CARE MANAGEMENT OVERVIEW

Andreas A. Theodorou, M.D., FAAP, FCCM
Chief Medical Officer
Banner University Medical Center-Tucson
Professor and Vice Chair, Pediatrics
University of Arizona, College of Medicine
Banner Health’s Values

People Above All ... by treating those we serve with compassion, dignity and respect.

Excellence ... by acting with integrity and striving for the highest quality care and service.

Results ... by exceeding the expectations of those we serve and those we set for ourselves.
Banner Health’s Vision

“We will be a national leader recognized for clinical excellence and innovation, preferred for a highly coordinated patient experience, and distinguished by the quality of our people.”
Banner’s 2020 Vision
“Our steps to the Future”

- **Industry Leadership 2016 - 2020**
  - LEAD IT

- **Innovation 2011 - 2015**
  - CHANGE IT

- **Growth 2007 - 2010**
  - GROW IT

- **Performance 2003 - 2006**
  - DO IT

- **Turnaround 2000 - 2002**
  - FIX IT
Banner’s 2020 Vision
“Our steps to the Future”

- **Industry Leadership 2010 - 2020**
  - LEAD IT
- **Innovation 2011 - 2015**
  - CHANGE IT
- **Growth 2007 - 2010**
  - GROW IT
- **Performance 2003 - 2006**
  - DO IT
- **Turnaround 2000 - 2002**
  - FIX IT
Banner’s New 2025 Vision
“Our Roadmap to the Future”

- **Optimize to Perfect the Model**
- **LEAD (2020 +)**
  - Trusted Advisor, Health Steward
  - BANNER HEALTH 2.0 (2016 – 2019)
  - BANNER HEALTH 3.0 (2020 +)
  - SCALE (2016 – 2020)
    - Flex to Achieve Scale
    - Re-orient Operations from Facility to Member Driven
    - Demonstrate Value Prop and Build Loyalty
    - Create Additional Resource Capacity
    - Eliminate Disappointments
    - Digitize Platform
  - LEAD IT
  - CHANGE IT
  - GROW IT
  - DO IT
  - FIX IT

Banner’s New 2025 Vision
“OUR Roadmap to the Future”
Banner’s 2025 Vision
(Our Roadmap to the Future)
(Long Range 5-20 Years)

Mission & Values

Strategic Plan
Mid Term
(3 – 5 Years)

Strategic Initiatives and Budget
Short Term
(1 Year)

Vision
The Banner Brand
Driving Strategies

Strategy Map

Performance

ISSUES
(External & Internal Environment)
So why Accelerate the Development of Banner’s next Long-Range Strategic Plan?
FOR IMMEDIATE RELEASE
January 26, 2015

Better, Smarter, Healthier: In historic announcement, HHS sets clear goals and timeline for shifting Medicare reimbursements from volume to value

In a meeting with nearly two dozen leaders representing consumers, insurers, providers, and business leaders, Health and Human Services Secretary Sylvia M. Burwell today announced measurable goals and a timeline to move the Medicare program, and the health care system at large, toward paying providers based on the quality, rather than the quantity of care they give patients.

HHS has set a goal of tying 30 percent of traditional, or fee-for-service, Medicare payments to quality or value through alternative payment models, such as Accountable Care Organizations (ACOs) or bundled payment arrangements by the end of 2016, and tying 50 percent of payments to these models by the end of 2018. HHS also set a goal of tying 85 percent of all traditional Medicare payments to quality or value by 2016 and 90 percent by 2018 through programs such as the Hospital Value Based Purchasing and the Hospital Readmissions Reduction Programs. This is the first time in the history of the Medicare program that HHS has set explicit goals for alternative payment models and value-based payments.

To make these goals scalable beyond Medicare, Secretary Burwell also announced the creation of a Health Care Payment Learning and Action Network. Through the Learning and Action Network, HHS will work with private payers, employers, consumers, providers, states and state Medicaid programs, and other partners to expand alternative payment models into their programs. HHS will intensify its work with states and private payers to support adoption of alternative payments models through their own aligned work, sometimes even exceeding the goals set for Medicare. The Network will hold its first meeting in March 2015, and more details will be announced in the near future.

"Whether you are a patient, a provider, a business, a health plan, or a taxpayer, it is in our common interest to build a health care system that delivers better care, spends health care dollars more wisely and results in healthier people. Today's announcement is about improving the
Significant advancements in technology create more opportunities for innovation and market disruption as well as capabilities to serve people with new value propositions.

Individuals are older, fatter, sicker leading to an explosion in chronic conditions. Providers increasing must have competencies in managing the health of complex populations.

Healthcare costs increase while growing financial responsibility shifts to the consumer and governmental reimbursements continue to decline in a flat economy.

New payment and delivery models shift from volume to value, industry roles are being realigned, individual market is dramatically expanding, and funding is allocated to digitize health information and create transparency.

Individuals are older, fatter, sicker leading to an explosion in chronic conditions. Providers increasing must have competencies in managing the health of complex populations.

Significant advancements in technology create more opportunities for innovation and market disruption as well as capabilities to serve people with new value propositions.
Emerging Trends

<table>
<thead>
<tr>
<th>Consumerism</th>
<th>As healthcare becomes a consumer market, patients demand convenience, transparency, multi-channel access, affordability, and highly-personalized care experiences.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital Disruption</td>
<td>Digital disruption is mandating new business models and creating a fundamental shift in how organizations operate and interact with their customers. While competitive disruption threatens incumbents.</td>
</tr>
<tr>
<td>New Competitors</td>
<td>The US healthcare industry is a $2.8 trillion industry and is growing faster than the economy, yet it is filled with unsatisfied customers and a broken value chain.</td>
</tr>
<tr>
<td>Value Migration</td>
<td>Shifts in segment funding and population distribution fundamentally changes market economics and operational demands of the health system.</td>
</tr>
<tr>
<td>New Care Delivery Models</td>
<td>Market events are demanding a metamorphosis in care models, including providing care in more convenient and less expensive settings.</td>
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</table>
Vision and Destination

Trusted Advisor, Health Steward

Banner Health’s Senior Leadership Team envisions a Population Health Management Company – a clinically integrated network caring for whole communities and thriving under capitated reimbursement models.
Six interrelated themes were developed to help Banner Health achieve its strategic vision.

Themes aligned along dependencies and milestones Banner will achieve.
Banner Health Improvement “Architecture”

Care Management & Organizational Performance

Planning the Game
Prospective
*Process Specific*

Managing the Game
Concurrent
*Patient Specific*

Keeping Score
Retrospective
*Aggregate*
What is Care Management?

Led by Executive Vice President and Chief Medical Officer, John Hensing, M.D., Care Management provides leadership for excellence in clinical care and patient safety across the system.
Organizational Divisions

Departments and functions extend through the organization:

- CMOs
- Clinical Informatics Design and Usability
- Medical Informatics
- Risk Management
- Case Management
- Clinical Outcomes and Analysis
- Process Engineering/Program Management
- Research
- Clinical Innovation
- Clinical Education
- Clinical Performance Assessment
- Risk Management (Business Health)
Clinical Consensus Groups

CARE MANAGEMENT COUNCIL

- ANESTHESIA
- BEHAVIORAL HEALTH
- CRITICAL CARE
- CV SURGERY
- WOMEN'S HEALTH
- NEUROSCIENCE
- SURGERY
- ED
- PEDIATRICS
- PHARMACY & THERAPEUTICS

- NEPHROLOGY
- MEDICAL IMAGING
- CARDIOLOGY
- HOSPITAL MEDICINE
- ONCOLOGY
- INFECTIOUS DISEASE
- PRIMARY CARE
- ORTHOPEDICS
- POST-ACUTE CARE
Health Care Formula for Success

- Apply Evidence Based Practice
- Manage Risk for a Population

Better Care
Better Health
Lower Cost
Apply Evidence Based Practice
Evidence Based Practices

- Medical Imaging for Dx Community Acquired Pneumonia
- Chlorhexidine Alcohol for Surgical Skin Preparation
- Seprafilm Use in Cesarean Sections
- Knee High SCDs and TEDs
- Early Sepsis Identification
- Acute Respiratory Distress Syndrome (ARDS)
- Delirium
- Newborn Hypoglycemia Screening & Mgmt
- Medical Imaging for Peds Appendicitis
- Large/Small Bowel Surgical Care
- Diagnosis of Diarrheal Disease
- Pooling of Bronchoscopy respiratory specimens
- Diagnosis of Coccidioidomycosis by Seriological Means
- Diagnosis of Clostridium difficile Associated Diarrhea
- Elective Deliveries Prior to 39 Weeks
- Behavioral Health Medical Clearance
- Ventilated Patient Management (oral care, sedation)
- CT Scan in ED for Atraumatic Headache
- Dysphagia Management for peds patients
- Subcutaneous Insulin
- Syncope
- ED Ischemic Stroke tPA
- Scorpion Envenomations
- ED to Critical Care Admissions
- Intra Op Goal Directed Therapy
- PET Scan
- Admin Intravenous Contrast Media
- Vertebroplasty
- Pre-Term Labor
- Ambulatory Lower Back Pain
- Insulin Drip Transition Post Cardiac Surgery
- Palliative Sedation
- Readmission Risk Assessment and Management
- Pediatric Sepsis
- Enhancing Progression of Labor
- Indwelling Catheters in Laboring patients
- Pharmacy Drug Level/Lab Monitoring Service
- Appropriate Use of PPI’s (Proton Pump Inhibitors)
- DKA Hyperglycemic Crisis
- Moderate-Severe EtOH-Substance Withdrawal
- Pediatric Bronchiolitis
- Pediatric Fevers
- Adult Implantable Automatic Cardio-Defibrillators (ICD’s)
- Epoetin-Adult
- Orthopedic Care for Total Knees, CPMs, Cold Therapy
- Anesthesia Administration
- Post Partum Hemorrhage
- Early Warning System for Adult Patients
- ED Pulmonary Embolism Rule-Out Criteria (PERC)
- ED Discharge Transition
- ED Acute paint management
- Midline Sternotomy – Post Operative Management-Adult
- Point of Care Chest Ultrasoundography
- Chorioamnionitis Management
- Developmental Screening for Peds
- Acute Blood Loss
- ED Chronic Pain
- T Dap Vaccine
- Use of BMP
- Nitrous Oxide
- Reducing Postoperative Pulmonary Complications
- Ambulatory Diabetes Care
- Hepatic Encephalopathy Patient Management
Sample Results

- ICU LOS: > 24 hours Improvement
- Clinical Cost Avoidance of $22 Million
- ICU Mortality
- Banner Health System Leapfrog Data: Elective Deliveries < 39 weeks
- Pioneer ACO First Year Performance
“Engineering” New Models

Define
- Research Practices
- Reach Consensus on requirements

Design
- Describe reliable workflow and roles
- Develop tools

Implement
- Communicate and train
- Address issues
- Monitor
Managing Risk for a Population

Payer

Traditional Model

Future Model

Accountable Care Enterprise

Provider
Managing Risk for a Population

- **High Intensity**: 5% of Americans account for 45% of healthcare spending ($1.2 trillion by 15 million Americans). Employ evidence-based protocols and patient-centered medical homes.

- **Mid Intensity**: 20% of Americans account for 35% of healthcare spending ($910 billion for 60 million Americans).

- **Low Intensity**: For the remaining 75%, improve overall health and increase consumer engagement.
Health Management Design

• Create an infrastructure of people working in teams, technology that provides access to information and resources, and processes that are easy to navigate.

• Design future models that are integrated, health focused, outcome driven and based on individuals receiving the right care at the right time and in the right place.

• Maximize efficient and reliable clinical management by embedding process within the delivery system.

• Provide proactive preventive and chronic care to all members, both during and between healthcare encounters.
2015
BUMC-T and BUMC-S strategic initiatives
# BUMD- Blood Utilization

Reduce Variation

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<tr>
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<th>May</th>
<th>June</th>
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# BUMD - Length of Stay - IP

**Observed to Expected Ratio: UHC**

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## Reduction Goals

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BUMD-Length of Stay-OBS:
% Obs time >= 2 and < 18 hours

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% of Obs patients with LOS between 2 and 18 hours

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<td>27.7%</td>
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# BUMD- All-Cause Readmissions

Reduce Readmission%

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* Scores reported for Readmissions are for prior month

## Reduction Goals

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# BUMD- HCAHPS:
## Likelihood to Recommend

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## Increase % Patients Responding Definitely Yes Goals

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## BUMD- CG-CAHPS:
Likelihood to Recommend

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### Increase % Patients Responding Definitely Yes Goals

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Summary

• Banner is defining, designing, and implementing evidence-based practices as part of its “formula for success.”

• We are also designing new infrastructure for managing the health of a population.

• These changes will position Banner well for success.

• We are living in a rapidly changing environment that will continue at this pace for some time.