

Viewpoint

AN EXECUTIVE PUBLICATION FROM THE SCOTTSDALE INSTITUTE

NOVEMBER 2015

Robert J. Henkel, FACHE, is the President and CEO of Ascension Health. He also serves as an Executive Vice President of Ascension Health's parent organization, Ascension. Before being named President and CEO of Ascension Health, he served as the organization's President, Healthcare Operations and Chief Operating Officer. Prior to 2004, he served as President of the Great Lakes and Mid-Atlantic States Operating Group at Ascension Health. Mr. Henkel has held executive positions with numerous other healthcare organizations, including the Daughters of Charity National Health System, St. Louis; Mount Sinai Medical Center, Miami Beach, Fla.; SSM Health Care in St. Louis; and Montefiore Medical Center, Bronx, New York. He currently serves as a Board member of the Catholic Health Association; Board member with the United Way of Greater St. Louis; Board member with the Coalition to Protect America's Health Care; Fellow of the American College of Healthcare Executives; and member of the Healthcare Executives Network. He is a University of Pittsburgh Legacy Laureate. Mr. Henkel received a bachelor's degree in economics from Union College, Schenectady, N.Y., and a master's degree in public health from the University of Pittsburgh, where he now serves as an Adjunct Professor in the Graduate School of Public Health.

You've said Ascension is making the transition to value-based care partly through investments in infrastructure to manage risk. What kind of infrastructure?

Employers, payers, and the government all wish to reduce risk. We've been assembling an infrastructure of complementary assets aimed at three major goals: One, finance the risk; two, underwrite and process the risk; three, manage the risk. Ascension is putting these pieces together not just to manage risk but to improve the well-being of communities while decreasing costs.

For the past 16 years we've been building Ascension Risk Services. In 2014 we acquired U.S. Health Holdings, an insurer licensed in 20 states that brings us actuarial competencies, claims processing and underwriting. We're applying this resource to manage Ascension's 300,000 employees and dependents. Two years ago we entered into an ACO in Nashville with MissionPoint Health Partners that includes Blue Cross, providers and insurance companies collaborating to help individuals navigate the health continuum. MissionPoint now has four years of data demonstrating improved outcomes and lower cost. Inpatient admissions per 1,000 members per year have dropped to 53 from 72, ED visits from 209 to 140 and utilization of generic drugs has climbed to 74 percent from 65 percent.



**BOB HENKEL, EVP,
ASCENSION, PRESIDENT &
CEO, ASCENSION HEALTH**

A major trend in the move from volume to value is the continuing convergence of providers and payers. What is Ascension doing to acquire or partner with insurers?

We're partnering with Blue Cross of Tennessee and Blue Cross of Michigan and continue to look at other options. We want to have the ability to go directly to employers. Our first priority is to work with our own employees and their families, which today amounts to 300,000 covered lives. We want the capability to underwrite risk, which was behind our acquisition of U.S. Health Holdings. We

likely will develop multiple approaches. We're using a variety of structures, but we're large enough to try different models and learn from them.

Ascension is pursuing a national strategy of creating "clinically integrated systems of care." Can you elaborate?

We chose those words very carefully because we did not want to imply networks or buildings in the conventional sense. It's important to look at it from a perspective of personalized care. How do people want to be cared for? When we talk to them they say they want coordination and the ability to know people, the ability to connect with them. In some of our markets we have hospitals, home care and primary care but we may not have the social connections

of care that Catholic Charities has, for example. We want to find the right mix of social benefits. We want to get away from the word “discharged.” We’re looking to establish person-to-person relationships that allow us to give those we serve the right care for them.

A closely related concept you’ve articulated is “systems of care,” in markets where you partner with other entities including traditional competitors. What are some examples?

A good example is in the Chicago marketplace, where our Alexian Brothers Health System and Adventist Midwest Health have created a joint venture call AMITA Health. AMITA brings together physicians, acute care, all diagnostics and behavioral health. In these ventures, one plus one is more than two.

Another example is in Tucson, Ariz., where Ascension has joined with Tenet Healthcare and Dignity Health to create a new, evolved Carondelet Health Network. We’re a minority shareholder in Carondelet, which is bringing together Tucson and Phoenix into an integrated system of care.

In discussing social media you use the term “share of voice.” What do you mean by this concept?

We view social media as a tremendous opportunity for patient engagement. We’re actively listening to the social media conversations around our health ministries and we’re treating these conversations as we would any consumer feedback, as a way to identify areas for improvement. Social media has enabled us to hear from consumers whom we might not otherwise have an opportunity to engage. As we have increased our efforts to connect with our consumers online, we have noticed that more people are talking about our health ministries. Our share of the conversations happening in social media is growing. That’s what we mean by share of voice.

A lot has to do with listening. It can be as simple as hearing that people are having trouble parking or understanding a bill they got from the hospital or doctor. Or it can mean

finding affinity groups such as a community of women with breast cancer.

Ascension recently joined the Health Care Payment Learning & Action Network (HCPLAN). How does HCPLAN relate to the Health Care Transformation Task Force, to which Ascension also belongs?

HCPLAN is in partnership with HHS, which set goals to move 50 percent of Medicare payments to value-based models by 2018 and 85 percent of all traditional Medicare payments to quality or value by 2016. We work closely with CMS on quality issues. Ascension believes it’s best to move more quickly to value-based payment rather than be

stuck between fee for service and value. The Healthcare Transformation Task Force is a private initiative comprised of health systems, payers and even patient advocates designed to accelerate the entire payment system from fee for service to value. We

committed to moving 75 percent of our contracts to value by 2020. There’s some overlap, but the key is to put stakes in the ground.

One of Ascension’s noteworthy initiatives is in Michigan with Trinity Health, also one of the largest Catholic health systems. What is driving this partnership?

What we’re doing fits into our clinically integrated systems of care strategy. We looked at Michigan and realized there’s very little overlap between Trinity and Ascension, and yet as faith-based organizations with common cultures and values we cover most of the state. Every person in Michigan is within 20 minutes of an Ascension or Trinity center of care with the exception of the Upper Peninsula. We’re bringing together all of our physician relationships in conjunction with Blue Cross under the banner of Connected Care to deliver high-quality, low-cost care.

~ Chuck Appleby
Director of Publications & Communications
cappleby@scottsdaleinstitute.org

“We want to find the right mix of social benefits. We want to get away from the word ‘discharged.’”



STANLEY R. NELSON, Founder & Chairman Emeritus (1993–2012)
Donald C. Wegmiller, Chairman • Shelli Williamson, Executive Director
1660 Highway 100 South, Suite 306 • Minneapolis, MN 55416
Phone: 952.545.5880 • Fax: 952.545.6116
scottsdale@scottsdaleinstitute.org • www.scottsdaleinstitute.org