



*A Physician and Health System Collaboration*



# Arizona Care Network

February 24, 2016

# The Industry's Shift to Population Health

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- Decades of rising healthcare costs at unsustainable levels
- Public and private sector influencing (demanding) change
  - ✓ Affordable Care Act: ACOs / Health Insurance Exchanges
  - ✓ HDHP / Consumer Driven Health Plans
  - ✓ Carriers offering “Commercial ACO” solutions to fully insured clients
  - ✓ Self-funded employers contracting directly with provider networks
- Hospitals and health systems respond
  - ✓ Preparing for shift from fee-for-service to population health model
  - ✓ Physician alignment / employment
  - ✓ ACO's and Clinical Integration Networks



*A Physician and Health System Collaboration*



## MISSION

**To sustainably deliver better care for a healthier Arizona through collaboration and smarter health care spending**

## VISION

**To be a market leading Accountable Care Organization and preferred partner for all stakeholders in Arizona**

# Arizona Care Network

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- Began operations in 2013 with 1,200 providers
- Joint venture between Tenet Healthcare (Abrazo Community Health Network) & Dignity Health in 2014
- Affiliation with Phoenix Children's Care Network for pediatric services
- Over 5,000 clinicians caring for 250K adult and pediatric lives in value-based agreements
- Physician led, physician governed
- Improved care coordination, access, analytics and information exchange

# Provider Network

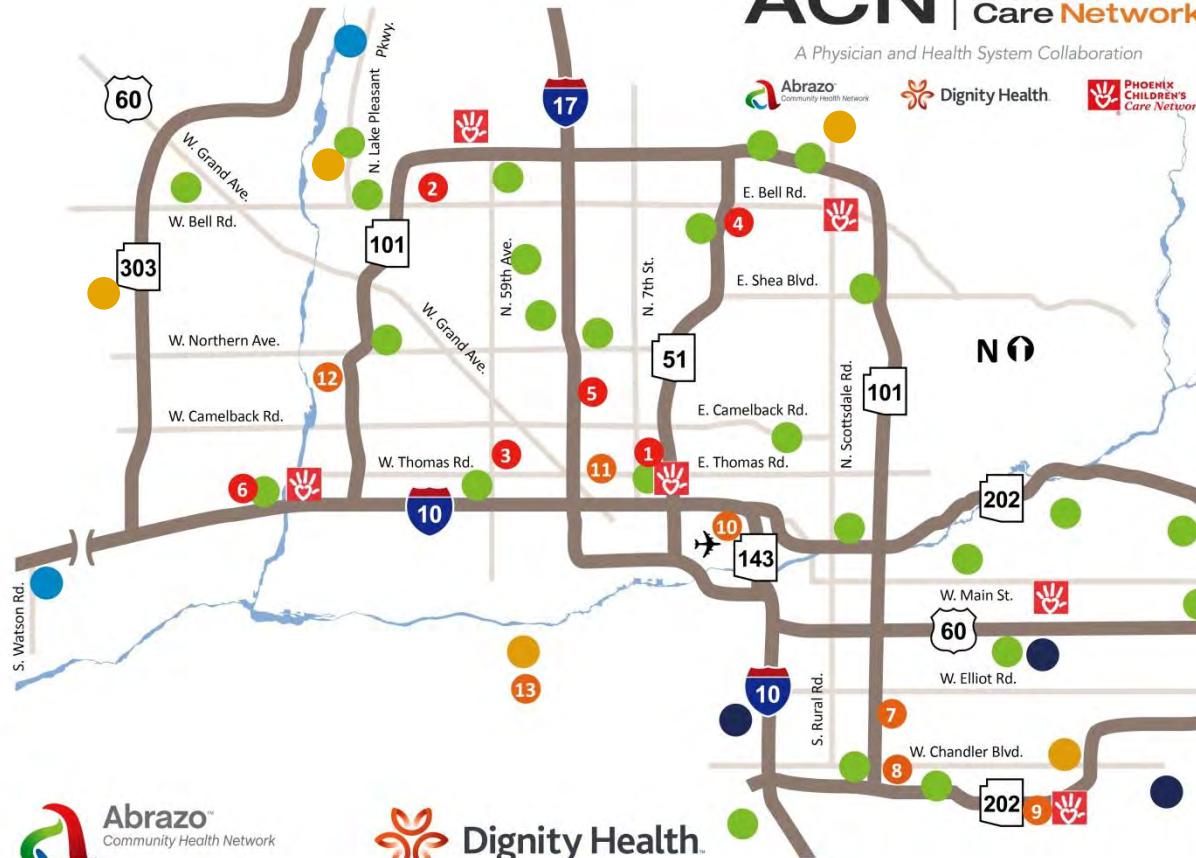
## Facilities

Urgent Care/ ER Centers	47
Acute Care/Specialty Hospitals	14
Children's Hospitals	2
Imaging Centers	36
Retail Clinics	32
Surgery Centers (USPI)	13
Skilled Nursing Facilities	20
Home Health Agencies	10
Hospice Locations	21
Total	195

## Providers

Primary Care	857
Specialists	4,293
Total	5,150





[AbrazoHealth.com](http://AbrazoHealth.com)

- 1) Abrazo Arizona Heart Hospital
- 2) Abrazo Arrowhead Campus
- 3) Abrazo Maryvale Campus
- 4) Abrazo Scottsdale Campus
- 5) Abrazo Central Campus
- 6) Abrazo West Campus

- Abrazo Free-Standing Emergency Centers
- MedPost Urgent Care Locations
- NextCare Urgent Care Locations



[DignityHealth.org](http://DignityHealth.org)

- 7) Arizona Orthopedic Surgical Hospital
- 8) Chandler Regional Medical Center
- 9) Mercy Gilbert Medical Center
- 10) Oasis Hospital
- 11) St. Joseph's Hospital And Medical Center
- 12) St. Joseph's Westgate Medical Center
- 13) Arizona General Hospital

- Dignity Health Urgent Care Locations (not shown: Maricopa Urgent Care)



**PHOENIX CHILDREN'S Hospital**

[phoenixchildrens.org](http://phoenixchildrens.org)

Phoenix Children's Hospital - Main  
Phoenix Children's Hospital - Mercy  
Gilbert



Phoenix Children's Urgent Care  
Locations





# Care Coordination: Resources

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- Staffing Disciplines

- ✓ RNs
- ✓ Social Workers
- ✓ Clinical Pharmacists
- ✓ Navigators
- ✓ Behavioral Health Coaches

- Technologies & Partners

- ✓ *Athena* (analytics and population health platform)
- ✓ *Your Health Connection* (nurse triage)



# Care Coordination: Programs

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- Transitional Care

- ✓ Collaborative effort with Transitional Care Leadership at Dignity Health and Abrazo facilities
- ✓ Efficient transitions of care between the Hospitals and the ambulatory and post-acute delivery networks

- Embedded Care

- ✓ Centralized, virtual care coordinators
- ✓ Community and physician practice based care coordinators

# Provider Network & Health Plan Partnerships

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## Clinical Partner

- Consultation on benefit interpretations/appeals
- Collaboration on benefit design and wellness programs

## Aligned Incentives

- Incentives for providers to positively impact plan cost, coordinate care within the network and satisfy members

## Data Analytics

- Claims data available to the ACO to prioritize interventions, refine care models and tweak incentives

## Care Coordination

- Concierge service to ensure access to care
- Reductions in costly out-of-network care

# Collaboration with UnitedHealthcare

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Population / Product	Launched	Highlights
Commercial ACO	2014	Upside shared savings model for UHC's commercial plan membership attributed to ACN primary care providers
UMR Clients ✓ Dignity Health ✓ Phoenix Children's	2015	ACN providers Tier 1 for 30K+ employees and dependents; upside shared savings model in 2017
Navigate	2017	Commercial product offering featuring ACN provider network



# ACCOUNTABLE CARE PLATFORM

Delivering distinctive value  
to those we serve

Dustin Taylor  
Vice President Network  
2/24/17



## Network strategy- Delivering distinctive value

**We are transforming how we pay for health care  
and how health care is delivered**

**We are paying for value**

through outcome-based payment models that reward care providers for improvements in quality and cost-efficiency

**We are transforming the delivery system**

to be more accountable for cost, quality and experience outcomes, helping make health care more affordable

**We are aligning incentives**

across employers, consumers and care providers to achieve the Triple Aim of better health, better care and lower costs





## Network Strength- Access and Competitive Contracts

THE SINGLE LARGEST NATIONAL PROPRIETARY NETWORK

**5,600+**

Hospitals

**750,000+**

Doctors and health care professionals

**100,000+**

UnitedHealth Premium<sup>®</sup> designees\*

**1,500+**

Convenience Care Clinics

**THIS  
MATTERS**

Our fixed reimbursement contracts help us keep employee out-of-pocket costs lower and help better control short-term and long-term costs for our customers.

\*UnitedHealthcare's 2013 analysis for 25 specialties and 147 markets

# Network Strategy- Health System Transformation

## Intentional Integration of Network, Product and Clinical Strategy

### Competitive Foundation

#### **Affordability**

- Deep discounts
- Fixed, predictable pricing
- Broad access

#### **Quality**

- Premium designation in 25 specialties and primary care
- Premium designation impacting 80% of medical spend

#### **Utilization Management**

- 1 Nurse / 1 Hospital Program
- Evidence-based medicine commitment

### Transforming Strategy

#### **Accountable Care Platform**

- Broad spectrum of pay for value programs
- Outcome-based reimbursement
- Quality and cost-efficiency criteria
- Adaptable PCMH & ACO models
- Powered by enhanced UnitedHealth Premium®

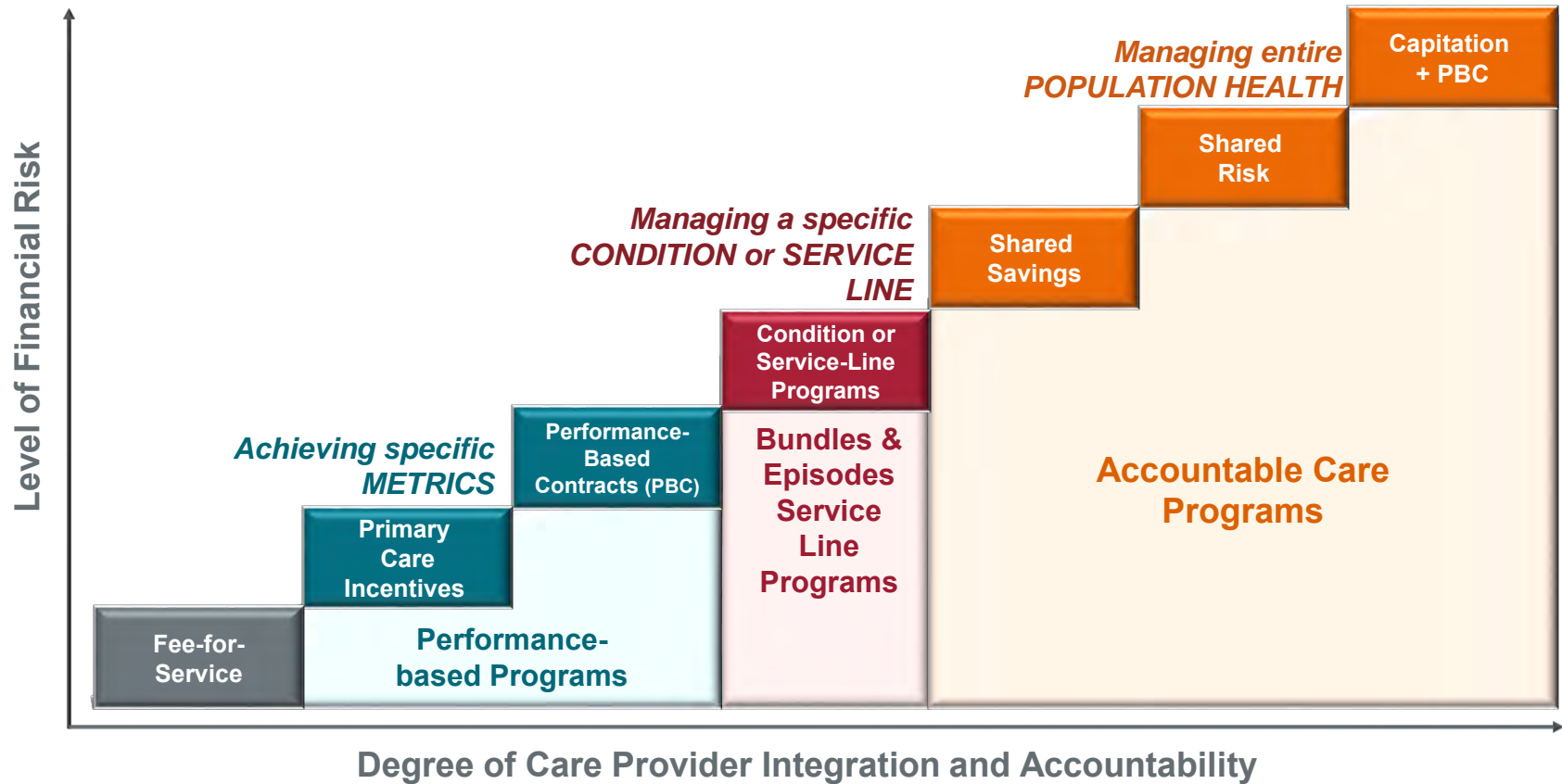
#### **Care management innovation**

- Healthier Lives Model

#### **Local High Performing Network Designs**

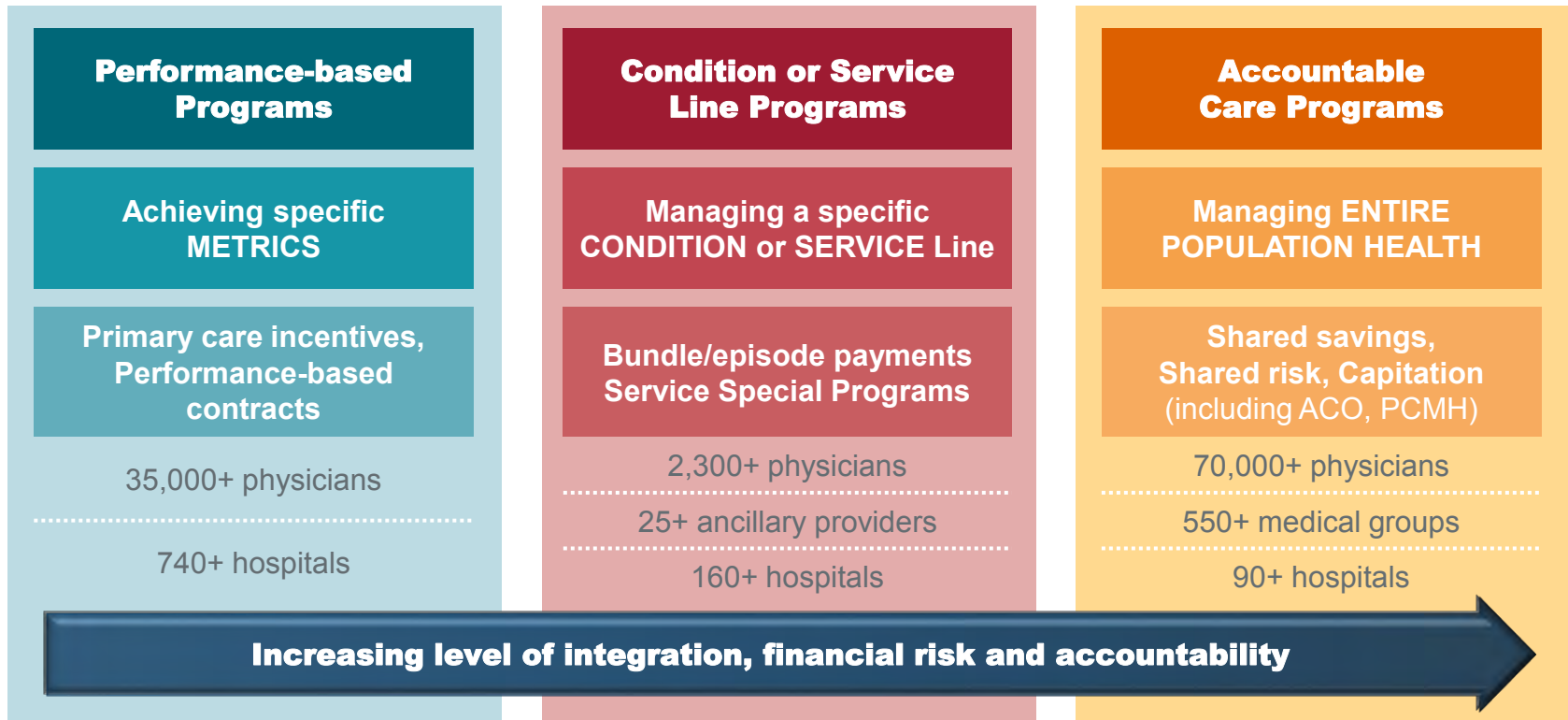
- Aligned incentives – employer, consumer, care provider
- Primary care driven networks
- Configured / narrow network constructs
- Tiered plan designs powered by UnitedHealth Premium®

# Accountable Care Platform- Accountability Continuum



# Accountable Care Platform-Deployment snapshot

**Over \$30 billion of network spend is tied to our accountable care platform**

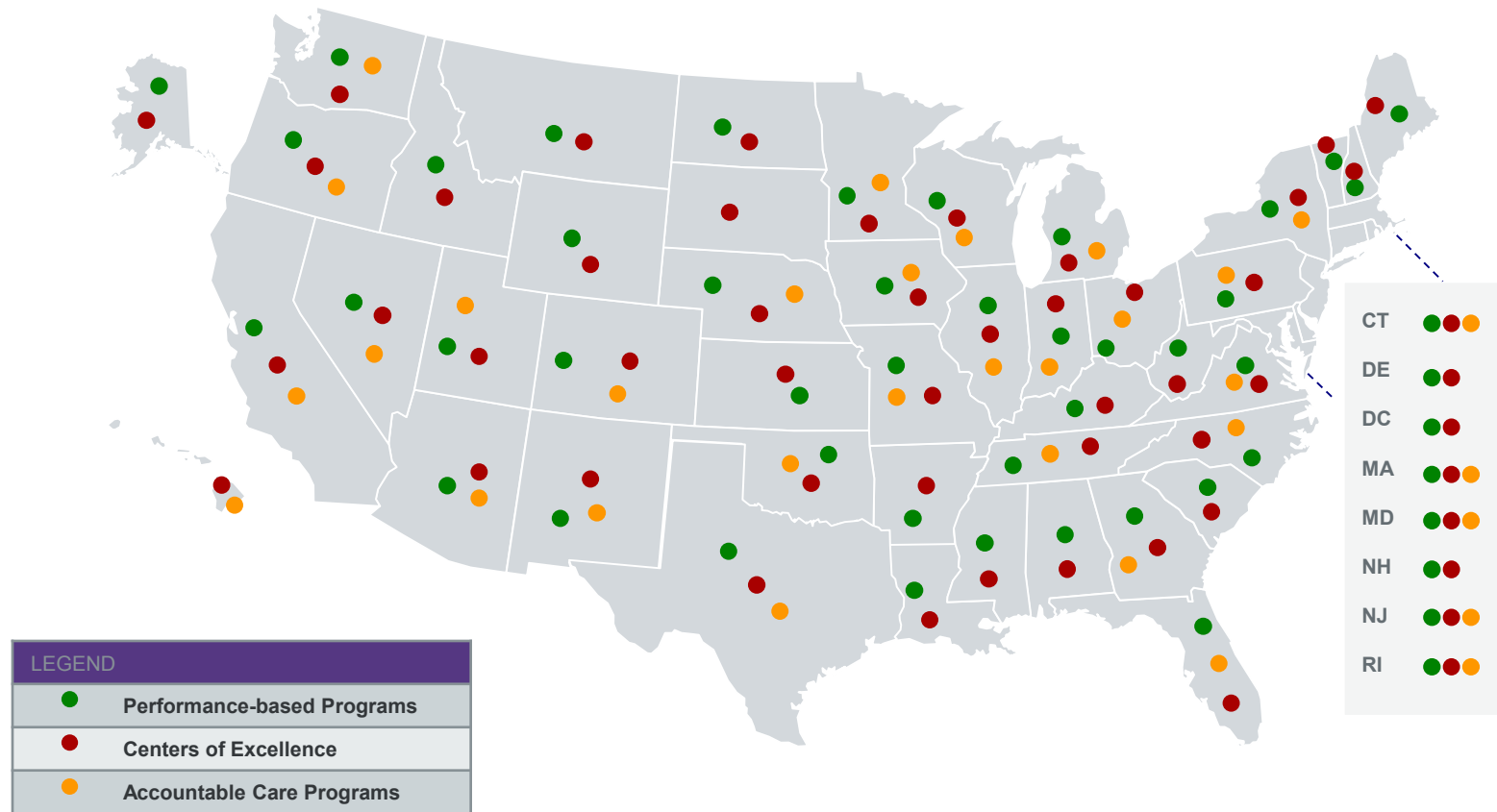


**We have value-based engagement with more than 850 hospitals and 100,000 physicians participating in our Accountable Care Platform.<sup>1</sup>**

<sup>1</sup> Deployment statistics for executed contracts as of April 2014, net of program overlap.

# Accountable Care Platform- Deployment Map

**Delivering Distinctive Value Across the Country**





# Accountable Care Platform- Managing Population Health



## Patient Centered Medical Homes (PCMHs)

Our PCMH programs include more than 2,000 primary care physicians and 250 medical groups

On average, our commercial model in the initial launch markets, AZ, RI, OH, CO demonstrates:

**1.5%-3.5%**

Lower than expected  
Medical Cost Trend

**4:1**

Return on  
Investment (ROI)

Additionally, we are participating in the CMS Comprehensive Primary Care Initiative Program in Ohio, Colorado and New Jersey



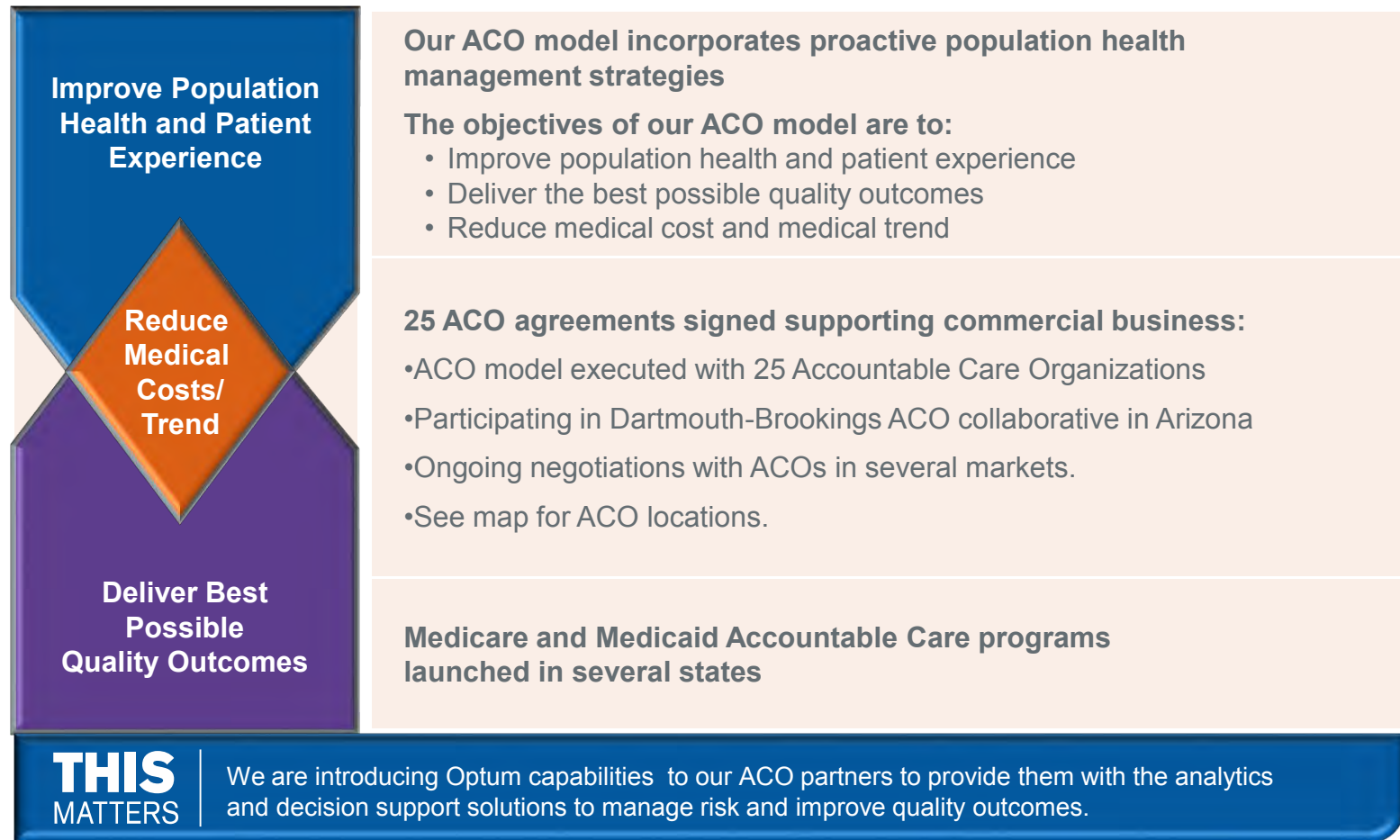
**THIS  
MATTERS**

Comprehensive evaluation, validated with external studies, demonstrates our portfolio of PCMH programs are positively impacting all elements of the triple aim

# Accountable Care Platform- Managing Population Health



## Accountable Care Organizations (ACOs)



# Accountable Care Pilot Process

## Step One: How we find the right partner



- We do not have a prescribed formula or a template or a set profile that we look for in developing an ACO relationship
  - One size does not fit all
  - Successful ACO's will have similar characteristics, but the organization structures will vary depending on the geography but more importantly they will vary by the people that we serve
- We identify potential ACO partners through a bottom up process
  - We rely on our local Market and Health Plan Leaders to identify ACO Candidates using both subjective and objective criteria:
    - Do we share common visions
    - How strong and deep is the current relationship
      - How well do the teams work together day to day and when there are problems
    - Have we worked on other pilots with this organization previously
    - What's the degree of clinical integration and does the organization already have tools and programs in place to manage risk and populations
    - What is the ACO's relative financial strength and position

3-4 weeks



# Accountable Care Pilot Process

## Step Two : We identify the population to be managed



### Attribution: Statistical Validity

- In order to identify the population that can be managed by a potential Accountable Care Organization, we run our PCP centric attribution model to not only determine the population, but to determine the statistical validity of a potential arrangement.
  - ✓ Optimum # of Lives: 15,000
  - ✓ Target # of Lives: 10,000
  - ✓ Threshold # of Lives: 5,000
- Attribution identifies Fully Insured lives as well as ASO Lives.
  - Fully Insured Lives are all attributed to the deal.
  - ASO lives are included in the deal to the extent that the ASO Client has agreed to fund potential bonus payments.
    - As of October 1, 2013 approximately 40% of United's ASO business participates in our Accountable Care contracting initiatives; however, this number can vary significantly by market.
    - The ASO participation rate range between 10% and 79%

Typically run 2x 1 week each



# Driving Optimal Value



## Step Three: Total Cost of Care Analysis (TCOC)

**Once we have agreed on the physicians to be included in the Attribution model, we move on to a Total Cost of Care Analysis and the development of baseline Quality of Care performance metrics and results.**

- The TCOC provides a high level view of the claims cost and utilization generated by the attributed population over a period of 2 to 3 years.
- The TCOC Report includes such information as:
  - Comparisons of the attributed members' PMPM and unit cost relative to the other attributed members PMPM and unit costs in the market
  - Trend comparisons
  - Utilization breakouts such as IP, OP and Physician cost and utilization
  - Identification of potential savings opportunities
    - Lab and Radiology utilization
    - ER usage
    - Services delivered in alternate settings
- TCOC will also illustrate where attributed members are receiving care within the ACO as well as outside of the ACO providers
  - Opportunities to “repatriate” or redirect future care if applicable





# Driving Optimal Value

## Step Three: Quality



Once we have agreed on the physicians to be included in the Attribution model, we move on to a Total Cost of Care Analysis and the development of baseline ***Quality of Care performance metrics and results.***

- Quality is a gate, hurdle or even a light switch in our model. The message is simple:
  - We are looking for a meaningful improvement in quality
    - As measured by the 32 metrics on the attributed population
      - These are first generation metrics
        - ✓ We need more outcome based metrics and these will evolve
    - We look at the quality metrics as a portfolio
  - Our Goal by the end of Year 3 is to get to the 90<sup>th</sup> percentile of the Quality Compass
- While the metrics are cast in stone, there is flexibility, but this should be and is a clinical/medical decision
  - Which metrics
  - Weighting of the metric
  - What % change constitutes improvement



# Driving Optimal Value

## Step Four: Building Our Proposal



### What's our model

- United contracts with the ACO
  - ACO contracts with providers and is responsible for the distribution of funds
- Upside Only
  - We cap the savings
  - Goal is to transition to risk-based agreement in 3 years where appropriate
- Shared Savings
  - % negotiated between parties
- Savings based on performance of ACO's attributed lives Total Cost of Care results from Baseline period to the Measurement period
  - We do not use market trends to determine or measure savings or success
- Include Medical and RX
  - We have a few carve outs / adjustments
- Quality Improvement is required
  - Quality Targets must be achieved in order to earn shared savings

2-3 months



# Driving Optimal Value

## Step Four: Building Our Proposal



**We pull in all costs associated with the attributed members using 2 to 3 years of data in order to establish the baseline spend and to develop the expected and proposed trends**

- **What's included in the baseline:**
  - All medical claims and all RX claims where United (Optum RX) manages the RX benefit, except
    - Mental Health and Substance Abuse Claims
    - Claims in excess of \$100k for any member
- **The Methodology**
  - Our shared savings model compares the net spend generated by the ACO's attributed members during the Measurement period against an adjusted baseline period net spend
    - We do not incorporate or measure results against the market or market trend
  - The baseline period spend estimate for all attributed members is developed using the most current available claims data to United
    - We will develop a trend factor to be applied to the baseline estimate.
    - The agreed upon trend factor will be applied to the actual baseline when determining shared savings results

# Driving Optimal Value

## Step Five: We have a deal, Now What?



**We have a 60 – 90 day Implementation plan that focuses on data exchanges and clinical alignment activities**

- We will design a custom implementation plan for each ACO
  - Identify key decision makers on both teams
  - Develop and executed joint communication plan
    - Members, PR, key employer groups
  - Schedule ongoing status and implementation meetings
  - Review and adjust processes for exchanging data as needed
    - Provider Roster updates and maintenance
    - Data files, fields, records, layouts, timing
    - Reporting, Analytics and Reconciliation Package and process for additional analyses and drill downs
  - Establish processes to collaborate on transitional care management, disease management, readmission prevention programs and the like

3 months



# Driving Optimal Value

## Step Five: Implementation & Support



### What does the future hold for successful Accountable Care Contracts

Implementation and ongoing contract management requires a different type of TCOC from both parties as well:

- **Teamwork** – our teams need to work well within our organizations and together
- **Commitment** – both teams and organizations need to remain committed to providing the resources (people, process and tools) to achieve success
- **Opportunity** – we need to be able to identify opportunities for improvement in quality and cost and then drive activities for improvement
- **Collaboration** – the success of our ACO's is rooted in our ability to collaborate; we will need to have the ability to have open, honest and meaningful discussions





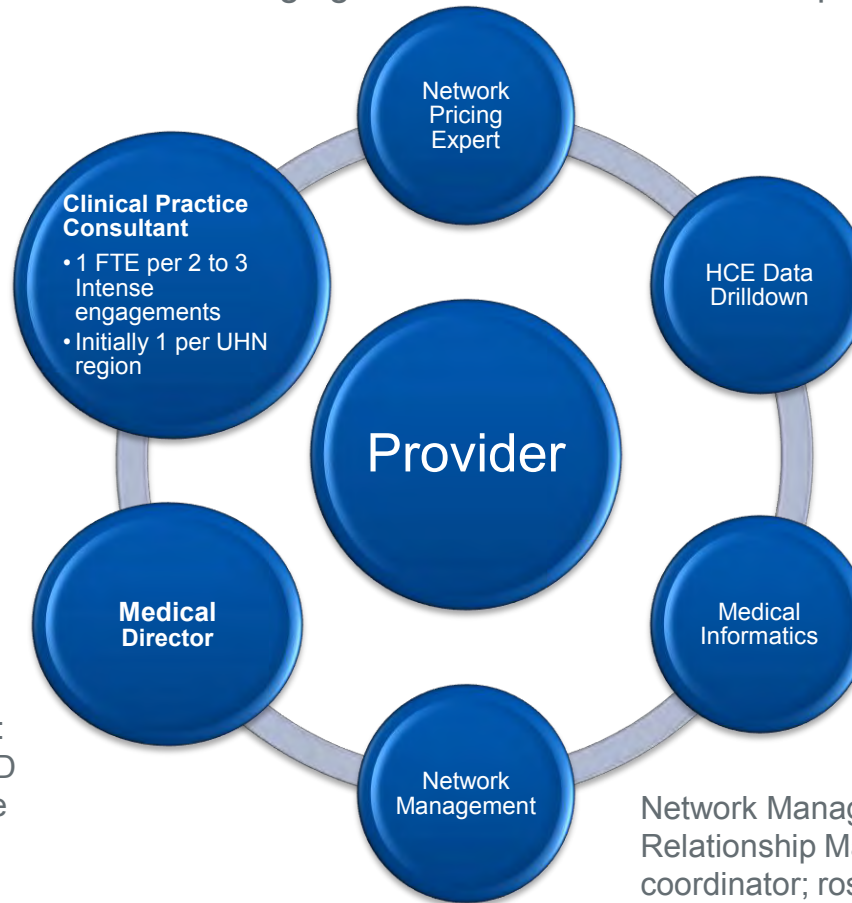
# Accountable Care Support Model Team Approach



- ❑ Local UHN owns and manages the relationship
- ❑ Programs might have different team leaders and relationship owners but we are all working in matrix environments and leveraging resources when and where possible

Clinical Practice Consultants role will vary based on the intensity of the relationship and will play a practice transformation role in some programs and not in others but they will be the day to day clinical liaison with the Provider

This model is adaptive to the program: The role of the Medical Director may vary from ACP to ACC-SS to ACO: Awaiting for completion of MD time study to assess resource need



HCE will wear many hats and play many roles, centralized contract negotiation, analytics and reporting pre/ post deal; distribution of standard reporting and analytics; MI will contribute via clinical reporting and analytics and the Network Pricing team will need to participate to understand and support the deal locally

Network Management will play many roles: Relationship Manager; Accountable care coordinator; roster management which will be a new role to some and provider advocate

## ACO Clinical Support Program

- The ACO Clinical Support team's purpose is to provide greater organizational and practice level support to help ACOs be successful and achieve mutually desired utilization, cost and quality outcomes
  - The ACO Clinical Support program utilizes data/reporting tools, clinical/program resources and the expertise of Clinical Practice Consultants (CPCs) to drive multi-disciplined performance improvement
  - CPCs work closely with UHC Medical Directors and ACO practice leadership to identify clinical and performance opportunities, establish accountability for action and guide process improvement
  - CPCs tie clinical and performance opportunities to specific process improvements that are critical to the ACO's transformation from fee-for-service to a population health focus



## Driving Optimal Value- Beyond Implementation

### What does the future hold for successful Accountable Care Contracts

- Successful Accountable Care Pilots where both parties can demonstrate:
  - Meaningful reduction in cost;
  - Meaningful improvement in quality of care and
  - Meaningful improvement in patient satisfaction
- While many factors can and will influence the evolution United's Accountable Care initiative, successful pilots may serve as a stepping stone to additional opportunities:
  - Contracts that transition more accountability and shift financial risk and reward further along the continuum
  - Product Opportunities which require thoughtful planning development time may exist
    - Tiered Networks
    - Exchanges
    - Co Branded Networks



# Accountable Care Platform

## Proven Results



### Specific results

#### Performance-based Programs

**\$50M** savings in last 12 months

**3.6%** readmit reduction

**9%** reduction in inpatient length of stay

Reduction in the use of non-participating laboratory services

Reduction in the use of non-Tier 1 prescriptions

#### Centers of Excellence

**25%** decrease in the average length of hospital stays for transplants

Improved transplant survival rates at Centers of Excellence

**3%** reduction in one-year mortality for liver transplants

**5%** reduction in one-year mortality for heart transplants

**16%** reduction in the incidence of transplants through application of evidence-based appropriateness criteria

#### Accountable Care Programs<sup>1</sup>

##### Westmed ACO

**3%** reduction in medical cost

**5%** reduction in acute hospital admissions

Significant number of metrics at or above **90th percentile** of Quality Compass<sup>2</sup>

##### PCMH

**1.5% - 3.5%** lower medical cost trend vs. expected  
**4:1 ROI**

<sup>1</sup>Patient Centered Medical Home results based on 4 states and 1 Commercial ACO.

<sup>2</sup> Based on UnitedHealthcare's calculation of claims data of members receiving care through WESTMED compared to national Quality Compass ratings, UnitedHealthcare reported that the ACO is performing above the 90<sup>th</sup> percentile of National Committee for Quality Assurance (NCQA) Quality Compass for providing the highest level of coordinated care for breast cancer and cervical cancer screenings.

# Open Discussion

