



hfma massachusetts - rhode island chapter
healthcare financial management association

Your Compass For Navigating
Turbulent Financial Waters for
Revenue Cycle 2015



Using Your Employee Benefit Plan to Improve Health and Reduce Hospital Costs

Friday, January 23, 2015

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Southcoast Health System



Southcoast™ Health is a community based health delivery system with multiple access points, offering an integrated continuum of health services for more than 719,000 people in 33 communities throughout Southeastern Massachusetts and East Bay, Rhode Island.

It includes the three hospitals that provide advanced clinical services, including open heart surgery, angioplasty and heart rhythm services, comprehensive cancer care, neurosurgery, weight-loss surgery, orthopedic surgery, advanced imaging services and is the only provider of maternity services in the region. Through the hospitals, VNA and more than 40 medical office practices, Southcoast's facilities and increasing range of services reflect its commitment to providing progressive, quality healthcare to the communities it serves.

FY14 Operating Revenue: \$885M.





Cammack Health

Cammack Health has been working with Southcoast Health System since 2010. Our role for Southcoast is summarized below:

- We organize and analyze health-related data to find ways to help improve the health of the population and reduce the expenses associated with health care, absence and lost productivity.
- We are not limited to trying to address costs through the design of the health plan, cost shifting and network design.
- We seek to affect the way care is delivered, accountability for health decisions, socioeconomic factors, resource availability and access to services and information that drive clinical, behavioral and financial decisions of the providers and patients to impact outcomes.



Overview

Focus on the following areas to drive results

- Governance
- Plan Design
- Incentives
- Data - access and analytics
- Decision Support
- Resources, tools and programs
- Physician leadership and Provider engagement
- Communication/marketing



Effective Population Health Management

Is accomplished through a very methodic, proven, recurring four step process:

1. Information Management

Aggregate data from disparate sources and organize it into useable form

4. Financial Management

Financial results are the outcome of the first three steps and help measure success, areas of concern, and risk



2. Population Management

Identify health needs of the population using available data

3. Individual Management

Trained healthcare professionals working together to improve health by enhancing the quality and efficiency of healthcare services

Sequence is critical to success!



Critical Steps

1. Establish health plan governance including key stakeholders
2. Aggregate critical data and ensure ongoing timely data flows
3. Analyze data on a recurring basis to produce actionable information
4. Value the identified opportunities and prioritize action items based on value
5. Change plan design to drive services to the hospital and its doctors
6. Take ownership of medical management services typically provided by the insurance carrier
7. Integrate with your provider network
8. Measure performance and Return On Investment through regular reporting and a Continuous Quality Improvement (CQI) process
9. Establish a 3 to 5 year strategic plan



Southcoast Health Plan (SHP): Coverage

- Approximately 7,000 total employees; 4,700 employees/11,000 total lives covered by the insurance plan as of August 2014.
- The Health Plan includes wellness and insurance programs.
- All employees are eligible for wellness programs, including screenings, health coaching, discounts and EAP services and some form of an incentive.
- Additional health management incentives and programs are available to employees and dependents on the insurance plan.



SHP: History

Key Facts:

- The SHP has been self-insured for employees and their dependents since the formation of the Health System in 1996.
- SHP is a \$57M budget line item for calendar year 2014.
- Double digit increases in 9 of 10 years between 2000 and 2010.



SHP: History

Key Facts, continued:

- Prior to 2010, the plan design cost sharing for in and out-of-network benefits was based on the insurance carrier network.
- Data mining of historical claims data showed opportunities to improve in several areas.
- Southcoast realized that it had little/no control over the rising cost of its health plan and that change was needed.
- Strategic business objective: Population Health Management.



SHP: Decisions

In 2010, we made the overall decision to change the direction of the Health Plan.

We determined that a radical, rather than incremental, approach to plan design would give us the best chance to achieve our goals.

Goals:

Increase Domestic Steerage +
Population Health Management



Cost Control & Ability to
Retain a Highly Valued
Benefit Program

Drive towards shared accountability



SHP: 2010 Decisions

To achieve these objectives, the areas of focus encompassed several key areas including:

- Consultant engagement
- Plan governance
- Request for Proposals
- Vendor Selection and Engagement
 - Moved from BCBSMA to Health Plans Inc, (HPI) using the Harvard Pilgrim (HPHC) & First Health networks
 - InforMed (a Conifer Health Solutions company) was selected as the technology solution and medical management vendor
 - WebMD was engaged for HRA and health (wellness) coaching and for a health portal; customized to Southcoast
 - No change to successful PBM & Rx consultant relationship



SHP Plan Design: Year One Focus

Domestic Steerage:

Unique design included physicians as well as facilities.

Served three purposes:

1. Physician alignment
2. Improved information sharing - and thereby care coordination
3. Reduced expenses



SHP Plan Design: Year One Focus

Domestic Steerage: Three Tiered Provider and Facility Network with cost sharing to incent employees to use Southcoast providers and facilities.

Tier One:

Southcoast facilities and providers: discount/lowest cost sharing

Tier Two:

Harvard Pilgrim Health Network: market level cost sharing

Tier Three:

Out-of-Network/Non Preferred - high end & selected facilities (no providers): higher cost sharing



SHP Plan Design: Year One Focus

Population Health Management:

To improve the overall health of the population, influence utilization and mitigate long term expense.

- Implemented internally controlled Utilization Management/ Pre-certification process
 - Eliminated “gate keeper” physician model, instead placed responsibility on the employee/member to pre-certify services, make provider selection decisions and understand economic impact of those decisions
 - Able to influence domestic steerage
- Aligned wellness incentive to identify early stage health risks
 - Increased incentive for completing a biometric screening and HRA to \$50



The Rollout: Communication Strategy

- Branding
- VIP meetings
- In-person education and support
- Electronic resources
- Take home resources
- Follow-up
 - Open employee meetings
 - Personal Health Nurses on site
 - 1 - 1 meetings for transition of care issues



SHP Employee Contributions: Year One

No increase to employee contributions for plan year 2011.

First time in ten years that employees did not have a rate increase!



SHP: 2011 - 2014

- Population Health Management
 - Primary Prevention
 - Secondary Prevention
 - Tertiary Prevention
- Three strategies:
 - Risk identification
 - Wellness
 - Personal Health Management
- 2011 Focus
 - Tertiary Prevention
 - Screenings



SHP: Incentive Strategy

- 2010: \$15 Gift card for completing the HRA
- 2011: \$50 gift card for completing HRA & Biometric Screening
- 2012: \$300 premium discount for tobacco-free; \$50 gift card for HRA & Biometric Screening
- 2013: \$350 premium discount for tobacco-free, spouse tobacco-free, HRA & Biometric Screening
- 2014: \$500 premium discount for tobacco-free, spouse tobacco-free, HRA & Biometric Screening
- 2015: \$500 premium discount for tobacco-free, spouse tobacco-free, HRA & Biometric Screening (at health station) & 8,000 HealthMiles



Tertiary Prevention

Care of established disease, with attempts made to restore to highest function, minimize the negative effects of disease, and prevent disease-related complications.

The smallest percentage of the population spending the highest percentage of health plan dollars.



Tertiary Prevention: Chronic and High Risk

- Established Utilization Management / pre-certification with independent third party (Conifer Health Solutions)
- Control of UM function allows:
 - Steerage to SC facilities & providers
 - Critical access point for engagement in PHM
- Launched Personal Health Management (PHM) service (Conifer)
- Replaces traditional insurance carrier Care, Case & Disease Management programs (Medical Management)
 - Nurses live and work in the community
 - Sophisticated data integration and technology to:
 - Identify
 - Engage
 - Intervene



Personal Health Management (PHM)

- SHP Medical Director and care management team are focused on our participants and familiar with local resources
- Nurses employed by URAC accredited medical management organization - InforMed Medical Management Service (IMMS), a Conifer Health Solutions company - but hired jointly, live locally and orient specifically to the plan, providers, facilities and programs at Southcoast
- Focus on under/over utilization of resources and care coordination
- Data from multiple sources -- medical and Rx claims, biometric screening results, lab values and HRA results - integrated into data warehouse
- Medical management technology provides workflow for members with chronic conditions and high risk health status



PHM: How Does it Work?

- Data from multiple sources is integrated into a data warehouse
- Risk algorithms are applied to stratify the population.
- Work flow technology identifies members who may benefit from PHM
- Personal Health Nurses (PHN) review the record and apply screening tools to determine value of engaging the member in interventions
- For those who may benefit, nurse reaches out to member and provider to offer services



PHM: How Does it Work? (continued)

- Working with the member, the PHN assists member to identify issues that prevent the member from optimizing care, health outcomes and cost
- PHN integrates available clinical and wellness resources and coordinates with the provider to address those issues
- In addition, if a member contacts the utilization management nurse, she assesses the status of the member to determine if they could benefit from PHM and connects the nurse to the member
- Outcomes are tracked in the medical management system



Results

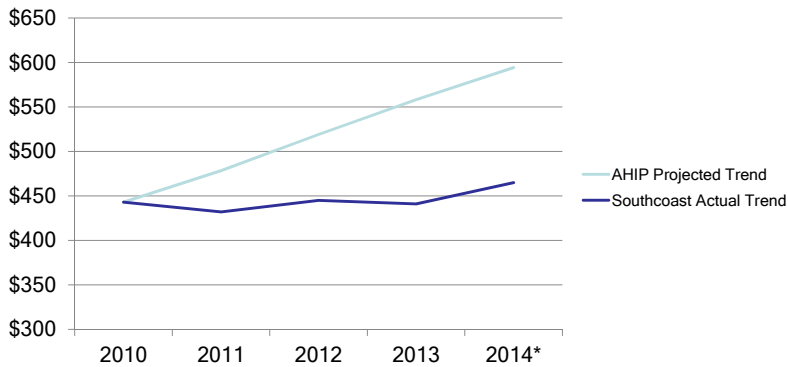
The results that follow are extraordinary - in all areas including participation, verifiable outcomes, and financial.

- SHP compounded trend for the period from 2010 - 2014 is 1%.
- This trend **cannot** be explained by randomness or by plan design or vendor changes made during this period. All major utilization statistics have decreased, many dramatically, from 2010.
- The medical management programs are the **primary reason** for these results.
- Our programs and the nurses also contribute to Domestic Utilization by steering health plan participants to domestic service providers.
- In addition, the percentage of employees who have gone through biometric screening has risen dramatically due to improved access, communication and incentives.
- 2014 has seen an uptick in high cost claims, driving trend higher, but still under the national average.



Trend 2010 - 2014

Over four years, Southcoast has saved over \$45 million compared to the average national trend for health plans.



*All 2014 data is through August



Biometric Screening Results

Screenings (employees on SHP):	2010	2014
Biometric Screenings through Dec 31:	1,180	2,934
2013	Unique Patients	
Total Screened Population	3,302	
Participants with <u>no prior known risk</u> in Q4 2013 found to have major elevated risk at screening	103	

Definition of elevated risk: BP > 140/90, Chol >240, BS >126;
"Major elevated risk at screening" = at least 1 value in the high range.





Medical Management Results

Number of patients screened for
Personal Health Management: **1,331**

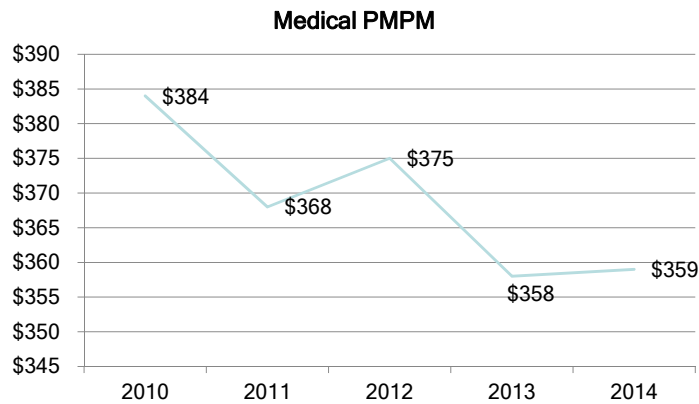
Personal Health Nurse Engagement Improvement

	2011	2013
Engaged :	32%	76%



Financial Results

Per Member Per Month Costs



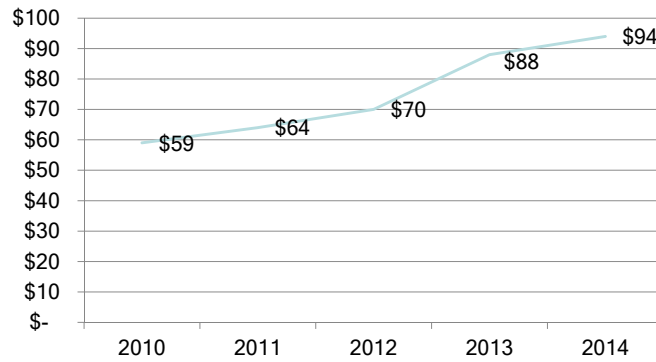
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Financial Results

Per Member Per Month Costs

Rx PMPM



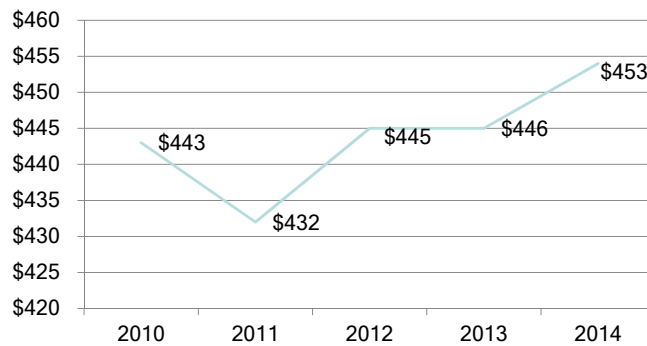
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Financial Results

Per Member Per Month Costs

Total PMPM

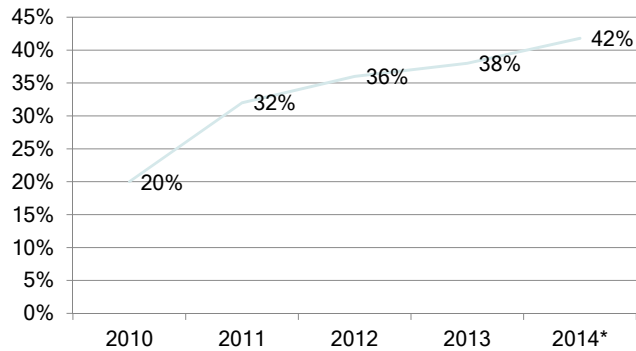




Utilization Results

Domestic Utilization % of Services

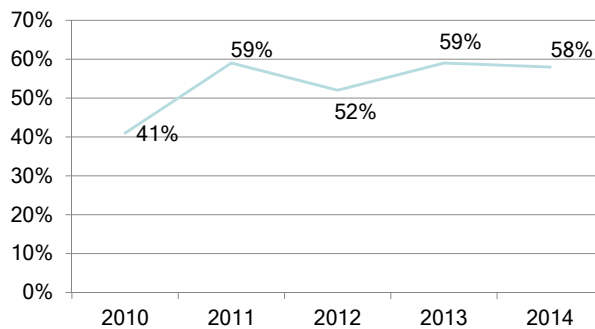
All Domestic Claims



Utilization Results

Domestic Utilization % of Services

Total Domestic IP/OP Services

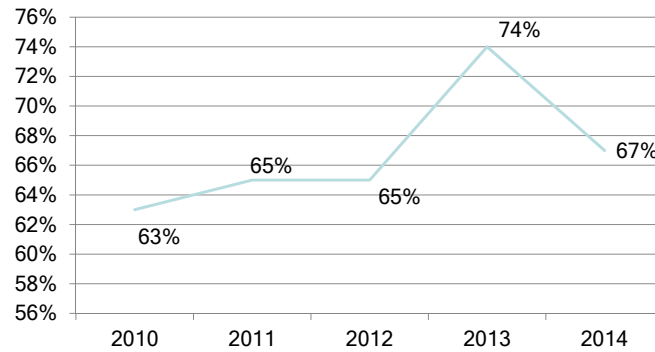




Utilization Results

Domestic Utilization % of Services

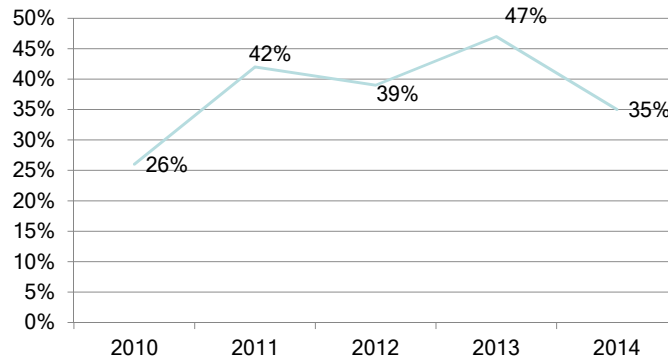
Inpatient Services



Utilization Results

Domestic Utilization % of Outpatient Services

Radiology Services

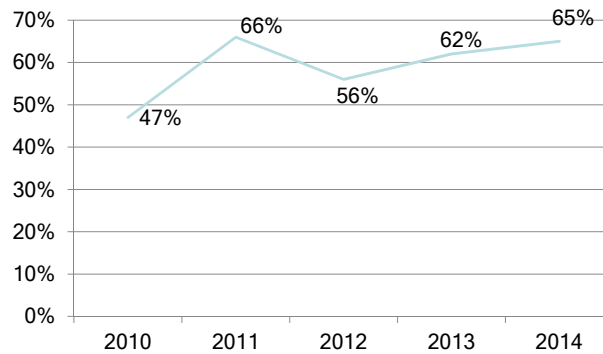




Utilization Results

Domestic Utilization % of Outpatient Services

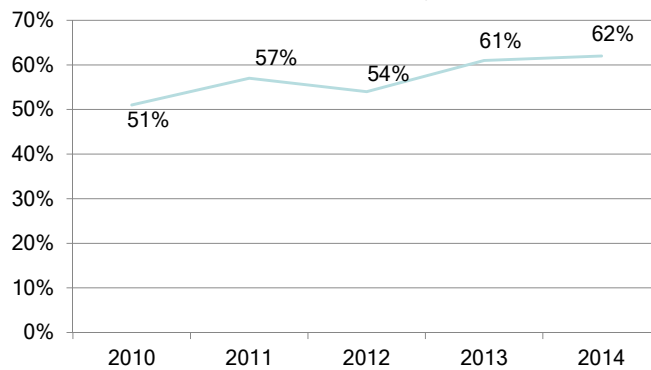
Lab



Utilization Results

Domestic Utilization % of Outpatient Services

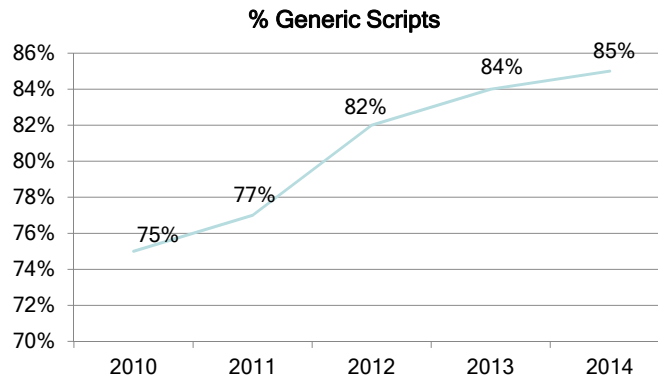
Outpatient Facility





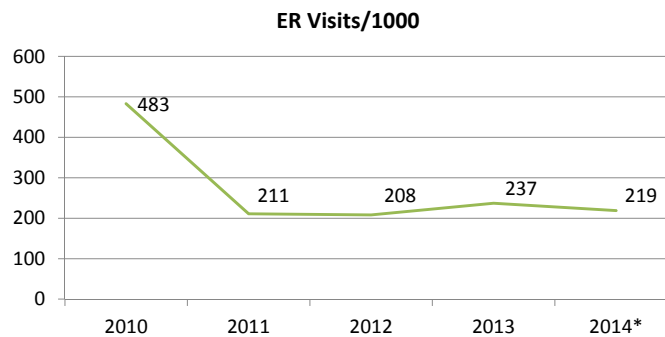
Utilization Results

% Generic Scripts



Utilization Results

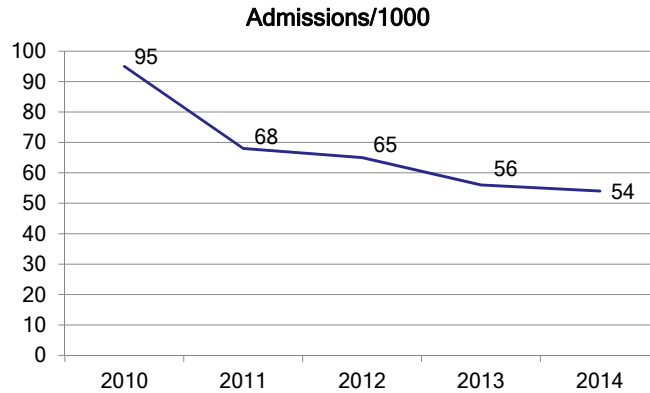
ER Visits/1000





Utilization Results

Admissions/1000



Medical Management Results

Medical Management Savings and Return on Investment: 2014

Service Type	Cost	\$ Saved	ROI
Utilization Review	\$252,560	\$962,485	3.81
Personal Health Management	\$188,551	\$1,073,637	5.66
Total	\$442,111	\$2,036,122	

2013
Savings: \$3,025,386
ROI: 4.52





Member Experience Results

Member experience survey - a unique component of plan management included measuring the member experience with the Plan. The survey is conducted every other year by the Plan and measures the member experience with:

- Medical & Rx claims and plan administration
- Wellness and health assessment programs
- Utilization and Personal Health Management services
- PCP experience



Member Experience Results

The PCP experience survey was modeled on the HCAHPS instrument and measured the experience/satisfaction levels with:

- Southcoast PCP services 92%
- Communication Quality 97%
- Knowledge of Patients 92%
- Integration of Care 77%
- Access to Care 87%



Results: Employee Contributions

- No increase in employee contributions for plan years 2012, 2013, 2014.
- Four years in a row with no increase in contributions!
- 2015 - first increase in contributions.



2014 Plan Design: Tier Decisions

- Due to market forces, SHP made the decision to place competitive facilities Out-Of-Network with no coverage under the Plan. Also, some physicians were moved to Tier 3 with a \$1250/\$2,500 individual/family deductible and 70% co-insurance
- Intense management and communication of the transition including an internal call center and coordination with TPA and provider offices
 - Only 11% found the process difficult and
 - Only 16% were dissatisfied with the process of changing their PCP
- 44% more members with SC PCPs, nearly 2000 members moved from competitors to SC; 54% total (2013 to 2014)



2014: Tertiary Prevention

The *Southcoast Cares* pilot is designed to deepen engagement with Primary Care Physicians and patients who have complex medical conditions and spend 5-6x the average member.

285 participants (employees and adult dependents) identified for the pilot based on the following criteria:

- One or more chronic health condition
- 15+ unique medical providers in prior 12 months
- 9+ unique prescribing physicians in prior 12 months
- Southcoast PCP



2014: Tertiary Prevention

Through:

- patient selection and screening,
- physician communication,
- outreach and engagement,
- reimbursement through the Health Plan for care management, clinical information sharing,
- office manager and care manager work flow integration,
- member incentives and member communications,

the *Southcoast Cares* program creates a system of care to benefit the patients and ultimately the health system and the community.



2014: Secondary Prevention

Those that identify and treat asymptomatic persons who have already developed risk factors or preclinical disease but in whom the condition is not clinically apparent.

These activities are focused on early case findings of asymptomatic disease that occurs commonly and has significant risk for negative outcome without treatment. With early case finding, the natural history of disease or how the course of an illness unfolds over time without treatment can often be altered to maximize well-being and minimize suffering.



2014: Secondary Prevention

- Costs for members over age 50 increase by almost \$2,000 per employee per year.
- Nearly 50% of employees age 50 and over started working at Southcoast when they were in their 20s or 30s - providing ample opportunity to intervene and prevent (or delay) chronic disease onset and/or acute events associated with cardiac risk.
- From a business perspective, these employees will age into a Medicare Shared Savings Program when retiring from Southcoast.
- 660 employees identified through biometric screening who are
 - Obese OR
 - Overweight or obese with pre-diabetes, pre-hypertension and/or hyperlipidemia



2014: Secondary Prevention

Early Intervention Program

- Replicates work flow of the successful PHN program
- New protocols in the MMOTS to identify and “queue” work for Health Coach
- Health Coach employed by Southcoast outreach to actively engage and steer at risk members to programs to reduce risk
- Internal Southcoast Weight Management and Diabetes Prevention Program at no cost for the identified population
- Integrate with new Virgin Pulse platform



2014: Primary Prevention

Those provided to individuals to prevent the onset of a targeted condition. Primary prevention measures include activities that help avoid a given health care problem.

New Online Platform and Incentive Strategy

- Virgin Pulse platform implementation (replaced WebMD) providing a more effective engagement tool including a rewards platform, activity tracking devices and social media
- Continued onsite wellness programs and new health stations for screening blood pressure and BMI
- Incentive: \$500 premium discount for tobacco-free, spouse tobacco-free, HRA, Biometric Screening and Wellness Activity



Lessons Learned

- Communicate using many different media
- Use straightforward, clear language, not benefit speak
- Rumor control - physicians, employees
- Manage the Change - Skeptics, Resisters, Adopters
- “WIIFM”
- Changing health plan adds to emotional load for ill/care givers



Lessons Learned

- Provider office staff and hospital billing departments need to be educated on the plan design - what to charge members
- Provider billing practices may contradict intention of the Plan
- Involve the right stakeholders from the start and on an ongoing basis
- What gets measured, gets managed - establish goals and report on progress
- Tying to business strategy is important - not just about the employee health plan

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Questions?

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