Welcome & Introductions
Pre-Conference
A Broken Healthcare System
Peace of Mind for the Unexpected

Sedera,
For managing large medical costs

Your Direct Primary Care Practice
The "Core of Care"
What Do Employers Want/Need from Primary Care Practices?

Jed C. Constantz, Dr.B.A.
Co-Founder, PCIN
Primary Care Finance & Delivery Strategist
“Primary Care is an Investment . . .

. . . the Rest of Healthcare is a Payment
Controlled Aggregate Spending

• Ownership / Accountability
• Care That is Consistent with Patient Needs
• “Purchasing Agent”
• Healthcare Consumerism / Health Status Improvement
REDUCING POPULATION HEALTH RISK

R-Health is dramatically reducing the Health Risk Quotient of our members.

- 93% of the Urgent Risk members Reduced their Risk
- 53% of the Very High Risk members Reduced their Risk
- 77% of the population Maintained or Reduced their Risk
**REDUCING POPULATION HEALTH RISK**

**R-Health Member Risk Modification: 2017 to 2018**

<table>
<thead>
<tr>
<th>Initial Risk Quotient</th>
<th>Initial % of Total Population</th>
<th>Final Risk Quotient</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>5 – Urgent</td>
</tr>
<tr>
<td>5 – Urgent</td>
<td>7.4%</td>
<td>7.0%</td>
</tr>
<tr>
<td>4 – Very High</td>
<td>13.1%</td>
<td>3.9%</td>
</tr>
<tr>
<td>3 – High</td>
<td>18.0%</td>
<td>3.8%</td>
</tr>
<tr>
<td>2 – Moderate</td>
<td>17.6%</td>
<td>1.0%</td>
</tr>
<tr>
<td>1 – Low</td>
<td>43.8%</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

| Final % of Total Population | 2.4% | 21.3% | 6.6% | 10.7% | 59.0% |

- R-Health partners with myCatalyst, an independent healthcare analytics company that calculates a Health Risk Quotient (HRQ) for each member.
- The HRQ aggregates specific risk levels for selected key measures such as glucose, blood pressure, and BMI based on clinically supported guidelines.
- The result is an aggregated health risk score that accumulates high and moderate risks into five levels and establishes the ability to study population risk modification over time.
Improved Access to Care

• Service Options
  – Consistent with Patient Needs, Expectations & Capabilities
• Health Literacy Training
• Care Team Orientation
High Levels of Patient Satisfaction & Activation

- Satisfaction with Care, Treatment, & “Relationship”
- Focus on Driving High Level Activation
  - Observed Behaviors
  - Completed Activities
- Patient “Scorecard” Employers Can Use to Reward a “Committed Covered Individual”
2019 Advanced Primary Care Deep Dive Assessment

• Practice Dimensions
  – Physician Leadership
  – Staffing Model
  – Practice Level Technology
  – Ongoing Staff Training & Development

• Practice Capabilities
  – Access / Outreach
  – BH Integration
  – Referral Management / Efficiency
Additional Thoughts / Concepts
Case Studies in Primary Care with Comprehensive PMPM Investment Models

Michael Tuggy, MD
Clinical Professor, UW School of Medicine
Rural Family Physician, Confluence Health
Swedish Community Health Clinic - Ballard

- Private insurer (400+ lives over the first 15 months of project)
- Cost reduction of $68 PMPM in year 1.  
  – ($386 reduced to $318 average cost per member per month: 17.6% cost reduction)
- Patient experience data – highest satisfaction scores ever recorded in the insurer’s network.
SCH – Ballard
Medicaid ED Data – 517 lives

• ED visits per 1000 members:
  – Swedish Community Health – 18.4
  – Other Swedish Clinics – 24.8
  – 25% reduction

• Types of ED visits (Preventable vs Non-preventable)
  – Swedish Community Health – 42% preventable
  – Other Clinics – 55% preventable
  – 27% reduction
Q-liance Data

• 59% decrease in ER visits
• 30% decrease in number of days admitted to the hospital
• 62% decrease in specialty referrals
• 65% decrease in radiology exams
• 80% fewer surgeries
• 115% increase in primary care visits
• —yielding a $1,486 savings per patient per year compared to traditional fee-for-service practices.
## Savings Generated by Program

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2013</th>
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</thead>
<tbody>
<tr>
<td><strong>ER Visits</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Inpatient Days</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Specialist Visits</strong></td>
<td>$11.00</td>
<td>($5.00)</td>
</tr>
<tr>
<td><strong>Advanced Radiology</strong></td>
<td>$410.00</td>
<td>$417.00</td>
</tr>
<tr>
<td><strong>Primary Care Visits</strong></td>
<td>$230.00</td>
<td>$436.00</td>
</tr>
<tr>
<td><strong>Savings Per Patient</strong></td>
<td>$77.00</td>
<td>$82.00</td>
</tr>
<tr>
<td><strong>Total savings per 1000 patients</strong></td>
<td>($40.00)</td>
<td>($251.00)</td>
</tr>
<tr>
<td><strong>% Saved Per Patient</strong></td>
<td>$688.00</td>
<td>$679.00</td>
</tr>
</tbody>
</table>

### 2013

<table>
<thead>
<tr>
<th><strong>Savings Per Patient Per Year</strong></th>
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<tbody>
<tr>
<td></td>
</tr>
<tr>
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<tr>
<td>$417.00</td>
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<tr>
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</tr>
<tr>
<td>$679.00</td>
</tr>
<tr>
<td>Total savings per 1000 patients</td>
</tr>
<tr>
<td>$679,000.00</td>
</tr>
<tr>
<td>% Saved Per Patient</td>
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<tr>
<td>$20%</td>
</tr>
</tbody>
</table>

1. Numerator (total encounters)/denom (total patients)
2. Difference between Quality and Costs

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Primary Care Collaborative

Primary Care Innovators Network
Union Hospital Data  
(Dover, Ohio)

• Elected to create DPC option for employees

• Looked at Total Cost of Care data for all members (no exclusion for outliers) (Year 1)  
  – TCC dropped from $457 to $381 PMPM average cost per member (16.6% reduction)

• If outliers excluded:
  – TCC dropped from $345 to $295 (14.5% reduction) in year 1

• Result from year 2 showed further cost reductions – approaching 25% from baseline TCC.
Created a Capitated Package of Advanced Primary Care Services

- Primary care/acute care services (MD/DO/ARNP’s)
- Health coaches
- Health navigation - RNs
- Behavioral health - LISW
- Nutritional counseling
- Medication therapy management
- Basic office labs
Nextera (Colorado, Florida)

- Digital Globe, Inc. employees
- $99 per member per month savings
- Charge $54.31 PMPM for unrestricted access primary care services
- Net cost reductions similar to first year findings of other advanced primary care DPC models.
- Spreading to multiple states
Paladina Health

- City of Arvada (CO) Case Study
- Reduction of 34% TCC for patients with chronic conditions
- TCC on PMPM basis reduced by 22% (2016 data)
- Now spreading to multi-state network of clinics, >100 PCP providers.
Key Features of Success

• Comprehensive primary care payment
  – Shift focus from volume to relationship
  – Longer visits = more trust

• No-barrier access to the care team
  (no copay’s, after hours calls, etc.)

• Team based care

• The beginnings of care management infrastructure
So what is the formula for success?

- Sound partnership with primary care practice and large enough employee pool to impact practice culture
- Advanced access
- Longer appointments
- Engaged providers and care team
- Beginning the journey to advanced primary care – we are only seeing the beginning of this revolution
What Does Effective Collaboration Look Like?

Jed C. Constantz, Dr.B.A.
Co-Founder, PCIN
Primary Care Finance & Delivery Strategist
A Balance of Interests / Needs

• Purchaser Goals
• Primary Care Physician Goals
• The “Enlightened Self Interest” Dance
• The Triple Aim Leads to the Quadruple Aim Leads to the Quintuple Aim
  – Cost
  – Quality
  – Satisfaction
  – Physician “Happiness”
  – Primary Care Sustainability
Developing a Common Language

• Who’s a Patient?
• Who’s a Covered Individual?
• Who’s a Payer?
• Who’s a Carrier?
• What’s Self-Insured?
• What’s Self-Funded?
• What’s a TPA?
What’s the Deal?

• What Does the Employer Need / Want to Buy?
• What Does Primary Care Want / Have to Offer (Sell)?
• What’s the “Future Value” of Primary Care?
  – Preventive Care
  – Wellness
  – Disease Management
  – Care Management / Coordination
How to Get to a Deal

• Conduct a Facilitated Assessment
  – Practice Goals
  – Employer Goals

• Establish a Work Plan
  – Back Up From Desired Implementation
  – Handle the Tuff Stuff First

• Establish an Implementation / Maintenance / Oversight Plan

• Make it Happen
Additional Thoughts / Concepts
How to Move Forward From Here

Jamie Lagarde, Sedera, Health CEO
Erika Kraus, Sedera, Health Marketing & Culture
Jeffrey Gold M.D., Gold Direct Care PC
Jason Larsen, CEO, Assurance Healthcare & Counseling Center
Facilitated Group Discussion

• Options for Employers
• Options for DPC Practices
Summary / Wrap Up

• Comments / Questions / Thoughts?