

Clinical Integration

The Changing Environment of Healthcare Delivery

- Mark Ghilarducci, M.D.
- Ventura Orthopedic Medical Group
- Ventura , Ca



Clinical Integration

- One model in the changing environment of healthcare delivery
- An example of what is occurring in the marketplace
- An attempt to align patients, hospitals and physicians



What is a Clinical Integration Network?

- Physicians, hospitals, and other medical providers working together in a network to improve quality of healthcare by developing standards of care to be followed by all members of the network



Clinical Integration

- A physician-led clinically integrated program to improve quality and efficiency and allow for new avenues of payer reimbursement
- Develop programs to control costs and improve quality for inpt and outpt care



Clinical Integration

- By collaborating to improve care, CI becomes a commercial contracting strategy to give independent physicians the ability to negotiate jointly with commercial fee for service payers without violating antitrust laws



Evidence for C.I. Effectiveness

- Advocate (Chicago),
Memorial-Hermann (Houston)
- Document consistent compliance with
medical standards over time for population
 - fewer ER visits
 - lower hospital lengths of stay
 - fewer complications
 - lower costs
 - measurable improved population health




Clinical Integration Background

- Proposal by Dignity Health System to set up Southern California Integrated Care Network (SCICN)
- SCICN began in the Inland Empire
- Based on successful CI models in Chicago and Houston




Clinical Integration Background

- Initiative began in Ventura County in 4/2011
 - Ventura County Chapter rolled out in the summer of 2012 as the second chapter
 - An attempt by the hospital system to align physicians with their hospital
- 

SCICN

Ventura Chapter

- Open to all members of the medical staff and surrounding doctors at two area hospitals
 - Required to follow the clinical care initiatives set up by SCICN for all patients not just the SCICN network patients
 - Technical reporting requirements to manage data
- 

Clinical Integration

The Proposal

- Have the network/physicians share in the cost savings generated through CI program
- FFS model with additional savings shared with the doctors- Value Added Reimbursement



Clinical Integration

The Proposal

- Use the network to obtain the highest allowable FFS by an insurance-Blue Shield 100% of their fee schedule
- Co management of a service line in the hospital through network and share in the cost savings with the doctors in the network



Clinical Integration

The Proposal

- Use the CI network to offer direct to employer insurance in the marketplace
- Use the network to offer a bundle payment model II (BPCI) for total hips and knees



The Reality Success

- SCICN has allowed specialists to be paid 100% of the maximally accepted Blue Shield fee schedule



The Reality Success

- Direct to the market insurance is being offered to employers as of 1/2015 in our service area through this network
- Currently used by non unionized hospital employees
- Potential for increased patient volume



The Reality Limited Success

- FFS with value added reimbursement - limited except complex case management
- By the time the network was running, quality of care initiatives are the expectation in our marketplace
- Therefore, insurances appear less willing to pay an premium or value for care delivered through the network



The Reality Not implemented

- Co-management of Ortho service line
- Proposed by the hospital and contract finalized
- Postponed two months before the 1/2015 start date
- The hospital decided that the cost savings were less than the cost to run the program



The Reality Maybe

- BPCI Model II for total joints proposed to start 7/2015
- Uncertain if the hospital will proceed
- Hospital Inpatient Rehab facility will be negatively impacted by post op care bundled payments



Clinical Integration

- Physician directed quality services
- Physicians working together as a unit with hospital partner
- Population medicine – total patient care



Health Care Paradigm

PRESENT

FUTURE

CONTRACTOR

PHYSICIAN

NARROW
NETWORK

PAYMENT
MECHANISM

FFS

FFS &
VALUE ADDED



Future of Clinical Integration

- Infrastructure for ACOs
- Infrastructure for Medical Home
- Facilitates “Pay for Performance”, “Gain Sharing”, “Shared Savings” arrangements
- Allows physicians to negotiate Collectively

