

ALAMEDA COUNTY BOARD OF SUPERVISORS HEALTH COMMITTEE

Health Reform Hearing/Specialty Care

November 5, 2012

Alameda County Medical Center



HEALTH CARE REFORM SITUATION ASSESSMENT



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HEALTH CARE REFORM SITUATION ASSESSMENT NATIONAL CONTEXT

- One of the most turbulent times for healthcare in the past 50 years
- Reducing demand for many services
- Rapid decline in available capital to providers
- Affordable Care Act injects a new level of uncertainty
- Reductions to reimbursement from government payors
- Some growth in demand due to aging populations
- Overall slower growth in utilization



HEALTH CARE REFORM SITUATION ASSESSMENT NATIONAL CONTEXT

- Reduced demand most pronounced in pediatric and obstetric services
- Decline in duplicative/unnecessary services
- Some providers unable to compete effectively in a slower growing market
- Increasing demand for greater value for the health care dollar spent
- Challenge to achieve a much greater level of provider integration – vertically between hospitals and physicians and across regional markets
- Waves of consolidation will likely continue over the next five years
- Successful providers will be adept at making rapid improvements and offering greater value



SEVERAL NATIONAL TRENDS RELATE TO SAFETY NET PROVIDERS

- Preparing for an influx of new patients (particularly in the ambulatory arena)
- Emphasizing core differentiated service offerings (rather than trying to be all for all patients)
- Linking with other providers along the safety net continuum to be able to coordinate care



PLANNING CONTEXT — POST-REFORM NATIONAL TRENDS

Several national trends related to the role of Safety Net Providers in a post-reform environment

1. Preparing for an influx of new patients as reform portends a potential increase in demand (particularly in the ambulatory arena)
 - A. Massachusetts community health centers experienced increases in patient demand as number of uninsured decreased
 - B. Project Access New Haven using community partnerships and patient navigators to increase specialty access for uninsured
2. Emphasizing core differentiated service offerings (rather than trying to be all for all patients)
 - A. SFGH focusing on its familiarity and culturally competent care, and it's working to better coordinate care between the city's many public and private community clinics
 - B. VCU Health developed an integrated community care network partnering with community primary care providers to provide focused intervention of 22,000 uninsured patients utilizing VCU ED, rather than relying on solely developing own service capabilities
3. Linking with other providers along the safety net continuum to be able to coordinate care
 - A. Camden Coalition linked multiple independent providers (PCPs, Virtua, Cooper University, others) compiled a comprehensive database to analyze and quantify the utilization of the hospitals by Camden residents
 - B. Colorado shifting to PMPM ACO-like model for adult Medicaid, offering withhold/incentive payments to ACOs (Regional Care Collective Organizations) for cost neutrality (~% total PMPM)



HEALTH CARE REFORM LOCAL FINDINGS

Findings

1. Slow growth with substantial aging into 65+ age cohorts – particularly in North Oakland, San Leandro and Hayward



Medicare will be the major growth market for the next decade; limited, to negative growth in pediatric and OB services

2. Provider landscape rapidly consolidating (both vertically and horizontally) into several large systems



The local market will likely be able to support 2 to 3 major health systems and select niche independents

3. Lack of access to primary and specialty care will still be a major factor for many residents



Opportunity exists for providers who can offer convenient access and coordinate care

4. Payors will seek increasingly narrow hospital-physician networks while also testing new payment models that place increasing risk on providers



Providers will need to be organized to more effectively manage the total cost of an episode of care

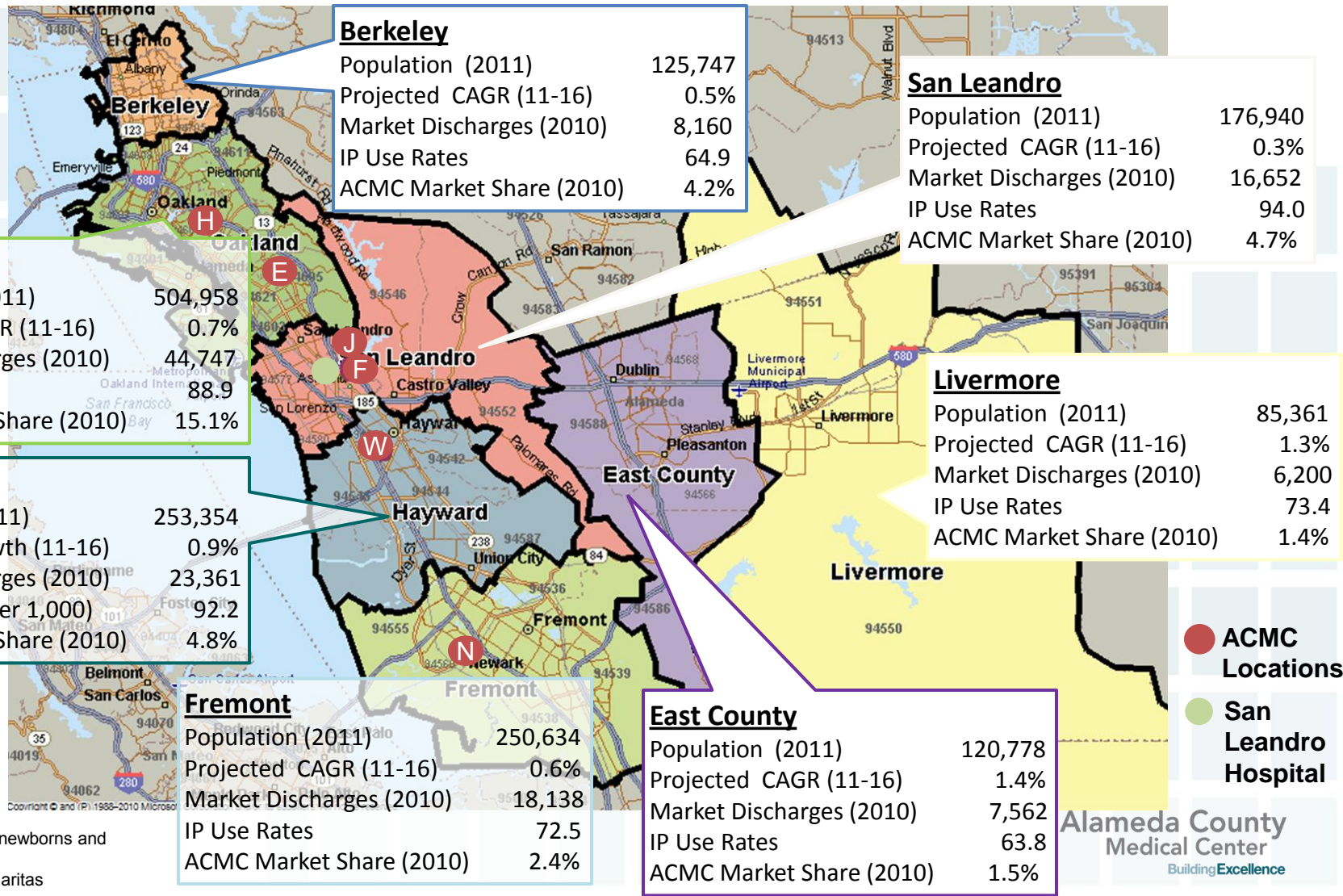
5. Major changes to payor mix as CA Health Benefit exchange comes online



Patients who historically lacked choice in their healthcare provider needs will gain a better ability to choose

SITUATION ASSESSMENT – APMC'S MARKET LANDSCAPE

APMC's broader market segmented into seven distinct submarkets – home to 1.5 M residents today



Note: Excludes normal newborns and DRG 885 (psychoses)
 Source: Market data, Claritas

HEALTH CARE REFORM COMPETENCIES

EFFECTIVE POPULATION HEALTH MANAGEMENT

- Partnerships with community based providers
- Service distribution-system effectiveness
- Information system sophistication
- Care coordination/management capability
- Payer relationships/contracts



ACMC SPECIALTY CARE STRATEGIES



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PRIMARY CARE PHYSICIAN TRAINING AND COMMUNICATION

- Monthly dinners for the APMC and CHCN PCPs with an APMC specialist presenting
- Mini-Fellowships for PCPs from APMC and CHCN in Orthopedics, Dermatology, Neurology, Rheumatology, Podiatry and Pain
- Reftrak [referral tracking system] enhancements
- Planning for Health Information Exchange

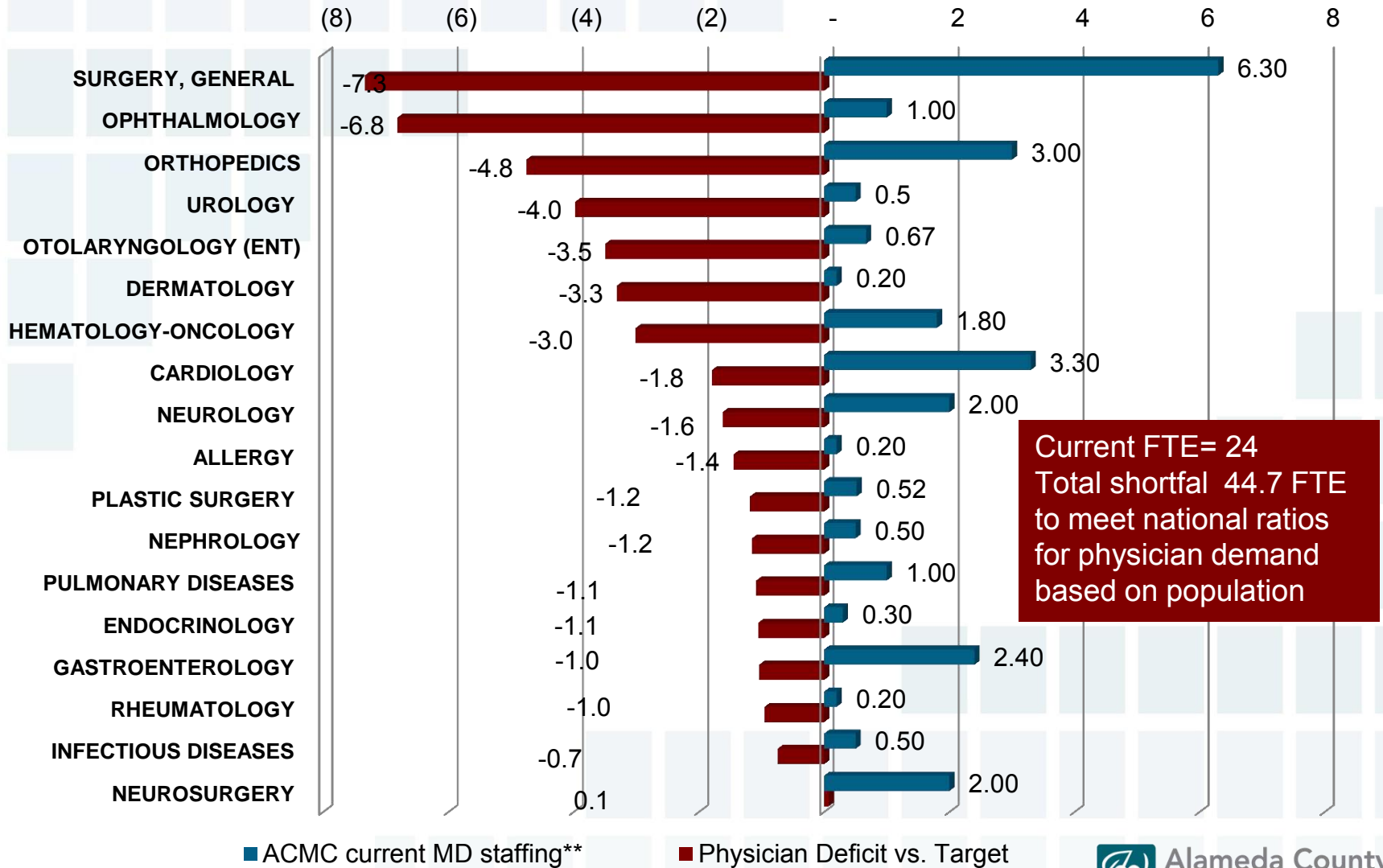


SERVICE AND ACCESS IMPROVEMENT STRATEGIES

- Increase clinical providers (and supporting staff) to serve ~160,000 adult lives by 2017)
- Recruit 48 or more primary and specialist physicians & mid-level providers
- Expand operating room capacity through hospital partnerships and affiliations
- Add wellness centers in South and East County



ACMC Specialty MD Deficit vs. National Standard



GEOGRAPHIC POSITIONING — SPECIALTY EXPANSION

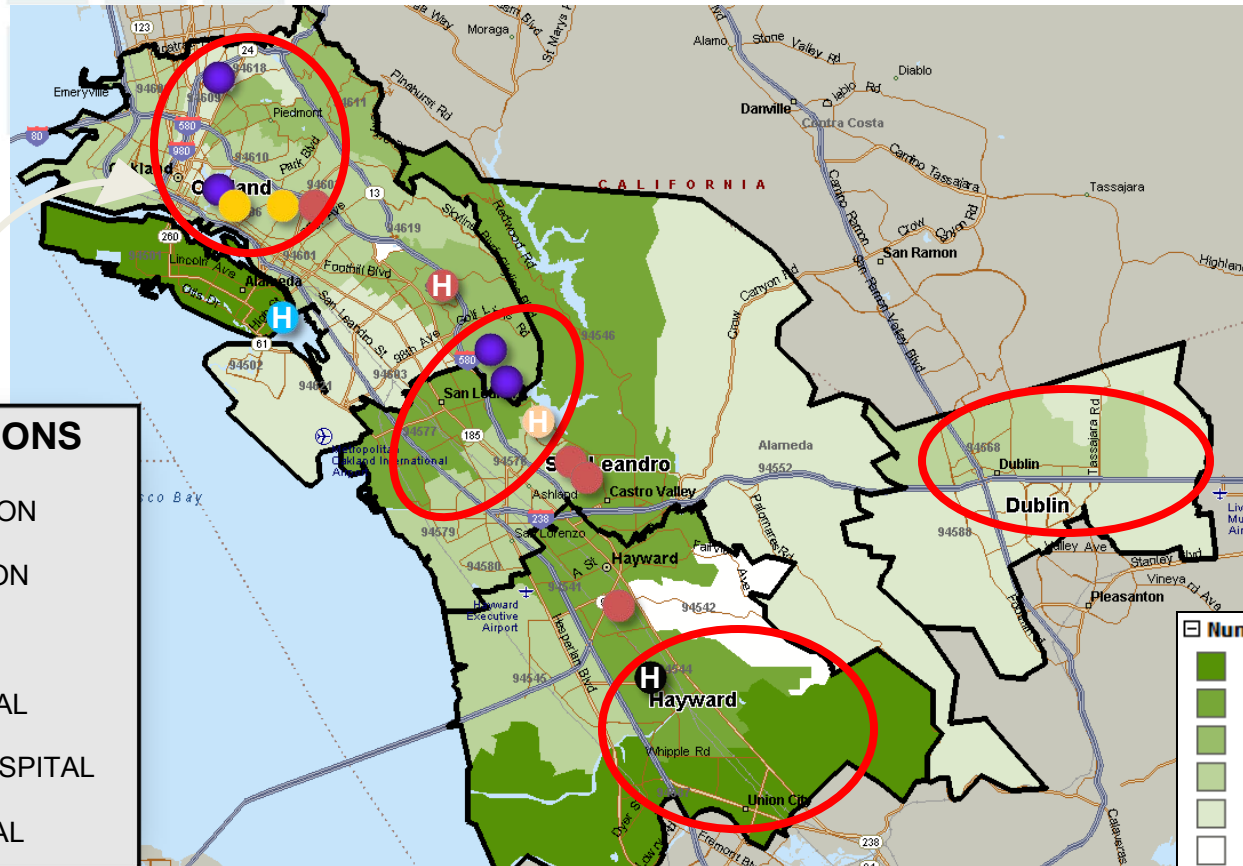
Strategic recommendation to develop 2 to 3 new specialty care centers with some primary primary care throughout service area to serve needs of community and 2 to 3 primary care centers with some specialty care

- Would have to provide primary care on location as well in order to qualify for FQHC status
- Co-locating specialty services at or near Lifelong or Asian Health Service clinic that serve elderly patients

Potential Clinic Locations

EXISTING LOCATIONS

- LIFELONG LOCATION
- ASIAN HS LOCATION
- APMC LOCATION
- ALAMEDA HOSPITAL
- SAN LEANDRO HOSPITAL
- ST. ROSE HOSPITAL



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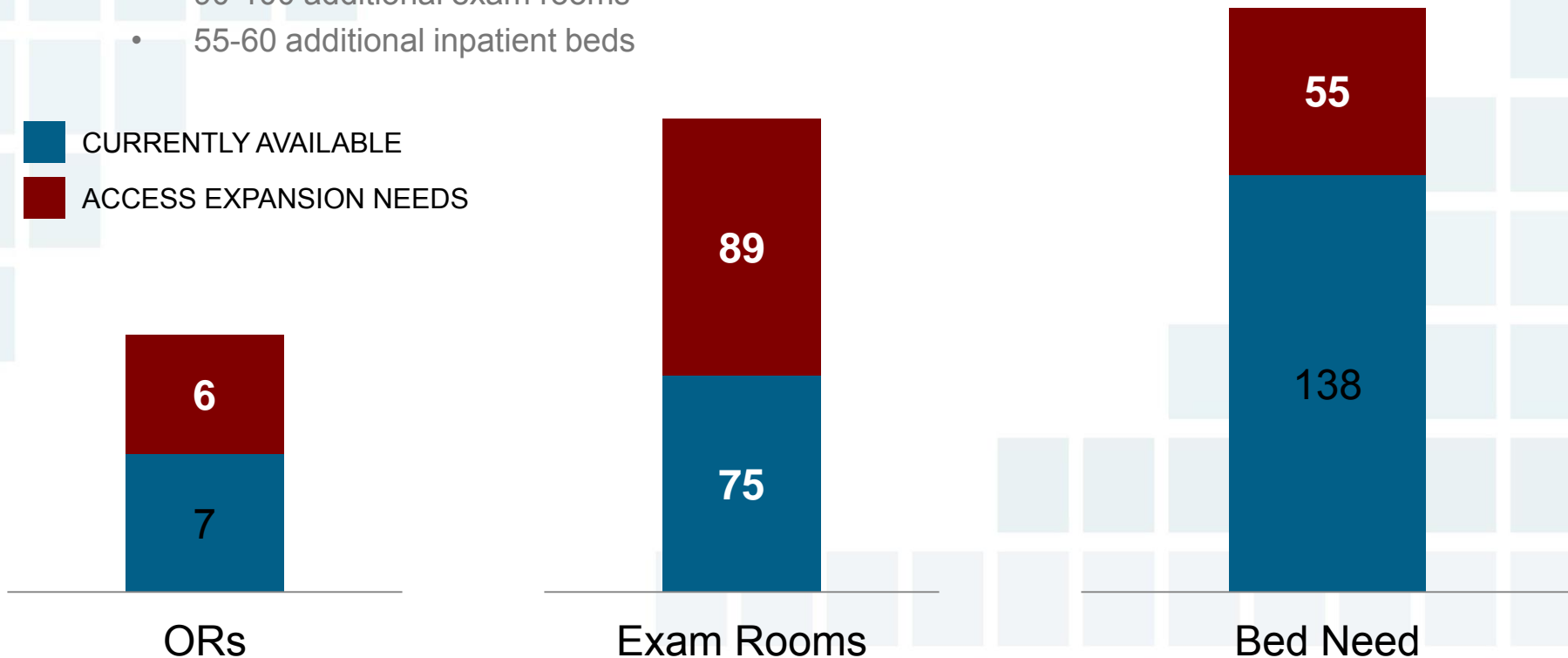
Impact Analysis – Additional Capacity

To effectively serve incremental providers and associated clinical services demand, strategic plan calls for expansion of core facility needs

- ACMC will need to add and/or have access to:
 - 6 additional operating rooms
 - 90-100 additional exam rooms
 - 55-60 additional inpatient beds

 CURRENTLY AVAILABLE

 ACCESS EXPANSION NEEDS



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CARE COORDINATION — MANAGEMENT CAPABILITY

- Medical homes
- Complex Care [HOPE] Clinics
- Readmission Prevention Clinic-Moore Grant \$691k
- Specialty physician recruitment
- DSRIP Grant \$150m over five years



SPECIALTY CARE SUPPORT STRATEGIES

- Selective contracting for maternity, psychiatric and rehabilitation care
- Planning work with Community Health Care Network and Alameda Alliance for Health for LIHP conversions to Exchange
- Focus on senior care/Medicare arrangements



SPECIALTY CARE SUPPORT STRATEGIES

- Serve CHCN well with dedicated appointment slots: geriatrics, orthopedics, surgery, ophthalmology and gastroenterology
- Build Geriatrics Institute serving a community need
- Partner with hospitals to increase specialty care capacity
 - acute care hospital beds
 - operating rooms
 - diagnostic services
- Outreach with selected SNFs



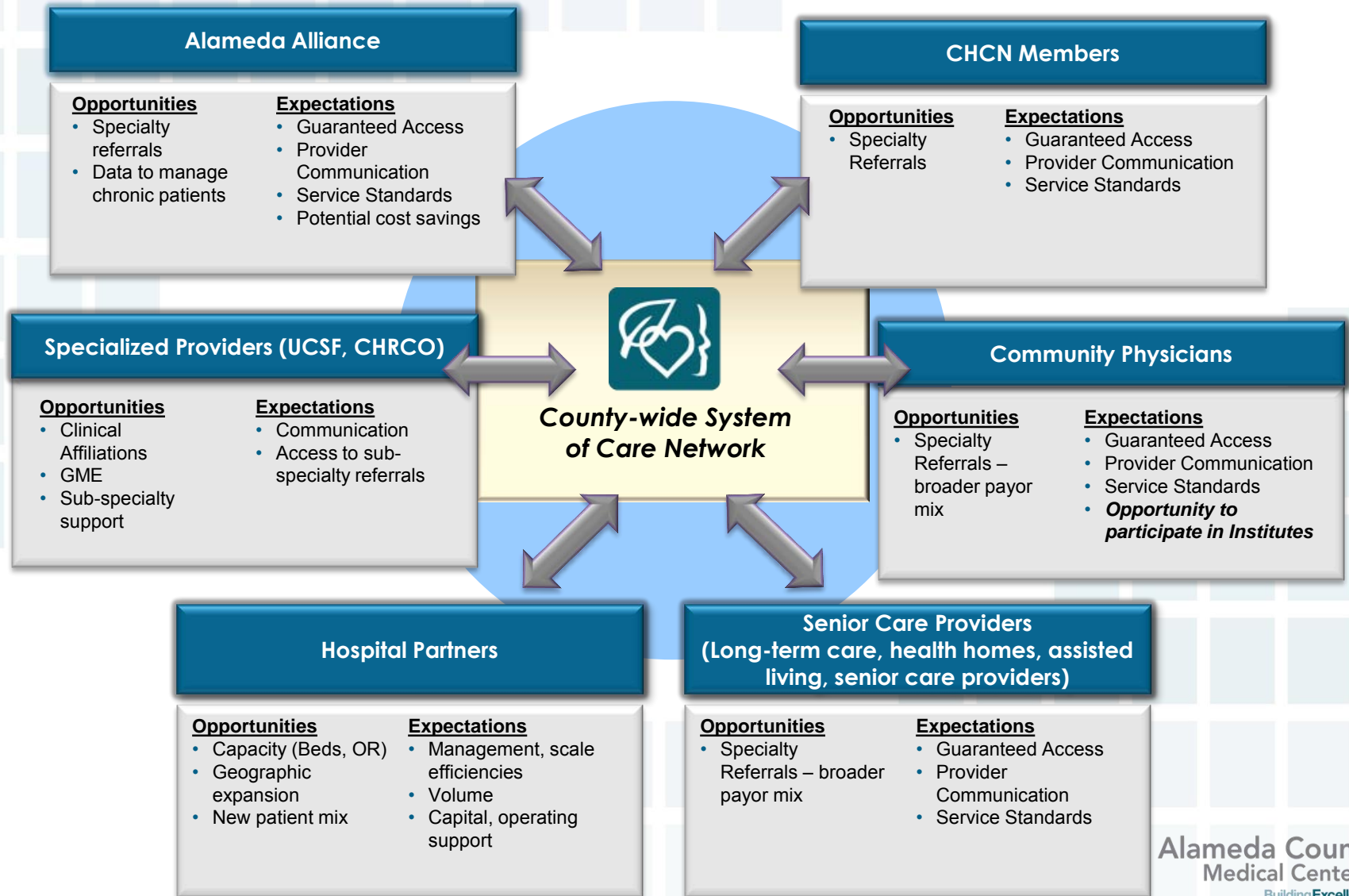
SPECIALTY CARE SUPPORT STRATEGIES

- Develop relationship with community clinics (e.g., CHCN) to support their specialty referrals to APMC, focusing on specialty-specific clinic by clinic expansion and in concert with community clinics needs
- Continue integration of Behavioral Health Services including support to community based clinics and new ambulatory behavioral health provider locations
- Revise and implement a new rehabilitation services business model and secure new supporting



OUR NETWORK TO ADVANCE CARE TO COUNTY RESIDENTS

ACMC will create partnerships with other healthcare organizations around the Bay Area



THANK YOU



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