Working Together to Face the Future: Why an Independent Group of Providers Formed a Regional Collaborative

Rural Health Conference, June 2015

Goals for Collaborative

- Coordinate and improve patient care using evidence-based medicine
- Keep healthcare local
- Reduce costs for participants – focus on operational efficiencies
- Explore shared service opportunities
- Explore alternative payment opportunities with payers as the system transitions from fee for service (FFS) to fee for value

Map of Service Area

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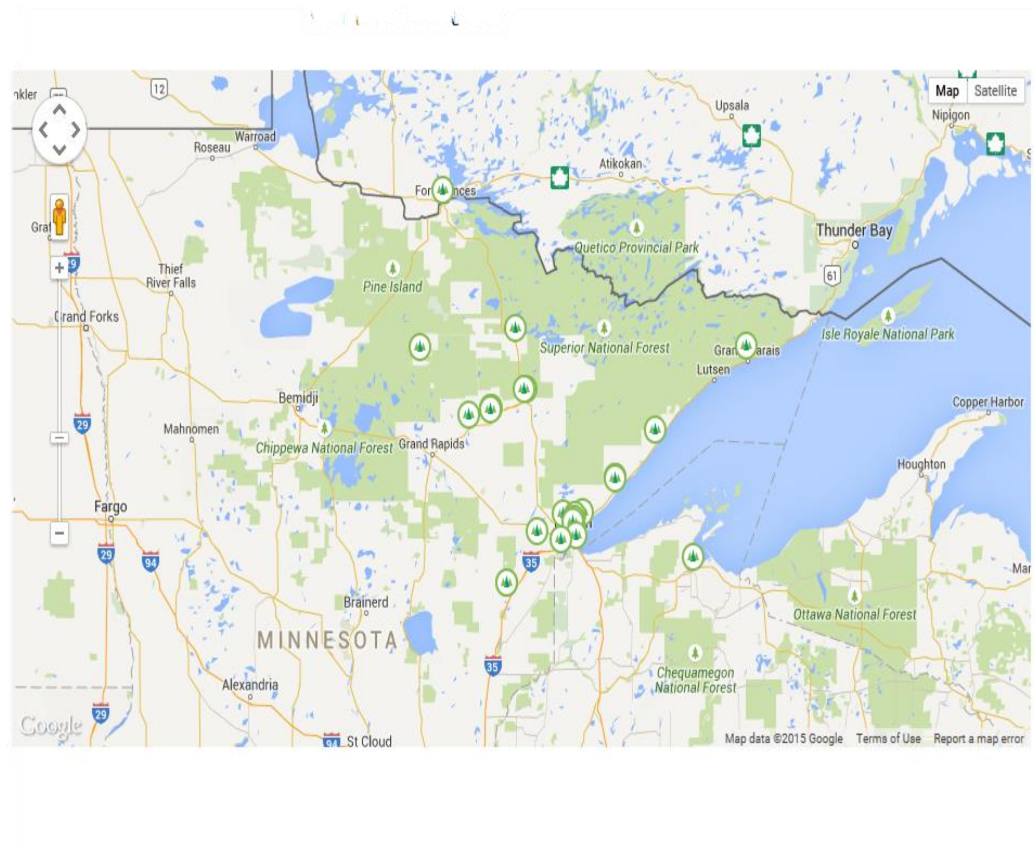

Charter Members

Bigfork Valley Hospital, Bigfork

Community Memorial Hospital, Cloquet

Cook County North Shore Hospital, Grand Marais

Cook Hospital, Cook

Fairview Range Hospital, Hibbing

Lake View, Two Harbors

Mercy Hospital, Moose Lake

Rainy Lake Medical Center, International Falls

St. Luke’s, Duluth

Hospital Inpatient Reduction in Utilization

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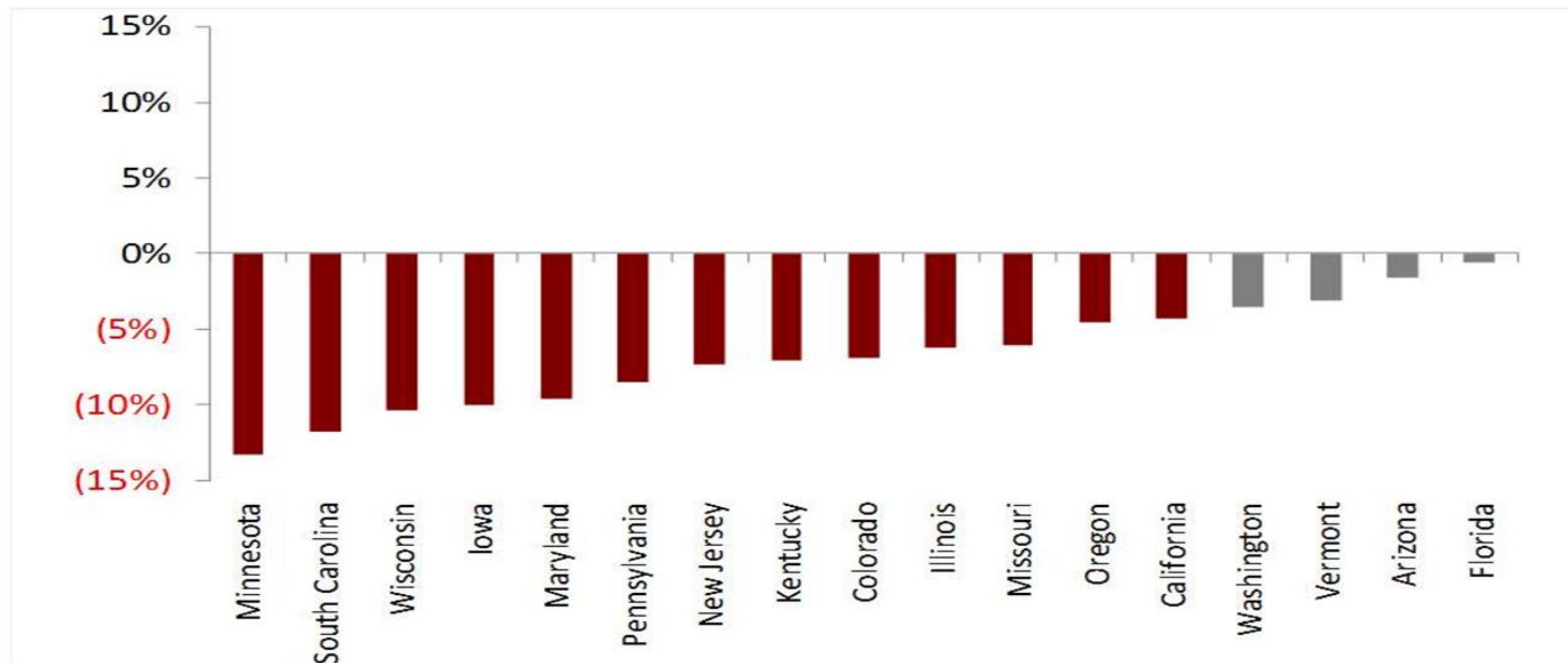
2006-2011 Change in Inpatient Use Rates per 1,000



Source: Analysis by Kaufman, Hall & Associates, Inc

Demand Forecast

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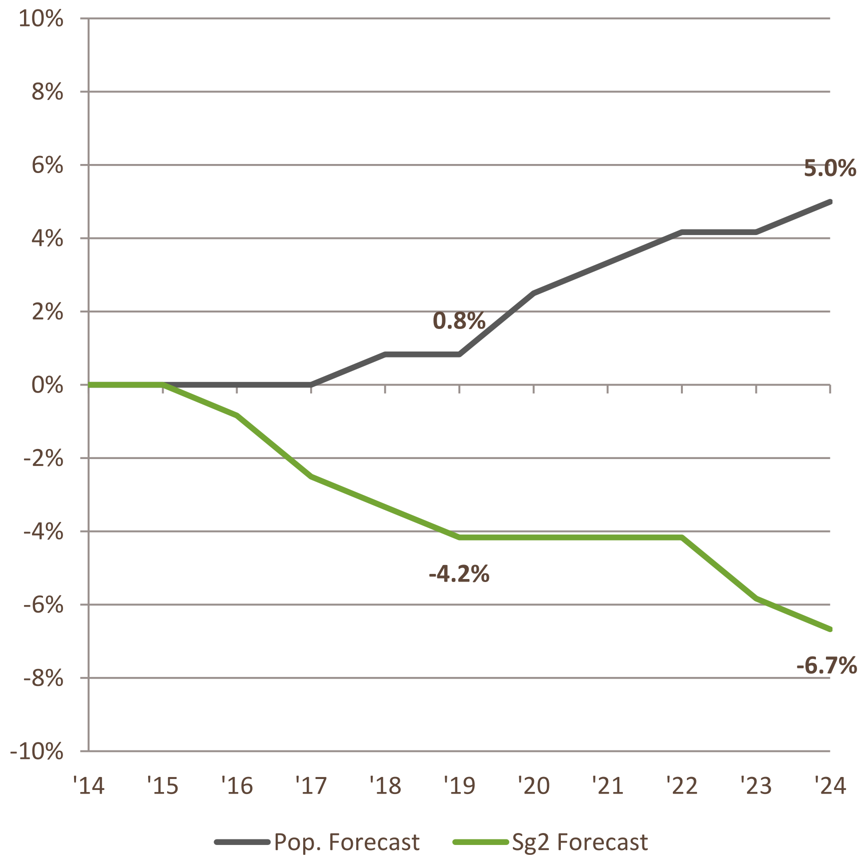

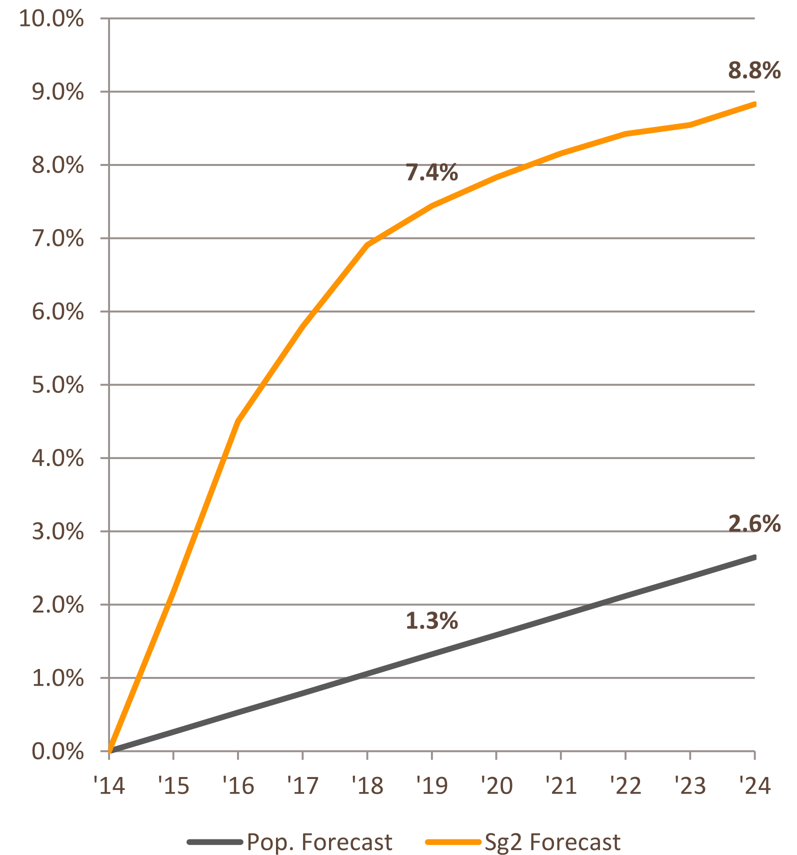

Inpatient Payer Mix

Based on inpatient discharge data, doesn't include outpatient

	Medicaid			Medicare			Commercial			Other		
Facility	**2012**	**2013**	**2014**	**2012**	**2013**	**2014**	**2012**	**2013**	**2014**	**2012**	**2013**	**2014**
Hospital 1	8.14	2.46	3.08	78.08	77.05	66.92	13.01	14.75	21.53	0.81	5.74	8.46
Hospital 2	7.46	5.07	9.74	67.12	69.13	71.8	22.71	16.59	14.35	2.72	9.22	4.1
Hospital 3	7.45	7.1	8.19	53.02	60.95	57.89	22.79	13.61	13.45	16.75	18.34	20.47
Hospital 4	9.45	9.69	20.79	44.06	41.74	46.37	29.34	30.44	20.55	17.15	18.14	12.3
Hospital 5	18.39	11	33.05	52.95	63.3	37.29	20.59	23.85	26.27	8.09	1.84	3.39
Hospital 6	16.21	15.27	15.26	43.77	42.69	45.22	38.97	38.86	36.65	1.07	3.18	2.89
Hospital 7	20.19	22.67	28.76	52.26	50.63	48.12	23.28	23.68	22.5	4.28	3.02	0.62
Hospital 8	23.45	24.32	26.23	51.34	46.02	43.15	17.01	21.7	25.7	8.21	7.94	4.93
Hospital 9	24.5	27.96	31.61	43.8	41.42	37.72	28.87	28.2	28.17	2.82	2.41	2.49

Why work together if you're a large system?

- Work together on population health
- Serving patients throughout the region
- Continuity of care throughout the continuum
- Share data
- Mission-focused

Payment Change is Here

- Quality ratings are becoming publicly available, but not always rated consistently
- Health plans and providers are beginning to share data to improve care coordination
- Payers are tying reimbursement to quality and cost
- Reimbursement reductions for readmissions and quality metrics
- Sequestration and payment reduction for CAH

Why work together if you're a critical access hospital?

Maintain independence

Strength in working together

Improving patient care

Share data

Shared service opportunities

Ability to look at alternatives to FFS

Creating a New Legal Entity – Wilderness Health

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- Created a legal structure that will allow for the inclusion of a variety of independent provider types including:
  - Critical access hospitals
  - Publicly-owned non-profit hospitals
  - Clinics, including federally-qualified health centers (FQHC)
  - Other providers, such as home health agencies, long term care providers and others
- Non-profit corporation filed in Minnesota in Dec 2013
- One Member, One Vote
- Membership Agreements and Budget presented to interested hospital boards for approval
- Public launch in November 2014

What's been done

- Board Created and Meeting
- Executive Committee Meeting
- Contracted with DHS on Integrated Health Partnership (IHP)
- Hired Medical Director
- Analytics assessment complete, Negotiating Contracts
- Received eHealth Development Grant
- Quality Committee Meeting
- Receiving Data from State

Strategic Initiatives

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Care Coordination/Patient Experience

Improving Health Outcomes

Education

Work with Other Partners and Stakeholders:

- Primary Care
- Behavioral Health
- Post-Acute/Long Term Care
- Home Health
- Counties

Values

Innovation

Collaboration

Trust

Quality

Independence

Understanding payment models

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Payment models

- FFS
- Quality Withholds
- Shared Savings
- Shared Risk
- ACOs
- Bundled Payments
- Capitation

Why form an ACO?

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- Change is happening already
- Develop/strengthen your own network
- Negotiate with payers
- Improve patient outcomes
- Data

Data Liberation

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- Need the ability to integrate data from providers and payers.
- Stratify patient risk
- Enhanced quality reporting
- Predictive analytics
- Population health and outreach
- Market leakage

Integrated Health Partnerships (IHP)

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- Minnesota Medicaid ACO
- Can be integrated or virtual
- Providers continue to receive FFS or MCO contracted rates with potential shared savings after year-end
- Shared savings and risk options
- Wilderness started January 2015

IHP enrollment

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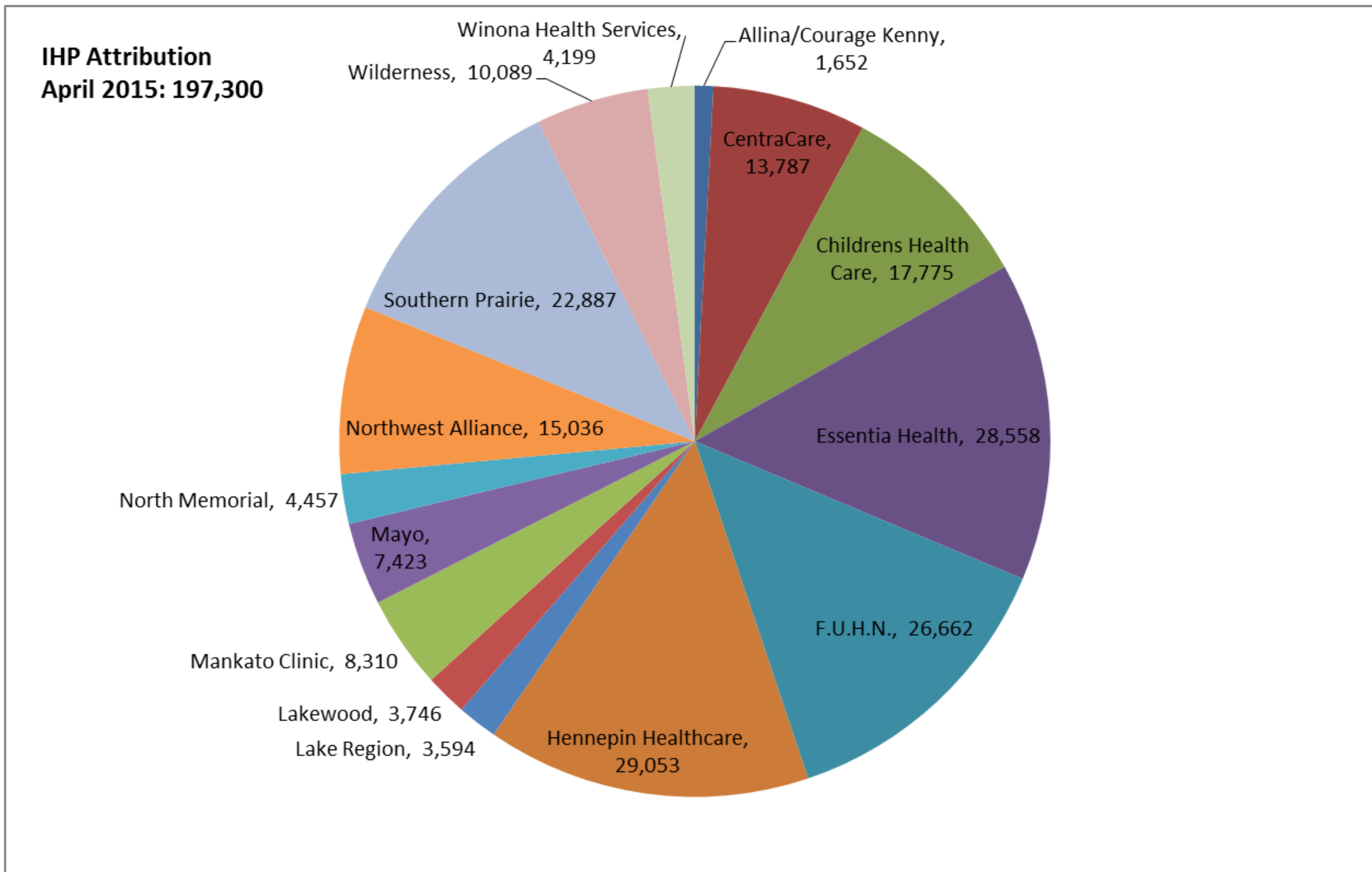

What we’ve learned

Ability to get better picture of patient’s health needs

Primary care services

ER utilization

Pharmacy costs and trends

Care Coordination needs

IHP Findings, continued

Most common chronic conditions:

- Depression
- Hypertension
- Asthma

Diabetes was lower than expected

Quality Committee developing quality initiatives based on data

Shared Services

- Joint purchasing
- CFO Roundtable
- HR Roundtable
- Education and Training
- ICD-10 testing and training

Next steps

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- Develop primary care engagement strategy
- Develop payer engagement strategy:
  - Medicare
  - Commercial
  - Medicaid
- Identify shared service opportunities
- Finalize Analytics/Population Health solution
- Other fun legal things

Challenges

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Health Record Interoperability

Privacy, security and patient consent

Resources

Distance – virtual and in-person meetings

What have we learned

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Relationships and trust take time to develop

Listen to every voice

Sharing information is powerful

Everything will take longer than anticipated to develop

Access to data is key

Logo/Tagline

WILDERNESS
HEALTH

Partners advancing rural health