



Value on the

Ochsner Health's Phil Oravetz speaks on Healthy State and strategies for population health and VBC

By Kevin McCune, MD

When Hurricane Katrina devastated south Louisiana in 2005, many hospitals in the New Orleans area left the marketplace completely.

At that time, Ochsner Health owned one hospital, founded by five surgeons as the Ochsner Clinic in 1942 (and today, the flagship Ochsner Medical Center). According to Phil Oravetz, MD, MBA, MPH, Ochsner's chief population health officer, those surgeons recognized the value of an integrated multispecialty group practice, allowing the center to become "a hub for innovation, care coordination, and caring for the community."

With that drive embedded so deeply within Ochsner's culture, the organization looked at the gap created by the departure of hospitals post-Katrina as an opportunity to answer a larger calling. "Ochsner made a big bet and decided to invest in and take care of the community," said Oravetz. From that single center in 2005, the organization now has 46 hospitals in a variety of owned facilities and managed partnerships—exponential growth in less than 20 years.

What Oravetz was describing is at the crux of improving population health efforts: reaching beyond existing confines to treat people where they are. Looking to the future, Ochsner is continuing to follow its mission of delivering health and serving communities.

The Healthy State Initiative

The Healthy State initiative, announced in 2020, was born out of the recognition that Louisiana consistently ranks 49th or 50th in nearly all nationwide health assessments. "We've been 50th for many of the years since I've been at Ochsner," Oravetz said. "It's daunting to realize that the citizens of your state are the least healthy in the country, but that's why we

are partnering with local and state leaders and organizations to realize a more equitable and healthier Louisiana. The Healthy State vision is to improve the health and wellness of our communities by bringing resources to underserved communities; better understanding the impact of health and social conditions; utilizing data, technology, and innovation to improve outcomes; and investing in Louisiana's economic growth and workforce.

"We are a state that has maternal and perinatal mortality and morbidity challenges," Oravetz shared. "It gets even bigger than that when we talk about making our citizens healthy. A frustrating example from the clinical side is smoking. It's a challenge, but I would say that our biggest opportunity to make our citizens healthier is smoking cessation."

By working together with healthcare, education, and policy organizations across the state, the ultimate goal of Healthy State by 2030 is "to tackle the leading causes of poor health, create profound impact for Louisiana residents, and no longer be number 50 by the end of the decade," according to Oravetz.

"The interventions are far reaching, and that's what this initiative is all about. We need to learn how to better drive equity and inclusion and celebrate diversity."

There is no way to tackle a goal as large as Healthy State by 2030 without addressing social determinants of health (SDOH). "You see how far this reaches when you start looking at high school graduation rates, access to transportation services, the availability of healthy food—really, we're talking about diversity and equity," Oravetz explained.

"We were among the first groups to publish on the challenges of race in treating and managing COVID," he said. "We know we will find disparities wherever we look in healthcare, and we are now starting to tackle them."

One example Oravetz shared relates to how physicians address and measure kidney function. “We’ve removed race entirely as a factor in renal function—that’s forever done away with in our health system,” he said. “So we now have a more equitable view of renal function among all of our providers.”

It goes further than this, Oravetz explained. “With Healthy State by 2030, we are working with the state legislature to increase broadband access across the entire state to underserved areas. We realize that, whether it’s for healthcare purposes, such as a telehealth visit, or educational purposes, if you don’t have access to the internet in today’s world, it may prevent you from getting critical access to health or information.”

Population Health Meets Value

When I asked Oravetz how he would define population health from his point of view, he told me, “Historically, we’ve focused almost entirely on improving the quality of care. In population health, we maintain that focus on quality, but we add the elements of resource utilization and cost management.”

This is what Oravetz refers to as “being good stewards of resources for the community.” He said, “Whether it’s with Medicare, Medicare Advantage, or our own self-insured employee plan, we’re taking responsibility for the quality and cost of care for defined populations. That’s really the difference.”

This balance between quality and cost translates incredibly well to the transition from fee-for-service to value-based care (VBC). “Those are really the defining elements of value, right?” he asked. “Now, we approach everything we do through a value and equity lens.”

Oravetz seems to have no doubt that the entire sector is trending heavily in this VBC direction. He has advised leaders that on current trajectory, fee-for-service Medicare will not be here by the end of the decade.

The rationale is clear: “The Innovation Center at CMS, in their 10-year strategic plan refresh, has put out that goal. I thought that was a tall order, but I realized that—with patients in Medicare, Medicare Advantage, and ACO REACH—we’re already two-thirds of the way there.”

Of course, none of this is attainable without buy-in.

AMGA Value Resources

AMGA has a host of resources to help members transition to and succeed in value-based care, including:

Value-Based Care Focus Area

Curates resources to answer your most pressing questions regarding moving to value.

amga.org/focus-areas/value-based-care

Value Help Desk

Connect with AMGA public policy experts for answers to questions about federal value-based care programs.

valuehelp@amga.org


Making Value a Pillar

“The move to value is one of five strategic pillars of Ochsner Health,” Oravetz explained. “It’s critical to have buy-in from senior management. Nothing happens until you have a strategic focus to say this shift will be a priority of your organization. As I look at AMGA membership, I think one of the biggest things we can ask of our members is to fully commit to the transition to value-based care. Once you do that, it will begin driving investment decisions, operational decisions, and strategic decisions. You must want to do it.”

But as I always like to say, strategy without execution is

hallucination. The way Ochsner is implementing this pillar is by combining clinical data with claims data. “When you’re a provider, the quality is more on the clinical front,” Oravetz said. “But in a ‘payvider’ setting, you start to bring in the cost data and integrate them in a meaningful way. We get the most comprehensive view of cost from our payers directly through claims data, so we can understand where the costs are so that we can improve value.”

So where does this play out? Oravetz said, “We have a combination of our employed physician groups and community physicians who come together in value-based arrangements with the government or our payers. These performance groups look at high-impact areas with the potential to improve performance and create value. They drill down into common areas that you might expect; hospital readmissions is always a challenging area to tackle, as well as emergency room visits. Then, we look at things like generic prescriptions at our pharmacies and professional services to make sure our patients are getting in to see their primary care physicians. It’s all these areas that are part and parcel of the value playbook.”

When you look at these efforts from a high level, it can certainly feel daunting to get through all of this work, but Oravetz is unshaken. “What drives my passion is seeing the end in sight,” he said. “We’re right at the cusp, and we see the transformation that needs to happen over the next seven years.” 

Kevin McCune, MD, is the senior advisor on value, AMGA, and chief physician executive, AMGA Consulting.