

Reform. **Transform.** Perform.



As a result of the analysis and implementation plan lead by Mr. Lapidas, the system has fully moved into population health for this large insurer, and now also includes an ACO.

Academic Medical Center

ENTERING A RISK SHARING CONTRACT

CLIENT CHALLENGES

A major, university-affiliated health system with an 800-bed hospital, 3 community hospitals, regional trauma center, comprehensive network of ambulatory care services, and a 1,110 member employed physician group recognized their need to enter into a risk sharing contract with the state's largest health insurer. The dominant insurer, Blue Cross, had announced that they would not continue fee-for-service contracting and was seeking to reduce overall health care costs. The health system realized their need to develop a system-wide approach that would support value-based contracting. This would require the system to move relatively quickly from a predominately fee-for-service methodology to one that would have a significant membership in a population health, risk-sharing contract.

OUR APPROACH

Gary Lapidas lead the effort that resulted in a comprehensive contract with the health insurer. With senior management support, he brought together a team of internal management and providers to create a roadmap for change. This effort required an enterprise-wide approach to building a patient-centric environment, focusing on areas of the hospital with the greatest impact, including admissions and discharge, inpatient services, informatics, and a laser focus on how physicians organized and provided care to patients.

THE SOLUTIONS

During the year-long effort to build a population management approach and execute a risk-based contract, Newpoint's Gary Lapidas provided direction to the team responsible for:

- Identifying gaps in current infrastructure and staffing within the hospital
- Assessing informatics and creating solutions for real-time results reporting
- Working with medical and hospital leadership to ensure that staffing and infrastructure was in place to support the risk model
- Negotiating a risk-based contract with the health insurer
- Assessing current reporting from the health insurer and negotiating new data requirements for performance monitoring and real-time "course corrections"

THE RESULT

The health system negotiated a 5-year agreement with provisions for risk sharing that utilized traditional financial results as well as quality metrics. The final contract defined both economic indicators and quality metrics to be achieved in order for the health system to be successful. The system has fully moved into population health for this large insurer and now also includes an ACO. Though increased reimbursement is not yet demonstrated, they believe this approach has mitigated cost-reductions sought by Blue Cross. They are also continuing to improve capabilities to meet the goals of the Triple Aim, providing value to the insurer, improving patient outcomes, and providing an improved patient experience.