Like the pioneers preceding them in this same desert landscape, healthcare organizations—Scottsdale Institute members especially—are blazing new trails in the uncertain environment of population health and accountable care. That was the message from SI’s 24th Annual Conference “Innovation for Value-Based Care” in Scottsdale, Ariz. Discussions, presentations and audience interaction at the Camelback Inn demonstrated that innovation and transformation are more than marketing slogans at leading health systems—they are now daily watchwords for CEOs, physician executives and other leaders in this historic transition to a more consumer and value-based healthcare model.

Like the 23 annual conferences before, this year’s conference demonstrated once again SI’s Three Pillars of Collaboration, Education and Networking.

SI Chairman Don Wegmiller kicked off the three-day event and introduced keynote speaker Paul Keckley, PhD, Editor of The Keckley Report, whose address, “ACA Chapter Two: What’s Next?” tackled the wildly uncertain political landscape surrounding the Affordable Care Act and Republican efforts to repeal and replace it.

“Be watchful,” he said, of several factors. “HHS Secretary Price is a doctor’s doctor. His North Star is, ‘How can we make life better for doctors?’ and his goal of restoring the physician/patient relationship is code for ‘Don’t mess with physician reimbursement.’” Also, the new head of the Food and Drug Administration, Scott Gottlieb, is pro-Big Pharma and wants to create more competition for the generics market. “Drug prices won’t go down,” predicted Keckley. Another among many nuggets: The Department of Justice may change perspective and view hospitals and health systems as local entities and, given that healthcare is a third of the federal budget, $1.4 trillion of private equity money is pouring into the healthcare industry.

For complete presentations, audio recordings and photos visit the SI website at www.scottsdaleinstitute.org.

A conference faculty list is on the back page.
BUILDING BRIDGES ACROSS THE SPECTRUM

Patrick O’Hare, SVP and CIO, Spectrum Health, and SI Advisor, introduced a panel of three Spectrum executives representing hospitals, physicians and insurance to show how the organization is integrating these traditionally siloed components to become effective at population-health management.

Grand Rapids-based Spectrum is the largest employer in western Michigan with 12 hospitals, a health plan and a 3,000-person medical group. “After 20 years we’re now integrated,” said Christina Freese Decker, adding that the organization is guided by three strategies: transparency, access and affordability. Seth Wolk, MD, said a linchpin of integrated care is to increase reliability by standardizing care and reducing variation.

“Care is better delivered through a health plan,” said Joan Budden, “so we take seriously the goal of giving people in western Michigan affordable health.” The missing player at the table was pharma, she said, as 50 percent of premium increases are due to price increases in the drug industry.

INNOVATION AS A DISCIPLINE

Anyone who attended Wednesday afternoon’s panel “Innovation for Bottom-Line Value” came away realizing that innovation is anything but just another industry buzzword—it’s evolved into a serious discipline for embedding creative change in health delivery. With former CFO Joe Fifer as Moderator, the discussion demonstrated the maturity with which health systems are not only thinking outside the box, but throwing the box away altogether.

While diffusing innovation throughout the organization depends on its culture, Jane Barlow, MD, said it’s important to not limit thinking about innovation just through the healthcare lens: “Like Spectrum Health, let’s create the Amazon experience for patients and consumers. We have to get out of the box of thinking that healthcare is different.”

Richard Frank, MD, said Anthem is reorganizing its 55,000 employees around communicating among its own businesses to promote innovation while also seeking innovation outside healthcare, which led to developing tools like an interactive video for members explaining clearly what they’re going to pay for a procedure and what they’re covered for. Jordan Asher, MD, described how Ascension Health has shifted its massively decentralized organization to a centralized one modeled on global corporations like Ford. Amy Frankowski, MD, noted Mercy Health is very focused on how to measure innovative enhancements to care models. “Pullable data and analytics is very important.”
Mr. Wegmiller moderated a Q&A of top execs in an Executive Roundtable and Open Forum panel. Here are some nuggets:

Barclay Berdan said Texas Health’s 16-county market in north Texas is seeing an influx of 2,000 new residents a week and will grow to 8 million people in 2020 from 7 million today, with 17 percent of the population uninsured. This year Texas Health adopted “a new vision that is more focused on the outside world—more patient-centered—called ‘Partnering with You for a Lifetime of Health and Well-Being.’”

Innovating in population health is critical and led Texas Health to become tightly integrated with UT Southwestern in Dallas. A new program is called Fresh AIR, which stands for Affordability, Innovation and Reliability and employs a process called “reliable blueprinting” in care models that has lowered mortality rates and, in specific cases like hip-and-knee patients, lowered LOS.

Catherine Jacobson noted that Froedert Health, a $2-billion academic health system in southeast Wisconsin, a state in which 80 percent of the physicians are employed, in 2014 entered into an insurance joint venture called Network Health with 400 community physicians that covers 150,000 lives. “We have the largest physician offices in the country and are the land of provider-sponsored health plans,” she said.

Froedert has also created Inception Health, a separate digital-health company that focuses on developing solutions in genomics, sensors and machine learning. “How do you embed in your health system a mandate to look for disruptive things?” she asked in reference to the company’s goal. It has already developed a “Silver Cloud” app for depression self-management, a GPS for patients and is partnering with California firm Proteus to apply sensor technology to medication adherence.

Dennis Murphy said Indianapolis-based IU Health serves one in three patients in Indiana, has a 200,000-member health plan, built four new hospitals costing $1 billion just prior to the 2008 crash and is transitioning from a holding company to an operational company.

To address the need for affordable insurance in Indiana, which has one of the highest medical-bankruptcy rates in the nation, IU Health developed the Healthy Indiana Plan, now called HIP 2.0, built upon the expectation that Medicaid enrollees actively contribute and there’s personal accountability. Supported by a cigarette tax, almost two-thirds of enrollees join HIP Plus which includes vision and dental benefits; another third sign up for HIP Basic.
Contributions range from a high of $25 a month down to a low of $3 a month.

A Lewin Group study found that HIP 2.0 resulted in: fewer people showing up in the ER; more people choosing generic drugs; more people getting preventative care; people like the program; people make contributions. The downsides were that many people did not understand the plan and required more education. “This has been an example of innovation on a large scale,” said Murphy.

John Porter said Sioux Falls, S.D.-based Avera provides “almost everything from womb to tomb” for the 800,000 people who live in South Dakota, including two health plans and 14 clinical service lines. “There’s not a site that isn’t part of a referral program” for Avera, he said. Still, the organization is betting the farm on innovative change: “We’re trying to shake up the model and break everything into business lines.”

Avera eCare is the key to extending these business lines not only into the sparsely populated Great Plains but beyond. Launched in the 1990s with the advent of the eICU to bring intensivists virtually to small rural hospitals, Avera has developed such deep experience in telehealth that it has expanded to providing ePharmacies and eUrgent Care to the Indian Health Services and health systems in other states.

Ernie Sadau said Irving, Texas-based CHRISTUS Health has more than 60 hospitals in three states and Mexico, Chile and Columbia where it operates a health plan covering 3.5 million lives. CHRISTUS has three major focus areas: 1) An intense focus on the culture of health equity; 2) Clinical integration, which includes physician integration; 3) Asset growth, which involves being good stewards, doing zero harm and caring for the poor and underserved.

“The population health ecosystem is not just about risk-based contracting,” he said, noting that CHRISTUS is guided by a three-phase model: 1) Involve community health; 2) Deliver quality health; 3) Provide the right access to care. CHRISTUS is committed to growing a robust ambulatory network to support population health, which will create the challenge of huge amounts of data. “Interoperability is key to sharing data.” Finally, CHRISTUS is slowly developing the skill sets required to be a payer because the insurers in mid-sized or smaller markets are not interested in partnering.

**CYBERSECURITY &CEOS**

It seems fitting that the first panel following the CEO Roundtable was “What the CEO Needs to Know About Cybersecurity,” which kicked off Thursday afternoon. “Security is more of a team sport than ever,” said Moderator Tim Zoph, a former CIO at Chicago’s Northwestern Medical Center. Among the many nuggets from panelists was that the CISO is now getting a seat at the senior leadership table after originally starting out as more of a hands-on role. The shift is partly due to the increasing divestitures and partnerships among health systems which increase cyber risks. Cyber security is not an IT problem, but is today more strategic and business-oriented. Also, given that “anything we [CISOs] do is unpopular because it impacts experience,” it’s necessary to have the CEO as an advocate to ensure access to funding and leadership resources.

Panelists for “What the CEO Needs to Know About Security” include (l-r) Fernando Blanco, VP & CISO, CHRISTUS Health; Preston Jennings, VP, Information Security & CISO, Trinity Health; Gerry Lewis, President & CEO, AIS and SVP & CIO, Ascension Health and Scottsdale Institute Advisor; Tim Zoph, Client Executive & Strategist, Impact Advisors, Moderator; Ryan Smith, SVP & CIO, Banner Health.
RIDING THE POP HEALTH WAVE AT BAYCARE

Located on the peninsula separating the Gulf of Mexico and Tampa Bay, Clearwater, Fla.-based BayCare Health System is a 14-hospital delivery system with 27,000 employees serving west-central Florida. Greg Hindahl, MD, VP & CMIO and Chris Eakes, Director of Population Health presented “Population Health Tools to Manage Risk and Engage Physicians.”

After four years of experience in which it saved $29 million in limited at-risk contracts, Eakes said BayCare has matured in its approach and is “right-sizing” its network for population health. In 2018 it is taking its ACO to the next level, a Track 3 ACO, and in 2019 the health system will start its own insurance line. It created an Enterprise Care Management Office to eliminate duplicative processes and to better engage patients. BayCare’s IT platform is Cerner, including HealtheIntent. “Population health now has the attention of senior leadership,” he said.

Hindahl noted BayCare is focusing on innovative technology as an enabler for physician engagement and value-based care. Physicians like to use telemedicine to overcome problems of access to providers among the elderly even within the urban area of Tampa Bay, which has the largest number of over-65 patients in the country. BayCare is using telemedicine for several use cases including TeleSNF, home care, TelePsych and TeleNeuro.

EHR VALUE

Paul Tang, MD, set up the discussion by noting that, while the EHR is here to stay and doctors would not want to return to paper records, 54 percent of physicians are experiencing burnout and one of the reasons is cognitive burden of the EHR, which can drain a provider’s time and energy from patient care. A few selected nuggets:

- The last decade was about “getting the EHR in;” The next decade is about optimization.
- The more data is shared, the more valuable is the EHR.
- The biggest challenge in terms of ensuring EHR value is to maintain continuous quality improvement.
- A competing biggest challenge is lack of interoperability; All the pieces are there but not the will.
- A big advantage [to get value from an EHR] is a highly educated staff; “I tell nurses, ‘You’re a technologist now.’”

After years of experience with EHRs from different perspectives, the panelists for “Prove that EHRs Add Value” tackled the perennial issue of how to define the value of an EHR. (l-r) Alan Weiss, MD, CMIO, Ambulatory Services and Associate VP, Memorial Hermann Health System; Bruce Smith, SVP and CIO, Advocate Health Care and Scottsdale Institute Board Member; Robert Eardley, SVP, CIO & CISO, Houston Methodist and Scottsdale Institute Advisor; David Muntz, Principal, Muntz and Company and former Principal Deputy National Coordinator, Office of the National Coordinator, HHS; and Paul Tang, MD, VP, Chief Health Transformation Officer, IBM Watson Health and Scottsdale Institute Advisor, Moderator.
A few selected nuggets:

- If you are always seeking better health at lower cost, innovation becomes a way of life.
- An integral feature of an innovative organization is to instill a desire to create fundamental change.
- We’ve over-utilized human interaction; Our care-transition call center has cut readmissions by 50 percent.
- Using ED Express Care allows a patient to select traditional face-to-face or virtual physicians; It has cut ED wait time to 30 minutes from 2.5 hours.
- Innovation in some ways is about creating infrastructure; How do you create a platform for innovation like the iPhone?

Among other things, the Town Hall discussion tackled the issue of consumerism in healthcare. Here are a few nuggets:

- Providers almost all agree that Amazon offers the most compelling model for engaging consumers.
- We need to talk to people about their personal goals—not just diagnoses and treatments; Providers have a difficult time doing this.
- We say patients first, but we really don’t organize around that; We’re built around hospitals and providers; We’re really not about consumerism.
- 5-star Yelp reviews don’t translate to healthcare; It’s much more complicated than that.
- All the data from the mid-1980s on confirmed that Joe Six Pac is accustomed to Star Ratings; What’s key is the rating formula; Five Stars is not going away.

In closing the 24th Annual SI Conference, SI Chairman Don Wegmiller noted one clear message from the conference was that, spurred by population health, “Health systems are moving toward acquiring or developing their own insurance arms.” There are 102 health systems across the country with their own health plans, he noted, up from the 84 reported last year by the AHA, which projects that figure to jump to 150 by 2020.

Good reasons to mark your calendars for next April 25 to 27 for the 2018 SI Conference.
JORDAN R. ASHER, MD, Chief Clinical Officer, Ascension Care Management and Chief Innovation Officer, MissionPoint Health Partners

JANE BARLOW, MD, Principal, Jane Barlow & Associates and former Associate CMO, CVS Health

BARCLAY E. BERDAN, CEO, Texas Health Resources

FERNANDO BLANCO, VP & CISO, CHRISTUS Health

JOAN BUDDEN, President & CEO, Priority Health

AMY COMPTON-PHILLIPS, MD, EVP, Chief Clinical Officer, Providence St. Joseph Health

CHRISS EAKES, Director, Population Health, BayCare Health System

ROBERT EARDLEY, SVP, CIO & CISO, Houston Methodist and Advisor, Scottsdale Institute

JOSEPH J. FIFER, President & CEO, Healthcare Financial Management Association

RICHARD FRANK, MD, VP, Health Care Management and Senior Medical Director, Provider Enablement, Anthem

AMY FRANKOWSKI, MD, Sr. Medical Director, Population Health, Mercy Health

CHRISTINA FREESE DECKER, EVP, COO, Spectrum Health

JOHN GLASER, PhD, SVP, Population Health, Cerner Corporation

GREG HINDAHL, MD, VP & CMIO, BayCare Health System

CATHERINE JACOBSON, President & CEO, Froedtert Health

PRESTON JENNINGS, VP, Information Security & CISO, Trinity Health

PAUL KECKLEY, PhD, Editor, The Keckley Report

GERRY LEWIS, President & CEO, AIS and SVP & CIO, Ascension Health and Advisor, Scottsdale Institute

MARY BETH MITCHELL, RN, Chief Nursing Information Officer, Texas Health Resources

MITCH MORRIS, MD, EVP, Optum

DAVID S. MUNTZ, Principal, Muntz and Company LLC and former Principal Deputy National Coordinator, Office of the National Coordinator, US Dept. HHS

DENNIS MURPHY, President & CEO, IU Health

CARRIE NELSON, MD, Chief Clinical Officer, Advocate Physician Partners

JOHN T. PORTER, President & CEO, Avera Health

JEFF ROSE, MD, SVP & Chief Strategy Officer, Hearst Health and Advisor, Scottsdale Institute

ERINIE SADAU, President & CEO, CHRISTUS Health

BRUCE SMITH, SVP & CIO, Advocate Health Care and Board Member, Scottsdale Institute

RYAN SMITH, SVP & CIO, Banner Health

PAUL TANG, MD, VP, Chief Health Transformation Officer, IBM Watson Health and Advisor, Scottsdale Institute

DAVID Tsay, MD, PhD, Associate Chief Innovation Officer, New-York Presbyterian

DON WEGMILLER, Chairman, Scottsdale Institute and Co-Founder, C-Suite Resources

ALAN WEISS, MD, CMIO, Ambulatory Services and Associate VP, Memorial Hermann Health System

SETH W. WOLK, MD, System Chief Medical Officer, Spectrum Health and President, Spectrum Health Medical Group

TIM ZOPH, Client Executive & Strategist, Impact Advisors