

Investing in Outcomes, Creating Value: Capital Health Plan



Helping chronically ill individuals better manage their conditions improves health outcomes and quality of life, and can save money. A decade ago, Capital Health Plan invested in a strategy to improve the health and quality of life for its highest-risk members. By doing so, it has lowered their expected medical costs.

The Problem: According to the U.S. Department of Health and Human Services, one percent of the sickest people account for 20 percent of all health care costs. The nation's health care system, however, is set up to treat all patients similarly. This approach does not meet the needs of the sickest, and misses opportunities to improve their care and rein in costs, a key component in making health care affordable for an entire community.

The Solution: In 2003, Capital Health Plan set up a small Center for Chronic Care (CCC) to provide concierge-type care to the sickest one percent of patients. The plan invites its highest-risk members, at no extra cost, to have all their health care needs managed by health plan-employed internal medicine doctors whenever patients want or need care.

2012 CCC Results:

Capital Health Plan's Center for Chronic Care has:

- Lowered the trajectory of expected costs for commercial members receiving care at the center—actual costs on average in 2011 were \$24,643 per commercial patient versus predicted average costs of \$28,031;
- Decreased actual costs for Medicare patients treated at the center—average actual costs ran \$19,941 per Medicare patient in 2011 as compared to an average predicted cost of \$22,145;
- Realized an average return of \$1.60 for each dollar invested over the last nine years; and
- Achieved a score between 90 and 100 percent since 2003 on an Institute for Healthcare Improvement same-day access measure for having three or more appointments available at 10 a.m. for patients who need quick access.



Capital Health Plan (CHP) is a nonprofit HMO that serves 126,000 members in the Tallahassee, Fla., area. Rated the best Medicare and commercial health plan in Florida—and third best in the nation—in 2011/2012 by the National Committee for Quality Assurance, CHP is a mixed model HMO that prides itself on providing a medical home to its members, and keeping overhead costs low and quality high.

Meeting the Needs of the Costliest One-Percent of Members

A decade ago, Capital Health Plan set out to improve the care and patient experience for some of its highest-risk members, those with complex chronic conditions. “The system of usual care was not set up to handle these patients’ needs,” says Nancy Van Vesse, M.D., Capital Health Plan’s chief medical officer. This resulted in patients cycling in and out of the hospital for issues that, had they been managed differently, would not have resulted in hospitalization. Medically complex patients, Van Vesse says, need physicians who have the appropriate training and interest to balance the risks and benefits of therapies for multiple conditions. They must have the time to collect information from their patients and create an individualized plan of care. In most practice settings around the country, that does not happen.

Tallahassee retiree and Capital Health Plan member Merle Ladd remembers being invited in 2004 to receive his care at Capital Health Plan’s Center for Chronic Care (CCC). “The whole idea was if you’ve got a lot of conditions, you can’t talk about all your problems in 15 minutes,” says Ladd, 70, a long-time Capital Health Plan member who suffers from diabetes and hypertension, among other conditions. “They were selecting a small group of patients with multiple problems who could benefit from extra care.” Ladd accepted that invitation, and to this day remains satisfied with the program.

Because the center is set up to care for members with complex chronic conditions, Capital does not invite certain other high-cost patients – for example, accident victims or individuals with metastatic cancer – to participate. Center physicians also invite chronically ill members who are willing to partner in their care plans.

Ladd is a medically complex patient whose conditions can quickly worsen if he does not eat well, exercise or take his medicines as prescribed. Today, he feels better than he has in a long time, both physically and mentally. “It’s done a lot for me,” Ladd says. “I’ve gotten my self-pride back.” Patients like Ladd with one or more chronic conditions are more likely to be hospitalized, depressed and incur higher medical costs than others. According to the U.S. Agency for Healthcare Research and Quality, one percent of the U.S. population accounted for 20 percent of total national health care costs in 2008. The average commercially insured patient seen at the center is expected to have costs running nearly \$30,000 annually.

While Capital Health Plan has made adjustments to the program along the way, the center continues today as it has from the start—inviting members identified with a high illness burden to receive concierge-like care without any additional costs to patients. If they accept, they can get same-day appointments with their doctor, lasting as long as a patient needs or wants. “They give you all morning or all afternoon, depending on what you need,” says Ladd, who initially saw his doctor weekly, but now comes in every three months. “It is a program tailored to me, rather than the masses.”

A one-stop care shop, the center supports members in coping with the physical, social and emotional aspects of chronic illness in order to achieve improved outcomes. “It’s a Marcus Welby on steroids practice,” says Van Vesseem, referring to the fictional television doctor who truly listened to, understood and partnered with his patients to create a care plan.

“It is not realistic to expect that this approach will magically make these patients healthy,” says John Hogan, Capital’s president and CEO. “They have multiple chronic illnesses that aren’t going away. However, with better primary care physician oversight and self-management, the objective is to improve their sense of well-being and minimize the demand for rescue care, or use of the ER or hospital.”

A High-Touch, Focused Approach

Like other CCC patients, Ladd was invited to receive care at the center after an analysis of plan members’ diagnosis data revealed that he was at particularly high risk. Of the plan’s 126,000 members, Ladd’s expected health care costs landed him among the plan’s one percent highest-risk patients.

The center has several hallmark features, including a staff comprising internists employed by Capital. About 40 percent of Capital members see a physician employed by the health plans, while 60 percent see doctors who are in Capital’s contracted network. Each CCC physician also gets a risk-adjusted patient panel. While a primary care doctor with average-risk patients typically is responsible for 2,000 patients, CCC internists each have about 300-325 patients on their panel. “This isn’t an easy type of practice,” notes Van Vesseem. “It’s demanding because every patient draws on the breadth of internal medicine. There is no easy patient.”

Unlike some newly established medical homes that rely largely on advanced practice nurses, the CCC runs like a traditional medical practice staffed by primary care physicians with one registered nurse for support. Capital’s approach is one that other organizations establishing medical homes for chronically ill patients can emulate.

“I’ve given the physicians autonomy,” says Van Vesseem. “They know what the goals are.” The CCC’s goals include enhancing the health of its patients, improving continuity of care and reducing unnecessary rescue care by increasing intensive, evidence-based outpatient primary care. “It just makes clinical sense to have such complex patients seen and managed by physicians,” says Van Vesseem. “The administrative costs are truly no greater than the costs of any primary care practice.”

To prevent physician burn-out, the plan is careful to invite only motivated members to join the practice. “A patient’s commitment to change and work with their CCC physician is essential,” says Hogan. Ladd is an excellent example of a motivated patient. In recent months, he began daily tracking of his diet, exercise habits, weight, blood sugar levels and blood pressure.

A few months ago, “I was up to 315 pounds and I was taking about half a drug store of medicines,” Ladd says. “My doctor never got on me about my weight, but she said we could eliminate about half of the medicines with weight control.” Ladd hasn’t looked back. “I’ve lost 30 pounds in the last three months and my goal is to lose 100 pounds.” As a result, his doctor has taken Ladd off some medicines and reduced doses of others. The weight loss has also helped ease his knee pain.

“I was getting down,” he says. “The center has changed all that.” In addition to boosting the quality of Ladd’s life, Van Vesseem says, “his costs are about half of what would be expected over time based on his diagnoses.”

Striving to Meet Triple Aim Goals

Health care systems are too often built on a one-size-fits-all approach, but Capital Health Plan is showing that there is a better way. “The concept was impossible in a fee-for-service environment but made sense for us as a health plan accountable for the quality and cost of care these patients receive,” says Hogan of the CCC.

Looking at its efficiency performance—patients’ actual costs versus predicted costs—the center runs 10 to 12 percent more efficiently for Medicare and commercial members, respectively. “When you’re talking big dollars, that’s a lot of money,” says Van Vesseem, “and the savings are accompanied by high patient satisfaction and improved clinical outcomes.”

“Overall the CCC is a small part of the total operations at Capital Health Plan, but it represents a unique example of what we are trying to accomplish for all our members and the community: improve health, improve health care and positively impact affordability,” says Hogan.

Capital Health Plan is an example of how the nation’s community-based health plans are creating better value in health care. The **Alliance of Community Health Plans** (ACHP) brings together innovative health plans and provider organizations that are among America’s best at delivering affordable, high-quality coverage and care to their communities. Drawing on years of experience, members collaborate to identify problems, share information and work toward solutions to some of health care’s biggest challenges. Their work is the foundation for ACHP’s advocacy on behalf of better health care nationally.