

Identifying Opportunities for Health Care Delivery System Reform: Lessons from the Front Line

Senate Health, Education, Labor and Pensions Committee
Wednesday, May 15, 2012

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**Written Testimony – Marcia Guida James, MS, MBA, CPC
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Humana appreciates the opportunity to share information about the role we are playing in advancing delivery system reform and rewarding physicians who deliver high quality and efficient care. Like you, we believe there is much promise in delivery system reforms to enhance the overall health care system in America and ultimately, ensure that people receive quality, coordinated health care.

My name is Marcia James. As the company's Director of Provider Engagement, I am responsible for leading Humana's efforts to advance health care delivery system innovations centered on programs that engage providers and health plans through payment reforms and technology-related initiatives. I developed Humana's Provider Rewards program and have served as the company's key operational leader for our Accountable Care Organization pilot collaboration with the Brookings Institute's Engleberg Center for Health Care Reform and the Dartmouth Institute for Health care Policy and Clinical Practice.

By way of background, Humana Inc., headquartered in Louisville, Kentucky, is a leading health care company that offers a wide range of health and wellness services and health care coverage products that incorporate an integrated approach to lifelong well-being. By leveraging the strengths of its core businesses, Humana believes it can better explore opportunities for existing and emerging adjacencies in health care that can further enhance wellness opportunities for the millions of people across the country the company serves. Humana offers a wide array of health and supplemental benefit plans for employer groups, government programs, and individuals, serving 11.8 million medical members and 7.7 million specialty-benefit members across the country. Humana is also one of the nation's largest Medicare Advantage contractors with 2.2 million Medicare Advantage beneficiaries. In addition, Humana owns 318 medical centers and has 271 worksite medical facilities.

Humana is committed to strengthening our nation's health care system through partnerships with providers to implement new models of delivery and payment that seek to achieve the National Quality Strategy's three aims of: better care, healthy people/healthy communities, and affordable care.

Our statement focuses on the following areas:

- Characteristics of the new health care landscape;
- Humana's initiatives in delivery system reform; and
- Lessons learned from these private sector efforts to maximize the opportunity for improvement system-wide.

Evolution of a New Health Care Landscape

Historical perspective: The existing gaps in health care quality and variation in clinical practice are well-documented. Often cited is research by the RAND Corporation that found that nearly half of all adult patients fail to receive recommended care. More recent research finds that poor quality continues to plague our health care system. For example, elderly individuals undergo medical screening tests more frequently than is recommended, putting them at risk for unnecessary, invasive diagnostic follow-up and complications.¹ Variation in care also continues to exist, with no consistent pattern of care found among even the nation's top academic medical centers for Medicare patients with advanced cancer.² In addition, according to the National Committee for Quality Assurance (NCQA), as many as 91,000 people in the U.S. die each year because they do not receive recommended evidence-based care for chronic conditions like high blood pressure, diabetes, and heart disease. These are just some of the many examples of the effect our fragmented health care system has on the quality and effectiveness of care. All of this has led to an overwhelming recognition of the need to move from an encounter-based health care system to one that is seamless, coordinated and focused on the full continuum of patient care.

Characteristics of the New Landscape: The private sector, and increasingly the public sector, has implemented a range of different models of care designed to achieve the nation's goals of improving the quality and value of health care. While health care delivery will continue to evolve as we learn new and better ways to provide safe, effective, and affordable care, there are several key elements common to our new health care landscape that characterize these initiatives.

- **Cooperation/Partnerships:** First and foremost is a renewed sense of cooperation. Recognition on the part of health plans and clinicians alike of the urgent need for practice transformation has resulted in a more collaborative process in identifying priority areas for improvement and performance goals. In fact, a recent study of health plan and provider accountable care partnerships showed a clear trend toward longer term, less adversarial relationships. This same study showed a willingness on the part of both parties to adopt customized arrangements that reflect the different needs and varying levels of capability of the provider groups involved.³ A better understanding of the strengths each partner brings to these new arrangements leads to increased flexibility in the design of these models and avoids the pitfalls of a one-size-fits-all approach.

¹ Sima CS, Panageas KS, Schrag D. Cancer screening among patients with advanced cancer. *JAMA* 2010; 304:1584–91 and Goodwin JS, Singh A, Reddy N, Riall TS, Kuo Y. Overuse of Screening Colonoscopy in the Medicare Population. *Arch Intern Med* 2011; 171(15):1335-1343.

² Goodman DC, Fisher ES, et al. Quality of End-of-Life Cancer Care for Medicare Beneficiaries: Regional and Hospital-Specific Analyses, A Report of the Dartmouth Atlas Project. November 16, 2010.

http://www.dartmouthatlas.org/downloads/reports/Cancer_report_11_16_10.pdf

³ Higgins, A. Early Lessons from Accountable Care Models In The Private Sector: Partnerships Between Health Plans And Providers. *Health Aff (Millwood)*. 2011;30(9):1718-1727.

- Improved Performance Standards: Improved performance standards, many of which emphasize patient outcomes, have enabled health plans and providers to focus on specific areas of care and demonstrate tangible improvements. Goals related to efficiency and value are looked at in concert with quality goals, rather than in isolation, resulting in contract negotiations that have moved beyond merely setting payment rates to identifying achievable quality and efficiency goals. These improved performance standards are supported by an enhanced ability to measure, collect, aggregate and analyze information on provider performance to pinpoint gaps in care and help drive quality improvement.
- Emphasis on Patient-Centered Care: Patient engagement in treatment decisions, as well as self-management tools, help patients make informed decisions, better manage their own care, and adhere to treatment plans and wellness programs designed to their specific conditions. Increasingly, value-based benefit designs that promote the utilization of evidence-based health care services, offer patients a role in helping the nation achieve its health goals by offering patient incentives for making evidence-based health care choices. Health plans implementing new models of care are continuing to explore additional incentives that might be used to further support the patient role in attaining better quality and reduced cost.
- Use of Health Information Technology (HIT) and Decision Support Tools: These models rely heavily on the optimal use of HIT and decision support tools – both by the clinician and the patient. Whether through electronic health records, patient registries, or an alternative HIT infrastructure, better use of data and HIT supports population health management, disease and case management, treatment decision support, and performance measurement – activities critical to improving patient outcomes at the point of care and identifying additional opportunities to bridge gaps in care.

Humana’s Leadership in Innovative Delivery System Reform

Humana has used this new health care landscape as a foundation upon which to build innovative partnerships and models of care with hospitals and physicians that offer better care and better value. To this point, Dr. David Nash, one of Humana’s board members and the founding Dean of the Jefferson School of Population Health, compares our current health care system to “an NFL football team that never practices together, but plays games on Sunday” -- outcomes in sports and in medical care are going to be better when teammates know each other and work together regularly and cooperatively. For all these reasons, Humana is working with providers on a variety of new, collaborative delivery system models which I will outline below – first generally, and then focusing in on our initiatives around Accountable Care Organizations and Patient-Centered Medical Homes.

Highlights of Humana’s innovative provider engagement initiatives include:

- 25 years’ experience with various accountable care models with system capabilities that center on robust exchange of clinical and financial information (data transmission and

data sharing) with provider partners and engage a variety of flexible reimbursement models.

- Humana’s Provider Rewards programs, a primary care provider rewards initiative designed to encourage quality and reward physicians. Unlike other “pay-for-performance” models, Humana’s program is designed to help meet physicians on their own terms based on level of practice complexity as well as to encourage quality improvements. During the first 9 months in 2011, the program resulted in such improved health outcomes as a 2% improvement in colorectal cancer screenings and a 4% increase in spirometry testing. Additionally, over the same time period, there was an over 50% increase in the number of participating physician practices meeting and/or exceeding patient care measures and 40% increase in assuring that patients got needed preventive and chronic care screenings.
- Partnering with electronic health record (EHR) vendors to advance a Medical Home EHR Rewards Program centered on “meaningful use,” aiming to support national adoption of electronic medical records in physician practices with subsidies, among other offerings.
- Addressing the shortfalls in primary care access by expanding primary care and urgent care centers and workplace wellness sites in 550 point-of-care locations through our new Concentra business division.
- Partnering with clinic-based Primary Care Centers to provide coverage in specially-designed medical centers to seniors in primarily low income, underserved neighborhoods.
- Partnering with HHS’s Center for Medicare and Medicaid Innovation to promote a primary care initiative across two geographies.
- Building information and clinical analytical models under our Anvita Health and CareHub systems to enhance care and health outcomes by integrating clinical guidance based on real-time data for physicians, identifying gaps in patient care and alerting both patients and providers to necessary care treatments. For example, our Anvita rules engine identified approximately 355,000 actionable gaps in care for our members that, in turn, generated a multitude of alerts to nurses, providers, members and our service operations teams. As a result, 31% of these gaps in care were converted into actions to improve outcomes for those members.
- Teaming initially with Blue Cross/Blue Shield of Florida in 2001 (now expanded to include Health Care Services Corporation, Blue Cross Blue Shield of Minnesota and Wellpoint), Humana co-founded Availity, a cross-health plan, cross-provider, health information technology network that physicians and hospitals use free of charge to help with collecting payments, keeping track of referrals, detecting potential adverse drug-to-drug interaction and prescription drug fraud and abuse and ultimately, creating a comprehensive, multi-payor electronic patient health record. Availity now delivers health information solutions to a growing network that currently includes more than

200,000 physicians and providers of care, 1,000 hospitals, 1,300 health plans and 450 industry partners. Over 1 billion transactions are processed annually.

Humana Delivery System Innovations in More Detail: Humana/Norton ACO and Patient-Centered Medical Homes

Accountable Care Organizations – Humana’s partnership with Norton Healthcare System

Our partnership with Norton Healthcare System, a Louisville, Kentucky-based, not-for-profit integrated delivery system, provides an excellent example of the type of delivery system advancement and outcomes that can occur when two partner organizations with different, but complimentary, expertise come together to serve individuals in a coordinated manner. Under this ACO-type approach, Humana has entered into a pilot with Norton Healthcare, sponsored by the Dartmouth Institute for Health Policy and Clinical Practice and the Engelberg Center for Health Care Reform at the Brookings Institution (Dartmouth-Brookings). Humana brought the opportunity to participate in the pilot to Norton; Norton had an immediate interest. Participation in this pilot has allowed the development of a global quality/cost payment model. Providers are evaluated based on their performance on specified quality measures, such as diabetes measures, cancer screening, asthma care and cardiac care. Recently, the Commonwealth Fund highlighted this partnership in a case study and symposium.⁴

Central to this pilot is accountability of measured outcomes, cost, and patient delivery, focusing on industry-standard performance measures. The partnership is guided by three core principles: 1) integrated care delivery among provider teams; 2) defined patient population to measure; and 3) pay-for-results based on improved outcomes and cost.

Already, the partnership has shown significant results. Our most recent data, based on Year-Two outcomes, showed marked improvement relative to baseline in quality, utilization and physician visits following hospitalization:

- **Quality:** 9.1% decrease in unnecessary antibiotic treatment for adults with bronchitis; 6.1% improvement for diabetic testing and 8.6% improvement for cholesterol management in diabetics;
- **Utilization:** 12.9% improvement in appropriate emergency room visits (per 1000); and
- **Patient Follow-up:** 36.6% improvement in physician visits within 7 days of discharge.

Patient-Centered Medical Homes

Humana has long supported the notion of patient-centered medical homes through various arrangements. Over the years, we have established Patient-Centered Medical Home arrangements in Florida, Ohio, Colorado, Illinois, Michigan, Kentucky, Texas, Tennessee,

⁴ *Norton Healthcare: A Strong Payer–Provider Partnership for the Journey to Accountable Care*, The Commonwealth Fund, Case Study Series, January 2012.

Missouri and South Dakota – serving over 70,000 Medicare Advantage and over 35,000 commercial health insurance members. Under some of these arrangements, Humana provides financial assistance to help selected physician practices acquire electronic health record (EHR) systems, which can help facilitate enhanced care coordination and allow them to meet Meaningful Use criteria.

In 2008, Humana joined in helping establish the Patient-Centered Primary Care Collaborative, founded by Dr. Paul Grundy – a coalition of more than 900 employers, consumer groups, quality organizations, hospitals and clinicians. The Collaborative is dedicated to advancing patient-centered medical homes that have the following attributes: (1) ongoing relationships with a personal physician; (2) physician-directed medical practice; (3) whole-person orientation; (4) coordinated and integrated care; (5) enhanced access to care; and (6) payment that appropriately recognizes the added value of services provided.

We began our first medical home arrangement in 2007 with WellStar, an integrated delivery system located in Atlanta, Georgia. This pilot was one of the first in the country. Overall, it produced a 6% improvement in diabetic management (A1c levels) and blood pressure management. Additionally, there was a 20% improvement in management of “bad” cholesterol levels.

Our current partnership with Cincinnati, Ohio-based Queen City Physicians similarly is built on a model of integrated care delivery, strong data integration and focused care coordination. This approach has shown demonstrable results:

- 34% decrease in emergency room visits;
- 10% improvement in diabetic management (A1c levels);
- 15% improvement in blood pressure control; and
- 22% decrease in patients with uncontrolled blood pressure.

Lessons Learned: Maximizing the Opportunity for Improving Quality and Value System-wide

- It is now widely understood that a major impediment to practice transformation is the lack of alignment between traditional payment and value in health care. Humana’s efforts represent a progression toward better alignment of incentives.
- Different models are not mutually exclusive; it is not uncommon to see combinations of these models used for the same enrolled populations.
- Public sector initiatives that build on the promising results observed in the private sector will be best positioned to achieve the goals of the National Quality Strategy. Alignment and harmonization is important – disparate quality metrics, for example, will spread finite resources too thin, diluting the effectiveness of a national quality measurement strategy. Use of a well-established, tested set of performance measures is critical.

- Humana’s experience has shown the importance of allowing for flexibility in payment redesign, based on the readiness of provider groups. Adoption of a one-size-fits-all approach will undermine the ongoing active collaborations to customize arrangements to meet the needs and capabilities of a wide range of provider groups.
- Better use of data and HIT capabilities to promote information exchange has proven to be essential to making progress toward quality and resource targets, while continuing to advance the national agenda of connectivity.
- Continued exploration of additional ways to recognize the role of the patient in achieving desired outcomes will be necessary to support the health plan and clinician roles.

Thank you again for holding this hearing to highlight the important role delivery system reform plays in improving both the quality and value of health care and furthering the goals of the National Quality Strategy. We look forward to continuing our work with the Committee in pursuit of these goals.