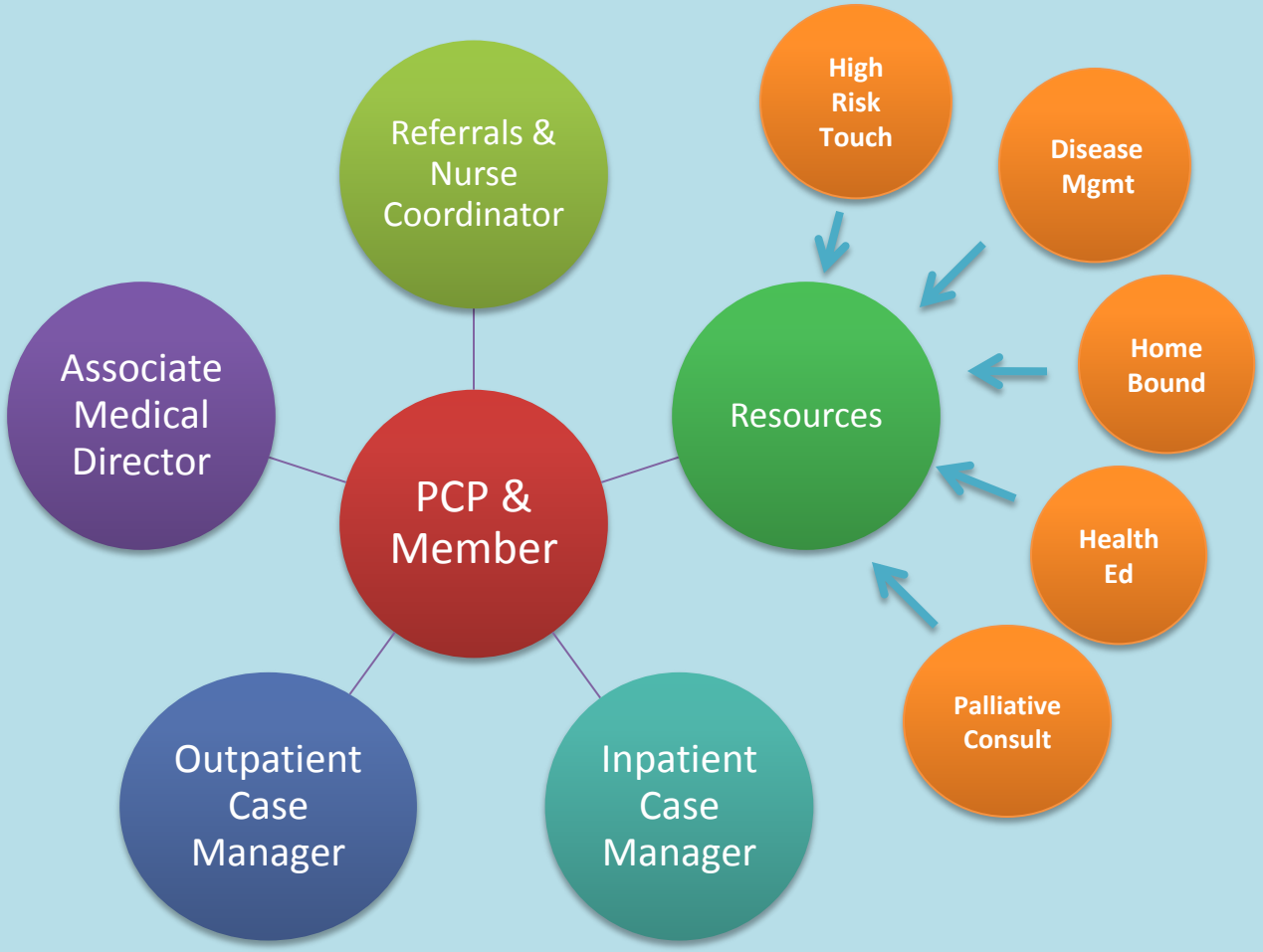


Organizational Development
continued

- ACO Committee Structure
  - ACO Steering Committee
  - Communications/Delivery System
  - Contracting Committee
  - Cost of Care Committee
  - Medical Operations
  - Technology/Operations
  - Quality Metrics

Methods for Restructuring Care Delivery and Operations

Integrated Care Teams: Value-Added Support



Methods for Restructuring Care Delivery and Operations *continued*

- Clinical Care Programs
  - On-site hospital and skilled nursing facility (SNF) case managers with 24/7 availability
  - Employed hospitalists and SNF physicians/NPs
  - Post-discharge calls
  - Complex case management
  - Disease management
  - Anticoagulation clinic
  - SNF wound management program
  - Palliative medicine program
  - High-risk touch team
  - Homebound program

Methods for Restructuring Care Delivery and Operations *continued*

Operational Capabilities

- Referrals management based upon evidence-based guidelines
- Patient-centered care management tools
- Risk stratification tool
- Patient registries that identify gaps in preventative care
- Actionable quality data: by population, practice, and patient
- 1:1 physician visits by medical director/assistant medical director
- Aligned incentives with physicians to improve quality

Methods for Restructuring Care Delivery and Operations *continued*

Managing the Cost of Care

- Avoidable emergency room visits
- Generic prescriptions
- Ambulatory surgery center use
- Readmissions
- Local/community care alternatives

Financial Risk Bearing and Financial Management

- Multidisciplinary team approach to financial and risk management
- Identification of cost drivers and measurement development
- Monthly monitoring of trends
- Claims management-Incurred But Not Reported (IBNR)
- Financial solvency is regulated by the California Department of Managed Health Care (DMHC)

Health Information Technology and the Role of Data Analytics

- ACO Operations
  - Proprietary web-based connectivity between providers and with Monarch (PracticeConnect®)
  - Data warehouse
  - Patient registries
  - Website: www.monarchhealthcare.com
  - aco/provider/patient connectivity
- Goals and Performance Monitoring
  - Enterprise analytics
  - Reports

Key Concepts in Leading ACO Development
Physician Engagement and Alignment

- Communication
- Physician Advisory Board
- Aligned financial incentives
- Office staff engagement
- Data sharing
- Care management support

Key Concepts in Leading ACO Development
continued

Hospital and SNF Relations

- Strong relationships
- Communication

Information Technology

- Connectivity
  - Health information exchange, patient portal, electronic health record
  - Data, data, data

Key Concepts in Leading ACO Development
continued
Quality Metrics and Measurement

- Use validated measures, start simple
- Understand the metric specifications
- Is the data collectible?
- Identify quality gaps: at the group, practice, and patient levels
- Physician communication
- Don’t forget the office staff

Key Concepts in Leading ACO Development
continued
Patient Engagement

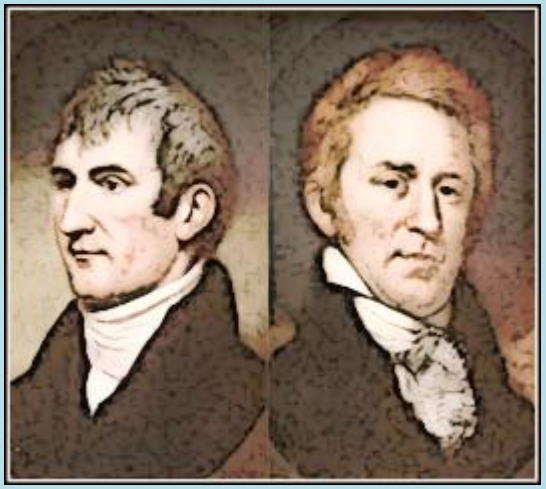
- The ACO is value added
- Patient input
- Care navigator
- Patient tool kit
- Educational health information
- Introductory communication

Key Concepts in Leading ACO Development
continued
Clinical Infrastructure for High-Risk Patients

- Identification and Management
  - Risk stratification
  - Patient/family engagement and education
  - Hospitalists/SNF physicians
  - Complex case management
  - End-of-life care
  - Right care, right place

- Transitions of Care
  - Physician handoff
  - Medication reconciliation
  - Patient education/self management
  - Post discharge appointment

Venturing into Unknown Territory



Lewis and Clark

Columbus in America

Learning from Experience

- Patient attribution data
- The challenges of data exchange
- Rules of patient engagement
- Quality metrics: identification and measurement
- Benchmarks and targets: what are the landmarks of success?
- Resource commitment

Tools and Resources

- IPA Primer
- Brookings Dartmouth Pilot Site Overview
- Integrated Healthcare Association (IHA)
  - Pay for Performance Overview
  - 2011 Measurement Set
- California Association of Physician Groups (CAPG)
  - Standards of Excellence FAQ
- California Office of the Patient Advocate
  - Medical group ratings
- Department of Managed Healthcare (DMHC)
  - Financial solvency requirements and ratings

Agenda in Review

- Monarch HealthCare—"Facts and Figures"
- The Brookings-Dartmouth ACO Pilot
- The "Why" of an ACO
- Organizational development
- Methods for restructuring care delivery and operations
- Financial risk bearing and financial management
- HIT and the role of data analytics
- Key concepts in leading ACO development
- Learning from experience

Case Study 1: Building an ACO on the Foundation of an Independent Practice Association

Nancy Boerner, Chief Medical Officer
Monarch HealthCare
nboerner@mhealth.com