

Nation's Largest Commercial Value-Based Healthcare Program Delivers on Triple Aim



Even before the Affordable Care Act, Horizon Healthcare Services of New Jersey set out to change how healthcare is delivered. A few years into its initiative, the company runs the largest commercial Episodes of Care (specialty-value-based) program in the country, and is delivering impressive results in quality, patient experience and cost reduction.

The healthcare landscape has changed more in recent years than in any other time – led by the Affordable Care Act (ACA). But prior to ACA mandates, Horizon Healthcare Services of New Jersey (Horizon) was already working in earnest to achieve the triple aim of improving quality, affordability and enhanced patient experience.

In 2010, Horizon took its first steps toward migrating from a fee-based model to value-based, where physicians are paid for their performance, for bringing value to patients. At the time, the move was partly, and surprisingly, driven by physicians, who were pushing for a way to improve quality and reduce cost.

“We wanted to create something that changed the paradigm for how payers and providers interact and push toward the triple aim,” says Lili Brillstein, Director of Episodes of Care at Horizon Healthcare Services.

ORGANIZATION

Horizon Healthcare Services

CHALLENGE

Move from fee-based to value-based care models to improve quality, and increase patient satisfaction and cost reduction.

SOLUTION

The company relies on the Health Care Incentives Improvement Institute's PROMETHEUS Payment® model for a sophisticated set of algorithms to help build its Episodes of Care bundles.

EPISODE-SPECIFIC RESULTS

Knee revisions after replacements

EOC: 1.05%

Non-EOC: 5.4%

Hip revisions after replacements

EOC: 2.4%

Non-EOC: 6.1%

Average cost of hip replacement

EOC: \$24,484

Non-EOC: \$34,840

Inaugural EOC partners: \$23,745

All-cause re-admissions

	EOC	Non-EOC
Knee	1.06%	1.36%
Hip	0.96%	1.52%
Knee Arthroscopy	0%	4.49%

“Horizon is a true trailblazer in this space,” says Dr. Amita Rastogi, CMO, HCI³. “Under Lili’s leadership, the Horizon Episodes of Care program has become one of the fastest-growing and most progressive programs in the country.”

But growing a successful EOC program required a number of key steps.

Beginnings: A Bundled Payment Model

As it ventured into value-based care, Horizon chose the episodes of care model to engage specialists and integrate with its already existing patient-centered medical home (PCMH) and accountable care organization (ACO) models. The company partnered with HCI³ to implement its new episode-based model.

An episode of care refers to the full spectrum of health care services related to and delivered for a specific medical condition, illness, or procedure during a defined time period. It is designed to engage specialists, and refocus health care delivery and reimbursement, on quality and value rather than volume.

The EOC model differs from fee-for-service care, where the focus is on the individual encounter, regardless of the patient’s outcome or experience. In the EOC model, the focus is on all the care delivered to a patient, across the full continuum of care, related to a particular health care diagnosis, or procedure. The goal is to streamline the care for the patient, and encourage care coordination, communication and collaboration across the health care continuum.

“Of all the triple-aim models that focus on quality, improving patient experience and total cost of care, the bundled payment or episode of care model really is the most manageable – so the easiest to jump into,” Brillstein says. “Instead of focusing on a single provider and what that provider can achieve, it puts the patient at the center and focuses on everything that actually happens to that patient related to a particular medical condition, illness or procedure.”

A primary goal of the episodes program, says Brillstein, is to group similar patients with similar conditions, to enable the study of variation in outcomes and cost of care delivery stemming from differences in provider practice patterns, and allow for standardizing and optimizing that care.

Physicians as “Conductors” of Care

While Horizon held claims data, it needed the technology infrastructure and ability to analyze data automatically to determine the optimal bundles. Thus, the company teamed with HCI³ for the algorithms to establish bundles.

“We chose to use HCI³’s PROMETHEUS Payment[®] model for a number of episodes because HCI³ had the most sophisticated set of bundled algorithms in the marketplace,” Brillstein says. “Without that, our ability to actually implement would have been severely hampered and delayed.”

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– Lili Brillstein, Director of Episodes of Care at Horizon Healthcare Services

In Horizon’s retrospective model, the company pays all providers at fee-for-service rates as their care is delivered. Then, Horizon reviews all care episodes against quality benchmarks and patient experience thresholds. If those targets are met, and costs come in below budget (determined at a practice level), the company shares savings with the physician or practice.

In this model, Brillstein sees the practice or physician as the conductor who orchestrates the full spectrum of care related to a specific service, procedure or diagnosis within a defined time period.

EOC Partners Outperforming

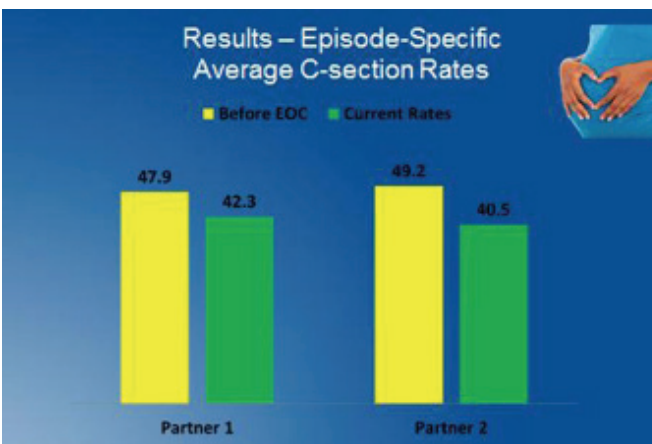
Horizon began with a pilot program in 2010, choosing total hip and total knee replacements as its first episodes. Since then, the company has expanded to nine total episodes:

- Hip replacement
- Knee replacement
- Knee arthroscopy
- Pregnancy and delivery
- Colonoscopy
- Breast cancer
- Heart failure (HF) – formerly called congestive heart failure (CHF)
- Lung cancer
- Colon cancer

Plans for 2016 include expanding to additional episodes in gastroenterology, cardiology, orthopedics, gynecology and oncology.

Today, Horizon’s Episodes of Care program includes more than 900 physicians. By the end of 2015, the company completed more than 12,000 care episodes and had several thousand episodes in-flight – making it the largest commercial bundled payment program in the country.

Even more impressive, Horizon has made real progress in its quality care objectives. EOC partners are outperforming non-EOC partners on measures, including quicker recovery time following orthopedic surgeries, lower length of time for pain medication use, and reducing the rate of unnecessary C-sections (New Jersey has the highest rate of C-sections in the U.S.).



In addition, claims data on outcomes across 200,000 Horizon Healthcare Services members in 2013 and 2014 found significant quality improvements from its collective value-based programs:

- 6% higher rate in improved diabetes control in 2014
- 3% higher rate in cholesterol management in 2014
- 3% higher rate in breast cancer screenings in 2014
- 8% higher rate in colorectal cancer screenings in 2014

Results also showed that physicians delivered more active care at a lower cost:

- 5% lower rate in emergency room visits in 2014
- 8% lower rate in hospital admissions in 2014
- 4% percent lower cost of care for diabetic patients in 2013; no results for 2014
- 9% lower total cost of care in 2014

Even small percentage changes represent substantial savings.

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Best Practices in Value-Based Care

Brillstein points to a number of best practices that have driven Horizon’s success. First and foremost, provider engagement – from the outset – has been exceptionally high.

“Our Episodes of Care initiative has been very collaborative from the beginning,” Brillstein says, “and that is the key reason that I love the retrospective model as a way to begin to implement these programs. It created an unprecedented environment where the spirit and nature of the relationship between payer and providers is completely different than in fee-for-service. The program is ‘upside’ only. If metrics are met and savings are achieved, providers receive a share; if they do not, we work with them to figure out why, but they do not owe us money back. If we had started by immediately transferring risk to the provider, we wouldn’t have this opportunity to collaborate and build this level of trust.”

Dr. Amita Rastogi adds that Brillstein’s understanding of and passion for episodes of care and bundled payments, and her work with the PROMETHEUS Analytics has contributed significantly to the advancement of the concept and to the national momentum among health care providers and payers.

“Lili’s collaborative spirit is infectious as she describes how episodes of care can change the way health care is delivered and reimbursed,” Rastogi says. “Through her leadership we see providers and payers working in close collaboration with mutual trust, and with a common goal – to have the patient’s medical and financial wellbeing as their true success factors.”

Collaboration means that Horizon consults with physicians from the very beginning when it plans to launch new episodes of care. They meet with groups of physicians to discuss what care usually looks like, the

analytics behind episodes and how the bundle might be constructed. Those efforts have paved the way for a new kind of relationship between the payer and its network.

“It’s unprecedented,” Brillstein says. “In my career, I’ve never seen this kind of supportive, engaged, collaborative relationship, and it’s wonderful. Physicians love the program. And together, we are all learning how to create success in this fee-for-quality/value model. Once we migrate to a prospective model (i.e., where physicians will take on risk), we will all be better prepared and engaged.”

“What’s been very exciting is to see how our physician partners have actually become ambassadors for the program,” Brillstein adds. “They talk with their colleagues, and present publicly about the program and their engagement. It is true collaboration – something we have not typically seen in managed care.”

Additionally, access to sophisticated algorithms to establish bundles has helped speed the growth of the program, which Brillstein sees continuing at its current, if not accelerated, pace. For each new episode of care, Horizon confers with HCl³ to go beyond the data and ensure that algorithms are clinically relevant.

“The collaboration between Horizon and HCl³ has been very rewarding,” Brillstein says. “We can build an episode around anything as long as we’re able to define it in terms of related costs, services and timeframe. We can select from a menu of 94 episodes and we’ve already got a good starting place and a direction on how to quickly launch new episodes of care. We’re great partners.”

About Health Care Incentives Improvement Institute, Inc.

Health Care Incentives Improvement Institute, Inc. (HCl³) is a not-for-profit organization that aims to create significant improvements in the quality and affordability of health care through evidence-based incentive programs and support of payment reform models. It is the umbrella organization for the Bridges to Excellence® program and the PROMETHEUS Payment® model, as well the creator of episode of care, or Evidence-informed Case Rates (ECRs), definitions and the PROMETHEUS Analytics®. Through these components, HCl³ offers a comprehensive package of solutions to employers, health plans and coalitions to improve the flawed incentives that currently permeate the U.S. health care system.



Learn more about how HCl³ enables payers and providers to achieve quality care objectives at www.hci3.org