Population Health and New Technology

Sentara Healthcare
Outline

• Overview of Sentara and Population Health

• Key to successful population health
  – Physician leadership and engagement
  – Accurate information and dependable tools
  – Patient/member engagement

• Discussion
Sentara Healthcare

- 2,758 Beds
- 12 Hospitals
- 3+ long term facilities
- 1,000+ employed physicians
- 3,800 affiliated physicians
- 300 sites of care

$500,000$ Optima Health Plan
**Population Health**

**DEFINITION:**

“Individual health” is care provided by an individual doctor to an individual patient. The traditional model of care.

“Population health” is care provided by a group of doctors and hospitals to a group of patients for whom they have clinical and financial responsibility. A new model of care.

**GOALS:**

- Improve quality of care and service
- Improve the health outcomes
- Reduce the total cost of care
Population Health in an Integrated Healthcare Network (IHN)

STANDARD SITUATION

Health Insurance Companies

Providers: Hospitals Physicians

SENTARA IHN SITUATION

Optima Health Plan

Sentara Hospitals Physicians

SQCN
Keys to success of Population Health

• Physician Leadership and Physician Engagement
• Trusted Information and Dependable tools
• Patient/Member Engagement
Physician engagement depends on trusted information

<table>
<thead>
<tr>
<th>Capabilities</th>
<th>Description</th>
<th>Tool</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Stratification &amp; Predictive Analytics</td>
<td>- Identification of high risk, motivated members, for targeted case management. &lt;br&gt; - Disease specific analytics.</td>
<td><a href="#">Cardinal Analytics</a></td>
</tr>
<tr>
<td>Physician Stratification, Reporting &amp; Analytics</td>
<td>- Broad-based quality reporting by physician/practice.</td>
<td><a href="#">Cave Consulting Group, Inc.</a></td>
</tr>
<tr>
<td>Physician / Care Manager Workflow Technology</td>
<td>- Effectiveness, variation patterns, utilization appropriateness, benchmarking by physician/practice.</td>
<td><a href="#">jvion</a></td>
</tr>
<tr>
<td>Global Budget / Value Based Contract Modeling</td>
<td>- Customized workflows to assist physicians in provision of required care (gaps in care).</td>
<td><a href="#">Optima Health</a></td>
</tr>
<tr>
<td></td>
<td>- Budget projections and actual financial reports for “Clinically Integrated Networks.”</td>
<td></td>
</tr>
</tbody>
</table>
“Cost Blooms” present a significant savings opportunity by identifying high cost patients.

Cost Blooms represent 50% of the highest cost members, and $259M increase in spend.
**Scope:** Machine-learning Predictive Analytics to identify member cost increases *before* they occur

<table>
<thead>
<tr>
<th>Model</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost Blooms</strong></td>
<td>Predicts next year’s new high cost members by identifying members who are in the bottom 90% of costs for the prior 12 months but are predicted to be in the top 10% for the next 12 months</td>
</tr>
<tr>
<td><strong>Cost Jumps:</strong> $5k/$10k</td>
<td>Members expected to have a cost increase above $5,000 and $10,000 thresholds in the next 12 months</td>
</tr>
<tr>
<td><strong>Impactability Score</strong></td>
<td>Indicates the likelihood of an impact on future costs via Outreach and Care Management Programs</td>
</tr>
<tr>
<td><strong>Engagement Score</strong></td>
<td>Indicated the likelihood of a member to engage with Care Management</td>
</tr>
<tr>
<td><strong>Case Summaries</strong></td>
<td>Detailed summaries for each Cost Bloom/Jump to support proactive outreach</td>
</tr>
</tbody>
</table>
Physician engagement increases when financial incentives are available

Payment Models:

Traditional fee-for-service

• *Incentive is to provide more services*

Value-based Reimbursement

• *Pay-for-performance*
  - Discrete payment for performance on quality metrics or lower cost

• *Episode/bundled payments*
  - Providers take responsibility for total cost of entire episode of care
  - Procedural episodes (e.g., joint replacement, colonoscopy), Acute episodes (e.g., AMI, Stroke, Pneumonia), Chronic episodes (e.g., Diabetes, Depression)

• *Capitation or “Total Cost of Care”*
  - Focus on total attributed membership
  - Providers take responsibility for clinical outcomes and total cost of care
Total Cost of Care Payment Model

First year expected trend line established based on prior 3 year period, then mutually agreed upon projected trend forecasted.

3 year budget forecasted on attributed membership
3 year budget reviewed, agreed upon adjustments made with actuarial and consulting input.
Next 3 year budget cycle forecasted each year during closeout of prior year’s shared savings determination in 2-3Q

SHARED SAVINGS: will be agreed upon as a portion of the allowed Total Cost of Care budgeted for the attributed population.

QUALITY MEASUREMENT PERCENTAGE (“Quality Gate”): Quality metrics will be established and tracked.

<table>
<thead>
<tr>
<th>% Savings</th>
<th>Employer Share</th>
<th>Provider Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.5%</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>0.5-10%</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>&gt; 10%</td>
<td>100%</td>
<td>0%</td>
</tr>
</tbody>
</table>

0.5% savings to employer group
1.0% savings to providers
(Note) 1.0% = (7% - 4.5% - 0.5%) X 50%
Patient/Member engagement: Digital Consumer Strategy Approach

Areas of Focus

- Sentara/Optima app integration
- Customer insights
- Chat
- Geo location tracking and wayfinding
- Expanded scheduling (SQCN)
- Virtual care across ambulatory services
- Care gaps/disease management
- Digital ID/payment integration
Patient/Member engagement: Digital Consumer Strategy Approach

- **Fully Integrated**: Self-reported data, predictive modeling and claims data combine for better targeting; outreach and interactions are well coordinated and “member centric” rather than “disease centric.”

- **Total Population Health Management**: All members receive Wellness resources, including access to health coaches/information and a personalized wellness plan.
Questions

Keys to successful population health

Physician leadership and engagement

Accurate information and dependable tools

Patient/member engagement