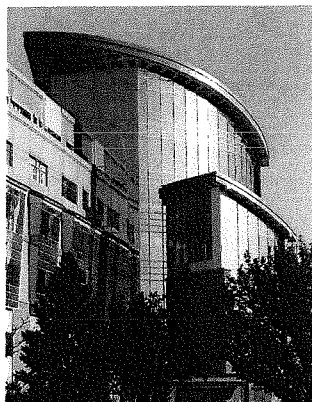


Accountable Care and Population Health Management

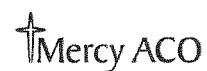
Mercy Health Network

November 2013



Outline

- **Mercy Overview**
- **Mercy ACO**
- **Care Management Model & Results**
- **University of Iowa Health Alliance**
- **Q&A**



Mercy Health Network Overview



Mercy-Des Moines (3)



Mercy-Sioux City (3)



Mercy-Clinton



Mercy-North Iowa (2)



Mercy-Dubuque (2)

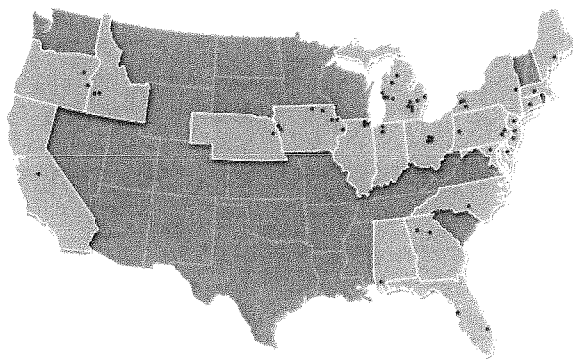
- JOA between Catholic Health Initiatives (\$12B; 85,500 employees) and Trinity Health (\$13.3B; 87,000 employees)¹
- 11 owned hospitals: 6 urban; 5 rural community²
- 1 joint venture surgical hospital²
- 27 affiliated community hospitals²
- 625 employed physicians²
- 26.7% share of inpatient & observation discharges in Iowa³
- 2,856 licensed beds (excludes nursing home)⁴
- 86,630 admissions³
- 330,000 outpatient visits³
- 16,300 employees⁴
- \$2.2 billion in total annual operating revenues³



3

Sources: 1) CHI and Trinity Websites 2) MHN records 3) IHA Dimensions. Excludes behavioral health, chemical dependency, and skilled nursing 4) IHA Profiles

MHN Sponsor: Catholic Health East / Trinity Health

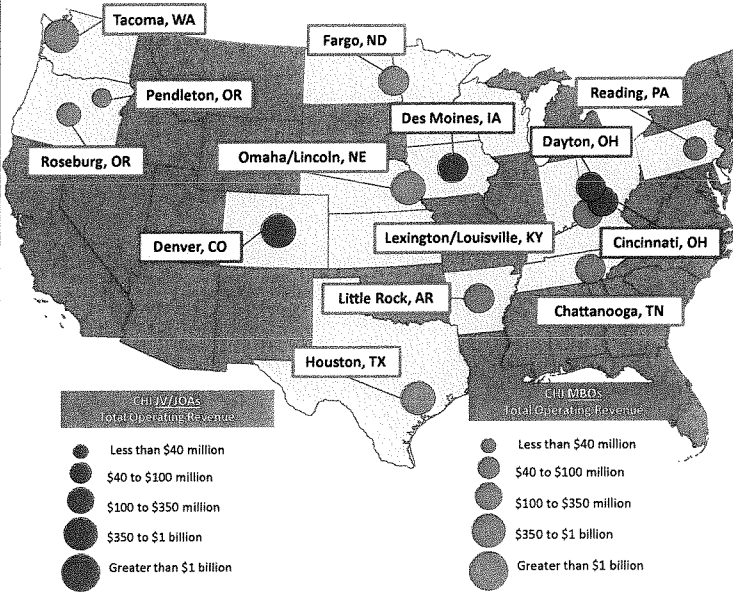


- **National System Office:** Livonia, Mich.
- **Divisional Offices:** Trinity Health Division, Livonia, Mich., and CHE Division, Newtown Square, Pa.
- **Geographic Reach:** 21 States
- **Revenue:** \$13.3 billion
- **Community Benefit Ministry:** \$938 million
- **Discharges:** 542,000
- **Employees:** 87,000
- **Continuum of Care Services:**
 - Senior Care (89 total long term care, assisted, independent living and affordable housing communities)
 - Home Health/Hospice (2,750,000 visits)

Notes: <http://www.newhealthministry.org/about.shtml>, 6-1-2013

4

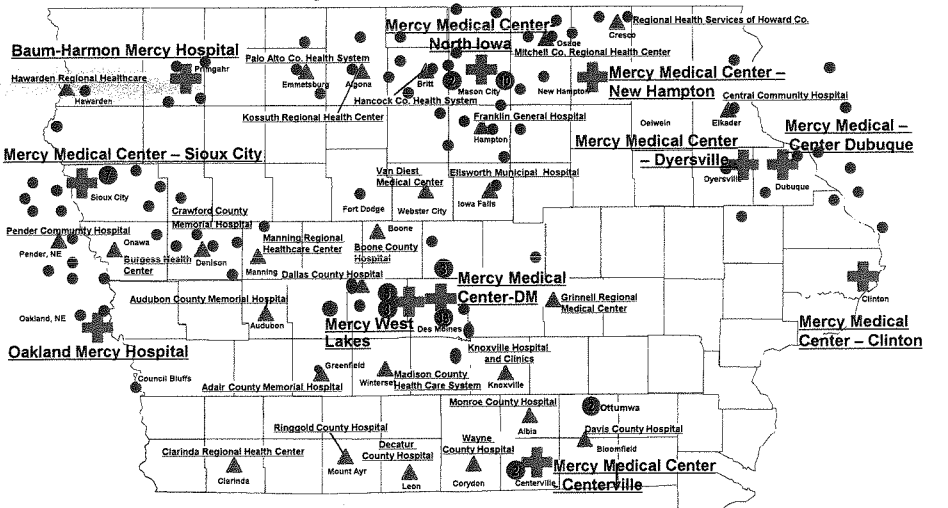
MHN Sponsor: Catholic Health Initiatives



- Headquarters in Englewood, Colo.
- Catholic Not-for-Profit
- Operates in 18 states
- 86 hospitals; 40 long-term care, assisted- and residential-living facilities; 2 academic medical centers; 2 community health-services organizations; 2 accredited nursing colleges; and home health agencies.
- Ranks as the nation's third-largest faith-based health system
- Annual operating revenues of more than \$12 billion
- Approximately 85,500 employees
- Provides more than \$715 million in charity care and community benefits annually

Sources: CHI Strategy and Business Development, and Communications 6-13

Mercy Health Network Profile



- JOA: CHI & CHE Trinity
- 26.7% Market Share
- 16,000 Employees
- \$2.2 Billion FY12 Operating Revenues

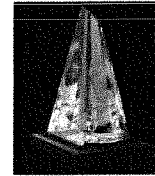
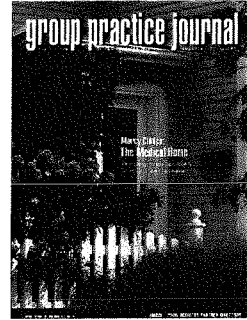
- Owned Medical Centers/Hospitals (11)
- ▲ Affiliated / Managed Hospitals (27)
- Physician Clinics (146)



Revised 10/13

Mercy Clinics: Advanced Integrated Care

- Pioneers in advanced medical homes & population health management using:
 - Disease registries
 - Health coaches
 - Pre-visit chart reviews
 - Individual comparative reports
- Health coaches in every family practice clinic and every pediatric clinic
- Hospital-based health coaches at Central Campus
- Won the “Acclaim Award” – the highest national award for quality in a physician group practice
- The Advisory Board partnered with Mercy Clinics to develop and market a physician office-based health coach and medical home training program for health systems across the country



 **Mercy Clinics, Inc.**
A member of Mercy Medical Center - The Mercy

Mercy ACO

- Limited Liability Corporation (LLC) formed February 1st 2012.
- Wholly owned subsidiary
- Dr. David Swieskowski, CEO
- Nationally-recognized Care Management Program
 - Internal Education/Training Program
 - 28 RN Health Coaches & Patient Navigators
 - Mercy and non-Mercy Primary Care settings
 - Hospital-Based 'Transition Coaches'
- Hold Risk Contracts totaling 62,000+ Beneficiaries.
 - Wellmark – April 2012
 - Medicare Shared Savings Program – July 2012
 - Mercy Employees – January 2013
 - Coventry ACO (Medicare Advantage) – January 2013



Kara Reis, RN Health Coach -
Mercy Clinics Waukees

Clinically-Integrated Network of Doctors and Hospitals is the Foundation of the ACO

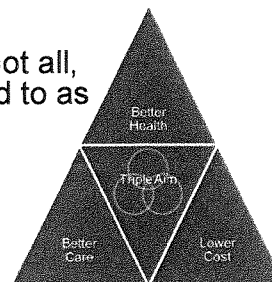
- Clinically-integrated network includes 58 participating organizations including...
- Participant Agreements including Mercy Health Network hospitals, Mercy Clinics, Independent Primary Care Practices, Independent Specialty Physician Practices, Rural Health Centers, and Federally Qualified Health Center

September 2012		September 2013	
• Employed	593	• Employed	593
◦ Mid-Level	181	◦ Mid-Level	181
▪ Family Practice	98	▪ Family Practice	98
▪ Specialist	83	▪ Specialist	83
◦ Physician	412	◦ Physician	412
▪ Family Practice	200	▪ Family Practice	200
▪ Specialist	212	▪ Specialist	212
• Independent	61	• Independent	426
◦ Mid-Level	39	◦ Mid-Level	99
▪ Family Practice	37	▪ Family Practice	51
▪ Specialist	2	▪ Specialist	48
◦ Physician	22	◦ Physician	327
▪ Family Practice	21	▪ Family Practice	45
▪ Specialist	1	▪ Specialist	282
Total	654	Total	1019

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What is an 'ACO?'

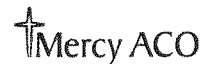
- Accountable Care Organizations (ACOs) are groups of doctors, hospitals, and other health care providers, who come together voluntarily to give coordinated high quality care to their patients.
- The goal of coordinated care is to ensure that patients, especially the chronically ill, get the right care at the right time, while avoiding unnecessary duplication of services and preventing medical errors.
- The measurement of success for most, if not all, Accountable Care Organizations is referred to as the 'Triple Aim.'
 - Better Health (Health status / Experience)
 - Better Care (Quality / Satisfaction)
 - Lower Costs



Reference: <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ACOs/index.html#direct1/aco/>

Emerging Value-Based Reimbursement Model

- Traditional system rewards volume
- A value-based reimbursement system has emerged which:
 - Rewards keeping people healthy
 - Requires health systems to take financial risk and responsibility for populations of patients
 - Requires better care at lower cost
- Aligns mission with economics – resources available to support doing the right thing
- Volume to Value payment system examples:
 - P4P, bundled payments, shared savings, capitation, global risk



How Does an ACO Work?

- Patients attributed by primary care doctor.
- Risk adjusted cost target is calculated.
- Fee for service payments made as usual.
- At the end of one year.
 - Costs below the target (savings) are shared with the ACO.
- Quality and Patient Satisfaction targets **must** be met to share savings.
- ACO distributes savings to stakeholders (providers).




How Is This Different From an HMO?

ACO

- Patients are free to self refer
- Sophisticated risk adjustment
 - Want the sickest patients
- Use of sophisticated data and metrics allows focus on changing care for those who need it most

HMO

- Primary care must authorize referrals
- Risk adjustment only by age and sex
 - Want the healthiest patients
- Rudimentary data available to providers
 - prevents meaningful care management

 Mercy ACO

How We Get Savings

- Additional low cost Primary Care interventions improve the health of patients.
 - Many of these are not reimbursed under FFS payments, but CAN be funded by shared savings
- Improving the health of patients reduces
 - Hospitalizations
 - ED use
 - Drug costs
- *Denying needed care is NOT effective.*

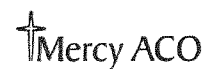
 Mercy ACO

Mercy Accountable Care Contracts in Central Iowa Region

- Wellmark (started 4-1-12) 24,000
 – Includes only fully insured patients
 (24,000 out of 72,000 Wellmark patients)
- CMS (Started 7-1-12) 24,000
- Mercy Employees (Started 1-1-13) 12,000
- Coventry (Medicare Advantage) 2,000

Total ACO Lives = 62,000

Will be 100,000+ Lives as of 1-1-14



ACO Measures Required by CMS

Full specifications found at: http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharesavingsprogram/Downloads/ACO_QualityMeasures.pdf

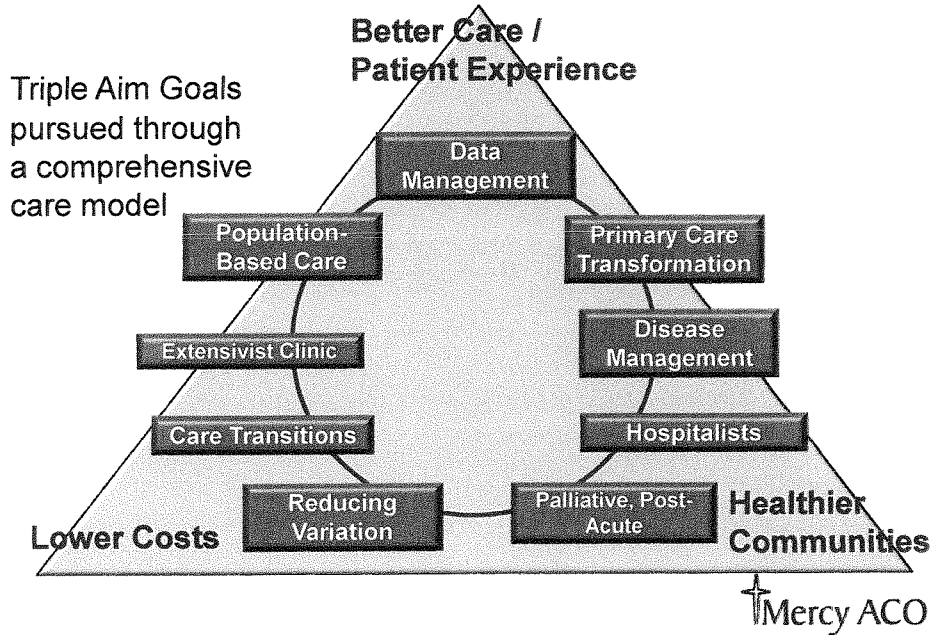
- CMS requires ACOs to report on 33 measures
 - Patient experience - 7 measures
 - CAHPS: Access, Communication, SDM, functional status, Health promotion & education, overall rating
 - Care Coordination – 6 measures
 - Readmission rates, Admit rate for COPD and HF, fall risk assessment, EHR use, Med Rec.
 - Population Health – 20 measures
 - Immunizations – Pneumococcal & flu
 - Screening for weight, tobacco, depression, BP
 - Screening for colon & breast cancer
 - Diabetes – HgA1c, Lipids, BP, ASA use, tobacco non-use
 - CV – BP, Lipids, ASA, Drug Rx (B-blocker, ACEI, Lipid Rx)



Mercy Care Delivery Approach

- Manage patients as populations *and* as individuals
 - Planned patient visits
 - Measure population based outcomes (ie. % with BP controlled)
- IT systems
 - AEHR, Disease registries, Care management software
- Engage patients with Health Coaches
 - Identify those most likely to benefit
- Coordinate care
 - Communication and sharing information
 - Plan transitions (ie. Hospital to Primary Care, Hospital to SNF)
- Continuous Quality Improvement
 - Measurement and reduction in variation
- Access to care
- Develop models to be reimbursed for value, not just volume
 - P4P, Shared savings, Capitation

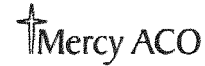
Mercy Care Management Model



**Approach For All Patients
With Multiple Chronic Diseases**

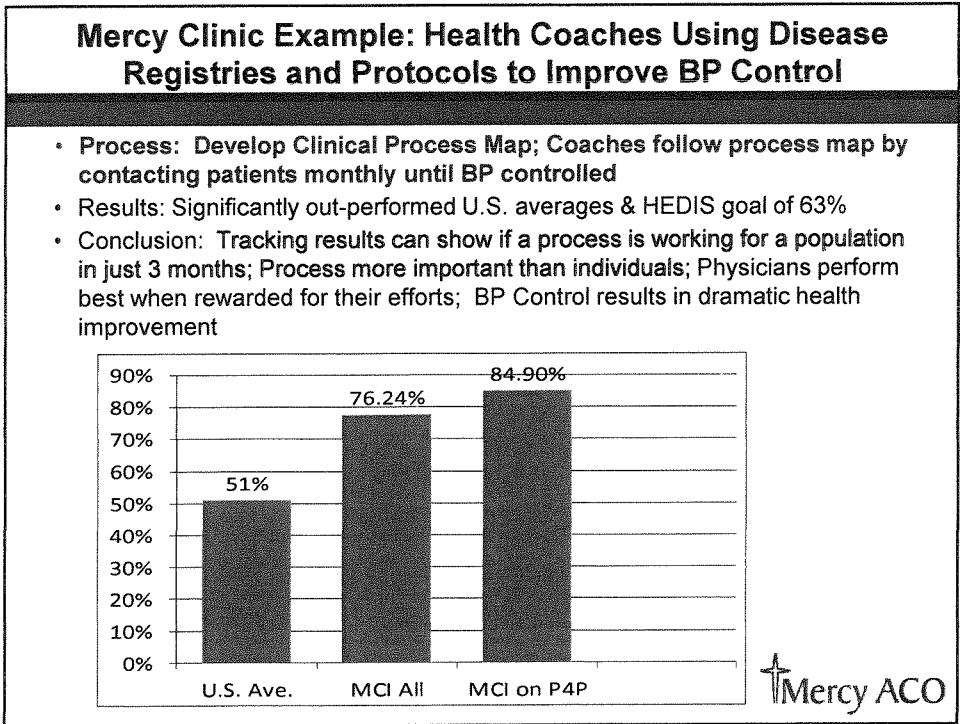
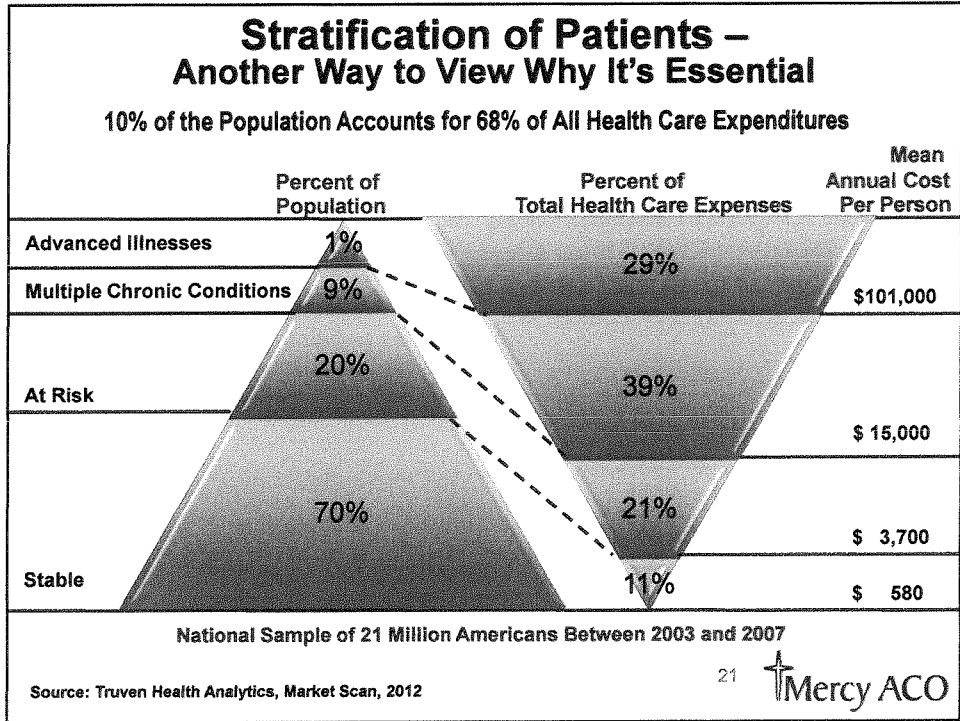
These are more important than most disease-specific interventions

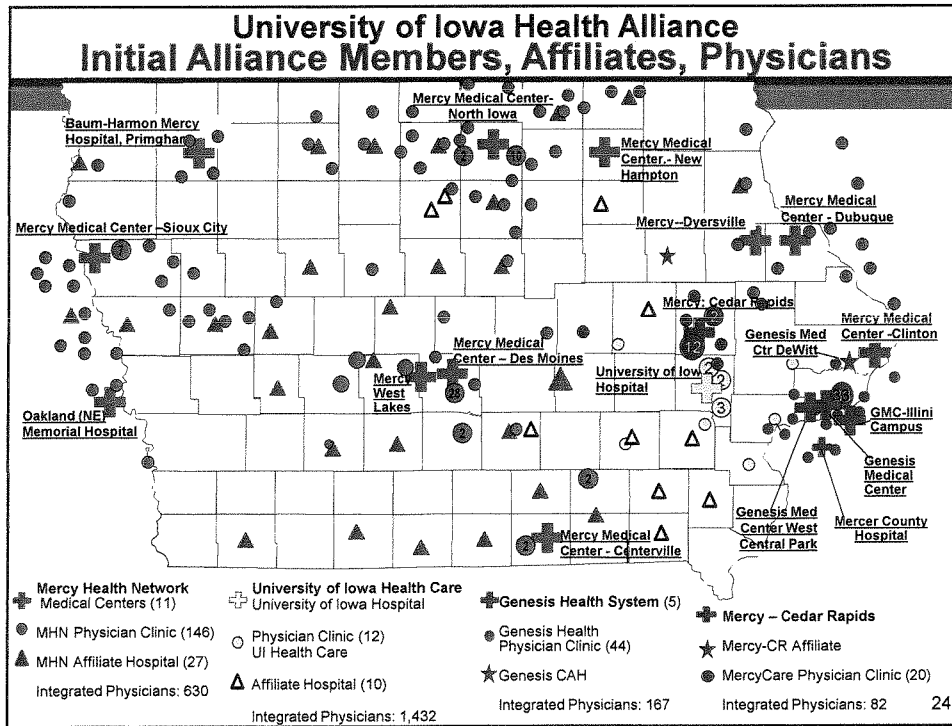
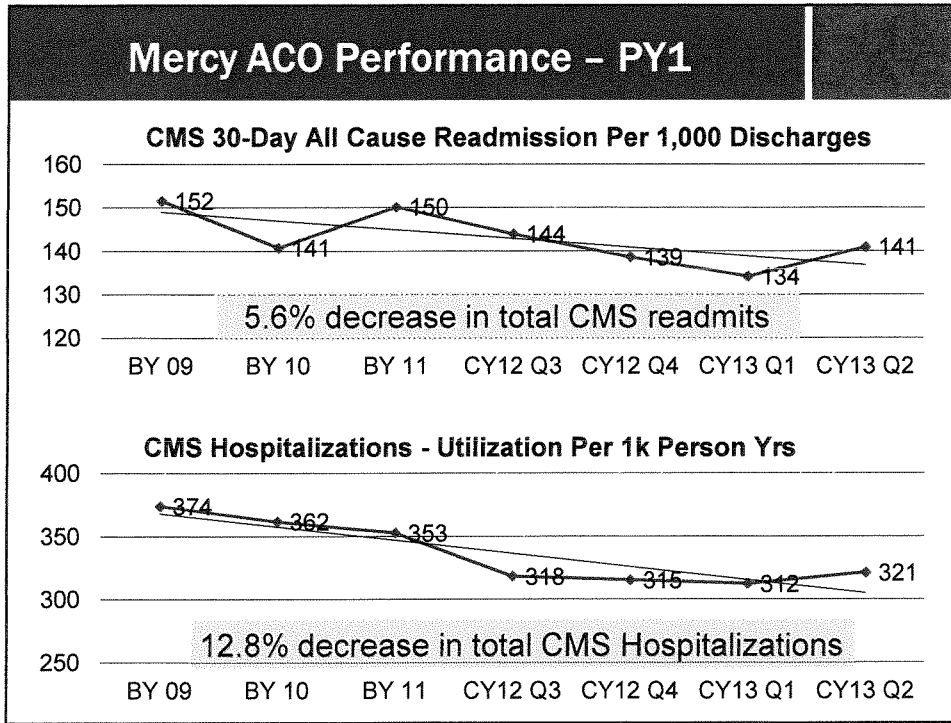
1. Registry tracking: Immunizations, standards of care, cancer screening
2. Preferred access (through the health coach)
3. Individualized written care plans (*in planning*)
4. Health Risk Assessment - "How's Your Health" (*piloting at three sites*)
 - Includes screens for depression, adherence, and functional status
5. Assessment of home and family support
 - Access to community services
6. Health behavior change interventions - Coaching
 - Medication adherence, diet, exercise, smoking
7. Shared decision making – decision aids
8. Palliative Care
9. Extensivist Clinic - Rapid response team for outpatients
10. Track patients through transitions in care with coaches
11. Consistent advice especially after hours
12. Disease specific interventions in partnership with specialists



MHN Tools Developed & Being Developed

- TransForMed: Patient Centered Medical Home support
- Care Management Platform and Plan
- Clinically Integrated Network Portal
- Data Repositories: MedVentive
- Data Analytics
- Predictive Modeling
- Risk Stratification
- Disease Registries
- Communication/ Marketing Materials
- Consumer Assistance Toolkits





THE ALLIANCE: FOUR EQUAL FOUNDING MEMBERS

Evolution of extensive existing relationships in:

- Clinical Care and Referrals
- Research and Clinical Trials
- Education/GME
- Professional
- Accountable Care (Mercy-Cedar Rapids and U of I)



ALLIANCE BOARD MEMBERS

CHAIRMAN:

- David Vellinga, President & CEO, Mercy Health Network

FOUNDING MEMBER LEADERSHIP:

- Doug Cropper, CEO, Genesis Health System
- Tim Charles, President & CEO, Mercy – Cedar Rapids
- Ken Kates, CEO, University of Iowa Hospitals and Clinics
- Dr. Jean Robillard, VP of Medical Affairs, University of Iowa

ALLIANCE CEO:

- Dan Kueter



“The move from volume to value is the right thing for our patients and therefore is the right thing for us.”

-- Dr. David Swieskowski



CONCLUSION

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Mercy Health Network

THANK YOU

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