Using a PHO as the Foundation of an ACO

DeKalb Physician Hospital Organization
Atlanta, Georgia

DeKalb Physician Hospital Organization, Inc.
Integrating Physicians, Hospitals, Patients and Insurers

DPHO's Guiding Principles

DPHO exists as a clinically integrated network of physician and hospital providers who work collaboratively to provide coordinated, high-quality patient care with improved outcomes delivered in a cost-effective manner.

DPHO's Guiding Principles

In the absence of Clinical Integration, ie, if we all functioned as independent practitioners in an uncoordinated fashion, we would be unable to achieve these goals.

Maintaining a CI model requires a significant investment of time and financial resources by DPHO members.

DPHO's Guiding Principles

Because our quality-improvement goals are not achievable in the absence of CI.....
Because we are providing a product that is beneficial to the community, especially patients and payors.....
Because of the investment we have made in the building and maintaining the model.....
DPHO is legally permitted to offset its costs by being the contracting vehicle for its clinically integrated physicians and hospitals.

DPHO's Network

DeKalb Regional Healthcare System
DeKalb Medical at North Decatur – Acute Care - 451 Beds
DeKalb Medical at Hillandale – Acute Care - 100 Beds
DeKalb Medical at Downtown Decatur – LTAC - 76 Beds

Primary Care Physicians:	113, including 24 employed
Specialty Care Physicians:	253, including 9 employed
Hospital-Based Physicians:	95, including 25 employed
TOTAL:	**461 Physicians, 58 employed**

DPHO Physicians Represent 85% of DRHS Volume

Sanctuary for Private Practice

DPHO's Governance

- Separate corporation (not a hospital subsidiary), not-for-profit, taxable
- Owned and Funded 50/50 Hospital/Physicians
- Board Structure
  - 6 Physician Representatives (3 PCP, 3 SCP) elected by the physician membership
  - 3 Hospital Representatives appointed by DRHS
  - Super-majority Voting (4 of 6 AND 2 of 3)
- Clinical Oversight Committee
- Credentials Committee
- Finance Committee

DPHO's Staff

- Executive Director
- Director of Medical Management (RN)
- Director of Provider Relations
- Provider Relations Representative
- Credentialing Specialist / Admin Assistant

Heavy reliance on DPHO physician leaders who are paid by the hour

Close working relationship with Hospital Admin

DPHO's History

- 1994 – DPHO was Incorporated – Began contracting under modified Messenger Model
- 1995 – Entered into Professional Capitation Risk agreement with US Healthcare (Aetna US Healthcare…Aetna)
- 1997 – Joined Promina Health System ("Super PHO" comprised of 5 metro Atlanta health systems) – Full-Risk Global Capitation

DPHO's History

- 2003 – Promina began to dissolve – DPHO entered into a direct agreement with BCBS of GA and assumed other Promina agreements – Began to formalize operations into a legally compliant Clinical Integration (CI) model with the assistance of the Baudino Law Group
- Today – CI program has been recognized and endorsed by every major payor in our market via recently updated agreements with annual P4P rate escalators

DPHO's Clinical Integration Program

Ambulatory Protocols & Care Guidelines –

- In collaboration with BCBS of GA, developed 2-3 evidence-based, best-practice guidelines for each of our 35 specialties.
- Metrics for "bread & butter" diagnoses & procedures…80/20.
- Compliance is measured twice per year via hands-on chart audit.
- Constantly raising the bar.
  - Moving from process measures to outcomes measures.
  - Moving from individual performance metrics to cross-specialty performance metrics.
  - Changing scoring parameters.
  - Retiring "slam dunk" metrics.
  - Penalties for poor performance and/or non-compliance.
- Collaborative Process led by Specialty-Specific Physician Leaders.

DPHO's Clinical Integration Program

- **QESA** (Quality Enhancement Services Agreement) through which inpatient care maps have been implemented for 5 major DRGs (Heart Failure, Chest Pain, Pneumonia, COPD, GI Bleed)
- **Inpatient Physician Profiling** program related to hospital activity, quality, and efficiency
- **QUEST** (Quality, Uniformity, Efficiency and Safety through Technology) Initiative which includes utilization of inpatient CPOE, Physician Data Portal, Efileshare
- **Payor-Specific** P4P Initiatives
- **Special / Ad Hoc** Quality Initiatives such as SCIP

Preparing for an ACO Environment

DPHO's Board of Directors has adopted a strategic plan to move us to "Clinical Integration II".

Even in the absence of the changes coming as a result of healthcare reform, DPHO would still be moving in this direction because it's the right thing to do for our patients, our community and our network of providers.

Preparing for an ACO Environment

Full-Spectrum Care Coordination

- Continue Existing Programs…raising the bar
- Tighter In-Network Referral Management
  - "Critical Mass"…Consistent Data Trail
- Data Transparency
  - Encourage referrals to the highest performing physicians
- Data Warehousing
  - Population reporting, trending, cost analysis

Preparing for an ACO Environment

Full-Spectrum Care Coordination

- Broader EHR Adoption
  - Currently at 55% adoption with multiple vendors
- Patient Registry and/or Health Information Exchange
  - Long-term plans to launch HIE from existing Physician Portal
  - Considering short-term options regarding implementation of Patient Registry product
- Patient-Centered Medical Home
  - Developing PCMH concepts within our employed PCP practices

Preparing for an ACO Environment

Enhanced Focus on Inpatient Services
Improved Quality, Efficiency, ALOS, Readmit

- Hiring FT PHO Medical Director
- Hiring second PHO Nurse
- Implementing Milliman Care Guidelines
- Revamping Hospitalist Program
  - Scope of Practice Considerations…Consultant Accountability
- Implementing Intensivist Program
- Piloting programs such as Discharge Clinic
- Strong partnership with Home Health Agency
- Hospital Quality Scorecard

Preparing for an ACO Environment

Innovative Payment Models

- Shared Savings arrangements already in place with 5 Medicare Advantage payors
- Partnering with a major payor to implement ACO model for Medicare Advantage products
- Using DRHS self-insured employee plan as a "learning lab" for new models such as bundled payments, episodic payments, physician sub-panel, withholds, etc.

Using a PHO as the Foundation of an ACO

Existing Clinically Integrated PHOs are in more favorable "starting positions" than are organizations that lack an organized group of providers with experience working collaboratively to address issues of quality and efficiency.

Using a PHO as the Foundation of an ACO

DPHO and other similar organizations are able to leverage their existing strengths as a springboard into the evolving ACO environment.

DPHO's Key Assets:

- Network of Dedicated & Engaged Physicians
- Hospital Committed to the CI Model/Concepts
- Positive Payor Relationships
- Strong Patient Base
- Proven Quality

If you don't know where you're going, you'll end up someplace else.

~Yogi Berra

COMMENTS

Q&A

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