



A View from the Other Side of the Chasm:

Leveraging the Strengths of and ACO to Deliver Healthcare Value

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Our Focus Today

- ***Our Vision:*** Introducing Dean Health System, a present-day Accountable Care Organization
- ***The Situation:*** The Realities of Healthcare driving an imperative for revolutionary change
- ***The Strategy:*** The Tool, Tactics, and Methods we used to deliver Value-Based Care
- ***Our Results:*** Leveraging the power of an ACO to deliver on the promise of “Better Care at a Lower Cost”

An Introduction to Dean



An Introduction to Dean



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- Dean Health Systems, Inc. (“DHS”) is one of the largest integrated healthcare systems in the Midwest
 - December 31, 2010 LTM revenue of \$1.3 billion; EBITDA of \$50+ million
- Multi-specialty physician group practice
 - 500+ physicians providing over 1.5 million ambulatory visits per year
 - Network of more than 60 locations
 - Strategic partnership with SSM Health Care (“SSM”) – began in 1912
 - Estimated 30% service area market share by physician services
- Health insurance provider (“DHI”) and PBM (“Navitus”)
 - Provides healthcare coverage to approximately 300,000 members
 - Estimated 20% service area market share by enrollees
 - Largest HMO in Wisconsin
- A Vision to Transform Healthcare

**In other words,
we are all of these things...**

IDS

**Multi-Specialty
Group**

**Accountable
Care
Organization**

Medical Neighborhood

IDN

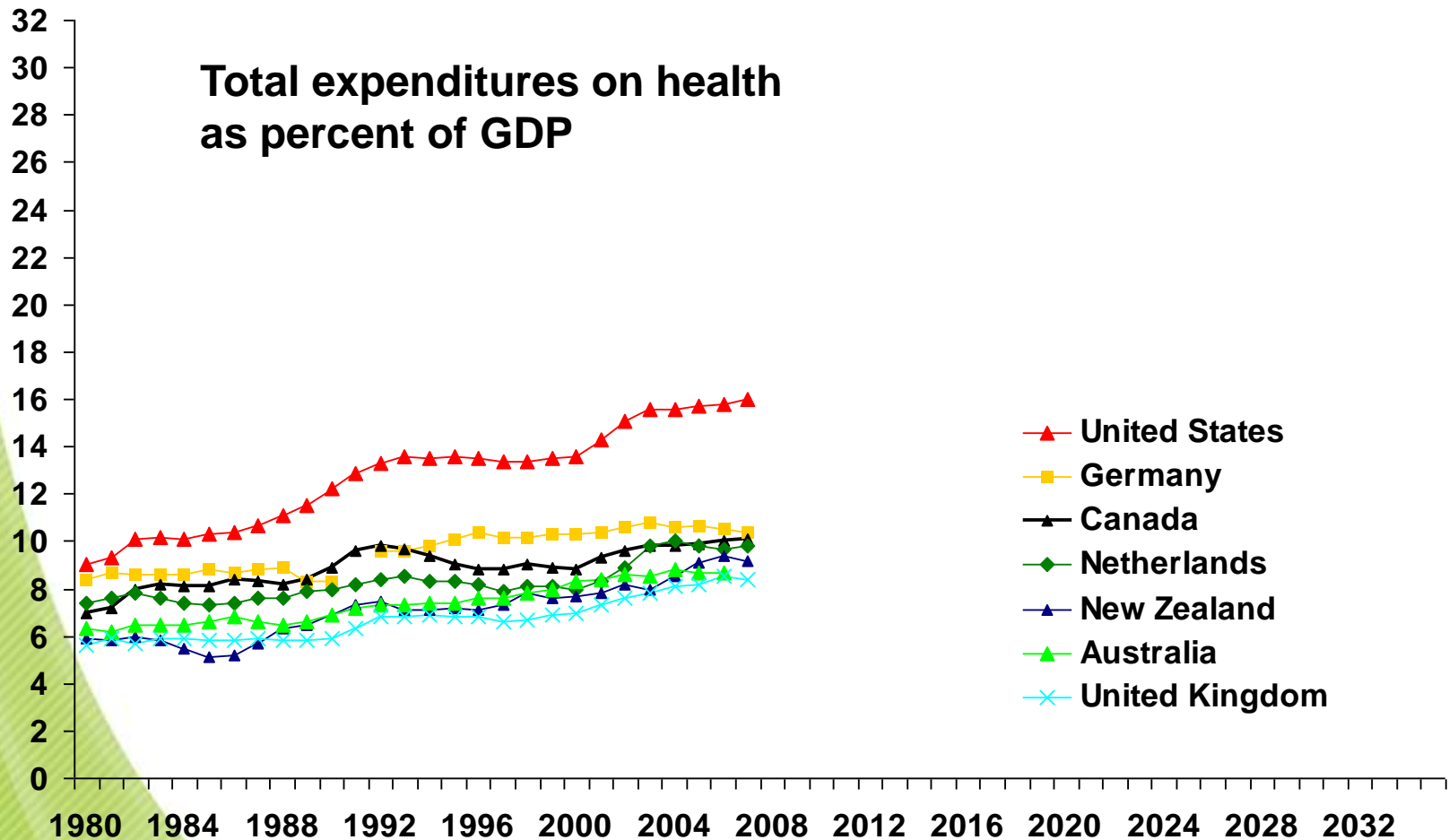
Dean's Vision and Focus



An Imminent Need for Change: There's no escaping the realities of healthcare

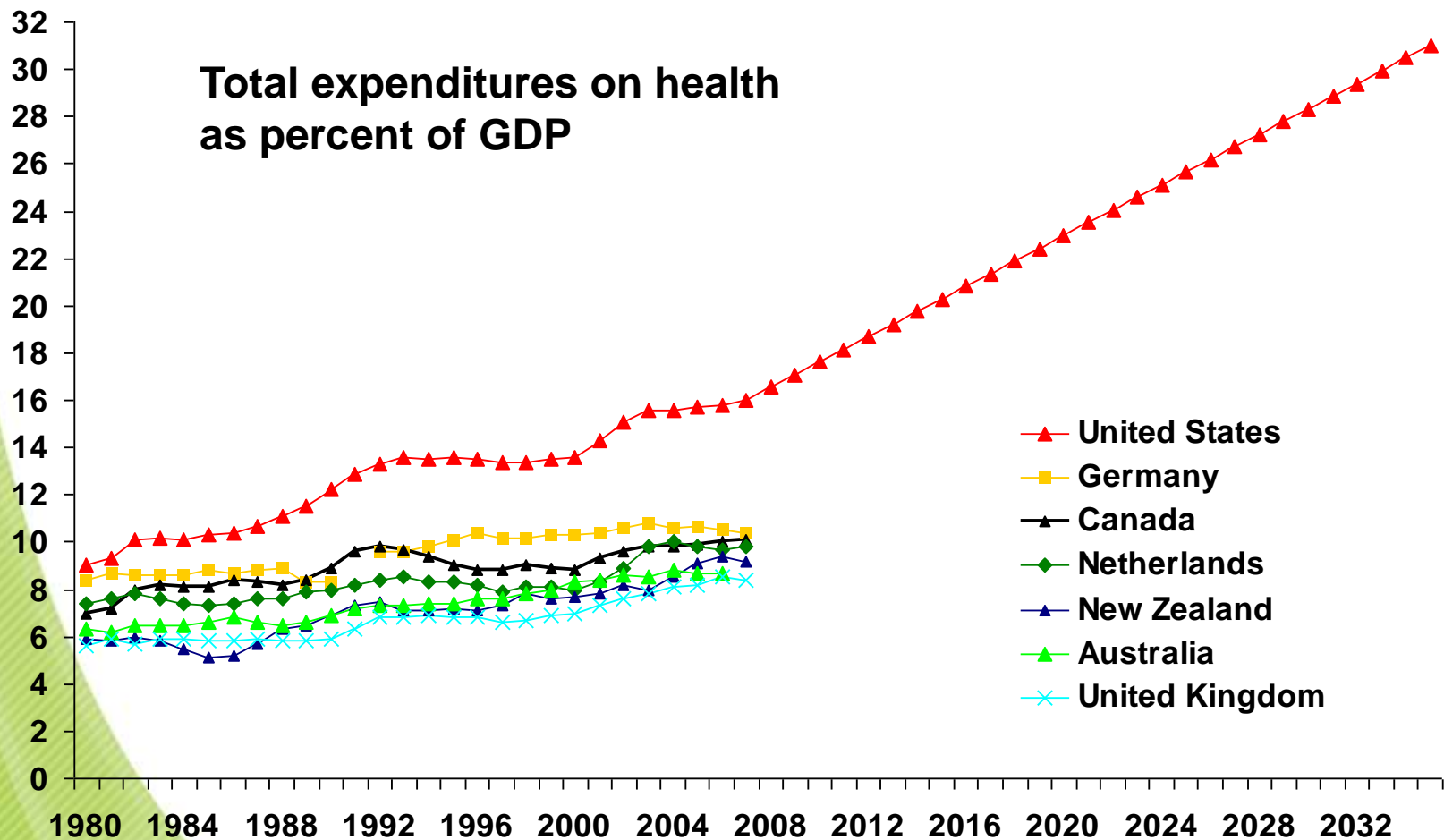


Reality Two: We're the world's leader (in the cost of care that is...)



Source: Commonwealth Fund 2010 Mirror, Mirror on the Wall

“Unsustainable Trends tend not to be sustained” Herbert Stein



Reality Three: We're not quite getting what we pay for



AUS CAN GER NETH NZ UK US

	AUS	CAN	GER	NETH	NZ	UK	US
OVERALL RANKING (2010)	3	6	4	1	5	2	7
Quality Care	4	7	5	2	1	3	6
Effective Care	2	7	6	3	5	1	4
Safe Care	6	5	3	1	4	2	7
Coordinated Care	4	5	7	2	1	3	6
Patient-Centered Care	2	5	3	6	1	7	4
Access	6.5	5	3	1	4	2	6.5
Cost-Related Problem	6	3.5	3.5	2	5	1	7
Timeliness of Care	6	7	2	1	3	4	5
Efficiency	2	6	5	3	4	1	7
Equity	4	5	3	1	6	2	7
Long, Healthy, Productive Lives	1	2	3	4	5	6	7
Health Expenditures/Capita, 2007	\$3,357	\$3,895	\$3,588	\$3,837	\$2,454	\$2,992	\$7,290

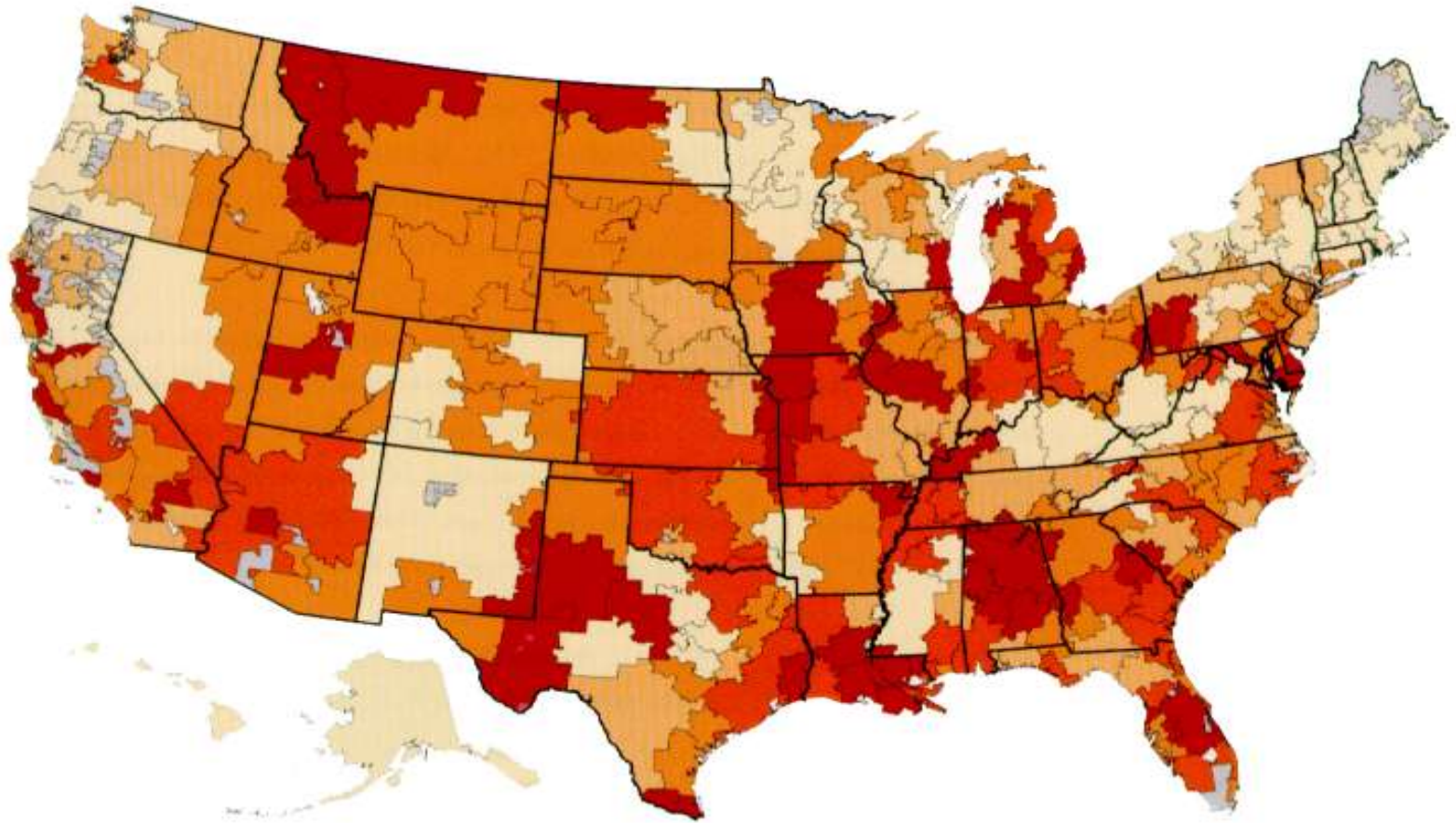
Source: Commonwealth Fund 2010 Mirror, Mirror on the Wall

Reality Four: On second thought, maybe we have gotten what we paid for.....



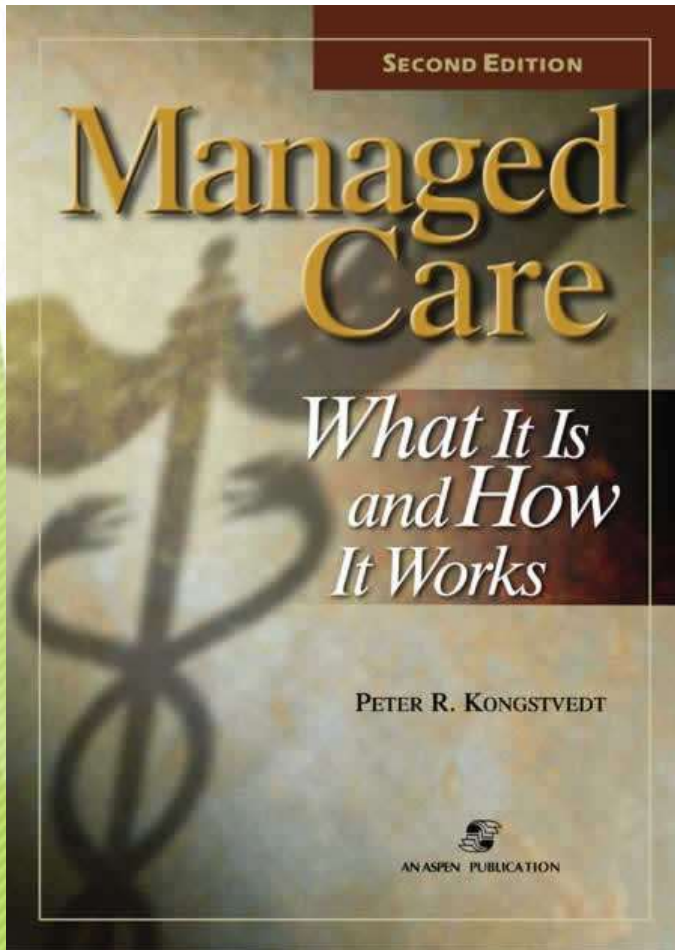
- Volume over value
- Illness over wellness
- Indiscriminate payment irrespective of outcomes/quality
- Errors and inefficiency
- Redundancy
- Treatments not supported by evidence-based guidelines

Reality Five: We all have different ideas about how medicine should be practiced

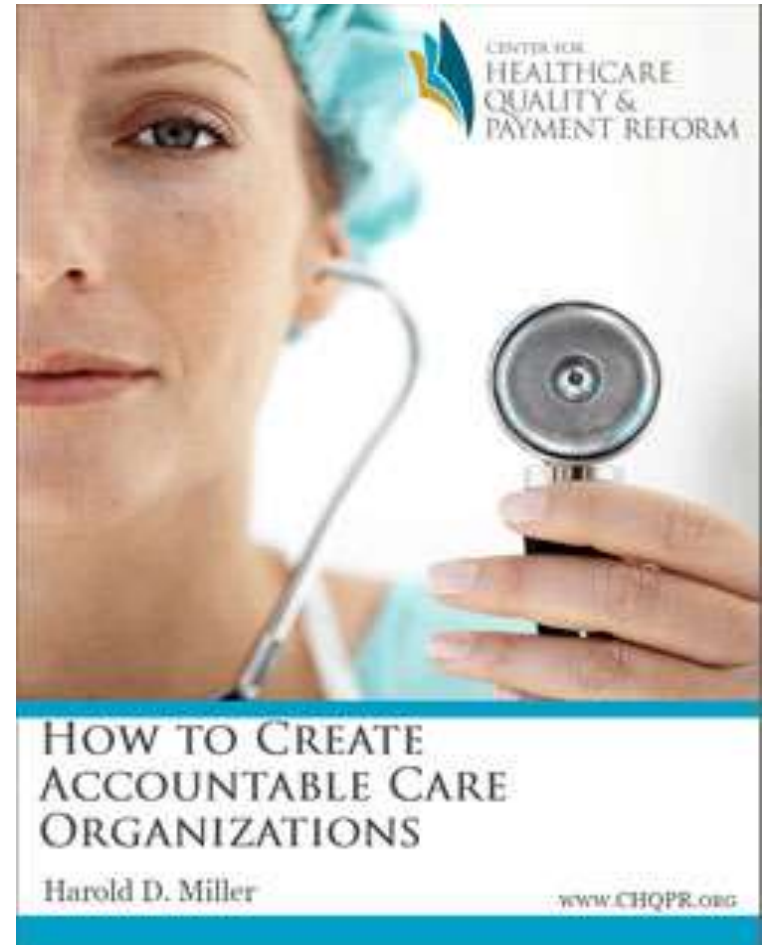


Wennberg Dartmouth Atlas of Cardiovascular Health Care '99

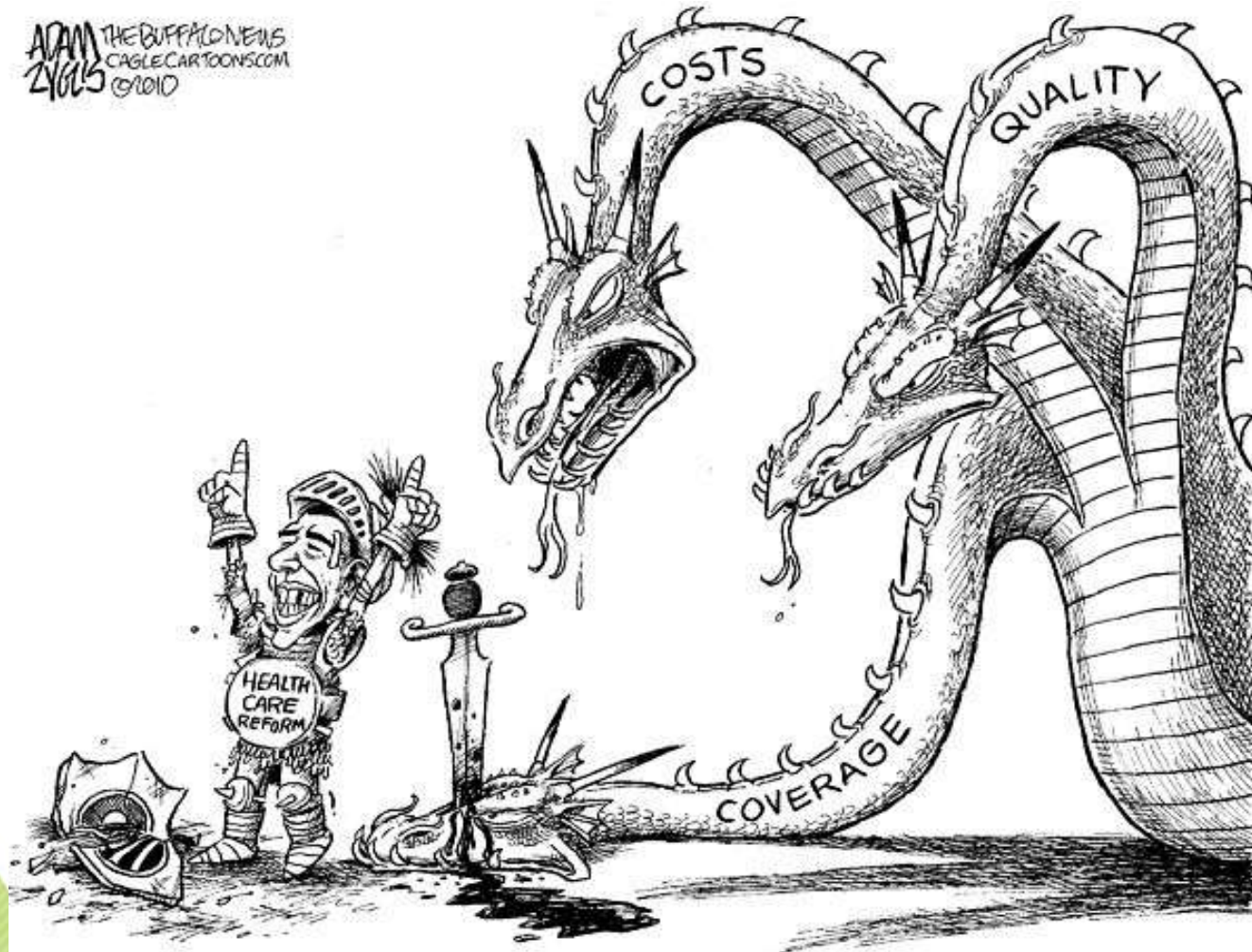
Reality Six: We're re-packaging old solutions with new names



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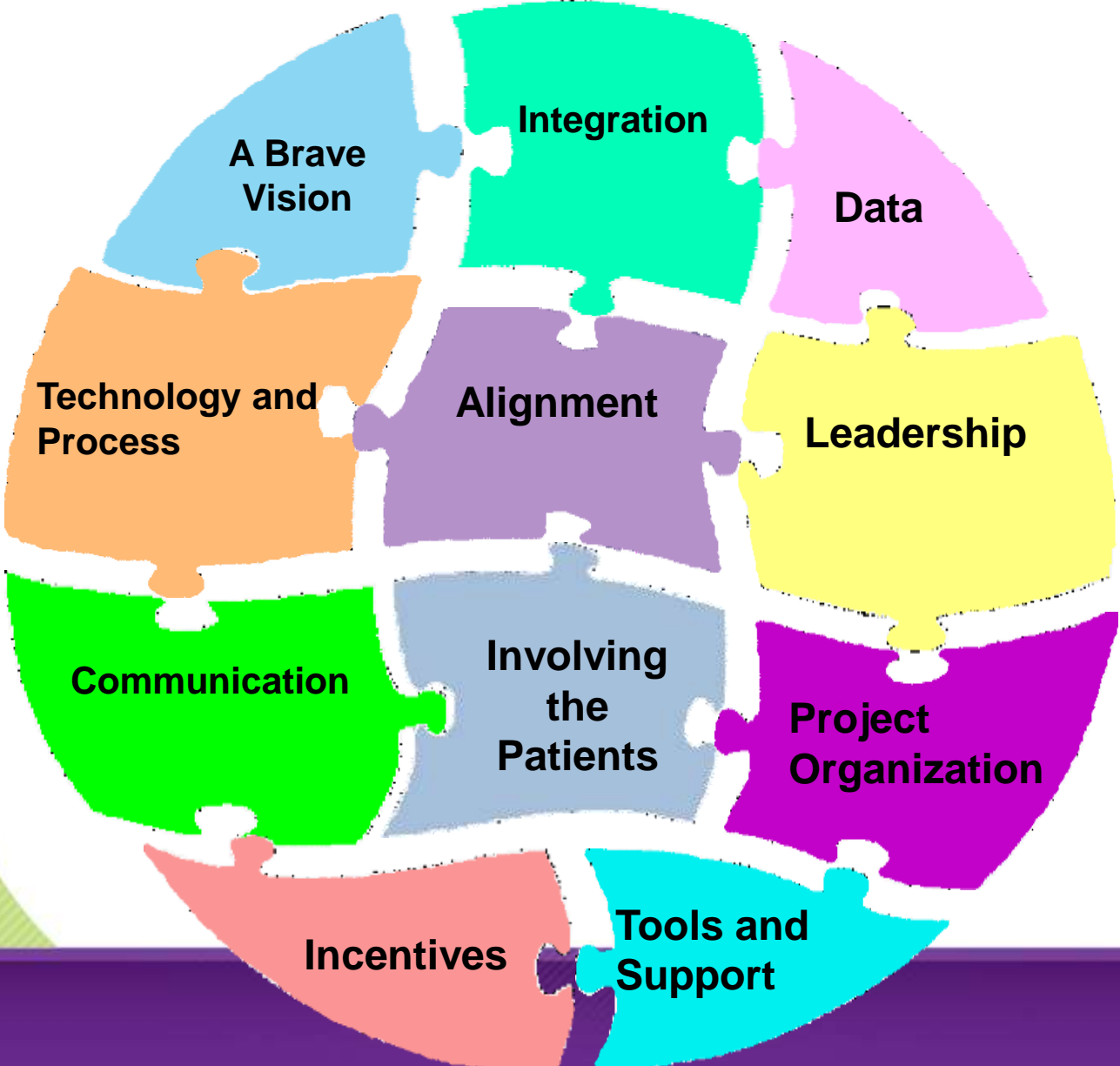
How will top performing organizations deliver on the promise of reform?



**“We must become the
change we want to see”**

Mahatma Gandhi

Our Tools for Transformation



Under the Covers: an Aligned Strategic Plan

Integrated System Strategy Roadmap

Vision – A picture of how the Integrated System will look and act five years in the future.

We will be passionate about keeping our patients healthy, exceptional in caring for them when they are sick and efficient in providing them with the best value and service.

Value Proposition – How the Integrated System will be different in a way that is meaningful and valuable to those it serves. 5-year time horizon.

We deliver the best patient experience by being one of America’s most coordinated systems of care. Our culture, people, skills and processes translate into outcomes that demonstrably enhance clinical quality and service.

Strategic Intent – A stretch goal designed to embody both ambition and direction; a milepost on the way to the vision. 1-3-year time horizon.

Our team will be the clear “first choice” for patients, physicians, employees, and employers.

Driving Strategies – The things the System intends to do to accomplish its Vision, Value Proposition and Strategic Intent. 1-3-yr time horizon.

Enhance the Patient Experience Systemwide

Develop a culture of process improvement

Preferred Partner for Rural Providers

Strengthen and Grow Primary Care Model

Apply a Common Brand Identity

Pursue Growth Opportunities

Be WI’s Best Place to Work in Health Care

Delivering Value (High quality & Efficient Care)

2010 Initiatives – How the Driving Strategies will be accomplished. 12-18 month time horizon.

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Data: We Benchmarked Everything

Section 3: MCT Performance As of 02/18/2010														
Legend		Performance Toward Goal					Implementation Performance							
Satisfactory	Challenges	Escalate	Complete	Status Trend	Overall	DMC	SMDV	SMH	DHP	Overall	DMC	SMDV	SMH	DHP
MCT Overall Performance														
SIM+	Pharmacy													
	Prior Notification													
	Cardiac													
	Ortho													
	Claims Edits													
	Wrap Network													
	Lab													
MAP														
500K - SIM	ALOS at St Mary's													
	UW Days/1000													
	St Mary's Supply Chain													
	Multiple admissions and readmissions									Data				
	Respiratory													
	SNF													
	ED													
	NIA													
	NICU													
	ED Admits at St Mary's													
Avoidable admissions														
0 - 500K	Shared Decision-Making/Other IP Surgery													
	Pain Program									Data				
	Palliative Care									Data				
	Infertility Clinic Performance													
	Medical Benefits Drug									Data				
	Waukesha Contract									Data				
	OB/Gyn													
	Prior Authorization													
	TPN													
	Pre-Op/Op Management/Anesthesia										Data			
	Benefit Revisions													
	Oncology										Data			
	ESRD										Not Started			
	Radiation Therapy										Not Started			
	Impacts from provider profiling										Not Started			



**We invested in
Innovation,
Technology, and
Clinical Analysis
with an intensified
focus on
understanding the
drivers of problems
and creating “out of
the box” solutions**

We've involved the patients

For Your
Information

What is a PSA screen?

A blood test that measures the amount of PSA (Prostate Specific Antigen) in your blood to help detect prostate cancer.

Should I have the test?

Doctors do not agree about the value of PSA screening in all men. The right decision for you depends on your personal values along with knowing the benefits and harms of the test. This decision should be a shared one between you and your doctor.

Information to consider:

- One recent European study showed that 1410 men needed to be screened with PSA to save 1 prostate cancer death.
- An American man has a 30-40% chance of developing prostate cancer, though only a 10% (1 in 10) chance of developing symptoms and only a 2-3 % chance of dying from prostate cancer.
- 66% (2 in 3) of men treated with prostate removal and/or radiation therapy will have a complication.
- Having a normal PSA does not guarantee the absence of prostate cancer.
- The American Cancer Society recommends offering screening at age 50. The American Urologic Association recommends offering screening at age 40. The United States Preventive Task Force, American Association of Family Physicians, Canadian Task Force on Preventive Health Exam and the European Union do not recommend routine PSA testing.

What happens if I have an abnormal PSA test?

Men aged 55-69 have a 16% chance of an abnormal test. If the test is abnormal, a "needle biopsy" of the prostate gland is often done. About 25% of the biopsies will show cancer. Some men diagnosed with prostate cancer will not need active treatment, but will be followed very closely. Those requiring active treatment are offered surgery or radiation. The surgery, called a radical prostatectomy removes the prostate gland. Radiation treatment involves the use of radiation to kill the prostate cancer cells.

Either treatment has risks. Overall, for every man who has his life prolonged because of screening, there will be 48 other men diagnosed with prostate cancer, 32 of whom will have a complication from the treatment.

What are my personal values?

Consider the following scenarios:

Man # 1: I feel well. Unless you are certain you can do me more good than harm, I do not want the test. Men who value a "first, do no harm" approach should not be tested.

Man # 2: I'm afraid of cancer. If I have cancer I want to know and do something about it. I understand there are risks. Men who prefer detection and treatment despite the risk of harm should be tested.

Remember there is no bad decision, but it should be a shared decision between you and your doctor.

These scenarios were adapted from Dr. Michael Lefevre, American Family Physician, Volume 78, Number 12, December 15, 2008, page 1338

PSA (Prostate-specific antigen)
**Blood Screen for
Prostate Cancer**

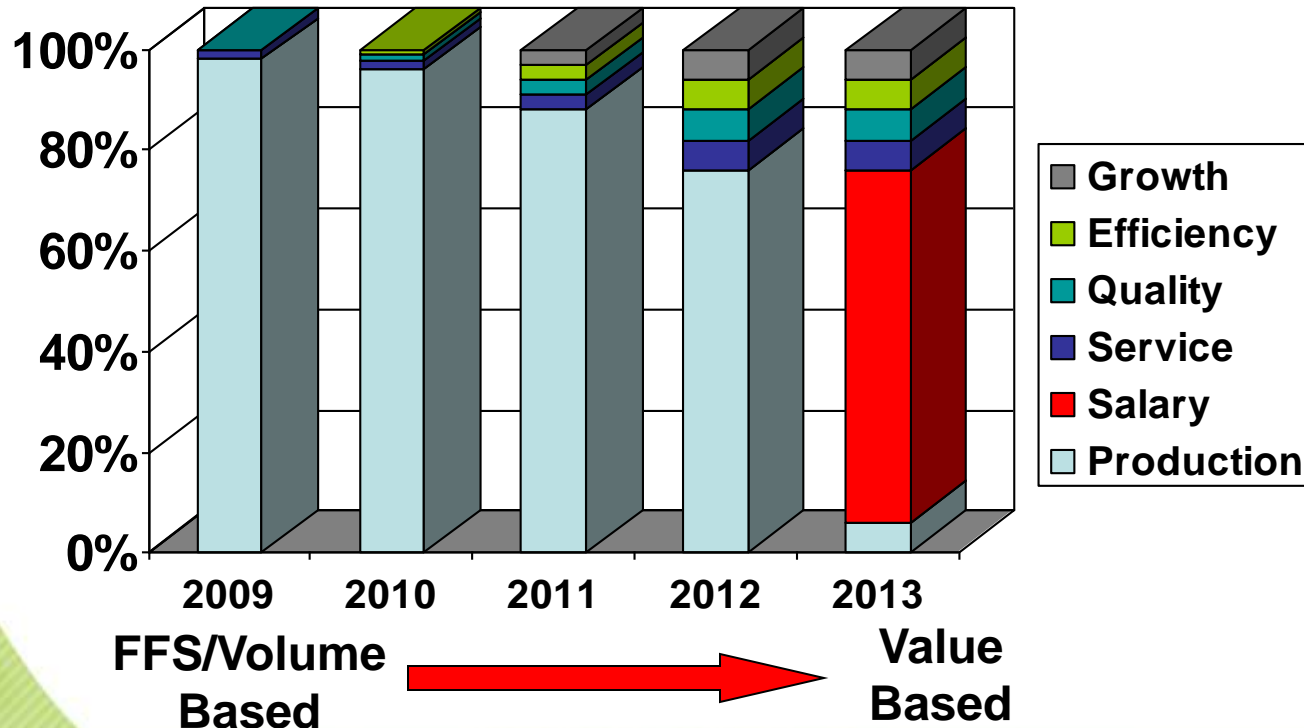
We've learned by experience that the challenge is not bundling ACO payments...it's unbundling them

Premium Allocation	Risk pools (capitation)	DHS
<p>Group or Individual → \$1 →</p> <p>↓</p> <p>\$.06</p> <p>Net Admin</p>	<p>\$.94 →</p> <p>MD \$.28 (.14) All MD Services Outside of Dean \$.14</p> <p>→ \$.14</p> <p>Non MD \$.66 (.52) Hospital, Drugs & Other Services \$.14</p> <p>(Share risk 50/50 SSM)</p> <p>\$.07</p> <p>→ \$.07</p>	<p>\$.14</p> <p>\$.07</p>

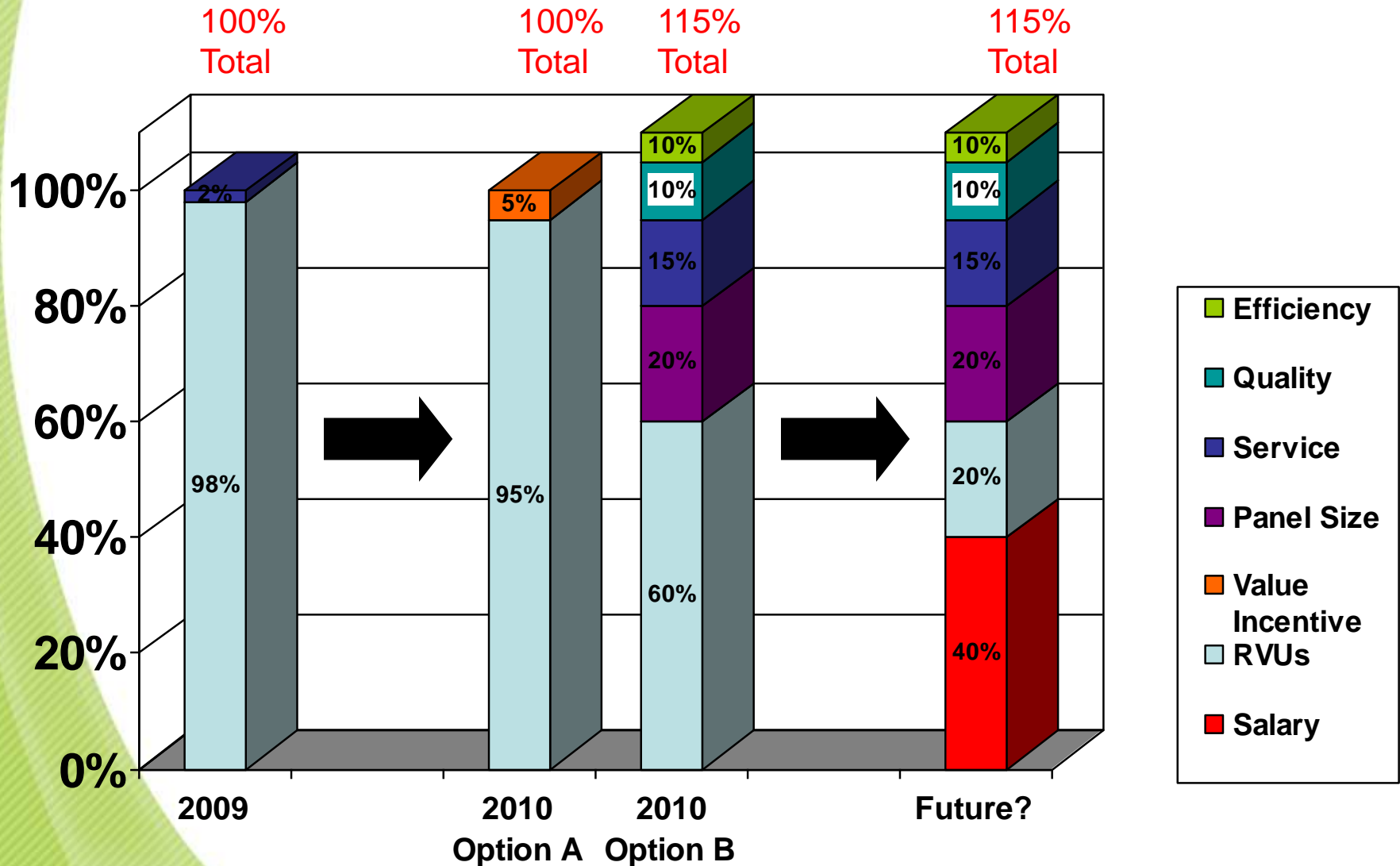
Total Proceeds to DHS \$.21

And then even after we unbundled payments, poorly aligned incentives slowed us down

Dean MD Compensation Model Transformation 2009 to 2013



Poorly aligned incentives slowed us down

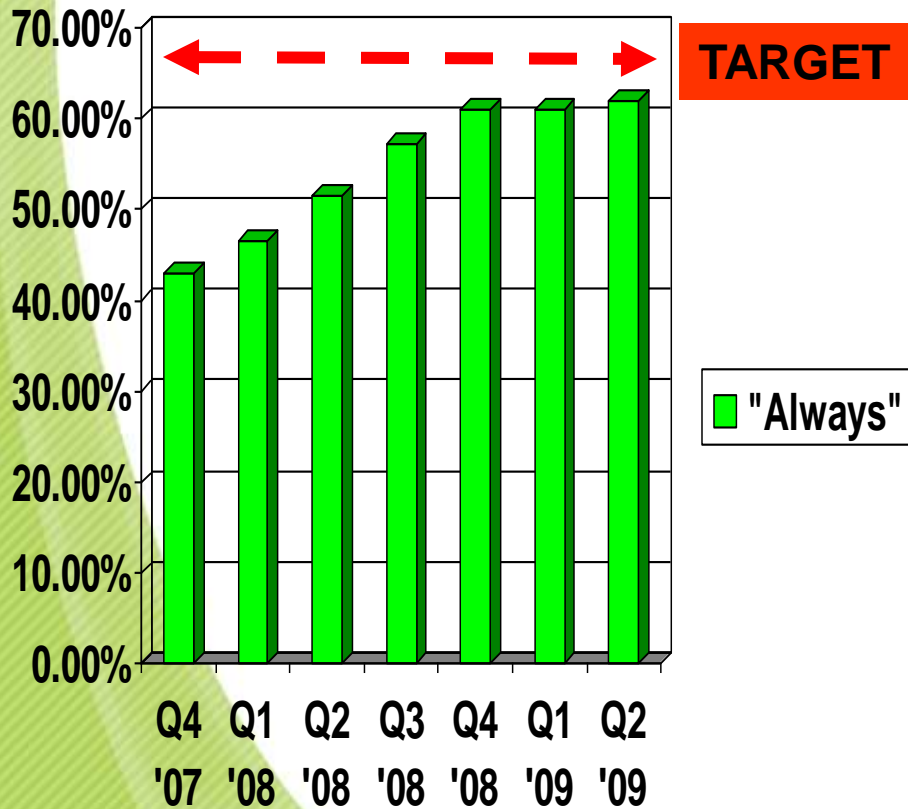


Our Strategy: Delivering Value through Integration



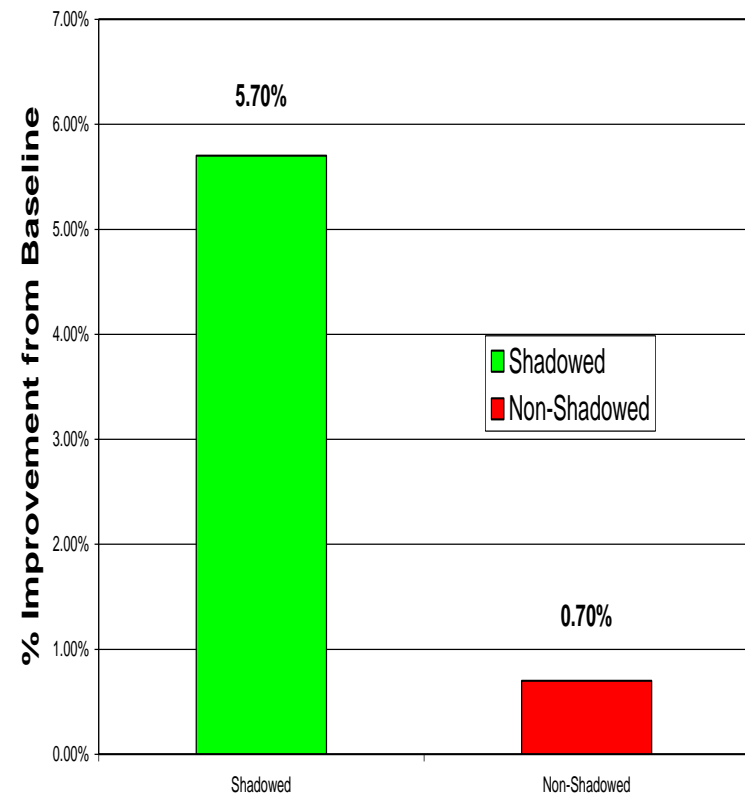
Delivering Value through Service Improvement

“How often did you get an appointment as soon as you thought you needed it? (Primary Care)”



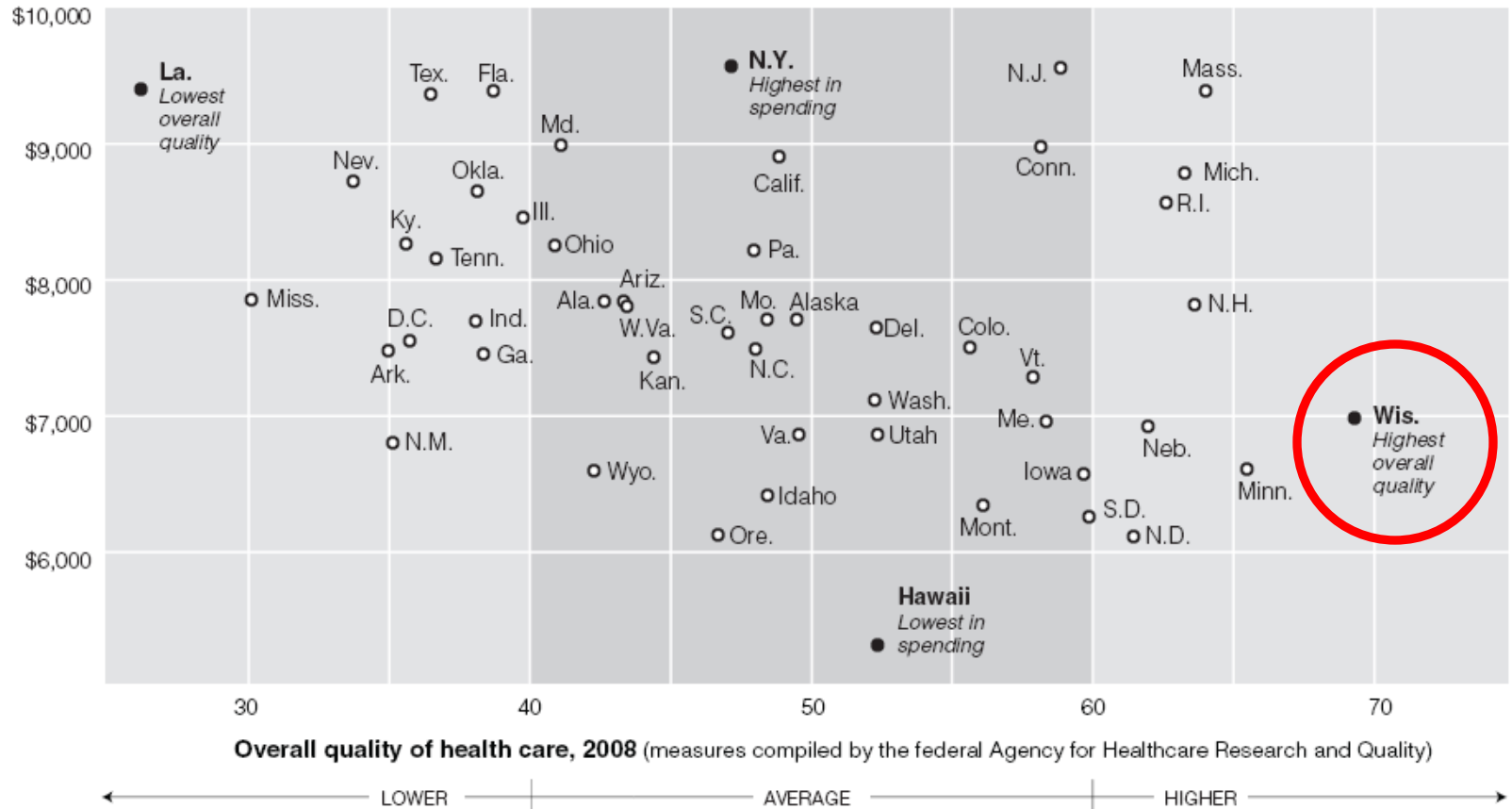
Average Improvement in Overall Provider Rating

(Shaded vs. Non-Shaded, variable baseline to Dec. '10)



Value through Quality Improvement: Where we stand in the nation

Medicare spending per beneficiary, 2006 (according to the Dartmouth Atlas of Health Care)



THE NEW YORK TIMES

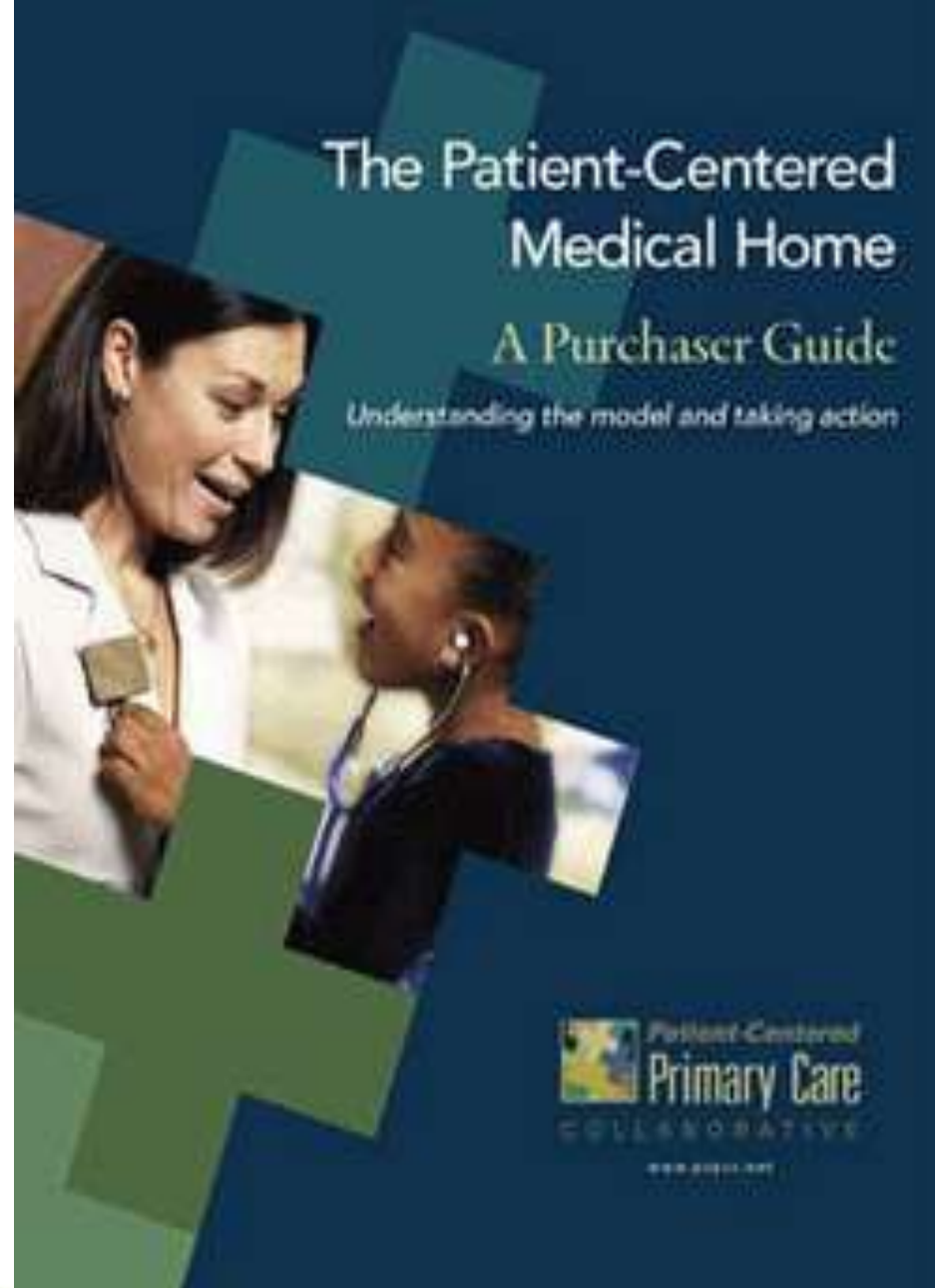
Delivering Value through Quality

Where we Stand in WI: WCHQ State Rankings 2009

Healthcare Group	A1c Screen	A1c Control	LDL Test	LDL Control	Kidney Functn	Blood Pressure	Colo-rectal	Cervical	Breast	PP visit in 7-56 days	Uncomp B/P < 140/90	# Perf Meas Rptd	Total Pts	Avg Pts / # Rpt'd
Thecla Care Physicians	17	15	18	18	13	12	7	17	16	NR	16	10	149	14.9
Marsfield Clinic	13	11	17	18	8	18	13	13	17	7	19	11	143	13.5
Dean Clinics	11	17	13	13	8	14	15	16	13	10	12	11	142	12.9
Family Medical Group	14	9	7	16	18	12	12	8	12	11	11	11	138	11.8
LutherMidelfort	13	5	14	17	15	11	9	10	11	8	6	11	119	10.8
Franciscan Skemp Med Ctr	12	12	16	11	10	18	5	14	10	3	1	11	112	10.2
Gunderson Clinic	5	9	3	14	12	15	12	11	14	12	4	11	111	10.1
Prevea Clinic	6	2	12	15	11	6	13	7	15	14	5	11	106	9.6
ProHealth Med Ctr	15	16	15	9	3	7	8	6	6	13	7	11	105	9.5
Advanced Healthcare	8	3	10	6	7	10	11	9	4	15	17	11	100	9.1
Medical Associates Hth Ctr	7	13	11	12	14	4	2	4	5	16	8	11	96	8.7
Bellin Medical Group	2	18	9	4	17	1	14	3	7	9	10	11	94	8.5
Aurora Medical Group	9	11	6	8	2	3	1	15	8	6	15	11	84	7.6
Columbia St. Mary's	18	10	8	3	4	5	10	1	9	4	2	11	74	6.7
Medical College Physicians	10	6	5	7	16	8	4	2	1	2	9	11	70	6.4
UW Health Physicians	4	4	2	2	6	9	6	12	3	5	3	11	66	5.1
MercyHealth System	1	1	1	1	1	17	NR	NR	NR	1	13	8	36	4.5
West Bend Clinic	3	7	4	5	5	2	3	5	2	NR	NR	9	36	4.0
Date last published	No v-07	No v-07	No v-07	No v-07	No v-07	No v-07	Jul-07	Jul-07	Jul-07	No v-07	No v-07			

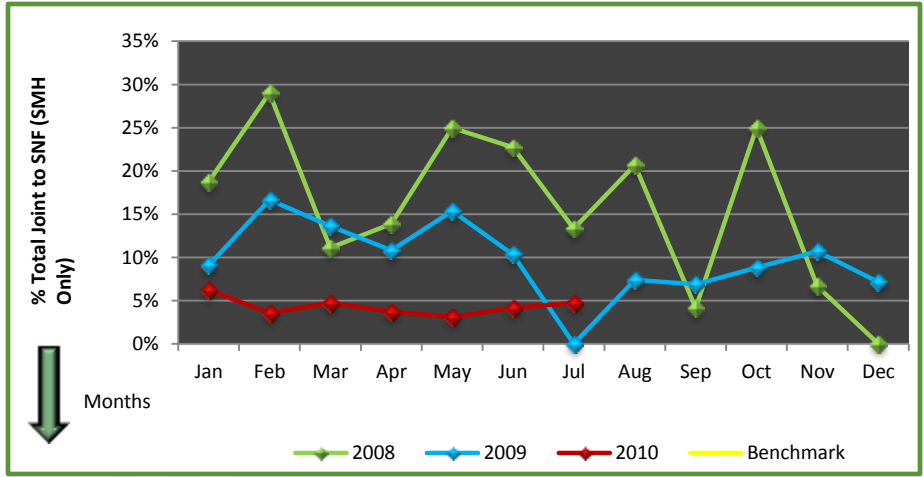
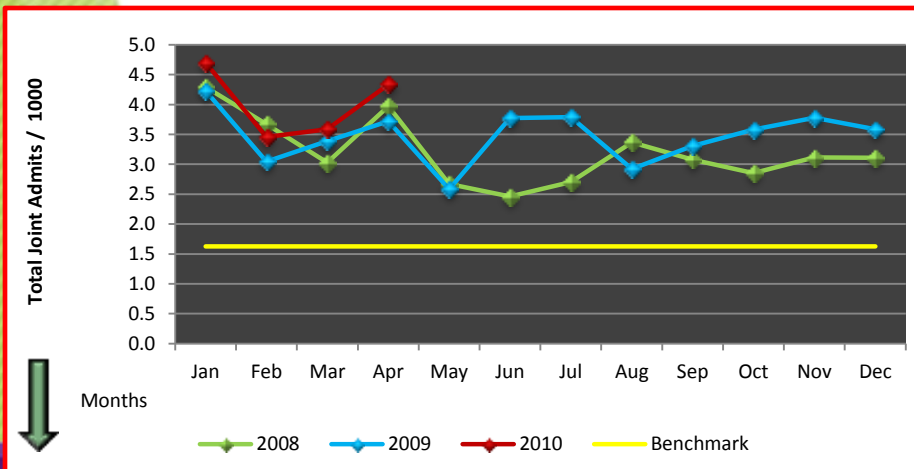
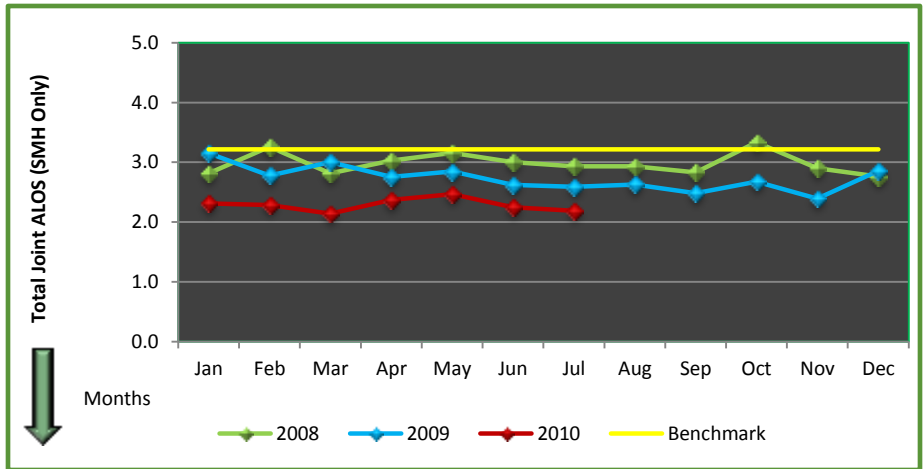
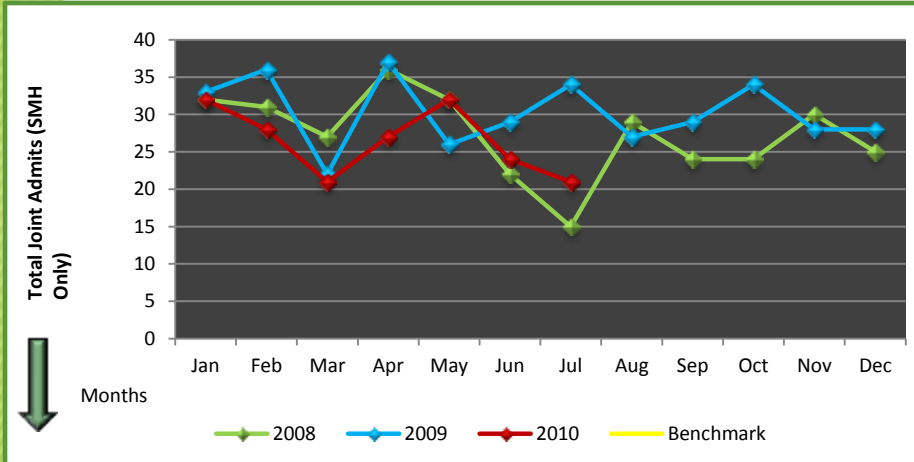
Delivering Value

through investing heavily in primary care, recognizing that delivering of better care at a lower cost starts in the “home”



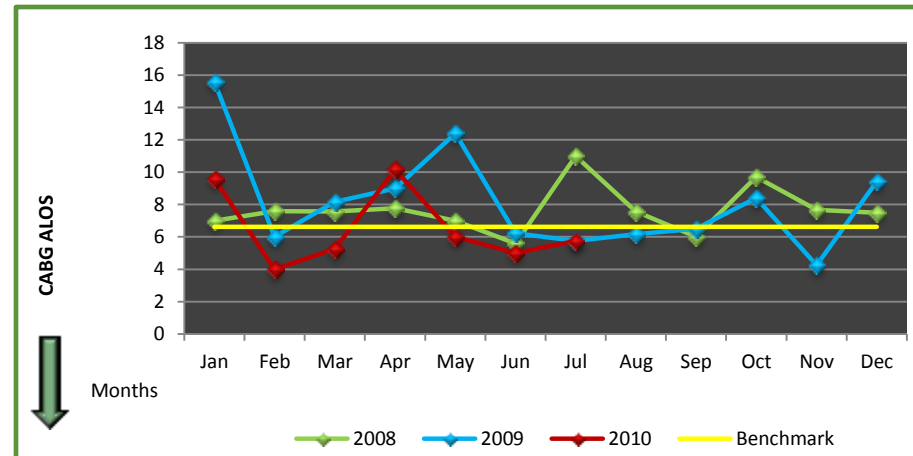
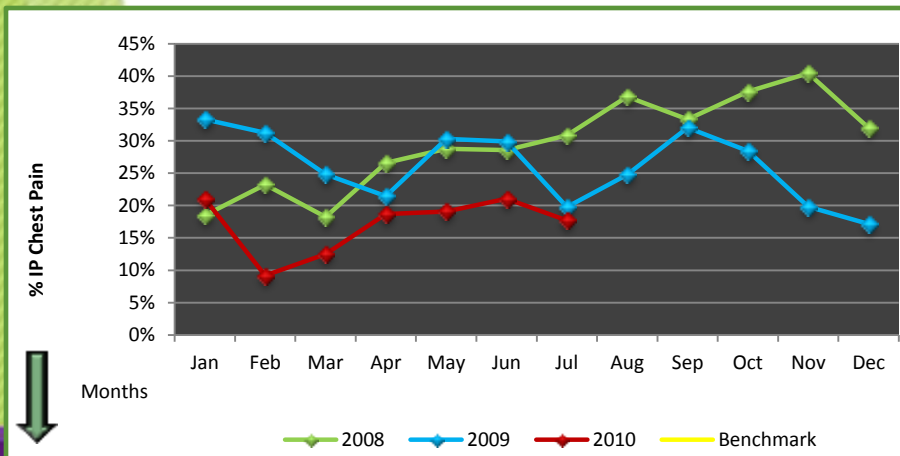
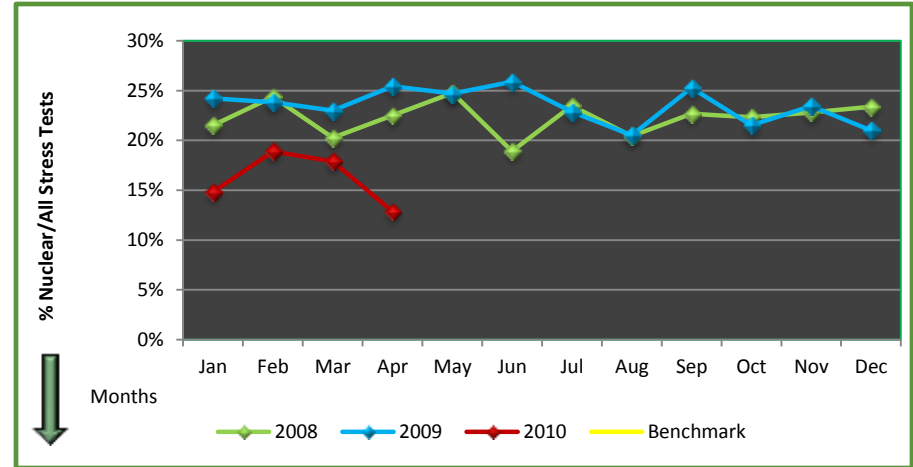
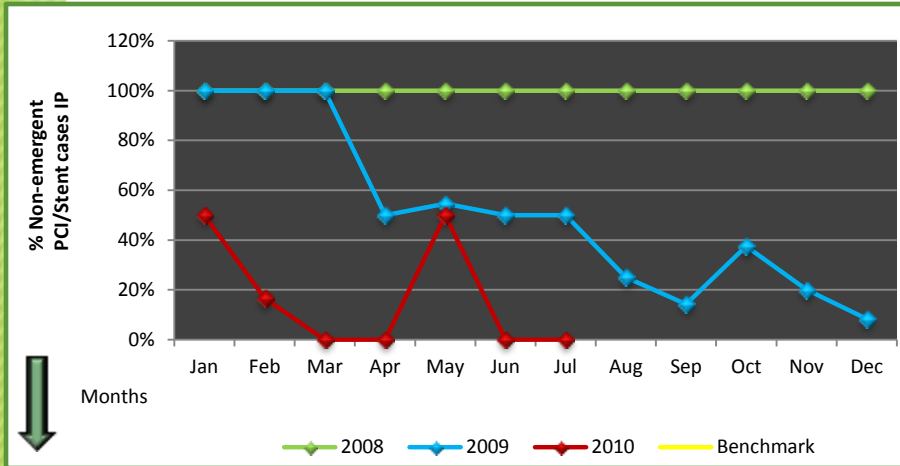
Delivering Value through Efficiency

(Joint Replacement Procedures)



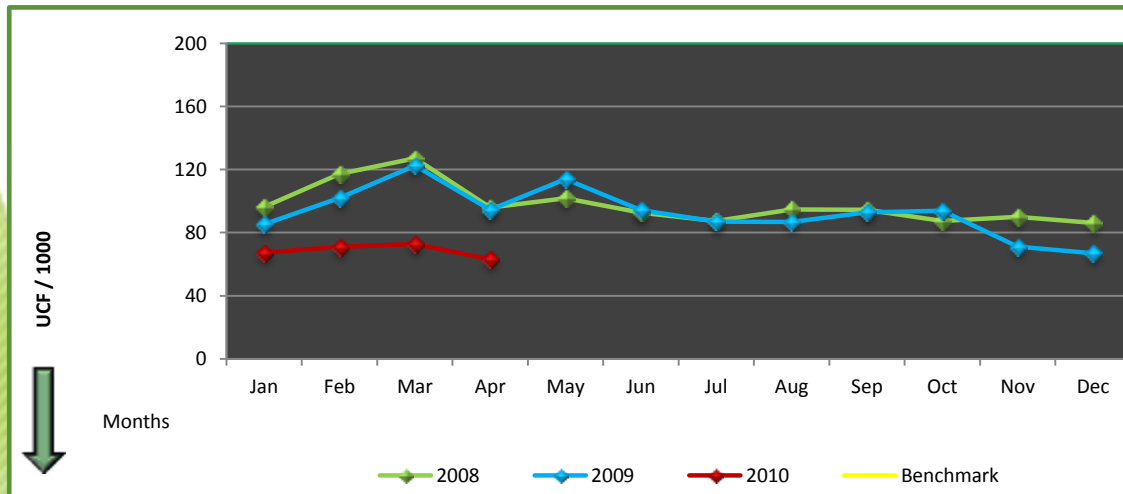
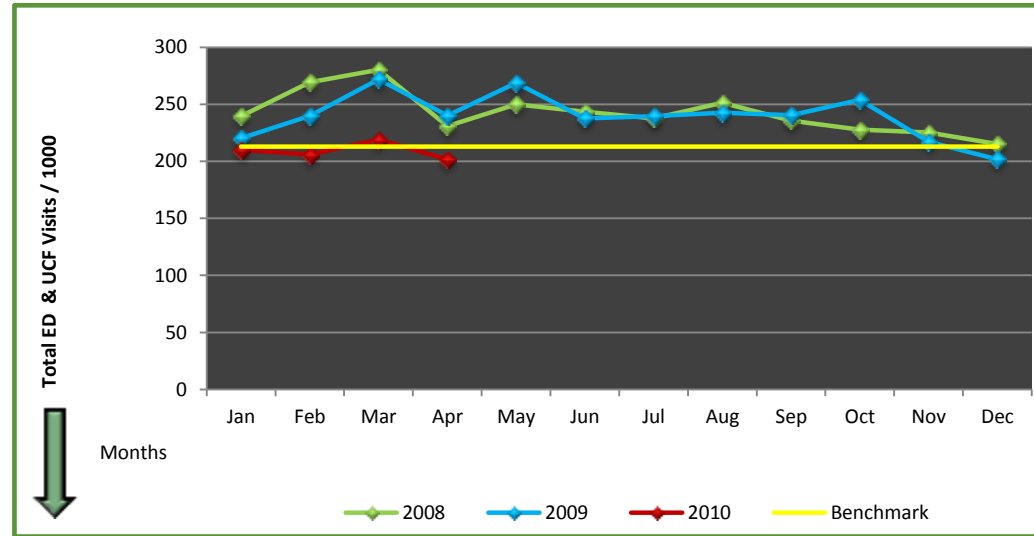
Delivering Value through Efficiency

(Cardiac Care)



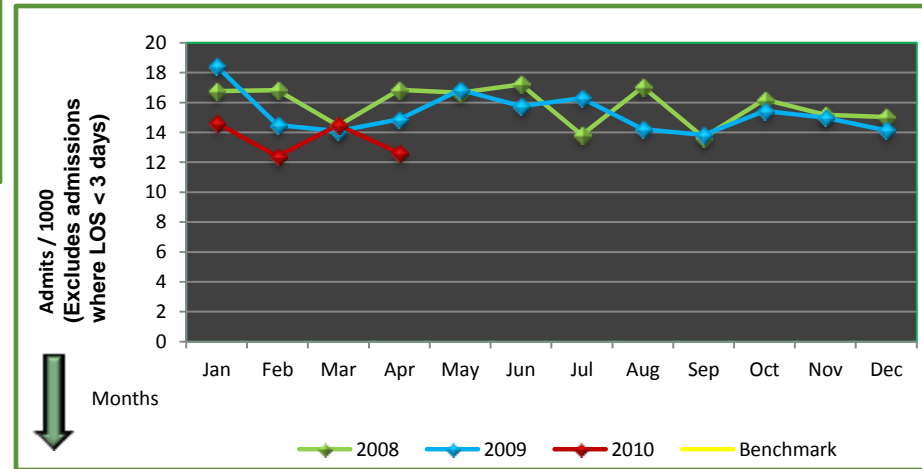
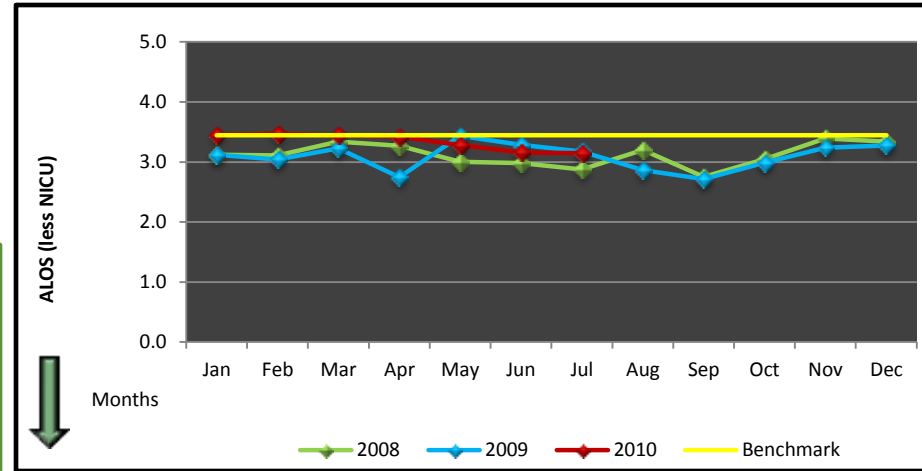
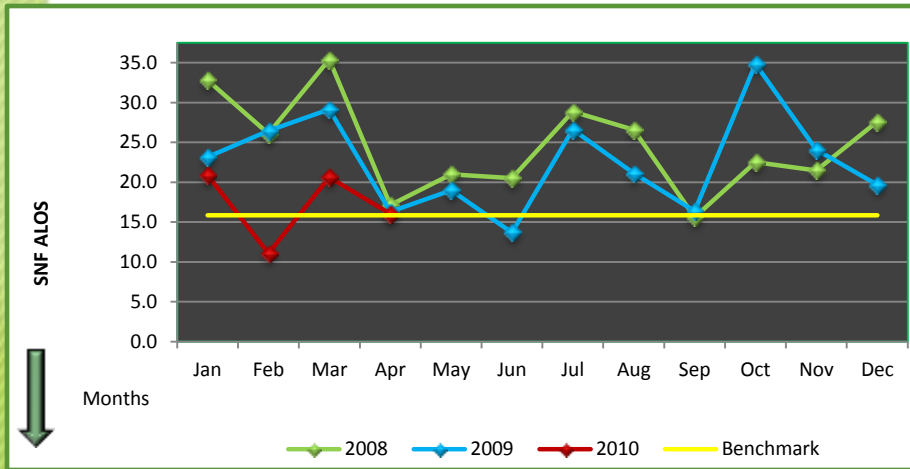
Delivering Value through Efficiency

(ER Care)



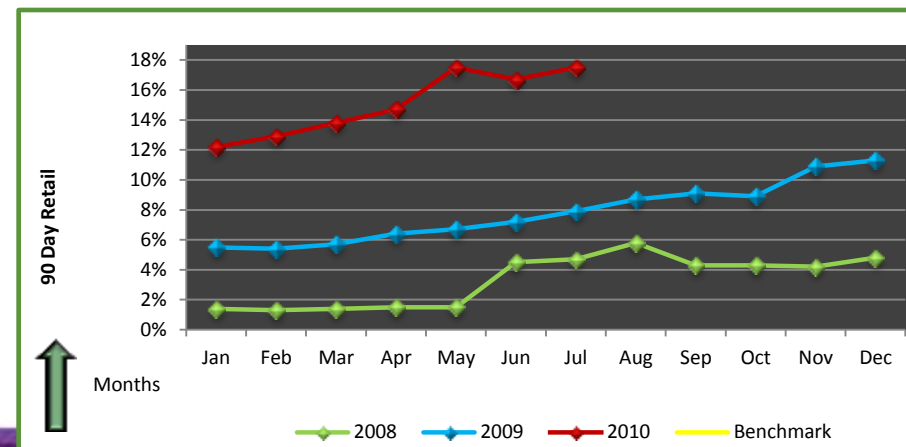
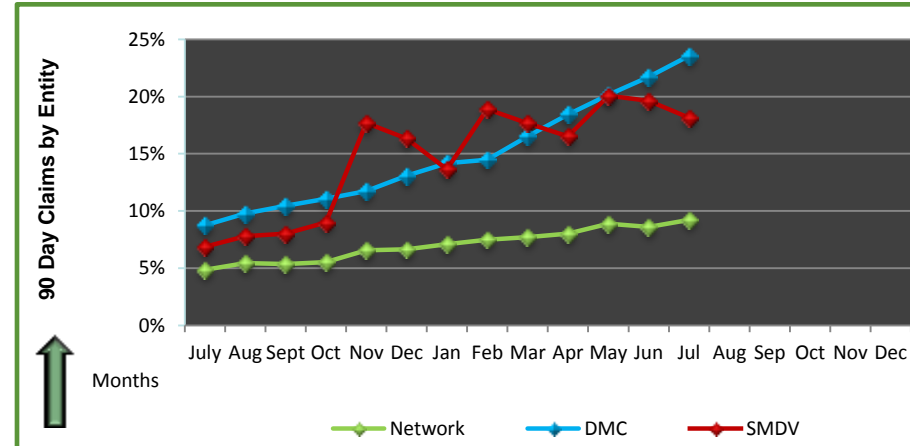
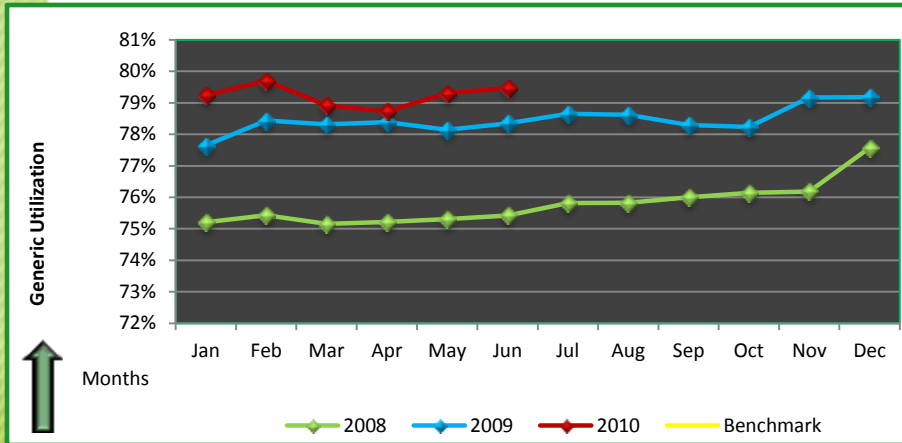
Delivering Value through Efficiency

(Skilled Nursing Facility and Inpatient LOS)

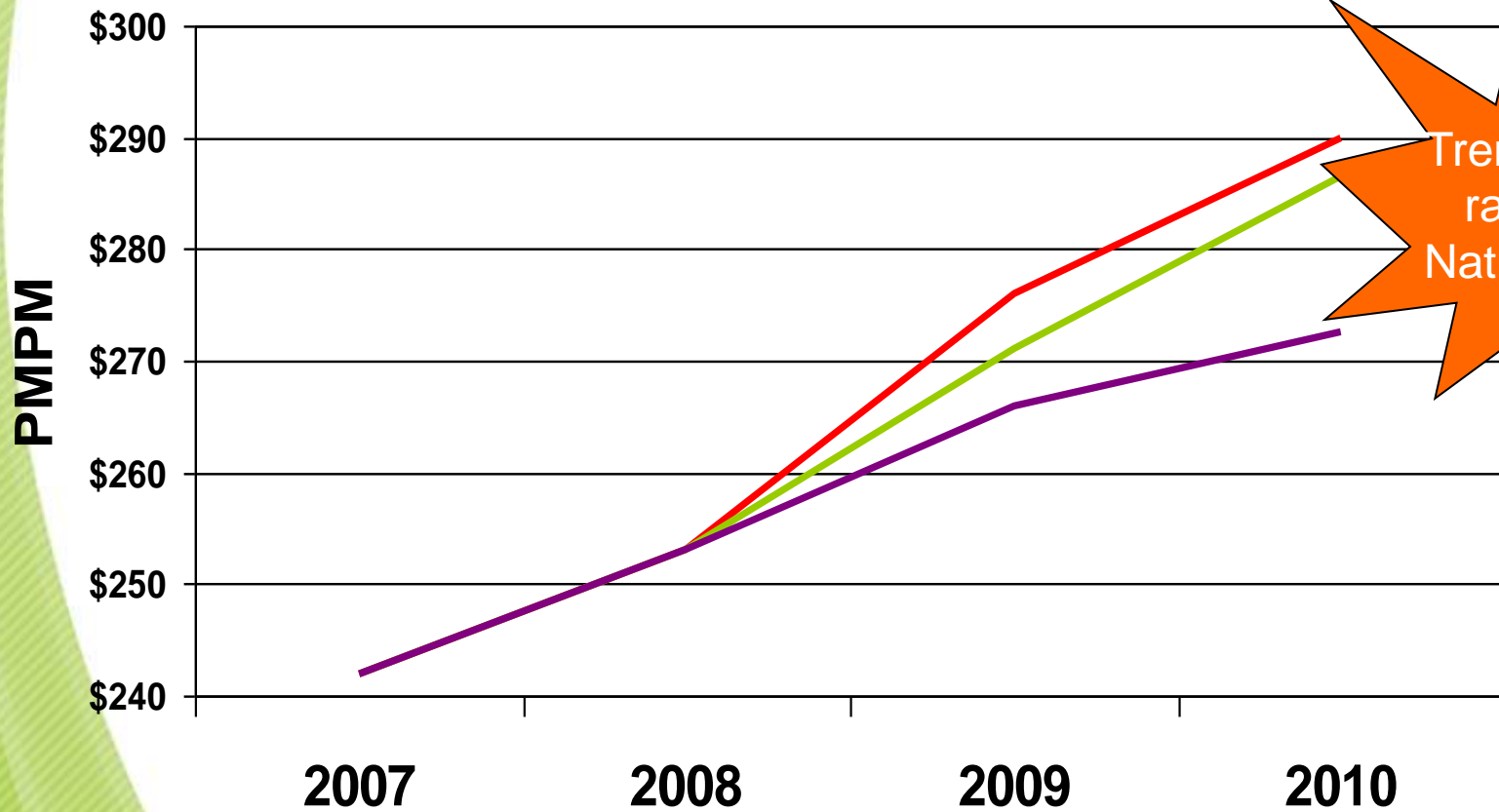


Delivering Value through Efficiency

(Pharmacy Interventions)



Delivering Value by “Bending the Cost Curve”



— Dean PMPM assuming PWC Benchmark Trend — Dean PMPM assuming Millimen Benchmark Trend
— Actual Dean Commercial PMPM

Delivering Value by Winning in a Transparent World

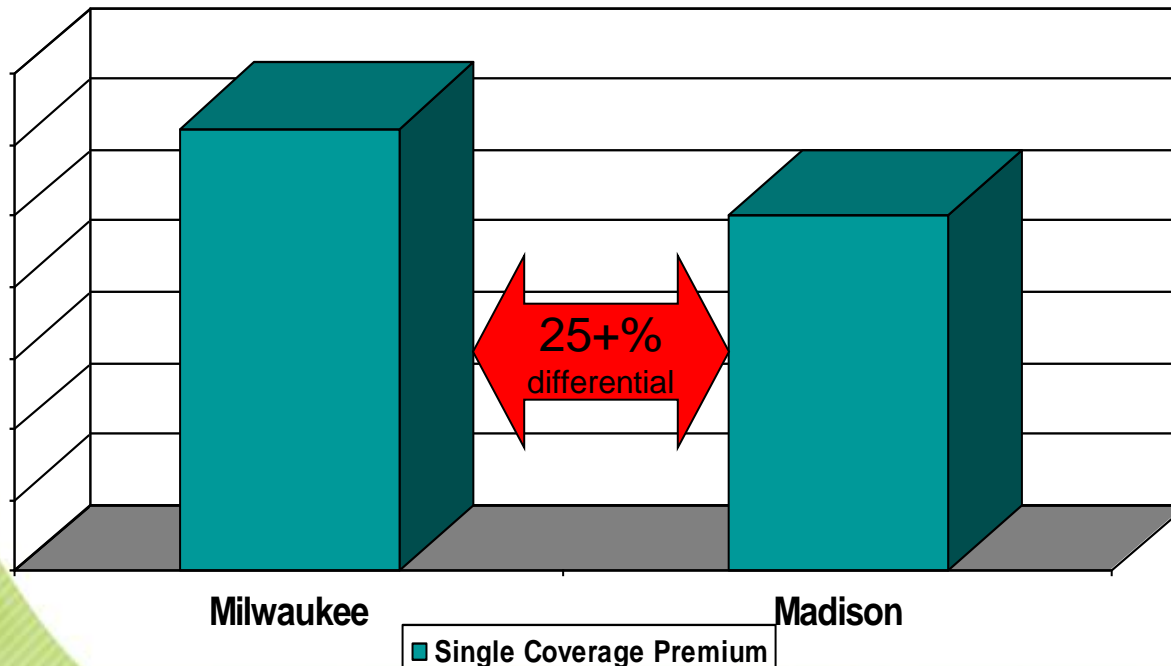


Delivering Value to Customers:

A Cautionary Tale of Two Cities
75 miles away, but a world apart

Milwaukee, WI:
National for-profit
payor dominated.
Lesser system
Accountability

Madison, WI:
Accountable Care
Organization dominated.
Provider-Sponsored
Plans



Questions?

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