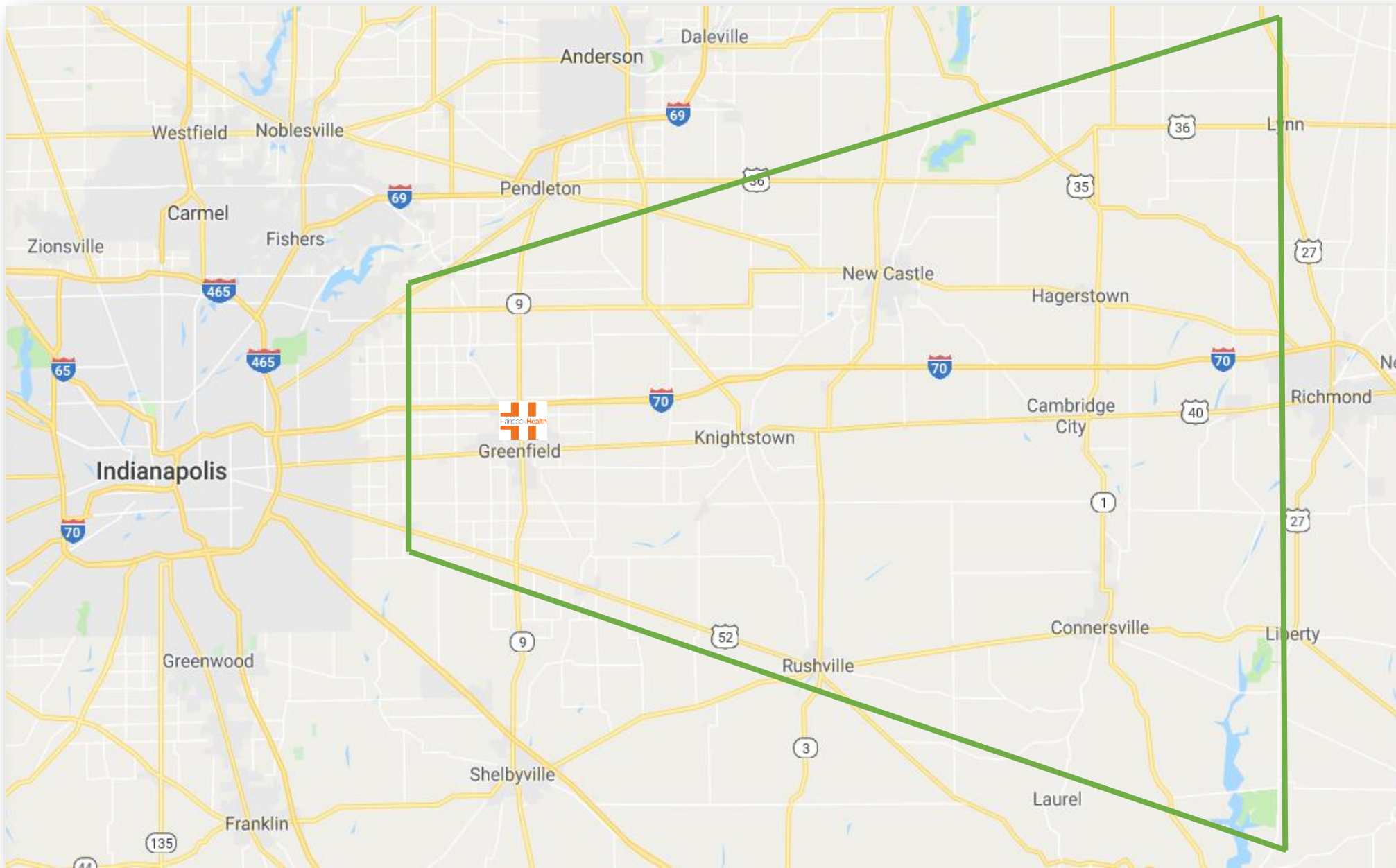


# Collaborative ACOs and Scaling for Success

April 4, 2019

# Faculty

- Lynn Barr, MPH  
CEO, Caravan Health
- Steve Long, MHA, MBA, FACHE  
President & CEO, Hancock Regional Hospital
- Colleen Norris, BS, MS, FSA, MIAAA  
Consulting Actuary, Milliman
- Rachelle H. Schultz, Ed.D  
President/CEO, Winona Health





- **Mission:**

- “To be a Caring Community Partner by healing, improving health and wellness, alleviating suffering, and delivering acts of kindness one patient at a time.”

- **Vision:**

- “To be nationally recognized for kindness in the delivery of excellent quality patient care, efficient and effective operations, the adoption of proven technologies, the creation of a positive workplace environment, and excellence in community service.”



“Through our mission, vision, and values we work together to put patients first”

# Values

- Compassion
- Respect
- Integrity
- Excellence
- Commitment

“What a blessing it is to work in a place where we love people for a living”

– Katherine Murray

**Patients First**  
**Behavioral Commitment**

<p><b>ATTITUDE/DENEANOR</b></p> <ul style="list-style-type: none"><li>• I will recognize it is difficult to be a patient.</li><li>• I will respond to stated worries by individuals by providing information and reassurance.</li><li>• I will be aware of my facial expressions and non-verbal language.</li><li>• I will enthusiastically perform my job.</li><li>• I will put the needs of those around me above my own needs.</li><li>• I will recognize that patients and staff are always watching and listening.</li></ul>	<p><b>RESPECT</b></p> <ul style="list-style-type: none"><li>• I will be an active listener in all conversations with patients, visitors and fellow associates.</li><li>• I will be alert to and promptly respond to patients', visitors' and peers' needs.</li><li>• I will speak at all times in a professional and respectful manner.</li><li>• I will be accepting of individual and cultural differences.</li><li>• I will acknowledge others with a smile, eye contact, and a warm greeting.</li><li>• I will provide an atmosphere of privacy, dignity and confidentiality.</li></ul>
<p><b>TEAMWORK</b></p> <ul style="list-style-type: none"><li>• I will actively collaborate with members of other disciplines to provide quality customer care and service.</li><li>• I will work in a way that makes work easier for others.</li><li>• I will work to create a fun and professional work environment.</li><li>• I will seek input about my job performance from my peers.</li><li>• I will be supportive, sensitive and positive about my co-workers and organization.</li></ul>	<p><b>ACCOUNTABILITY</b></p> <ul style="list-style-type: none"><li>• I will be attentive to the task at hand and complete it in a timely manner.</li><li>• I will perform the responsibilities of my job to the best of my abilities.</li><li>• I will be present and productive during my assigned work time.</li><li>• I will carry out my words and promises.</li><li>• I will take responsibility for my own actions and not look to place blame on others.</li><li>• I will accept feedback in a constructive manner.</li><li>• I will acknowledge, act, and apologize when problems are identified.</li><li>• I will work to systematically resolve issues.</li></ul>
<p><b>COMMUNICATION</b></p> <ul style="list-style-type: none"><li>• I will communicate with clarity and professionalism both orally and in writing.</li><li>• I will keep people informed while resolving issues or getting answers to questions.</li><li>• I will be empathetic, provide explanations, and offer alternatives in difficult situations.</li><li>• I will facilitate clear interdepartmental communication.</li><li>• I will communicate my concerns to the appropriate person at the appropriate time in a constructive manner.</li><li>• I will maintain truthfulness and honesty in all my actions and words.</li></ul>	<p><b>DEDICATION TO EXCELLENCE</b></p> <ul style="list-style-type: none"><li>• I will strive to perform at the highest standard.</li><li>• I will seek out the “extra” steps in performing my job.</li><li>• I will continually seek opportunities to expand my base of knowledge.</li><li>• I will anticipate and respond to all physical, spiritual, emotional, intellectual and social needs of patients and their families.</li><li>• I will exhibit pride in all that I do as well as in my place of employment.</li><li>• I will anticipate and exceed expectations both real and perceived.</li><li>• I will anticipate and address common concerns without the patient having to raise them explicitly.</li></ul>
<p><i>As an Associate of Hancock Regional Hospital, I will continue to strive to model the above behaviors at all times with patients, visitors, physicians, co-workers and all others whom I interact with on a daily basis. My commitment to these standards will be evident in my words, actions and deeds.</i></p>	<p>Associate's Signature: _____ Print Name: _____ Date: _____</p>



# History of Innovation

- Physician Network
- Wellness Centers
- Surgery Center
- Additions to main campus  
(1993/2005/2014)
- Wound Healing Centers
- Cardiac Care Center
- Transitions (hospice)
- Reflections (geropsych)
- Orthopedics

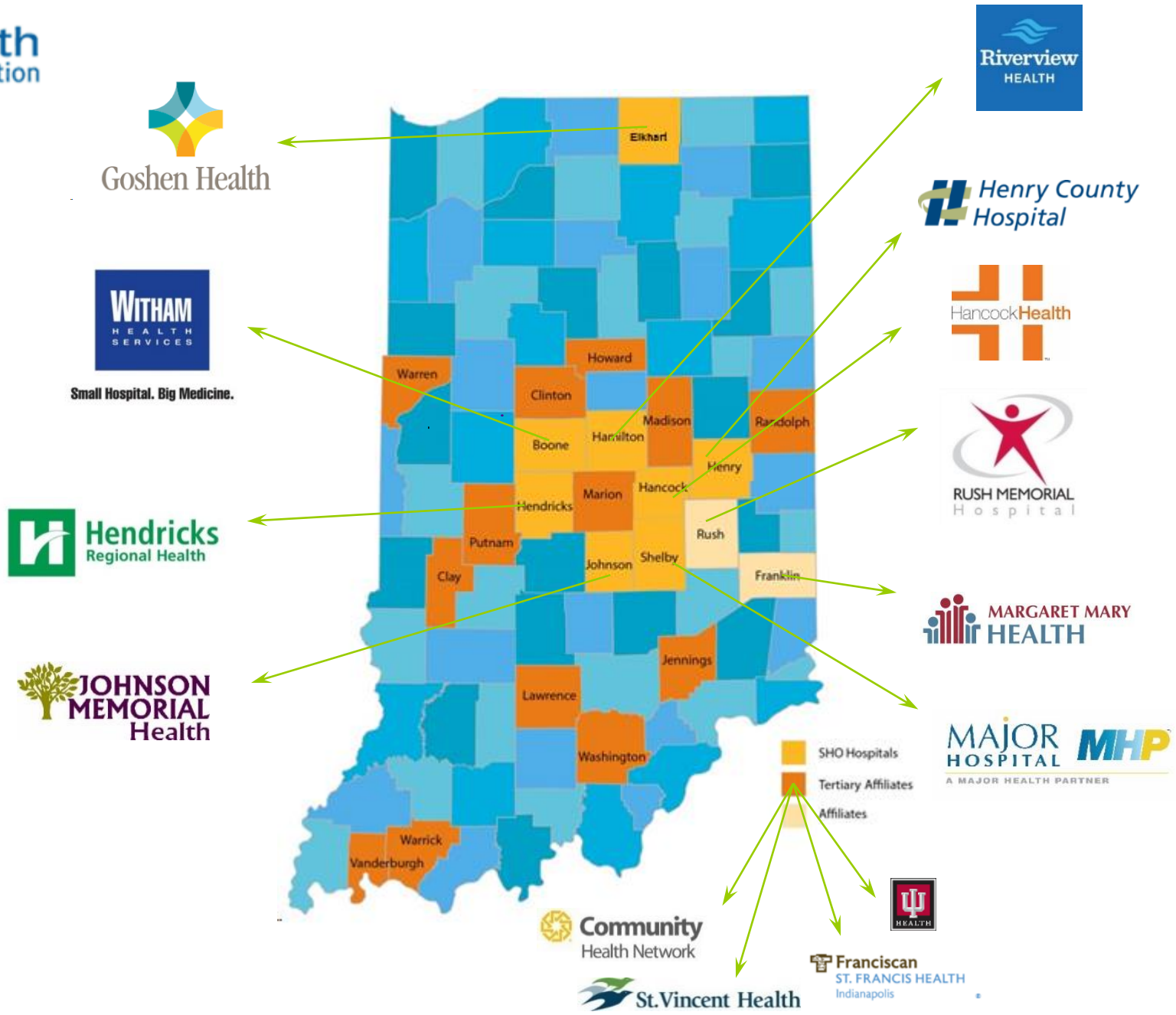


- Employer clinics
- Cancer Center
- Suburban Home Health
- IGT program
- LTACH
- Jane Pauley Center
- Physician Specialties
- Suburban Health Organization



Small Hospital. Big Medicine.





Goshen Health

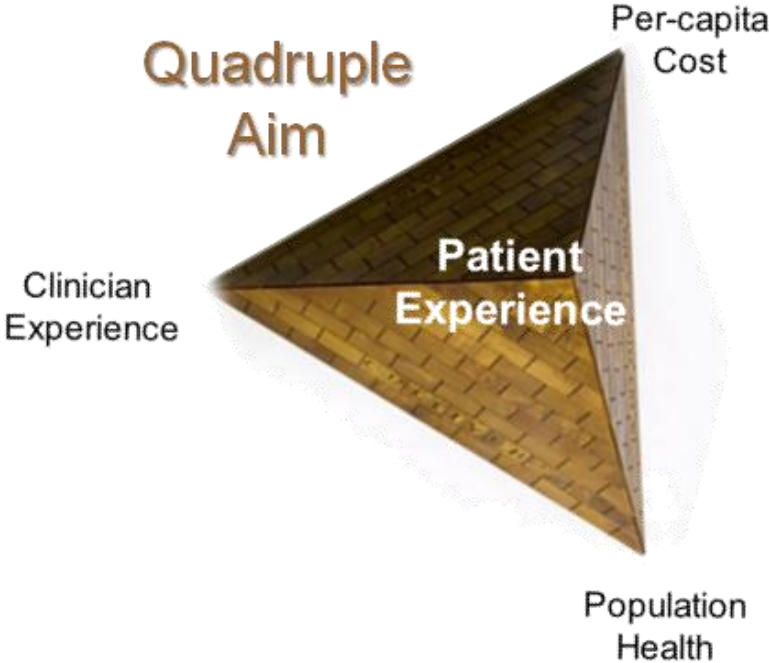
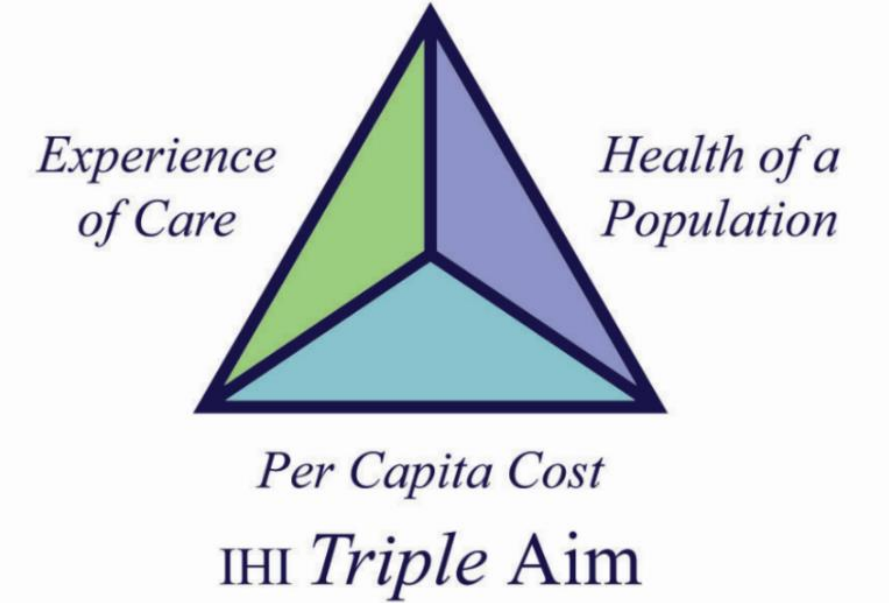


Small Hospital. Big Medicine.



# Strategy for the Future

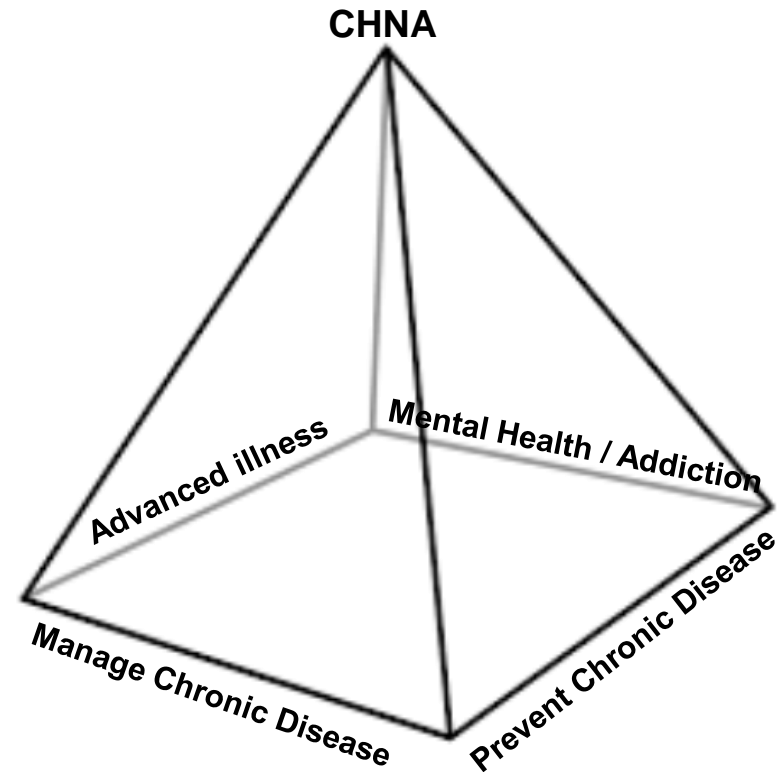
- Medicare Gap
- Population Health
- L.O.V.E. (Living Our Values Every day)





# Tomorrow...

- Change the way we think of ourselves



# 1. Defragmentation (Manage Chronic Disease)

- Stratification & Measurement
- Care Management & Coordination



## 2. #1 for Health *(Prevent Chronic Disease)*

The choices we make are correlated with the choices we have



### HANCOCK COUNTY TRAILS PLAN



### Hancock Health Healthy Harvest Voucher

Hancock Health is proud to announce a partnership with Brandywine Creek Farms to provide fresh, local produce in convenient locations at a reasonable price.

Congratulations! This voucher (plus just \$1) is all that is needed for one (1) bag of seasonal produce plus 1/2 dozen farm fresh eggs (when available) at any of the mobile Farmer's Market locations.

Enjoy your complimentary, recyclable produce bag!  
Please reuse it in future visits!

Number of household adults: \_\_\_\_\_ children: \_\_\_\_\_

Signature of referring care provider



**Healthy Harvest**

Bringing fresh healthy fruits and vegetables to the community!

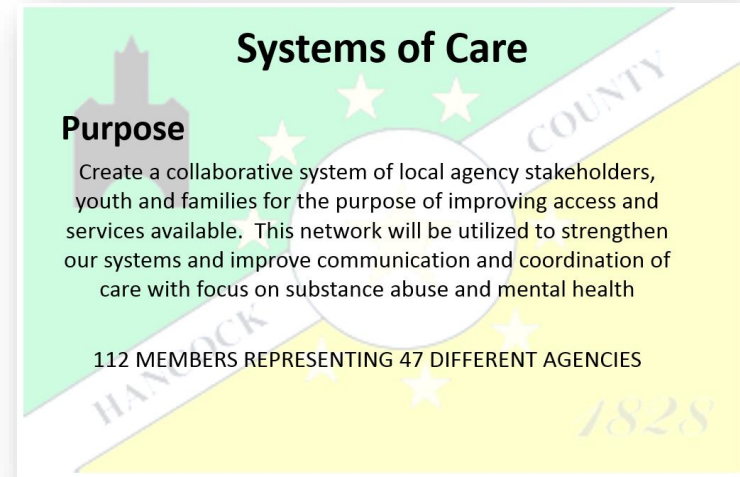
ORDINANCE NO. 2008-12G

**ORDINANCE PROHIBITING SMOKING IN PUBLIC PLACES,  
PLACES OF WORK AND OTHER LOCATIONS WITHIN  
HANCOCK COUNTY, INDIANA, AND ADDING TO THE  
HANCOCK COUNTY CODE OF ORDINANCES, SECTION 91.50 ET. SEQ.**



# 3. Mind / Body / Spirit *(Mental health / Addictions)*

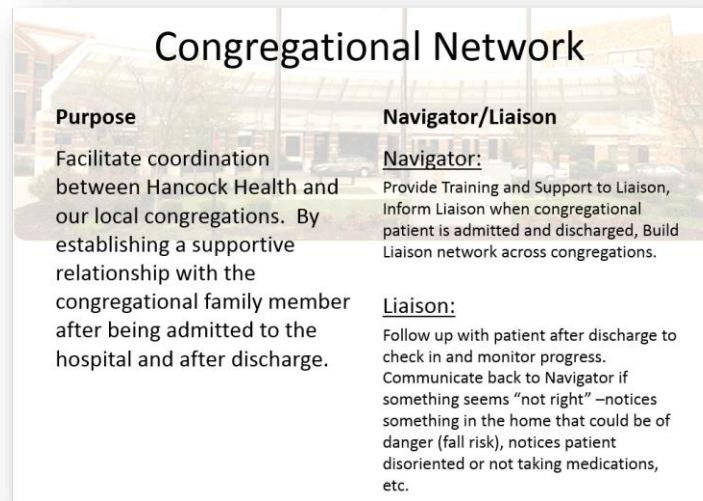
- Systems of Care
  - Youth and family focused
  - Substance abuse/mental health
  - Nearly 50 education, law enforcement, health care, social service, not-for-profit, etc.
- Congregational Network
  - Reaching people
    - Where they are
    - Through trusted individuals
    - An extra level of love
  - 22 churches, ~900 individuals



### Systems of Care

**Purpose**  
Create a collaborative system of local agency stakeholders, youth and families for the purpose of improving access and services available. This network will be utilized to strengthen our systems and improve communication and coordination of care with focus on substance abuse and mental health

112 MEMBERS REPRESENTING 47 DIFFERENT AGENCIES

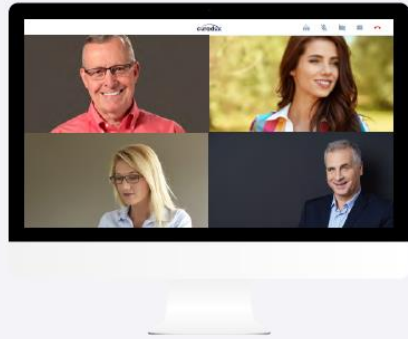


### Congregational Network

<p><b>Purpose</b> Facilitate coordination between Hancock Health and our local congregations. By establishing a supportive relationship with the congregational family member after being admitted to the hospital and after discharge.</p>	<p><b>Navigator/Liaison</b> <u>Navigator:</u> Provide Training and Support to Liaison, Inform Liaison when congregational patient is admitted and discharged, Build Liaison network across congregations.</p> <p><u>Liaison:</u> Follow up with patient after discharge to check in and monitor progress. Communicate back to Navigator if something seems "not right" –notices something in the home that could be of danger (fall risk), notices patient disoriented or not taking medications, etc.</p>
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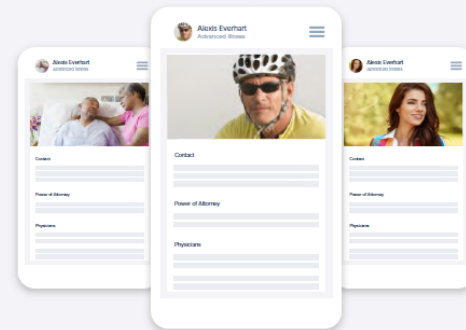
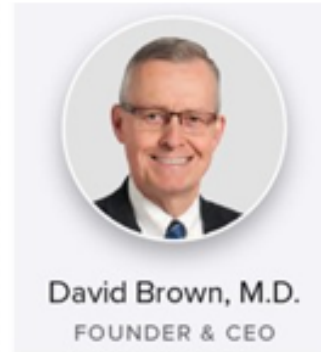


# 4. Keeping the End in Mind



## Family Network

When illness strikes, families are often forced to respond to a sudden influx of inquiries from friends and family which consumes valuable time and adds more stress. We provide families with a modern online network they can use to send and receive streamlined updates about the status of their loved one's care.



## Personal Health Record

Patients often have multiple records decentralized across multiple providers resulting in fragmented and lower quality care. We provide patients with one simple summary of their health history that ensures their medical teams have the most relevant and personalized information to inform their care.



## Physician Care Guides

Providers often have no process for understanding a patient's values and goals prior to recommending a course of care. We provide access to a network of Physician Care Guides who help ensure the values and goals of individuals are driving their healthcare decisions.

## 1. “Internally Focused”

- Stratification & Measurement
- Care Management & Coordination



## 2. Make Hancock County #1 for Health



## 3. Mind / Body / Spirit

### • Systems of Care

- Youth and family
- Substance use
- Congregational
- Reaching people
  - Where they are
  - Through trusted
  - An extra level of

## 4. Navigating Advanced illness

- Patients with chronic serious illnesses and functional debility are often major cost drivers
- Primary care physicians provided guidance and care management in the past,
  - Production pressures and fragmented specialists impede this today
- American health care system is built, and incentivized, to provide intervention and the natural path is to “do more”
- We all turn to “the doc in the family” during times like these, someone who knows our values and our goals...
  - Most family don’t have a doc...

Population Health

# Suburban Health ACOs

- Collaborative ACOs that are hospital based and focused on building clinically integrated networks and individual community performance
- Suburban Health ACO 1 (Hancock Regional), Suburban Health ACO 2- 2014 and 2015 starts
- ACO Investment Model (AIM) funded.
- SHO Attribution 14,862. SHO 2 Attribution 8,121
- January 2019- SHO 1 and SHO 2 combining= 6 primary hospital participants



# Q3 2018 ACO Scorecard

Category	Metric	Hancock	Hendricks	Johnson	Witham	Henry	Margaret Mary	Total
Leading Indicators	Population Health Nurse in Place	✓	✓	✓	✓	✓	✓	
	Physician Leader in Place	✓	✓	✓	✓	✓	✓	
	Lightbeam Interface Status	Complete	Complete	QA Process	Complete	QA Process	Complete	
Care Coordination	% of Attributed Patients with AWW, Q1 2018	26.2%	25.5%	22.9%	40.4%	43.0%	35.3%	
	% of Attributed Patients in CCM, Q1 2018	2.2%	0.1%	0.0%	2.8%	1.9%	1.0%	
	% of Attributed Patients with ACP, Q1 2018	2.4%	0.8%	0.9%	0.4%	0.3%	0.7%	
	% of Attributed Patients in DSM, Q1 2018	4.5%	3.7%	3.1%	3.8%	1.7%	5.0%	
Outcomes	Quality Score, 2017 (If Applicable) - No Credit	16.7	15	14.55	16.25	16.25	16.7	
	Total Expenditures - Q1 2018 vs. Benchmark *Extra Credit	Did Not Meet	Met 90% CI	Met 90% CI	Did Not Meet	Did Not Meet	Met 90% CI	
	Promoting Interoperability Estimate Score	0	0	0	0	100	100	
Staff Engagement	Representative at Previous Board Meeting	✓	✓	✓	✓	✓	✓	
	Practice Manager at June Roadmap Meeting	✓	✓	✓	✓	✓	X	
	Population Health Nurse at June Roadmap Meeting	✓	✓	✓	✓	✓	✓	
	Population Health Nurse at May Clinical Cohort Meeting	✓	✓	✓	✓	✓	✓	
	Compliance Webcast Attendance	✓	✓	✓	✓	✓	✓	
	Quality Reporting Webcast Attendance	✓	✓	✓	✓	✓	✓	
Physician Lead	Attend Q2 2018 Steering Committee Meeting	✓	X	✓	✓	✓	✓	
	Attend April Physician Leader Cohort Meeting	✓	✓	✓	✓	✓	✓	
ACO Medical Director	Attend Cohort Call or Follow Up	✓						
<b>TOTAL (Current, Q3 2018)</b>		<b>84%</b>	<b>81%</b>	<b>86%</b>	<b>83%</b>	<b>85%</b>	<b>88%</b>	<b>85%</b>
Total (Q2 2018)		88%	91%	87%	85%	84%	87%	88%
Total (Q1 2018)		86%	88%	90%	90%	90%	88%	89%





# SHO | CMS 2017 End of Year Results

Performance Year	Quality Score	Savings/Losses	Earned Performance Payment
2016	95%	\$1,416,057	\$0
2017	87.58%	\$2,215,628	\$0



# WINONA HEALTH

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RACHELLE H. SCHULTZ

PRESIDENT/CEO

# ORGANIZATIONAL BACKGROUND

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- Mission: Devoted to improving the health and well-being of our family, friends and neighbors
- Located in SE Minnesota on the Mississippi River; population of 28,000
- Independent community owned healthcare system providing birth through end of life care and service: 49 bed hospital; >90 physicians and associate providers providing primary care and specialty care services; nursing home, assisted living facilities, hospice and robust ancillary services

# WHY PURSUE POPULATION HEALTH STRATEGIES

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- Current state challenges of **changing demographics, decreasing reimbursement, workforce shortages, disruptions entering the healthcare space, changing patient needs** (chronic conditions, behavioral health concerns, more emphasis on prevention and wellness, etc.) and more make the case for change;
- There is no question that new approaches for care delivery and financing are needed and we wanted to define and create an approach to meet our community's needs;
- To redesign healthcare in our community we needed
  - **A platform for change that included a care transformation approach (ACO/VBP),**
  - **A wholistic care model that included social determinants of health**
  - **And a technology infrastructure to support data analytics as well as enable a significant redesign of care delivery.**
- Our objectives needed to address cost, quality, access and patient experience.
- Population health is the sweet spot for rural healthcare organizations

# POPULATION HEALTH STRATEGIES

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- Integrated Health Partnership (IHP) with MN Medicaid program started in 2015; currently in 2<sup>nd</sup> 3-year cycle
- 2016 launched Medicare MN Rural ACO with five other Minnesota virtual partners and Caravan as our managing partner; 12,000 covered lives
- 2019 rolled into national collaborative Medicare ACO for 2 years to keep momentum and work advancing
- Beginning to pursue same work with commercial payers

# THE VIRTUAL ACO MODEL

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- Rural organizations are too small to pursue the ACO strategy on their own – and we need similar types of organizations to partner with (rural hospitals are not little big hospitals)
- The **learning and transparency** of this model provides significant resources to all involved
- The **analytics** provided timely feedback on organizational as well as ACO performance benchmarked to national standards of FFS, MSSP, etc.
- We focus on improving our own performance – and with everyone doing this the ACO performs well
- **Virtual model** works remarkably well; now in a national ACO with 225K lives
- **Governance structure** provides connectivity among like minded leaders to advance this work and is supported by strong management, analytics and improving systems

# WHERE TO GO FROM HERE

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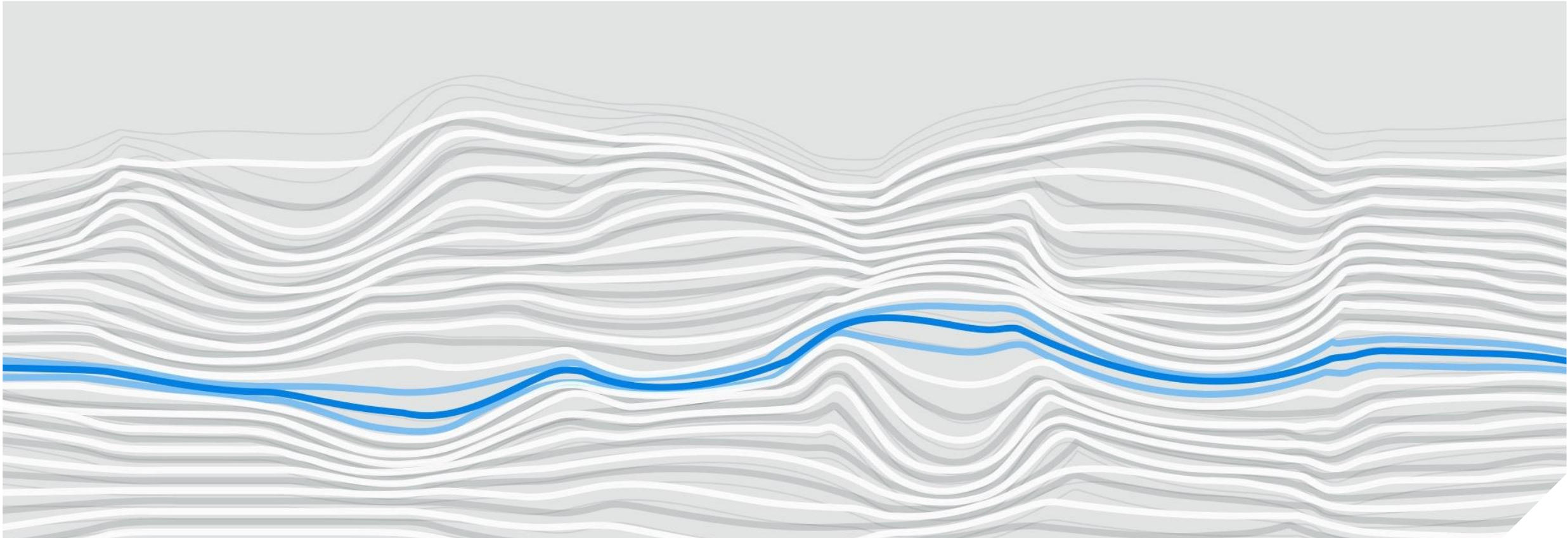
- These models are not endpoints but rather a **means to enable care transformation**
  - This work is not easy but it is necessary and gets better as the system changes are made
- **Alignment of payers, providers, and patients is a key goal**
- We must have a **continuous improvement** mindset that is applied every day
- **Partnering with similar organizations** enhances strengths of all and leverages the change process
- This work also links nicely to **community specific initiatives** we are working on (SDoH)

# Benefits of Scale

Actuarial analysis

Colleen Norris, FSA, MAAA

04 APRIL 2019



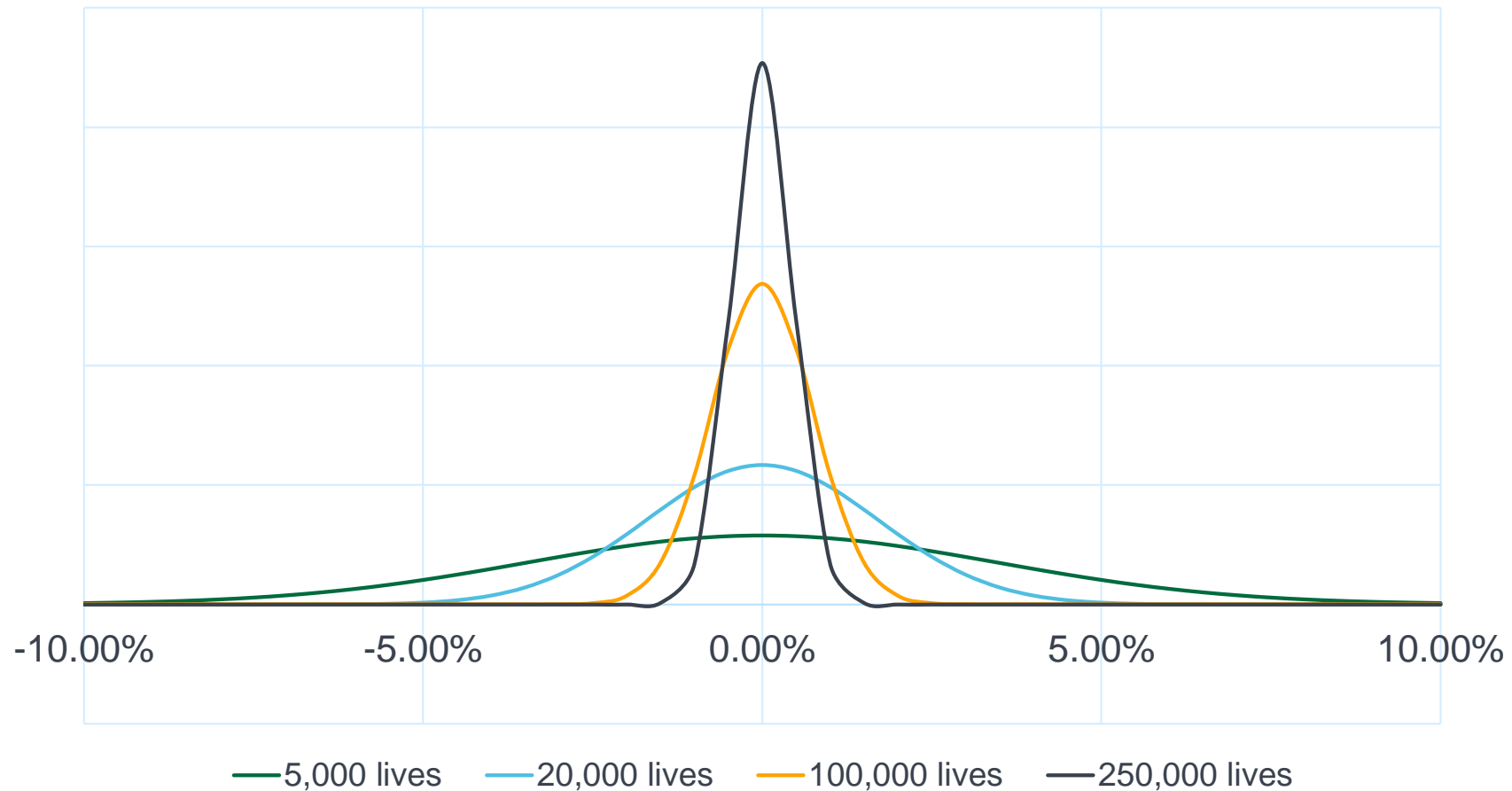


**Small populations aren't  
credible in an insurance  
context;**

**they aren't credible in an  
ACO context either.**

# Variability of performance year outcomes by ACO size

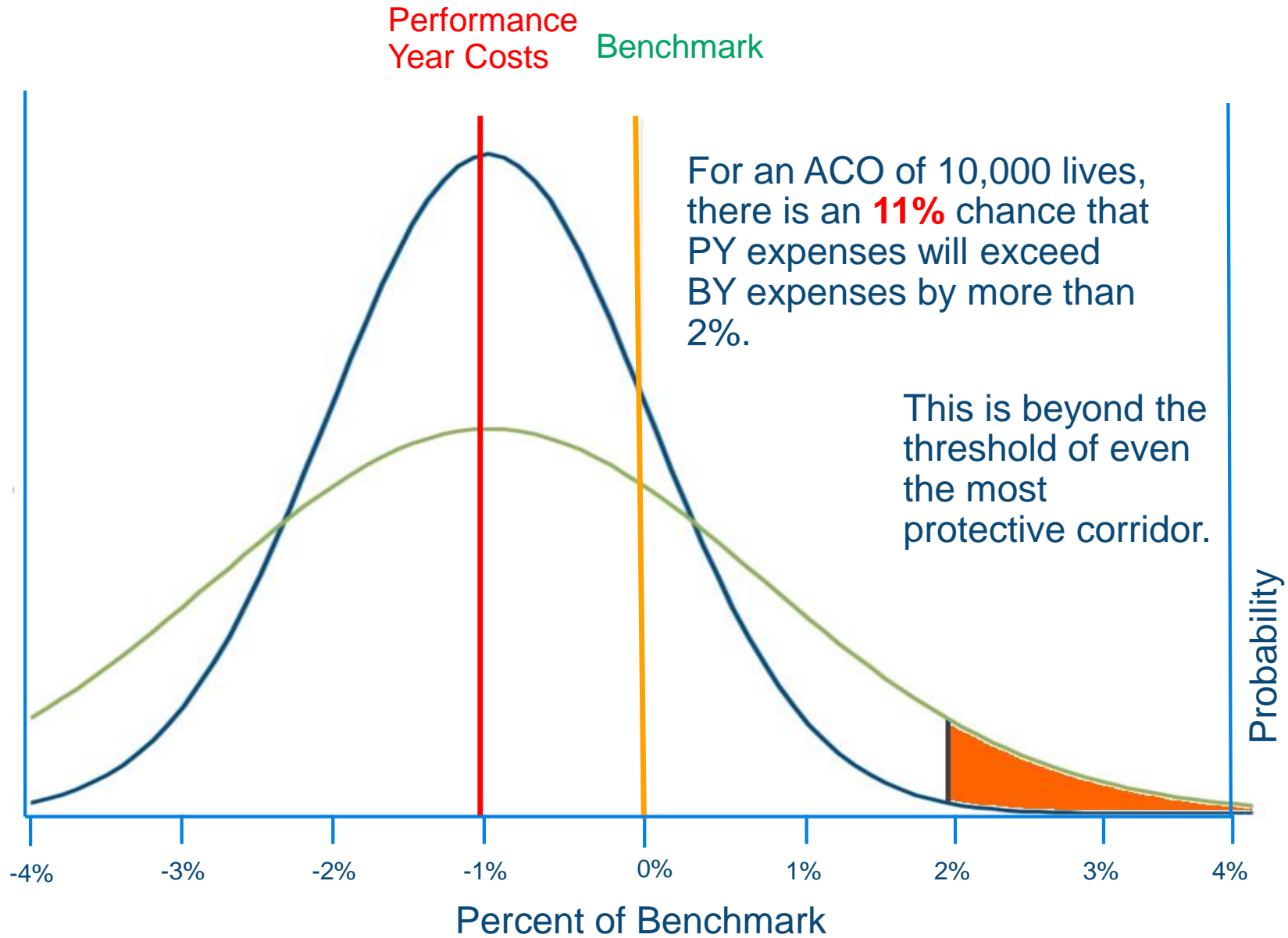
Ratio of risk adjusted PY / BY expenditures

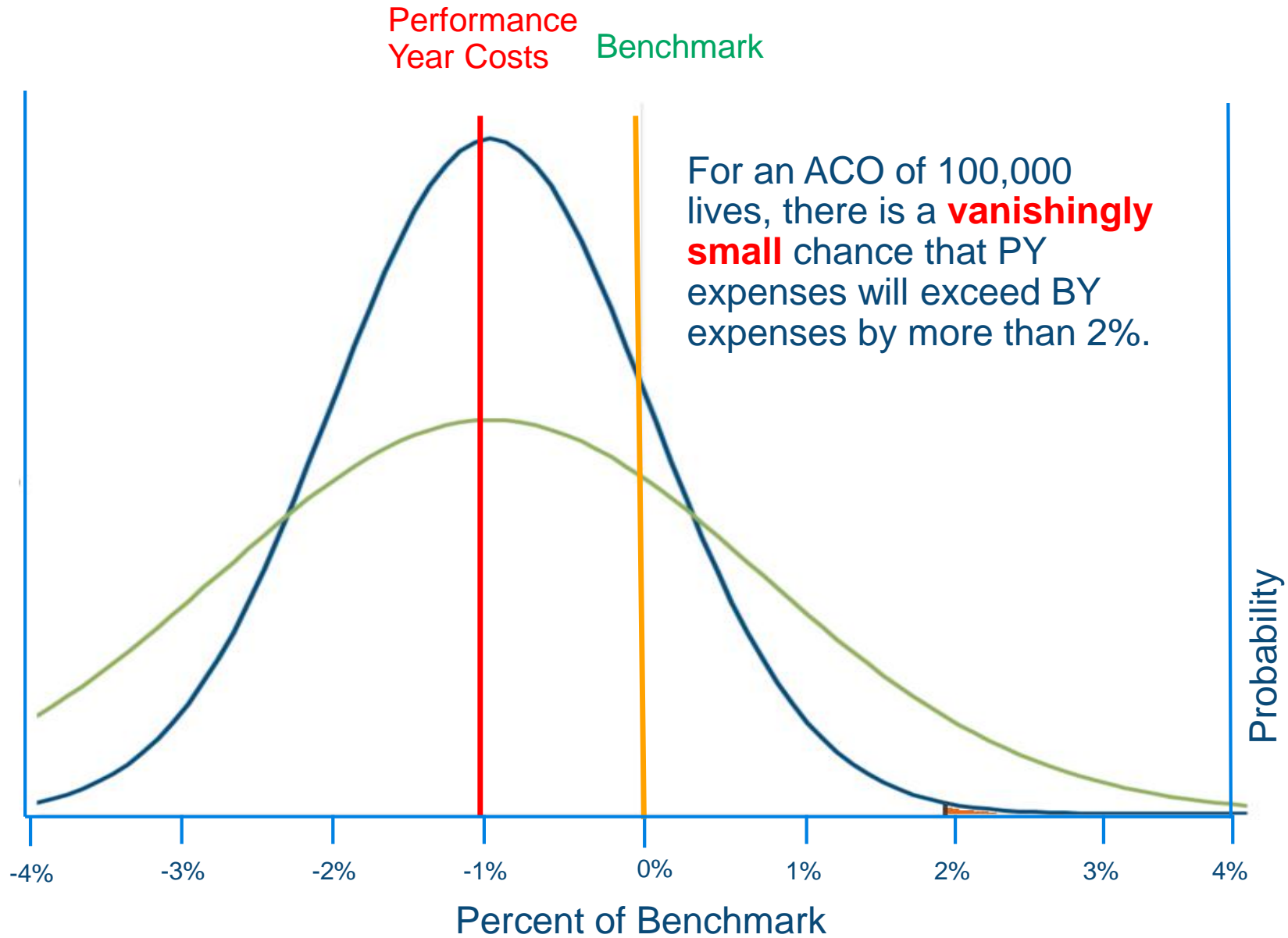


# Variability of performance year outcomes by ACO size

Ratio of risk adjusted PY / BY expenditures

Number of attributed lives	50% Confidence Interval	75% Confidence Interval	95% Confidence Interval
5,000	+/-2.34%	+/-3.98%	+/-6.79%
20,000	+/-1.15%	+/-1.96%	+/-3.34%
100,000	+/-0.50%	+/-0.85%	+/-1.45%
250,000	+/-0.30%	+/-0.51%	+/-0.86%





# Collaborative ACO Background- Lynn Barr, MPH



# About Caravan Health

*Helping Providers Navigate the Challenges of Value-Based Payments*

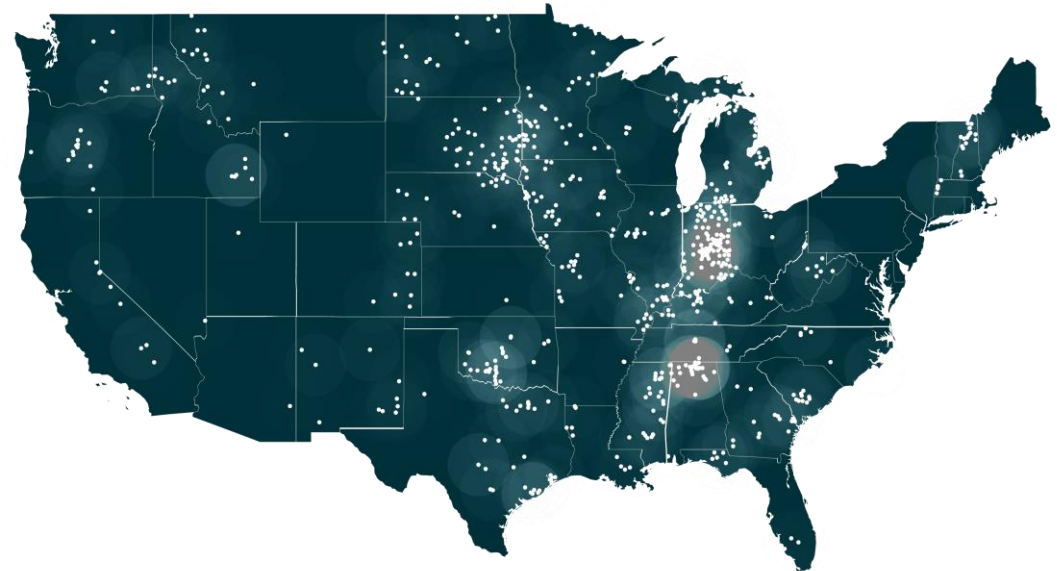
Practice  
Transformation

Data and  
Analytics

Network  
Development

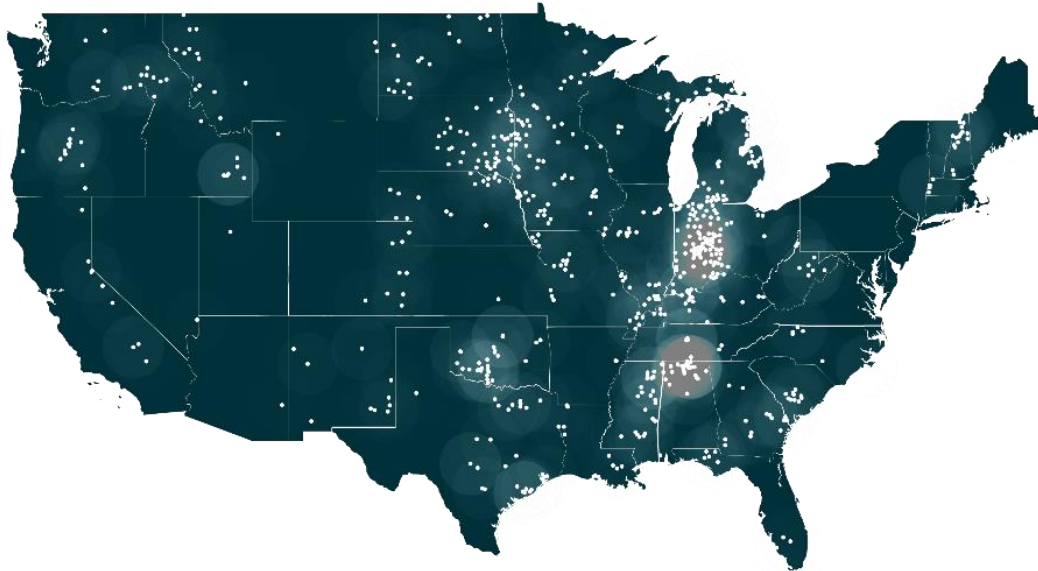
Accountability and  
Performance  
Improvement

- **170 employees**
- **17 Accountable Care Organizations ranging from 5,000 to 250,000 attributed lives**
- **CMS Practice Transformation Network**
- **>350 health systems**
- **>14,000 clinicians**
- **>500,000 attributed Medicare lives**



# Two Major Collaborative ACOs

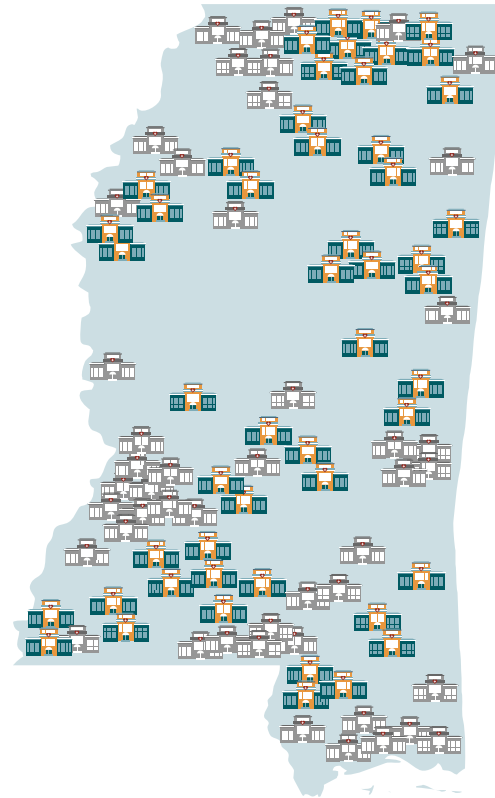
Launched in 2019



## **The Caravan Health Collaborative ACO** (aka the COIPA ACO)

132 participants

Serving ~224,000 attributed patients, ~450,000 total Medicare patients



## **The Mississippi Collaborative ACO**

29 participants

Serving 65,000 attributed patients, ~130,000 total Medicare patients



# The Collaborative ACO Model

## Shared Governance: Shared Accountability, Local Control

### Membership

Two types of participants: Principal Participants & Participants. A **principal participant** is the entity that loans the MSO fees to the ACO on behalf of itself and the participants in its community.

### Flow of funds.

If shared savings are earned, the principal participant recovers its fees before shared savings are paid to the participants. If shared savings are not earned, the ACO has no obligation to repay the fees and the loan is forgiven.

### Voting

Each Principal Participant has one vote. Votes are cast at the Participant Steering Committee and are binding on the board. Participants approve waivers, admit and discharge participants, approve triple aim initiatives recommended by physician leaders, changes in shared savings distributions and manage executive director and vendors.

### Expectations

All participants will be required to promote wellness, prevention and chronic care management and consistently document chronic conditions for HCC coding purposes. They will be required to report quality measures and comply with program regulations. If in Track 1, they must also report Promoting Interoperability and use 2015 CEHRT.

# 2017 ACO Results



94%

AVERAGE QUALITY  
MEASURE SCORE



\$54 million

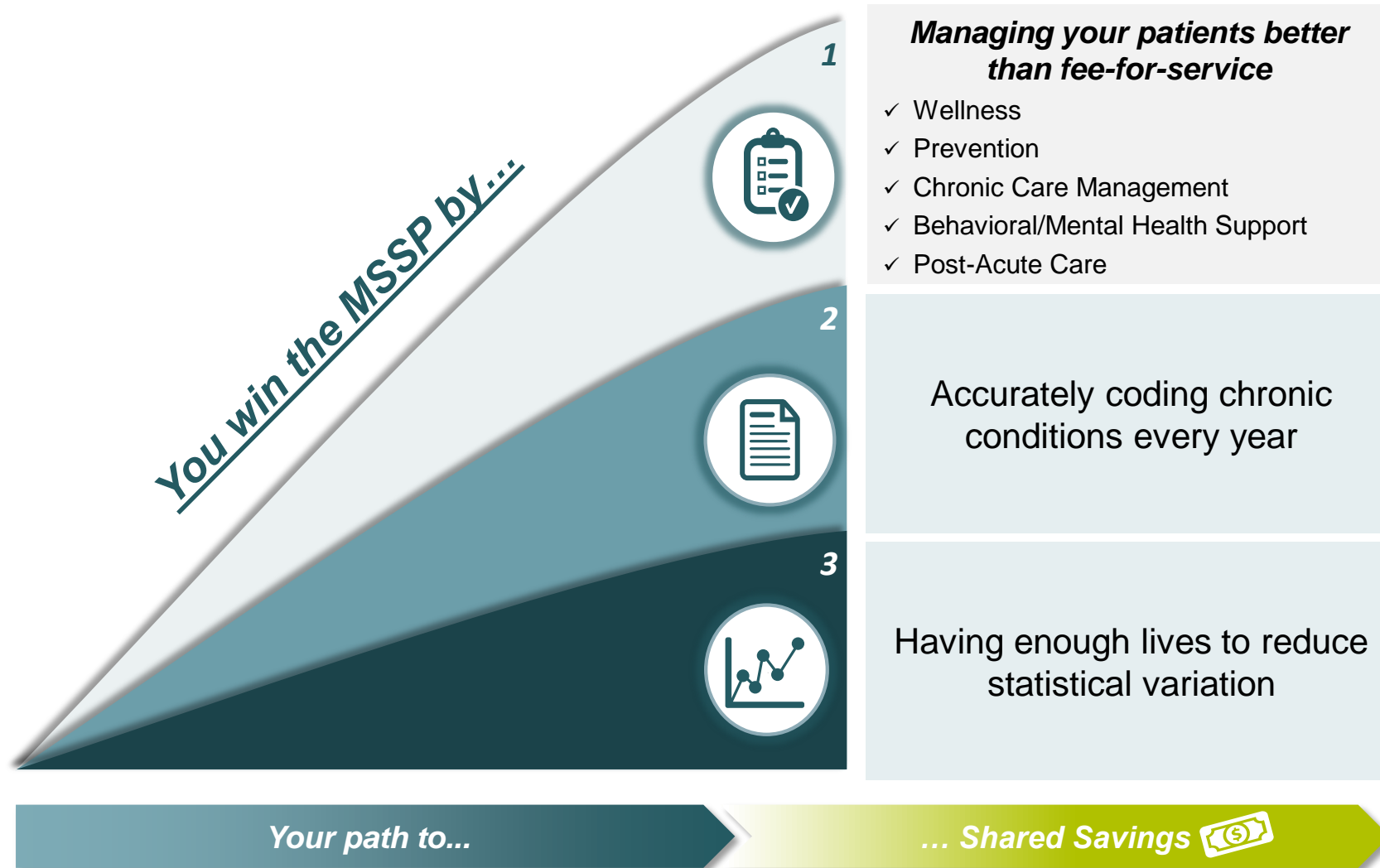
2017 TOTAL SAVINGS,  
UP FROM \$26m IN 2016



\$200 +

SAVINGS PER PATIENT  
IN 2017

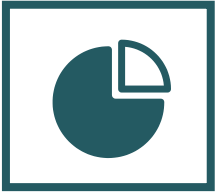
# How Do You Win in the MSSP?



# BASIC & ENHANCED ACO Options

	BASIC					ENHANCED
	Level A	Level B	Level C	Level D	Level E	
<b>Risk</b>	Upside only		Two-sided	Two-sided	Two-sided	Two-sided
<b>Shared Savings</b>	1st dollar savings, rate of 40%		1st dollar savings, rate of 50%	1st dollar savings, rate of 50%	1st dollar savings, rate of 50%	1st dollar savings, rate of 75%
<b>Shared Losses</b>	NA		1st dollar losses, rate of 30%, not to exceed 2% of revenue or 1% benchmark	1st dollar losses, rate of 30%, not to exceed 4% of revenue or 2% benchmark	1st dollar losses, rate of 30%, not to exceed nominal risk standard (currently 8% of revenue or 4% of benchmark)	1st dollar losses, rate of 1 minus sharing rate (40-75%), not to exceed 15% of benchmark
<b>QPP Status</b>	MIPS APM				Advanced APM	Advanced APM

# Why Take Risk?



**ACO participants taking risk will get 5% lump sum payments** that are not counted in shared savings and are exempt from MIPS reporting – making your clinicians happier and more attractive to others in value-based payments.



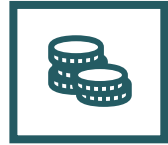
## **CMS is steadily increasing incentives for risk-takers**

- ✓ Higher rewards for MSSP performance
- ✓ Reduce risk corridor to 0.5% or lower
- ✓ Direct admissions to SNFs
- ✓ Telehealth to patient homes as a billable visit
- ✓ Exempt from MIPS and Meaningful Use
- ✓ 0.5% higher annual increases in Part B starting in 2026 that will accumulate over time to the clinicians NPI.



It will be difficult to recruit physicians if you do not take risk. **Beginning in 2026, every year a clinician does not take risk his lifetime earning potential decreases by 0.5%.**

# In Summary



## **Value-based Payment is Here to Stay**

More than a third of all providers will participate in these programs. Reducing healthcare cost growth is critical for our future. Get maximum upward adjustments of Part B payments and shared savings to supplement frozen fee for service revenue.



## **Now is the Time to Take Action**

Early adopters reaped the benefit of risk-free participation. The move to risk is accelerating and it is important to gain experience and prepare for the future reimbursement system.



## **Statistical Variation will Hurt your ACO**

The effects of statistical variation create unreliable and spurious results that can wrongly penalize or reward providers.



## **Strengthen Provider Reputation**

MIPS scores will be much higher for APM participants. CMS will post this data on Physician Compare in 2018 and publish for third-party use.



## **Maximize Value-based Reimbursement**

Joining a 100,000+ life ACO increases the likelihood of predictable shared savings, higher MIPS adjustments, reduces risk and sets the stage for future success in value-based payments, clinical integration and provider-based health plans.

# Speaker Contact Information

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