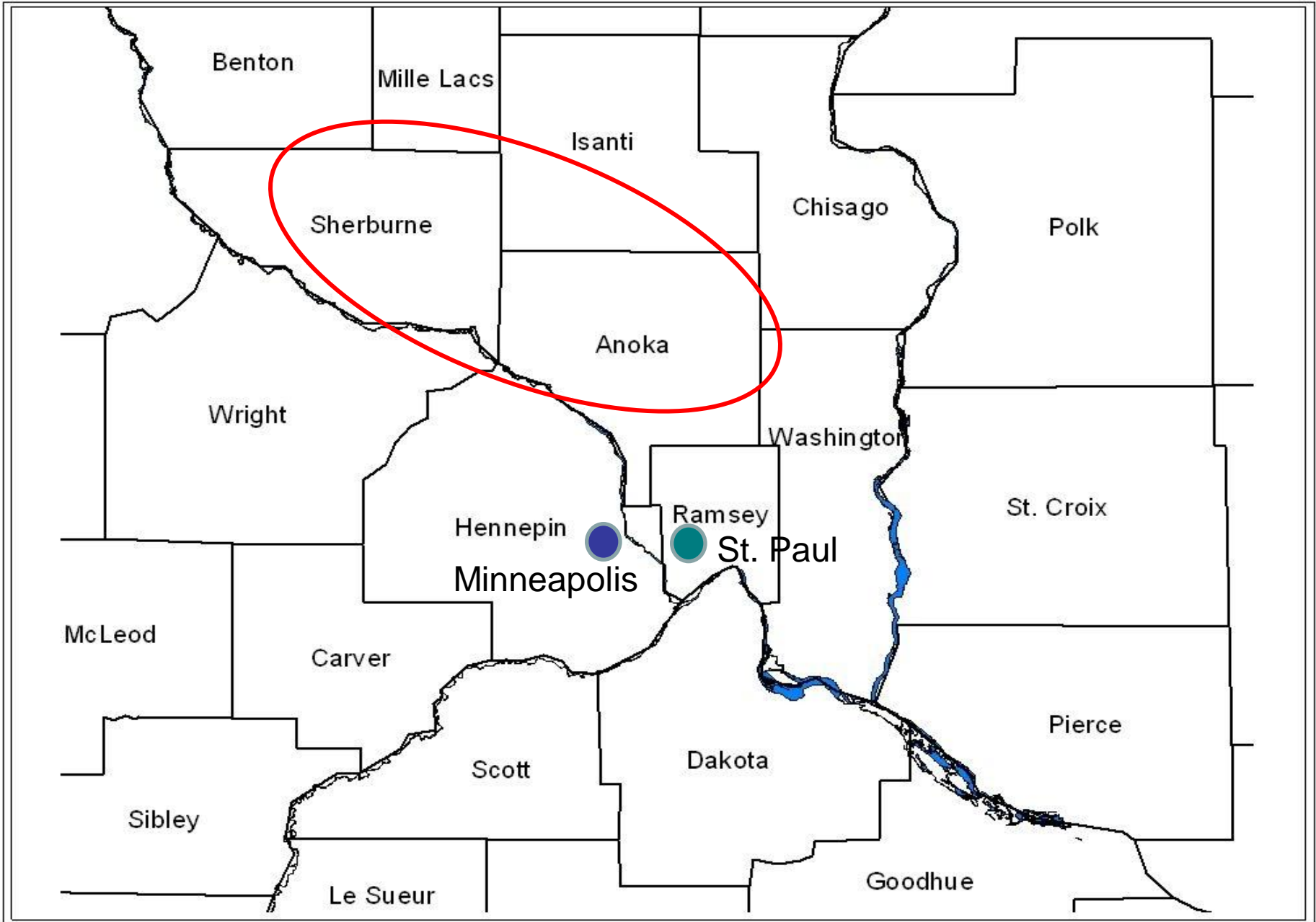




Your health. Your partner.

HealthPartners/Allina Collaboration





Who's Involved

Resources: 1,000,000 member health plan
120 primary care physicians
200,000+ patients served

HealthPartners

- Health plan
- Clinics
 - Coon Rapids
 - RiverWay Andover
 - RiverWay Anoka
 - RiverWay Elk River

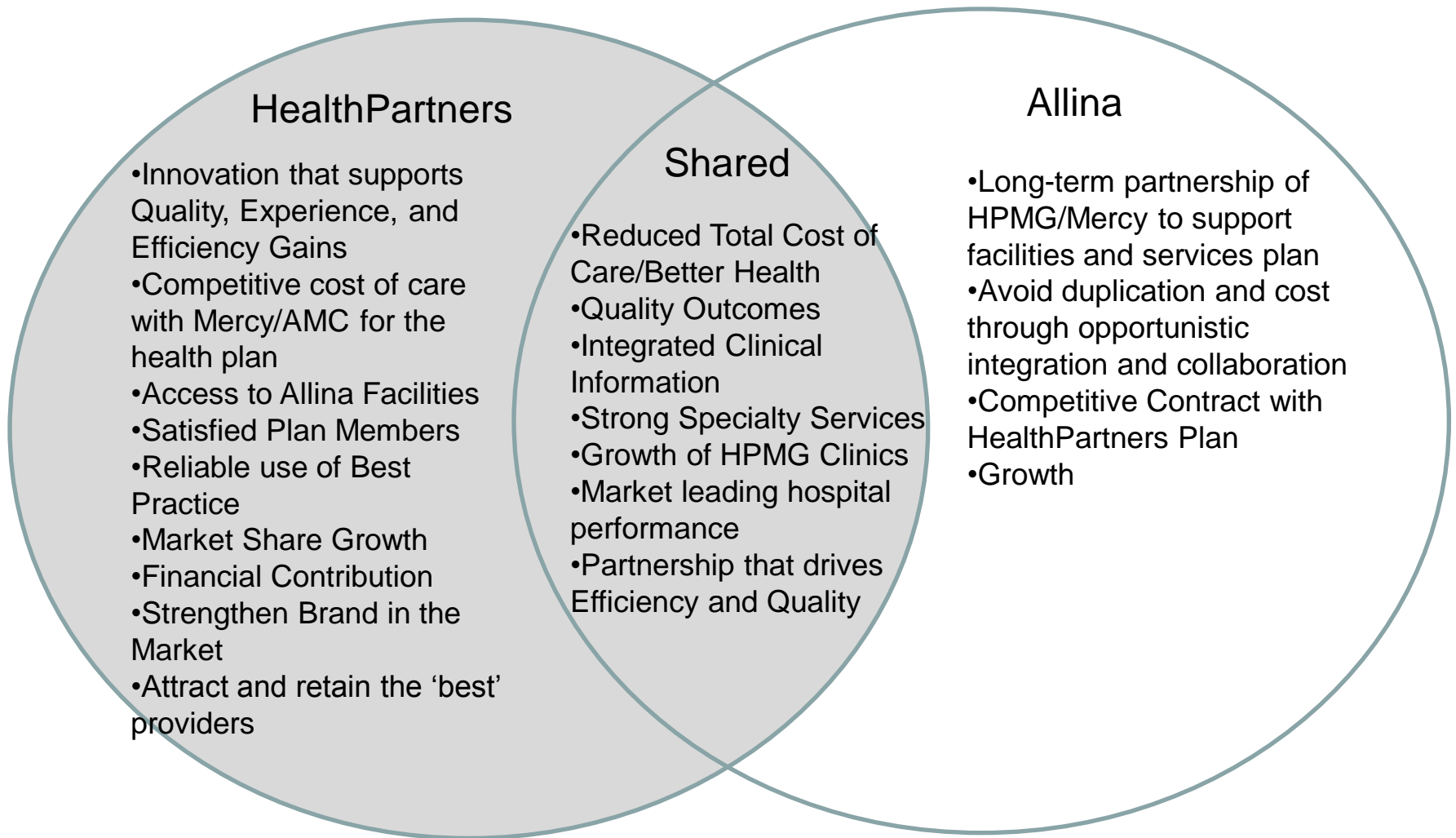
Allina

- Mercy Hospital
- Clinics
 - Champlin
 - Coon Rapids
 - Elk River
 - Ramsey

Situation

- HealthPartners Medical Group and Mercy Hospital share a large percentage of North Metro Market and also share the responsibility for patient care and community health for the region
- Mercy Hospital and independent specialists (Metro Cardiology, etc.) are key providers to HealthPartners' Northwest Metro network
- HealthPartners Medical Group physicians have a tradition of excellent performance and collaboration with the local Allina clinics and Mercy Hospital
- Mercy Hospital is preparing to make substantial investments in patient care services and should do so in conjunction with HealthPartners to avoid duplication, waste and unnecessary cost
- Progress on improving health care quality and reducing costs could be optimized by collaboration and coordination

Background: Organizational Interests



Goals

- Improve the health of the residents and community
- Enhance patient experience
- Improve affordability and total cost of care
- Improve long-term viability of the health care providers and systems in the region

Principles

How We Will Improve Care:

- We will develop systems of care that deliver on the Six IHI Aims
 - Safety: Patients should not suffer injury from care intended to help them
 - Timeliness: Health care should respect and not waste the time of either patients or those that provide services. Care should be responsive
 - Equity: Health care should reach everyone, regardless of their race ethnicity, wealth, gender, sexual orientation, or place of residence
 - Effectiveness: Through clinical integration care is based on the best evidence at all points in the system
 - Efficiency: Health care should avoid waste, including waste of equipment, supplies, capital, ideas, energy, and other resources it consumes at the expense of other potential uses
 - Patient Centered: Health care should be highly individualized and coordinated for patients. It should meet each and every patient/family/respectfully on their own terms, and the individual values should guide every decision
- We will leverage our integrated structures
 - A driving factor in delivering high quality and efficient health care services is having large, dependable and sustainable volumes. Both organizations must commit to use their entire integrated care systems to drive growth
- We will build and maintain an integrated health information system
- We will develop a provider network that maximizes patient access to scarce resources and creates viable practice opportunities for providers

Principles

How We Will Manage Stewardship

- **We will align financial incentives to support the changes necessary to meet our primary goals**
 - Current health care reimbursement systems do not at all times promote the provision of high quality and cost effective care. The sponsoring organizations are committed to systematically aligning financial incentives to assist in driving change
- **We will optimize the use of scarce resources**
 - The organizations will collaborate in the provision of services which require significant capital investment or the use of scarce resources to reduce the risk of investments and best address community needs
- **We will share benefits in proportion to the contribution level**
 - The sponsoring organizations acknowledge and agree that the unlimited number of areas in which they potentially will work together will require multiple and diverse funding and gain sharing arrangements. However the underlying principle for all such initiatives will be shared risks and rewards proportional to each organizations level of contribution
- **We will deliver superior value to patient and payers**
 - The organization will price collaborative patient care services in a fair and market competitive fashion. Reimbursement levels should support the sustainable delivery of high quality care and service

Principles

How We Will Work Together

- **We will operate with the highest legal and ethical standards**
 - All collaborative and care delivery initiatives will be organized and operated in keeping with the highest legal and ethical standards. Any Joint Venture enterprise will coordinate its policies, procedures and operations with the compliance programs of both organizations
- **We will demonstrate community needs and benefits**
 - Prior to initiating significant collaborative enterprises, the sponsoring organizations will demonstrate how the community will benefit from the joint initiative
- **We will build a relationship that is sustainable over the long-term**
 - The changes required to accomplish our primary goals will take a significant amount of time, capital investment, and organizational focus. All sponsors must be committed to sustaining the organization through unproductive personal, political, and competitive pressures from within either organization
- **We will consider adding other partners**
 - The long-term success of a care delivery initiative can be optimized through the involvement of other participants having specialized skills and/or experience. The participants are committed to being open to including other participants when the benefits and end result of the collaboration can be substantially improved through the involvement of others
- **We will maintain our separate identities**
 - HealthPartners and Allina will maintain and grow economically viable and independent programs and brand identities in the market. The parties recognize that this principle may be in conflict and will work in good faith to resolve these conflicts

Measures of Success

We Will Measure Success By:

- **Patient Experience**
 - Patient and member satisfaction
 - Measures of access
- **Population Health**
 - Avoidable deaths
 - Acute care and clinic outcomes
 - Functional status measures
 - Disparities index
- **Per Capita Cost**
 - Total per capita cost for a define set of health outcomes
 - Yearly inflation rate in total per capita cost
- **Market and Financial Success**
 - Financial performance of the system and its components
 - Growth of the providers and plan

Key Relationship Terms

- Long term in nature to accomplish real performance improvement (get out of short-term contact cycle)
- Market sensitive
- Drive leading quality and care performance to reduce total cost of care
- Growth oriented
- Mutually beneficial

Affiliation Agreement

- Overarching agreement that outlines the relationship
- Defines goals, principles and key measures
- Oversight Council
 - Structure and process for joint planning and joint venture developments (commitment to explore joint developments in the market)
 - Dispute resolution process that includes escalation to CEOs
- Clinical Services Committee
 - Physicians and other team members from HealthPartners and Allina jointly plan triple aim improvements
 - Project manager to support
- 7 year term

HP and Allina Clinics Special Payer Agreement

- Creates shared “triple aim” goals
 - Health and Experience
 - Total cost of care goal to moderate trend compared to metro market
- Shared financial risk (withholds and incentives) for Mercy, Allina Clinics and HealthPartners Clinics
- HealthPartners Clinics’ commitment to use Mercy Hospital
- 7 year term

Total Cost of Care

Cost per capita per month (risk adjusted)

Goal: Regional Total Cost of Care is currently 5-7% above metro average, shared aim to achieve Total Cost of Care at or below metro

Maximizing Use of Existing Resources

Imaging Example:

- HealthPartners, Allina and Suburban Radiology share ownership of Diagnostic Imaging
- 2 Outpatient Imaging Centers
 - Coon Rapids
 - Maple Grove
- State-of-the-art services and experience for patients
- Eliminates duplication of high cost technology in the market

Other Agreements

- **Electronic Medical Record Access**
 - First step in place
 - “Read-only” access to Allina’s and HealthPartners’ electronic records (both use Epic)
 - Further integration coming up
- **Hospital Coverage**
 - HealthPartners physicians to provide hospitalist coverage at Mercy

Next Steps

- 2010 is first “official” year of collaboration
- Work teams established
- Identify opportunities
 - Generic prescribing/appropriate treatment for bronchitis
 - OB deliveries: c-section vs. vaginal birth
 - Follow-up appointment within 7 days of mental health admission
 - Care for patient with back pain
 - Avoiding unnecessary hospital readmissions
- Jointly-funded project manager in place