

Parkview Health

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3-20-2018

### 2018 March Parkview Signature Care Thought Leader Forum

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# Thought Leaders Forum

## March 20, 2018

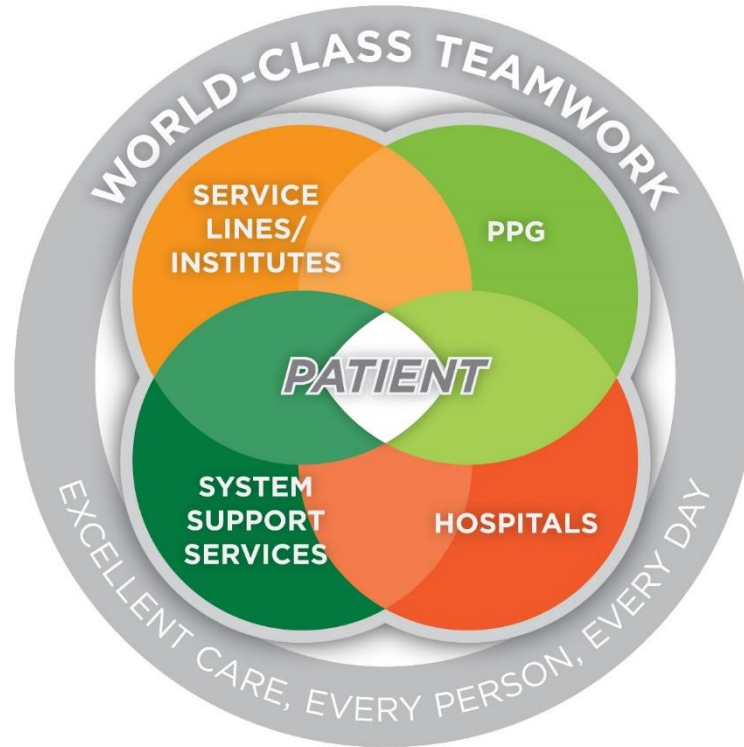
*Presented By*  
*Parkview Signature Care*

# Parkview Health Mission

As a community owned, not-for-profit organization, Parkview Health is dedicated to improving your health and inspiring your well-being.

Excellent care, every person, every day!

# “One Parkview”



# Thought Leader Forum

We share the same goals

- Attract and retain top talent – importance of health benefits
- Strong, healthy workforce – 11,000 co-workers
- Excellent healthcare at the best cost – 17,000 covered lives

# Thought Leader Forum

We share the same healthcare cost drivers

- Hypertension, depression, diabetes, smoking, etc.
- Aging of workforce
  - Chronic disease
  - Strains and sprains
- New technologies / specialty drugs
  - Great promise at great cost
- 5% account for 50% of costs
- Social determinants of health
  - Income
  - Education
  - Housing
  - Food insecurity
  - Social safety network (toxic stress)



PARKVIEW

# Thought Leader Forum

Join us on our Journey

- We've been on an 8 year journey
- We will learn with you
- Thought Leader Forum / Pilot sites
- Partnership will be key to finding innovative strategies
  - Signature Care 2.0

# Today's Program

## Discussion Topic:

## Facilitator:

- Welcome & Purpose of Meeting *Mike Packnett, President & CEO, Parkview Health*
- Inquiring Minds Want to Know Survey & Report Out *Jeanne' Wickens  
Chief Financial Officer, Parkview Health*
- Why the need for Transformation to Value and Creative Partnerships *Mark Grube, Managing Director and National Strategy Leader, Kauffman Hall*
- Healthcare Economics and Opportunities for Partnership on the Value Equation *Dr. Ray Dusman, Chief Physician Executive Dr. Greg Johnson, Chief Integration Officer Parkview Health*
- Call To Action: Moving Forward from Today *Mike Packnett, Jeanne' Wickens*



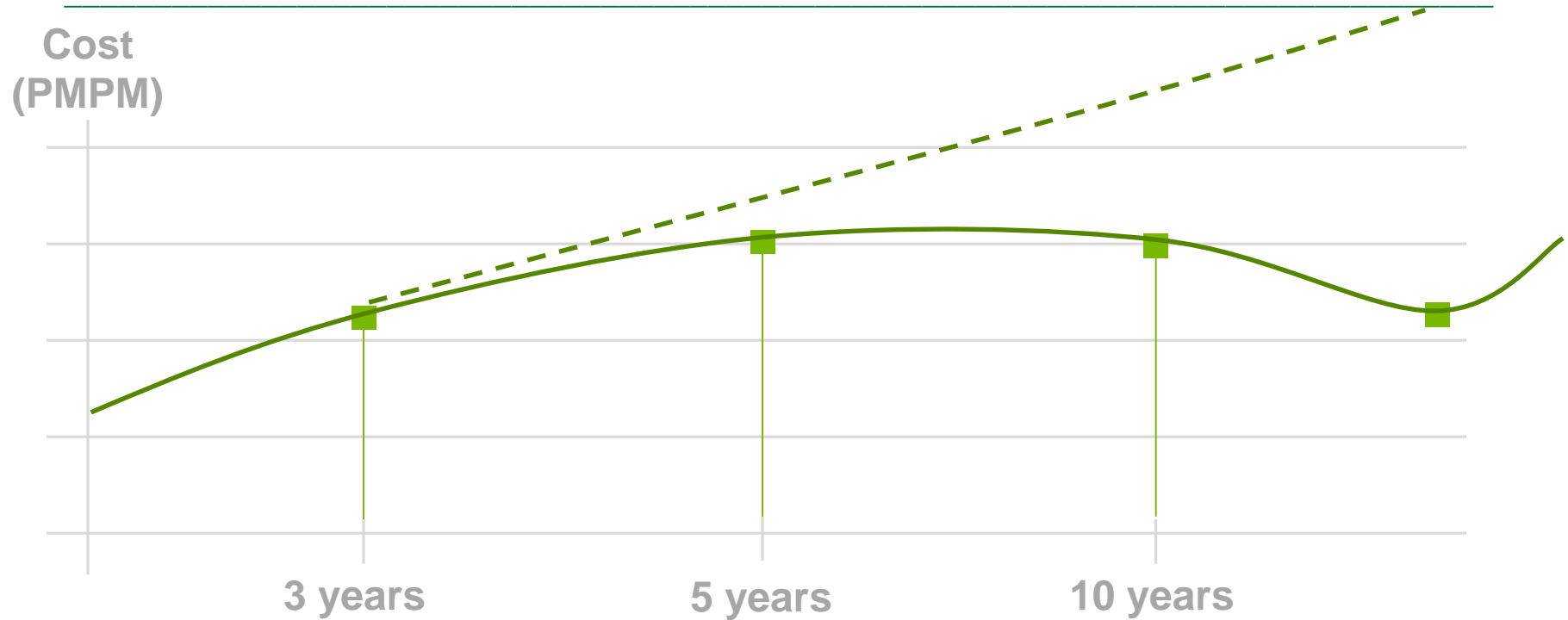


# Jeanne' Wickens

## Chief Financial Officer

- Joined Parkview – May 2016
- 30 years of healthcare experience
- Allegiance Health, Jackson, MI
- Battle Creek Health, Battle Creek, MI
- Ernst & Young, Grand Rapids, MI
- BBA – Western Michigan University
- Master's in Management – Purdue University
- Power shopper

# Bending The Cost Curve



# Inquiring Minds Survey & Report Out

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1. What are your top 3 Labor Cost Pain Points?
2. What are the top 3 drivers of how you define “Value” in healthcare?
3. What are the top 3 components in your definition of “Quality”?

# Inquiring Minds Survey Process

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1. Required – Cell Phone with Texting Capability
  - 1.If you don't have with you, a Parkview colleague at your table will let you borrow their phone
2. Type 494949
3. You will receive a Welcome Text
4. Each question 3 times
  - 1.First Choice – Type in one # from 1 to 8 and hit enter
  - 2.Second Choice - etc.
  - 3.Third Choice – etc.

# Inquiring Minds Survey & Report Out

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## What are your top 3 Labor Cost Pain Points?

1. Wage Costs
2. Healthcare costs
3. Absenteeism/Presenteeism
4. Turnover
5. Workers Comp Costs/Safety
6. Productivity
7. Training
8. Other

# Inquiring Minds Survey & Report Out

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## What are the top 3 drivers of how you define “Value” in Healthcare?

1. Relationship with Physician
2. Cost
3. Patient Experience
4. Getting Care
5. Understanding Quality/Safety/Outcomes
6. Use of Technology (high tech)
7. Choice/Options
8. Other

# Inquiring Minds Survey & Report Out

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**What are the top 3 components in your definition of “Quality”?**

1. Outcomes
2. Independent Rankings (i.e., STAR Reports, HealthGrades, Leapfrog)
3. Care Giver communication
4. Care Coordination across providers
5. Lack of complications
6. Appropriate Resource Utilization
7. Mortality
8. Hospitalization Rates
9. Wellness
10. Other

# Inquiring Minds Survey & Report Out

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## Recap of Survey Results:

Labor Cost Pain Points

Drivers of Value

Defining Quality



## About the Speaker

Mark Grube, Managing Director and National Strategy Leader for Kaufman Hall, leads a broad array of strategy-related services to regional and national healthcare systems, academic medical centers, community hospitals, and specialty providers nationwide. Mr. Grube has more than 30 years of experience in the healthcare industry, as a consultant and as a planning executive with one of the nation's largest healthcare systems.

Mr. Grube is a frequent speaker and author on healthcare strategy topics and has published dozens of articles and white papers. He is a three-time winner of the Helen Yerger/L. Vann Seawell Best Article Award from the Healthcare Financial Management Association (HFMA).

Mr. Grube has presented at national meetings of The Governance Institute, the American College of Healthcare Executives (ACHE), The Healthcare Roundtable, HFMA, and the Society for Healthcare Strategy and Market Development (SHSMD). He is a member of ACHE, HFMA, SHSMD, and the Leaders Board for Healthcare Strategy and Public Policy. Mr. Grube currently serves as an Advisor for The Governance Institute.

Mr. Grube received an M.B.A. from the University of Chicago Graduate School of Business and a B.S. in Economics, *magna cum laude*, from Bradley University.



### Contact Information

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# Why the Need for Transformation to Value and Creative Partnerships



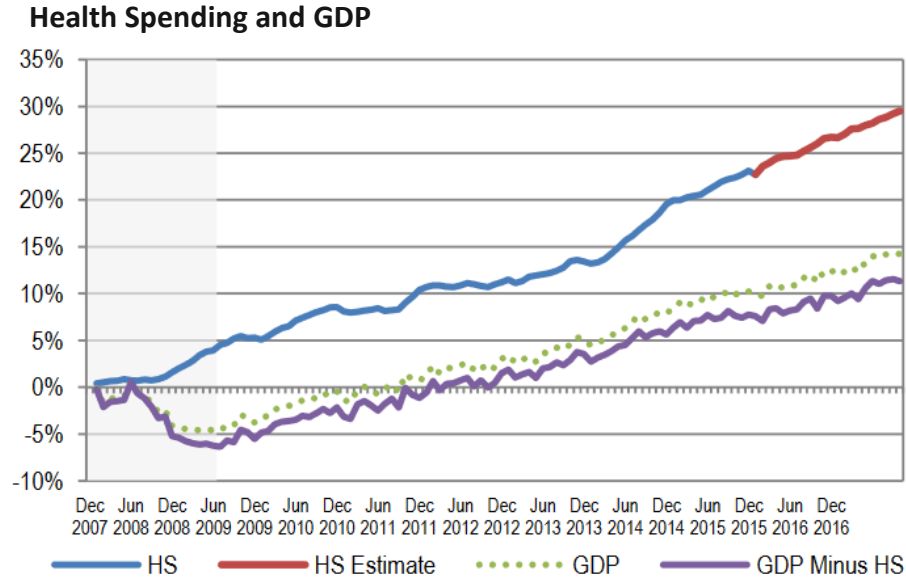
Mark Grube, Managing Director and National Strategy Leader

Kaufman, Hall & Associates, LLC

March 20, 2018

# Continuously Rising Costs Drive the Need for Transformation

# The Rising Trajectory of Health Spending



- Healthcare spending is currently **18% of GDP**
- Since December 2007, real health spending has increased **30%** (almost 3% annually)
- The U.S. spends **52%** more as a percentage of GDP and **45%** more per capita than the next highest spending nation

Source: Altarum Center for Sustainable Health Spending, Dec. 15, 2017; Organisation for Economic Co-operation and Development, 2016.

**Approximately 151 million Americans receive employer-sponsored health insurance coverage. Employers cover an average of 82% of the premium for single coverage and 69% of the premium for family coverage.**

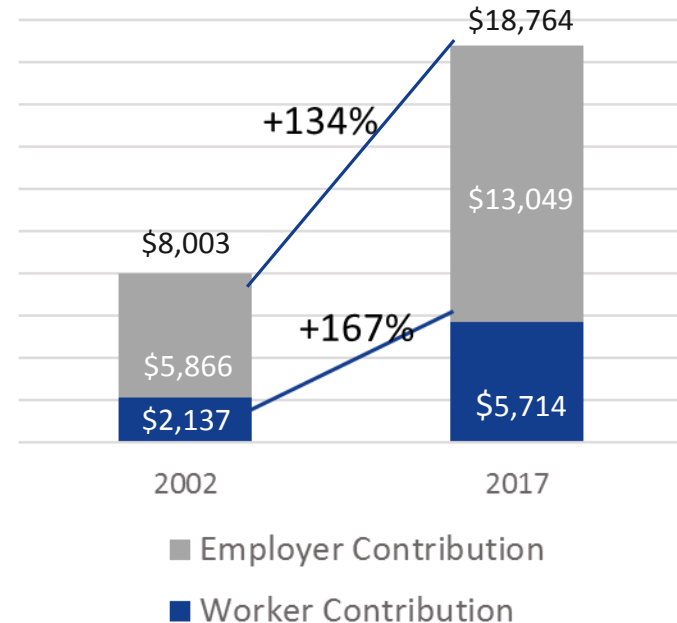
- In 2018, employers predict per-employee health benefit costs will rise an estimated:
  - 6.0% if they make no health plan changes
  - 4.3% if they make changes such as raising deductibles or switching carriers
- 46% of employers plan to take steps to reduce costs in 2018

Sources: Kaiser Family Foundation: *2017 Employer Health Benefits Survey*. Sept. 19, 2017; Mercer: "Mercer Survey Shows Employers Face a 4.3% Increase in 2018 in U.S. Health Benefit Cost, the Highest Since 2011." Press release, Sept. 18, 2017.

# Employers Face Mounting Challenges

- Healthcare premiums continue to increase faster than inflation
- Incentives are misaligned between employers and providers
- Information on cost/utilization drivers often is limited or non-existent
- Internal healthcare expertise to guide employee coverage strategies often is limited or non-existent
- The scale required to negotiate for lower costs is lacking for most
- Creating incentives to encourage healthy lifestyles has proven difficult

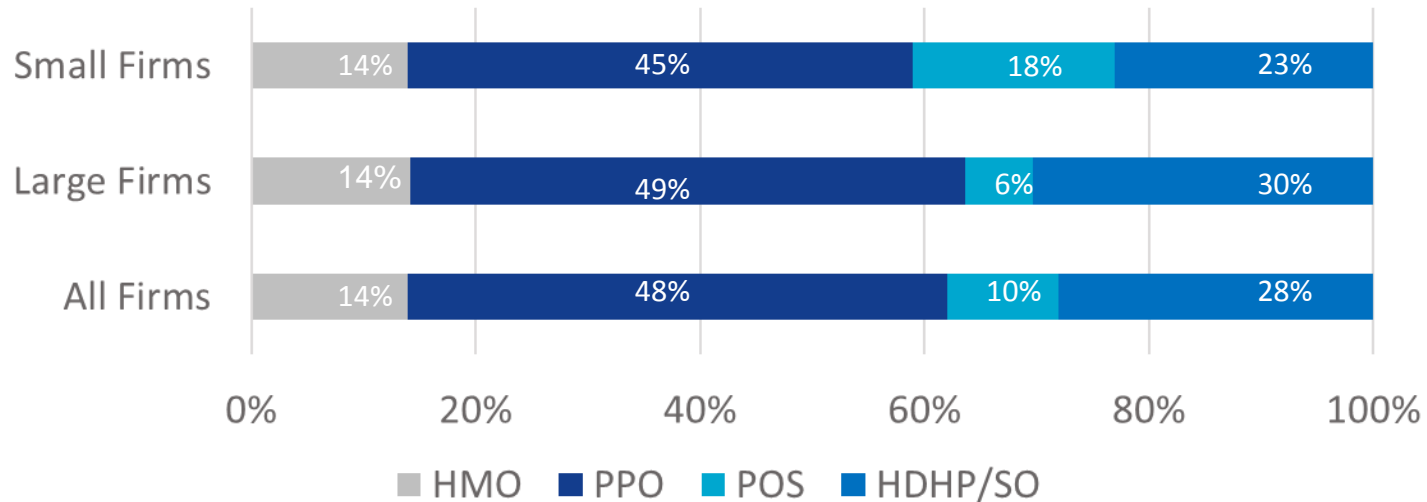
Average Annual Health Insurance Premiums for Family Coverage, 2002-2017



Notes: 2017 family income is an estimate for Federal FY17; total PPO cost = employer contribution, employee payroll deduction, and employee out-of-pocket co-pays/deductibles.  
Sources: PPO cost: Milliman Medical Index; median family income 2002-2017; Census Bureau; Kaiser/HRET 2017 Survey of Employer-Sponsored Health Benefits.

# Employers Offer a Variety of Plan Types

Distribution of Health Plan Enrollment for Covered Workers by Plan Type and Firm Size, 2017



Notes: Small firms defined as 3-199 workers, large firms defined as 200 or more workers; HMO is health maintenance organization, PPO is preferred provider organization, POS is point-of-service plan, HDHP/SO is high-deductible health plan with a savings option.  
Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2017.

# Employers Are Testing a Variety of Tactics

- A survey of large employers found that in 2018:
  - 21% plan to promote **accountable care organizations**
  - 96% will make **telehealth services** available to employees (in states where it is allowed)
  - 54% will offer **onsite or near-site health centers** (expected to increase to nearly *two-thirds* by 2020)
  - 88% expect to use **Centers of Excellence** for procedures such as transplants or orthopedic surgery
  - Nearly 40% have incorporated some type of **value-based benefit** to incentivize employees to manage chronic conditions or obtain higher-quality or more efficient care
  - 44% will use **site-of-care management** tactics aimed at controlling specialty pharmacy costs, up 47% over 2017
  - 90% will offer employees at least one **Consumer Directed Health Plan (CDHP)**, and nearly 40% will offer a CDHP as the *only* plan option
    - 80% of employers offering any type of CDHP offer a high-deductible health plan (HDHP) paired with a Health Savings Account

Source: National Business Group on Health: Large Employer's 2018 Health Care Strategy and Plan Design Survey. August 2017.



# Employers Are Establishing Creative Partnerships to Address Costs

# Intel's Connected Care



- Intel, which insures 48,000 of its U.S. employees and 79,000 of their dependents, tried numerous measures to cut healthcare costs:
  - Wellness programs
  - On-site primary care clinics
  - Disease management initiatives
- While these programs helped, the company continued to see double-digit increases in healthcare costs
- Launched Connected Care on Jan. 1, 2013
- Offers Intel employees a narrow network, accountable care model with the goal of providing more coordinated care

**Why Intel says it started Connected Care:**  
**“Healthcare is broken, and it’s costing everyone. Intel saw an opportunity to innovate and make a difference.”**

Note: Copyright of image belongs to respective owner.

Source: Intel, Presbyterian Experiment with Narrow-Network Care Model. Albuquerque Business First. July 16, 2013. Connected Care website: [www.connectedcarehealth.com](http://www.connectedcarehealth.com)

# Intel's Connected Care (continued)

## Intel's Connected Care Partners



- Program offers a HDHP or Primary Care Plus option
- Launched in New Mexico in 2013 and Oregon in 2015, now expanded to Arizona and California
- Value-based compensation plan, based on a global per-member, per-month target with shared risks and rewards if the results fall outside a buffer zone of expected results
- Cited successes of the program include:
  - Greater member engagement with healthcare
  - High satisfaction ratings
  - Improved access to services
  - Statistically significant improvements in diabetes control

Note: Copyrights of images belong to their respective owners.

Sources: Intel, Presbyterian: *Disruptive Innovation for Healthcare Delivery*. White paper, 2015. <https://www.intel.com/content/www/us/en/healthcare-it/solutions/documents/healthcare-presbyterian-paper.html>; Connected Care website: <https://www.connectedcarehealth.com>

# Disney Is Direct Contracting with Area Health Systems



- In February, announced partnerships with Orlando Health and Florida Hospital to offer HMO plans for its employees
- The initiative creates two health plans:
  - One is restricted to Orlando Health's network of doctors, hospitals, and facilities
  - Second plan is limited to Florida Hospital's network
  - Patients are only covered outside of either network under special circumstances
- Allegiance, a Cigna company, is administering and managing the plans for Disney
- Employees who live outside of the Orlando Health and Florida Hospital's service areas are offered a Cigna HMO plan
- Disney also offers employees two other Cigna health plans with higher deductibles and larger networks

Note: Copyright of image belongs to its respective owner.

Source: Miller, N.S.: "Disney Partnering with Orlando Health, Florida Hospital to Offer HMO Plans." Orlando Sentinel, Feb. 2, 2018.

# The Pacific Business Group on Health



- Not-for-profit 501(c)(3) purchaser-only coalition
- Represents 60 public and private organizations that collectively spend \$40 billion a year purchasing healthcare services for 10 million Americans
- Tests and scales innovation healthcare models
- Supported by more than \$16 million in contracts, grants, and member contributions
- Several member companies partnered with the PBGH and Health Design Plus (a third-party administrator with expertise in travel surgery programs) to launch the Employers Centers of Excellence Network (ECEN)
  - ECEN helps employers identify high quality providers and negotiate bundled payments

Note: Copyright of image belongs to its respective owner.

Sources: Slotkin, J.R., Ross, O.A., et. al.: "Why GE, Boeing, Lowe's, and Walmart Are Directly Buying Health Care for Employees." Harvard Business Review. June 8, 2017; PBGH website: [www.pbgh.org/](http://www.pbgh.org/)

## PBGH Boasts Some Big-Name Members



Note: Copyrights of images belong to their respective owners.  
Source: PBGH website: [www.pbgh.org/](http://www.pbgh.org/)

# Apple Launching the AC Wellness Network



- First two primary care clinics opening this spring in Santa Clara County
- Independent medical practice “dedicated to delivering compassionate, effective healthcare to the Apple employee population”
- Network will offer a concierge-like healthcare experience for employees and their dependents
- Job listings include primary care doctors, exercise coaches, care navigators, and phlebotomists

Note: Copyright of image belongs to its respective owner.  
Source: AC Wellness website: <https://www.acwellness.com/>

# *Amazon, Berkshire Hathaway and JPMorgan Team Up to Try to Disrupt Health Care*

*The New York Times* Jan. 30, 2018

- Forming independent healthcare company for their U.S. employees that is “free from profit-making incentives and constraints”
- Goal is to reduce healthcare’s burden on the economy and improve outcomes for employees and their families
- Their combined access to data on how consumers make choices, and understanding of the intricacies of health insurance will aid them in building new efficiencies
- Have said the effort could eventually be expanded to benefit all Americans

**Given their track record, do not underestimate these companies’ ability to rethink healthcare, reduce costs, and export their model.**

Source: Wingfield, N., Thomas, K., Abelson, R.: “Amazon, Berkshire Hathaway and JPMorgan Team Up to Try to Disrupt Healthcare.” The New York Times, Jan. 30, 2018.





“The ballooning costs of health care act as a hungry tapeworm on the American economy. Our group does not come to this problem with answers. But we also do not accept it as inevitable.”

—WARREN BUFFETT

Source: Wingfield, N., Thomas, K., Abelson, R.: “Amazon, Berkshire Hathaway and JPMorgan Team Up to Try to Disrupt Healthcare.” The New York Times, Jan. 30, 2018.

# Discussion

# Healthcare Economics and Opportunities For Partnership On the Value Equation

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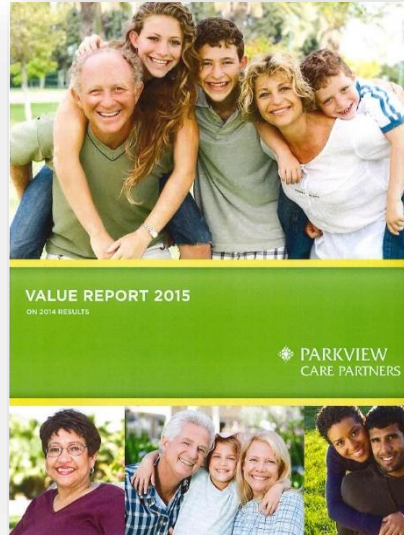
**Dr. Ray Dusman**  
**Chief Physician Executive**  
**Parkview Health**



**Dr. Greg Johnson**  
**Chief Clinical Integration Officer**  
**Parkview Health**

# Redesigning How We Deliver Care

- Quality
- Cost of Care
- Coordination
- Navigation
- Technology
- Innovation



# Value-Based Care Design

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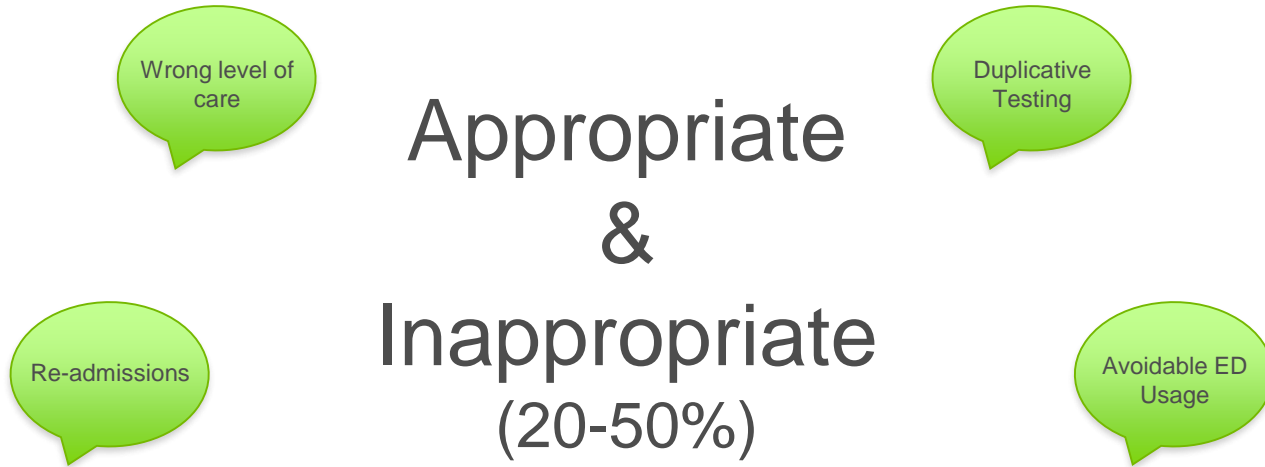
- Value equations
- Utilization
- Quality (Provider Dashboards)
- Patient Engagement

$$\text{Value} = \frac{\text{Quality}}{\text{Cost}}$$

$$\text{Cost} = \text{Unit Price} \times \text{Utilization}$$

# Two Types of Utilization

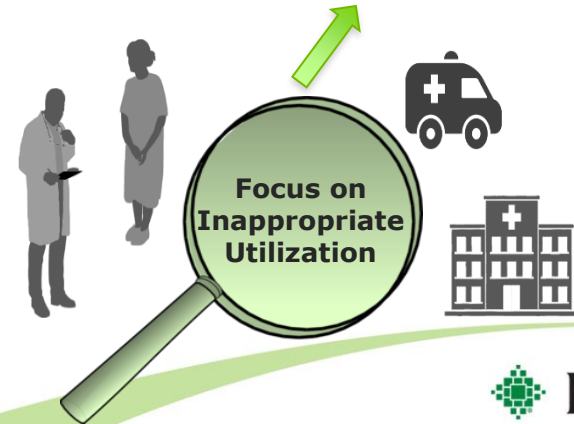
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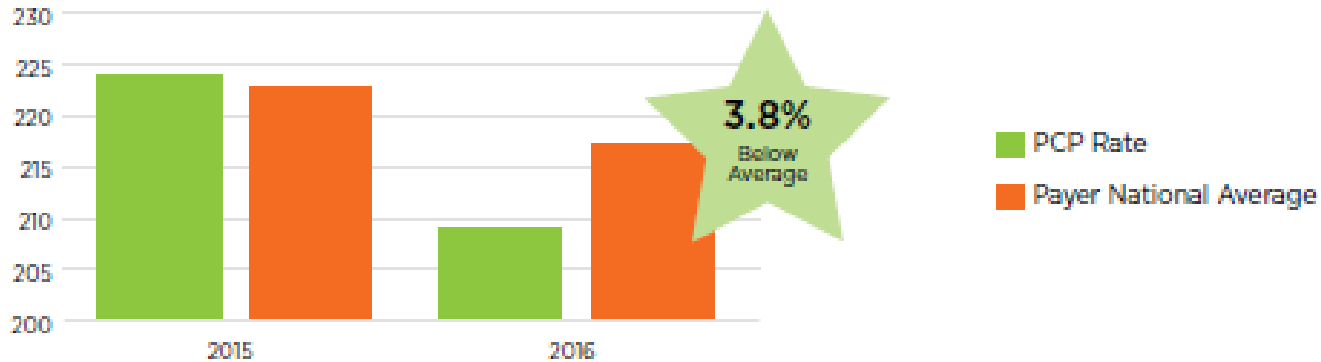
So...

$$\text{Value} = \frac{\text{Quality}}{\text{Unit Price} \times \text{Utilization}}$$



# Parkview Care Partners

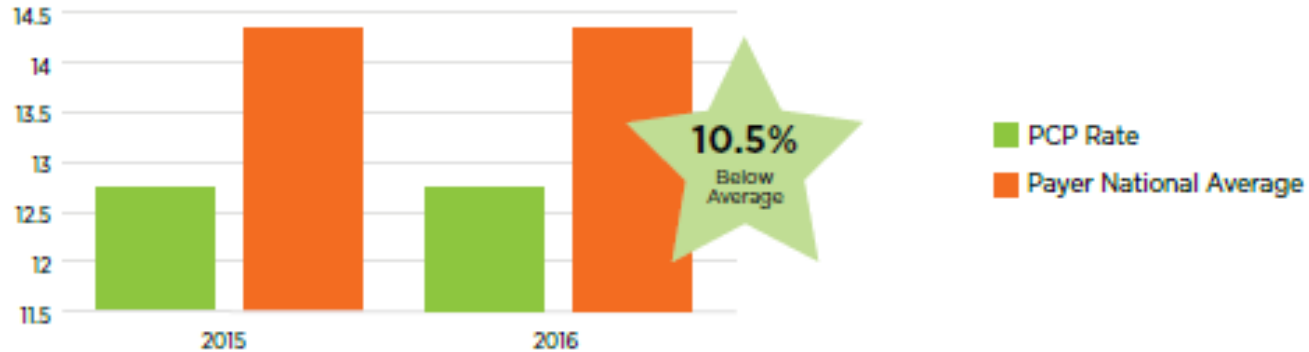
## Acute Admits per 1,000



# Parkview Care Partners

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## 30 Day Readmission Rate



# Provider Dashboards

## Diabetes

PARKVIEW HEALTH SERVICE AREA

[Back to Years](#)

*To be scored for this measure you must have >20 patients in the denominator.*

- > Diabetes: Nephropathy Screening
- > Diabetes: Eye Exam
- > Diabetes: Hemoglobin A1c Poor Control
- > Diabetes - Annual Foot Exam
- > Diabetes: Diabetic Statin Therapy

Q2 '17	Q3 '17	Q4 '17	QTD
89%	84%	89%	89%
32%	30%	32%	31%
36%	27%	25%	25%
35%	44%	51%	51%
71%	68%	68%	68%

## Preventive Care and Screening

PARKVIEW HEALTH SERVICE AREA

- > Screening: Colorectal Cancer Screening
- > Screening: Influenza Immunization
- > Screening: Pneumonia Vaccination Status for Older Adults
- > Screening: Tobacco Use: Screening and Cessation Intervention
- > Screening: Screening for Clinical Depression and Follow-Up Plan

2017	YTD
55%	52%
51%	52%
74%	74%
84%	87%
100%	100%



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# Patient-Centered Care & Engagement

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- Patient is involved in process through which they harmonize robust information and professional advice with their own needs, preferences and abilities in order to prevent, manage and control disease

# Patient-Centered Care & Engagement

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A growing body of evidence clearly shows that patients who engage with their health care providers have:

- Better clinical outcomes
- Health care organizations with improved productivity and patient experience
- Lower healthcare costs

# Engagement Innovation & Infrastructure

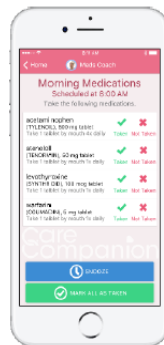
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- Access Center
- Ambulatory Care Coordination
- Welcome Clinic
- Chronic Disease Management (i.e. CHF)
- Traveling High Risk Clinic
- Telemedicine Platform
- MyChart

# MyChart Care Companion

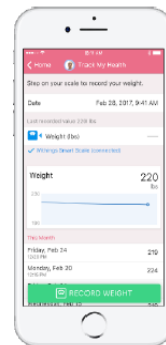
## Medication Tracking

Push notifications prompt patients to take medications each day and at the right time, improving medication adherence. Patients can snooze medication reminders if needed and record that individual medications were taken or not taken. The timing of each medication notification can also be personalized if appropriate.



## Tracking Health and Vitals

Patients can view goals and track their progress towards them in MyChart. For example, a patient might have goals for monitoring blood glucose or maintaining an HbA1C value in a certain range. Care Companion enables you to send nudges to remind the patient to record the values or use a connected device to update their data.



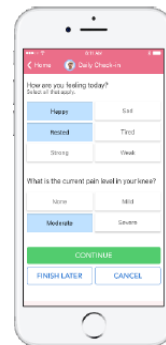
## Educational Content

Patients can view educational materials, including videos, to help them learn more about their health conditions or related treatments. For example, physical therapy patients can watch how-to videos and indicate that they understand or if they have questions.



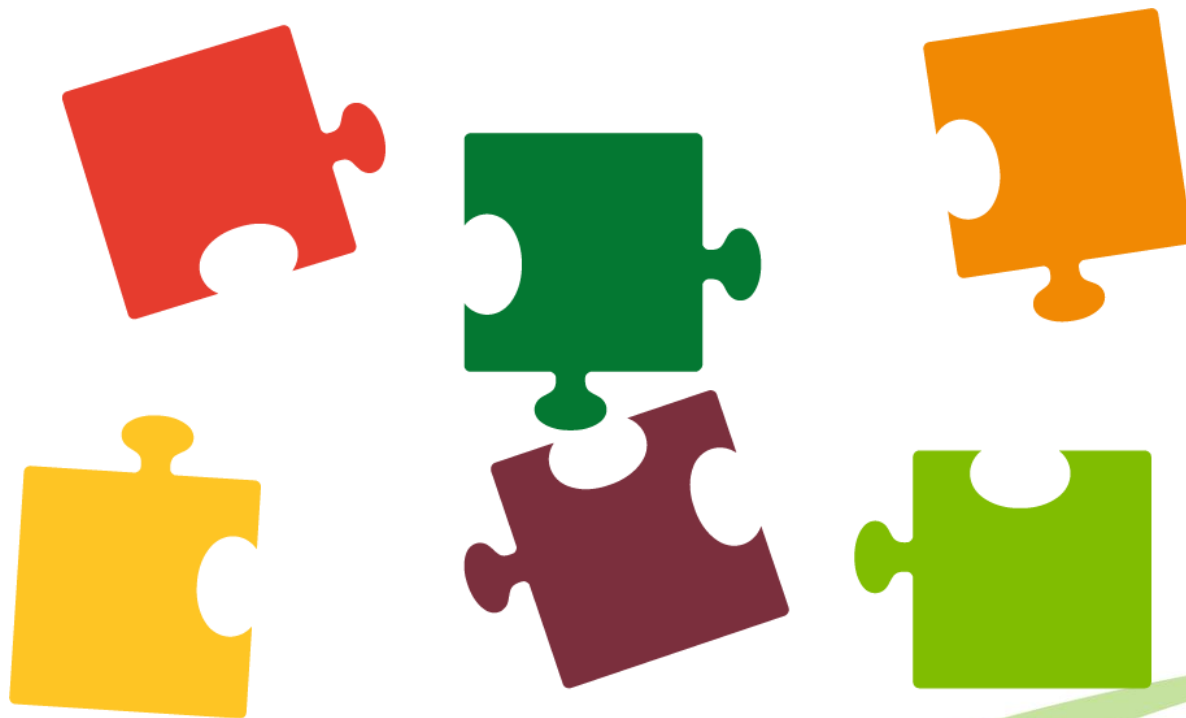
## Periodic Check-Ins

Patients can respond to daily, weekly, or ad-hoc check-in questionnaires that are tailored to collect information you need, such as how the patient is feeling or specific symptoms she's experiencing. This information can be sent to the patient's care manager to keep him in the loop.





# Together We Can Create Parkview Signature Care 2.0



Develop a Plan to:

- Keep Healthy Healthy
- Prevent Rising Health Risks from Rising
- Manage Chronic Care Conditions
- Address Social Determinants of Health

# Requirement for Successful Innovation

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# Call To Action: Moving Forward from Today

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- Our Goal: Listen, Learn, and Partner in Transformation to Value
- From Today: Follow-Up Survey via Email:
  - Program Evaluation & Feedback
  - Invitation to participate in Thought Leadership Forum
  - Potential topics for future Thought Leadership Forum meetings
  - Next meeting
    - Vision & Charter
    - Meeting frequency
    - Prioritize meeting topics
    - Proposed education – Community Health Needs Assessment
    - Proposed next meeting date 4/30/18

# Thank You!

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Thank you for joining us today for what we hope is the beginning of a journey together.

We welcome any feedback on how to make future Thought Leaders Programs most beneficial to you.

Feel free to call or email Jeanne' Wickens with any comments or suggestions.

**[Jeanne.Wickens@Parkview.com](mailto:Jeanne.Wickens@Parkview.com)**

**260-266-9313**