



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

April 3<sup>rd</sup>, 2019

Becker's 10<sup>th</sup> Annual Meeting

# Introduction & Agenda

*“Nothing about physicians without physicians”*



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Optum Advisory Services

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

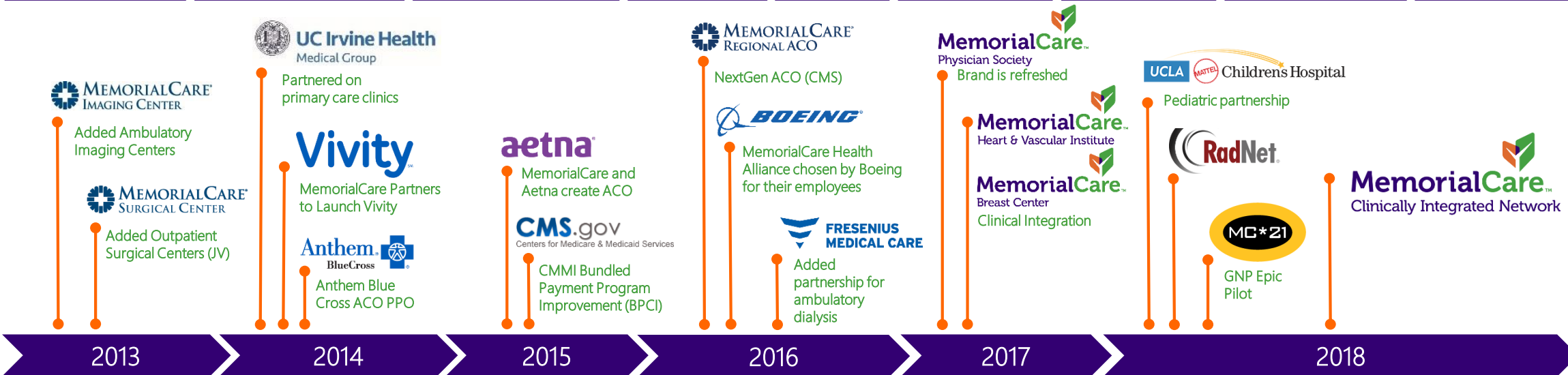
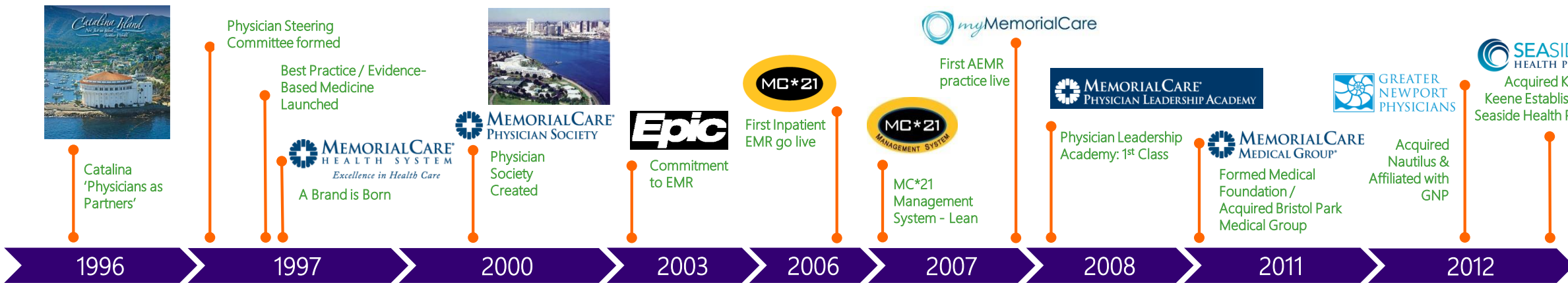


# What and Where is MemorialCare?

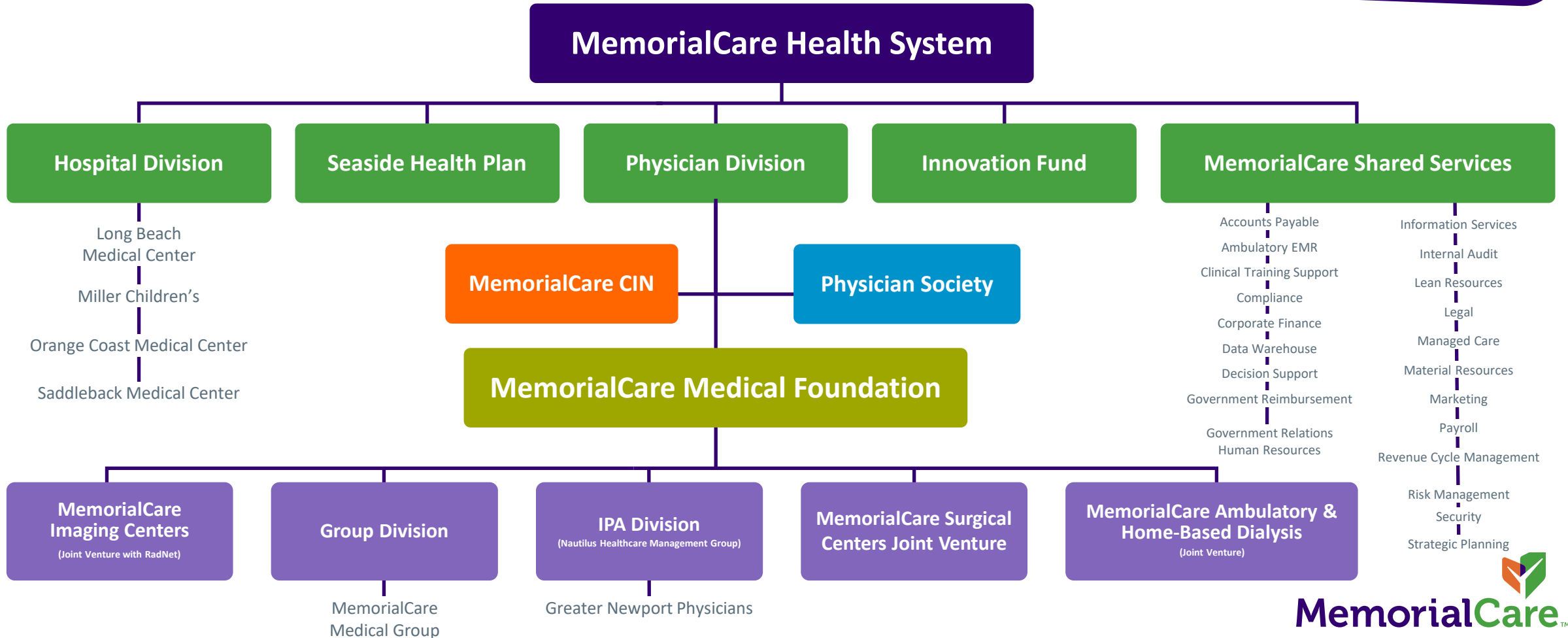
## *Southern California*



# Evolution of MemorialCare's Physicians as Partners Strategy



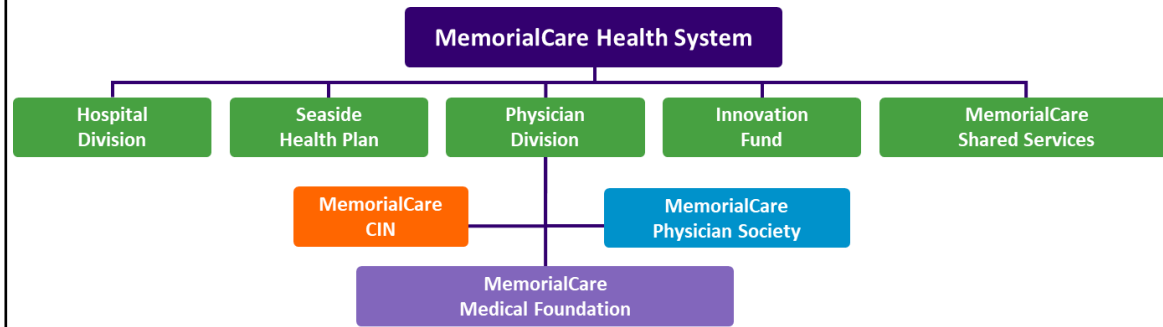
# A Fully Integrated Health System



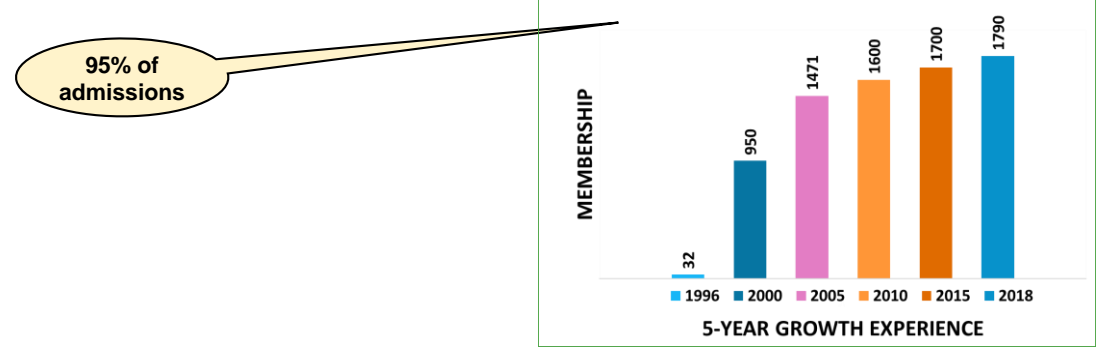
# Hardwiring in Voice

## *Shared decision-making*

### The Physician Society



### Growth in Membership



### 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

Ambulatory Care	Neonatology
Anesthesia	Pain Management
Antimicrobial Stewardship	Physician Well-Being
Cardiovascular Surgery	Pulmonary and Critical Care
Cardiovascular Interventional	Resilience (Well-Being)
Colorectal	Sepsis
Diabetes	Women's Health
Emergency Medicine	Wound Care

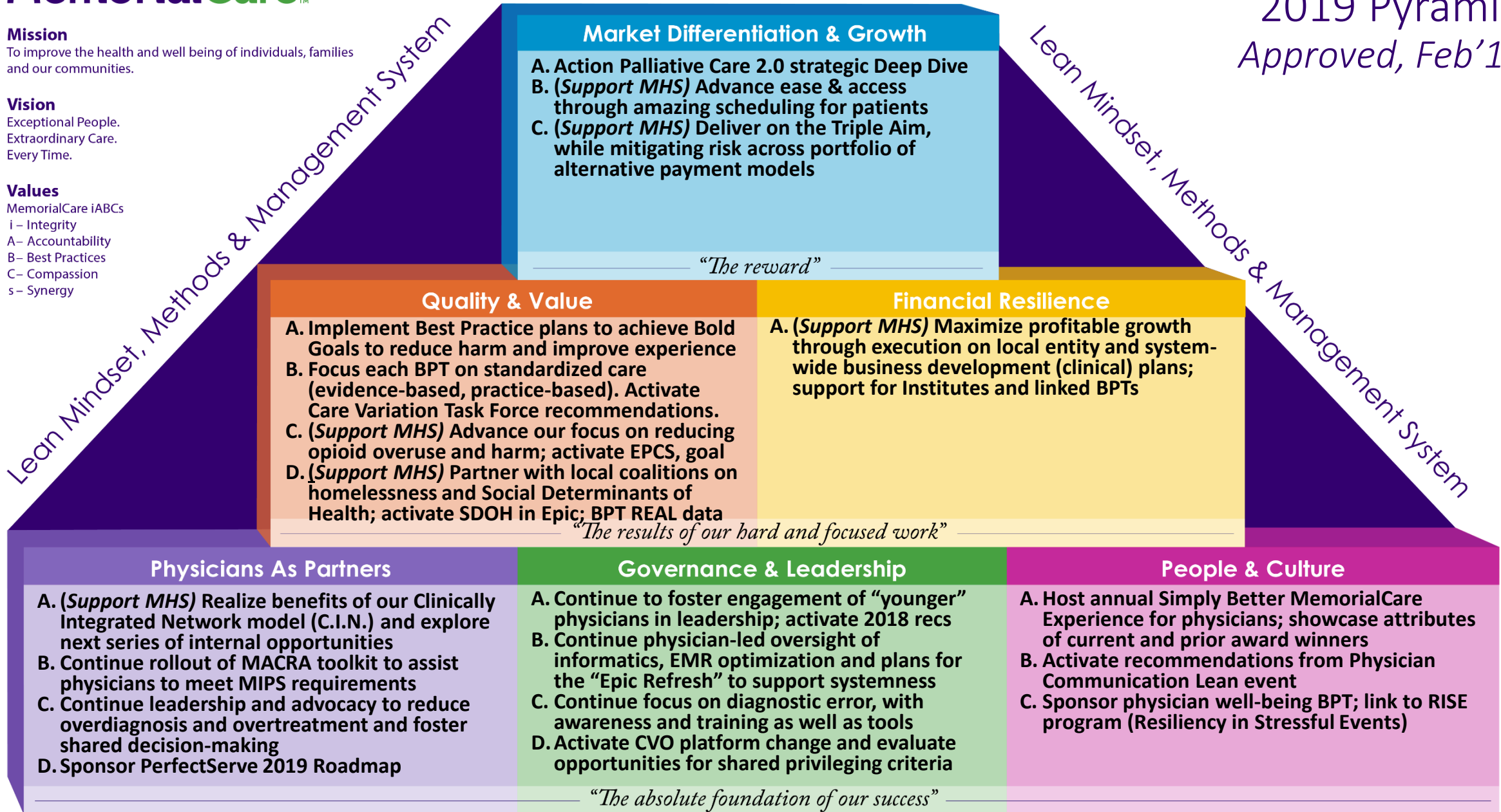
# Strategic Pyramid

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

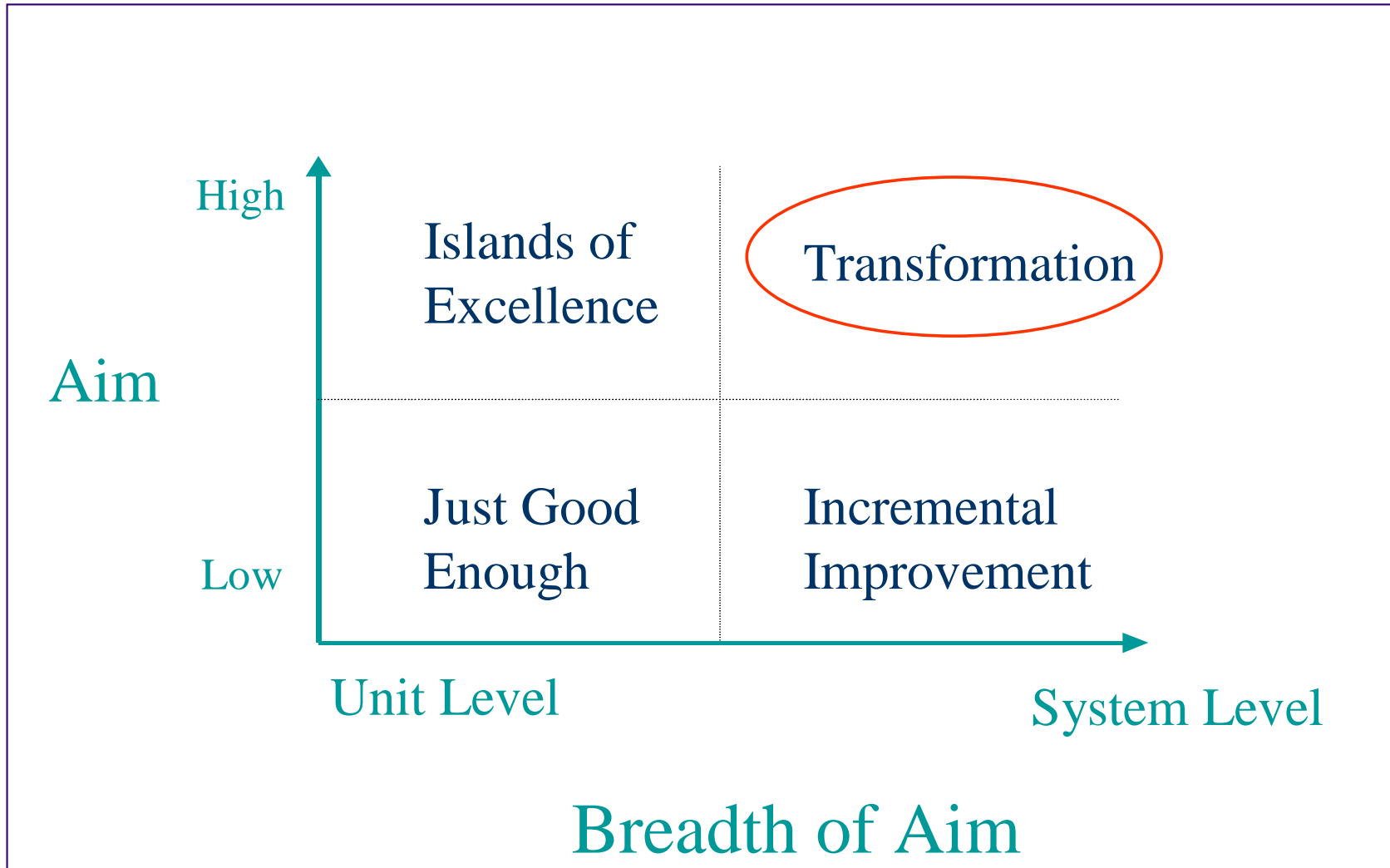




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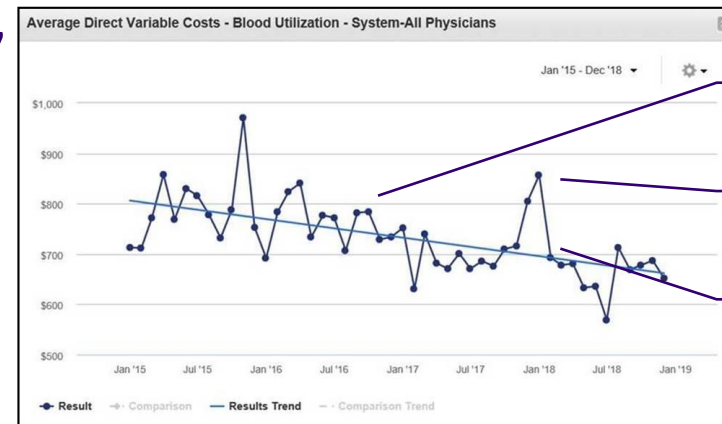
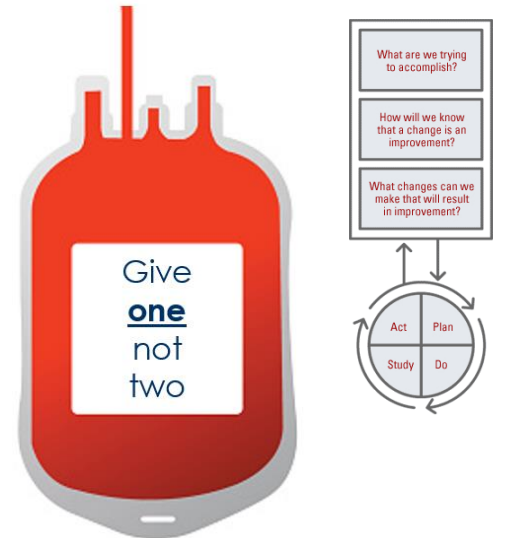




# Best Practice

## 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:**



- Education, adult order sets
- Special cause drilldown
- Added peds/neonates

# 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

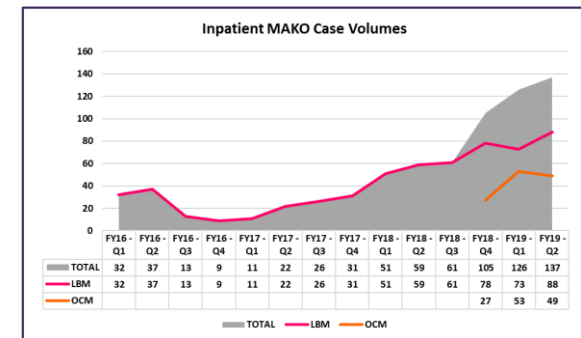
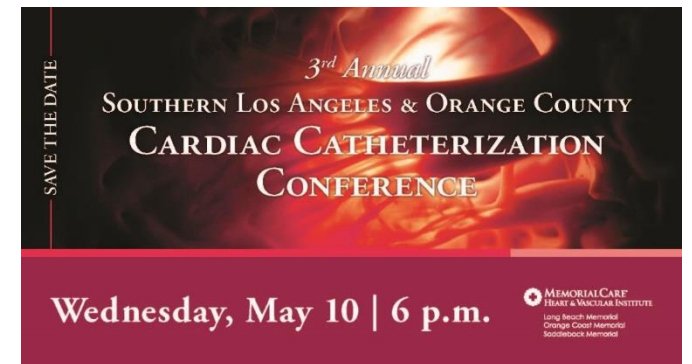


# Clinical Integration

*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

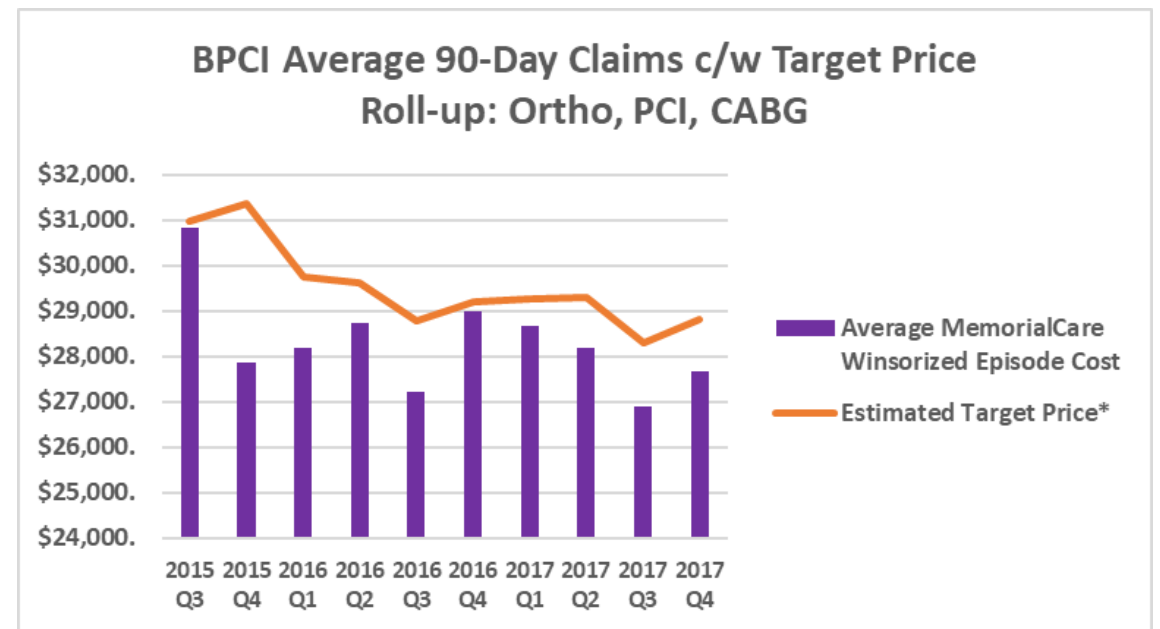


# Bundled Payment Care Improvement

## *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”



# Moving from Volume to Value

## *Medical Foundation and physician networks*

*MemorialCare is in more value-based products than any other health system in Southern California. 316,000 Lives including Sr & Commercial HMO*

Value Based Products	Membership & Descriptors
	<ul style="list-style-type: none"> <li>• HMO, shared and global risk experience since the 1980's</li> <li>• # Lives: 156,000</li> </ul>
	<ul style="list-style-type: none"> <li>• HMO, 7 Founding Health Systems</li> <li>• # Lives: 43,400</li> </ul>
	<ul style="list-style-type: none"> <li>• PPO, Attributed &amp; Product Model</li> <li>• # Lives: 40,900</li> </ul>
	<ul style="list-style-type: none"> <li>• PPO, Attributed Model Only</li> <li>• # Lives: 26,200</li> </ul>
	<ul style="list-style-type: none"> <li>• Direct Contract with Boeing, PPO</li> <li>• # Lives: 6,900</li> </ul>
	<ul style="list-style-type: none"> <li>• Medi-Cal (Medicaid), Medicare, Limited Commercial</li> <li>• # Lives: 41,700</li> </ul>
<b>Next Generation ACO Model</b>	<ul style="list-style-type: none"> <li>• Medicare FFS, 2016-17</li> <li>• # Lives: 17,000</li> </ul>
<b>BPCI Model 2: Retrospective Acute &amp; Post Acute Care Episode</b>	<ul style="list-style-type: none"> <li>• Medicare FFS Episodes, 2015-2018; CJR 2018→</li> <li>• Cases: 700 annually – Cardiac, Hip/Knee</li> </ul>

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# 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

## Clinically Integrated Network

## Supporting infrastructure enabling value-based initiatives

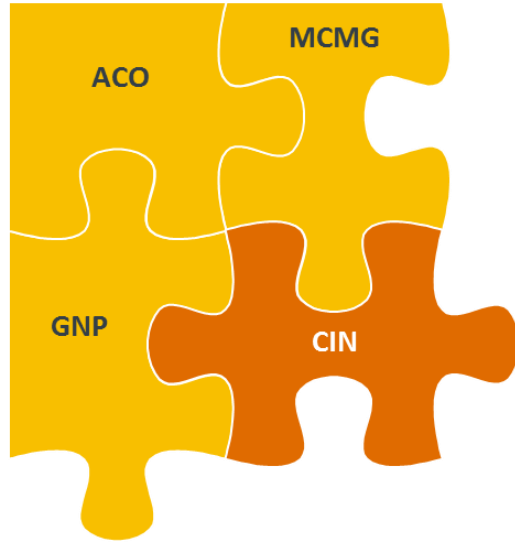
- Supports CI initiatives and provides the “back office” administrative and IT support for the network
- Ability to scale care management capabilities to multiple populations
- Leverages health system capabilities

## Population Health Management

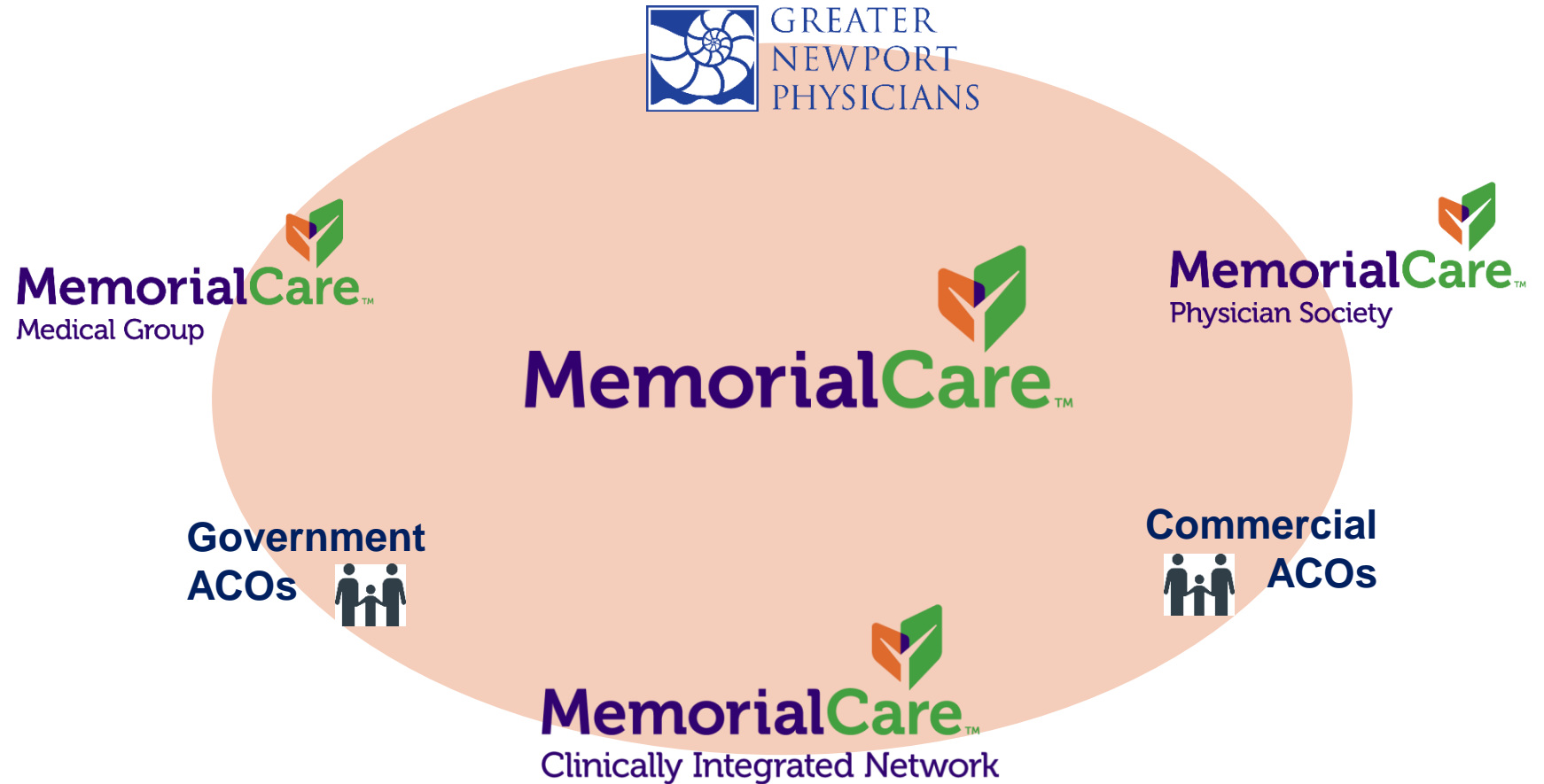


At a high level, Clinical Integration (CI) is a strategy in which providers – often in **partnership with a hospital or health system** – make a significant, collective commitment to performance improvement and an investment in infrastructure to see significant returns through these quality and efficiency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

# 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<sup>1</sup>)
- PMPM<sup>2</sup> 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<sup>3</sup>)

### 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

# Overall CIN Strategy

1

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 based on **quality, service, geographical coverage and commercial opportunity**

2

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

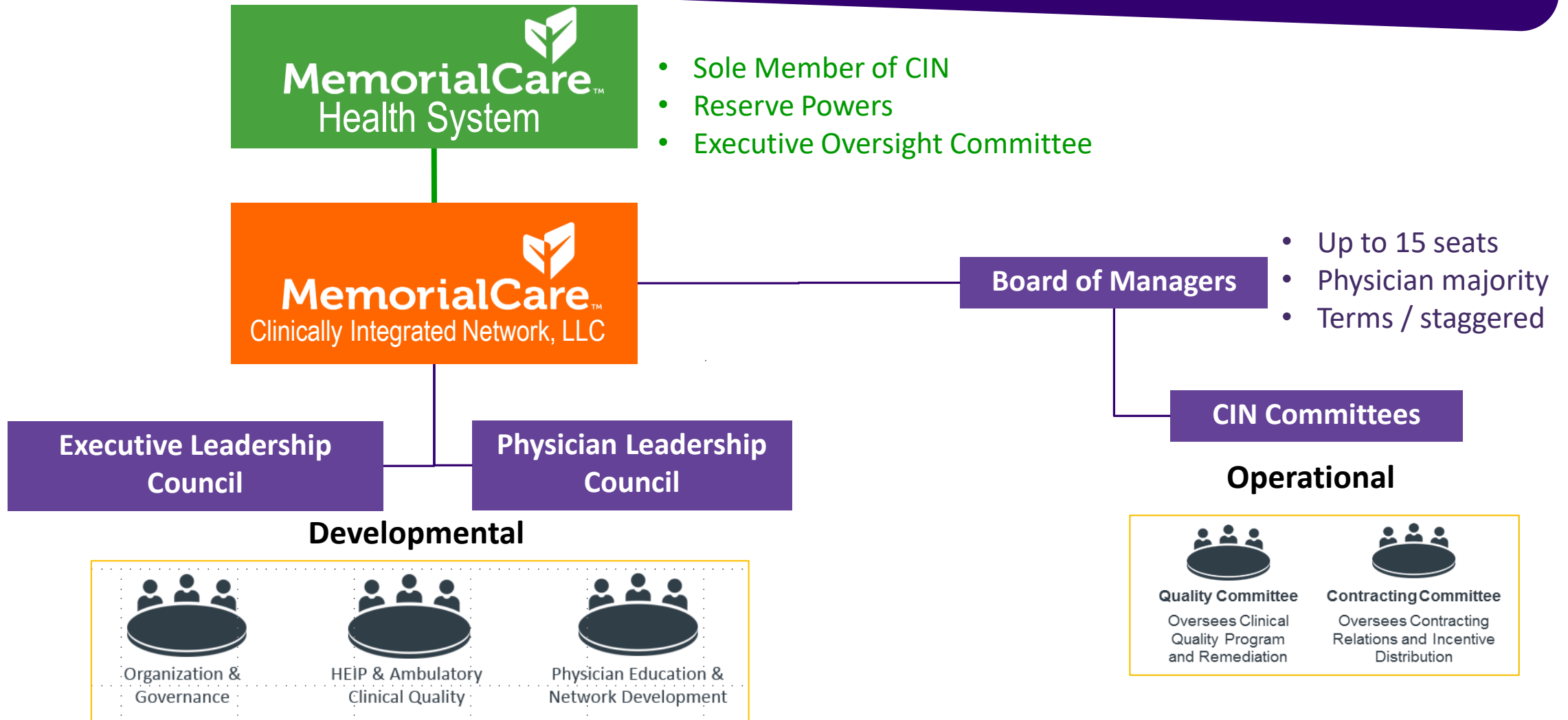
3

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

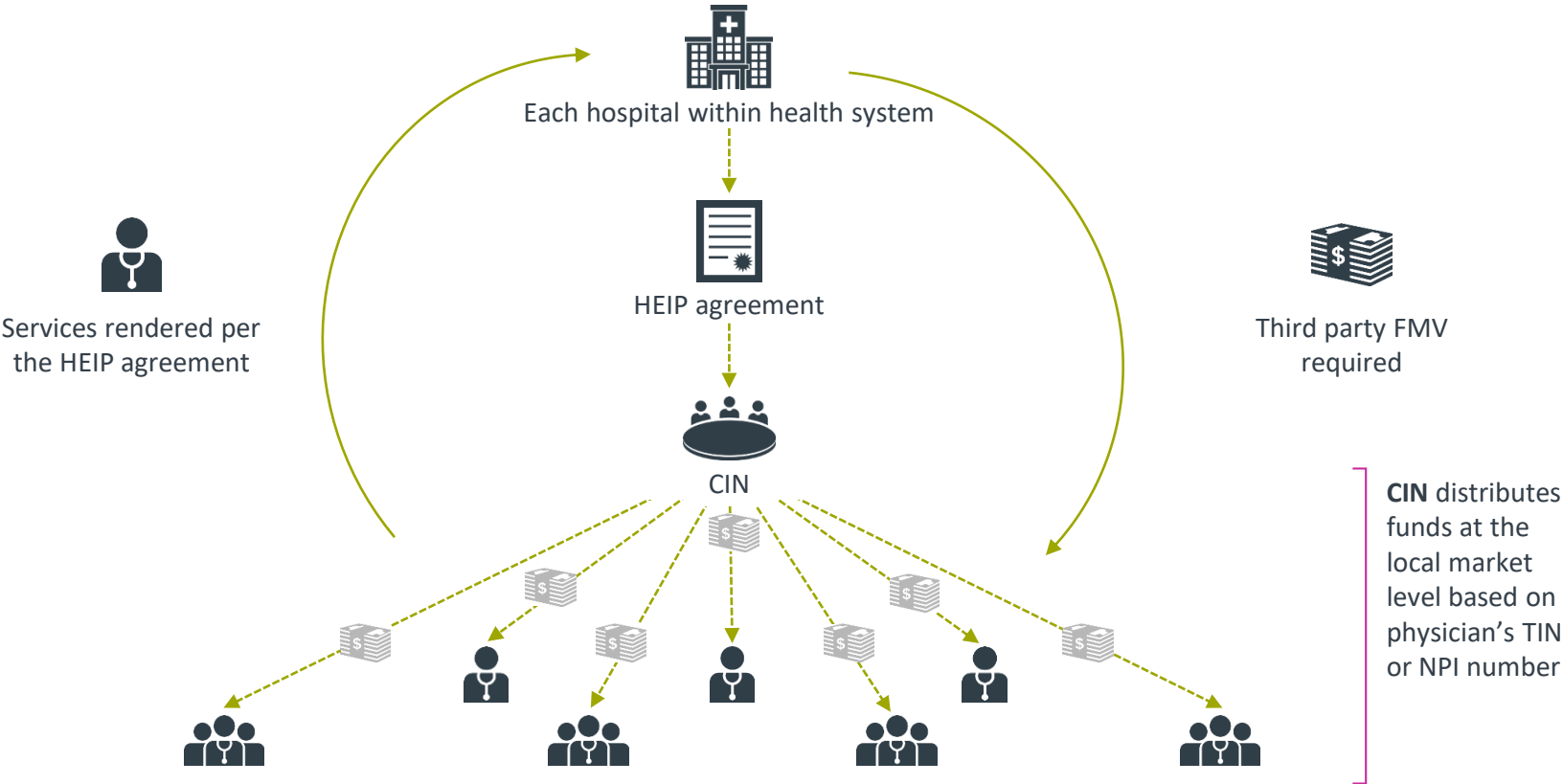
*Physician-Led, Professionally Managed Organization*



# 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.



# 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**

# HEIP Initiatives: Summary of Metrics Selection, SME Signoff

	 Total Joints	 Spine	 Surgical Efficiency
Metric Category			
<b>Administrative</b>	<ul style="list-style-type: none"> <li>1. Joint Implant Vendor List Development</li> <li>2. Procedure Card Development</li> </ul>	<ul style="list-style-type: none"> <li>1. Spine Implant Vendor List Development</li> <li>2. Procedure Card Development</li> </ul>	<ul style="list-style-type: none"> <li>1. Preoperative Clearance Protocol</li> <li>2. Procedure Card Development</li> <li>3. Block Scheduling Policy Development</li> </ul>
<b>Quality</b>	<ul style="list-style-type: none"> <li>3. Quality Composite:                             <ul style="list-style-type: none"> <li>○ Complications of Care Percentage</li> <li>○ Patient Satisfaction</li> <li>○ 30 Day Readmissions</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>3. Quality Composite:                             <ul style="list-style-type: none"> <li>○ Complications of Care Percentage</li> <li>○ Patient Satisfaction</li> <li>○ 30 Day Readmissions</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>4. Quality Composite:                             <ul style="list-style-type: none"> <li>○ Complications of Care Percentage</li> <li>○ Patient Satisfaction</li> <li>○ 30 Day Readmissions</li> </ul> </li> <li>5. Same Day Cancellation Rate</li> </ul>
<b>Efficiency</b>	<ul style="list-style-type: none"> <li>4. Surgeon Delay Rate</li> <li>5. Scheduling Accuracy (Wheels In to Wheels Out Time)</li> </ul>	<ul style="list-style-type: none"> <li>4. Surgeon Delay Rate</li> <li>5. Scheduling Accuracy (Wheels In to Wheels Out Time)</li> </ul>	<ul style="list-style-type: none"> <li>6. Surgeon and Anesthesia Delay Rate</li> <li>7. Scheduling Accuracy (Wheels In to Wheels Out Time)</li> </ul>
<b>Resource Utilization</b>	<ul style="list-style-type: none"> <li>6. Adherence to Joint Vendor List</li> <li>7. Procedure Card Utilization</li> </ul>	<ul style="list-style-type: none"> <li>6. Adherence to Spine Vendor List</li> <li>7. Procedure Card Utilization</li> </ul>	<ul style="list-style-type: none"> <li>8. Procedure Card Utilization</li> </ul>



## 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.*



Source: Optum Advisory Services research



# 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:

Joints - Inpatient

Spine - Inpatient

Surg Efficiency\* –  
Colorectal/Gen Surg  
Inpatient & Hospital OP

Surg Efficiency\* -  
GYN Inpatient &  
Hospital OP

Procedural  
Cardiology

# 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**



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# What's next for the C.I.N.?

## 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**



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Thank you.  
Questions?

