



I D C C U S T O M E R S P O T L I G H T

Aria Health: Transforming to Value-Based Care

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Introduction

Aria Health is the largest healthcare provider in northeast Philadelphia and lower Bucks County. With three community hospitals as well as a network of outpatient centers and primary care physicians, Aria upholds a long-standing tradition of providing advanced medicine and personal care to the many communities it serves. Aria has \$550 million in net revenue and 45 employed physicians across 30 practices.

Vision

Aria is looking to successfully transform its business and care delivery models to effectively manage population health and deliver patient-centric care to the greater Philadelphia community. Through this process, Aria is building the infrastructure to be the leading integrated healthcare delivery system serving northeast Philadelphia and nearby Bucks and Montgomery counties.

Aria is embracing the move to population health management. The organization acknowledges and owns the fact that its business model will change. Looking toward the future, Aria has taken the key steps and made a significant investment in transitioning from a fee-for-service model to a fee-for-value model. An important part of the strategic transformation has been to weave the concept of pay for value into how the operations run, which is a core component of how Aria has implemented its strategy.

Strategy

Aria entered into a strategic partnership with Lumeris in late 2013 and began deploying Lumeris' Consulting Services and Accountable Delivery System Platform (ADSP) to manage roughly 25,000 patients in a shared savings value-based contract. Aria focused its strategy on driving quality outcomes for its entire attributed population, not just those patients who historically accessed Aria physicians or hospitals.

Among the greatest initial challenges was engaging with physicians and care delivery teams to educate them on population health best practices and change some of their daily workflows. Aria recognized that its transformation to a population health provider would require investment before the revenue from

Solution Snapshot

Organization: Aria Health

Operational Challenge: Aria needed a population health services and technology partner to transition from a fee-for-service business model to a value-based business model

Solution: Lumeris' Consulting Services and Accountable Delivery System Platform (ADSP) provides Aria with the necessary capabilities to support value-based care including analytics that identify and stratify patients, conduct performance measurement, establish and monitor care plans, conduct campaigns for selected populations, and communicate with individual patients.

Project Duration: Ongoing, live as of July 2014

Benefit: Aria is achieving more than 80% of its value-based incentives, engaging physicians and the care delivery team with population health data at the point of care, and building the infrastructure to enter into expanded risk contracts.

value-based contracts was realized. Aria hired health coaches, nurse administrators, and individuals with advanced analytic skills to work at the corporate level and assist physician practices in their transition.

With help from Lumeris, Aria created a clinical integration team to assist the practices with changing workflows, defining roles and responsibilities, hiring staff, interpreting data, and developing action plans for both health coaches and nurse administrators. Aria strongly believes that providing physicians with actionable data at the point of care is critical, and it structured the work of the health coaches and nurse care managers to support the delivery of that data.

Aria describes its management strategy for transformation as "physician driven and administratively led."

Operations

Successfully driving better population health outcomes requires collaboration and partnerships, and Aria knew it needed both technology and consulting support. "The thing that we learned in our quest for the right technology and the right partners is that it's as much about the technology as it is about a longitudinal relationship with people who can bring the skill sets for that practice transformation," said Sandy Gomberg, Chief Operating Officer at Aria.

Aria selected Lumeris as a partner to provide both consulting services and technology. Lumeris offers Aria over a decade of experience in population health as well as its multipayer technology, the cloud-based Accountable Delivery System Platform. In addition, Lumeris provides the people, processes, and enabling technology essential for payers and health systems to deliver population health management capabilities.

Lumeris' technology-enabled solutions are supported by the ADSP. Purpose-built for population health, the ADSP integrates claims, EMR, lab, and pharmacy data, which is then transformed into actionable information that is incorporated into a provider's workflow. ADSP tools and reports help providers meet value-based metrics. Aria, with Lumeris' help, established a clinical integration team that is centrally staffed and works with provider groups to share patient data to help close gaps in care. Aria provides physicians with regular reports on gaps in patient care so that physicians can work with patients at the point of care without having to disrupt their workflow. Because physicians receive regular reports, they are able to close the gaps on a more routine basis rather than at the end of the year. Aria has seen a reduction in gaps in care as a result of these activities.

Physician Engagement

One of the challenges of transformation is the ability to motivate physicians and change the way they have practiced medicine throughout their careers. Transformation is about change management, and it affects all dimensions of an organization, including people, processes, technology, and data. Working with Lumeris, Aria was able to assist its physicians in managing the transition by creating new workflows, changing the way charts are prepared for a visit, and identifying staff accountabilities. As a result, the practices have not invested in additional personnel but have dedicated their efforts to identifying and refining the right roles and responsibilities for both administrative and clinical staff.

Aria's Vice President of Quality, Gary Welch, D.O., commented that the key to successful physician engagement is education. Once physicians understand the purpose and outcome of transformation, they need to take the lead in evangelizing the concepts. The most effective way to start the process is physician to physician, and then the physician can work with the office staff and the clinical integration team. Successful transformation takes a commitment from all care team members. Physicians receive a shared savings incentive payment, and Aria is committed to transparency regarding incentives. The linchpin of transformation is the access to actionable data at the point of care so that physicians can see the impact of their work as their patients receive required screenings and preventive services.

Financial Implications

The financing of the transformation from volume-based reimbursement to value-based reimbursement creates many challenges. Investments need to be made well before revenue is received. The timing of payment presents challenges because volume-based payment is quite predictable, while shared savings or other risk contracting is variable. Additionally, based on the mix of patients under risk contracts, some populations may be more difficult to manage than others. This results in both cash flow challenges and potential clinical risk issues. Healthcare organizations must offer financial incentives significant enough to motivate physician behavior change but not overextend expenses.

Aria has been fortunate enough to have large payers in its market helping it with the transition and offsetting some of the costs associated with the services and technology. Many payers across the country are implementing this strategy after recognizing the mutual benefits to both providers and payers.

Andrew DeVoe, Chief Financial Officer at Aria, spoke about the challenge of maintaining the infrastructure and bricks and mortar of the hospitals and continuing to support staff while changing the way the hospital is being paid. "Replacement revenue is the key," said DeVoe. "So, on the one hand, you have to incentivize the physicians to change behavior. On the other hand, you have to make sure that you keep the lights on."

Benefits

Aria completed deployment of the ADSP in July 2014 but had been transitioning to value-based care before that time. Aria reported that since the ADSP implementation, it is receiving more than 80% of the shared savings opportunity. In this early-stage market that continues to evolve, having such tangible results is an indication that Aria is moving in the right direction. The most evident benefit has been the decrease in gaps in care across the whole enterprise. Because physicians have access to data about gaps in care at the point of care, they are able to work with patients to close the gaps and place the order for a screening or preventive service while they are in front of the patient.

Methodology

IDC Health Insights analysts interviewed a number of executives at Aria during a site visit in February 2015. Lumeris staff members were interviewed regarding the services they provide as well as the ADSP. IDC Health Insights' ongoing market research into population health provided the context and background for the interviews.

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