

# Emerging Models of Care Delivery

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Ex. Dir. of PI & Emerging Models

# St. Joseph Heritage Healthcare

- Founded in 1994
- Manage **7 Medical Group Professional Services Agreements (PSAs)**
- Support **3 distinct “Affiliated Networks (75,000 lives-not an “IPA”)** in SoCal
- More than 1.5 million patient encounters per year in group models
- **170,000 capitated** assigned HMO lives in Orange County
  - **28,000 are seniors** for whom SJH/SJHH has dual risk

SJHS OC MINISTRIES & SURROUNDING URGENT CARE CENTERS



Created by the SJHS Community Health Department, July 2011

SJH and Blue Shield created an ACO effective January, 2012. The BSC partnership required SJH to begin establishing organizational infrastructure to manage the 28,000 BSC ACO lives in Orange County

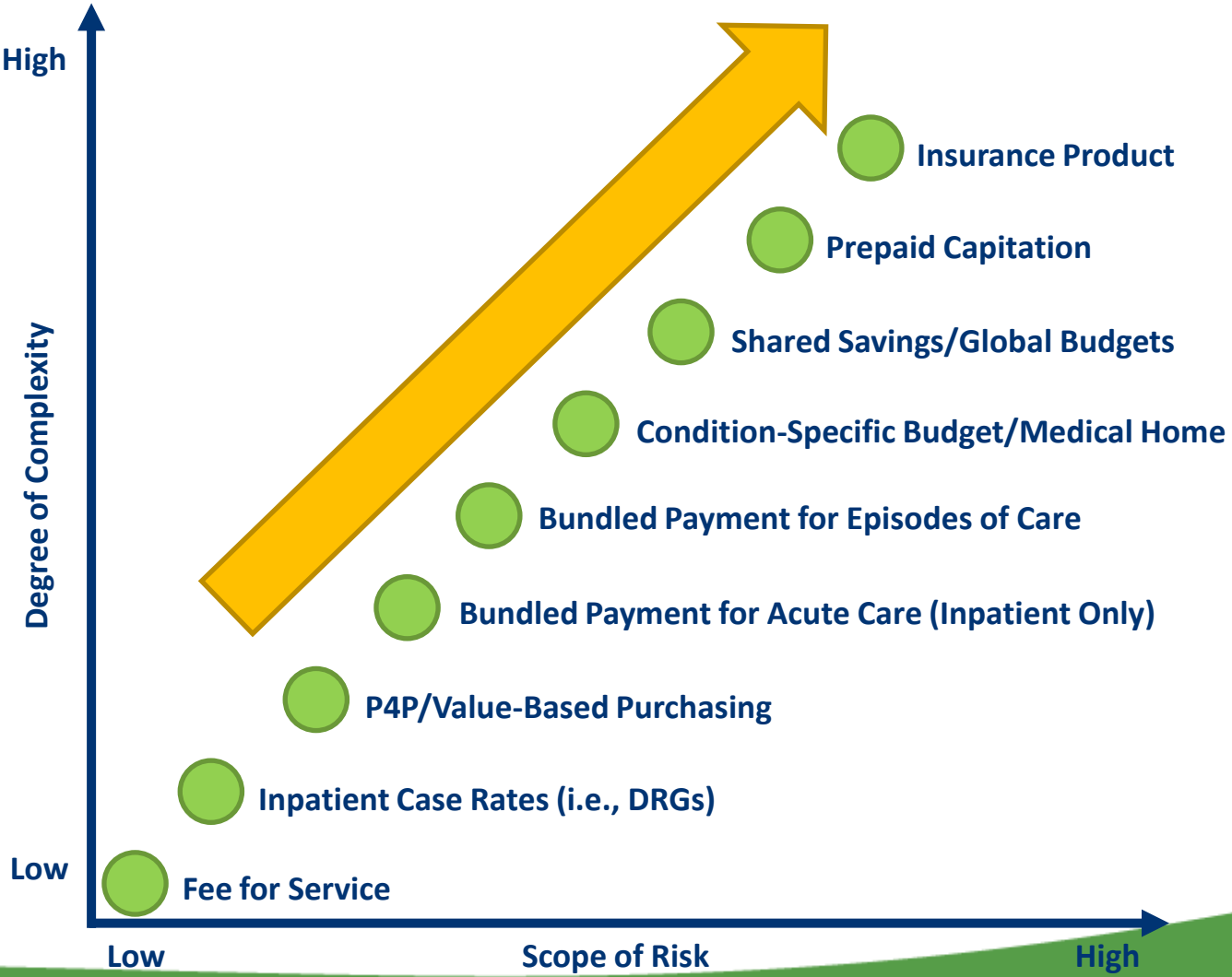


# Economics of Today's U.S. Healthcare System

- The fee-for-service (FFS), volume-based payment model is often blamed for providing incentives that ultimately lead to the overspending of healthcare providers
  - Today's FFS providers are paid when their patients receive more services. This volume-based reward system adds cost to the system.
- While the industry has operated under this paradigm for many decades, the bottom is finally falling out and the nation's debt crisis is demanding a change



# Providers Who Want to Survive in this new Era will have to Embrace Performance-Based Payment Models that Require Coordinated Care

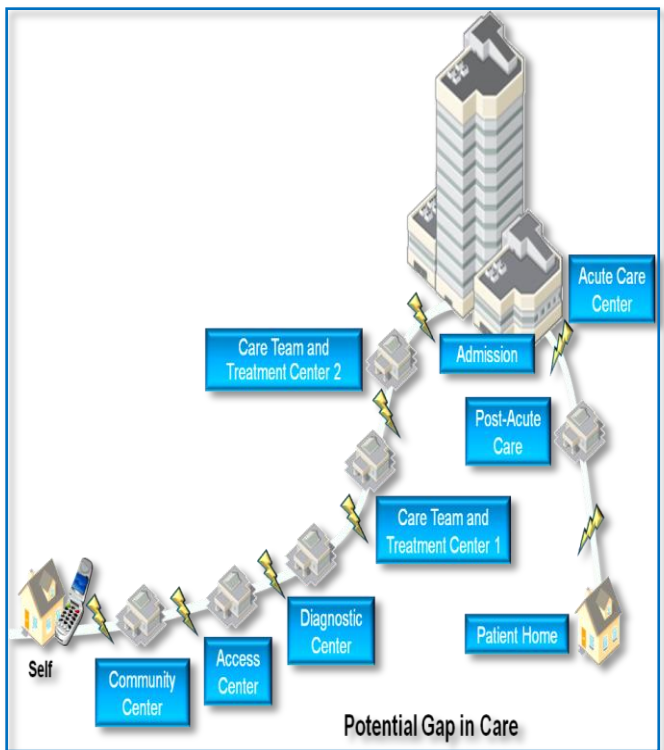


# From Volume to Value Based Performance

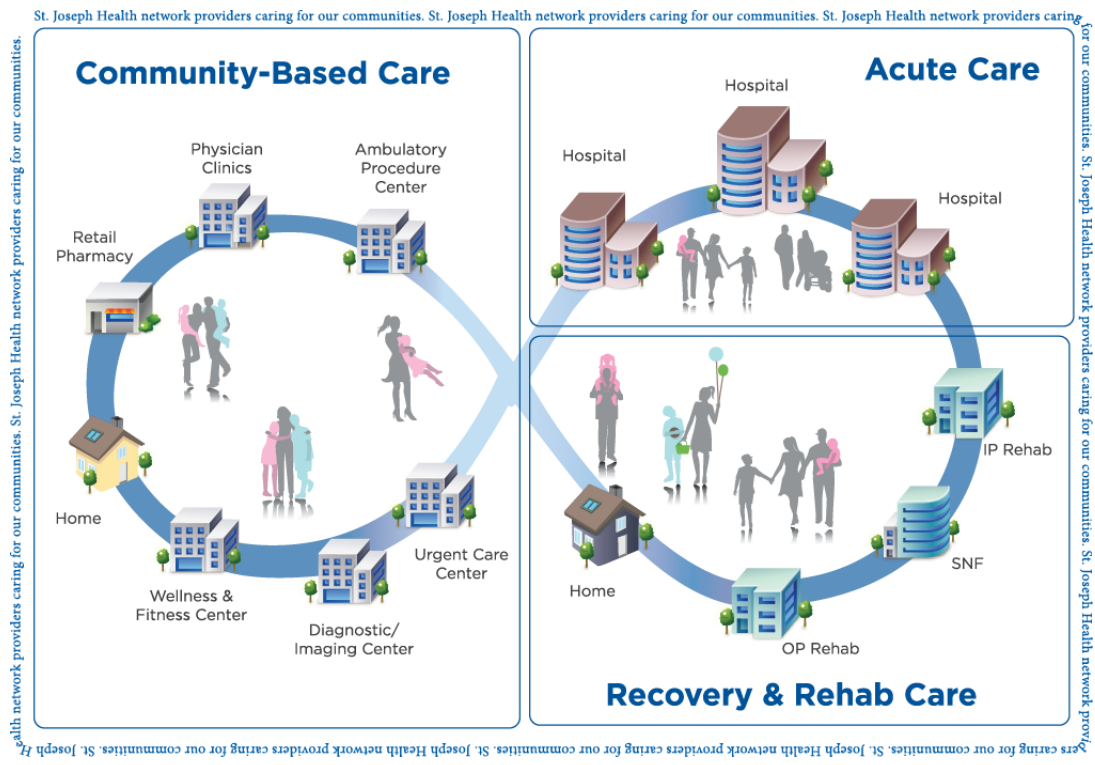


# Designing to Meet Our Mission in the Changing Environment

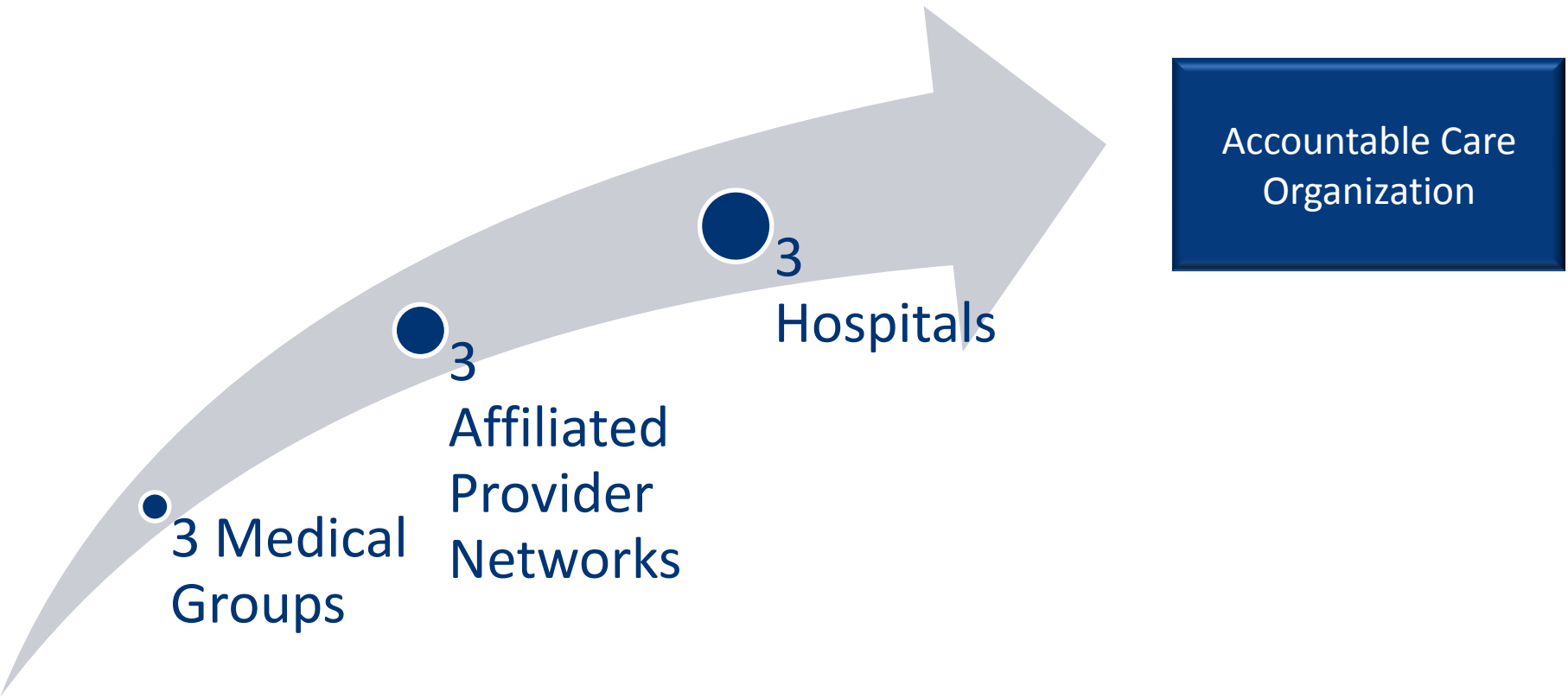
## Current Systems



## Future System



# Designing for a Regional ACO



# Metrics for Success

- Average length of stay
- Admissions per 1000
- ER visits per 1000
- Hospital readmission
- Generic utilization
- Per member per month

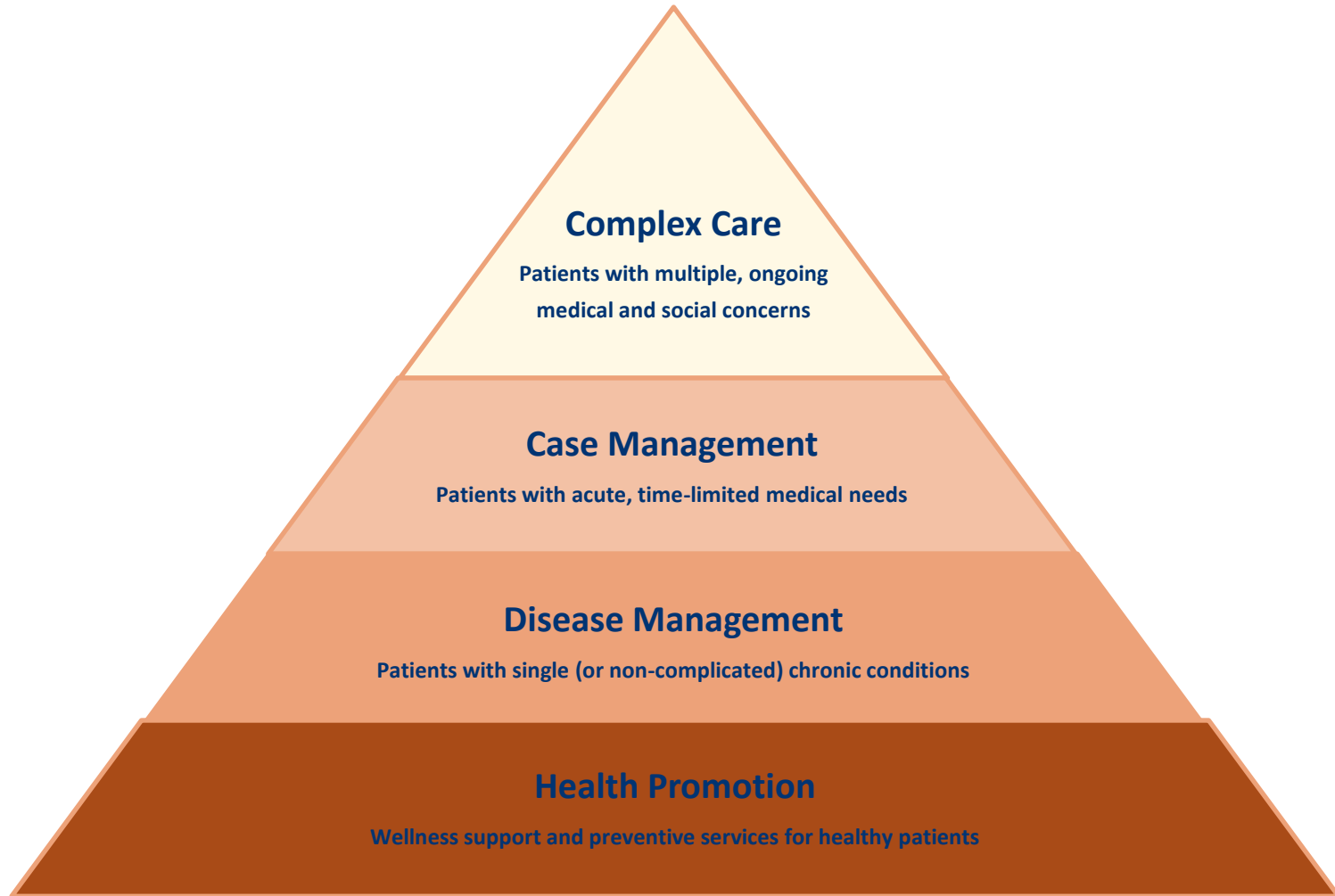




# Cost Management and Utilization

- Capture patient level costs throughout the continuum
- Perform monthly analysis with comparisons
- Understand extreme variations in quality and cost
  - Patients
  - Providers
  - System
- Identify departments with high spending and compare quality outcomes
- Remove waste in the process
- Sometimes you need to spend to save. Understanding gaps in care

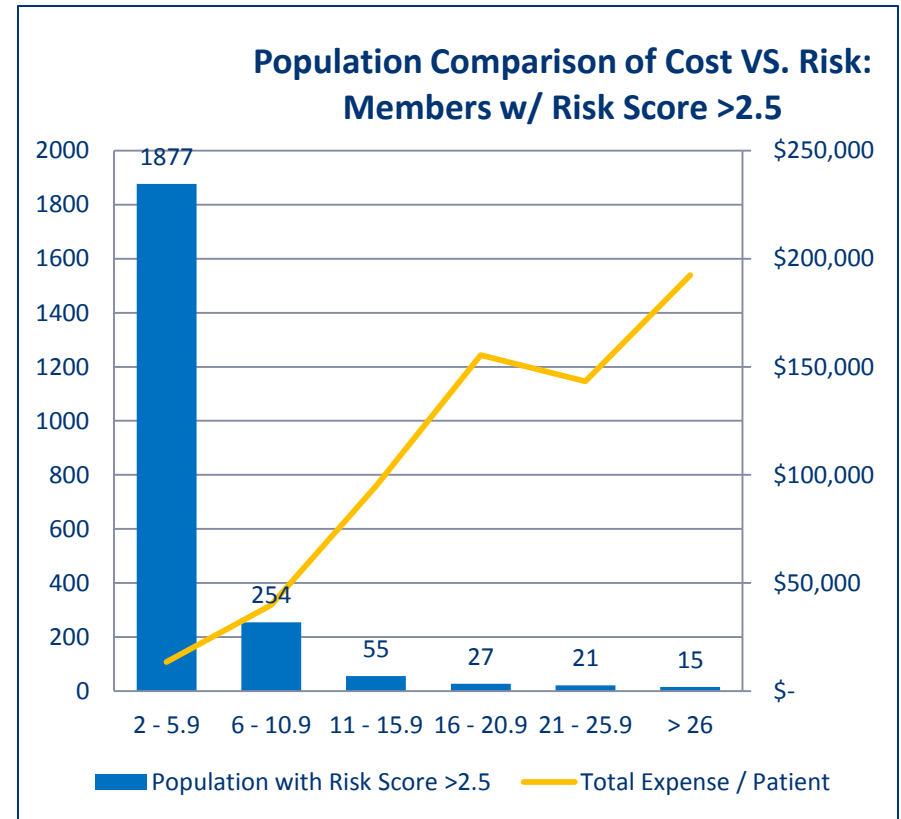
# Care Coordination



# Intensive Outpatient Care Program

## Nurse Care Manager

- Dedicated Nurse Care Manager
- Intake visit
- Shared action plan
- Physically present in the physician offices
- Regular contact with patients
- Access: 24/7 access by patient to provider
- Transition of care
- Same day access



## Connected Community

Payer

Patient

Heritage Medical Group

Heritage Network Physicians

SJHS hospitals

Home Health

## Connected Systems

Electronic Health Record

Patient Health Record

Shared Case Management

Physician Utilization

Risk Stratification and Predictive Modeling

Dashboard with Key Operating Indicators

## Health Information Exchange

# Transitions of Care



# Patient Engagement

## Improved Communications

Remote monitoring

Home devices

Patient portal

Online scheduling

Call center

24 hour nurse advice line



# Achieving Profitability under Emerging Model Contracts

- Align incentives
- Invest in preventive care and wellness
- Identify costs, eliminate variation and drive down costs
- Grow
- Engage in new partnerships



# What Does this Mean for the Medical Technology Industry?

- Need for companies to demonstrate quality outcomes
- New markets will emerge for technologies that offer alternatives to costly procedures, reduce adverse events and better manage chronic diseases
- Increase in demand for technologies that are “patient friendly” and connect to provider information systems
- Hospitals and providers may standardize purchasing
- The healthcare industry needs to protect innovation

