

Reform. **Transform.** Perform.



Large Hospital System Managed Care Assessment

CLIENT CHALLENGES

A multi-state hospital system wanted to assess their ability to quickly build a risk-based product in one region. The hospital system desired to capture market share and control health care costs for the populations they served. Concerned that they did not have the capacity to manage risk and develop a population health strategy with their current resources, they contracted with a team lead by Barbara Ladon to assess their current resources, identify gaps and develop a successful plan.

OUR APPROACH

We worked collaboratively with an interdisciplinary Steering Committee and implemented a SWOT analysis of the system's capacity to manage risk for a defined population. Because of an anticipated RFP, the team had 6 weeks to assess internal capacity and recommend a "buy or build" strategy.

Regular meetings with hospital and managed care leadership focused on key policy issues. Subsequent to the analysis and a collaborative strategic planning process, we recommended a go-forward plan that was approved for implementation.

THE SOLUTIONS

Our SWOT process included internal and external interviews with clinicians and administrators, vendors and their clients; geo-mapping, review of quality and utilization metrics; operational evaluation; market share and financial analysis. Our solution included:

- Engaging hospital leadership in the planning process to assure long-term acceptance of the recommendations
- Identifying operational components and metrics needed to manage risk and implement a population health approach
- Assessing operational functions across the system to identify strengths and weaknesses and recommending business process solutions
- Performing a risk-analysis of alternative solutions, including expanding current capabilities; purchasing additional resources; or not proceeding
- Analyzing financial requirements to support managed care negotiations

THE RESULT

The client was able to obtain licensure for a new health plan, build a risk-based model, and obtain a contract with the state Medicaid agency within one year. Their first open enrollment successfully enrolled over 5,000 clients who are now committed to the system of care provided through this mission-based hospital system. Over the last 4 years, the plan has grown to over 20,000 members with a stable membership. It continues to be successfully managed and is currently in a growth mode.