

A Culture Change of Integration & Physician Leadership

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John Snyder, COO
Caleb Miller, VP



Carle Mission and Vision

OUR MISSION

We serve people through high quality care, medical research and education.

OUR VISION

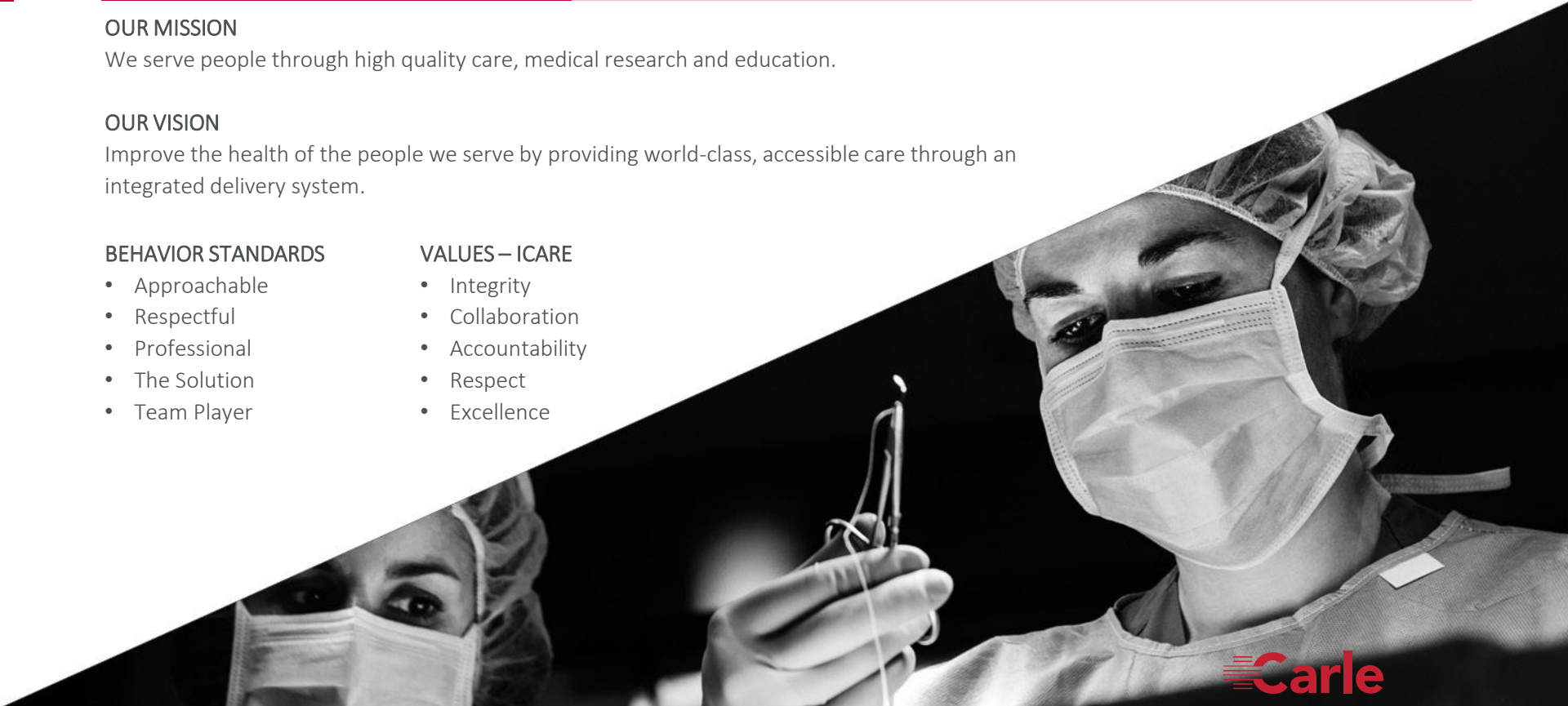
Improve the health of the people we serve by providing world-class, accessible care through an integrated delivery system.

BEHAVIOR STANDARDS

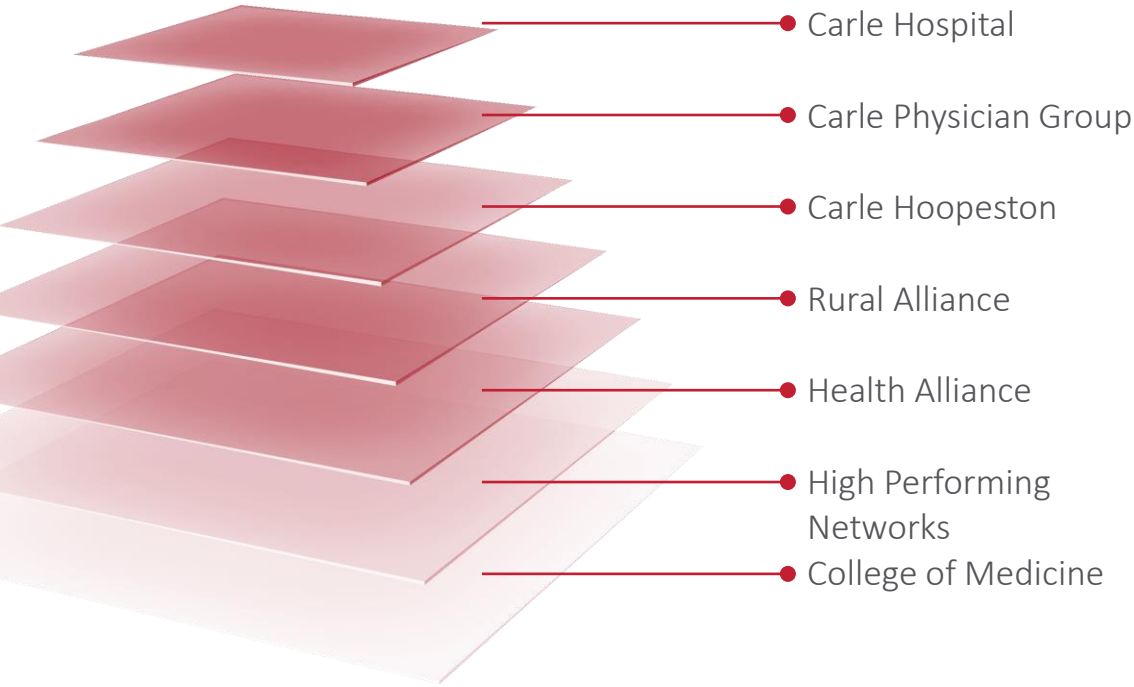
- Approachable
- Respectful
- Professional
- The Solution
- Team Player

VALUES – ICARE

- Integrity
- Collaboration
- Accountability
- Respect
- Excellence



A Vertically Integrated Health System - \$2.5Billion

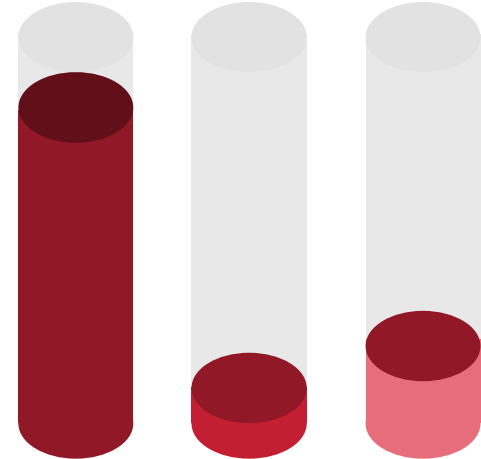


TOTAL EMPLOYEES: 7,315

Carle
6,254

Hoopeston
286

Health
Alliance
775



Carle provides high-quality care in midsize markets and rural communities across east central Illinois



1,491,518

Carle Service Area Population
in 2016



393-bed

Tertiary hospital

24-bed

Critical Access Hospital in
Hoopeston, IL



5 counties

in West Central IN

35 counties

in East Central IL



460+ Physicians

300+ APPS



Level I Trauma Center

Level III Perinatal



80

Medical and Surgical
specialties and
subspecialties

Carle owns and operates several business units that support delivery of care in a variety of settings



Carle Medical Supply



Carle Home Services



Carle SurgiCenters:
Champaign and Danville



Carle Therapy Services
(PT, OT, Speech)



Carle Auditory Oral School



Arrow Ambulance



Carle Sports Medicine



Windsor of Savoy:
Retirement Community



The Caring Place:
Child Care Center



Stratum Med:
Recruitment, GPO

Carle continues to be recognized for meeting and exceeding standards of quality in health care

▶ **America's 50 Best Hospital**

by Healthgrades

▶ **Top 5%**

Top 5% nationally ranked in Stroke Care

▶ **Top 10%**

Top 10% nationally ranked in Pulmonary Care

▶ **5 Star**

Multiple Five-Star Ratings

▶ **Most Wired Health System**

▶ **Accredited**

- DNV Full Accreditation
- ISO 9001

▶ **Magnet Status**

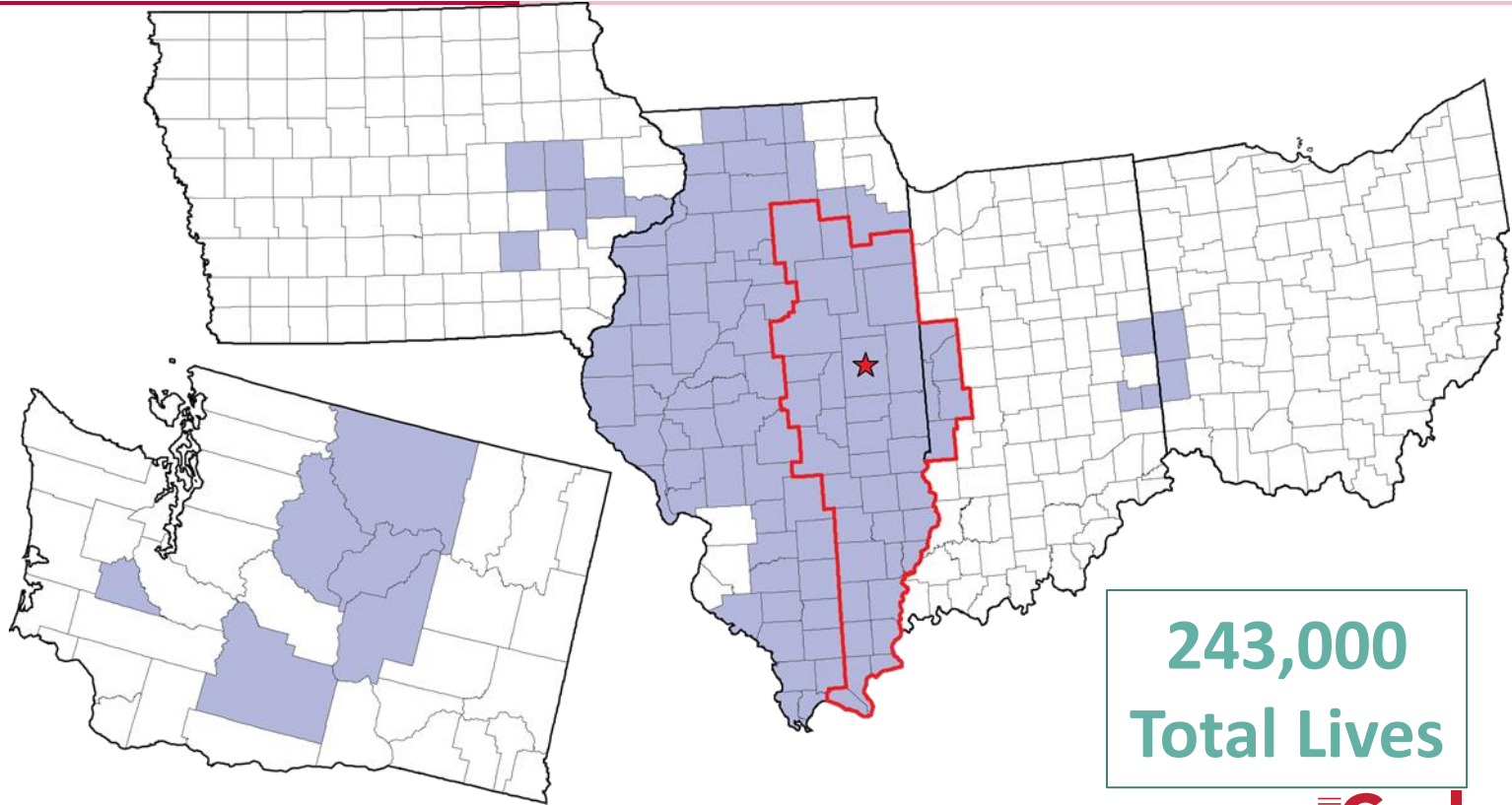
Magnet Status for excellence in nursing

▶ **Facilities**

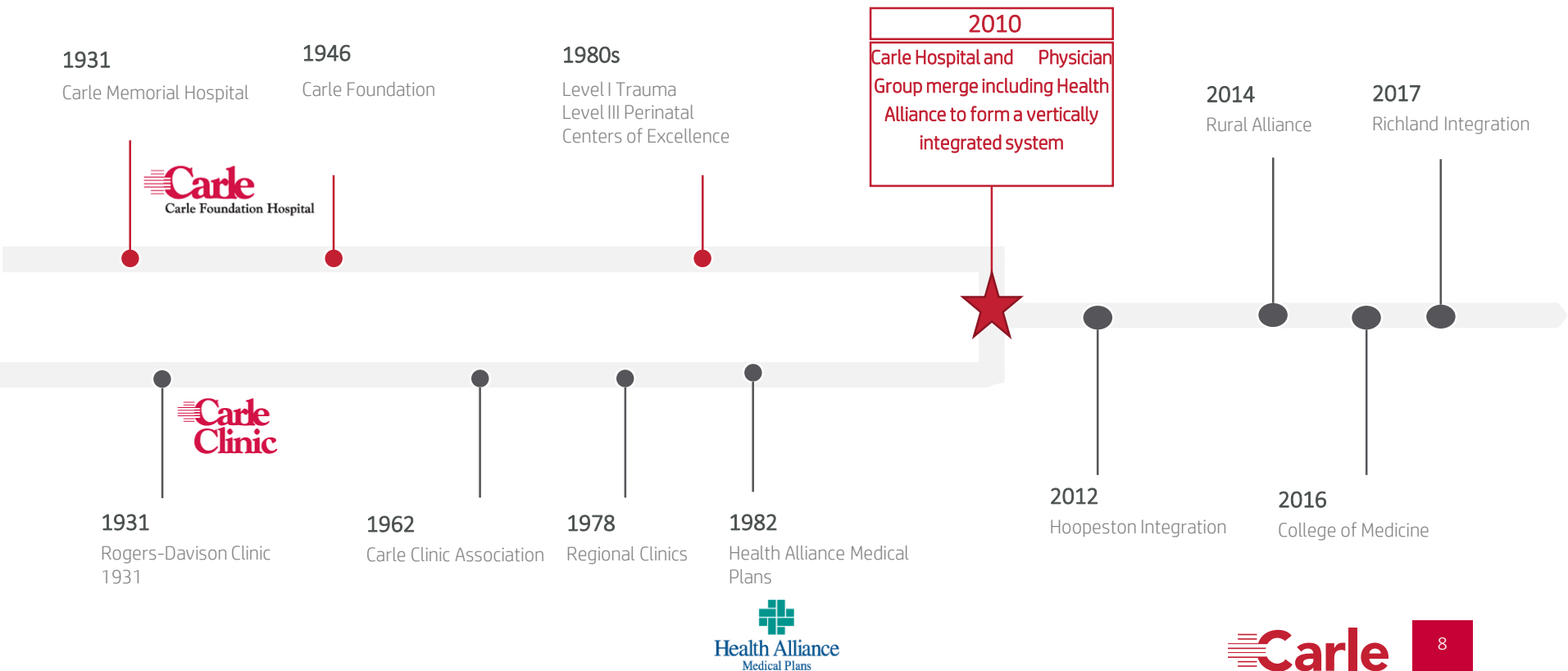
- Level I Trauma Center
- Level III Perinatal Services
- Primary Stroke Center Accreditation



Health Alliance Network – Illinois is core, but expanding



How Did We Get Here? Successfully Adapting to Change



Pre Integration Years

Carle Foundation	Issues	Carle Clinic
Not For Profit	Service Agreements Call Coverage Leases CFPS	For Profit
Community Board		Physician Owners/Associates
Leasor	HUNDREDS OF CONTRACTS MILLIONS OF DOLLARS	Leasee
Hospital focused	Leadership Misalignment Duplicate Testing Separate Billing Separate Strategic Goals Separate Recruiting Goals	Clinic Focused
Health Plan customer		Health Plan owner



COME TOGETHER. CARE TOGETHER.

Carle Foundation Hospital and Christie Clinic are working together to provide complete community health care.

When you combine the compassion, care, and skilled physicians of Christie Clinic with Carle Foundation Hospital's advanced technology, five-star rating, and level one trauma center, you have the best health care available in east central Illinois.



TOGETHER, WE'RE BETTER.



"I've been a lifelong patient of Christie Clinic, and I never thought of going anywhere else. The doctors and staff are compassionate and truly care about me as a person."

"And when I needed knee surgery in 2006, my orthopaedic surgeon from Christie was able to perform my operation at Carle Foundation Hospital. Because Carle Foundation Hospital is known for having the latest medical technology, I knew I was in good hands."



"I think it's great that Christie Clinic and Carle Foundation Hospital are working together. They're really serving the community by combining their services."

"When you have a great clinic teaming up with an excellent hospital, you get

**THE BEST OF
BOTH WORLDS."**

Jane Jones



Custom Blend

ONLY IN CHAMPAIGN-URBANA CAN YOU GET A CUSTOM BLEND OF HEALTH CARE. With the right mix of Christie Clinic's exclusive World-Class Caring™ initiative to enhance patient care and Carle Foundation Hospital's five-star rating and level one trauma center, you can customize your health care to your tastes. A complementary blend – Christie Clinic and Carle Foundation Hospital.



Driving the Case for Integration: Regulatory Changes

Legal and regulatory hurdles were becoming increasingly challenging to deal with and were impeding our ability to deliver coordinated, quality care to patients.

2007

Hospitals and clinics in the region began consolidating

Champaign/ Urbana was a strong market that was likely to attract attention from larger systems looking to come into market

Carle had to determine how best to respond

Sept 2008

Revised Stark rules: no longer allow the clinic to provide ancillary services “under arrangements” to hospital patients as of October 2009

\$40 million in margin was at risk for the physician practice

The possibility of having to unwind the care delivery model Carle had in place for 60 years simply to comply with Stark prompted leadership to revisit integration options

Value of Health Plan – maxed out

Oct 2009

We considered options to address Stark compliance ranging from complete disintegration to full integration

A complex series of interim solutions were implemented under the existing legal structure while integration due diligence was conducted

Based on the due diligence results and considering what was best for the community, both boards voted to integrate

Driving the Case for Integration: Other Considerations

Expected Health Reform Impacts

- Increased coordination of care and reduction in costs across the continuum.
- Ability to easily share clinical information resulting in reduction of duplicate tests.
- Ability to handle bundled payments through shared financial systems.

Regional Market Conditions

- Integration allows us to react to threats and control our own destiny.
- Public/private partnerships to provide a greater value to patients.
- Address the total cost of care including coverage premium dollars and care for acute, outpatient, long term, pharmacy, and home services.

Cultural Considerations

- Following a failed merger attempt in 1999, CCA and CFH began collaborating more
- Culturally we had been a unified organization for many years prior to the legal merger.

Strategic, Operation, and Financial Co-Dependency

- Future reimbursement scenarios, improve coordination of care, leverage our plan in care management, and work toward strategic goals to become the provider of choice in the region.

Integration: The Final Push 1999-2000

Negotiations: The Good, the Bad and the Ugly

CCA Votes and Politics:

234-0 in favor (3 did not vote)

80% required to sign employment contracts

Administrative Leadership:

Duplicate roles

Defining roles

Streamlining structure

System roles and operating unit roles

Early Years of Integration: 2010-2014

Creating a vertically integrated system - Key issues to address:

- ❑ Physician led = Physician CEO
- ❑ Patient Focused
- ❑ Challenges with CPG physicians going from owners to employees
 - ❑ **Physician Compact – One Mission/Vision/Strategy – Securing Buy-In and Support**
- ❑ Medical-Administrative Leadership Model – Dyad 1.0
- ❑ EMR integration throughout system
- ❑ Department Integrations
- ❑ Culture Change - Change Management - Employee Engagement

Early Years of Integration: 2010-2014

System Growth Strategy:

- ❑ Hoopeston Regional Health Center (CAH) Integration
- ❑ **Carle Direct - Open Access (Universal Acceptance)**
- ❑ Service Line “Institute” Development – Comprehensive strategy and buy-in
- ❑ **Provider Recruitment Strategy - Changing Mindsets and priorities**
- ❑ Facility expansion
- ❑ Magnet status
- ❑ Living on Medicare Rates - Robust, Multi-Year Cost Reduction Strategy
- ❑ **The Carle Experience – Striving for consistent, top decile performance**

Optimization of a Vertically Integrated System: 2014-2016

Taking Carle to the next level:

- ❑ High Performing Network of Care
- ❑ **Rural Alliance**
- ❑ Solidify financial, operational and medical management among entities
- ❑ Leadership restructure: Integrating leadership roles at Carle and Health Alliance
- ❑ **Medical Leadership Structure – Dyad 2.0**
- ❑ **Health Alliance initiatives**
 - ❑ **Medical Management**
 - ❑ **Population Health**

High Performing Network of Care

Carle and its Partners **take accountability for the health experience of the communities and regions we serve in order to: Provide high quality, value added, coordinated and accessible healthcare services to consumers to improve their health**

Carle Health System

achieves defined High Performing health system criteria, i.e. quality, utilization, service, value (provider and payor)

ENABLING Success

in a FFS environment while enabling defined and paced transition to performance based, value driven and risk based payment methodologies



AND Health Systems Partners

achieve defined High Performing health system criteria, i.e. quality, utilization, service, value

TOGETHER Create Unique Value

for consumers and purchasers of healthcare

Rural Alliance for Exceptional Care

What is Carle trying to achieve?

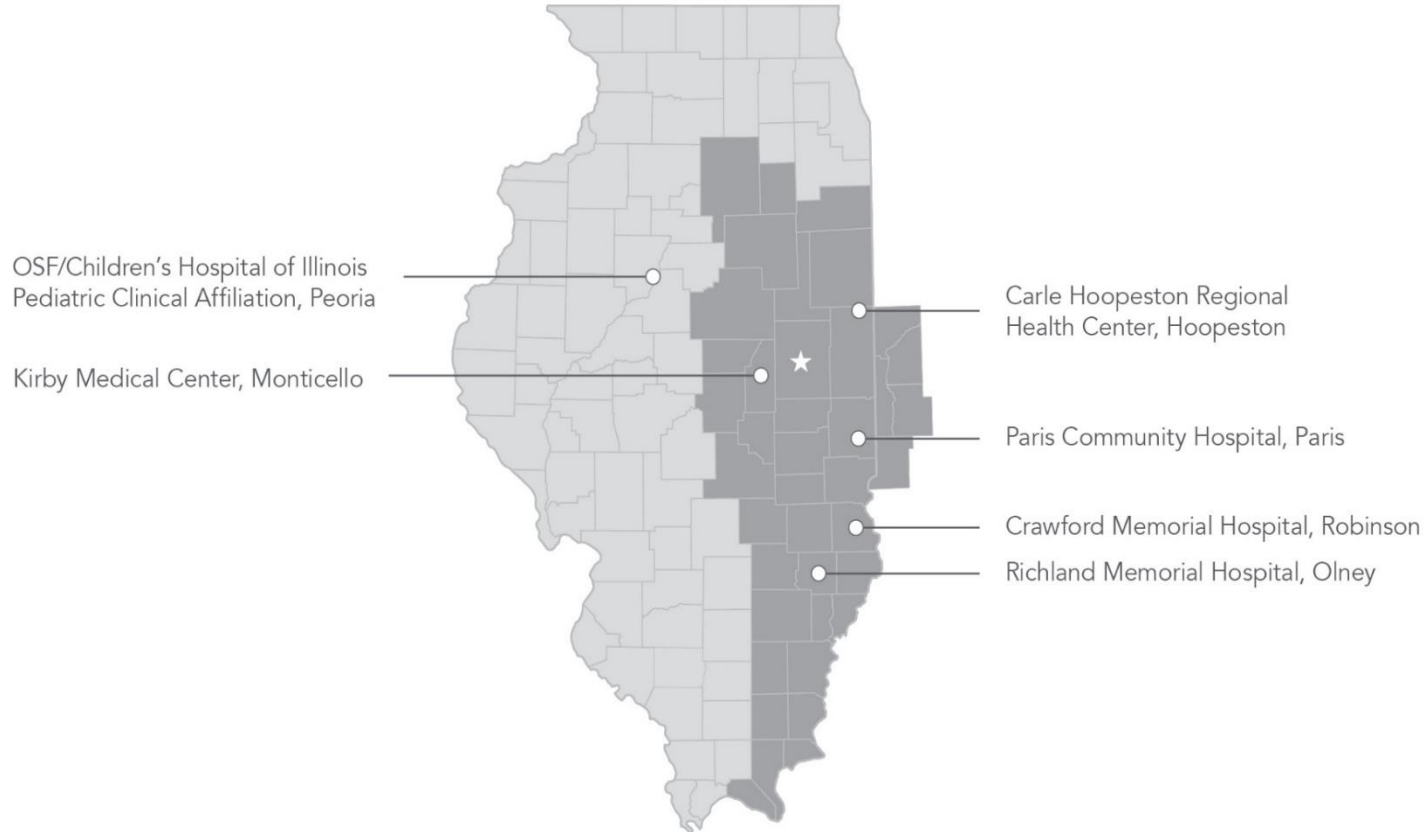


- 01 | Transition to value
- 02 | Grow clinical enterprise
- 03 | Expand and diversify HAMP

Transformative & Innovative Alliance of rural providers collaborating together with the Carle Health system to ensure long term and consistent access for the rural population to exceptional quality, experience and value across the continuum of care and across sites of care.

Rural Alliance Partnership Map

Partnership Structure



Dyad Leadership 2.0 – partnering administrative leader with a physician leader

The partners balance skills and strengths and work as a cohesive team towards common goals.



Dyad Leadership Structure 2.0

JOHN SNYDER Executive Vice President and System Chief Operating Officer	Service Line/Function	MATTHEW GIBB, MD Executive Vice President and System Chief Medical Officer
Administrative VP	HOSPITAL MEDICINE	Medical Director
Administrative VP	WOMEN'S HEALTH & NEWBORN CARE	Medical Director
Administrative VP	HEART & VASCULAR INSTITUTE	Medical Director
Administrative VP	NEUROSCIENCE INSTITUTE	Medical Director
Administrative VP	MEDICAL SPECIALTIES	Medical Director
Administrative VP	PRIMARY CARE, PEDIATRIC & MEDICAL SPECIALTIES	Medical Director
Administrative VP	SURGICAL SERVICES	Medical Director
Administrative VP	CANCER CENTER	Medical Director
Administrative VP	POPULATION HEALTH	Medical Director
Administrative VP	DIAGNOSTIC SERVICES	Medical Director
Administrative VP	TRANSITIONAL CARE SERVICES	Medical Director
Administrative VP	QUALITY SERVICES & CARLE EXPERIENCE	Medical Director
Administrative VP	GRADUATE MEDICAL EDUCATION	Medical Director
Administrative VP	TALENT DEVELOPMENT	Medical Director

The Carle Experience

Evidence Based Leadership



Aligned Goals

Aligned Behavior

Aligned Process

Rounding
AIDET
Thank You
LDI
Behavior Standards

The Carle Experience helps shape and maintain our culture of excellence

The Carle Experience defines the best practices and tools hardwired into our culture that we ALWAYS use. These deliver better outcomes, a better perception of the patient experience, and a higher satisfaction with the work we do.

Our goal is to be nationally recognized as a leader in clinical and service excellence by consistently performing in the top 10% nationally for:

- Quality and safety
- Patient and member satisfaction
- Employee and physician engagement



Health Alliance Medical Plans – System Value

Health Alliance is a catalyst for transformation of health care delivery to improve the member's health by aligning provider and payor objectives and resources while collectively managing the cost of care.

Leverage the strength of the vertically integrated Carle Health System to ***align the health and care delivery goals with the business growth strategies and tactics*** of Health Alliance, Carle Health System and provider partners.



Health Alliance Medical Plans – Spiraling Out of Control

Medical Management/Case Management lack of focus

- Not within industry standards

- Not member/provider focused

Medicaid Managed Care disaster

- Entered market with good intentions

- Bad data; At risk for members outside of our control

- Care management requirements resulted in significant financial loss

- A full year to unwind; political navigation

Exchange Strategy backfires

- Adverse selection: Successful enrollment, but excessive medical expenses

- Significant price increases, but not as high as competitors

- Controlled retreat: avoiding a financial disaster

Health Alliance Medical Plans – Burning Platform for True Integration

Health Alliance on fire

Carle provider side was culturally ready

Coming together as a system – remove the “separate entity” mindset

Value-Based reimbursement reality

Strategy considerations

Major Integration Efforts – Health Plan

Leadership

Medical Management / Case Management

Strategy and Sales

Quality

Call Center

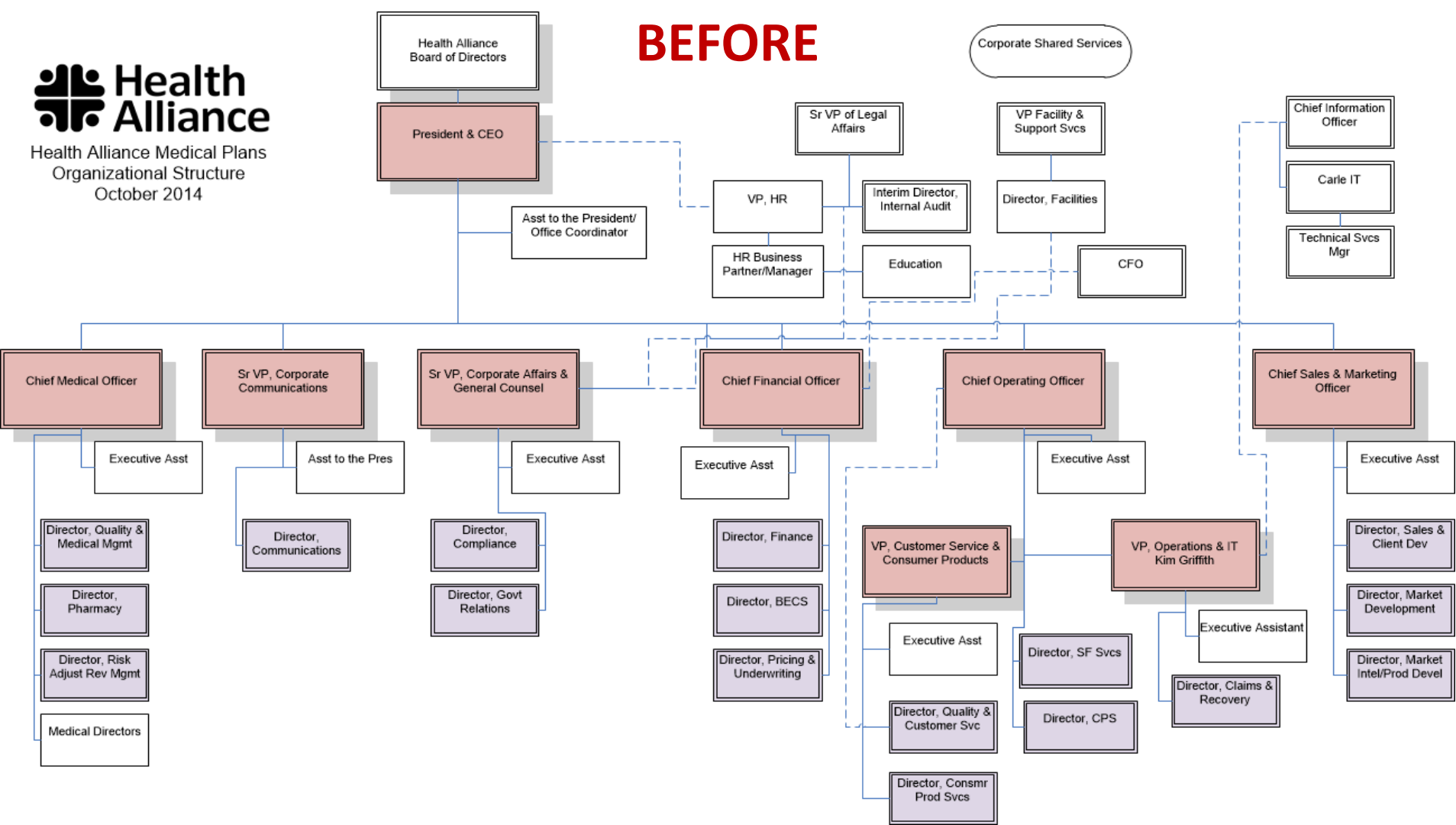
Project Management Office

Community Care Project



Health Alliance Medical Plans
Organizational Structure
October 2014

BEFORE



Major Integration Efforts – Leadership Change

Restructured Leadership Team

System Thinking

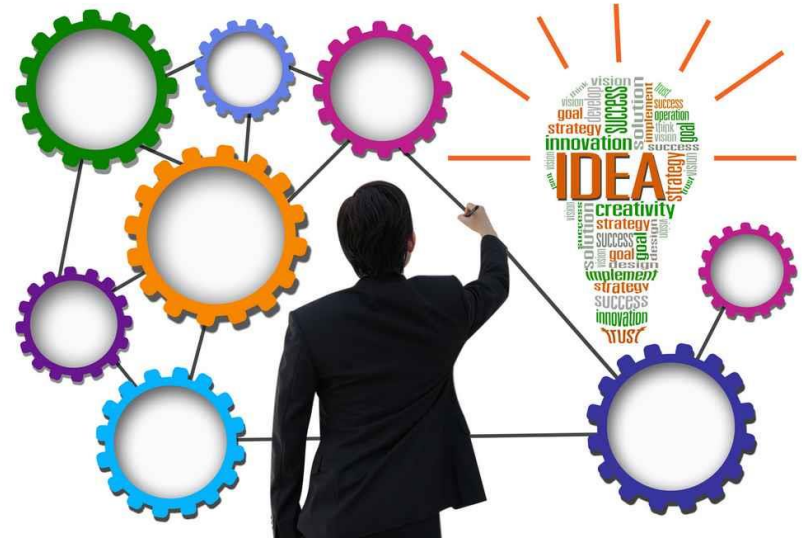
Shared Exposure and Accountability

Shared Services

IT

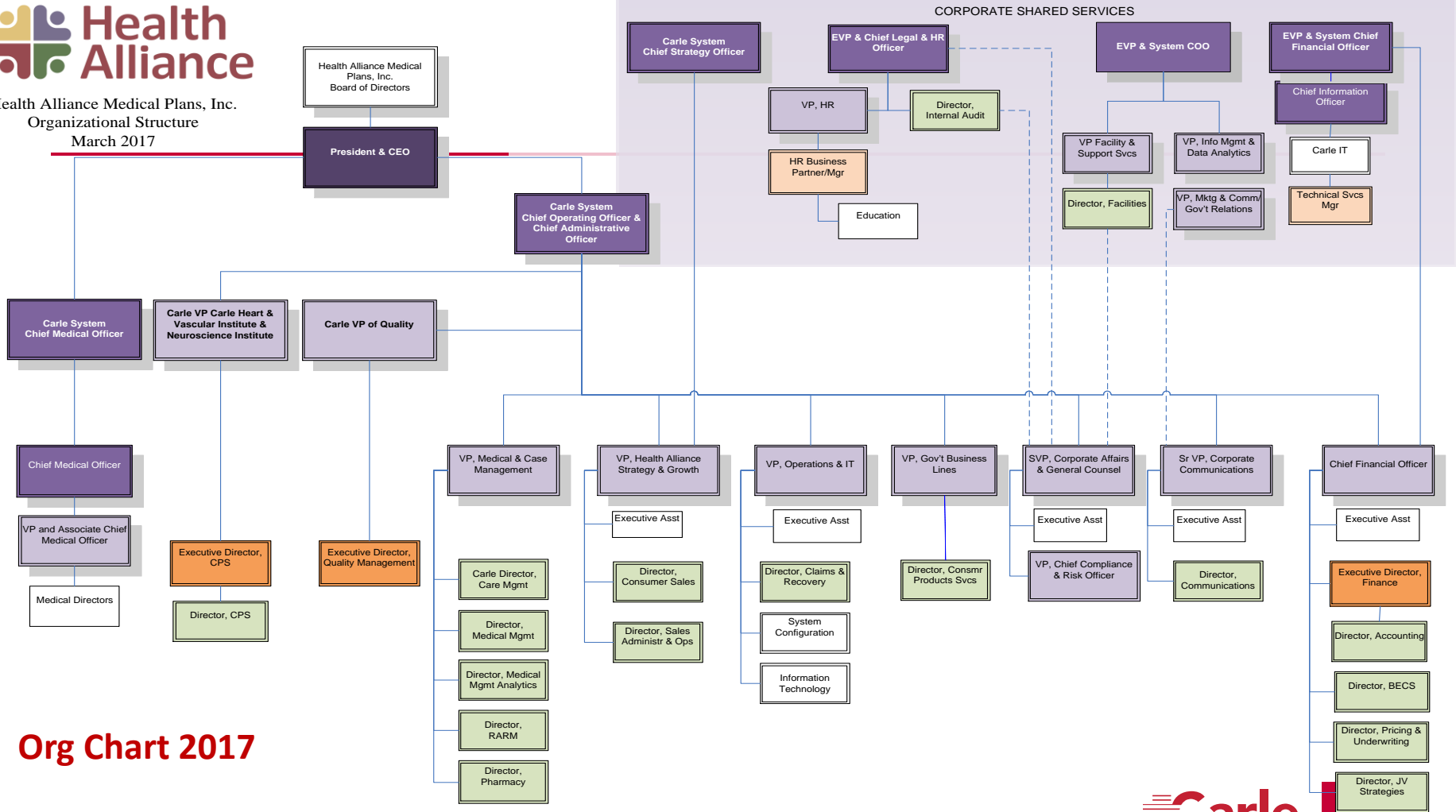
Legal/Compliance

Marketing





Health Alliance Medical Plans, Inc.
Organizational Structure
March 2017



Org Chart 2017

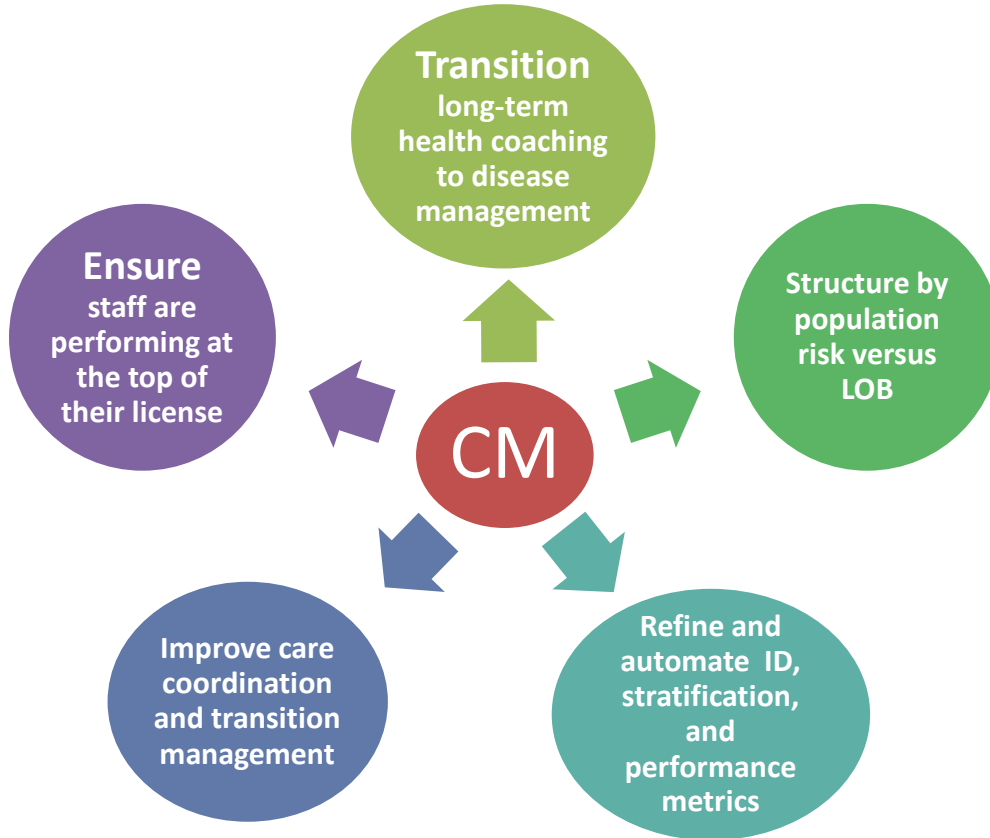


Major Integration Efforts – Medical Management Redesign

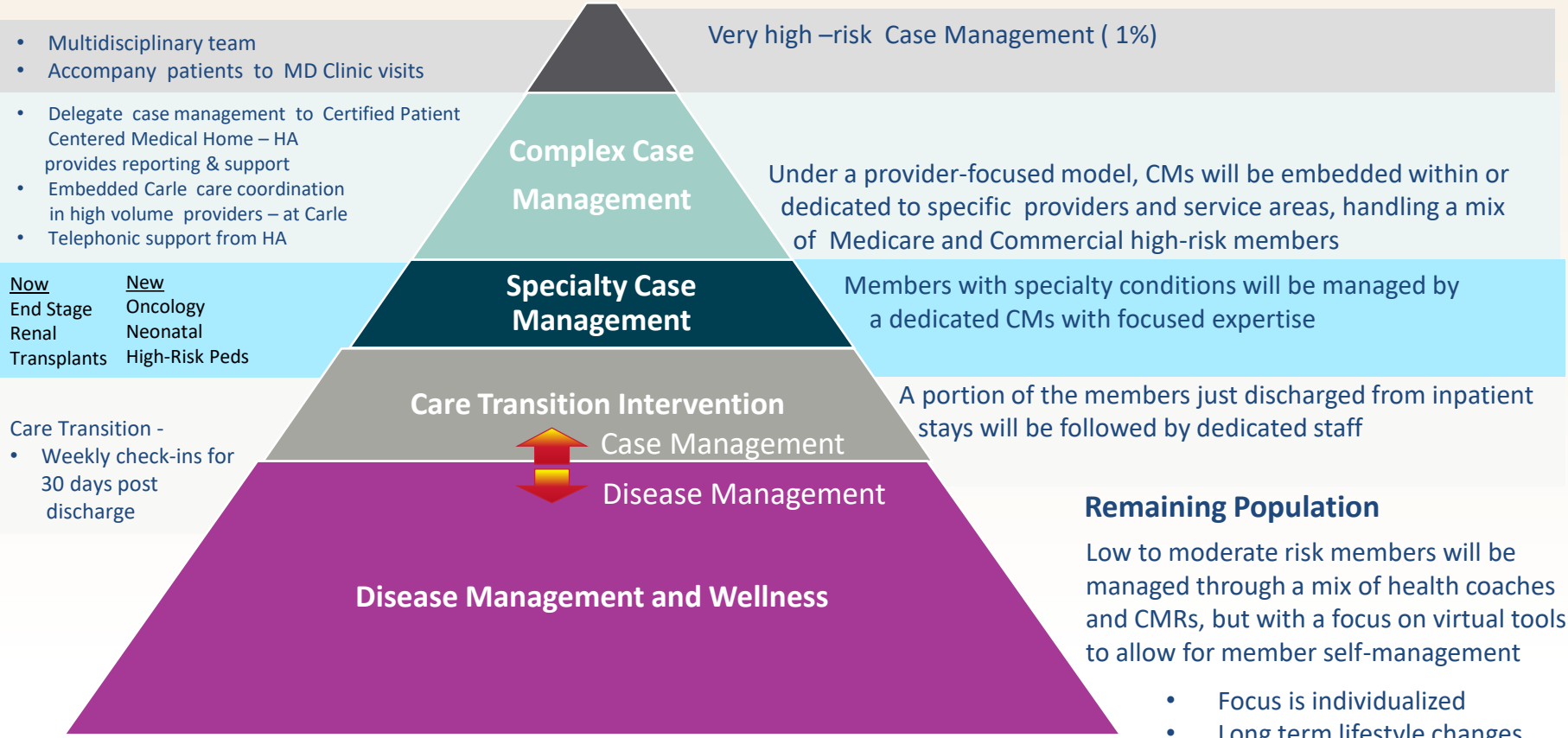
- Align practices with industry standards.
- Improve timely review determinations.
- Enhance transparency of decision making criteria.
- Address needs of expanding complex and highly complex patient populations.
- Consider delegated models as a provider driven health plan.
- Improve medical loss ratio.
- Improve physician satisfaction/engagement



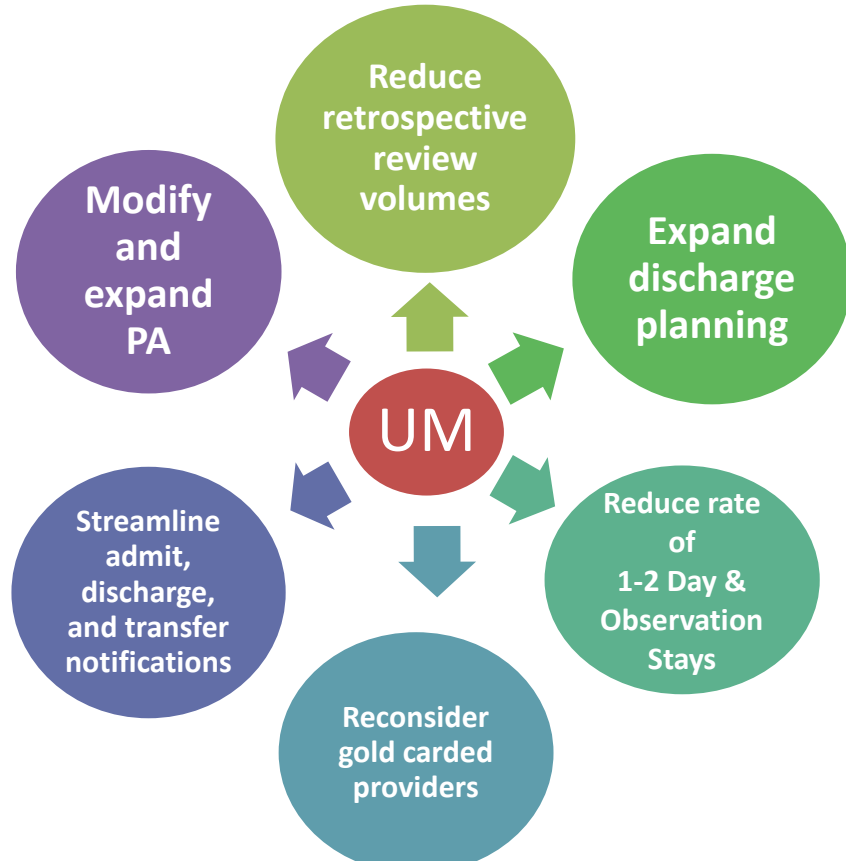
Major Integration Efforts – Medical Management



Case Management Redesigned Delivery Model



Major Integration Efforts – Utilization Management



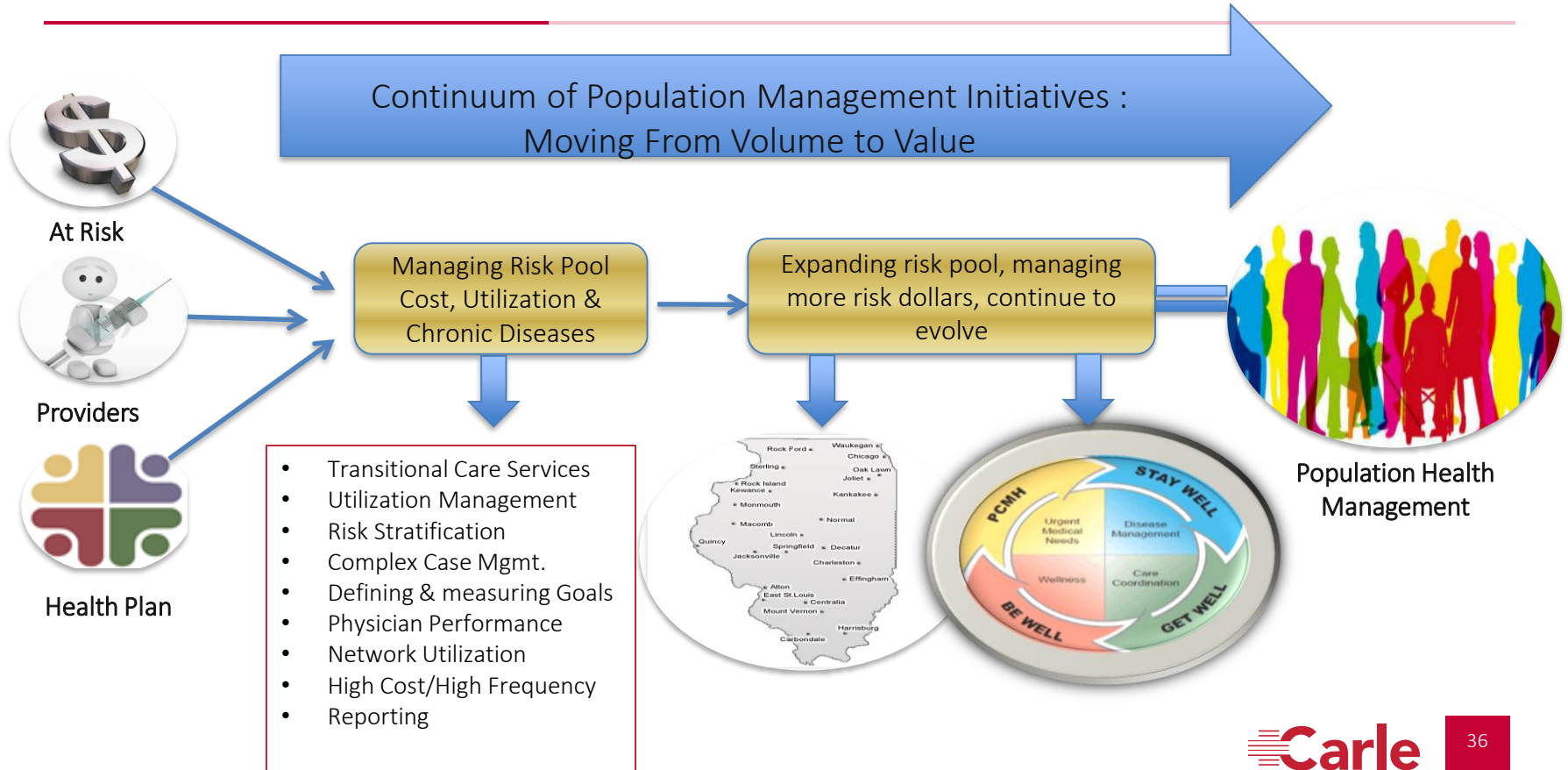
Long Term Vision:

- Unified system utilization and case management process that builds a multidisciplinary team and seamless patient-centered care from inpatient to outpatient, including aligned software solutions
- Consistent, timely, and transparent medical decisions with broad base adoption of clinical care guidelines
- Use of Explorys and Advanced Analytics

Major Integration Efforts – Medical Management Transition

- Shift to provider-focused.
- Transparent, specialty focused and timely prior authorizations.
- Assist with redirection of care.
- Realign Medical Director structure to enable focus on care delivery transformation.
- Unique opportunity to collaborate through delegated models.
- Projected Rollout for redesign changes.
 - January 2017+
- Integration opportunities.

Major Integration Efforts: Medical Management + Population Health



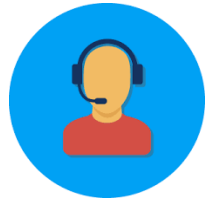
Major Integration Efforts – Quality

Redefining the Quality Structure

- Realigned system level Quality leadership
- Dyad Structure Creating a Partnership between a Health Plan Subject Matter Expert and Designated Quality Representative from the Clinical Partner
- System Level Reporting and Oversight through the Carle Board Quality Committee
 - ✓ Population Health Workgroup
 - ✓ STARS Steering Committee
 - ✓ HEDIS Operational Teams



Major Integration Efforts – Call Center and PMO



Merged Call Centers into One

Medicare Call Center
Commercial Group and Individual
With link to Carle's Patient Contact Center



Merged Project Management Office

System-level standardization
Cross training staff
Singular governance/prioritization



System POV
Consistency
Efficiency
Productivity
Customer Value

Major Integration Efforts – Community Care Project

Background: Carle Financial Assistance Policy

- The cost of healthcare should not stop anyone from receiving necessary care.
- Carle's Financial Assistant Program (aka Carle Community Care Program) is one of several programs that eligible patients could receive free or discounted services.
- The Financial Assistant Program currently services about 30,000 Carle patients of which around 92% are self-pay.

\$38 million at cost

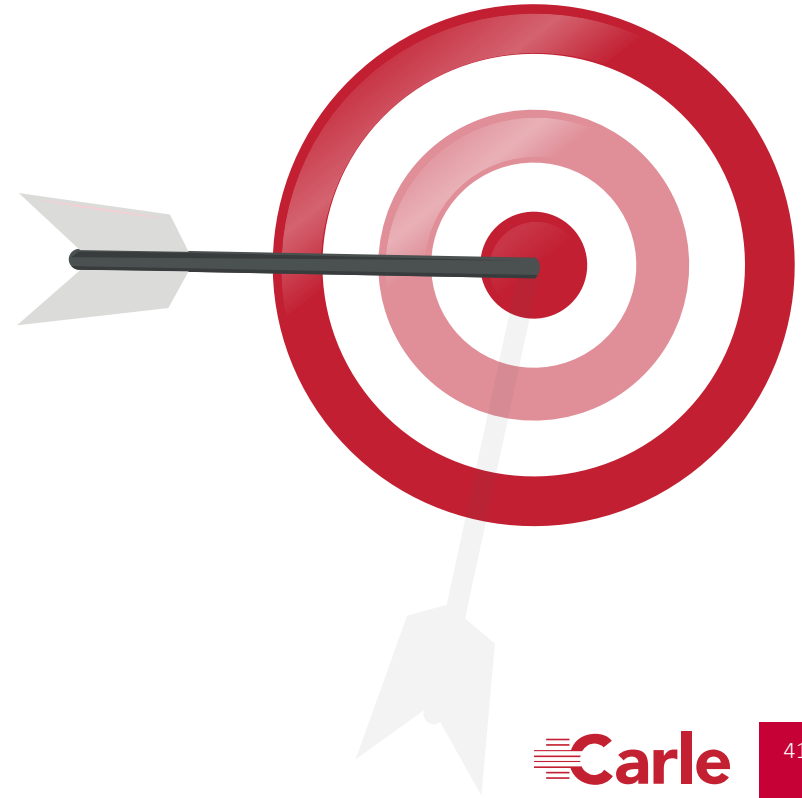
Major Integration Efforts – Community Care Project

Leverage Carle's vertically integrated structure to establish a Health Alliance **administrative only self-funded plan** for a subset of Carle's Community Care population in order to:

- Improve quality by:
 - Offering case management and disease management programs to this population.
 - Assessing for medical necessity that ensures the right care is delivered.
 - Using analytics to assess program performance and opportunities for enhancement.
- Control utilization costs through care management services/offerings.
- Reduce the dollar amount for services at cost that are written off the charity program each year.

2017 Forward: Carle Health System Strategic Goals

- 01 | Individual Engagement
- 02 | Healthcare Literacy
- 03 | Clinical Excellence & Innovation
- 04 | High Value Partnerships
- 05 | System Optimization
- 06 | Transform from Volume to Value
- 07 | Financial Sustainability



Carle Illinois College of Medicine is the first college of medicine designed at the intersection of medicine and engineering

GOALS OF THE COLLEGE OF MEDICINE- in the process of provisional accreditation by 2018

- Reinvent health care around revolutionary advances in engineering and technology to further research, education and clinical care delivery
- Transform health care education of physicians

CARLE ILLINOIS **COLLEGE OF MEDICINE**



Lessons Learned

- 01 | **Live your “Mission” and “Vision”**
- 02 | **Future healthcare trends supports the need for a Vertically Integrated Model - Diversify**
- 03 | **Physician leadership is imperative**
- 04 | **Buy-in to vision must be active at all levels within the organization**
- 05 | **It’s a Marathon not a Sprint.....and the game is always changing so must be ready to make adjustments**
- 06 | **As healthcare executives we must be bold in our decision making**

Thank you!