Risky Business: Crystal Run Health Plans

Michelle A. Koury, MD
Jonathan Nasser, MD
Crystal Run Healthcare

AMGA 2016 Annual Conference
About Crystal Run Healthcare

- Physician owned MSG in NY State, founded 1996
- >350 providers, >30 locations
- ASC, Urgent Care, Diagnostic Imaging, Sleep Center, High Complexity Lab, Pathology
- Early adopter EHR (NextGen®) 1999
- Accredited by Joint Commission since 2006 (1st in NY State)
- Level 3 NCQA PCMH since 2009
Outline

• Why form a health plan
• Licensure Process
• Products
• Marketing and Sales
• Network and Contracting
• Medical Management
Get To The Premium Line
Evolution to Risk
Evolution to Risk
Evolution to Risk
Evolution to Risk

- EHR
- Care Manager Program
- Joint Commission
- PCMH
Evolution to Risk

- EHR
- Care Manager Program
- Joint Commission
- PCMH
- ACO
ACO Portfolio

- Single Entity ACO
- MSSP April 2012
- NCQA ACO Accreditation 2012 (1st in NY)
- Multiple Commercial Risk Based Contracts
- 40,000 attributed patients
- TSO 2016
Evolution to Risk

EHR

Care Manager Program

Joint Commission

PCMH

ACO

Health Plan
Outline

• Why form a health plan
• **Licensure Process**
• Products
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• Medical Management
Acquiring a Health Plan License

1. Assemble team
   Hired lawyer, actuary, issued RFP for consultant; assembled lean internal team: Chief Legal Officer, Executive Director, VP of Operations, Data Analyst

2. Secure Political Support
   Met with Secretary of Health, outlined CR goals for developing health plan products, clarified lack of intention to compete with large national health plan players

3. Meet Capital Requirement
   Raised capital in lease-buy back arrangement with REIT to:
   - Meet state reserve requirement of 12.5% of 3rd-year premiums
   - Cover start-up costs

4. Develop Network
   Crystal Run physicians make up majority of the network; contracted with other providers to fill gaps in services.

5. Design plan benefits
   Studied benefit design of other successful plans in market; based plan design on popular products

6. Submit Application
   Went live selling commercial small group, large group and individual products, off-exchange June 2015; selling Medicaid products off-exchange March 1, 2016
### Commercial vs. Medicaid Key Differences

<table>
<thead>
<tr>
<th></th>
<th>Medicaid</th>
<th>Commercial</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Licensure Process</strong></td>
<td>DFS</td>
<td>DOH</td>
</tr>
<tr>
<td><strong>Regulatory Oversight</strong></td>
<td>High</td>
<td>Medium</td>
</tr>
<tr>
<td><strong>Sales: Brokers vs. Enrollers</strong></td>
<td>Enrollers</td>
<td>Brokers</td>
</tr>
<tr>
<td><strong>Network</strong></td>
<td>Core</td>
<td>Core &amp; Extended</td>
</tr>
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Crystal Run Health Plans Org. Chart

Crystal Run Healthcare, LLP

Crystal Run Health Group

Crystal Run Health Plan

Crystal Run Health Insurance Company
Crystal Run Health Plans

• **Internal**
  – Leadership
  – Network and Contracting
  – Utilization Management, Quality Management

• **Delegated**
  – Claims
  – Pharmacy Benefit, Vision, Dental
  – Behavioral Health
Products

- **Exclusive Provider Network (EPO)**
  - Commercial
  - 2 Tiers of networks: core and extended (no out of network coverage)
  - Members encouraged to choose PCP, referrals not needed

- **Preferred Provider Network (PPO)**
  - Commercial
  - 3 Tiers: core, extended and out of network
  - Members encouraged to choose PCP, referrals not needed

- **Health Maintenance Organization (HMO)**
  - Commercial and Medicaid
  - In network coverage only
  - PCP selection required, referrals not needed
Products

Crystal Run Health Plan Product Offerings

**Health Maintenance Organization (HMO)**
- Only cover care provided Within the Crystal Run Network, does not require PCP referral to see specialists
- Medicaid managed care
- Patients, individual off-exchange

**Exclusive Provider Organization (EPO)**
- Covers two tiers of out-of-Network providers; does not require PCP referral To see a specialist
- Employer-insured
- Patients who are looking for lower-cost network

**Preferred Provider Organization (PPO)**
- Covers two tiers of out-of-Network providers at a Higher out-of-pocket cost; Does not require PCP Referral to see specialist
- Employer-insured
- Patients who are generally resistant to HMOs

**Target Market:**

**Plan Description:**

**Premium Price**

**Network Breadth**

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many changes are pushing providers to adopt population health management strategies. One of the most potent is the emergence of PSHPs. These plans offer numerous benefits to providers including acquisition of PHM skills, understanding and management of insurance risk, and integration of medical operations with the end goals of improved quality at a lower cost.
The new venture could cause insurers to view CRH in a negative light according to Jim Bonnette, executive VP of consulting and management at the Advisory Board Company. “An insurance company is not going to look favorably on new competition on the block,” he notes.
Eligible Members

- Employers in Orange or Sullivan county
- Small businesses ("small group") of 2-100 employees
- Large businesses ("large group") of >100 employees
- Medicaid eligible 2016
- Individuals
Marketing Message Different for Consumers, Employers

<table>
<thead>
<tr>
<th>Consumer/Employer</th>
<th>Marketing Message</th>
<th>Marketing Channels</th>
</tr>
</thead>
</table>
| Consumers        | “Concierge medicine for all” | • Print  
  • TV  
  • Radio  
  • Broker community |
| Employers        | “We deliver personalized service dedicated to meeting our members’ every healthcare need” | • Broker community |

Projected Enrollment by Year-End 2016

- **1,309** Commercial HMO members
- **3,363** Medicaid HMO members
- **2,798** Large group, small group EPO/PPO members
- **7,470** TOTAL MEMBERSHIP

- Enrollment estimates rounded to the nearest 10.
- Small group non-exchange enrollees make up majority of commercial HMO projected enrollees.

More than 50% of both consumer, employer-oriented marketing done through brokers.
Outline

• Why form a health plan
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• **Network and Contracting**
• Medical Management
Statistically, 100% of the shots you don’t take don’t go in.
Network

- **Core Network**
  - CRHC providers along and 6000 directly contracted providers in Orange and Sullivan counties

- **Extended Network**
  - partnership with MagnaCare & First Health, provides statewide and national networks
Network

Contracting to Fill Holes, Meet Network Requirements

Most Health Plan Members to Receive Care Exclusively from Crystal Run Physicians

Crystal Run Contracts with Other Providers to Fill Gaps in Services

- State-wide IPA
- Skilled nursing facility
- Local hospitals
- Dental providers
- Rehab centers
- Pharmacy benefits
Contracting Strategy

• Fee For Service
  – Driving Volume to Favorable Rates

• Value Contracts
  – Shared Savings
  – Benchmark based on Actual vs Budgeted MLR
  – Bonus Pool (60% PCP, 30% hospital, 10% specialists)
  – 4 out of 6 quality measures to earn share of pool
Outline

• Why form a health plan
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• Medical Management
Medical Management Committee (MMC)

• Charter
  – Provides oversight and direction for the UM, Case Management, reviews and approves criteria for medical necessity

• CRHC Capabilities:
  – Case Management, Population Health, Community Partnerships, Analytics
Utilization Management Process

• Criteria
• Process
• Philosophy
• Examples
Clinical Policy Committee

• Charter:
  – Oversight of clinical practice guidelines, utilization criteria, new medical technologies, and the therapeutic use of drugs

• CRHC Capabilities:
  – Best Practice Council, Variation Reduction, MTM, Medication Management Committee
Quality Management Committee (QMC)

• Charter:
  – Development, implementation and oversight of overall quality program

• CRHC Capabilities:
  – Quality program, Service Council, JC, Provider Resources, Analytics
How CRHP benefits CRHC

• Contracting and Network Development
  – Percent Premium contracts
• Facility Engagement
• Claims Expertise
• Payer Expertise
Great Love and Great Achievements involve great Risk

- Dalai Lama
Crystal Run Health Plans
Membership and Leakage

- Total Membership 3796
- 95% outpatient claims within CRHC
## Top 10 Drugs

<table>
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<tr>
<th>Drug</th>
<th>Quantity</th>
<th>Total Cost</th>
<th>Cost per Claim</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRESTOR</td>
<td>36</td>
<td>$9,176.71</td>
<td>$ 193.41</td>
</tr>
<tr>
<td>EXEMESTANE</td>
<td>8</td>
<td>$5,586.30</td>
<td>$ 682.04</td>
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<tr>
<td>HUMALOG MIX 75-25 KWIKF</td>
<td>10</td>
<td>$5,379.70</td>
<td>$ 492.97</td>
</tr>
<tr>
<td>METFORMIN HCL ER</td>
<td>21</td>
<td>$5,174.63</td>
<td>$ 233.36</td>
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<tr>
<td>CLOBETASOL PROPIONATE</td>
<td>22</td>
<td>$5,224.37</td>
<td>$ 219.75</td>
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<tr>
<td>VIMPAT</td>
<td>8</td>
<td>$5,271.68</td>
<td>$ 578.96</td>
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<tr>
<td>XARELTO</td>
<td>12</td>
<td>$4,659.38</td>
<td>$ 347.45</td>
</tr>
<tr>
<td>JANUVIA</td>
<td>11</td>
<td>$4,567.52</td>
<td>$ 369.32</td>
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<tr>
<td>ELIQUIS</td>
<td>13</td>
<td>$4,627.12</td>
<td>$ 311.70</td>
</tr>
<tr>
<td>ADVAIR DISKUS</td>
<td>19</td>
<td>$5,591.68</td>
<td>$ 188.95</td>
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# Crystal Run Health Plans

## Site of Service Differential

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<th>Percent Differential</th>
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<tr>
<td>Colonoscopy</td>
<td>$659</td>
<td>$2,000 - 2,400</td>
<td>2.60</td>
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<tr>
<td>MRI – Spine Lumbar W/O Contrast</td>
<td>$213</td>
<td>$1,000 - $1,200</td>
<td>4.40</td>
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<tr>
<td>Fragmenting of Kidney Stone</td>
<td>$2,311</td>
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<th>Hospital B</th>
<th>WCMC</th>
</tr>
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<tr>
<td>OPS - Cardiac Catheterization</td>
<td>1</td>
<td>0.76</td>
<td>1.69</td>
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<tr>
<td>IP Claims – Hip Replacement</td>
<td>1</td>
<td>0.39</td>
<td>0.78</td>
</tr>
<tr>
<td>General Medical Admission – CHF</td>
<td>1</td>
<td>0.47</td>
<td>1.24</td>
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Crystal Run Health Plans
Anecdotal Learnings

• DRG Impact

• All generics are not created equal

• Coding
Crystal Run Health:  
Working Together to Advance Value

• Integrated Case Management

• Cost Effective Prescribing

• Inpatient Care and Impact on Cost

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Crystal Run Health: Working Together to Advance Value

- Accurate Risk Assessment and Reporting
- ER and Hospital Avoidance
- Site of Service Performance
Providers Role in Success of Plan

- Know Medical Necessity Criteria
- Don’t Blame the Plan
- Know the Network
- Understand Impact on Members
- Provide Great Service