Delivering Value in Health Care

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“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

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

Together We’re Stronger
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

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- 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.”

Some Resources

• Center for Health Care Strategies [http://www.chcs.org/](http://www.chcs.org/)
• Colorado Regional Care Collaborative Organization example [http://www.coaccess-rcco.com/](http://www.coaccess-rcco.com/)