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Everett Clinic Physician Group Practice Demonstration

Site Visit Final Report

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EXECUTIVE SUMMARY

The Centers for Medicare & Medicaid Services (CMS) initiated The Physician Group Practice (PGP) Demonstration in April 2005. This 3-year demonstration offers participating PGPs the opportunity to earn bonuses for improving the efficiency and quality of care delivered to Medicare fee-for-service (FFS) beneficiaries. Ten large PGPs are participating in the demonstration.

CMS contracted with RTI International, an independent, nonprofit research organization, to evaluate the PGP demonstration. As part of its evaluation, RTI is conducting site visits at each of the 10 PGPs participating in the demonstration in the winter of 2005–2006. The purpose of these site visits is to understand the decisions of the PGPs to participate in the demonstration and their early implementation and operational experience with the demonstration. This report contains findings for Everett Clinic.

Everett Clinic is a locally owned and operated multi-specialty group practice providing care throughout greater Snohomish County, Washington. The group practice has one main clinic and several other practices covering a geographic area of 2,098 square miles. Everett Clinic employs 210 physicians and provides care to over 200,000 patients. Everett Clinic physicians are also active medical staff at Providence Everett Medical Center (PEMC), which is a member of the Sisters of Providence Hospital System.

Everett Clinic is governed by a seven-member Board of Directors; each member must be a corporation shareholder. The Medical Director and Chief Executive Officer are appointed by the board and are responsible for the supervision of the staff and the implementation of policies approved by the Board.

Demonstration Participation and Strategy. Everett Clinic is interested in being a part of the movement towards a pay-for-performance system. They believe in the transparency of quality assessment and find it important to reward the provision of good quality heath care. Everett Clinic believes that the current Medicare reimbursement system does not adequately allow for proper care of Medicare beneficiaries and that the demonstration project will provide some answers to the question of how to improve current reimbursement policy. They are hopeful that cost-savings witnessed under the demonstration will help CMS consider better financing systems, particularly for chronic care patients.

Everett Clinic has three major focuses under the demonstration: (1) expansion of care coordination staff and programs, (2) access enhancements, and (3) information technology support. A major strategy of the clinic is bridging the transition of care between inpatient and outpatient settings. One of the major goals for Everett Clinic under the demonstration is to change the infrastructure to a more organized approach instead of an individual provider approach.

Patient Care Interventions. Everett Clinic implemented a patient care coordination program for the PGP Demonstration. In addition, at demonstration baseline, Everett Clinic had several patient care interventions in place, some of which have been expanded as a result of

participation in the PGP Demonstration, especially the palliative care program. The clinic also implemented a coronary artery disease (CAD) program for the demonstration.

The goals for the patient care coordination program include (1) bridging the transition of care between inpatient and outpatient settings, (2) timely follow-up of post emergency department/hospital discharges, and (3) reducing the readmission rate within 30 days for seniors. The clinic has hired a full-time patient care coordinator for the program. The post emergency department/hospital follow-up begins with the patient care coordinator, who acts as a "transition coach". Responsibilities of the patient care coordinator include initiating contact with the patient; using screening tools to identify clinical improvement, home safety, medication use, and follow-up appointment; and, provision of guidelines for future visits (palliative care consult where available).

The most important aspect of the patient care coordination program is proper discharge planning and timely follow-up post discharge. This involves a continuous dialogue between Everett Clinic and the Providence Everett Medical Center (PEMC). Everett Clinic has developed an electronic daily census report for following patients post hospital stay and care coordinators screen for potential readmissions and offer home health care in these situations. This reporting system was developed specifically for use under the PGP Demonstration. Everett Clinic has also improved care coordination by introducing a hospitalist program, which involves a contract with PEMC that allows for 20–25 Everett Clinic hospitalists to perform rounds and treat/review patients that have been admitted to the hospital.

Provider Participation and Relations. Providers have been educated about the demonstration through an ongoing series of meetings. The primary care section meeting for all the PCPs was the meeting during which the demonstration was introduced. Other meetings include department meetings (i.e., family practice) and manager meetings (managers then disseminate information to staff).

Everett Clinic also provides physician level feedback to their providers. The quarterly reports received by physicians show individual performance and peer/benchmark comparisons primarily in aspects of quality.

Providers at Everett Clinic generally believe they have an incentive to do the right thing, and that the PGP Demonstration is another opportunity to do this. However, Everett Clinic will ascertain the impact of bonus payments under the demonstration to its provider compensation system. The clinic will determine if rational distribution schemes to the individual physician level are possible.

Demonstration Quality Indicators. Everett Clinic thought that the PGP Demonstration quality measures and related targets were appropriate for the purposes of the project. The quality measures were believed to be scientifically sound and evidence-based. Everett Clinic's strategy for quality improvement is to focus on "easy to improve" quality measures, which include mostly the claims based quality measures. Quality improvement strategies are identified, implemented and reviewed by the group's Quality Improvement Committee.

Data collection and reporting of quality measures has been resource intensive and difficult. Patient chart reviews for some of the measures (e.g., foot exam) were time consuming and involved large opportunity costs. It has also been difficult to capture tests provided outside of Everett Clinic, which would make the clinic's quality measure results appear artificially low.

Information Technology. Everett Clinic has established a joint venture with Wenatchee Valley Medical Center (WVMC) to design and implement an information service organization. Currently, Everett Clinic produces some software internally and purchases externally developed software. Their Computerized Medical Record (CMR) is an internally developed system that contains patient test results, reports, demographic information and scheduling information. Although the CMR has worked well for Everett Clinic, they have decided to invest 8 million over 3 years in a new, externally developed, electronic medical record (EMR) that they believe will be more cost-effective in capturing patient information.

Everett Clinic has introduced electronic prescribing software to providers to reduce the occurrence of medication errors. The prescribing system allows providers to write new prescriptions, optimize medication choice and generally improve patient treatment and disease management. Everett Clinic partnered with the University of Washington School of Pharmacy for the development of this software.

SECTION 1
INTRODUCTION

1.1 Background

The Centers for Medicare & Medicaid Services (CMS) initiated The Physician Group Practice (PGP) Demonstration in April 2005. This 3-year demonstration offers participating PGPs the opportunity to earn bonuses for improving the efficiency and quality of care delivered to Medicare fee-for-service (FFS) beneficiaries. Ten large PGPs are participating in the demonstration.

CMS contracted with RTI International, an independent, nonprofit research organization, to evaluate the demonstration. As part of its evaluation, RTI is conducting site visits at each of the 10 participating PGPs in the winter of 2005–2006. The purpose of these site visits is to understand the decisions of the PGPs to participate in the demonstration and their early implementation and operational experience with the demonstration. RTI is producing a site visit report for each of the 10 demonstration PGPs. Material from the site visit reports will be included in CMS' Report to Congress on the PGP Demonstration, due at the end of 2006. This report is for Everett Clinic.

1.2 Sources and Methods

The primary source for the site visit reports is the one-day, on-site interviews conducted by RTI staff. The Everett Clinic site visit took place on January 30, 2006 at Everett Clinic offices in Everett, Washington. The interviews were divided into multiple sessions by the following topic areas:

1. Demonstration Participation and Strategy—The purpose of this session was to understand Everett Clinic's motivation for participating in the demonstration and to understand how the demonstration relates to the PGP's overall strategy and operational goals.

2. Patient Care Interventions—The purpose of this session was to gather information on programs that have been implemented by Everett Clinic due to the demonstration to improve disease management and coordination of care and to understand how these interventions have improved efficiency.

3. Provider Participation and Relations—The purpose of this session was to determine the extent of provider participation in demonstration activities and to understand the financial and non-financial incentives that may exist for providers due to the demonstration.

4. Quality Improvement and Measurement—The purpose of this session was to determine whether programs that specifically target quality of care have been implemented as part of the demonstration and also to gather information on how those interventions were implemented.

5. Information Technology—The purpose of this session was to gather information on how the demonstration may have changed health care reporting and data collection systems for any interventions such as patient care activities or quality interventions.

Some participants varied by session based on their area of expertise. The agenda is attached as Appendix A. Everett Clinic participants included its Chief Executive Officer, Director of Payer Contracting and Operations, Director of Pharmacy Services, PGP project leader, Patient Care Coordinator, Associate Medical Director of Quality and Utilization and other information technology, clinical and quality assurance personnel. John Kautter and Roberta Constantine of RTI conducted the interviews according to a pre-defined, semi-structured interview protocol. John Pilotte and Fred Thomas of CMS participated in the interviews via telephone.

In addition to the interviews, this report draws on written materials provided by Everett Clinic during or after the site visit, or as part of the demonstration project. These materials include Everett Clinic's demonstration implementation protocol and its demonstration baseline and quarterly reports. During and after the interview, Everett Clinic provided RTI with written information on its organizational structure and quality improvement and patient care initiatives. Also, Everett Clinic's web site was consulted for background information. Finally, we drew some information on Everett Clinic's Medicare assigned beneficiary population from RTI's analysis of Medicare claims and enrollment data for the demonstration.

Statistics cited in this report sometimes varied slightly among alternative sources. For example, the reported number of physicians employed by Everett Clinic might differ slightly among the Everett Clinic web site, demonstration reports, and RTI's site visit interview notes. Generally these differences are not consequential, and could arise from different time frames, inclusion criteria, definitions, etc. In this report, we cited numbers from written demonstration reports or materials submitted by Everett Clinic or published sources (e.g., Everett Clinic's web site) rather than our site visit notes, where possible. We also preferred statistics that were reported consistently across multiple sources. If a statistic seemed anomalous, or we were unsure of it or could not verify a precise magnitude, we indicated a general order of magnitude in this report, but did not cite a precise number. However, even if some statistics are subject to slight variation or uncertainty, we felt it was important to cite some specific numbers to adequately characterize Everett Clinic and its demonstration participation. We submitted this report to Everett Clinic staff for their review of its factual accuracy.

1.3 Overview of the Report

The next section describes Everett Clinic as an organization and the environment in which it operates. The third report section discusses why Everett Clinic chose to participate in the PGP Demonstration and how doing so fits into its overall strategy. The fourth section describes patient care coordination initiatives, and the fifth section includes initiatives in provider education, feedback and incentives. The sixth section discusses demonstration quality measures and reporting, and the seventh the role of information technology in the demonstration.

SECTION 2
ORGANIZATIONAL STRUCTURE, ENVIRONMENT AND STRATEGY

2.1 Organizational structure

Everett Clinic is a locally owned and operated for-profit multi-specialty group practice providing care throughout greater Snohomish County, Washington. The practice is organized as a Washington Professional Service Corporation. After 2 years of employment, physicians have the opportunity of becoming Everett Clinic shareholders. Shareholders make a small equity purchase of stock, which is repaid if they decide to leave Everett Clinic. Interest on the investment and growth in equity position does not accrue to the physician's personal stock holdings. This is to prevent the mining of patients and payer populations in schemes to enrich the owner physicians. Everett Clinic generates approximately $200 million in annual revenue.

Everett Clinic has one main clinic that offers all specialty services. In addition to this clinic, the practice consists of seven primary care facilities covering a geographic area of 2,098 square miles. Services provided by the clinics include six walk-in clinics, two outpatient surgery centers, comprehensive lab services, advanced imaging center (two MRIs and a CT), three retail pharmacies, behavioral health services and vision, optical and hearing aids. Everett Clinic has over 200,000 patients and 2,300 visits are made to the clinic each day.

Everett Clinic employs 210 physicians and 1,300 employees including 36 mid-level providers (e.g., nurse practitioners, physician assistants, optometrists, audiologists, etc.). Forty-six percent of the physicians at Everett Clinic are primary care physicians. Everett Clinic physicians are also active medical staff at Providence Everett Medical Center (PEMC), which is a member of the Sisters of Providence Hospital System. PEMC is a 20–30 multiple hospital system including acute care hospitals, skilled nursing facilities and nursing homes and is headquartered in Seattle, Washington.

Everett Clinic is governed by a seven-member Board of Directors; each member must be a corporation shareholder. The Board consists of the three section heads for primary care, the surgical department and the medical subspecialty departments. The remaining four members are voted on at large by all shareholders after a Clinic-wide nomination process. The Board chair is elected by the Board of Directors.

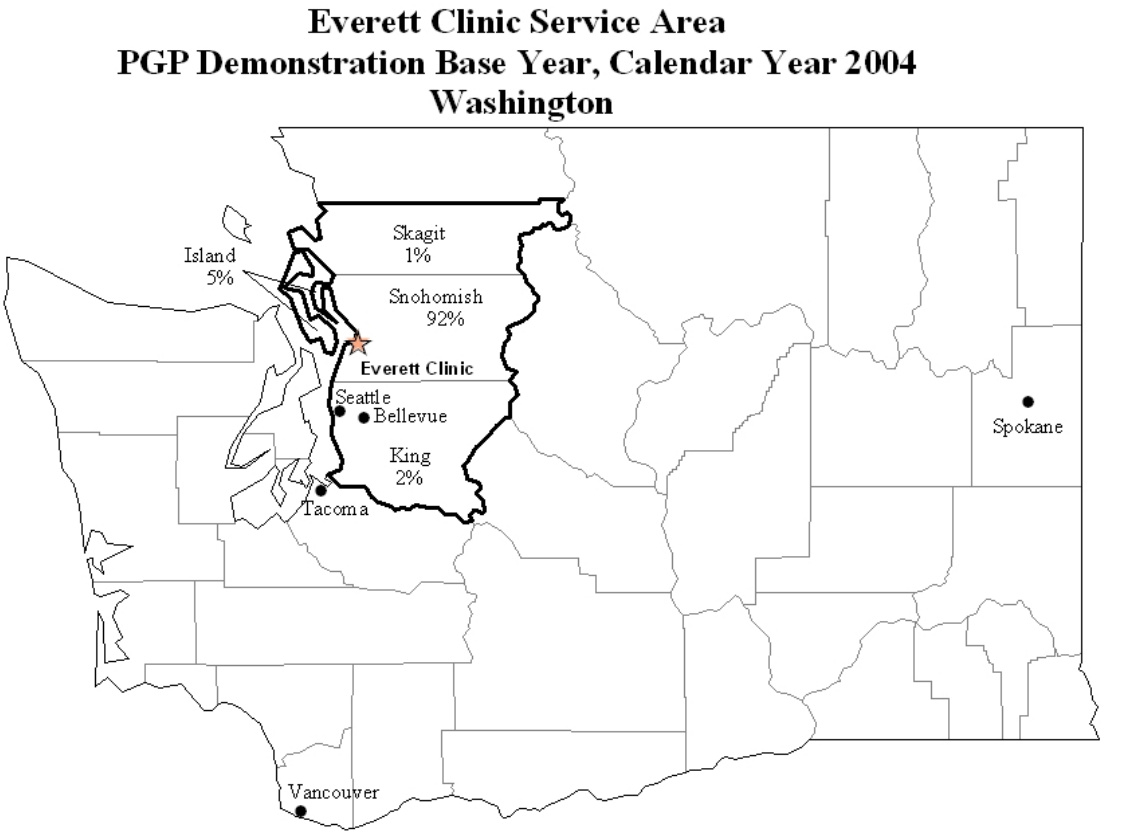
The Board holds office for 3 years, individual member terms are staggered and individuals may be elected to serve multiple consecutive terms. The Board is responsible for strategic planning, adopting and monitoring performance toward achieving annual budget goals, ensuring the delivery of high quality care, approving new shareholders, supervising shareholder compensation plans, approving the documents of the retirement plan, approving significant capital expenditures and adopting corporate policies. The Medical Director and Chief Executive Officer are appointed by the board and are responsible for the supervision of the staff and the implementation of policies approved by the Board.

2.2 Environment

2.2.1 Service Area

Figure 1 shows the Everett Clinic Medicare service area for 2004 based on patient residence data. Counties where at least 1 percent of Medicare FFS beneficiaries assigned[1] to Everett Clinic reside are included in this service area map. Ninety-two percent of the Medicare beneficiaries visiting Everett Clinic reside in Snohomish County, which has a population of approximately 610,000. Everett Clinic services approximately 40 percent of this population.

Figure 1
Everett Clinic Service Area



Notes:
1) Counties with at least 1% of assigned beneficiaries are in the service area.
2) Numbers in service area counties are percentages of service area assigned beneficiaries residing in the county. These percentages are used to weight comparison group county expenditure growth rates.
3) Due to rounding the percentage of assigned beneficiaries residing in the service area counties may not sum to 100%.

Source: RTI International

[1] A beneficiary was assigned to Everett Clinic if the plurality of its office and other outpatient evaluation and management allowed charges were incurred at Everett Clinic.

2.2.2 Patients

Table 1 shows selected characteristics of Everett Clinic's assigned Medicare patients available from Medicare administrative files. Everett Clinic provided an office or other outpatient evaluation and management visit to 11,713 Medicare patients. Of these, 8,383 or 72 percent received the plurality of their evaluation and management services from Everett Clinic and so were assigned to Everett Clinic for the PGP demonstration. Assigned beneficiaries received about six evaluation and management visits on average from all providers, with 88 percent of the associated Medicare allowed charges provided by Everett Clinic on average.

Eighty percent of Everett Clinic's assigned Medicare patients are eligible for Medicare by age, 19 percent by disability (under age 65) and less than 1 percent by end stage renal disease. Seventeen percent had at least 1 month of Medicaid eligibility in 2004. Ninety-six percent were white.

2.2.3 Payers

About 80 percent of Everett Clinic's patients are Commercial (including self-pay and workers compensation), 10 percent are insured by Medicare, and 10 percent are insured by Medicaid. The Clinic contracts with Medicare, Medicaid, as well as various commercial insurers whose products include PPO, HMO, Point-of-Service, and traditional indemnity coverage. Everett Clinic also contracts with Medicaid HMOs and Medicare Advantage plans. In the past 3 years, Everett Clinic's payer mix has shifted considerably. They have become the one of the few clinics to see Medicare beneficiaries in the service area. Currently, at Everett Clinic, private insurers cross-subsidize Medicare beneficiaries. Everett Clinic believes that if the number of Medicare beneficiaries at the Clinic continues to increase that they will be put in financial risk.

2.2.4 Competitors

The relationship between Providence Everett Medical Center (PEMC) and Everett Clinic is interesting in that they are both partners and competitors. They are partners in the sense that all Everett Clinic patients requiring hospital admission are admitted to PEMC (except for tertiary or other specialty care not provided by PEMC). However, PEMC also has their own medical ambulatory practice consisting of about 60 physicians, which competes with services provided by Everett Clinic. Under the demonstration PEMC and Everett Clinic are working together as they strive to improve the care and services provided to their patients. Other competitors of Everett Clinic include Western Washington Medical Group, Providence Physician Group, and Group Health.

2.3 Major Strategic Initiatives

Everett Clinic has three main guiding principles: (1) the clinic does what is right for each patient, (2) the clinic provides an enriching and supportive workplace, and (3) the clinic focuses on value: service, quality, and cost. Consistent with these principles, the clinic has several goals, including: (1) customer satisfaction, (2) patient safety, (3) secure future and (4) best workplace.

Table 1
Selected characteristics of Medicare patients, Everett Clinic, 2004

	No. of Beneficiaries	Percentage or Amount
Medicare Patients		
Total[1]	11,713	100%
Assigned Beneficiaries[2]	8,383	71.6%
Characteristics of Assigned Beneficiaries		
Average Number of Evaluation and Management Visits[3]	8,383	6.16
Average Percentage of Evaluation and Management Care provided by Everett Clinic[4]	8,383	88%
Distribution of Assigned Beneficiaries		
Total	**8,383**	**100%**
Medicare Eligibility		
Aged	6,744	80.4
ESRD	28	0.3
Disabled	1,611	19.2
Medicaid Eligibility		
Not Medicaid Eligible for any months in 2004	6,930	82.7
Medicaid Eligible at least 1 month in 2004	1,453	17.3
Age		
Age < 65	1,635	19.5
Age 65 – 74	3,339	39.8
Age 75 – 84	2,495	29.8
Age 85 +	914	10.9
Race		
White	8,024	95.7
Black	60	0.7
Unknown	9	0.1
Asian	101	1.2
Hispanic	20	0.2
North American Natives	76	0.9
Other	93	1.1

NOTES:

[1] Beneficiaries provided at least one office or other outpatient evaluation and management visit by Everett Clinic.

[2] Beneficiaries who received the plurality of their office or other outpatient evaluation and management allowed charges at Everett Clinic.

[3] Percentage of all office and other outpatient evaluation and management Medicare allowed charges provided to the beneficiary that were provided by Everett Clinic.

[4] Office or other outpatient evaluation and management visits.

SOURCE: RTI Analysis of Calendar Year 2004, 100% Medicare Claims Files and Enrollment Datasets

Customer satisfaction at Everett Clinic is measured through the American Medical Group Association (AMGA) Patient Survey. The Clinic is working towards improving the survey score by 10 percent by implementing a customer service program, a patient satisfaction program for physicians and by monitoring patient wait times in clinics.

Everett Clinic plans to emphasize and monitor patient safety through improvements in computerized systems to track laboratory results, increase the accuracy and safety of medication prescription practices and offer the best preventive care recommendations. Everett Clinic also has introduced a Radiology Information System and Digital Imaging Services.

Everett Clinic has a goal of achieving a 5 percent profitability margin by developing the Musculoskeletal Center of Excellence and a comprehensive Cancer Center. Everett Clinic is also developing a 5-year business plan that will include ways to diversify the current business model by expanding profitable services.

Finally, Everett Clinic is devoted to becoming one of the best work places in the Pacific Northwest. They have goals of becoming a finalist in the Washington CEO Magazine's Best Companies to Work for Employer Survey for a second year, ranking in the top 10 percent of the AMGA physician satisfaction survey, minimizing the voluntary employee turnover rate to below 15 percent and insuring a competitive compensation system for physicians and clinic staff.

SECTION 3
DEMONSTRATION PARTICIPATION AND STRATEGY

3.1 Reasons for Participating

Everett Clinic is interested in being a part of the movement towards a pay-for-performance system. They believe in the transparency of quality assessment and find it important to reward the provision of good quality heath care. Everett Clinic believes that the current Medicare reimbursement system does not adequately allow for proper care of Medicare beneficiaries and that the demonstration project will provide some answers to the question of how to improve current reimbursement policy. They are hopeful that cost-savings witnessed under the demonstration will help CMS consider better financing systems, particularly for chronic care patients.

The clinic is also interested in having input in the pay for performance initiatives of Medicare. One reason for this is that they believe that Medicare quality of care metrics could evolve into a standardized set for all payers, including Commercial payers. The clinic thinks that standardization of quality metrics is critically important.

Everett Clinic looks at participation in the PGP Demonstration as a good learning opportunity. In addition to learning about potential reimbursement policy changes, Everett Clinic has the opportunity to learn about strategies to improve care in an organized fashion and methods of collecting and reporting quality and other performance measures.

Everett Clinic has clearly indicated that the financial bonus payments available under the demonstration are not a motivating factor for their participation.

3.2 Demonstration Strategy

Everett Clinic has three major focuses under the demonstration: (1) expansion of care coordination staff and programs, (2) access enhancements, and (3) information technology support. A major strategy of the clinic is bridging the transition of care between inpatient and outpatient settings, and has hired a patient care coordinator to improve transition of care. One of the major goals for Everett Clinic under the demonstration is to change the infrastructure to a more organized approach instead of an individual provider approach.

Everett Clinic is implementing a new corporate policy whereby any of its open physician practices would also be open to new Medicare patients, both FFS and managed care. This will result in expanded access for Medicare patient in Snohomish County. Given the access issues being raised at the current time in the clinic's service area, this action should result in improving not only the access but the quality of care to Medicare beneficiaries.

The clinic's strategy for meeting the goals of the PGP Demonstration also includes information technology support. This includes (1) selecting key areas of service requiring expanded support, (2) identifying resource requirements, and (3) developing a PGP Demonstration project database.

3.3 Relationship to Group Practice Strategy

The PGP demonstration goals are compatible with Everett Clinic's guiding principles and goals,[2] and work well with other initiatives within the group. For example, Everett Clinic has received a grant from the Agency for Healthcare Research and Quality (AHRQ) to reduce medical errors. As a result they have implemented an electronic prescribing program, which allowed them to investigate the source of medication errors and eventually led them to decreasing medication errors by 60 percent. The achievement will likely affect Everett Clinic cost-reducing goals under the demonstration.

Everett Clinic has a quality improvement plan for quality measures relating to congestive heart failure (CHF), asthma and diabetes. Participation in the PGP Demonstration has accelerated the reporting of quality measures relating to each of these conditions. Everett Clinic hopes to position itself in the top quartiles for institutional care and quality measures.

Finally, Everett Clinic is interested in a common set of quality and cost measures that can be used for pay for performance by the stakeholders in its area, and that the PGP Demonstration project could prove useful in fulfilling this goal.

3.4 Leadership and Implementation Team

Everett Clinic has established a PGP Demonstration steering committee that is responsible for overseeing initiatives relating to the demonstration. The steering committee consists of the Director for Quality Improvement, a Medical Director, the Operations Manager and a Patient Care Coordinator. The Medical Director for the PGP Demonstration invests ½ FTE (full-time equivalent) to the position. The steering committee members oversee the work of supportive staff, which includes pharmacists, data analysts, information technology staff, quality improvement personnel and several clinic committee members.

The steering committee Medical Director is responsible for integrating existing resources to achieve the goals of the PGP Demonstration, identifying areas for improvement, implementing clinical projects to improve care provided to Medicare beneficiaries, monitoring quality and institutional metrics and developing methods for physician compensation.

3.5 Implementation and Operational Challenges

The need for upfront investment by the clinic for the PGP demonstration was cited as a demonstration challenge. The opportunity costs of these investments were thought to be substantial. In addition, a key challenge in implementing Everett Clinic's demonstration strategy of proactively identifying high-risk Medicare patients is the ability to mine internal data sources. This activity is being worked on. Concurrently, the clinic is in the process of setting up a clinic-wide system/process to effectively engage and support the clinic's PCPs in managing the care needs of the clinic's Medicare population as a whole, while specifically emphasizing the "case management" of those beneficiaries identified as high-risk patients. Case management will

[2] See Section 2.3.

include but not be limited to enrollment in programs related to chronic disease management, palliative care, and home health services.

Everett Clinic remains concerned that performance during performance year one will be reported by CMS well into the subsequent year. This framework significantly reduces the clinic's ability to course-correct until they are almost two-thirds of the way into this 3-year demonstration project. Another significant concern is the lack of clarity on the Part D prescription drug program, and the methodology for measuring pharmacy costs including base-line costs during the demonstration

There are other overarching concerns as well – for example, the potential for reduction in physician reimbursement. In Washington State in November 2001, 57 percent of the physicians who responded to a Washington State Medical Association poll reported limiting access to their practice for Medicare patients. At Everett Clinic in October 2002, only 21 percent of adult primary care physicians were open to new FFS Medicare patients. Everett Clinic is concerned that if there is a decrease in Medicare payments that access to health care services for Medicare patients in Snohomish County will become a problem.

SECTION 4
PATIENT CARE INTERVENTIONS

Everett Clinic implemented a Patient Care Coordination Program for the PGP Demonstration, as well as a Coronary Artery Disease program. In addition, at demonstration baseline, Everett Clinic had several patient care interventions in place, some of which have been expanded as a result of participation in the PGP Demonstration, including a program for palliative care; disease management programs for diabetes, congestive heart failure, and hypertension; and influenza vaccine and anticoagulation clinics. We describe these patient care interventions below, highlighting the interventions that have been especially impacted by the clinic's participation in the PGP Demonstration.

4.1 Patient Care Coordination

Everett Clinic implemented a Patient Care Coordination Program for the demonstration. The goals for the patient care coordination program include (1) bridging the transition of care between inpatient and outpatient settings, (2) timely follow-up of post emergency department/hospital discharges, and (3) reducing the readmission rate within 30 days for seniors. The clinic has hired a full-time patient care coordinator for the program. The post emergency department/hospital follow-up begins with the patient care coordinator, who acts as a "transition coach". Responsibilities of the patient care coordinator include initiating contact with the patient; using screening tools to identify clinical improvement, home safety, medication use, and follow-up appointment; and, provision of guidelines for future visits (palliative care consult where available).

This Patient Care Coordination Program divides seniors into three groups: (1) robust seniors, (2) pre-frail seniors and (3) frail seniors. Robust seniors are adequately cared for through disease management services and acute visits, pre-frail seniors do not receive adequate health care resources to address all of their needs, and frail seniors utilize high cost hospital and skilled nursing facility care. The main goal of the program is providing transition of care for these three groups of seniors.

The most important aspect of the Patient Care Coordination Program is proper discharge planning and timely follow-up post discharge. This involves a continuous dialogue between Everett Clinic and the Providence Everett Medical Center (PEMC). Everett Clinic has developed an electronic daily census report for following patients post hospital stay and care coordinators screen for potential readmissions and offer home health care in these situations. This reporting system was developed specifically for use under the PGP Demonstration. Everett Clinic has also improved care coordination by introducing a hospitalist program, which involves a contract with PEMC that allows for 20–25 Everett Clinic hospitalists to perform rounds and treat/review patients that have been admitted to the hospital.

Since April, 2005 Everett Clinic has witnessed an increase in the percentage of Medicare patients being followed by physicians within thirty days after hospital discharge. They have also seen a gradual decline in the number of readmissions within thirty days of discharge.

4.2 Palliative Care

The Palliative Care Program at Everett clinic began in August 2004, and has been expanded as a result of participation in the PGP Demonstration. The goals of palliative care are to prevent and relieve suffering, to support the patients and their families in their last 2 years of life with plans to eventually refer to Hospice. Palliative care is both a philosophy of care and an organized, structured system for delivering care. Palliative care expands traditional disease-model medical treatments to include the goals of quality of life for the patient and the family, optimizing function, helping with decision making and providing opportunities for personal growth.

Everett Clinic has partnered with Providence Hospice and Home Care to pilot the Palliative Care Program at one Internal Medicine Department site. The program provides education in end-of-life planning, including the completion of Physician Orders for Life-Sustaining Treatment (POLST) and other forms. Information is provided to both patients and families regarding community support agencies, alternative living options and in-home support. Program staff occasionally offer home visits for family conferences and patient assessment

Physicians identify patients for referral to the palliative care program. At 11 months into the program there were a total of 253 referrals. Patient diagnoses varied and included congestive heart failure, chronic obstructive pulmonary disease, diabetes, dementia and cancer. Most patients enrolled in the program were over the age of 75 years. Feedback from providers, patients and families regarding the program has been positive. Community agencies have also voiced an appreciation for the care and coordination of care provided to these complex, multidisciplinary patients.

4.3 Coronary Artery Disease

Everett Clinic had been considering implementing a Coronary Artery Disease (CAD) disease management program for its Medicare patients, and the PGP Demonstration caused it to implement the program sooner. The clinic piloted a CAD disease management program with three physicians and now has expanded the program to all PCPs for all adult patients.

The clinic uses a “green sheet” (put on the front of the medical chart) when the physician sees the patient, which provides the physician with prompts regarding quality of care measures. The clinic believes that quality improvement will translate into cost savings. Electronic prescribing will help push the CAD program forward due to the information now captured. Electronic prescribing will also allow for better risk profiling of patients.

4.4 Other Patient Care Interventions

Diabetes. The diabetes disease management program at Everett Clinic, which was modified for the PGP Demonstration, focuses on improving care for diabetes patients, measured by five different metrics: (1) hemoglobin A1c test and control rates, (2) LDL test and control rates, (3) blood pressure control rate, (4) microalbumin test rates and (5) dilated eye exam rates. The program allows for the monitoring of diabetes patients, particularly those with poor control

over their disease. As of December 2004, there were 4,000 Medicare FFS patients enrolled in the program.

The program provides appointment and scheduling reminders to both patients and their physicians. This is facilitated through various information technology interventions such as the electronic diabetic patient registry and initiatives to improve access to real-time laboratory result data. In addition to appropriate scheduling, the program offers best practice guidelines and education and support materials to patients and their physicians. The Medical Director for the program is responsible for reviewing all of these materials, planning information system changes and recommending priorities to Everett Clinic senior leadership.

Congestive Heart Failure. The congestive heart failure (CHF) disease management program is targeted to Everett Clinic patients with left ventricular systolic disease with ejection fraction less than 40 percent. The program promotes proper use of ACE inhibitors/ARB and beta blockers. It consists of a nurse case manager and data manager who together identify the target population and track ACE inhibitor/ARB and beta blocker utilization. As of December 2004 there were 150 Medicare FFS patients enrolled in the program.

Hypertension. The hypertension management program at Everett Clinic is designed to promote awareness of hypertension and to improve hypertension control in high risk patients. An important factor in hypertension control is periodic measurement of blood pressure. Everett Clinic has facilitated the documentation of blood pressure measurements in their computerized medical record (CMR). As of December 2004 there were 10,000 Medicare FFS patients enrolled in the program.

The clinic has emphasized to providers the importance of proper blood pressure measurement and documentation through prompts within the CMR, mandatory training modules for clinical staff and email correspondence. Everett Clinic also spends a significant amount of time educating providers about medication efficacy and associated costs and safety, to ensure the best care for hypertension patients.

The hypertension management activities also include a hypertension registry consisting of all patients that have received a diagnosis of hypertension. There are over 28,000 Everett Clinic patients included in the registry.

Influenza Vaccine Clinics. The Centers for Disease Control and Prevention recommends that all patients 65 years or older receive a flu shot. As a result, the Everett Clinic has set up flu shot clinics as an effective and efficient means of delivering flu shots. Planning the flu shot clinics has required the involvement of a medical director, team leader, business office staff, reception, marketing personnel as well as the Snohomish County Health Department.

Everett Clinic sent flu shot reminder cards to high-risk patients, based on diagnosis codes, co-morbidities and healthcare utilization statistics. Information regarding the flu shot clinics was also disseminated through the clinic website and patient newsletter. In 2004, 3,100 Medicare beneficiaries received flu shots at Everett Clinic. A substantial number of patients received their shot outside Everett Clinic due to flu shot shortages in November and December of 2004.

In 2005, a Pneumovax project was offered along with the flu shot clinic. Over 2,300 pneumovax shots were provided in 2005, which represented close to a 130 percent increase over the previous year. Everett Clinic plans to continue offering the pneumovax shot on an annual basis with the flu shot.

Anticoagulation Clinic. Everett Clinic established the Anticoagulation Clinic to reduce hospitalization from warfarin-related complications such as bleeding and embolic events. The Anticoagulation Clinic provides support to over 750 Medicare patients and prevents approximately 125 hospitalizations each year within this population.

SECTION 5
PROVIDER PARTICIPATION AND RELATIONS

5.1 Provider Education

Providers have been educated about the demonstration through an ongoing series of meetings. The primary care section meeting for all the PCPs was the meeting during which the demonstration was introduced. Other meetings include department meetings (i.e., family practice) and manager meetings (managers then disseminate information to staff).

The Medical Director provides quarterly reports regarding demonstration progress to providers and other staff. Demonstration steering committee members have made in person trips to satellite clinics to introduce the demonstration and answer any questions from these clinics. Additionally, the clinic's website and staff newsletters have been used for the dissemination of information to providers.

5.2 Provider Performance Support and Feedback

Providers receive feedback with respect to what is needed for their patient's clinical care. This is provided to them via the "green sheets" that indicate which tests patients have received or are due to receive. The green sheets assist providers in making good care happen. They have assisted in shifting the care responsibility from the individual provider to the system.

There is also a Senior Care Advisory Committee made up of physicians and nurses focused on improving the care provided by Everett Clinic to the elderly. Through this committee providers have input and receive feedback regarding the demonstration.

Everett Clinic also provides physician level feedback to their providers. The quarterly reports received by physicians show individual performance and peer/benchmark comparisons primarily in aspects of quality.

5.3 Provider Compensation and Incentives

Everett Clinic physicians are compensated based primarily on productivity. The percentage of a physician's salary that is based on productivity ranges from 70–99 percent depending on specialty. The remaining portion of the salary comes from awards made by the Board for contribution to Clinic goals and values, including patient satisfaction, burdensome call schedules, market salary adjustments, department profitability, and participation in Everett Clinic activities. Financial rewards/bonuses from Commercial quality improvement have also been incorporated into provider compensation.

Providers at Everett Clinic generally believe they have an incentive to do the right thing, and that the PGP Demonstration is another opportunity to do this. Everett Clinic has not yet determined how it will distribute bonus payments to its physicians.

SECTION 6
DEMONSTRATION QUALITY INDICATORS

6.1 Appropriateness

Everett Clinic thought that the PGP Demonstration quality measures were a good, broad based set of measures. The quality measures were found to be scientifically sound and evidence-based. They also found the multiple threshold and improvement targets to be reasonable. Additional measures recommended by Everett Clinic included measures that track appointment availability, senior quality metrics (e.g., falls) and measures considering advanced directives. The clinic thought that one national standard for quality metrics should be considered..

6.2 Improvement Strategy

Everett Clinic's strategy for quality improvement is to focus initially on the "easy to improve" quality measures, which includes several of the claims based quality measures. This will allow them to maximize quality improvements in the short-run. Everett Clinic has established a Quality Improvement (QI) Committee, which is determined by the Medical Director and is responsible for reviewing past performance and setting plans and priorities for the future.

The QI Committee project teams work on both clinical and non-clinical issues. Clinicians are selected to establish guidelines based on the literature and experience. These best practice guidelines are made available to physicians through the intranet. Everett Clinic has also invested a substantial amount of resources into disease management programs to achieve their quality improvement goals.

6.3 Collection and Reporting

There are several obstacles in the collection and reporting of quality measure data. The most significant burden is the need for individual patient chart review. This type of review is required for the foot exam quality measure in the diabetes module. Currently, there is no discrete field in the Everett Clinic computerized medical record (CMR) that will capture the performance of a foot exam. It has become important for the clinic to train providers on making the performance of this test explicit in the patient medical record. A second difficulty with adequately collecting and reporting quality data is that occasionally patients will receive tests outside of the clinic and Everett Clinic does not have this information. For example, with the eye exam measure for diabetes patients, a patient may receive an eye exam outside the clinic and there may be no record of this exam within the clinic.

Everett Clinic is concerned that with multiple different insurance plans that each plan will develop a separate set of quality measures to be monitored. For example, the Puget Sound Health Alliance, a regional partnership of employers, patients, physicians, hospitals and health plans is working to improve quality and reduce costs in Snohomish and neighboring counties. This

alliance has developed a set of quality measures that are similar to the PGP Demonstration quality measures but also include different measures such as mental health and back care measures. Everett Clinic would like to see an alignment of quality measures across different initiatives whenever possible to reduce the burden of data collection and reporting.

Everett Clinic staff has spent on average five to six minutes per patient collecting data for the diabetes module for the PGP Demonstration. This has added up to 70–80 hours, which was more labor intensive than anticipated. Everett Clinic suggests that to reduce the burden, CMS should limit the number of patients required for chart abstraction and make the abstraction tool more compatible with various CMR systems.

SECTION 7
INFORMATION TECHNOLOGY

7.1 Strategy

Everett Clinic established a joint venture with the Wenatchee Valley Medical Center (WVMC), a similarly sized physician group practice 150 miles east of Everett Clinic, to design and implement an information service organization. The groups believed that together they would be able to better optimize their technology investments. The joint venture is responsible for managing intranet sites, supporting mainframes and server-based applications and operating comprehensive communications networks.

Everett Clinic both purchases external software and develops software internally. Internal information technology (IT) staff have developed the patient encounter forms used by the patient care coordinator as well as the software that generates daily census reports for the clinic. IT staff uses multiple internal databases (e.g., patient registries, claims) to develop quality improvement and other performance measures. Different data systems load at different times. The prescription drug database is updated instantly, the laboratory database is updated daily and the scheduling database is updates every 5 minutes. External software has been used primary for practice management functions.

7.2 Systems and Initiatives

7.2.1 Computerized/Electronic Medical Record

The current computerized medical record (CMR) system at Everett Clinic is part of an Intranet network, over which information regarding care guidelines, health plan information, clinic policies and procedures and patient educational materials can be shared. The CMR was developed internally, allowing Everett Clinic to tailor the system to meet their specific needs. It contains laboratory results, radiology reports and images, patient demographic and scheduling information, as well as dictated reports from physician encounters. The CMR also contains an electronic prescribing system geared towards reducing medication errors.

After several months of research analyzing the costs and benefits of an internally developed medical record system, Everett Clinic has decided to make a $8 million investment in a new externally developed electronic medical record (EMR) system. The new system will allow Everett Clinic to capture more integrated and robust quality, outcomes and cost data. This system is not specifically for the PGP Demonstration.

7.2.2 Electronic Prescribing

Everett Clinic's electronic prescribing software was developed to understand and ultimately decrease the occurrence of medication errors within the clinic. Participation in the

PGP Demonstration significantly accelerated the development of this system. The software uses the Multum commercial drug database as the background medication information source. It was designed to be integrated into the regular CMR and provides physicians with the ability to write new prescriptions, refill prescriptions, optimize medication choice, generate medication lists and assist with dosing. The new software improves overall disease management.

Development of the electronic prescribing system required two dozen collaborative researchers, pharmacists, statisticians, physicians and economists. Clinical experts (e.g., doctors, nurses and pharmacists) were equally as crucial as IT experts in the development of the software so that the system could easily be integrated into the general workflow/process flow of the clinic. To meet the necessary expert requirements for the development of this system, Everett Clinic partnered with the University of Washington School of Pharmacy.

Early implementation experience of the electronic prescribing system was slow and required changes in workflow and the training of physicians and staff with varied computer skills. Initial data population was very resource intensive. However, once in place the system was rapidly adopted with over 200 physicians and mid-level providers and over 350 staff utilizing the system today. Introduction of the electronic prescribing system has resulted in a 60 percent reduction in medication errors by limiting the occurrence of lab/drug-drug/disease interactions. Everett Clinic plans to continue rolling out the system to additional providers and plans to integrate some aspects of this system into their new EMR system when it becomes available.

7.2.3 Electronic Medical Record for Nursing Home Team

Everett Clinic is piloting a new project that involves the use of wireless laptops by care providers. The laptops are used for collecting data for the electronic census that tracks admissions, discharges and care issues within the nursing home. Data that is collected electronically can be made available instantly to the entire nursing home team. This improves care efficiency provided at the nursing homes.

APPENDIX A
AGENDA FOR EVERETT CLINIC SITE VISIT

Site Visit Agenda for Everett Clinic
PGP Demonstration Evaluation by RTI

January 30, 2006

9:00–9:30 a.m.	Evaluation and Site Visit Background
9:30–10:30 a.m.	PGP Demonstration Participation and Strategy
10:45–11:45 a.m.	Patient Care Interventions .
11:45 a.m.–1:00 p.m.	Lunch
1:00–2:00 p.m.	Provider Participation and Relations
2:00–3:00 p.m.	Quality Improvement and Measurement
3:15–4:15 p.m.	Information Technology
4:15–4:45 p.m.	End of Day Wrap-up