Lahey Health and Cleveland Clinic: Building a Primary Care Strategy out of a Surgical Legacy

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Disclosures

Kimberly Smith  None

David Longworth  None
Our Comments

• **Industry trends**
  - The move to Value and Population Health
  - The importance of primary care networks
  - New evolving leadership roles

• Lahey Health and Cleveland Clinic
  - Who they are
  - Market challenges
  - Their primary care journeys

• Lessons learned at Cleveland Clinic in building and executing a primary care strategy
What Does ‘Value’ Really Mean?

Value = Outcomes / Cost

- **Outcomes**
  - Quality
  - Health Status
  - Process
  - Experience

- **Cost**
  - Event
  - Episode
  - Per Capita
CMS is Driving Value-Based Payment

Source: CMS Press Release
January 26, 2015, Computerworld

Commercial payers will follow suit

Source: CMS Press Release
January 26, 2015, Computerworld
What is Population Health?

"Population health has been defined as the health outcomes of a group of individuals, including the distribution of such outcomes within the group."

-Institute of Medicine 2014, after Kindig and Stoddart, AJPH 2003-
Managing Population Health: The Rapidly Emerging Driver

Today: The Fee For Service model
- Care of the individual
- Payment for any service provided

The New Today: The Value-Based model
- Care of a population
- Payment based on quality and efficiency performance

*Predictability!

*Uncertainty and risk!
Primary Care Networks
Why are they important?

- Aggregate lives and populations for health systems
- Essential to assume and manage risk
- Feed the beast and mitigate out-migration
- Negotiate contracts
- Core to driving value
The Expanding Footprint of Primary Care Networks

% U.S. Physicians Employed by Hospitals and Health Systems

- 2004
- 2008
- 2012

Source: The Chartis Group

In January 2015, Robert Wood Johnson Foundation’s Aligning Forces for Quality (AF4Q) initiative cited seven emerging primary care trends.

Trend 5 – Changes in Workforce in Primary Care Settings

“Roles, responsibilities, tasks, and workflow of the primary care team are in constant flux.”
Teams and Leaders Evolve

Today’s successful leaders:

- Champion patient-based, protocol driven care at a lower cost and higher quality.
- Utilize IT to drive wellness.
- Drive a shift toward education and engagement.

Source: The Commonwealth Fund
The New Leadership Profile in Primary Care

Key Traits and Characteristics:

- Brings systems thinking to healthcare delivery
- Strong collaboration and interpersonal skills
- Mentor, team builder, develops and nurtures physician leaders
- Demonstrates change agility
- Advocates for the patient experience
- Operates well in a matrixed environment
- Able to analyze risk and leverage data to improve care
Our Comments

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About Me...

- Practicing internist and ID physician for 34 years
- Worked in Massachusetts 2002-2011
- Recruited back to Clinic in 2011 to develop and execute healthcare reform strategy
- Oversee population health
- No disclosures
Lahey Health
### Lahey Health History

#### VISION
- All care coordinated under one roof
- Efficient care
- Group practice should be a center for research and learning

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
<th>Number of MDs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1923</td>
<td>Founded by Frank Lahey, M.D.</td>
<td>-</td>
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<tr>
<td>1970</td>
<td>Boston</td>
<td>100 MDs</td>
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<tr>
<td>1980</td>
<td>Burlington Hospital &amp; Clinic open</td>
<td>120 MDs</td>
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<tr>
<td>1993-</td>
<td>Creation of</td>
<td>-</td>
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<tr>
<td>1998</td>
<td>Community Based Primary Care</td>
<td>150 MDs</td>
</tr>
<tr>
<td>1994</td>
<td>Peabody Clinic open</td>
<td>253 MDs</td>
</tr>
<tr>
<td>2012</td>
<td>Lahey Health System formed in merger with NE Health System</td>
<td>516 MDs</td>
</tr>
<tr>
<td>2014</td>
<td>Winchester Hospital joined Lahey Health</td>
<td>626 MDs</td>
</tr>
</tbody>
</table>
Lahey Health Overview

- Not-for-profit
- Physician led
- Multispecialty group practice
- Rapidly building primary care capabilities
- Primary mission is patient care
- Academic programs
- Tufts University School of Medicine affiliate
- Regional reach
Lahey Health

- Hospitals
  - 7 Campuses
  - 850 beds
- Behavioral Medicine
  - 39 Locations
- Employed Physicians
  - 626 FTEs
- Primary Care
  - 41 Locations
  - 182 employed
  - 135 aligned
- Senior Care
  - 5 Facilities
- Home Health & Private Duty Nursing
- ACO/MSO
Lahey Health Footprint

Lahey Health Member Hospitals: Addison Gilbert, BayRidge, Beverly & Danvers
Lahey Health Beverly Hospital Outpatient and Northeast PHO Primary Care Sites
Lahey Hospital and Medical Center, Burlington and Peabody
Lahey Outpatient Center, Lexington and Lahey Health Primary Care

Winchester Hospital
Winchester Hospital Outpatient and Highland Healthcare Primary Care Sites

Map of Lahey Health locations with a scale legend and a title: 2015 Annual Conference.
Lahey Health Statistics—need data

- 7 Hospitals and 11 Outpatient Centers
- 850 beds
- > 10,200 Caregivers
- > 1400 Physicians and providers
- 52,000 Admissions
- 1.7M Clinic Visits
- $1.5B Revenue
Lahey Health Academic Programs

- Major teaching affiliate of Tufts University School of Medicine
- 9 residency and 13 fellowship programs
- Clinical, translational, and comparative effectiveness research programs
Market Position and Imperatives
Massachusetts Market Share
(FY13 NPSR $mm)

- Partners $6,185, 29%
- UMASS $1,663, 8%
- Steward $1,444, 7%
- BID $1,383, 6%
- Lahey $1,349, 6%
- Baystate $1,022, 5%
- Tufts / Lowell $962, 4%
- Children's $940, 4%
- BMC $898
- South Coast $691, 3%
- Other $4,864, 23%

Source: CHIA. Partners includes Emerson, South Shore, Hallmark.
Spending - Massachusetts Trend

Where We’ve Been: Continued Expenditure Growth

In fact, if we fail to act, healthcare spending in MA is projected to almost double over 10 years.

Massachusetts Per Captia Health Care Expenditures
1991–2020

$3,249
$4,000
$5,000
$6,000
$7,000
$8,000
$9,000
$10,000
$11,000
$12,000
$13,000
$14,000
$15,000
$16,000
$17,000
$18,000
$19,000


+74%
$17,872
$10,262

NOTE: Health expenditures are for Massachusetts residents; data include personal health care expenditures, which exclude expenditures on health plan administration, public health, and construction. Data for 2005–2020 are projected assuming 7.4% growth 2005–2010 and 5.7% growth 2010–2020.


Additional Source: Beth Israel Deaconess Medical Center
The Lahey Value Proposition

Inpatient Relative Price for Select Hospitals across Major Payers, 2012

Relative hospital prices for the three major commercial payers, BCBS, HPHC, and THP, consistent with the HPC’s Review of Partners HealthCare System’s Proposed Acquisitions of South Shore Hospital and Harbor Medical Associates Preliminary Report (HPC Preliminary Report) and representative of the transaction’s overall potential impact on commercial prices given these three payers comprise 79 percent of the commercial enrollment in Massachusetts (per Annual Report on The Massachusetts Health Care Market, CHIA, August 2013).

Note: Brigham and Women’s Hospital and Massachusetts General Hospital are part of the Partners HealthCare system.

Source: CHIA Annual Report August 2013 Data Appendix.
# Quality – National Comparisons Compared to US National Rate

<table>
<thead>
<tr>
<th>Hospital</th>
<th>30-day Readmission Rates</th>
<th>Serious Complications</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Heart Attack</td>
<td>Heart Failure</td>
<td>Pneumonia</td>
</tr>
<tr>
<td>Lahey Hospital &amp; Medical Center</td>
<td><img src="green.png" alt="Green" /></td>
<td><img src="green.png" alt="Green" /></td>
<td><img src="green.png" alt="Green" /></td>
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<td>Massachusetts General Hospital</td>
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<td><img src="green.png" alt="Green" /></td>
<td><img src="red.png" alt="Red" /></td>
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<tr>
<td>Brigham &amp; Women’s Hospital</td>
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<td><img src="green.png" alt="Green" /></td>
<td><img src="red.png" alt="Red" /></td>
</tr>
<tr>
<td>Johns Hopkins Hospital</td>
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<td><img src="green.png" alt="Green" /></td>
<td><img src="red.png" alt="Red" /></td>
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<tr>
<td>Cleveland Clinic Foundation</td>
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<td><img src="red.png" alt="Red" /></td>
<td><img src="red.png" alt="Red" /></td>
</tr>
<tr>
<td>Hospital of U. of Pennsylvania</td>
<td><img src="green.png" alt="Green" /></td>
<td><img src="green.png" alt="Green" /></td>
<td><img src="red.png" alt="Red" /></td>
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*Source: Hospital Compare, July 1, 2009 – June 30, 2012*
Lahey Market Challenges

- Highly competitive market
- The 900 pound gorilla
- Getting to scale quickly to gain population and market share
- Identifying new partners
- Assimilation of new providers and systems to form a true integrated network
- Transform the culture of surgically-oriented specialty care
Lahey Market Imperatives

- Quickly build an integrated care delivery network
- Drive the value proposition
- Smart system growth
- Grow primary care
- Transform physician culture to think as a system
- Educate and align new providers around Lahey culture, value and population health
- Install single EHR across system
Lahey Market Imperatives

• Innovate the care delivery model to drive value
• Implement Medical Homes
• Uniform health IT platform across the network including analytics
• Develop key external partnerships, including in the Post Acute sector
• Investment in fixed infrastructure costs that will endure should be judicious

Time is of the essence
Lahey’s Primary Care Journey

- Division of Primary Care created 2012
- 182 PCPs, 153 clinical FTEs
- 75 Advanced Practitioners
- 525 FTEs (non-providers)
- 41 practices
- Panels=255,000
- 584,000 visits annually
- $92M net revenue
Cleveland Clinic
Cleveland Clinic - Founded 1921

Mission

- Care for the sick
- Investigate their problems
- Educate those who serve
Cleveland Clinic Overview

- Not-for-profit
- Physician leadership
- Multispecialty group practice that runs an academic health system
- Highly specialized
- Global reach
- Employed and independent physicians
- Salaried, 1 year contracts
Cleveland Clinic Culture and Values

- Patients First – The North Star
- “To Act as a Unit”
- One Cleveland Clinic
- Quest for World-Class Excellence
- Innovation and Entrepreneurial Spirit
- Focus on Wellness
Average Severity of Illness

Cleveland Clinic
UCLA
Mayo
Mass Gen
Johns Hopkins
8 NEO Regional Hospitals
16 Family Health Centers Across Northeast Ohio with varied footprints
Cleveland Clinic Lou Ruvo Center for Brain Health
## Cleveland Clinic Statistics

- **10 Hospitals and 83 Outpatient Centers**
- **4,450 beds**
- **> 43,000 Caregivers**
- **> 3,000 Physicians and Scientists**
- **157,000 Admissions**
- **5.5M Clinic Visits**
- **> 200,000 Surgeries**
- **$6.5B Revenue**
Cleveland Clinic Academic Mission

- Cleveland Clinic Lerner College of Medicine
  - Tuition free 5 year program
  - Train physician investigators
- Case Western Reserve University Health Campus
- Ohio University Heritage College of Osteopathic Medicine
  - Extension campus at South Pointe Hospital
  - 32 students commence July 2015
  - Innovative curriculum to create a primary care pipeline
- Lerner Research Institute
Cleveland Clinic Market Challenges

• High cost provider, variable quality outcomes

• Growing fixed infrastructure costs as the world moves to Value

• Declining population and aging demographic in Northeast Ohio

• Support of high end specialty care requires national and international market presence
Cleveland Clinic Market Challenges

- Narrow networks and exchanges threaten market share
- Little experience managing risk
- Minority player in highly competitive Florida market
- Until recently, primary care of secondary importance
Cleveland Clinic Market Imperatives

- Take significant cost out of care delivery
- Drive quality and safety
- Innovate and transform the care delivery model
- Think as a truly integrated system
- Grow market share, especially for subspecialty care--regionally, nationally, internationally
- Scale
Cleveland Clinic
The Primary Care Journey

• Medicine Institute formed 2006

<table>
<thead>
<tr>
<th></th>
<th>Then</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Internal Medicine</td>
<td>34</td>
<td>44</td>
</tr>
<tr>
<td>Community Internal Medicine</td>
<td>73</td>
<td>113</td>
</tr>
<tr>
<td>Family Medicine</td>
<td>45</td>
<td>94</td>
</tr>
<tr>
<td>Hospital Medicine</td>
<td>152</td>
<td>251</td>
</tr>
</tbody>
</table>

• Today, 251 PCPs in 39 practices at 29 sites

Does not include Florida (40)
Cleveland Clinic
The Primary Care Journey

- NCQA level 3 PCMH designation October 2010
- Transformed all practices July 2012-March 2014 to do population health
  - Care coordinators, clinical pharmacists, advanced MAs
  - Redesigned work flows
  - Epic registry tool
  - Employee Health Plan a learning laboratory
  - Simulated being an ACO
- JCAHO PCMH certification February 2014
- CMS ACO 1.1.2015
- 378,000 lives in risk-based contracts in 2015
Cleveland Clinic
The Quality Alliance

Hospital Employed Physicians

Independent Physicians

Quality Alliance’s Goals

- Founded 2011
- Jointly-established quality standards
- Reward for quality and efficiency
- Drive to better outcomes
- Drive to improve value for patients, providers and payers

Data / Analytics
Health plans

2015 Annual Conference
Cleveland Clinic Quality Alliance
Driving Clinical Integration

Alignment strategy between physicians (employed and independents) and hospitals

Facilitate transition to new value based care models without disrupting business models

Breaking data silos
Quality Alliance Membership

Quality Alliance Member Total
5,213

Cleveland Clinic Medical Group
3,914

Private Practice
1,135

QA Affiliate - Buffalo Medical Group
164

PCP, 35%

Specialist, 65%
Our Comments

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• Lessons learned at Cleveland Clinic in building and executing a primary care strategy
Cleveland Clinic Lessons Learned

• Leadership, leadership, leadership...

• Clinical credibility essential in leaders doing this work

• Must understand clinical operations

• Providers have choice. Relationship cultivation and development essential
Cleveland Clinic Lessons Learned

• Competitive medical malpractice insurance and favorable payer contracts are levers to pull to align rather than hire

• Hire for cultural fit

• All about change management, caregiver engagement

• Educate, educate, educate...
Cleveland Clinic
Lessons Learned

• Access, quality, experience, utilization, affordability the new key drivers

• Drive standardization in practices with some local autonomy around workflows

• One size does not fit all

• Innovate the care delivery model
Cleveland Clinic Lessons Learned

- Build, break, fix
- Measure, monitor, report ...frequently
- Support practice transformation with accountability
- Manage performance
- Transparency of data sharing a powerful tool
We must educate the next generation to do this work
For the secret of the care of the patient is in caring for the patient

*Francis Peabody, M.D.*
October 21, 1925
Harvard Medical School
Questions and Discussion