Nothing About Physicians, Without Physicians:
How MemorialCare Health System is Strengthening Physician Partnerships

April 3rd, 2019
Becker’s 10th Annual Meeting
Introduction & Agenda

“Nothing about physicians without physicians”

1. MemorialCare’s 20+ year journey with physicians as partners
2. Examples of successful collaboration
3. The CIN strategy as an additional piece to the puzzle
4. What does the future hold?
5. Questions & Answers
Agenda

1. **MemorialCare’s 20+ year journey with physicians as partners**
2. Examples of Successful Collaboration
3. The CIN strategy as an additional piece to the puzzle
4. What does the future hold. . .
5. Questions & Answers
What and Where is MemorialCare?
Southern California
Evolution of MemorialCare’s Physicians as Partners Strategy

1996
- Physician Steering Committee formed
  - Catalina “Physicians as Partners”

1997
- Best Practice / Evidence-Based Medicine Launched
- Physician Society Created
  - A Brand is Born

2000
- First Inpatient EMR go live
- Formed Medical Foundation / Acquired Bristol Park Medical Group
- Acquired Nautilus & Affiliated with GNP
- Acquired Knox Keene Established
- Seaside Health Plan
- Added Outpatient Surgical Centers (JV)
- Added Ambulatory Imaging Centers
- Physician Leadership Academy: 1st Class

2003
- Commitment to EMR
- MC+21 Management System - Lean

2006
- First AEMR practice live
- MC+21

2007
- Physician Leadership Academy: 1st Class
- MC+21

2008
- MemorialCare Physicians Society

2011
- Brand is refreshed
- Pediatric partnership
- Acquired Nautilus & Affiliated with GNP

2012
- GNP Epic Pilot
- Clinical Integration

2013
- Added partnership for ambulatory dialysis

2014
- MC+21
- NextGen ACO (CMS)

2015
- Aetna
  - MemorialCare and Aetna create ACO

2016
- CMS.gov
  - CMS Bundled Payment Program Improvement (BPCI)

2017
- MemorialCare and Boeing for their employees
- Pediatric partnership
- MC+21

2018
- Pediatric partnership
- MC+21
- Clinical Integrated Network

2019
- Physician Leadership Academy: 1st Class
- MC+21
A Fully Integrated Health System
Hardwiring in Voice
*Shared decision-making*

**Responsibilities**
- Professional association. Board level.
- Committed to development and utilization of evidence-based/best practice medicine
  - *Lead development of best practice*
  - *Implement best practice guidelines at the bedside / visit-side*
  - *Leadership of physician informatics and outcomes*

**20 Years of Innovation**
- Over 300 Best Practice guidelines
- Best Practice Teams, *multidisciplinary*

<table>
<thead>
<tr>
<th>Ambulatory Care</th>
<th>Neonatology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anesthesia</td>
<td>Pain Management</td>
</tr>
<tr>
<td>Antimicrobial Stewardship</td>
<td>Physician Well-Being</td>
</tr>
<tr>
<td>Cardiovascular Surgery</td>
<td>Pulmonary and Critical Care</td>
</tr>
<tr>
<td>Cardiovascular Interventional</td>
<td>Resilience (Well-Being)</td>
</tr>
<tr>
<td>Colorectal</td>
<td>Sepsis</td>
</tr>
<tr>
<td>Diabetes</td>
<td>Women’s Health</td>
</tr>
<tr>
<td>Emergency Medicine</td>
<td>Wound Care</td>
</tr>
</tbody>
</table>
**A. Action Palliative Care 2.0 strategic Deep Dive**

B. *(Support MHS)* Advance ease & access through amazing scheduling for patients

C. *(Support MHS)* Deliver on the Triple Aim, while mitigating risk across portfolio of alternative payment models

---

**A. Implement Best Practice plans to achieve Bold Goals to reduce harm and improve experience**

B. Focus each BPT on standardized care (evidence-based, practice-based). Activate Care Variation Task Force recommendations.

C. *(Support MHS)* Advance our focus on reducing opioid overuse and harm; activate EPCS, goal

D. *(Support MHS)* Partner with local coalitions on homelessness and Social Determinants of Health; activate SDOH in Epic; BPT REAL data

---

**A. (Support MHS) Realize benefits of our Clinically Integrated Network model (C.I.N.) and explore next series of internal opportunities**

B. Continue rollout of MACRA toolkit to assist physicians to meet MIPS requirements

C. Continue leadership and advocacy to reduce overdiagnosis and overtreatment and foster shared decision-making

D. Sponsor PerfectServe 2019 Roadmap

---

**A. Continue to foster engagement of “younger” physicians in leadership; activate 2018 recs**

B. Continue physician-led oversight of informatics, EMR optimization and plans for the “Epic Refresh” to support systemness

C. Continue focus on diagnostic error, with awareness and training as well as tools

D. Activate CVO platform change and evaluate opportunities for shared privileging criteria

---

**A. Host annual Simply Better MemorialCare Experience for physicians; showcase attributes of current and prior award winners**

B. Activate recommendations from Physician Communication Lean event

C. Sponsor physician well-being BPT; link to RISE program (Resiliency in Stressful Events)

---

**Physician Society 2019 Pyramid Approved, Feb’19**

---

**Mission**

To improve the health and well being of individuals, families and our communities.

---

**Vision**

Exceptional People. Extraordinary Care. Every Time.

---

**Values**

MemorialCare iABCs

i – Integrity
A – Accountability
B – Best Practices
C – Compassion
s – Synergy

---

**The reward**

**The results of our hard and focused work**

**The absolute foundation of our success**
Agenda

1. MemorialCare’s 20+ year journey with physicians as partners
2. **Examples of Successful Collaboration**
3. The CIN strategy as an additional piece to the puzzle
4. What does the future hold. . .
5. Questions & Answers
Best Practice
Reducing needless blood use through collaboration

• Champions – Dr. Mascotti, campus CQO; Pathologists; campus specialty teams
• Hardwired indications for RBCs and Platelets, then FFP and cryo
  • Studied and discussed AABB guidelines
  • Shared stories and data
  • Segmented to adults first, then peds/neonates
  • Created “smart orders”, drilldown indications
  • Developed an educational campaign – 7 ways, 7 times. “Blood is a liquid transplant”
  • Devised monitoring and drilldown for fallout learning
• Results:
MemorialCare Leadership Academy
Enabling physicians to lead

A year-long leadership development opportunity for physicians and executives who are aligned with MemorialCare

- Physicians and senior executives work side-by-side and share a physician “day in the life experience”
- Industry expert faculty immerse the team in understanding the complexities of health care
- Leadership skill development: developing presence, facilitative leadership, strategic planning, conversation strengths, budget/finance, legal/ethics, advocacy
- Complete a project that directly serves or addresses a health system need/issue
Clinical Integration
Focusing on key service lines across the system

Building systemness

• Dyad and co-leadership teams
• Shared clinical strategic planning
• Metrics and visibility
• Technology assessment
• Research
• Shared marketing
Bundled Payment Care Improvement
From Physician Academy project to reality

Demonstration project

- Physician-led
- 90-day bundles, Medicare FFS, Model 2
- Inpatient only
- Segmented / enrolled in ortho (hip/knee), CABG, cath lab (PCI)
- Shared savings achieved by 100% of doctors year 1 and 96% year 2 (year 3 wrapping up)
- Most common question – “this is great but can you do something for all payer?”
- BPCI Advanced – “just say no”
### Value Based Products

<table>
<thead>
<tr>
<th>Membership &amp; Descriptors</th>
</tr>
</thead>
</table>
| • HMO, shared and global risk experience since the 1980’s  
  # Lives: 156,000 |
| • HMO, 7 Founding Health Systems  
  # Lives: 43,400 |
| • PPO, Attributed & Product Model  
  # Lives: 40,900 |
| • PPO, Attributed Model Only  
  # Lives: 26,200 |
| • Direct Contract with Boeing, PPO  
  # Lives: 6,900 |
| • Medi-Cal (Medicaid), Medicare, Limited Commercial  
  # Lives: 41,700 |
| • Medicare FFS, 2016-17  
  # Lives: 17,000 |
| • Medicare FFS Episodes, 2015-2018; CJR 2018  
  Cases: 700 annually – Cardiac, Hip/Knee |

**MemorialCare**

is in more value-based products than any other health system in Southern California.

316,000 Lives including Sr & Commercial HMO
Agenda

1. MemorialCare’s 20+ year journey with physicians as partners
2. Examples of Successful Collaboration
3. The CIN strategy as an additional piece to the puzzle
4. What does the future hold.
5. Questions & Answers
What is Clinical Integration?

Provider Partners aligned through a collaborative, quality program

- Network includes both independent and foundation providers
- All providers agree upon and support a clinical quality program
- Network allowed to collectively negotiate with payers subject to antitrust compliance

Supporting infrastructure enabling value-based initiatives

- Supports CI initiatives and provides the “back office” administrative and IT support for the network
- Ability to scale care management capabilities to multiple populations
- Leverages health system capabilities

At a high level, Clinical Integration (CI) is a strategy in which providers – often in partnership with a hospital or health system – make a significant, collective commitment to performance improvement and an investment in infrastructure to see significant returns through these quality and efficiency gains.

Source: Optum Advisory Services research
The Strategy: Coordinated Provider Alignment Organizations

A Clinically Integrated Network Adds Another Essential Element To MemorialCare’s Provider Alignment And Value-Based Care Strategies
## Getting Return On Investment From CIN Strategy

### Accountable Payments
- Pay for Performance (including MACRA\(^1\))
- PMPM\(^2\) Payments, Shared Savings and Bundled Savings
- Reduced Health System Employee Healthcare Costs

### Network Integrity / Market Share Gains
- Net New Patients From Network/Benefit Design
- Reduced Outmigration (Greater Share from Existing Physicians)
- Care Management Optimization (Higher Value Site of Care)

### Hospital Efficiency Improvements
- Reduced Costs from Unwarranted Variation
- Improve Transitions of Care
- Supply Cost Savings
- Penalty Avoidance (Readmissions/HACs\(^3\))

### CIN Strategic Imperatives:
- Engage “Other” independent specialists outside of existing organizational structures
- Consistently hardwire best practices across network to drive cost savings and provide physician leadership engagement
- Ensure the possibility for “Super CIN” partnerships via the network’s non-exclusive participation criteria

---

1) Medicare Access and CHIP Reauthorization Act of 2015  
2) Per member, per month  
3) Hospital Acquired Conditions  
Source: Optum Advisory Services research
Establish a **physician-focused** Clinically Integrated Network

- Create the legal and organizational infrastructure for a **physician-led**, professionally managed CIN with strong value proposition for independent physicians
- Selectively recruit physicians to meet specific objectives base on **quality, service, geographical coverage and commercial opportunity**

Build a **Hospital Efficiency Improvement Program**

- Develop HEIP to partner with physicians in a tactical effort to **drive down variability** in the inpatient setting and improve hospital margins
- Contract **directly with the CIN** to create a more cohesive program with strong physician involvement and buy-in

Evolve the **role of the CIN** as a part of the MemorialCare Alignment Strategy

- Leverage the **physician leadership** of the CIN to support existing efforts for Value-Based Care and Population Management (e.g. ACO specialists)
- Explore **additional avenues for opportunity** for a CIN structure to drive value and alignment within MemorialCare, with employers/commercial payors, and with other like-minded organizations (hospitals/systems)
CIN Governance Overview
Physician-Led, Professionally Managed Organization

MemorialCare Health System

- Sole Member of CIN
- Reserve Powers
- Executive Oversight Committee

Board of Managers

- Up to 15 seats
- Physician majority
- Terms / staggered

MemorialCare Clinically Integrated Network, LLC

Executive Leadership Council

Physician Leadership Council

CIN Committees

Operational

- Quality Committee
  Oversees Clinical Quality Program and Remediation
- Contracting Committee
  Oversees Contracting Relations and Incentive Distribution

Developmental

- Organization & Governance
- HEIP & Ambulatory Clinical Quality
- Physician Education & Network Development
Hospital Efficiency Improvement Program (HEIP)

Definitions and Objectives of a HEIP

What is HEIP?

HEIP is a contract between a hospital and a CIN that engages a subset of physicians to undertake a series of initiatives focused on enhancing quality, outcomes and/or efficiency within the hospital. Based on measurable results generated, the hospital is able to share with participants a fair market value (FMV) compensation for their efforts.

Source: Optum Advisory Services research

Each hospital within health system

Services rendered per the HEIP agreement

HEIP agreement

CIN

Third party FMV required

CIN distributes funds at the local market level based on physician’s TIN or NPI number

MemorialCare
Clinically Integrated Network

Source: Optum Advisory Services research
What Makes A Good HEIP Initiative?

Details Should Support Effective Collaboration with Physicians, Whose Input Designs and Drives the Program

Points of Interest
1. High degree of systemic variation
2. Variation coincides with quality goals and initiatives
3. Can augment or accelerate savings associated with an existing activity
4. Cost categories readily influenced
5. A majority of physicians have encounters with variance
6. Engages broad specialties and strengthens hospital alignment goals
7. Opportunities are physician driven

HEIP Initiative Selection Checklist
- Provides the greatest benefit for the corresponding effort to improve quality, efficiency and cost effectiveness
- Aligns with current quality initiatives and system strategic priorities
- Strategically engages individual physicians and physician specialties that can lead their peers and drive towards improvement

Where we started: First HEIP Initiatives

Surgical Efficiency – General Surgery/Colorectal, GYN, Vascular, & Anesthesia
Spine
Total Joints
Procedural Cardiology

Source: Optum Advisory Services research
# HEIP Initiatives: Summary of Metrics Selection, SME Signoff

<table>
<thead>
<tr>
<th>Metric Category</th>
<th>Total Joints</th>
<th>Spine</th>
<th>Surgical Efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>3. Block Scheduling Policy Development</td>
</tr>
<tr>
<td></td>
<td>o Complications of Care Percentage</td>
<td>o Complications of Care Percentage</td>
<td>o Complications of Care Percentage</td>
</tr>
<tr>
<td></td>
<td>o Patient Satisfaction</td>
<td>o Patient Satisfaction</td>
<td>o Patient Satisfaction</td>
</tr>
<tr>
<td></td>
<td>o 30 Day Readmissions</td>
<td>o 30 Day Readmissions</td>
<td>o 30 Day Readmissions</td>
</tr>
<tr>
<td>Efficiency</td>
<td>4. Surgeon Delay Rate</td>
<td>4. Surgeon Delay Rate</td>
<td>6. Surgeon and Anesthesia Delay Rate</td>
</tr>
<tr>
<td></td>
<td>5. Scheduling Accuracy (Wheels In to Wheels Out Time)</td>
<td>5. Scheduling Accuracy (Wheels In to Wheels Out Time)</td>
<td>7. Scheduling Accuracy (Wheels In to Wheels Out Time)</td>
</tr>
<tr>
<td></td>
<td>7. Procedure Card Utilization</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## Quality Assurance

MemorialCare is committed to maintaining high quality care through the administration of the HEIP. In order to receive shared savings, the provider group must maintain or improve quality within the designated DRGs based on the quality composite.
Gain Share Potential

*Depends on how pools funds based on savings, so an up to*

**FMV Process**
- Takes into account magnitude of savings per HEIP, design of each program and robustness of metrics
- Tests for commercial reasonableness for compensation by specialty
- Provides maximum “up to” cap per HEIP pool
- Per participating physician, per year
- FMV CAP transparency:

<table>
<thead>
<tr>
<th>Joints - Inpatient</th>
<th>Spine - Inpatient</th>
<th>Surg Efficiency* – Colorectal/Gen Surg Inpatient &amp; Hospital OP</th>
<th>Surg Efficiency* - GYN Inpatient &amp; Hospital OP</th>
<th>Procedural Cardiology</th>
</tr>
</thead>
</table>

HEIP Design Sessions
Keys to Success

1. Physician-led informed decisions
2. Systemness by design – all in to qualify
3. Esprit de corps – fun!
4. Payment for time, in advance of sharing (track attendance against savings)
5. Transparent data and “show and tell” to drive decisions
6. Thinking both team and individual
7. Informal or formal physician leaders step up
8. Powered by C.I.N., Lean, Materials and OR teams
1. MemorialCare’s 20+ year journey with physicians as partners
2. Examples of Successful Collaboration
3. The CIN strategy as an additional piece to the puzzle
4. What does the future hold...?
5. Questions & Answers
Onwards!

• Ongoing focus on Physician Society strategic plan

• Reviewing our hospital / Crimson data and talking with physicians about the next “HEIP 2.0” possibilities
  
  Examples: ICU care including sepsis and pulmonary, throughput, OB-newborn care

• Examining broader CIN initiatives
  
  Examples: chronic kidney care, broader OB bundle, population health network integrity

• Super CIN leverage and opportunities
1. MemorialCare’s 20+ year journey with physicians as partners
2. Examples of Successful Collaboration
3. The CIN strategy as an additional piece to the puzzle
4. What does the future hold... 
5. Questions & Answers
Thank you. Questions?