

The SSM Health Care Approach to Achieving “True North”: Improving Health Care Quality While Reducing Costs

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SSM Health Care St Louis (SSMSL), part of the SSM Health Care national system, is a distributed network of 7 inpatient facilities with over 11,000 employees including 220 physicians. The organization operates through an innovative structure that acts as one organization with multiple locations. Total revenues for the organization in 2011 were \$1.6 billion. Like many health care organizations, SSMSL has been struggling to define its path forward in an uncertain future. Fueled by declining reimbursement, an eroding payer mix reflecting weakness in the overall economy, and uncertainty over the future direction of health care reform, SSMSL turned to concepts like the accountable care organization (ACO) as a means to secure the future stability and strength of our organization.

Final Rule Assessment

SSM Health Care St Louis thoroughly investigated the opportunity to participate in the Medicare Shared Savings Program (MSSP) as an ACO and weighed components of the application to determine if this program was in the best interest of the organization and, ultimately, the people in the communities that we serve. The main components that warranted major considerations included the following.

Beneficiary Engagement. SSM Health Care St Louis considers the absence of meaningful patient engagement and accountability in the MSSP to be a serious design flaw. The final rule provides for invisible enrollment, meaning each beneficiary is enrolled on the basis of their claims history without regard for their actual preferences, assuming past behaviors are indicative of their allegiance to health care organizations. This type of invisible enrollment is not consistent with SSMSL's transition to a patient-centered model of care that is based on the development of a transparent partnership among health care professionals, patients, and their families to ensure that decisions respect the patient's wants, needs, and preferences. SSM Health Care St Louis seeks other opportunities that provide avenues for more significant engagement and enrollment and alignment of the patient and transform the approach

to care, as well as the relationship between the patient and the primary care physician.

Timeline. The timeline for response was inadequate for appropriate preparation for the demands of the program. The Centers for Medicare and Medicaid Services allowed a mere 3 months from release of the 696-page final rule, released on October 20, 2011, to the first application deadline, January 20, 2012. Although additional deadlines have since been released for March 30, 2012, and September 6, 2012, SSMSL is in the nascent stages of this transformation and cannot yet commit to the structural complexities and regulatory provisions within the brief time period that has been allotted.

Additional Marketplace Options. The Center for Medicare and Medicaid Innovation (CMMI) presents opportunities to participate in promising “modular” programs that support focused development in key areas of care transformation. The CMMI has released requests for applications almost every month since its March 2011 debut, which presents a wide variety of opportunities to test innovative care and payment models. The CMMI has prompted SSMSL to explore the opportunities within more focused and transitional value-based programs such as episode-of-care development, patient-centered medical home deployment, and care transitions improvement.

Our Approach to Improving Quality and Reducing Cost: “True North”

SSM Health Care St Louis has determined that its path forward is to respond to the fundamental factors driving the health care industry in the context of the overall US economy, rather than conform to the requirements set forth by the MSSP. We have designed a deliberate path, True North, which synchronizes the economics of its transformation with the operational changes necessary to accomplish that transformation. SSM Health Care St Louis recognizes that transformation and change must occur, whether or not the political environment is condu-



See also pages 707, 710, 714, 717, 721, 723, 727

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cive to the current efforts of the Centers for Medicare and Medicaid Services to establish a reformed health care system within the regulations outlined in the Patient Protection and Affordable Care Act. Like many health care organizations, SSMSL has determined that the future of its mission, and of health care in this country, depends on creating a system capable of delivering dramatically greater value and eliminating the rampant behavioral, clinical, and administrative waste within the current system. *Value* is defined as achieving high-quality outcomes with the greatest efficiency/least cost over time and across the continuum. Achieving this requires a major philosophical, cultural, and operational shift from a focus on volume and the treatment of sick patients to a focus on the active engagement of individuals, with the support of health care resources, to manage their health. The key elements in SSMSL's version of True North are:

- Assembling the elements of the health care system around the patient as an integrated team
- Aligning the incentives of all parties, including and especially the individual, around optimizing health and minimizing waste. This includes, ultimately, placing financial risk with those best equipped to manage that risk, the person and her/his physician and care team.
- Developing comprehensive tools to support information-managed care across time and across the continuum including:
 - Predictive modeling of health risk in the population being supported
 - Clinical decision support to ensure that health care professionals have the information and resources needed to make fully informed, evidence-based decisions
 - Disease registries that provide real-time information regarding the interventions needed to optimize management of patients' care and the level of their compliance with their individual health management plan
- Statistical tools to study and understand variation in order to address unjustified variation and test improvements in care delivery processes
- Business intelligence systems to extract and report real-time information to support performance management
- A culture of transparency and clinician-led accountability to drive the organization toward the goal of superior value

Moving Forward With Value-Based Design

There are, of course, major hurdles and risks associated with moving from the current system toward True North. The most obvious, of course, is that the

payment structure of Medicare and most major managed care organizations remains encounter based, which makes investment in efforts to optimize health and decrease encounters financially self-destructive. In addition, the process of assembling a like-minded team of physicians and other health care professionals involves moving from the old "workshop" model of hospitals in which each physician represented a potential source of referrals even if she/he split efforts among multiple health care organizations and had no enduring relationship with or interest in the success of any one hospital entity. As health systems build greater physician alignment, they leave behind physicians with whom they have a marginal affiliation but who nevertheless represent patient volume with a positive financial contribution margin.

Despite these risks, SSMSL has chosen to embark on the path toward True North but in a manner designed to reduce the magnitude of the risk undertaken. It has chartered a set of teams to work in concert on various aspects of the transformation and is attempting to synchronize, to the extent possible, the financial structure of payment systems with the operational aspects of redesign. Teams are chartered in the following areas.

Membership. This group is charged with identifying and developing formal relationships with like-minded physicians and other health care professionals using multiple alignment models including employment, professional service agreements, and comanagement arrangements. As part of this group's effort, they are defining the "covenant" that sets forth the expectations for participating health care professionals and reflects the vision of True North.

Governance. The charter for this team is to design and deploy the means through which the participating health care organizations will govern this enterprise, in whatever form it ultimately takes, to ensure alignment and integration of the interests of all parties in transforming care delivery, contracting, and the flow of funds.

Clinical Integration. This group is charged with identifying the areas of most significant clinical improvement (and existing waste) to focus efforts toward early improvement of value. Having identified those "first-generation" areas of improvement, the group then coordinates among participating health care organizations the design and deployment of tools and infrastructure to achieve improved performance, as well as the tracking mechanism and ac-

countability systems needed to support performance improvement. The initial focus identified by this group includes the management of chronic disease through the deployment of a patient-centered medical home model, unnecessary admissions through the emergency department, avoidable readmissions, inpatient care variation, and transitions of care. Over time, this group will expand its focus to address other areas of improvement opportunity.

Contracting. This group, focused on the identified areas of clinical improvement, is responsible for redefining the terms of economic models involving all payers in order to reinforce efforts at improvement and reward improved performance. This includes revised contracting with commercial and Medicare Advantage managed care organizations, restructuring the SSM employee health plan, response to Medicare's Value-Based Payment provisions, exploration of pilot programs with CMMI, and potential direct-to-employer contracting. This group was also charged with evaluating participation by SSMSL in the MSSP and the Pioneer ACO.

Information Technology and Application. The focus of this group is to develop information technology (IT) and decision support tools that align, once again, with the first-generation areas of focused improvement. While ideally all participants would

share common information systems, the practical reality is that in the immediate future there will need to be a level of coordination to share critical, time-sensitive information across multiple systems. This group is charged with developing both a pragmatic view of immediate IT infrastructure needed to support the areas of focus and developing the long-term vision of the ideal IT architecture to drive integrated care.

Conclusion

In response to the challenge of reducing health care costs while improving quality, SSMSL has embarked on the transformation of its organization driven by trends that, unabated, threaten the future stability of its mission as well as the quality and strength of the US health care system. Rather than enrolling in the MSSP as an ACO, SSMSL has chosen instead to think in terms of a functional definition of accountable care: creating an organization capable of assuming and managing global clinical and financial responsibility for the care of a defined population. By focusing on the functional definition, the organization has greater latitude to orchestrate the transformation in a way that manages the level of risk undertaken and synchronize the elements needed to achieve this important and necessary goal.

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