Lessons for Contracting Directly with Employers

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Becker's Hospital Review CEO + CFO Roundtable

November 13, 2018

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Henry Ford Health System

- Headquartered in Detroit
- 30,000 employees
- 5 acute care and 3 behavioral health hospitals in Southeast and mid-Michigan
- 200 care sites in 4 counties serving 4M people
- Comprehensive physician organization:
  - Henry Ford Medical Group: 1300 physicians & scientists, 26 medical centers
  - Henry Ford Physician Network and Jackson Health Network: HFMG plus 2500 affiliated private physicians

- Provider-owned health plan with 650,000 HAP members
- Diversified retail services
- 3.2 million digital encounters, including MyChart portal, e-visits, and mobile telehealth visits

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New Contract Summary

- Henry Ford Health System (HFHS) has entered into a five year Direct-to-Employer value-based contract with General Motors (GM), with coverage beginning January 1, 2019; marketing this product to GM employees as *"ConnectedCare: Henry Ford Health System"*

- *ConnectedCare* will be available to Detroit-area salaried employees living in "eligible" zip codes; Henry Ford's goal is to expand in future years to other markets and to hourly (union-represented) employees

- Revenues come from discounted fee-for-service claims. Annual incentives and risk sharing are based on total cost of care and quality/experience metrics

- First-of-its-kind for both HFHS and GM – creating a high degree of collaboration, transparency, and mutual learning

What does this mean for GM and HFHS?

For GM and its workforce

- Negates the need to contract with an insurance company for provider-based services such as care management
- Both organizations (GM and HFHS) are equally invested in improving the overall health and wellness of employees
- Lower total cost of care for GM employee health care
- Salaried employees who choose *ConnectedCare*:
  - Lower out of pocket costs
  - Tiered network - HFHS providers are tier 1, rest of BCBSM network is tier 2
  - Enhanced appointment access
  - Dedicated concierge line
  - Care management provided by HFHS instead of BCBSM
- All other employees - no changes

For HFHS

- Growth and the associated contribution margin
- Ability to maintain existing GM patients
- Alignment with strategic plan
- Leverages and enhances value-based care processes and mindset
- First-to-market in Southeast Michigan with this type of contract, potentially leading to additional contracts
- *20% of eligible enrollees = 18,000 members*

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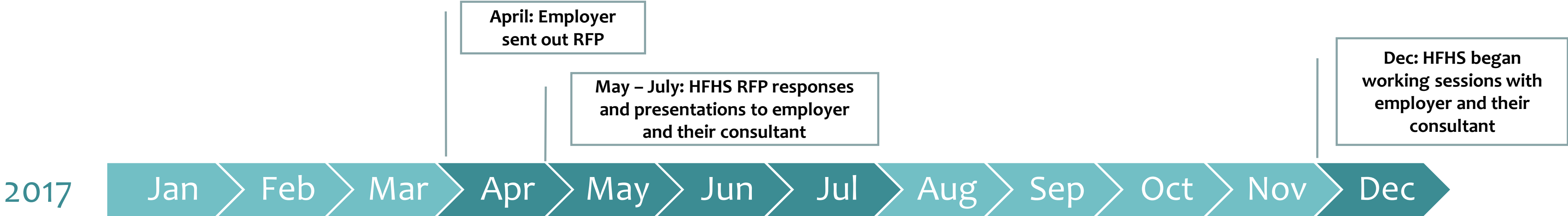
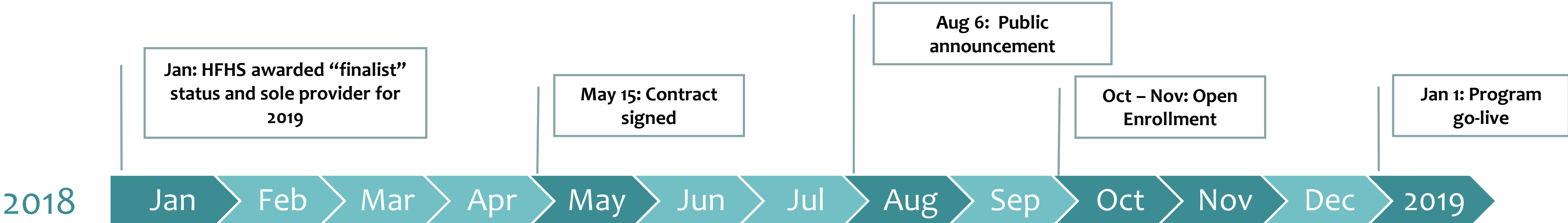
Project Timeline: RFP through Go-Live





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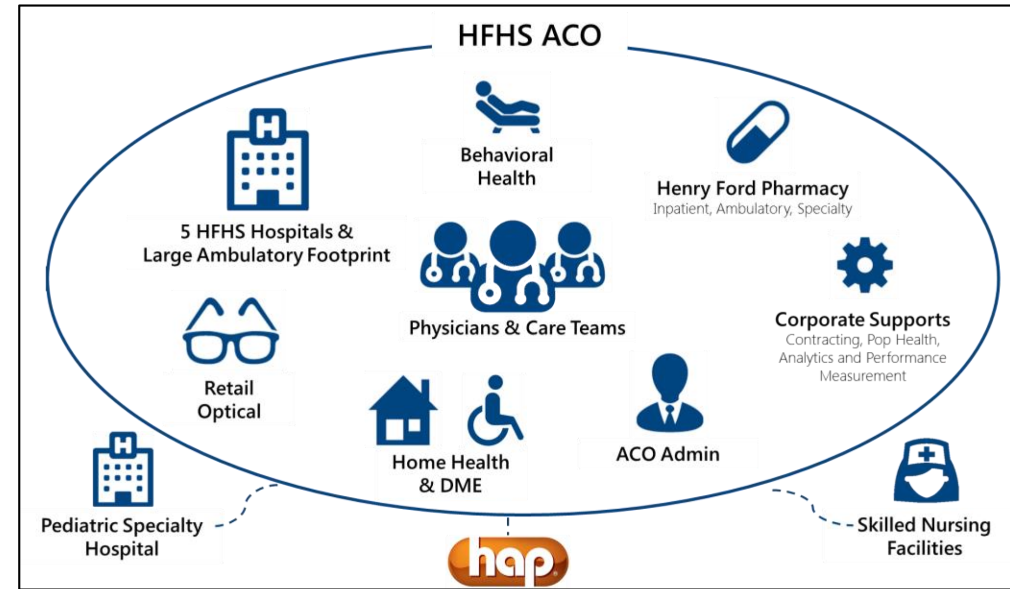
Collaborative Workgroups

- HFHS Core Team and Subteams – Population Health, HFPN, Analytics, Finance and Managed Care Contracting, IT, Legal, Access Services, Care Experience, Quality & Safety, Marketing, Communications, Health Alliance Plan

- Workstreams - Team members from GM, HFHS, and BCBSM (as needed):
  - Contracting
  - Finance
  - Network
  - Care Management/Care Experience
  - Data
  - Communications

ConnectedCare Network

- Network includes all Southeast Michigan HFHS providers and facilities plus selected partners:
  - Henry Ford Physician Network (CIN) – Over 3000 providers in the Henry Ford Medical Group, affiliated independent providers/POs, and selected new providers/POs needed to ensure network adequacy
  - HFHS hospitals, dialysis centers, pharmacies, home care, etc.
  - BCBSM remains the TPA
  - Appointment access guarantees (Product enrollees only)
    - Primary care: Same Day/Next day appointments when sick
    - Specialty: Appointment within 10 business days
- Network adequacy reports to be run prior to enrollment and at a six-month midpoint each year



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Care and Experience Metrics

- High-quality care, employee experience, and cost were deemed equally important to General Motors
  - Sophisticated understanding of value-based care

- Quality Metrics are based on HEDIS/NQF/NCQA standards and definitions when possible to ease reporting (aligns with current processes) and provide national benchmarks
  - Details on data source, providers measured, annual targets, and relative weighting were negotiated up front and are part of the contract
  - Domains include acute care, chronic condition management, prevention, and customer service
  - Performance on Quality Metrics impacts amount of shared savings/losses

Financial Arrangement Highlights

- Target PMPM: New Targets determined each year, adjusted for changes in volume of members and risk profiles
  - Risk limitations and protections are included in the contract
- The primary value from this opportunity comes from growing HFHS volume
  - New Patients for HFHS and Network Providers (increased market share)
  - Decreasing Leakage (Increasing “Keepage”)
- Physician and hospitals with share savings through an approved incentive model
- Employer has the right to add another health system or network in future years

Lessons Learned

- New teams/new approaches:
  - With Employer: built a strong, collaborative working relationship - transparency and mutual learning
  - With TPA: work together in new ways to ensure enrollees/members get the best care
  - Within HFHS: created a new, multidisciplinary team to be on the "other" side of the RFP process

- Provider/Health System:
  - Demonstrated existing capabilities and connectivity – with providers, hospitals, patients (breadth of services, EMR, Patient Portal, etc.)
  - Leveraged history with care coordination and value based care (clinical programs, analytics, and contracting)
  - Learned from others: health plan guidance/expertise, benchmarking calls, etc.
  - Figured out network adequacy early on – to allow time to add providers to close gaps
  - Accepted carve-outs like specialty pharmacy, behavioral health, vision benefits; could have challenged more
  - Pushed for mandatory PCP selection by enrollees (didn't get it)
  - Maintained flexibility throughout the process, while holding firm to areas most important to us (relevant quality measures, medical decision making)

Lessons Learned (cont.)

- Employer (GM):
  - Had a very formal process with clearly articulated goals - essential
  - Sent significant effort to gather and share data about existing employees (demographics, current provider relationships with HFHS, etc.)
  - Recognized new healthcare parameters for Purchasing and Supply Chain – required flexibility with usual contractual elements
  - Were self-funded for health insurance and had prior experience with high deductible health plans
  - Employees had limited understanding of health care and how health benefits work (this became obvious later)
  - Hourly employees deferred to future years for product election due to the multi-year agreement with the union
  - Helped push the TPA team in ways we could not - helped move things along (to a point)

- Communications:
  - Discussed updates early and often with executive team (including CIN board)
  - Created more detail for providers/groups, hospitals, HFHS facilities, and other partners (and probably need more)
  - Established routine Joint Operating Committee to continue collaboration
  - Celebrated key milestones – contract signing, public announcement, first JOC

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