Accountable Care Organizations:
Plausible Roadmap for “Bending the Cost Curve”

Brookings-Dartmouth / Anthem / HealthCare Partners (California)

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HealthCare Partners’ Vision

HealthCare Partners will be the role model for integrated and coordinated care, leading the transformation of the national healthcare delivery system to assure quality, access, and affordable care for all.
National Delivery System

California
- More than 500K Commercial (A&B capitated)
- 98K MAPD (A&B capitated)
- 35K Managed Medicaid (A&B capitated)

Florida
- 40K MAPD (A,B&D capitated)
- Approximately 4K Commercial (A&B capitated)

Nevada
- 36K MAPD (A&B capitated)

HealthCare Partners’ Delivery System
- Global Capitation Predominates
- Physician-Led, Professionally Managed
- Centrally Coordinated
- Regionally Driven
- Strong Medical Management Infrastructure
- Robust Deployment of Technology
- Robust MAPD Growth: Acquisitions and Organic Growth
- Metrics Driven
Disciplined Focus on Key Metrics Supported by Provider/Management Incentives

Key Metrics
1. Composite P4P Score
2. Medicare Growth
3. Risk-adjusted Commercial Admits
4. Risk-adjusted Medicare Admits
5. Patient Satisfaction
6. Correct Coding
7. Budget Results

These metrics drive physician and management incentives.

HealthCare Partners’ ACO Objectives

• Strategic Positioning for Medicare ACO Pilots Starting in 2012
• Source of Future Profitable Commercial Growth
• IPA PCP Differentiator
• Contribute to Positive Healthcare Outcomes and Bend the Cost Curve
HealthCare Partners: A Brookings-Dartmouth National ACO Pilot Site

Elements of this Pilot:

- Partnership with Commercial Insurer
- Attribution Model
- Historical Trending
- Multi-year Commitment
- Quality / Service / Transparency
- Financial Model

Higher healthcare spending is not associated with better quality

Source: Balick et al. Health Affairs web exclusives, October 7, 2004
Getting There from Here?

- Anthem / Brookings-Dartmouth 2011: ACO “Light”
- Anthem / Brookings-Dartmouth 2012: Now We’re Talking!
- Challenges

ACO: 2011 Program Summary

Populations Served
- ETG attributed population: approx. 50,000 members
- Brookings-Dartmouth attributed population: additional 45,000 members

HealthCare Partners 2011 Value-Adds
- Footprint in Los Angeles County
- Care Team Approach
- Electronic Health Records
- Clinical Data and Clinical Tools
- Disciplined Focus on Key Metrics, Supported by Incentives
- 2011 Cost of Healthcare Focus
- HealthCare Partners 2011 Compensation Model
- FFS, Network Management Fee, and Shared Savings
HealthCare Partners LA County Footprint

- 1,275 Tax IDs used for Attributions
- 1,300 Primary Care Providers
- 1,700 Specialty Care Providers
- 13 Primary Hospitals
- Over 500,000 Part A/B Capitated Commercial Members
- Almost 100,000 Part A/B Capitated Medicare Members
- Over 35,000 Part A/B Capitated Managed Medicaid Members

The Care Team Approach

Interactive and collaborative teams of clinicians support HealthCare Partners clinical programs.

High Risk Programs
- HomeCare
- Comprehensive Care Center
- ESRD

Disease Management Programs
- Diabetes
- CHF
- COPD
- ESRD
Electronic Health Record

Multiple Approaches
- AllScripts: Implemented in our group model sites in 2006
- EPIC: Acquired with Talbert Medical Group in 2010
- Physician Information Portal: Implemented in 2005

Clinical Data and Clinical Tools

Disease Registries help every physician better understand the make-up of his/her patient panel.

Web-Based, Self-Serve, Disease Registries:
- CKD
- Depression
- Dementia
Example of Point-of-Care Reminder

Example of P4P Scores Report
Colorectal Cancer Screening (Medicare) 2007-2009

- HCP Group: 60% in 2007, 63% in 2008, 69% in 2009
- IPA: 51% in 2007, 55% in 2008, 60% in 2009
- PA IPA: 70% in 2007, 60% in 2008, 78% in 2009

Diabetes HbA1c Test 2006-2009

- Percent of Diabetics with LDL<100
  - 2006: 87%
  - 2007: 89%
  - 2008: 89%
  - 2009: 91%

Diabetes HbA1c Control (<8.0%) at 65% in 2008 and 2009; consistently at the 75th percentile and above
**Total Weighted Bed Days, Commercial Patients**
HealthCare Partners in California

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<thead>
<tr>
<th>Year</th>
<th>Weighted Bed Days</th>
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<tbody>
<tr>
<td>2008</td>
<td>197</td>
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<tr>
<td>2009</td>
<td>216</td>
</tr>
<tr>
<td>2010</td>
<td>203</td>
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</table>

Source: HealthCare Partners National Dashboard

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**Total Acute-to-Acute Medicare Readmit Rates (30-Day)**
HealthCare Partners in California

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<tr>
<th>Year</th>
<th>Medicare Readmit Rate</th>
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<tr>
<td>2008</td>
<td>14.65%</td>
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<tr>
<td>2009</td>
<td>14.67%</td>
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<tr>
<td>2010</td>
<td>13.91%</td>
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</tbody>
</table>

Source: HealthCare Partners National Dashboard
Total Acute-to-Acute Commercial Readmit Rates (30-Day)
HealthCare Partners in California

Total Weighted Medicare Bed Days
HealthCare Partners in California

Source: HealthCare Partners National Dashboard
Patients Completely Satisfied with the Medical Group
HealthCare Partners in California

<table>
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<tr>
<th>Quarter/Year</th>
<th>Percentage of Patients Completely Satisfied</th>
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<tbody>
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<td>1Q08</td>
<td>45.2%</td>
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<tr>
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<tr>
<td>1Q10</td>
<td>48.6%</td>
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<tr>
<td>2Q10</td>
<td>50.7%</td>
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</table>

Source: HealthCare Partners Decision Support

HealthCare Partners:
2011 Cost of Healthcare Focus

- Improving Generic Utilization
- Improving Utilization of Efficient Day Surgery Centers
ACO: 2012 Program Summary

Populations Served
- ETG Attributed Population: approx. 50,000 members
- Brookings-Dartmouth Attributed Population: additional 45,000 Members
- Anthem ACO Product Line

2012 Additional Value Drivers
- HealthCare Partners Hospitalist Program
- Prospective Review of Part A/B Services
- Hospitals: Aligning Incentives

HCP 2012 Compensation Model
- Global or Partial Capitation

Hospitalist Program
1. 24/7 Availability
2. ER Triage
3. Communication to PCP
4. Communication with Patient
5. Reduce Resource Consumption
6. Reduce ALOS
7. Reduce 30-day All-cause Readmits
Prospective Review of Part A/B Services

- Electronic Health Record Guidelines
- Rule-Based Referral Management Systems
- ETG Provider Profiling
- Predictive Modeling

Hospitals Aligning Incentives

- Modified Contracts
- Incremental ACO (Core) volume
- Hospitalist assistance with public programs
Lessons Learned

- 2 Attributed populations make it more difficult
- IT Integration is always harder than expected
- Member/Provider communication is difficult with attribution
- Provider performance/incentive is difficult with attribution
- Population-based payment is essential (shared savings is a weak first step)
- Legacy Health Plan / Provider relationships and contract implications can get in the way
- What’s in it for the members?