Tales from the Front Line:
Lessons learned from a virtual ACO approach

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today’s team

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Facey Medical Group

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Strategic Partnerships & Innovation, Blue Shield of California
our partnership model is based on trust

We work together to:

• deliver care at below-market cost trends
• achieve financial results that are sustainable for all parties
• find and implement cost and quality improvements
• enhance the awareness & appeal of value based programs to consumers and employers
we created an integrated model

- three-way partnership between the hospital, physician and health plan
- model built on partners with “will & skill”
- aligned incentives
- multi-year commitment
- senior executive level engagement and governance
- pass along savings to customers prospectively
our partnership is receiving national attention

national recognition as innovative leader

The New York Times
“Simple by working together, the three were able to reduce the number of times patients had to be readmitted to the hospital by 15%.”

Health Affairs
“One of the oldest and largest ACOs in the country.”

transforming provider relationships

Executive
“Most significant was the providers willingness to work with Blue Shield in partnership rather than adversaries across the bargaining table.”

HHS.gov
“This program is on our radar screen as one of the best examples of patient care in the country, and the kind of care that people elsewhere hope to enjoy in the future.”

facey medical group · providence health & services · blue shield of california
our governance model takes a team approach

Steering Committee

- program oversight strategy, contracting and funding decisions from Senior Staff

Core Leadership Team

- coordinates sub-groups and provides update to steering committee

Intervention Sub-Group Committees

- work teams created as needed to implement specific interventions such as the ones below

Intervention 1: Appropriate ER Utilization Initiative
Intervention 2: Advanced Practice Pharmacy
Intervention 3: ER Redirection to UC Initiative
Intervention 3: Telehealth Program
Intervention 4: Palliative Care Initiative
our ACO population

Facey Medical Group - Providence ACO top 10 employers

- Vallarta Supermarkets, Inc. 5%
- U.S. Office of Personnel Management 3%
- Facey Medical Group 2%
- Logix Employment Services, Inc. 2%
- California Association of Professional Employees Trust 8%
- California Correctional Peace Officers 1%
- City of Los Angeles 10%
- Blue Shield of California 1%
- CalPERS 39%
- Providence Health & Services 29%

% of total BSC - Facey ACO HMO membership
what we’ve delivered - 2014 results

**Facey Medical Group - Providence ACO Utilization**

Excluding Medicare Supplement members

<table>
<thead>
<tr>
<th></th>
<th>CY 2013</th>
<th>CY 2014</th>
<th>% change 2013 versus 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admissions per 1,000</td>
<td>50.4</td>
<td>41.9</td>
<td>-16.9%</td>
</tr>
<tr>
<td>Days per 1,000</td>
<td>171.5</td>
<td>129.4</td>
<td>-24.5%</td>
</tr>
<tr>
<td>Average Length of Stay</td>
<td>3.4</td>
<td>3.09</td>
<td>-9.1%</td>
</tr>
<tr>
<td>ER Visits per 1,000</td>
<td>133.2</td>
<td>134.6</td>
<td>1.1%</td>
</tr>
<tr>
<td>Readmission Rate</td>
<td>6.4%</td>
<td>4.4%</td>
<td>-2%</td>
</tr>
<tr>
<td>Average Membership</td>
<td>16,807</td>
<td>19,963</td>
<td>18.8%</td>
</tr>
</tbody>
</table>
# Intervention Examples

<table>
<thead>
<tr>
<th>Program</th>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Appropriate ER Utilization Initiative</strong></td>
<td>Care management strategy to identify patients who are ED high utilizers. Review, identify and respond to any actionable needs with direct outreach to the patient. Purpose: re-direction from the ED to appropriate care setting (i.e.: referral to specialist).</td>
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<tr>
<td><strong>Advanced Practice Pharmacy</strong></td>
<td>Pharmacist embedded in clinical practice to drive appropriate use of drugs and improve overall health outcomes.</td>
</tr>
<tr>
<td><strong>Facey Telehealth Program</strong></td>
<td>Increase member’s access to care with option of a virtual same day visit for a list of specific symptoms. Virtual visits provided by Facey primary care physicians.</td>
</tr>
<tr>
<td><strong>Palliative Care &amp; Shared Decision Making Initiative</strong></td>
<td>Educate PCP, nurses, case managers and social workers on the concepts of death, dying with dignity, shared decision making with the patient and how to introduce concept to patients.</td>
</tr>
</tbody>
</table>
Initiative: developing alternative levels of care for high volume repeat ER visit procedures such as CT scans after hours.

Urgent care physicians have after hours access to CT imaging at Providence Holy Cross Medical Center outpatient radiology department with review of imaging interpretation by Facey hospitalist: recommendation of admission, or next day follow-up with PCP. Protocol completely bypasses the ED and consult by ED physician.

Results: all utilization metrics, including ER visit per 1000 HMO UC visits, Direct Admit % and overall ER Admit % have shown a notable improvement within the 6 months of the intervention (implementation in Q1 2013).
what do our members say?

Quotes from our members. . .

“I went to the ER 13 times in one year for excruciating migraines. I received a call from a Facey Specialty Nurse. She helped me to set up appointments with a neurologist and followed up on a referral for Botox injections. I have kept all my appointments, the Botox has helped my migraines 100% and I rarely need pain medication anymore.”

“I am a 21 year-old with a substance abuse issue. I was admitted 3 times in 2 months. A Facey nurse called me at least 4 times to offer some help. When I finally called her back, she gave me so many great resources: AA meetings in my area, counseling services, education material about my disease and even her direct contact number for any future assistance. Thank you for calling me and giving me the information I needed!”

“As a 56 year old patient with a history of chronic abdominal pain and drug dependency, I felt very alone and that no one cared. I felt that the ER was the only place where I could get relief so I visited 52 times in a year. Finally, a Facey case manager started calling me weekly and arranged for me to be cared for by the right specialists. Now, I get to talk directly to a doctor before going to ER; this has helped me reduce my visits by 75%. I feel that people do care about me; I am getting better every day and my family is now much happier.”
we’ve made progress in reducing healthcare trends

The program is delivering significant results across multiple markets and different provider organizations.

**Annualized Non-ACO**

7.1% *annualized trend*

**Annualized ACO**

3.8% *annualized trend*

Comparison of baseline (pre ACO) to most recent completed ACO contract period

Annualized ACO Trend is demographic and benefit adjusted, weighted average since ACO inception
good so far but we need to do better

collaborative model

evolving toward deeper integrations

enhanced member experience

partnering together to improve members’ lives

best-in-class quality

state-wide leadership

technology integration

new levels of visibility and transparency
ACO 2.0: digging even deeper to deliver results...

leveraging the Medical Management Inventory Tool to drive change

<table>
<thead>
<tr>
<th>CRITICAL FACTORS</th>
<th>MAX POINTS</th>
<th>Score</th>
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<tbody>
<tr>
<td>CATEGORY 1 (45 points)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hospitalist (Acute Hospital) - 12 points</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Hospitalist (SNF) - 8 points</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Hospital Care Management Program - 11 points</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Post Hospitalization/High Risk Clinic - 10 points</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Hospital - 1.5 pts</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>Medical Director Leadership - 2.5 pts</td>
<td>2.5</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>45</strong></td>
<td></td>
</tr>
<tr>
<td>CATEGORY 2 (39 Points)</td>
<td></td>
<td></td>
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<tr>
<td>Urgent Care Centers and Specialty Clinics - 6 pts.</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Ambulatory Case Management Program - 33 pts.</td>
<td>33</td>
<td>33</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>39</strong></td>
<td></td>
</tr>
<tr>
<td>CATEGORY 3 (16 points)</td>
<td></td>
<td></td>
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<tr>
<td>Physician Report Card/Incentive System - 16 pts.</td>
<td>16</td>
<td>16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>16</strong></td>
<td></td>
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<tr>
<td><strong>Final</strong></td>
<td><strong>100</strong></td>
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**Total Subtotal**

1. Case Load per Hospitalist = 1:12 pts.
2. Hospitalist Coverage on-site 7am-7pm
   a. Hospitalist Coverage on-site 7am-7pm
   b. Hospitalist Coverage Monday - Friday only
   c. Hospitalist Coverage Sat. Sun. & Holiday
3. ER Intercept Program at Primary Hosp
   a. ER Intercept at Adjoining Hosp within 5 miles
   b. Hospitalist Available for Evening/Family Rounds
4. Employed vs. not Contracted
5. Contracted differential Case Rate Pay not for ER Intercept

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...and placing greater emphasis on the core four

By deepening our partnership and focusing on the Core Four, we will improve the quality and experience of care... leading to membership growth.

**Together we can:**

- Improve day-to-day patient care and provide consistent “patient-centric service”
- More effectively manage the most challenging and complex patients
- Free up provider time, thus resulting in improved patient engagement and outcomes
- Improve quality of care, resulting in decreased utilization and increased margin
what we’ve learned so far

• senior leadership engagement
• financial integration
• quality alone is not enough
• hospitals must have a seat at the table
• transparency is key
• financial model must link success/failure across partners
• program insights applied to entire book of business
• success = investment of time and resources for all partners
• strategic alliances supported by contractual relationships work
questions

let's chat
thank you