



# Delivering Value in Health Care

*Presentation to Policy Leaders Academy*

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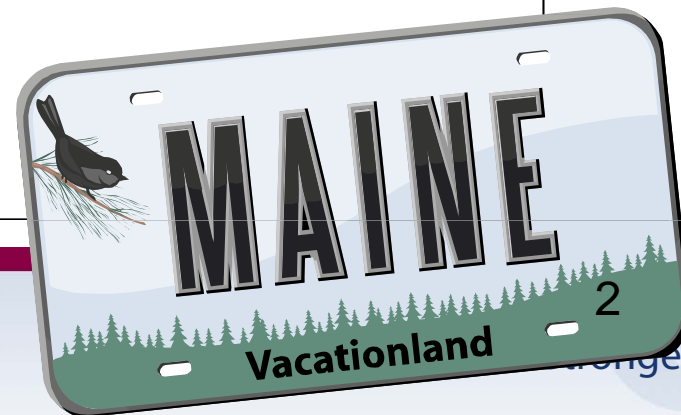
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# Market Dynamics: A Message From Maine's Employers...

“The state employee health plan covering 40,000 employees, eligible dependents and retirees **must achieve flat funding** for FY'12 and FY'13, with FY'11 as the base year.”

“In order to achieve flat funding for the current fiscal year, the State Employee Health Commission introduced benefit changes totaling \$15 million. Nearly 80% of that amount was the **direct result of cost shifting** to an employee population that has not experienced a general salary increase in over four years and a retiree population that has not received a COLA adjustment in nearly four years. The commission cannot rely so heavily on cost shifting in FY '13.”

*~Frank A. Johnson/Letter from Nov. 1, 2011*



## Market Dynamics: The message from CMS

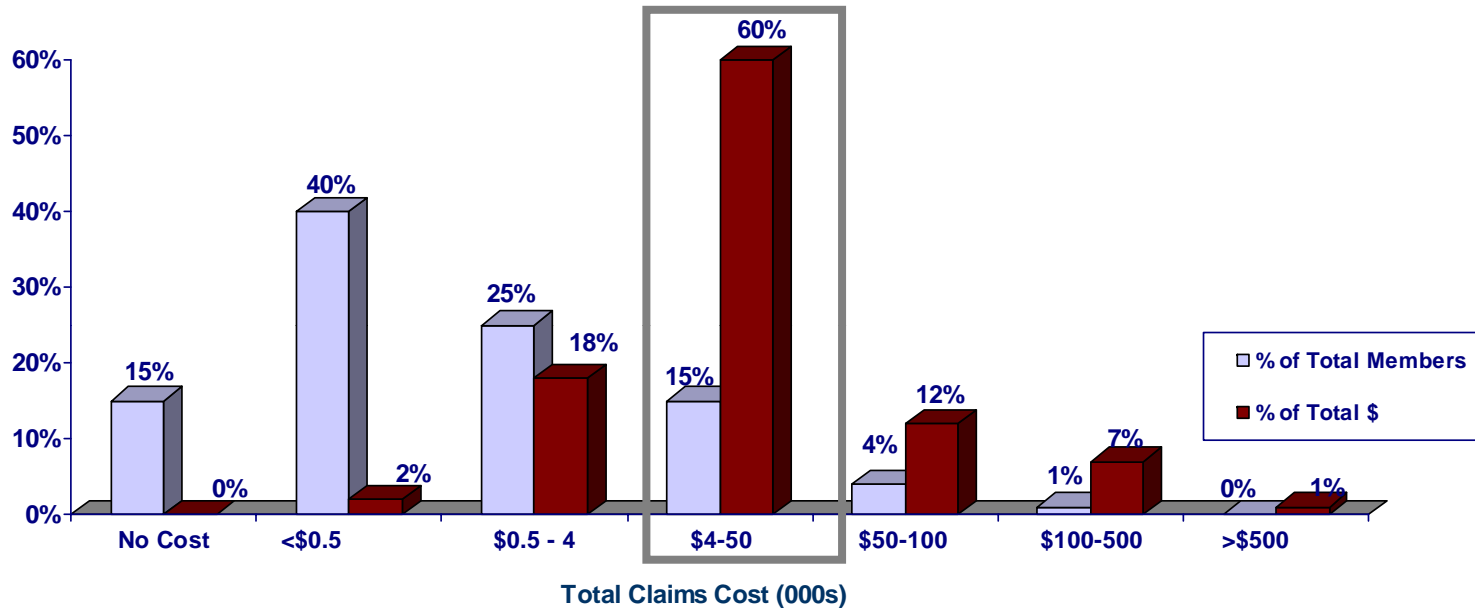
- **An Accountable Care Organization will...**
  - **Put the beneficiary & family at the center of all its activities**
  - **Ensure coordination of care regardless of its time or place**
  - **Attend carefully to care transitions**
  - **Manage resources carefully and respectfully [reducing] dependence on inpatient care**
  - **Be proactive, reaching out to patients with reminders and advice**
  - **Measure what it achieves for beneficiaries and communities over time and use such data to improve care delivery and patient outcomes**
  - **Be innovative in the service of the three-part aim**
  - **Continually invest in the development and pride of its own workforce, including affiliated clinicians**

[http://www.ofr.gov/ofrupload/ofrdata/2011-07880\\_pi.pdf](http://www.ofr.gov/ofrupload/ofrdata/2011-07880_pi.pdf)

# Accountable for Population Health Management

Focus activities based on person's needs and risk for future healthcare costs

## Distribution of Members by Claims Cost



80% of members =  
20% of costs

15% of members =  
60% of costs

5% of members =  
20% of costs

Member Retention  
Health Education & Preventive Care

DM Programs  
Shared Decision Making

Case Management  
Shared Decision Making

## EMHS Care Systems

# EMHS's Pioneer ACO



**High Risk**

A member has one or a combination of the following criteria:  
 -2 IP admits (excludes pregnancy)  
 -Claims greater than \$50K

**Moderate Risk**

A member has been identified with one or more chronic conditions.  
*\*\*If a member is flagged with only depression, they will be in the Low Risk Bucket*

# Our Mission

*The mission of Eastern Maine Healthcare Systems is to **maintain and improve the health and well-being of the people of Maine** through a well-organized network of local healthcare provider who together offer high quality, cost-effective services to their communities.*

# Early Responses to Market Dynamics

## Early Stage – Foundation Elements

**Patient Centered Medical Homes**

**EMR / Patient Registries**

**Bangor Beacon Community Grant: A new community of practice with PCP-based Care Coordinators**

**Community Care Teams**

**EMHS Sustainability Planning**

## Population Health Steps In Progress...

**Pioneer Model ACO (CMS)**

**Accountable care contracts with commercial health plans, employer trusts**

**Network Partners**

- **Aligned, non EMHS hospitals**
- **Aligned FQHCs**
- **Community Organizations**

**Geisinger EMHS TPA Partnership**

**NNEACC**

## But, it's really about the Business Model...

- *Satisfy a real customer who needs a job done*
- *Demonstrate how to fulfill this need at a profit*
- *Compare that business model to your existing model to determine how much you have to change it to capture the opportunity*

***“There is no point in going to a new business model unless it is not only new to the company, but is in some way game-changing to the industry or market.”***

*MW Johnson, CM Christensen, H Kagermann. “Reinventing Your Business Model”, IN **Rebuilding Your Business Model**. Harvard Business School Publishing Company, 2011*



## Some Resources

- Center for Health Care Strategies <http://www.chcs.org/>
- Colorado Regional Care Collaborative Organization  
example <http://www.coaccess-rcco.com/>
- Colorado State Government accountable care website  
<http://www.colorado.gov/cs/Satellite/HCPF/HCPF/1233759745246>
- EMHS Difference in Care  
<http://www.emhs.org/Home/Beacon-Health.aspx>