

# Innovative Models of Care



## Episodes of Care

**Oregon HFMA**

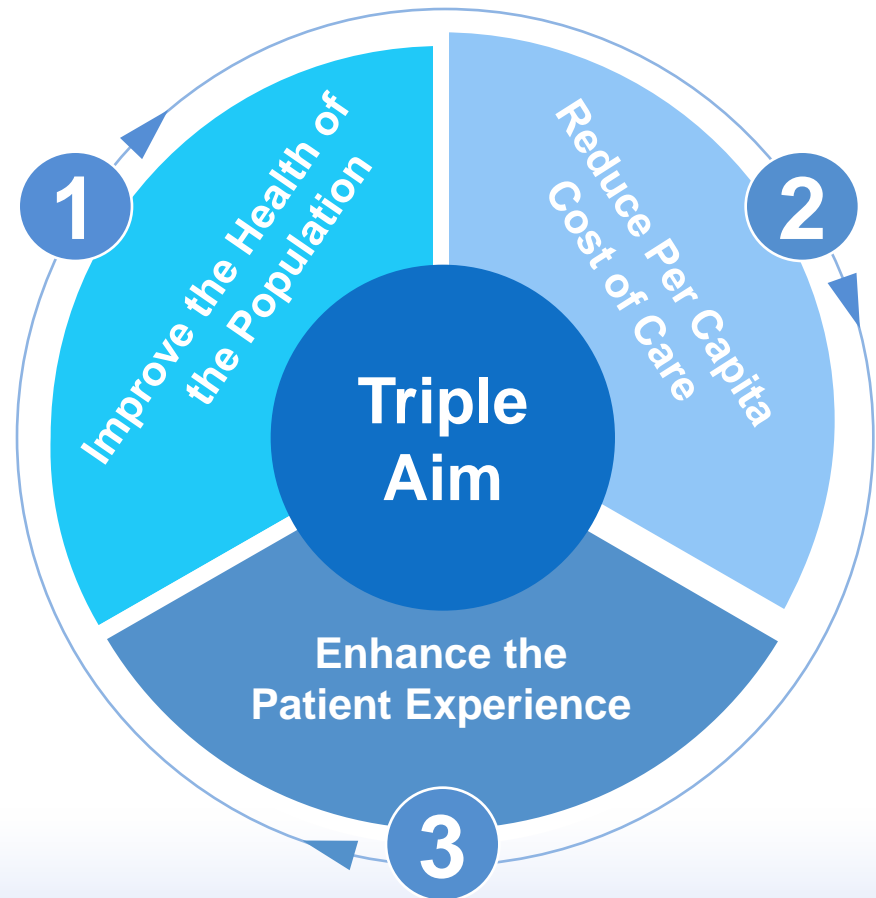
February 2014

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Director, Episodes of Care

**Horizon Healthcare Services, Inc.**

# The Triple Aim

- Through **collaboration**, we are helping to create an **effective, efficient and affordable** health care system
- We are achieving better health and better care at lower costs
- **Patient-Centered Programs:**
  - Patient-Centered Medical Homes (PCMH)
  - Accountable Care Organizations (ACO)
  - Episodes of Care (EOC)

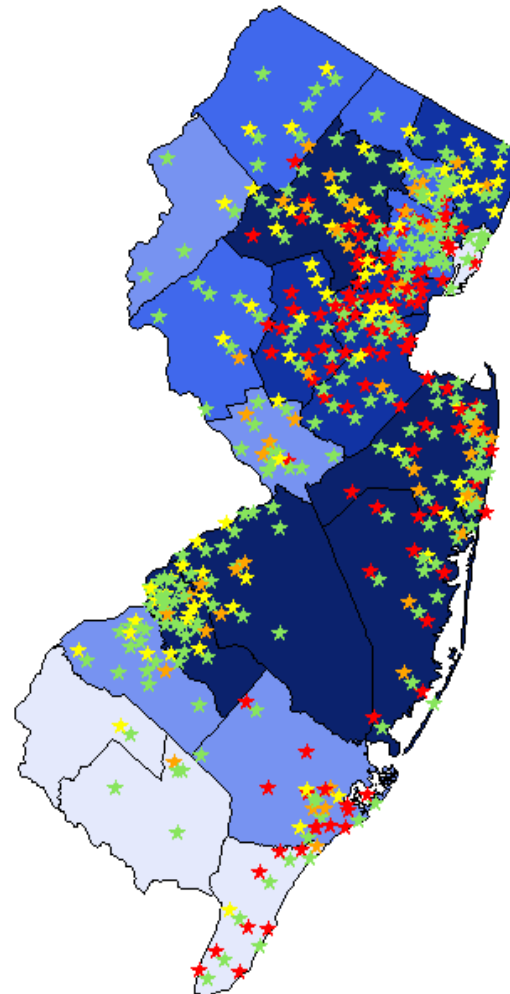
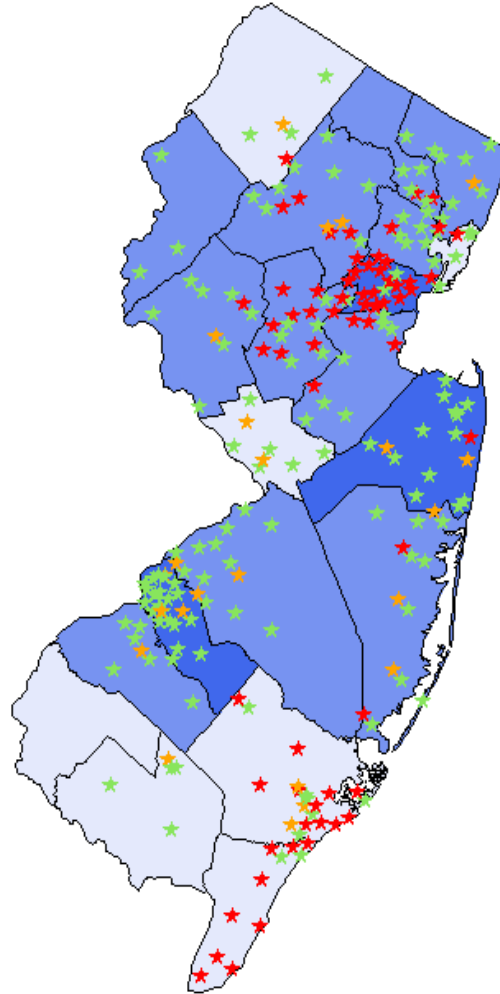
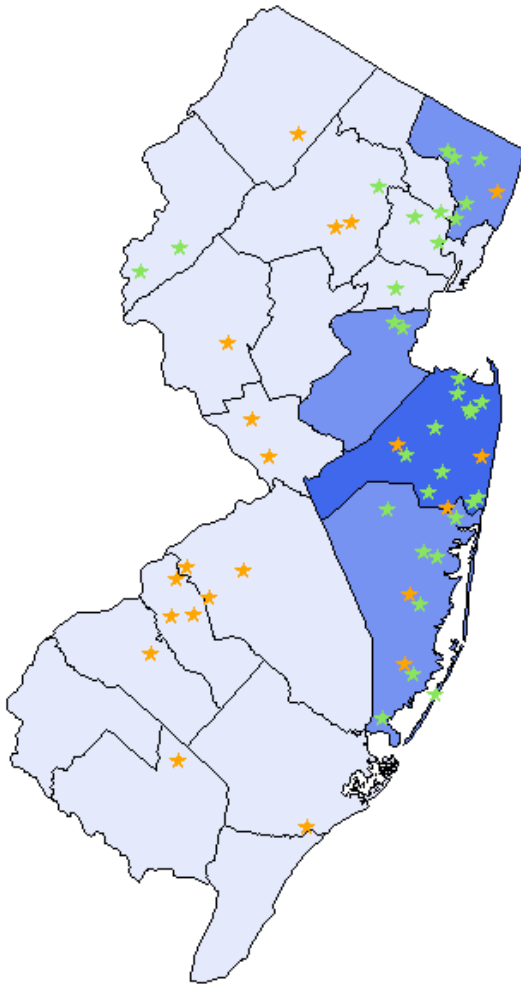


# Growth of Horizon's Patient-Centered Programs

January 2012

January 2013

January 2014



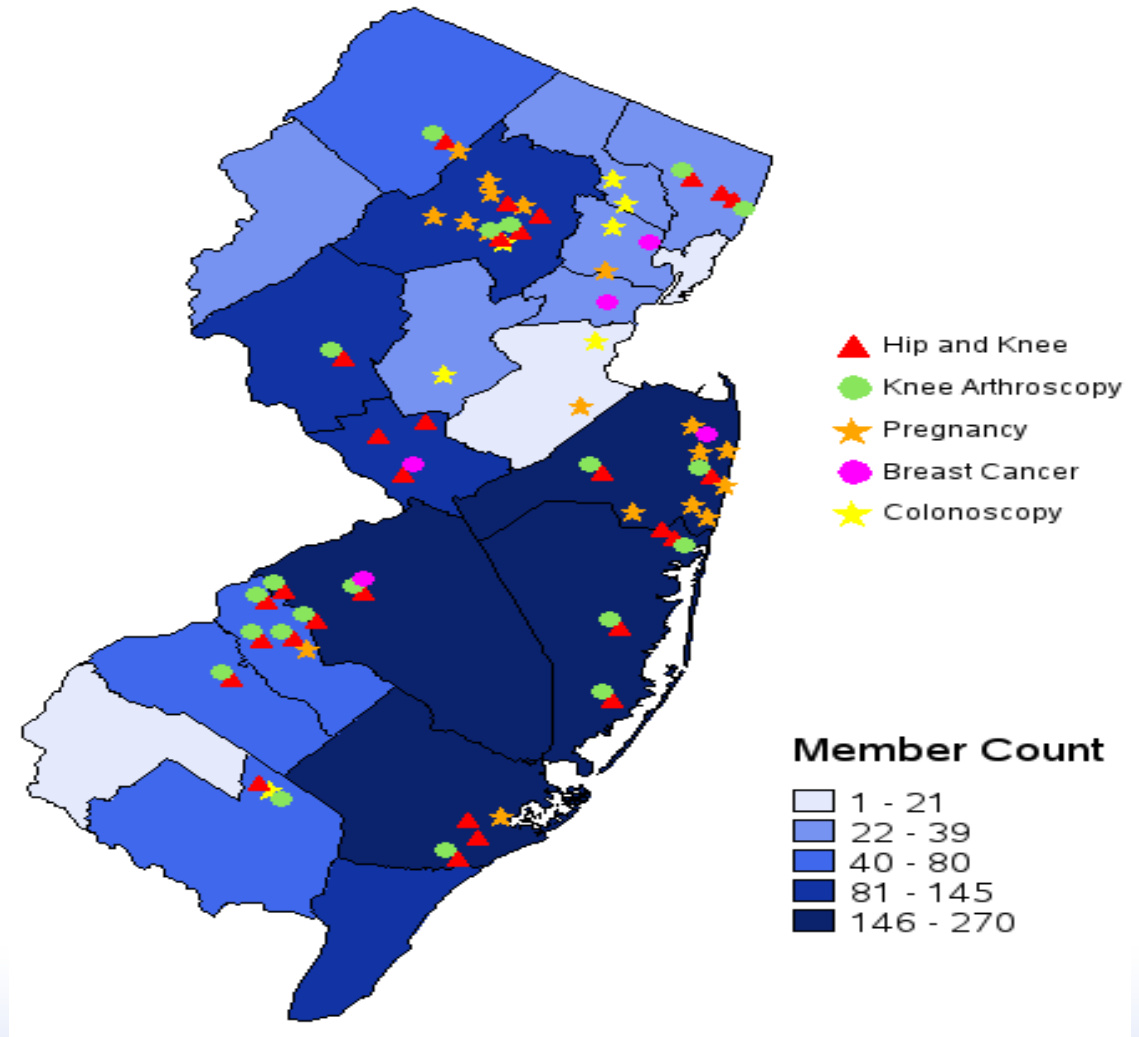
- ★ PCMH Practices
- ★ Pediatric Practices
- ★ EOC Practices
- ★ ACO Practices

Member Count

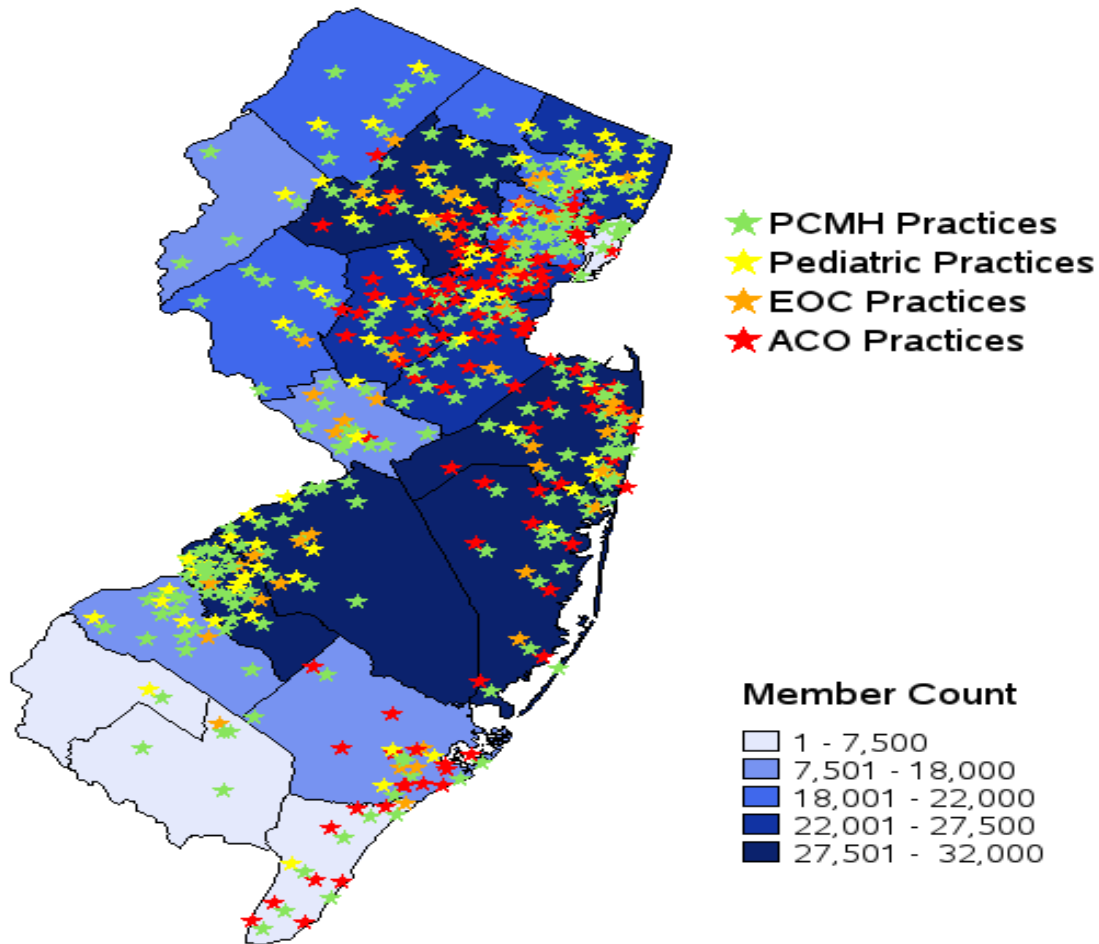
- 1 - 7,500
- 7,501 - 18,000
- 18,001 - 22,000
- 22,001 - 27,500
- 27,501 - 32,000

# Episodes of Care Program Expansion

## January 2014 EOC Attributed Members by County



# Over 500,000 Horizon members and 2,800 doctors

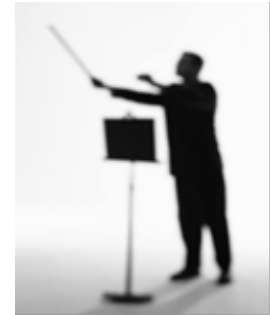


Over 500,000 Horizon BCBSNJ members are benefiting from these patient-centered programs.

More than 2,800 doctors and 900 practice locations are participating in these programs.

# Episode of Care – What is It?

- A single practice or physician acts as the **conductor who orchestrates the full-spectrum of care** for a service or procedure.



- The care spectrum/time line is defined. Includes all services related to a particular procedure and/or diagnosis within a defined time period.
- **Program goals:**
  - Greater collaboration between provider and payer.
  - Improve care coordination.
  - Improve clinical outcomes.
  - Increase patient satisfaction.
  - Reduce the total cost of care

# The Episode of Care model transforms delivery of care

## From current care model...

- Quality of care varies by provider and setting.
- Care is fragmented, high levels of service utilization are encouraged, and providers are not incentivized to eliminate inappropriate use of services.
- Care coordination is compromised by arduous administrative processes.
- Patients left to optimize their own care.
- Relationship between payer and provider is often adversarial.

## ...to Episode of Care model

- Care is standardized according to evidence-based guidelines; measured on quality, patient experience & severity adj. utilization.
- Services are used appropriately (e.g., duplicative tests eliminated); treatment carried out in the most appropriate, lowest cost setting.
- Administrative burden eased
- Care plans co-created with pilot partners and patients engaged to obtain positive outcomes.
- Relationship improved through collaborative co-design of program.

# From Pilot to Scalable Program

As of January, 2013, only total hip and total knee replacement episodes, our original pilot episodes, were implemented.

At year-end, there were four new episodes launched: Knee Arthroscopy, Pregnancy, Colonoscopy, Adjuvant Breast Cancer.

<b># Participating Providers</b>		
<b>Episode of Care</b>	<b>2013 Start</b>	<b>2014 Start</b>
Total Hip Replacement	*37	59
Total Knee Replacement	*37	59
Knee Arthroscopy	0	33
OB	0	190
Colonoscopy	0	23
Breast Cancer	0	17
	<b>74</b>	<b>381</b>

\* Includes new conductor specialty - Anesthesia



# Launch of Episode of Care Programs

**Launched Date:**  
September, 2010  
Total Joint  
(Hip and Knee)  
Replacement

**Launch Date:**  
July, 2013  
Knee Arthroscopy  
& Pregnancy and  
Delivery

**Launch Date:**  
October, 2013  
Breast Cancer and  
Colonoscopy

# How Did We Do It?



Speed to Market

Reduction of Administrative Burden

Established Quality Measures

Established Member Satisfaction Metrics

Established Financial Targets

# Speed to Market & Reduction of Admin

- **Significant Standardization**
  - **Standardized Addendum (DOBI approved)**
    - FFS rate stabilization
    - 3 year arrangements
    - Minimum 30 episodes/2 years
  - **Instituted Practice Level Budgets**
    - Case mix adjusted by practice
    - Measured against practice history/mean
  - **Standardized program to include all cases for shared savings assessment**
  - **Standardized Recruitment Process**
    - Including some mass mail introductions/invitations

# Speed to Market & Reduction of Admin - Continued

- **Standardized Quality Metrics**
  - Eliminated data entry of 200+ quality metrics and associated administrative costs
    - Identified key quality indicators to assess program at high level
  - 3 generic metrics across all episodes
    - Readmission Rate, Patient Education, Care Coordination
  - 1-4 episode-specific metrics
- **New EOC launch time reduced from >1 year to between 12 & 26 weeks**

# Quality Measures are Established

## Quality Advisory Committee

- Reviews and approves measures
- Review and approves thresholds
- Reviews and approves performance
- Recommends Corrective Action Plans, as required

## Each Episode Contains (3) Standard Quality Measures:

- Pre and Post Procedure/Surgery(Trigger) Patient Education
- Care Coordination and Shared Decision Making
- All Cause Re-admission

## Episode Specific Quality Measures:

- All Episodes will have one-to-four episode-specific measures

# Member Satisfaction Metrics are Established

## Patient Advisory Council

- Reviews and approves measures
- Review and approves thresholds
- Reviews and approves performance
- Recommends Corrective Action Plans, as required

## All members surveyed by 3<sup>rd</sup> party vendor

### ➤ **Standard Key Measures**

- Overall patient satisfaction
- Likelihood to Recommend

### ➤ **Episode-specific questions**

- 1-4 related key indicators

# Financial Targets are Established

## Informatics & Clinical Innovations

- Reviews and approves measures
- Review and approves thresholds
- Reviews and approves performance
- Recommends Corrective Action Plans, as required

## Practice level vs Patient Level Budgets

- Pilot Phase - Patient Level – Risk Adjusted
- Scaled Program - Practice Level – Case Mix Adjusted
- Next – Regional?

## Budget Calculation Methodology

- Episode simulation of two years of practice history, using historical claims
- Low 5 percentile and high 5 percentile of episode costs excluded
- Mean established and reviewed for practice level budget establishment
  - If practice is above efficiency levels, budget may be established higher than mean  
*(Higher budget = greater opportunity for shared savings)*

## Outlier protection

# How It Works

## Retrospective Program

- All providers of care within the continuum of the episode are paid at their contracted fee for service rates
- Episode assessment is made, post episode, and after a three month claims run out period
  - Quality targets reviewed
  - Member satisfaction thresholds reviewed
  - Financial review to determine if aggregate of the episode actual costs were below the established targets



# How It Works - Continued...

- Quality metrics are measured and reviewed by Horizon BCBSNJ Quality Advisory Committee (QAC). If any metrics fall below established thresholds then corrective action (CA) may be recommended.
- Patient satisfaction is measured and reviewed by the Member Satisfaction Advisory Group (MSAG). If any metrics fall below established thresholds then corrective action (CA) may be recommended.
- If the actual costs come in below the established targets, outcomes-based payments are calculated for shared savings, based on the percent of shared savings outlined in the provider's addendum.
- In the future, it is anticipated that Horizon-BCBSNJ will offer an option for prospective payments related to episodes (i.e., bundled payments).

# Episode Definitions

## Standard

- Prometheus by hci3

## Custom

- Manually defined, using claims data
- Future: TriZetto

# 2014 Strategy

## Transformation

- Leverage expertise of PCMH Transformation Coaches

## Operationalization

- Standardize reporting

## Program Expansion

- Further Standardize Processes
  - Recruitment
  - Reporting
- Leverage Established Partners
  - Create cadre of Program Ambassadors to “market” program
- Outcomes data sharing with PCMHs & ACOs
  - Medical Neighborhood (encouraged use of EOC partners)
  - Integrate care across continuum

## Overall cost modification/reduction

- Model Value vs Volume Benefits

# New Horizon product focused on PCMH/ACO

- No PCP selection is required. However, members receive additional cost savings when they select a PCP who is participating in our patient-centered programs.
- Physicians and other health care providers who participate in our patient-centered programs will be identified on the Horizon BCBSNJ Online Provider Directory.



# Engaging everyone!

