

# Trust Matters



A Publication for Missouri Hospital Trustees

## Population Health Maturity & Future Direction

By Peter Rao, MHA's V.P. of Quality Evaluation and Program Development



While individualizing health care for each patient is important, managing population health has gained importance

with the movement to value-based payment mechanisms. The shift away from traditional fee-for-service has been slow, and it varies by market due to various factors. One of the major factors is the readiness to undertake two-sided risk by providers and hospitals. With mounting pressure from various stakeholders to reduce costs and improve outcomes, hospitals will need to be ready for the onset of increased pay-for-performance payment mechanisms.

There are strong signals from U.S. Secretary of Health and Human Services, Alex Azar, emphasizing the push towards value-based payments. Other stakeholders also have made commitments to transition to pay-for-performance. Currently, 45 percent of medical spend is tied to value; United Healthcare estimated that at the end of 2018, more than \$65 billion will be tied to value-based contracts. The Healthcare Transformation Task Force's Payer & Provider members have committed to have 75 percent of their respective businesses in value-based payment arrangements by 2020; Aetna has targeted 75 to 80 percent of its spend to be in a value-based contract by 2020. As stakeholders successfully achieve these goals, population

health management will need to become a core operating pillar for hospitals and health systems.

To support Missouri hospitals with population health preparedness, a task force was created in July 2017 under the direction of MHA's Strategic Quality Advisory Committee. One of the first recommendations of the task force was to assess the readiness of hospitals to advance population health. The assessment is providing information for targeted initiatives to be identified and utilized to better position hospitals for the future. Based on the Malcom Baldrige model, the assessment utilized nine pillars to guide the population health strategy: leadership, patients and community, workforce, finance, data and technology, operations, legal and regulatory, policy and advocacy, and outcomes. A maturity scale with five phases was created and correlated to the results of the assessment in which 81 hospitals participated.

MATURITY PHASE	# of Hospitals	% of Hospitals
PRE-FOUNDATIONAL 1	4	4%
PRE-FOUNDATIONAL 2	24	30%
FOUNDATIONAL	29	36%
PROFICIENT	13	16%
TRANSFORMATIONAL	11	14%

Seventy percent of hospitals are in the foundational phase or below. Basic gaps not unique to Missouri hospitals include hospital trustee and leadership education; medical staff engagement; effective use of community health needs assessments; infrastructural support for effective care transitions and care coordination; alignment of key challenges with employed and independent providers; electronic health records and technology infrastructure; data aggregation and analysis; Quality Payment Program for medical groups; financial risk assessments for value-based contracting and patient engagement.

Two targeted initiatives that will assist hospitals with continuing to build upon their existing population health maturity include Transitional Care Management at the Emergency Department, which will focus on preventable ED utilization, and Effective Management of Preventable Admissions for Patients with a Primary Diagnosis of Diabetes, which will focus on improved integrated strategies to reduce the incidence of diabetes. In addition to advancing maturity levels, these initiatives will enable improved strategies for care coordination, innovation, sharing of best practices and positioning for the future.

At the time the MHA population health assessment results were published, the State of Population Health: Third Annual Number of Survey Report was released. It stated that “organizations that go down the path to population health will be building capacity to effectively manage their operations under the next health care paradigm.” Therefore, it is imperative to continue the population health journey to progress care redesign and foster innovation.

Leading through rapid change has become a given in health care. Hospital trustee leadership is vital to ensure there is clarity of vision, the ability to collaborate within and outside the organization, a relentless pursuit for patient safety and quality, support for the use of effective technologies, and dedication to innovate. This will enable the progression to a systematic and deliberate strategy in the evolution to value-based capabilities.



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## A MESSAGE FROM

*Mark Laney, M.D.*  
*CEO, Mosaic Life Care*

One of Mosaic Life Care’s greatest “ah-hah” moments came several years ago when we learned that about 5 percent of our population drives 50 percent of our costs. To continue to be viable in our community, we had to recreate ourselves using a population health management model.

Adopting this model takes a commitment to achieving and maintaining outstanding quality and safety, which is the bedrock of the population health model. An organization also must be able to share data and information using a robust IT system. The care team must work just as efficiently and effectively, creating a continuum of care for the patient – one that ensures chronic health issues are managed proactively. Finally, a successful population health organization serves its patients with the right care, in the right place, at the right time, at the right cost. At Mosaic, patients have access to an online portal to make appointments, research medical topics and complete virtual house calls all without having to leave their homes.

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## A MESSAGE FROM

*Patrick Carron, FACHE*

*President/CEO, Perry County Health System*

The journey to population health is an interesting one for hospitals with no two experiences or strategies being alike. In rural communities, the focus seems to

have evolved from meaningful use and patient-centered medical home efforts to patient case management. Only a few have ventured into risk sharing models.

One would think with better organized medical records and improved lines of communication between caregiving teams, one should be able to supervise the patient and be right there upon the first indication of a patient's deterioration. Having skilled RNs quickly intervene with the help of family and home health should result in the right care at the right time, and prevent that expensive ER encounter or hospital readmission.

But in reality, obstacles present themselves: support systems fail; patients withdraw from caregivers as their health slips. Lo and behold, preventing those costly episodes of care is more elusive than first thought. We return to the table with more education with the patient's family or the friend who stops by most often, and in one case, the mail carrier who is the only person who sees the patient more than once a week. We introduce better technology and monitoring systems with the hope of an earlier clue as to the patient's impending demise.

For some, these efforts move the needle some, for others, not at all or in the wrong direction. Given most teams want to make the biggest impact early out of the gate, they admitted the sickest and most vulnerable patients first. We now are wondering if that strategy wasn't flawed in that these patients' health care courses may prove to be the most difficult to control.

There will be more course changes and lessons learned. Our hope is that our efforts truly improve the quality of life for our patients and reduce overall health care costs over time.

## 2018 Trustee of the Year Call for Nominations

This award recognizes and honors up to two trustees from Missouri hospitals for leadership skills, grassroots advocacy and community involvement.

Use this opportunity to recognize your hospital board member's dedication to your facility. But don't wait! The nomination deadline is **Friday, June 29.**

Find the application online at [www.mhanet.com/trustees.aspx](http://www.mhanet.com/trustees.aspx). For more information, contact Dana Dahl at [ddahl@mhanet.com](mailto:ddahl@mhanet.com) or 573/893-3700, ext. 1314.



MHA's Governance Excellence Certificate Program provides trustees with the opportunity to learn more about issues facing their organizations and to develop skills and knowledge to make more effective decisions. This year, eight hospital trustees and one hospital CEO successfully completed MHA's Governance Excellence Certificate Program.

John Bustle, M.D.

**Bates County Memorial Hospital,  
Butler**

Karen Faiferlick

**Lake Regional Health System,  
Lake Ozark**

Joyce Foster

**Bothwell Regional Health Center,  
Sedalia**

Sheila Lillis

**North Kansas City Hospital**

Mary Lucido, M.D.

**Saint Luke's East Hospital,  
Lee's Summit**

Charles McElyea

**Lake Regional Health System,  
Lake Ozark**

Alan Mead, M.D.

**Lake Regional Health System,  
Lake Ozark**

Gina Raffety

**Saint Frances Healthcare System,  
Cape Girardeau**

Toni Wiseman

**Cass Regional Healthcare System,  
Harrisonville**

## 2018 Legislative Update By Daniel Landon, MHA's Senior V.P. of Governmental Relations

The Missouri General Assembly's 2018 state legislative session ended Friday, May 18. Legislators enacted a number of new laws designed to benefit hospitals and support their work to improve the health of their patients and communities.

Legislators upgraded a 17-year-old safeguard in state law created to ensure that Missouri hospitals receive payments in keeping with the \$1 billion in provider tax they pay annually to state government. The tax is called the Federal Reimbursement Allowance, or FRA, and is used to furnish the state share of \$3 billion in Medicaid payments. The new safeguard emphasizes greater transparency and accountability, particularly for FRA-funded payments flowing through Medicaid managed care plans.

Another new law allows state hospital licensure regulations to automatically update to synchronize with federal standards. Previously, state law prevented state regulations from staying current with external standards, such as the federal Medicare Conditions of Participation. The change dovetails with a 2017 state law to block duplicative or inconsistent federal and state hospital standards as of July 1, 2018.

The General Assembly also addressed concerns about insurers' payment of out-of-network providers and restrictions on emergency department coverage. The new law was negotiated among legislators, hospitals, other providers and insurers. It clarifies that the "prudent layperson" law requiring insurers to cover hospital

emergency care based on the patient's symptoms will be applied without regard to the final diagnosis. Also, an insurer's payment denial based on the absence of an emergency medical condition must involve a medical record review by a board certified physician.

Legislators also passed legislation to expand and clarify Medicaid coverage of services delivered via telemedicine.

The Missouri Hospital Association published a [summary](#) of the outcomes of legislative proposals affecting hospitals and health care. The governor has until Saturday, July 14, to sign or veto most of the bills enacted during the 2018 legislative session.

## CULTURE OF SAFETY UPDATE By Jackie Gatz, MHA's V.P. of Safety and Preparedness

The March [edition](#) of *Trustees Matters* highlighted the increasing trend of violence against health care workers in Missouri. This violence has resulted in an increased presence of law enforcement on hospital premises. To facilitate safe transitions of care between law enforcement, EMS and hospital providers, MHA hosted a series of regional workshops in April and May to educate and inform participants on the legal and regulatory requirements and reduce the variation of policy interpretation.

Two hundred participants attended one of four workshops where facilitators introduced common scenarios that explained HIPAA, EMTALA, and appropriate management of narcotics and firearms, to gain mutual understanding and respect for the challenges that currently face providers. Identified next steps include finalizing a repository of vetted policies for health care providers, which will include best practices and procedures to engage law enforcement, and exploring a statewide data collection initiative to develop a statewide quantitative benchmark. MHA continues to provide resources to hospitals related to workplace violence through our [S.A.F.E.R. Initiative](#).

