

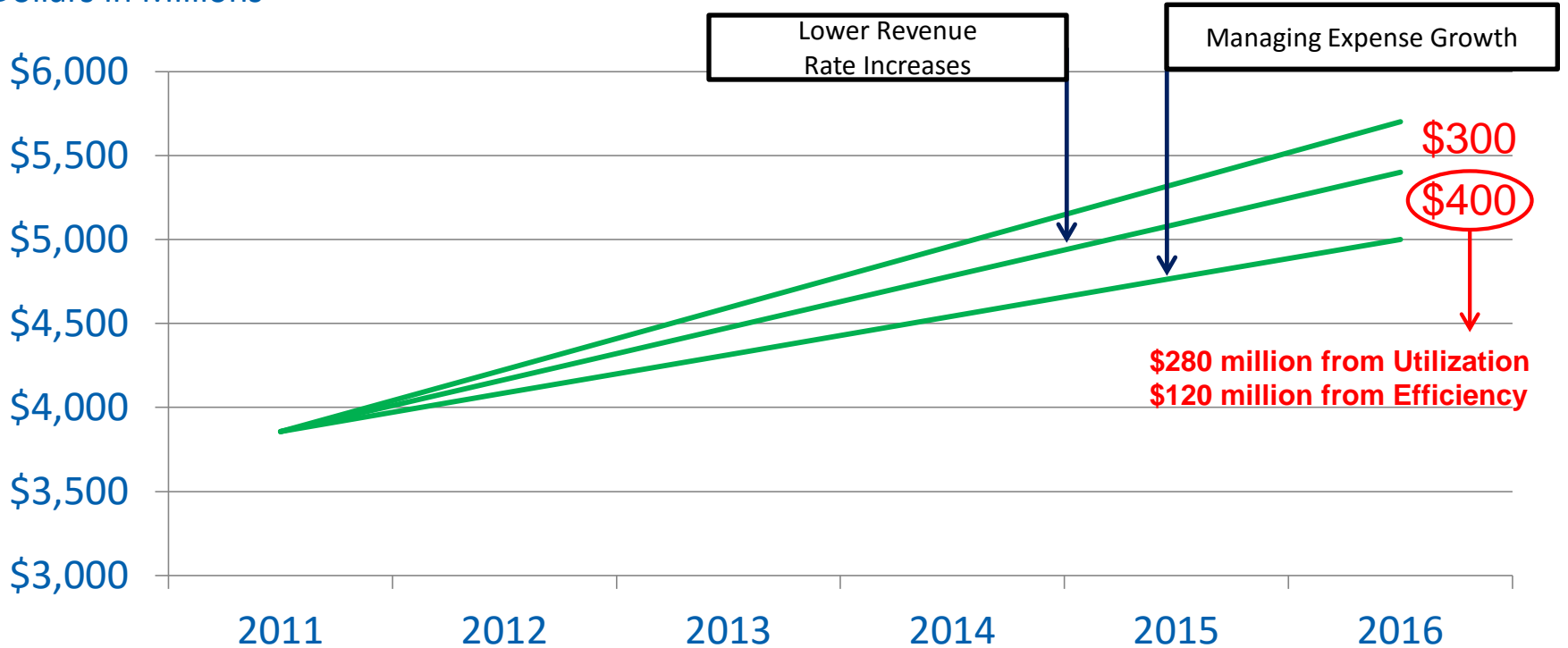
Intermountain Healthcare: Aligning Provider Financial Incentives

LAN Summit: Population-Based Payment Approaches
October 26, 2015



Managing the trend line

Dollars in Millions





Using Evidence-based Care



Aligning Financial Incentives

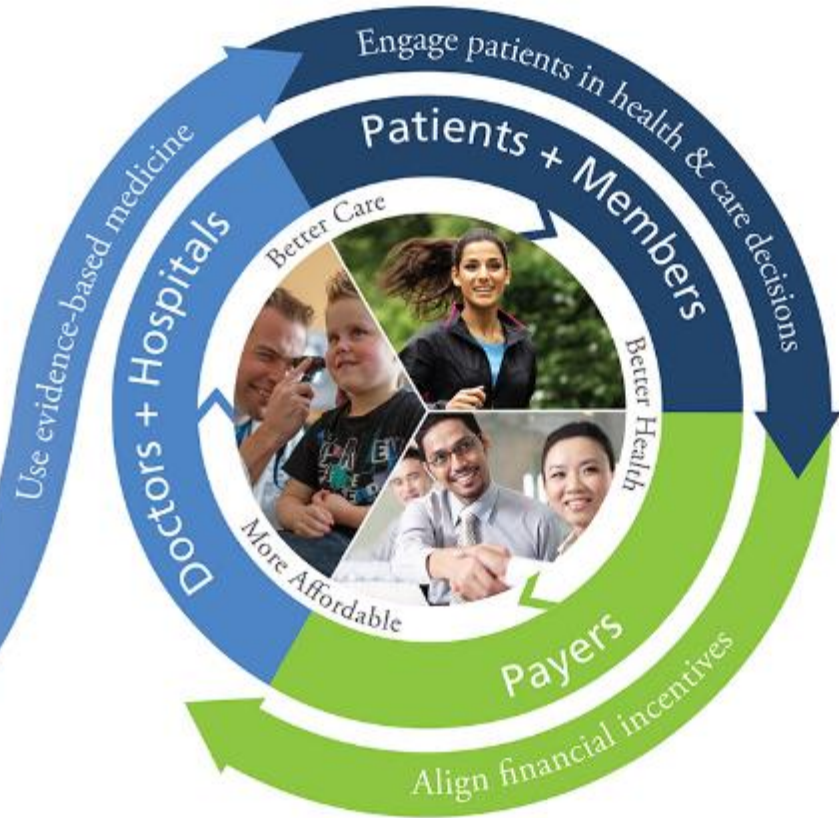


Engaging Patients

Where we've been

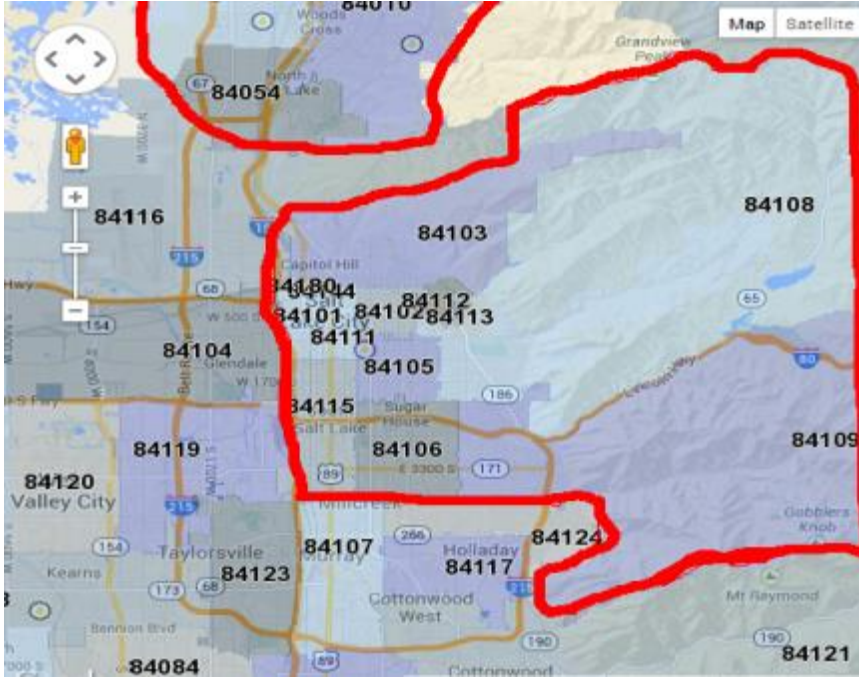


Where we're going



Physician Payment Model Beta Test

Patient Service Area : NSL/ Bountiful



Participating Practices

- 11 IMG clinics – 315 clinicians
- 4 affiliated partner clinics - 68 clinicians

Participating Patients

- 7,500 Intermountain Employees
- FY'14-15 Budget \$28 million
- Zip code allocated locked cohort

Measurement & Reporting

- Compensation Metrics 2 Service, 31 Quality, TCOC Budget
- Reports including Utilization Variation & Care Gaps

Guiding Principles: Quality Measure Selection

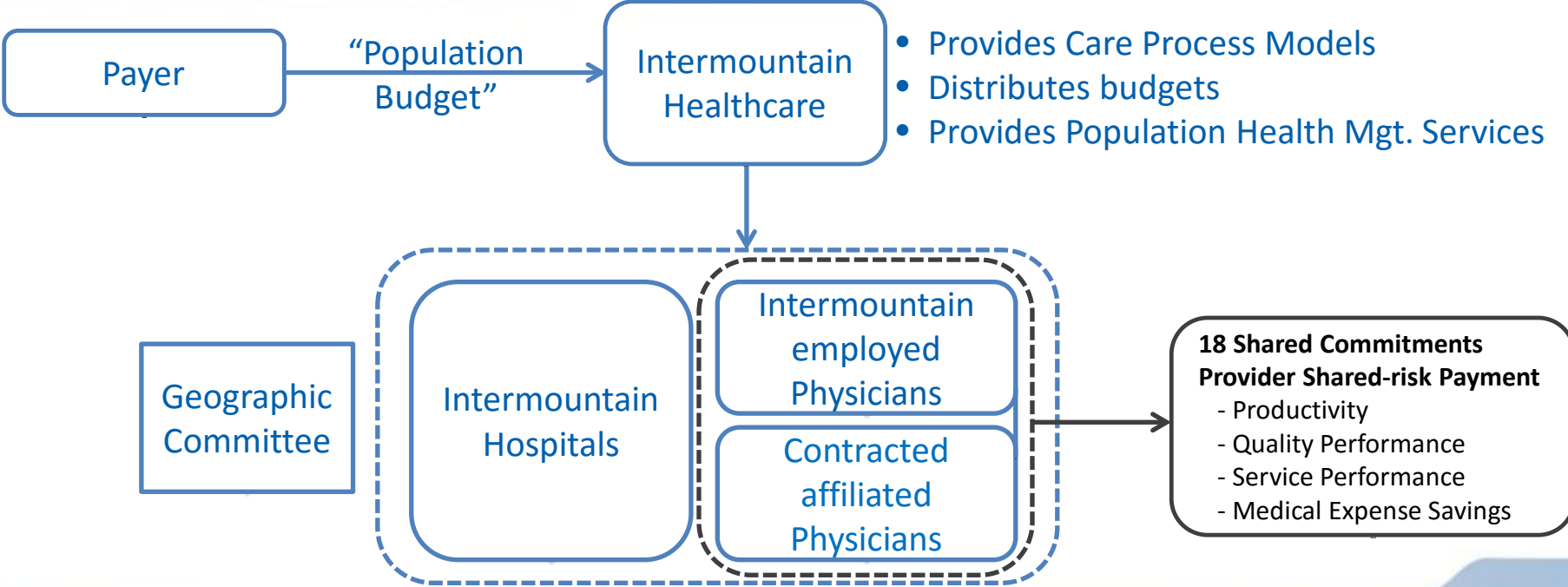
1. **Simple**
2. Feasible and cost-effective
3. Representative of clinical quality
4. **Outcomes-oriented**
5. Measures and targets will change over time
6. Fully matured measures will be sunset
7. Engagement from physician groups
8. When feasible, should **align with national measures**
9. Targets are **thresholds**, not percentiles
10. Must be able to report measures



Financial Incentives Guiding Principles

1. Relatively simple to understand
2. Relatively simple to manage (bias toward simplicity)
3. **Encourages decisions that add Value** (Access, Quality, Cost)
4. **Discourages decisions that do not add Value**
5. Rewards are based on achieving thresholds rather than percentiles
6. Transparency of calculation of shared savings
7. Bias towards consistency across payers, markets, providers, etc.
8. Incentives aligned for patients, hospitals, physicians, members, & purchasers
9. Promotes teamwork: **“We’re all in this together”**
10. Robust, dynamic, scalable

Shared Accountability Regional Financial Model



2016 Physician Payment Model



As quality and patient experience scores increase or product performance improves, total payment will increase

Note: All performance payments are assessed at the group level

** - capped at 12.5%*

Payer Strategy

Medicare  selecthealth.


- Medicare Advantage – January 2013
- ACO – no thanks

Medicaid  selecthealth.

- “ACO” model – January 2013



Commercial

-  selecthealth. – January 2016
- Followed by others



Lessons Learned...

- Invest in provider education and communication
- Develop guiding principles!
- Structure Business Intelligence to be simple & actionable
- Engage physicians in the development process from conception to realization
- Have agreement on definition and roles of data access
- Establish data governance
- Invest in provider to clinic mapping
- Build in enough time to get feedback from customers

Questions?

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