A Culture Change of Integration & Physician Leadership

Matt Gibb, MD, CMO
John Snyder, COO
Caleb Miller, VP
Carle Mission and Vision

OUR MISSION
We serve people through high quality care, medical research and education.

OUR VISION
Improve the health of the people we serve by providing world-class, accessible care through an integrated delivery system.

BEHAVIOR STANDARDS
• Approachable
• Respectful
• Professional
• The Solution
• Team Player

VALUES – ICARE
• Integrity
• Collaboration
• Accountability
• Respect
• Excellence
A Vertically Integrated Health System - $2.5Billion

Total Employees: 7,315

- Carle Hospital
- Carle Physician Group
- Carle Hoopeston
- Rural Alliance
- Health Alliance
- High Performing Networks
- College of Medicine
Carle provides high-quality care in midsize markets and rural communities across east central Illinois

- 1,491,518 Carle Service Area Population in 2016
- 393-bed Tertiary hospital
- 24-bed Critical Access Hospital in Hoopeston, IL
- 460+ Physicians
- 300+ APPS
- Level I Trauma Center
- Level III Perinatal
- 80 Medical and Surgical specialties and subspecialties
- 5 counties in West Central IN
- 35 counties in East Central IL
- 393-bed Tertiary hospital
- 24-bed Critical Access Hospital in Hoopeston, IL
- 460+ Physicians
- 300+ APPS
- Level I Trauma Center
- Level III Perinatal
- 80 Medical and Surgical specialties and subspecialties
Carle owns and operates several business units that support delivery of care in a variety of settings

- Carle Medical Supply
- Carle Home Services
- Carle SurgiCenters: Champaign and Danville
- Carle Therapy Services (PT, OT, Speech)
- Carle Auditory Oral School
- Arrow Ambulance
- Carle Sports Medicine
- Windsor of Savoy: Retirement Community
- The Caring Place: Child Care Center
- Stratum Med: Recruitment, GPO
Carle continues to be recognized for meeting and exceeding standards of quality in health care

- **America’s 50 Best Hospital**
  by Healthgrades

- **Top 5%**
  Top 5% nationally ranked in Stroke Care

- **Top 10%**
  Top 10% nationally ranked in Pulmonary Care

- **5 Star**
  Multiple Five-Star Ratings

- **Accredited**
  - DNV Full Accreditation
  - ISO 9001

- **Magnet Status**
  Magnet Status for excellence in nursing

- **Facilities**
  - Level I Trauma Center
  - Level III Perinatal Services
  - Primary Stroke Center Accreditation

- **Most Wired Health System**
Health Alliance Network – Illinois is core, but expanding

243,000 Total Lives
How Did We Get Here? Successfully Adapting to Change

1931
Carle Memorial Hospital

1946
Carle Foundation

1980s
Level I Trauma
Level III Perinatal
Centers of Excellence

2010
Carle Hospital and Physician
Group merge including Health
Alliance to form a vertically
integrated system

1931
Rogers-Davison Clinic
1931

1962
Carle Clinic Association

1978
Regional Clinics

1982
Health Alliance Medical
Plans

2012
Hoopes ton Integration

2014
Rural Alliance

2017
Richland Integration

2016
College of Medicine
Pre Integration Years

**Carle Foundation**
- Not For Profit
- Community Board
- Leasor
- Hospital focused
- Health Plan customer

**Issues**
- Service Agreements
- Call Coverage
- Leases
- CFPS

**Carle Clinic**
- For Profit
- Physician Owners/Associates
- Leasee
- Clinic Focused
- Health Plan owner

- **HUNDREDS OF CONTRACTS**
- **MILLIONS OF DOLLARS**

- Leadership Misalignment
- Duplicate Testing
- Separate Billing
- Separate Strategic Goals
- Separate Recruiting Goals
COME TOGETHER.

CARE TOGETHER.

Carle Foundation Hospital and Christie Clinic are working together to provide complete community health care.

When you combine the compassion, care, and skilled physicians of Christie Clinic with Carle Foundation Hospital’s advanced technology, five-star rating, and level one trauma center, you have the best health care available in east central Illinois.

THE BEST OF BOTH WORLDS.

Jane Jones

TOGETHER, WE’RE BETTER.
Driving the Case for Integration: Regulatory Changes

Legal and regulatory hurdles were becoming increasingly challenging to deal with and were impeding our ability to deliver coordinated, quality care to patients.

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<tr>
<td>Hospitals and clinics in the region began consolidating</td>
<td>Revised Stark rules: no longer allow the clinic to provide ancillary services “under arrangements” to hospital patients as of October 2009</td>
<td>We considered options to address Stark compliance ranging from complete disintegration to full integration</td>
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<td>Champaign/ Urbana was a strong market that was likely to attract attention from larger systems looking to come into market</td>
<td>$40 million in margin was at risk for the physician practice</td>
<td>A complex series of interim solutions were implemented under the existing legal structure while integration due diligence was conducted</td>
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<td>Carle had to determine how best to respond</td>
<td>The possibility of having to unwind the care delivery model Carle had in place for 60 years simply to comply with Stark prompted leadership to revisit integration options</td>
<td>Based on the due diligence results and considering what was best for the community, both boards voted to integrate</td>
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<td>Value of Health Plan – maxed out</td>
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Driving the Case for Integration: Other Considerations

- Increased coordination of care and reduction in costs across the continuum.
- Ability to easily share clinical information resulting in reduction of duplicate tests.
- Ability to handle bundled payments through shared financial systems.

- Integration allows us to react to threats and control our own destiny.
- Public/private partnerships to provide a greater value to patients.
- Address the total cost of care including coverage premium dollars and care for acute, outpatient, long term, pharmacy, and home services.

- Following a failed merger attempt in 1999, CCA and CFH began collaborating more
- Culturally we had been a unified organization for many years prior to the legal merger.

- Future reimbursement scenarios, improve coordination of care, leverage our plan in care management, and work toward strategic goals to become the provider of choice in the region.

Negotiations: The Good, the Bad and the Ugly

CCA Votes and Politics:
- 234-0 in favor (3 did not vote)
- 80% required to sign employment contracts

Administrative Leadership:
- Duplicate roles
- Defining roles
- Streamlining structure
- System roles and operating unit roles
Early Years of Integration: 2010-2014

Creating a vertically integrated system - Key issues to address:

- **Physician led = Physician CEO**
- **Patient Focused**
- **Challenges with CPG physicians going from owners to employees**
  - **Physician Compact – One Mission/Vision/Strategy – Securing Buy-In and Support**
- **Medical-Administrative Leadership Model – Dyad 1.0**
- **EMR integration throughout system**
- **Department Integrations**
- **Culture Change - Change Management - Employee Engagement**
Early Years of Integration: 2010-2014

System Growth Strategy:

- Hoopeston Regional Health Center (CAH) Integration
- Carle Direct - Open Access (Universal Acceptance)
- Service Line “Institute” Development – Comprehensive strategy and buy-in
- Provider Recruitment Strategy - Changing Mindsets and priorities
- Facility expansion
- Magnet status
- Living on Medicare Rates - Robust, Multi-Year Cost Reduction Strategy
- The Carle Experience – Striving for consistent, top decile performance
Taking Carle to the next level:

- High Performing Network of Care
- Rural Alliance
- Solidify financial, operational and medical management among entities
- Leadership restructure: Integrating leadership roles at Carle and Health Alliance
- Medical Leadership Structure – Dyad 2.0
- Health Alliance initiatives
  - Medical Management
  - Population Health
Carle and its Partners take accountability for the health experience of the communities and regions we serve in order to:

Provide high quality, value added, coordinated and accessible healthcare services to consumers to improve their health

**Carle Health System**

achieves defined High Performing health system criteria, i.e. quality, utilization, service, value (provider and payor)

**ENABLING Success**

in a FFS environment while enabling defined and paced transition to performance based, value driven and risk based payment methodologies

**AND Health Systems Partners**

achieve defined High Performing health system criteria, i.e. quality, utilization, service, value

**TOGETHER Create Unique Value**

for consumers and purchasers of healthcare
Rural Alliance for Exceptional Care

What is Carle trying to achieve?

01 | Transition to value
02 | Grow clinical enterprise
03 | Expand and diversify HAMP

Transformative & Innovative Alliance of rural providers collaborating together with the Carle Health system to ensure long term and consistent access for the rural population to exceptional quality, experience and value across the continuum of care and across sites of care.
Rural Alliance Partnership Map

Partnership Structure

OSF/Children’s Hospital of Illinois
Pediatric Clinical Affiliation, Peoria

Kirby Medical Center, Monticello

Carle Hoypeston Regional
Health Center, Hoopeston

Paris Community Hospital, Paris

Crawford Memorial Hospital, Robinson

Richland Memorial Hospital, Olney
Dyad Leadership 2.0 – partnering administrative leader with a physician leader

The partners balance skills and strengths and work as a cohesive team towards common goals.

**ADMINISTRATIVE LEADER**
- Management skills
- Clinical credentials
- Persistent, organized, detailed
- Relates well across organization

**PHYSICIAN LEADER**
- Sterling clinical credentials
- Excellent relationship and influence skills
- Systems thinker

**COMMON GOAL**
- Develop department and high-performing team
- Establish effective communication between admin and physicians
- Solve complex department problems
## Dyad Leadership Structure 2.0

**JOHN SNYDER**  
Executive Vice President and  
System Chief Operating Officer

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<tr>
<th>Service Line/Function</th>
<th>Administrative VP</th>
<th>Medical Director</th>
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<td>Hospital Medicine</td>
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<td>Women's Health &amp; Newborn Care</td>
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<td>Heart &amp; Vascular Institute</td>
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<td>Neuroscience Institute</td>
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<td>Medical Specialties</td>
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<td>Primary Care, Pediatric &amp; Medical Specialties</td>
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<td>Surgical Services</td>
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<td>Cancer Center</td>
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<td>Population Health</td>
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<td>Diagnostic Services</td>
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<td>Transitional Care Services</td>
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<td>Quality Services &amp; Carle Experience</td>
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<td>Graduate Medical Education</td>
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<td>Talent Development</td>
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**MATTHEW GIBB, MD**  
Executive Vice President and  
System Chief Medical Officer

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The Carle Experience

Evidence Based Leadership
The Carle Experience helps shape and maintain our culture of excellence

The Carle Experience defines the best practices and tools hardwired into our culture that we ALWAYS use. These deliver better outcomes, a better perception of the patient experience, and a higher satisfaction with the work we do.

Our goal is to be nationally recognized as a leader in clinical and service excellence by consistently performing in the top 10% nationally for:

- Quality and safety
- Patient and member satisfaction
- Employee and physician engagement
Health Alliance Medical Plans – System Value

Health Alliance is a catalyst for transformation of health care delivery to improve the member’s health by aligning provider and payor objectives and resources while collectively managing the cost of care.

Leverage the strength of the vertically integrated Carle Health System to align the health and care delivery goals with the business growth strategies and tactics of Health Alliance, Carle Health System and provider partners.
Health Alliance Medical Plans – Spiraling Out of Control

Medical Management/Case Management lack of focus
  Not within industry standards
  Not member/provider focused

Medicaid Managed Care disaster
  Entered market with good intentions
  Bad data; At risk for members outside of our control
  Care management requirements resulted in significant financial loss
  A full year to unwind; political navigation

Exchange Strategy backfires
  Adverse selection: Successful enrollment, but excessive medical expenses
  Significant price increases, but not as high as competitors
  Controlled retreat: avoiding a financial disaster
Health Alliance Medical Plans – Burning Platform for True Integration

Health Alliance on fire

Carle provider side was culturally ready

Coming together as a system – remove the “separate entity” mindset

Value-Based reimbursement reality

Strategy considerations
Major Integration Efforts – Health Plan

Leadership

Medical Management / Case Management

Strategy and Sales

Quality

Call Center

Project Management Office

Community Care Project
Major Integration Efforts – Leadership Change

Restructured Leadership Team

System Thinking

Shared Exposure and Accountability

Shared Services
  IT
  Legal/Compliance
  Marketing
Major Integration Efforts – Medical Management Redesign

- Align practices with industry standards.
- Improve timely review determinations.
- Enhance transparency of decision making criteria.
- Address needs of expanding complex and highly complex patient populations.
- Consider delegated models as a provider driven health plan.
- Improve medical loss ratio.
- Improve physician satisfaction/engagement
Major Integration Efforts – Medical Management

- **Transition**: long-term health coaching to disease management
- **Structure by population risk versus LOB**
- **Refine and automate ID, stratification, and performance metrics**
- **Improve care coordination and transition management**
- **Ensure staff are performing at the top of their license**

*A Heavy Lift!*
Delegate case management to Certified Patient Centered Medical Home – HA provides reporting & support
Embedded Carle care coordination in high volume providers – at Carle
Telephonic support from HA

Now
End Stage Renal Transplants

Under a provider-focused model, CMs will be embedded within or dedicated to specific providers and service areas, handling a mix of Medicare and Commercial high-risk members

Very high –risk Case Management (1%)

Members with specialty conditions will be managed by a dedicated CMs with focused expertise

A portion of the members just discharged from inpatient stays will be followed by dedicated staff

Care Transition -
Weekly check-ins for 30 days post discharge

Low to moderate risk members will be managed through a mix of health coaches and CMRs, but with a focus on virtual tools to allow for member self-management

- Focus is individualized
- Long term lifestyle changes

Remaining Population

Disease Management and Wellness

Case Management Redesigned Delivery Model
Major Integration Efforts – Utilization Management

- Reduce retrospective review volumes
- Expand discharge planning
- Modify and expand PA
- Streamline admit, discharge, and transfer notifications
- Reconsider gold carded providers

**Long Term Vision:**
- Unified system utilization and case management process that builds a multidisciplinary team and seamless patient–centered care from inpatient to outpatient, including aligned software solutions
- Consistent, timely, and transparent medical decisions with broad base adoption of clinical care guidelines
- Use of Explorys and Advanced Analytics
Major Integration Efforts – Medical Management Transition

• Shift to provider-focused.
• Transparent, specialty focused and timely prior authorizations.
• Assist with redirection of care.
• Realign Medical Director structure to enable focus on care delivery transformation.
• Unique opportunity to collaborate through delegated models.
• Projected Rollout for redesign changes.
  • January 2017+
• Integration opportunities.
Managing Risk Pool:
- Cost, Utilization & Chronic Diseases
- Transitional Care Services
- Utilization Management
- Risk Stratification
- Complex Case Mgmt.
- Defining & measuring Goals
- Physician Performance
- Network Utilization
- High Cost/High Frequency
- Reporting

Expanding risk pool, managing more risk dollars, continue to evolve

Continuum of Population Management Initiatives:
Moving From Volume to Value

At Risk
Providers
Health Plan

Population Health Management
Redefining the Quality Structure

• Realigned system level Quality leadership

• Dyad Structure Creating a Partnership between a Health Plan Subject Matter Expert and Designated Quality Representative from the Clinical Partner

• System Level Reporting and Oversight through the Carle Board Quality Committee
  ✓ Population Health Workgroup
  ✓ STARS Steering Committee
  ✓ HEDIS Operational Teams
Major Integration Efforts – Call Center and PMO

Merged Call Centers into One
- Medicare Call Center
- Commercial Group and Individual
- With link to Carle’s Patient Contact Center

Merged Project Management Office
- System-level standardization
- Cross training staff
- Singular governance/prioritization

System POV
- Consistency
- Efficiency
- Productivity
- Customer Value
Background: Carle Financial Assistance Policy

• The cost of healthcare should not stop anyone from receiving necessary care.
• Carle’s Financial Assistant Program (aka Carle Community Care Program) is one of several programs that eligible patients could receive free or discounted services.
• The Financial Assistant Program currently services about 30,000 Carle patients of which around 92% are self-pay.

$38 million at cost
Major Integration Efforts – Community Care Project

Leverage Carle’s vertically integrated structure to establish a Health Alliance administrative only self-funded plan for a subset of Carle’s Community Care population in order to:

• Improve quality by:
  • Offering case management and disease management programs to this population.
  • Assessing for medical necessity that ensures the right care is delivered.
  • Using analytics to assess program performance and opportunities for enhancement.
• Control utilization costs through care management services/offerings.
• Reduce the dollar amount for services at cost that are written off the charity program each year.
2017 Forward: Carle Health System Strategic Goals

01 Individual Engagement
02 Healthcare Literacy
03 Clinical Excellence & Innovation
04 High Value Partnerships
05 System Optimization
06 Transform from Volume to Value
07 Financial Sustainability
Carle Illinois College of Medicine is the first college of medicine designed at the intersection of medicine and engineering.

GOALS OF THE COLLEGE OF MEDICINE - in the process of provisional accreditation by 2018

- Reinvent health care around revolutionary advances in engineering and technology to further research, education and clinical care delivery
- Transform health care education of physicians
Lessons Learned

01 | Live your “Mission” and “Vision”

02 | Future healthcare trends supports the need for a Vertically Integrated Model - Diversify

03 | Physician leadership is imperative

04 | Buy-in to vision must be active at all levels within the organization

05 | It’s a Marathon not a Sprint.................and the game is always changing so must be ready to make adjustments

06 | As healthcare executives we must be bold in our decision making
Thank you!