

Health Care Delivery – Evolving Health Care From Fee For Service To Value-Based Payments

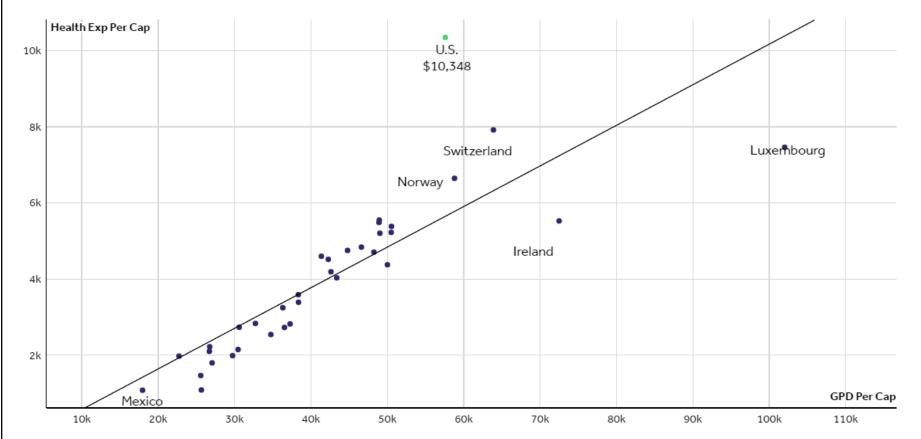
NCIOM Legislative Health Policy Fellows Program

April 23, 2018

Steve Neorr Chief Administrative Officer

Relative to the size of its wealth, the U.S. spends a disproportionate amount on health care

Total health expenditures per capita/GDP per capita, U.S. dollars, PPP adjusted, 2016

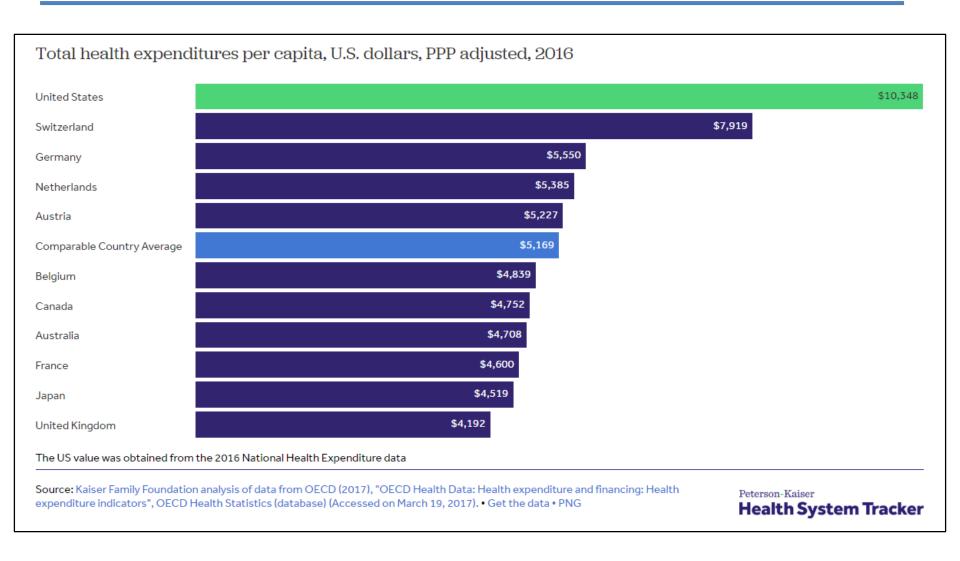


The US value was obtained from the 2016 National Health Expenditure data.

Source: Kaiser Family Foundation analysis of data from OECD (2017), "OECD Health Data: Health expenditure and financing: Health expenditure indicators", OECD Health Statistics (database). DOI: 10.1787/health-data-en (Accessed on March 19, 2017). • Get the data • PNG

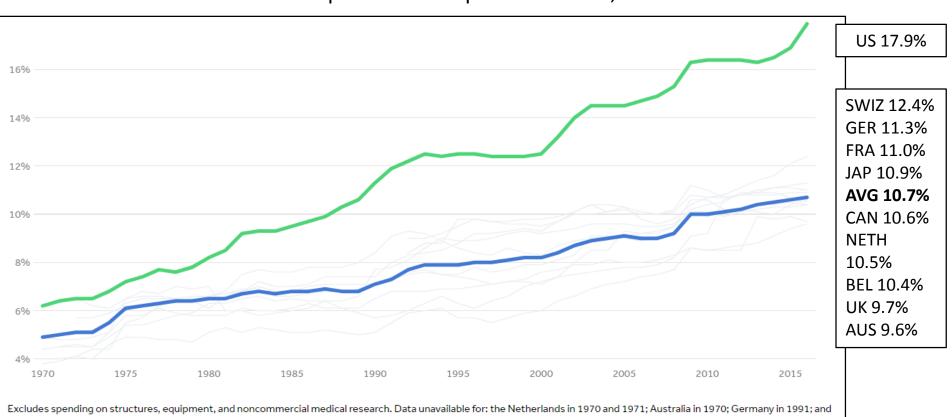
Peterson-Kaiser **Health System Tracker**

On average, other wealthy countries spend about half as much per person on health than the U.S. spends



Since 1980, the gap has widened between U.S. health spending and that of other countries

Total health expenditures as percent of GDP, 1970 – 2016



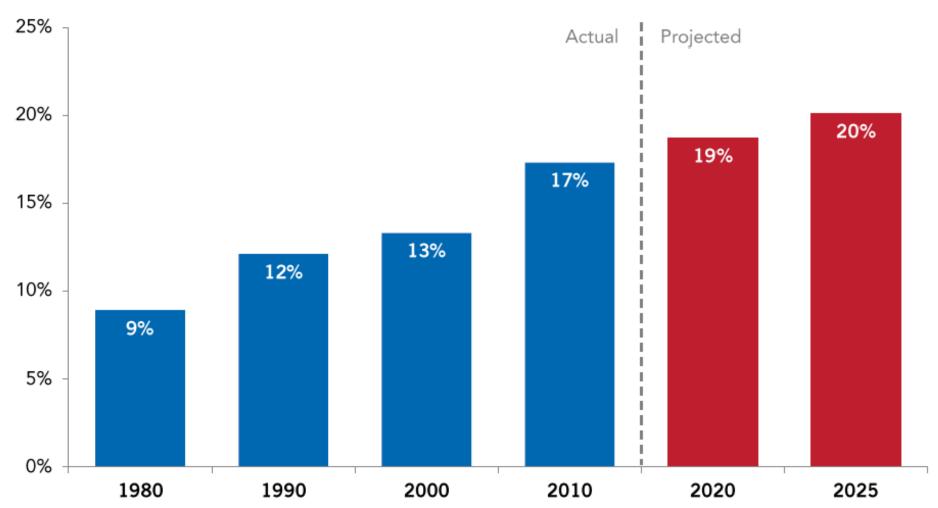
Excludes spending on structures, equipment, and noncommercial medical research. Data unavailable for: the Netherlands in 1970 and 1971; Australia in 1970; Germany in 1991; and France from 1971 through 1974, 1976 through 1979; 1981 through 1984, and 1986 through 1989. These countries are not included in calculated averages for those years. Break in series in 2003 for Belgium and France and in 2005 for the Netherlands. Data for 2016 are estimated values. The 2016 US value was obtained from National Health Expenditure data.

Source: Schneider et al. "Mirror, Mirror 2017: International Comparison Reflects Flaws and Opportunities for Better U.S. Health Care" http://www.commonwealthfund.org/interactives/2017/july/mirror-mirror/#methodology. Web. 22 April 2018.



Total U.S. health spending (both public and private) is projected to rise to one-fifth of the economy by 2025

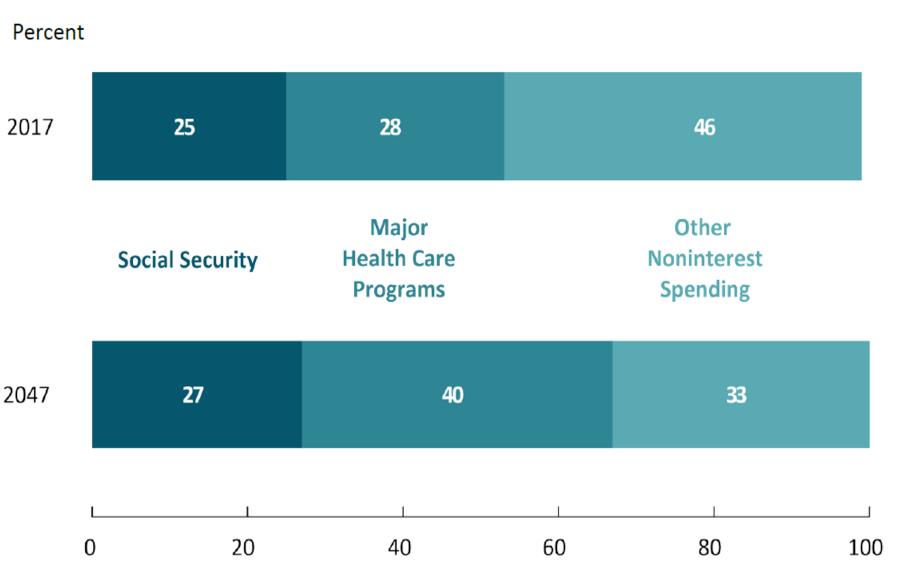
NATIONAL HEALTH EXPENDITURES (% OF GDP)



SOURCE: Centers for Medicare and Medicaid Services, National Health Expenditures, July 2016. Compiled by PGPF.

go 2017 Peter G. Peterson Foundation PGPF.ORG

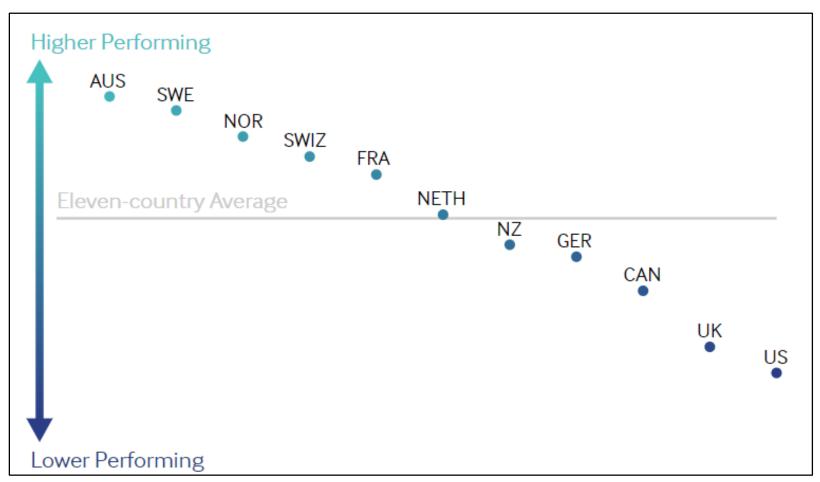
Composition of Federal Noninterest Spending Under CBO's Extended Baseline



Source: Banthin, Jessica. "Healthcare Spending Today and in the Future: Impacts on Federal Deficits and Debt" *CBO.gov.* CBO.gov, 18 July 2017. Web. 26 October 2017.

Although the U.S. spends more on healthcare than other developed countries, its outcomes are generally no better

Health System Performance Scores – Health Outcomes



Source: Schneider et al. "Mirror, Mirror 2017: International Comparison Reflects Flaws and Opportunities for Better U.S. Health Care" http://www.commonwealthfund.org/interactives/2017/july/mirror-mirror/#methodology. Web. 22 April 2018.

Although the U.S. spends more on healthcare than other developed countries, its outcomes are generally no better

Indicator	Source	AUS (CAN	FR	Α (GER	NETH	NZ	NOR	sw	E SV	VIZ	UK	US
Avoidable hospital admissions for diabetes, age-sex standardized rates per 100,000	OECD 2015	141	95	18	31	216	68	187	76	11	1	44	64	198
Avoidable hospital admissions for congestive heart failure, age-sex standardized rates per 100,000	OECD 2015	240	179	23	38	382	199	229	175	30	0 1	174	99	367
Indicator		Source	-	AUS	CAN	I FRA	GER	NETH	NZ	NOR	SWE	SWIZ	UK	US
Population Health														
(Infant mortality), deaths per 1,00 births	00 live	OECD 2016	5	3.4	4.8	3.5	3.2	3.6	4.7	2.4	2.2	3.9	3.9	6.0
Adults age 18 to 64 with at least of five common chronic condition		2016 CMW Survey	F ,	10%	16%	12%	8%	9%	9%	12%	10%	10%	10%	21%
Life expectancy at age 60 in year	ars	WHO 2016		25.5	25.0	25.7	23.7	24.2	24.7	24.2	24.6	25.5	24.1	23.6
Mortality Amenable to Health Care														
Mortality amenable to health ca deaths per 100,000	H	European bservatory o ealth Systen d Policies 20	ns	62	78	61	83	72	87	64	69	55	85	112

Triad HealthCare Network Understanding the Impact of System Design

"Every system is perfectly designed to get the results it gets."

- Paul Batalden, M.D.

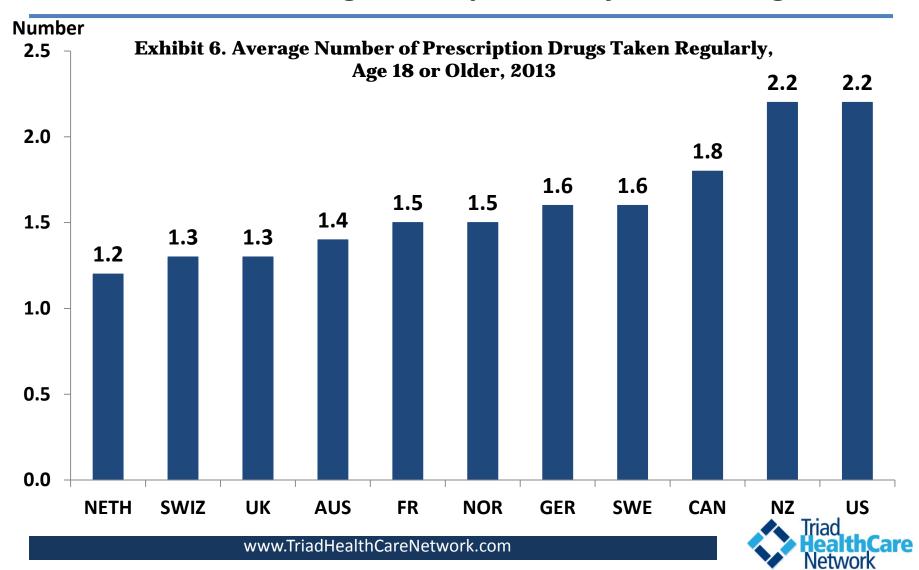
Dartmouth Medical School

"If we keep doing what we have been doing, we'll keep getting what we've always gotten"—an expensive, high-tech, inefficient health-care system. "The health-care system needs to be redesigned."

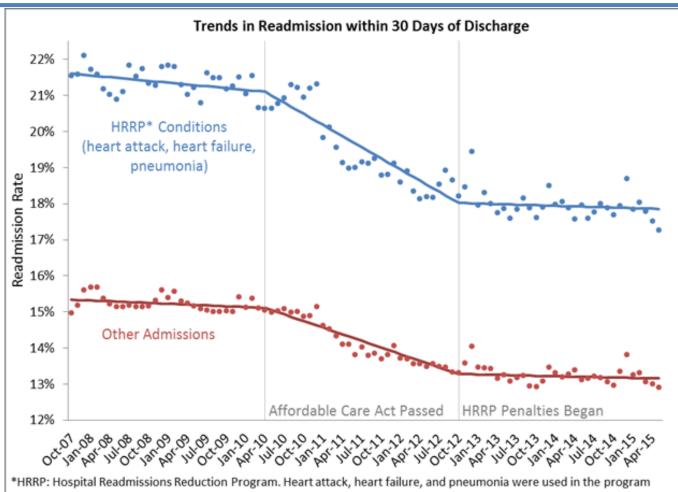
Dartmouth Medicine, Spring 2006



Triad HealthCare Network Understanding the Impact of System Design



Triad HealthCare Network Understanding the Impact of System Design



*HRRP: Hospital Readmissions Reduction Program. Heart attack, heart failure, and pneumonia were used in the program beginning in October 2013. Chronic obstructive pulmonary disease and hip and knee replacement were added in October 2015 and are not included in this graph.

www.TriadHealthCareNetwork.com

Triad HealthCare Network Two Roads....





Triad HealthCare Network History and Overview

- Began as a 20-member physician-led steering committee in fall 2010
- Developed over eight months as collaboration between independent and employed community physicians and Cone Health
- Formed officially in 2011 as a Clinically Integrated Network serving the Piedmont Triad area; Approved as a Medicare Shared Savings Program ACO in June 2012 (40,000+ beneficiaries)
- Is an affiliate of the Cone Health System, but governance and operations is led and driven by physicians

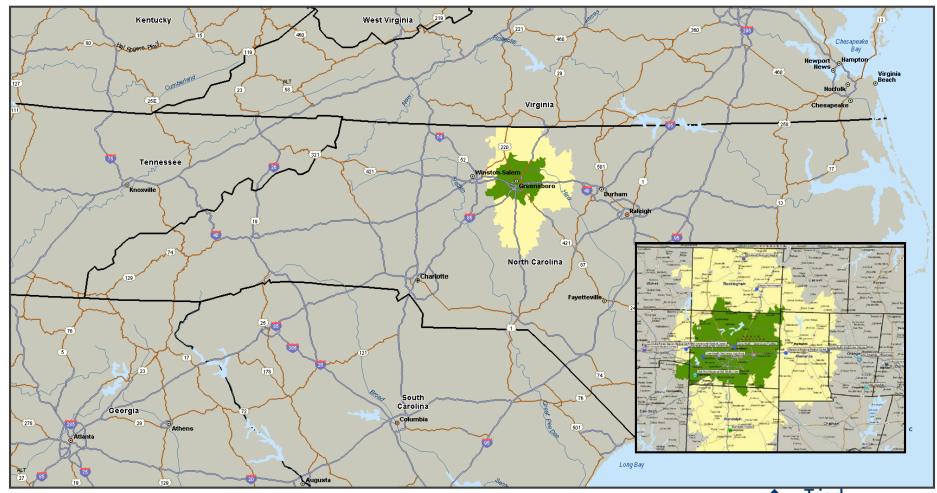


Triad HealthCare Network Structure and Membership (as of April 2018)

- 1,200+ Affiliated physicians representing 100+ entities across four counties
 - 500 employed by Cone/ARMC
 - 60% independent community physicians
 - 30+ EHR platforms
- 400+ Primary Care Physicians (Adult and Peds)
- Cone Health Facilities
 - 6 Hospitals 1,254 Acute Care Beds
 - 3 Ambulatory Surgery Centers and 1 Endoscopy Center
 - 2 Nursing Homes 221 Beds
 - 3 Freestanding Ambulatory Care Campuses, Inc a Freestanding ED



Triad HealthCare Network Market/Location





Triad HealthCare Network Founding principles

- Empower physicians to lead and drive healthcare transformation
- Engage physicians to develop new, value-based models of care
- Provide resources to physicians to meet the growing demands of accountability and transparency
- Create greater collaboration and trust among physicians, hospitals, patients and payers
- Establish our brand as a clinically integrated system of care delivering superior value measured by high quality outcomes, affordability, and exceptional customer experience





Mission Statement:

We empower healthcare professionals to manage time, change, and complexity to deliver exceptional care.

What We Do: We provide tools, resources, and expertise to manage new reporting requirements and payment methods while improving quality and controlling costs of patient care.



Commander's Intent:

THN exists to lower the cost of care and improve the quality/outcomes of the populations we manage

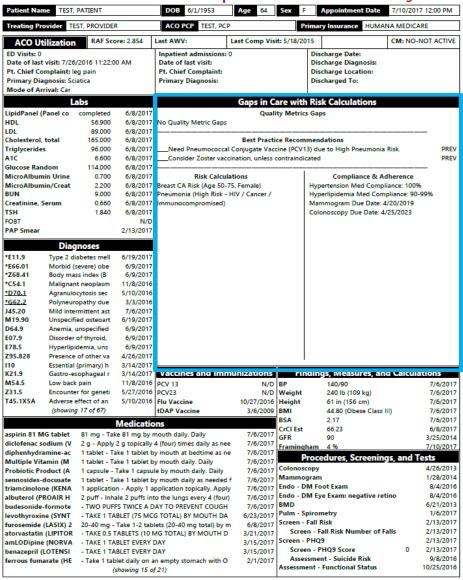
Triad HealthCare Network Initial Steps Towards Population Health

- Deployment of advanced IT resources to support population management
 - Patient stratification
 - Quality Reporting
- Care Management team to support practices
- Assistance to achieve Patient-Centered Medical Home recognition and practice transformation
- Began to facilitate care process redesign through Quality Committee and physician specialty divisions
 - Care transitions, readmissions, chronic disease management



Triad HealthCare Network

Point of Care Recommendation Report Humana Medicare Advantage Patient

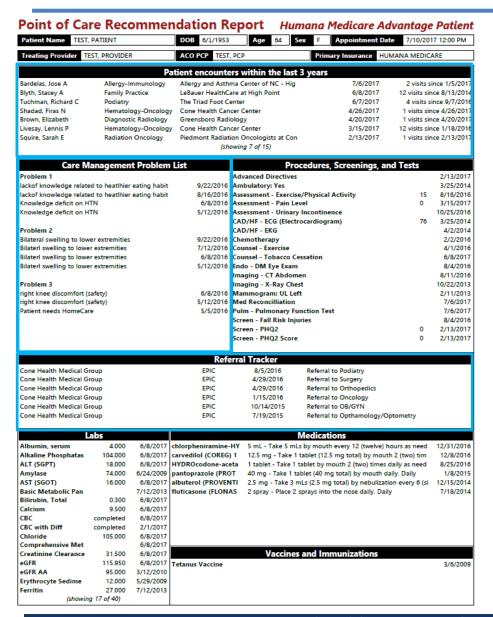


Gaps in Care

- Quality Metric Gaps
 - Displays gaps open based on the payer's quality metric guidelines (specific for each patient's insurance type).
- Best Practice Recommendations
 - Aggregated from multiple association sources, only suggestions to the provider.
- Risk Calculations
 - Calculated based upon patient's age, diagnoses, etc.
- Compliance & Adherence
 - Patient med adherence and compliance will display here for MA plans
 - Patient due dates for quality metric procedures (i.e. Mammogram, Colonoscopy etc.) will be displayed.



Triad HealthCare Network



Patient Encounters

 Displays patient's encounters within the last 3 years. Shows date, along with treating provider and practice name.

THN Care Management Problem List

Displays problem list populated by THN
 Care Management team, along with the
 date when problem was accessed.

Referral Tracker

 Displays Patient's Referrals along with dates.



Triad HealthCare Network Evolution Towards Risk

- 2012 Medicare Shared Savings Program (Track 1)
- 2014 Converted Humana Medicare Advantage (MA) agreement to full capitated risk
- 2016 Next Generation ACO program at 100% risk
- 2016 Launched own Medicare Advantage insurance product – HealthTeam Advantage
- 2017 Converted United MA agreement to full risk
- 2017 Cigna Commercial ACO
- 2018 United and Aetna Commercial ACO



Triad HealthCare Network Current Contracts

•	Next Generation ACO ¹	30,000
•	Cone Health employees/dependents ²	18,000
•	United Medicare Advantage ³	11,000
•	Humana Medicare Advantage ⁴	12,000
•	HealthTeam Advantage PPO MA ⁵	14,000
	Cigna Commercial ACO ⁶	9,500
1 (one of 58 Next Gen ACOs in the country selected by CMS in	94,500 Members 2018: Take 100% risk

 $^{^{1}}$ One of 58 Next Gen ACOs in the country selected by CMS in 2018; Take 100% risk

Triad HealthCare Network

² Provide case management, disease management, wellness services

³ Converted to full risk 1/1/17

⁴ Take full global capitated risk on 10,000 Humana HMO Gold members; Shared savings agreement on 2,000 Humana Medicare Advantage PPO

⁵ Take capitated professional risk; Cone-based MA plan launched 1/1/16

⁶ Effective 10/1/17; Upside savings only; No risk

Becker's Healthcare: Hospital Review | ASC Review | Spine Review | Infection Control | Health IT & CIO | CFO | Dental Review

BECKER'S

Hospital Review

FOCUSED IN HEALTHCARE



Print Issue	E-Weeklie	s Conferences	Webinars	Whitepaper	s Multimedia	Lists	About Us	Нє
Physicians	Leadership	Executive Moves	Transaction & Valuation		Human Capital a	Patient Flow I		

Top MSSP ACOs in quality, shared savings for 2015

The following ACOs were top performers in terms of quality for 2015, with several ties putting the list at eleven total organizations.

- 1. Accountable Care Coalition of Greater Augusta & Statesboro (Albany, Ga.) 100 percent
- 2. Rio Grande Valley Health Alliance (McAllen, Texas) 100 percent
- 3. Southern Kentucky Health Care Alliance (Smiths Grove) —100 percent
- Coastal Medical (Providence, R.I.) 100 percent
- 5. Triad HealthCare Network (Greensboro, N.C.) 99.81 percent
- 6. Tidewater Accountable Care Organization (Newport News, Va.) 99.53 percent
- 6. Collaborative Health ACO (Natick, Mass.) 99.53 percent
- 6. Alexian Brothers ACO, renamed AMITA Health ACO (Arlington Heights, III.) 99.53 percent
- 9. Reliance ACO (Farmington Hills, Mich.) 99.51 percent
- 10. ProHealth Physicians ACO (Farmington, Conn.) 99.34 percent
- 10. Billings (Mont.) Clinic 99.34 percent





Triad HealthCare Network 2016 Next Generation ACO Results

ACO Name	Total Aligned Beneficiaries ¹	Total Benchmark Expenditures ^{2, 3}	Total Actual Expenditures for Aligned Beneficiaries	Total Benchmark Expenditures Minus Total Aligned Beneficiary Expenditures ⁴	Total Benchmark Minus Aligned Beneficiary Expenditures as % of Total Benchmark ⁵	Earned Shared Savings Payments/Owe Losses ⁶
Baroma	26,839	\$409,714,191	\$394,083,864	\$15,630,327	3.8%	\$12,254,177
THN	27,780	\$265,825,827	\$254,870,817	\$10,955,011	4.1%	\$10,735,910
Iowa Health	67,919	\$615,801,716	\$602,373,441	\$13,428,275	2.2%	\$10,527,767
Trinity Health	52,104	\$561,821,289	\$553,493,134	\$8,328,156	1.5%	\$6,529,274
Deaconess	30,189	\$320,393,172	\$313,097,853	\$7,295,319	2.3%	\$5,719,530

- Triad Healthcare Network (THN) Was Number Two (2) Of All NGACOS For Total Shared Savings With A Savings Of \$10.7 Million.
 - (However, it is important to note that the #1 NGACO had a benchmark of over \$15,000 as compared to ours, which was about \$9,500.)
- THN was number (1) in the country for Total Savings Percentage with a savings rate of 4.1%



Triad HealthCare Network Learnings – Are we defining healthcare too narrowly?

Common Issues with High Utilizers – are these issues "healthcare"?

- Lack of social support
- Unsafe to remain at home
- Lack of transportation
- Financially challenged
- Health literacy and/or problem solving skills
- Family health education needs
- Chronic health condition with daily management challenges*
- Poly-pharmacy/ medication barrier issues*
- Patient linkage needed to community resources
- Lack of patient follow-up with a primary provider*

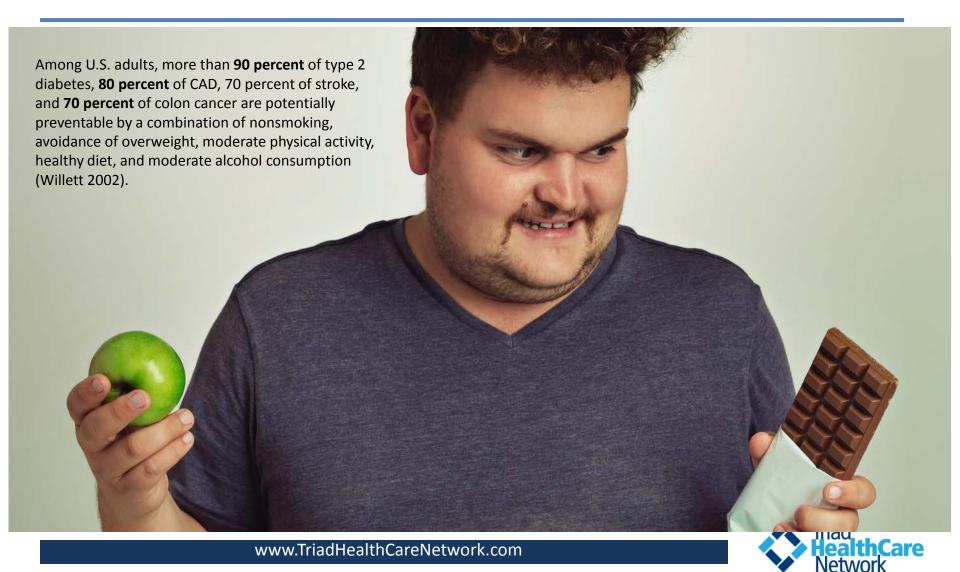


Triad HealthCare Network What is Driving Healthcare Costs?





Triad HealthCare Network What is Driving Healthcare Costs?



Triad HealthCare Network What is Driving Healthcare Costs?

What determines health?



How does the US view Social Services?

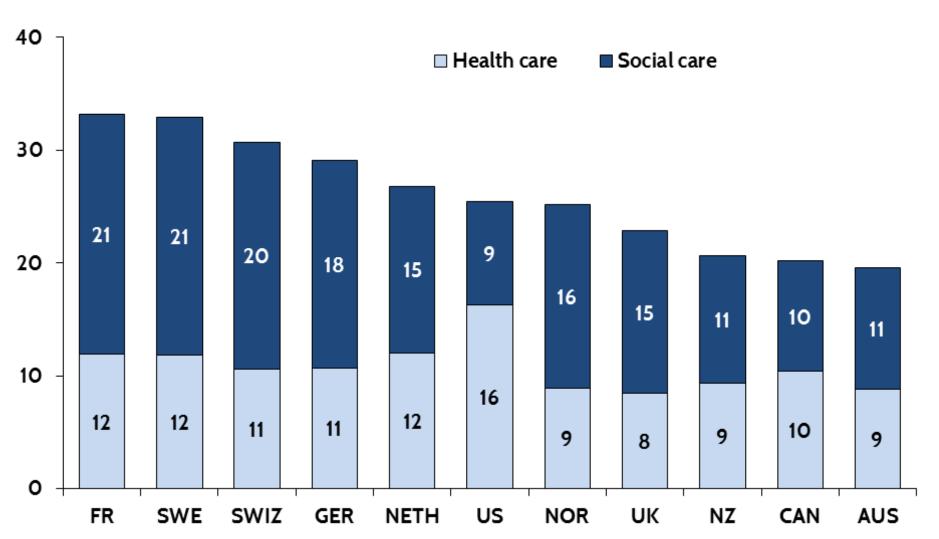
- Employment programs,
- Supportive housing and rent subsidies,
- Nutritional support and family assistance, and
- Other social services that exclude health benefits.





Exhibit 8. Health and Social Care Spending as a Percentage of GDP





Notes: GDP refers to gross domestic product.

Source: E. H. Bradley and L. A. Taylor, The American Health Care Paradox: Why Spending More Is Getting Us Less, Public Affairs,

2013.

Triad HealthCare Network 2016/2017 NextGen Learnings

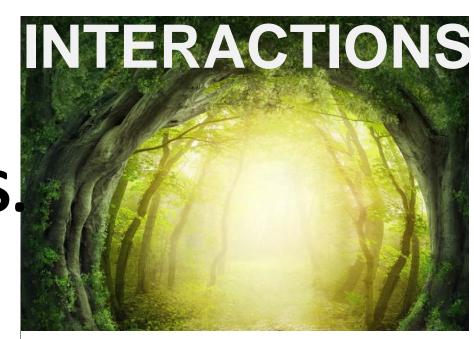
- If you want to lower costs, keep people out of the hospital
 - Admitted patients account for 17% of the population (5k), but 62% of costs
- CHF/COPD patients account for almost 40% of costs
- The challenge of the 5%
- Traditional Care Management has not been very effective for highest risk as deployed
- CARE COORDINATION IS KEY
- Must monitor patient engagement/ readiness to change



Triad HealthCare Network Reimagining 'Care'?



- -- Physician offices and clinics
- --Hospitals and EDs
- -- Retail clinics & spaces
- --Pharmacies



- --On-demand access to health care
- --Meeting people where they are
- --Connecting to "people like me"
- -- Understanding and removing barriers



Triad HealthCare Network Transforming Primary Care

- Primary Care is at the heart of population health
 - Must have a 'quarterback'
- Surround by a true team
 - Pharmacist/Rx Tech
 - Care Management
 - Social Workers
 - Behavioral Health
 - Dietitian/Nutritionist/Educator
 - C3 AWV and Care Gap Closure
- Improve access through task avoidance
- Fundamentally change payment for 'wellness'

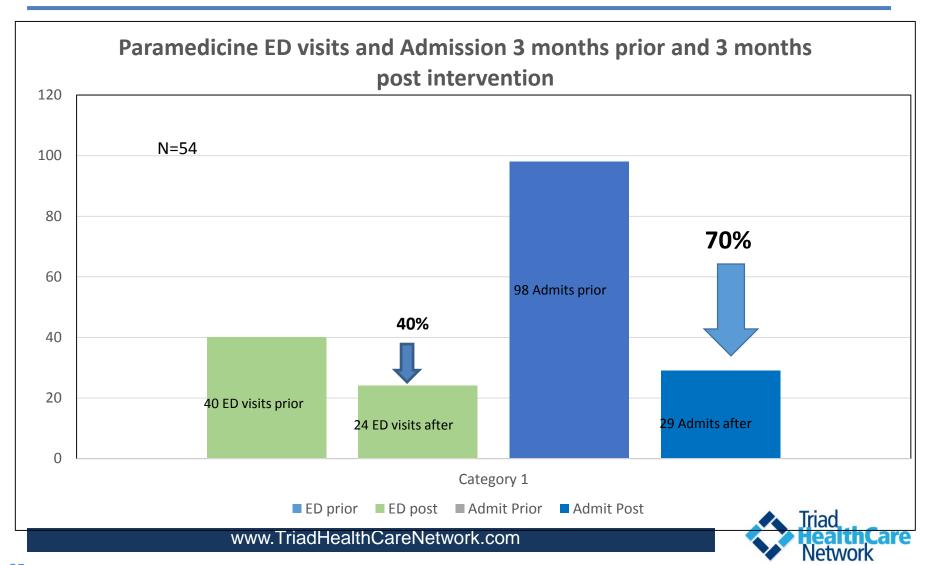


Triad HealthCare Network 2017/2018 Projects

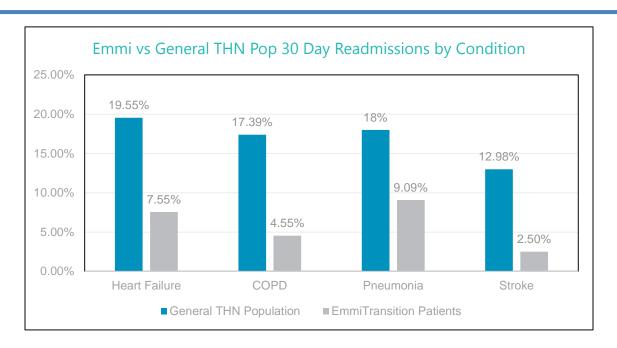
- Shifting focus to rising risk identification
- Scaling interventions with technology
 - Wellsmith; Telehealth; Virtual Behavioral Health integration
- Care guide/health advocate support
 - Annual wellness visits; Care gap closure; ESRD
- EMS/Paramedicine and Palliative Care home visits
- Transition of Care Outreach (Emmi Solutions Outreach)
- Medication Adherence
- Post Acute Care Incentive Program
- Variation Reporting



Triad HealthCare Network Paramedicine Pilot



Triad HealthCare Network EMMI/TOC Outreach



Flu Vaccine Outcomes (6,743 patients in January 2017)

16%

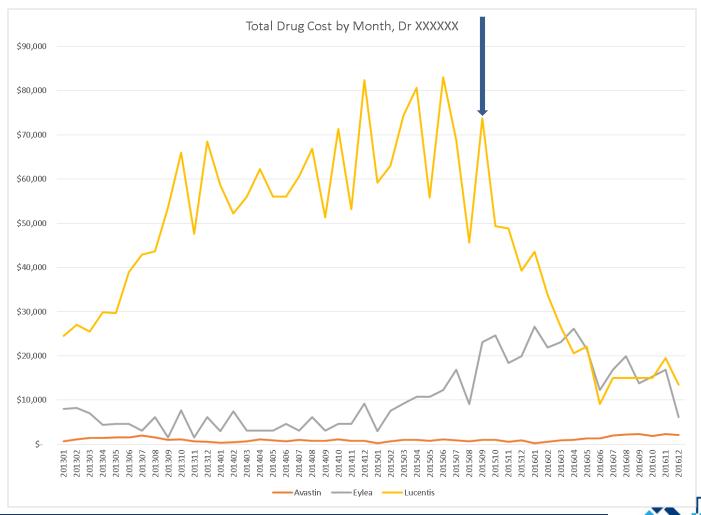
/

Patients **not reached by Emmi Call**, and Have documented flu vaccine 120 day post Emmi

Patients who **interacted with Emmi Call**, and Have documented flu vaccine 120 day post Emmi Call



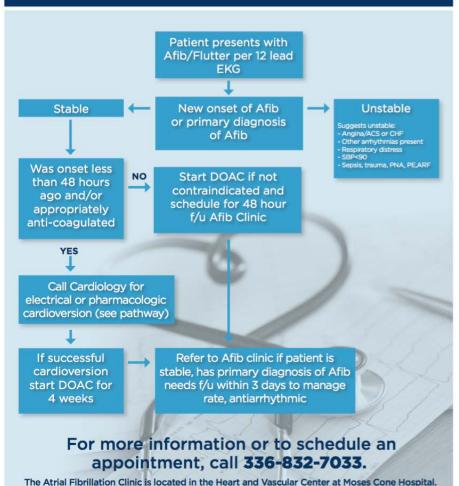
Triad HealthCare Network Variation Reporting

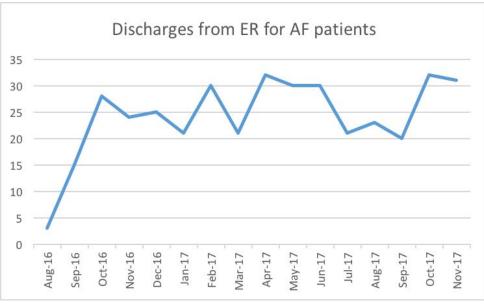






ATRIAL FIBRILLATION PROTOCOL





273 patients evaluated from 1/1/17 – 11/30/17

DCCV in ER	26%
Discharged on OAC	91%
Sinus rhythm at Discharge	96%
Follow up within 30 days	89.6%
30 day complications	none

ork.com



Triad HealthCare Network Lessons Learned

 Referred to THN Pharmacist for medication reconciliation and to help determine a way to afford

medications

CHF, DM, COPD, anxiety,
 HTN, depression,
 MVA resulting in
 chronic headaches

 Upon questioning about migraines, he brought out a bag of medications





Triad HealthCare Network Lessons Learned – You Can't Predict Everything





Triad HealthCare Network Lessons Learned – You Can't Predict Everything





Triad HealthCare Network Vision for the Future

- Align provider behavior to improve quality, cost, and access
 - Develop and monitor outcomes that matter
 - Collaborate with physicians to improve efficiency across the continuum
 - Use incentives and capitation to promote innovation in care delivery – risk aligns!
- Develop a high performing integrated network of preferred providers and community partners
- We believe that the highest quality and the most integrated care is, in fact, Exceptional Care!



Questions?

For further information, please visit www.TriadHealthCareNetwork.com

