

Co-Management: Successfully Improving Care Across the Care Continuum

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The Partner of Choice for Leading Health Systems

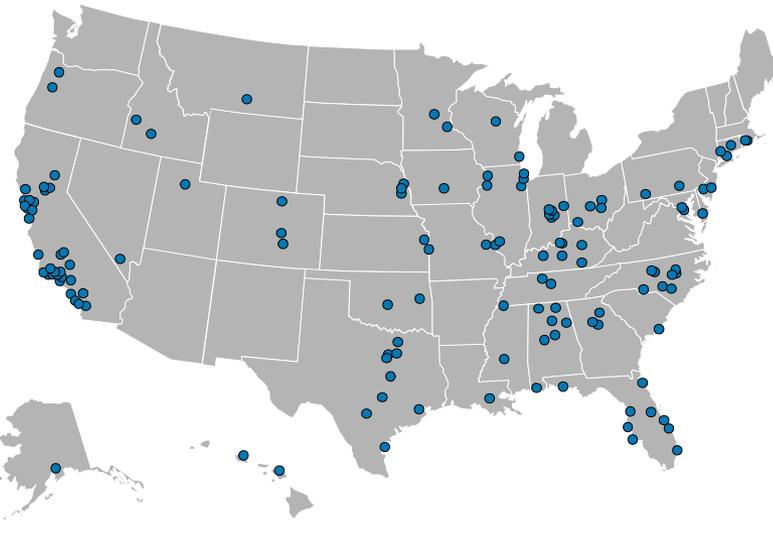
45+ Health System Partners | 750K+ Surgical Procedures | \$1.3+ Billion NPR



Indiana University Health



YALE NEW HAVEN HEALTH



GEISINGER



Keck Medical Center of USC



Participant Attendance

- Ambulatory Surgery Centers
- HOPDs
- Community Hospitals
- Regional MCs
- Academic MCs

Brief Background and History of Physician Engagement

Shared Decision Making and Management

- Many publications citing the need for physician engagement
 - Sg2, **Innovation Snapshot: Integrating Physicians, Hospitals and Innovation**, Nov 2011
 - **“Clinical culture can be a roadblock to health care innovation, so it is imperative to include physician leaders in innovation activities. These clinical leaders are instrumental in promoting more rapid positive change in organizational culture.** Creating culture change among physicians generally plays to the characteristics physicians value in their life and work, including capitalizing on their variety of skills, their role as an expert and having responsibility for significant tasks.”
 - Becker’s Hospital Review, **Top 10 Strategic Initiatives for Hospitals in 2013**
 - **7. Explore new physician alignment strategies.** Again, this initiative ties in with the move to population health management. **Trying out new physician relationship strategies, such as physician-hospital organizations, clinical co-management, ACOs, employment or joint ventures can join hospitals and physicians together on the same platform** and can be used to support the population health strategy as well as capture market share. "There are multiple vehicles for alignment. All of them are important and many play a role in the same marketplace,"

Participant Attendance

- OR Committees
- Governance or Executive Councils
- Co-management arrangements

Physician Engagement in Management

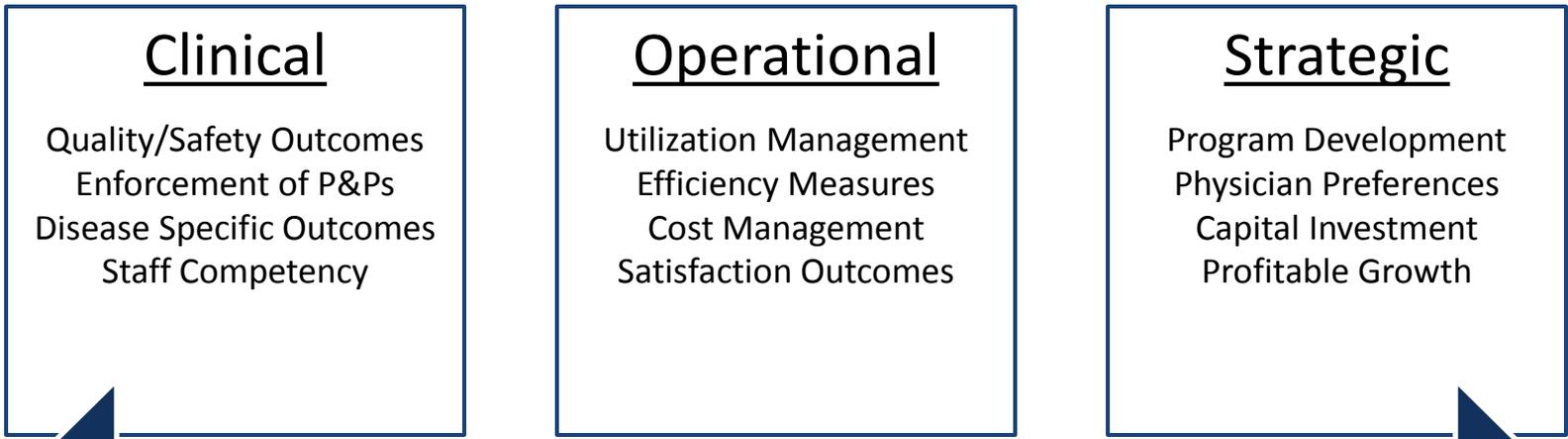
Traditional

- Invitation as a courtesy without proper background information
- Role delegated to that of an advisor without 'real' concern for outcomes
- Participation by invitation to annual strategic planning meeting
- Clinical program development
- Various operating committees
- Capital planning

Expanding

- Provider alignment between hospital and physicians is a core element of ACA
- Preparation for future payment innovation (bundling, gain sharing, etc.)
- Expanding shared decision making roles in strategy and operations

Physician Alignment Strategy



Effective physician alignment strategies can generate clinical, operational, and strategic improvements to perioperative programs by increasing program contribution margin in a sustainable manner.

- Medical Chair/
Directorships
- Medical Staff
OR Committees
- Governance
Councils
- Co-Management
Agreements

Physician Alignment Models

Medical Chair/ Directorships

- Fee for service arrangement with hospital
- Single point of engagement with physicians

Traditional OR Committees

- Oversight for quality of care often extended to management of resources
- Appointed members with limited involvement in final decision making and implementation

Governance Councils

- Executive Committee with select members blending senior admin and physician leadership
- Decision making in a voluntary role

Co- Management Agreements

- A physician group contracted and paid to jointly manage resources
- Decision making authority with responsibility for implementation

The Unique Role of a Governance Council



Best Practices and Limitations of Effective Governance

Principles

- Engagement of physicians with senior leaders
- Converting strategic plans to operational tactics
- Collaborative decision making on use of resources
- Closely monitor progress and outcomes

Limitations

- Still requires volunteering of physicians time and consistent focus
- Limits willingness and authority to engage with other physicians to require change
- Risk for misalignment of physician practice objectives and hospital strategy

Co-Management Arrangements

Common Clinical Co-Management Themes

- Align with physicians and grow market share
- Seek alternatives to traditional employment models
- Build a high-quality, lower-cost delivery model
- Implement alternative payment methodologies
- Optimize service line performance
- Disengaged physicians; non-inclusive decision making process
- Decreased focus and loss of interest after agreement signed

Co-Management Roles and Expectations

Hospital

- Shared involvement of management and operations for individual or multiple service lines
- Administrative team partnered with physicians in improving quality and operational indicators
- Necessary clinical services are covered



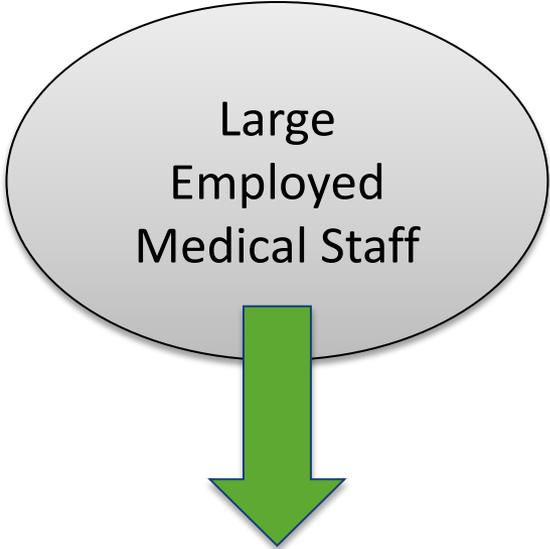
Physicians

- Purpose is to improve quality and efficiency of care
- Administrative services, medical director services, and quality improvement initiatives
- Quality improvement initiative targets established and compensation at risk based on performance

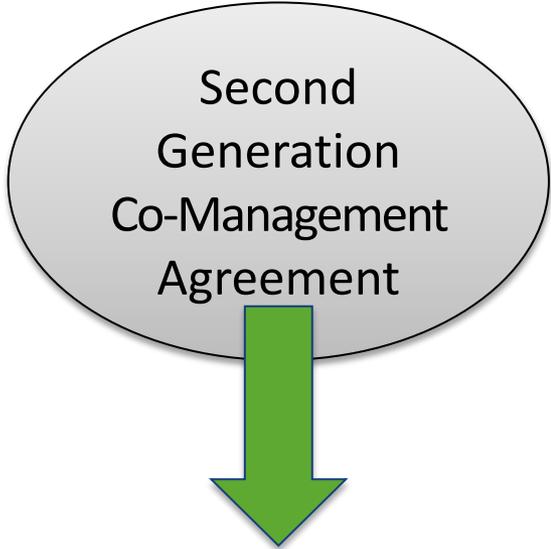
A hospital/physician alignment strategy to improve hospital service line performance and quality of care focused on achieving higher levels of operational efficiencies and improved patient care outcomes

Full Alignment Models

Employment Model

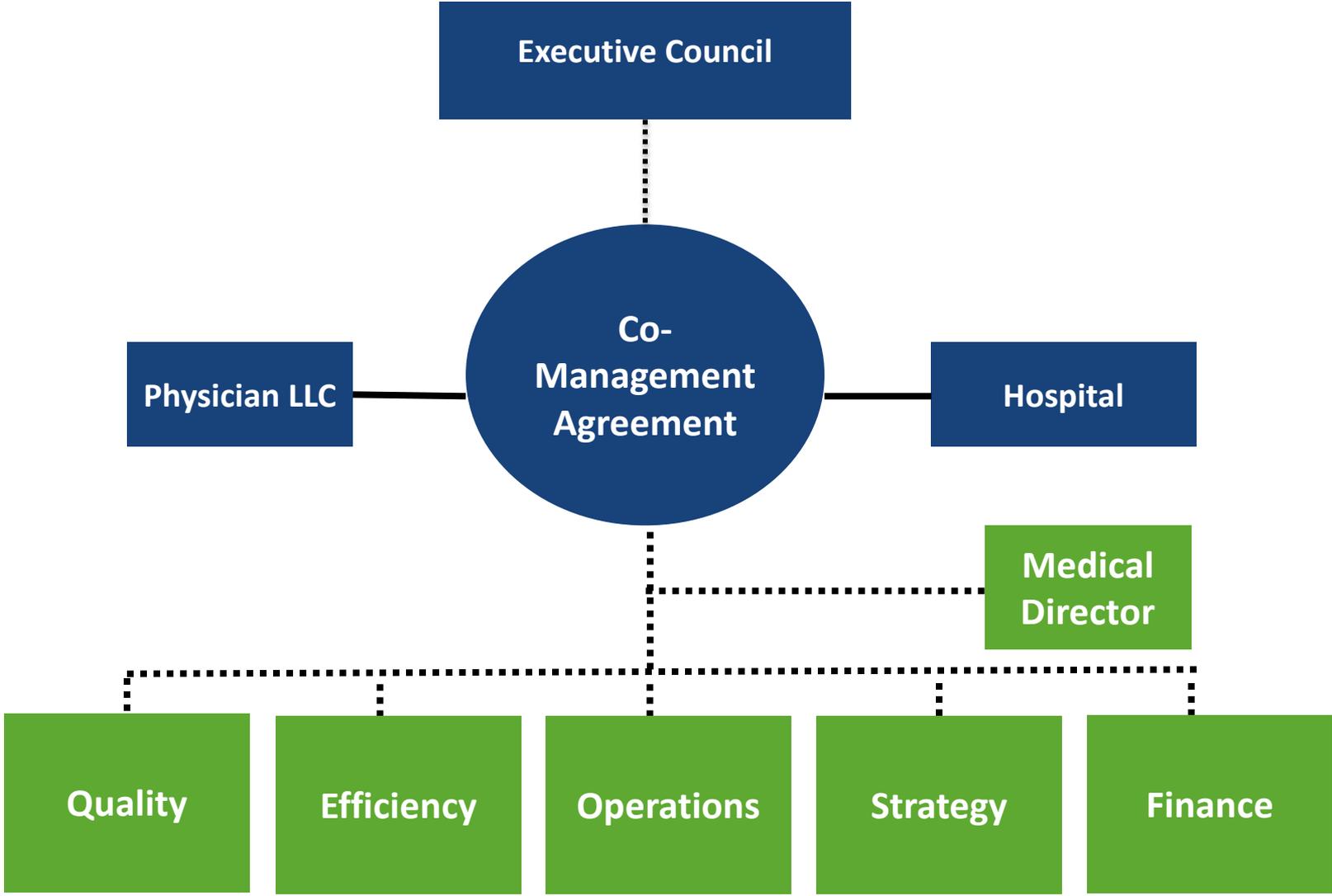


Physician Co-Management



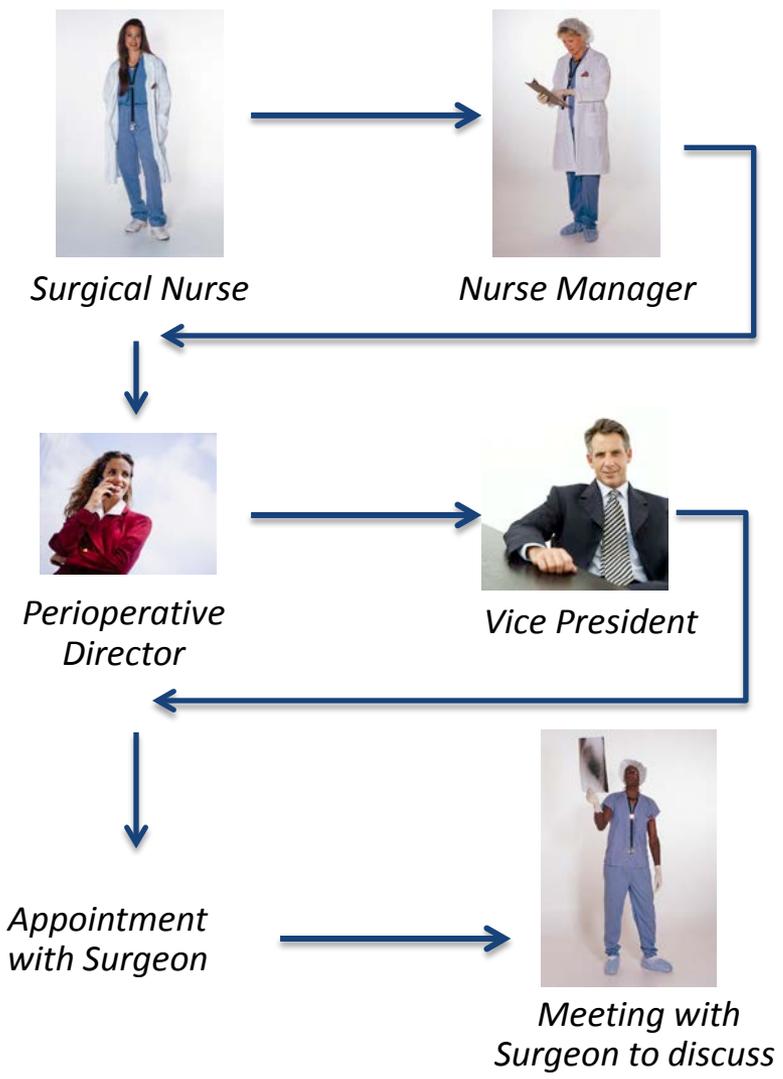
Physician and hospital leaders jointly manage clinical, operational, strategic, and financial duties

Example Co-Management Structure

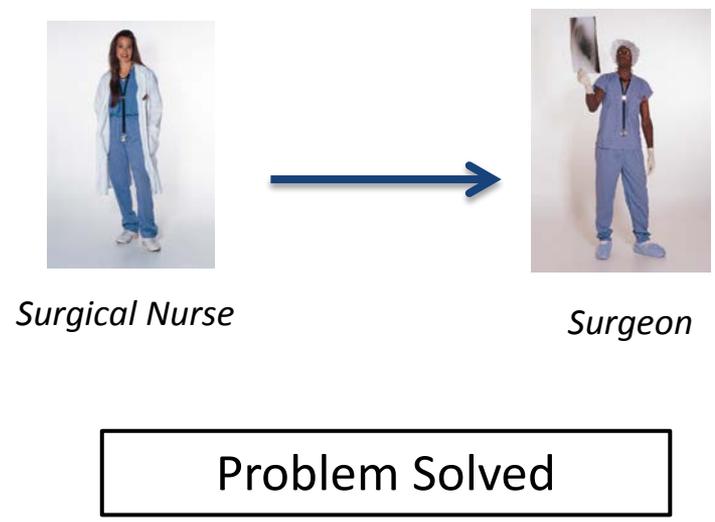


Real Time Problem Solving

Concern over equipment usage in OR



Concern over equipment usage in OR
with Co-Management Agreement



Keys to a Successful Organization

- Define clear structure
- Balance needs of hospital and physician leaders
- Set attainable goals and expectations
- Prepare thoroughly
- Gather proper reports/data
- Benchmark appropriately
- Focus meetings on collaborative discussion and decision making

Factors for Successful Implementation

- Transparency between all parties
- Cooperative relationships
- Strategic plans developed with all parties fully participating
- Common language, objectives, and goals
- Recognition and acceptance of baseline data
- Effective leadership structure and commitment to delivery
- Be intuitive

Implementation Expectations

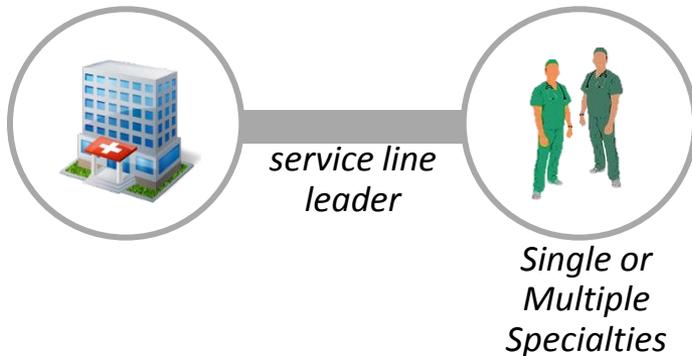
Program Maturity	Pre-Signing	First and Second Year	Succeeding Years
Focus	Defining co-management focus and goals while establishing trust	Organization and clarity around goals; building successful partnerships between different physician practices and hospital leaders	Program evolution into strategic areas across multiple sites and specialties
Outcomes	Heavy investment in establishing structure, data analysis, and setting base line measures	Early results achieved through collaboration	Achievement of quantifiable results; positive ROI

Economics of Co-Management

- Limited physician start-up, ~\$3K per participant
- Physician ROI ~40%
- Hospital ROI 25% to 50%
- Hospital ROI achieved through benefits of physician alignment:
 - Population health management
 - Accountable care organization
 - Strategic planning/growth
 - Efficiency improvements
 - Expense management

Physician Co-Management Evolution

First Generation Co-Management – Individual Hospital



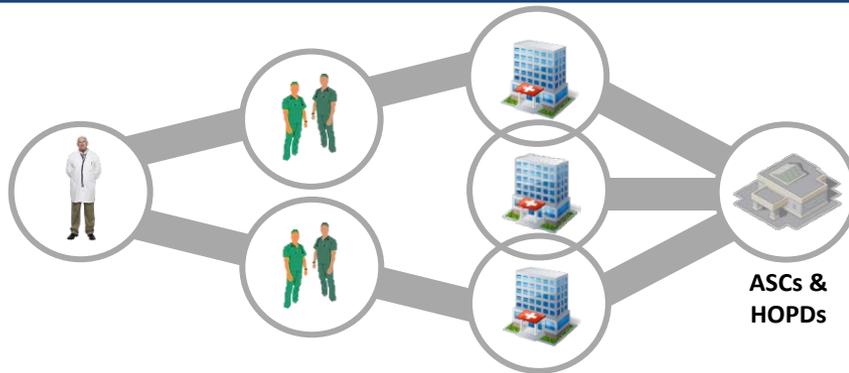
A “First Generation” co-management agreement is specific to one hospital and the participating physicians

Results are contained to the individual hospital and physicians practicing therein

First generation co-management is focused on a single specialty or subspecialty goals and often lacks true physician integration extending into overall strategic planning

Physician Co-Management Evolution

Second Generation Co-Management – Multiple Hospitals/Health System



A “Second Generation” co-management agreement adds to the core by integrating additional hospitals and physicians and expanding along the care continuum

Patient outcomes and operating efficiencies are optimized across the entire community when implemented as part of a health system alignment strategy

Multiple hospital co-mgmt extends from incentive focus to full service line management. Examples include capital planning, operations and strategic planning

Second generation co-management agreement ideal tactic for ACO's, bundled payment strategies value based purchasing

Second Generation Co-Management Goals

- Work groups aligned with strategic and annual operating plans
- Work groups and hospital groups focused on formation of ACO
- Orthopedic access for joint replacement focused on strategies to maximize prior to entry into system
- Heart surgeons coordinate with payers on bundled payments
- Improved ED throughput and reduced wait times
- PAT medical clearance process
- Supply chain management; universal pick sheets

Expanding Co-Management Agreements

- Designing third iteration of co-management service agreement
- Integrating co-management with Pioneer ACO
- Broadening co-management to full service line responsibility



System ACO HRO

Service Line

Contract

Case Studies

Case Study: Florida Hospital – Carrollwood

Adventist Health System

System Profile



- 9 OR hospital, heavily focused on orthopedics
- Large orthopedics group engaged in clinical co-management agreement
- Multiple in-efficiencies and disenfranchisement with perioperative leadership
- Hospital seeking to grow surgery volume and expand market share

Co-Management Outcomes

- **Process**
 - Realignment of co-management with newly developed perioperative governance structure provided integration of initiatives and expanded authority
 - Educational programs on management process and roles/expectations of physicians, hospital leaders and staff
 - Committees and task forces established for action
- **Outcomes**
 - Improved case on time starts from 36% to 95%
 - Achieved consistent 100% SCIP measures and reduced surgical site infections rates from 2.73% to 0.8%
 - Improved patient satisfaction for four key physician measures from 36th percentile to 90th percentile
 - Hospital experienced a 10% increase in surgical case volume as a result of improved schedule management resulting in approval to add 3 additional OR suites

Case Study: Ascension - Genesys Health System

System Profile



- 450 bed regional medical center
- 20,000 surgical cases across three operating room sites
- Established 3 co-management companies with one overall Coordinating Council
- Contracting economy with decreasing market share and surgery volumes

Design and Manage Co-Management Relationships

- **Process**
 - Physicians engaged to manage perioperative resources
 - Integrated leading management and clinical practice
 - Developed clinician led supply/implant expense management
- **Outcomes**
 - Improved efficiency and quality measures
 - 85% OR utilization (from 65%)
 - 20 minute average turnover
 - 95% on-time starts
 - 90% or better SCIP scores
 - Reduced labor and implant expenses
 - Coordination of care across continuum for pre-surgical and postoperative care of the diabetic patient
 - Active engagement on Quarterly Strategic Planning with Primary Care Physicians linked to Operational tactics allowing for capturing of surgical cases leaving community

Summary: Benefits of Co-Management Agreements

- Improved clinical and quality outcomes
- Shared service line management
- Enhanced operational efficiency
- Enriched strategic and operational planning
- Program development and growth
- Alternative payment model strategies

Q & A

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