

3M Health Information Systems

Case study:

Wheaton Franciscan Healthcare-Iowa and Wellmark® Blue Cross® and Blue Shield® of Iowa

“When we showed our physicians overall performance data, their reaction was ‘Okay. Now help us tie the VIS score to patient care.’ When we handed them a list of patients who had gaps in care, that was powerful. The list was something they could relate to—it was actionable and enabled them to implement an effective care management plan.”

— Jeff Halverson, vice president, Physician Network,
Wheaton Franciscan Healthcare-Covenant Clinic

Payer-provider collaboration demonstrates results

Wellmark Blue Cross and Blue Shield of Iowa (Wellmark) launched one of the first ACOs in the Midwest. Within one year of joining the shared savings payment model, **Wheaton Franciscan Healthcare-Iowa (Wheaton Iowa)** met and exceeded its quality goals, earning an incentive payment and a share in savings.

Snapshot of Wheaton Iowa

Wheaton Iowa was one of the first health systems to become part of the Wellmark ACO. The organization includes Covenant Medical Center, Inc., Sartori Memorial Hospital, Inc., Mercy Hospital of Franciscan Sisters and Covenant Clinic. The primary entity engaged in the ACO is Covenant Clinic, a multi-specialty practice with 144 providers, which includes 54 primary care physicians. Covenant Clinic serves an eight-county service area in Northeast Iowa. As part of the ACO contract with Wellmark, Wheaton Iowa/Covenant Clinic is responsible for the quality of care for 20,000 lives and assumes financial risk for 10,000 lives.



The 3MSM Value Index Score

The 3M Value Index Score (VIS) is a single score that represents how well a primary care physician cares for his or her patients, regardless of their health status (i.e., healthy to chronically ill). Some key features of the 3M VIS include:

- Supports efforts to achieve the Institute for Healthcare Improvement's Triple Aim
- Uses measures that are consistent with the principles of good primary care
- Supports continuous measurement and improvement for system change
- Captures the processes and outcomes that lead to high-value healthcare
- Allows for an "apples-to-apples" comparison of providers
- Is based on claims data, which helps reduce administrative burden
- Correlates with total cost of care
- Helps providers improve performance, since it uses measures that can be influenced by primary care

"I think we're on the right path to potentially more integrated types of arrangements that better meet customer expectations. Customers have different expectations and want to know what they are getting for their value."

— **Mike Fay, vice president, Health Networks, Wellmark**

The challenge: Reduce costs while improving quality and outcomes

Wellmark has been on a journey to value-based care during the last decade. The first step in 2007 was to create and implement a new inpatient payment program, using the **3MSM APR DRG Classification System (3M APR DRGs)**, to more accurately reflect care and costs, coupled with a primary care physician pay-for-quality initiative. In 2010, Wellmark built upon this work by implementing a new outpatient payment approach using the **3MSM Enhanced Ambulatory Patient Grouping (EAPG) System**. Today, Wellmark is engaged in a ground-breaking shared savings payment model that began in early 2012 and has relied on **3M Health Information Systems (3M)** for the analytics, tools and guidance to meet these value-based care objectives.

Wellmark developed a standardized ACO contract for health systems and primary care practices that included an approach for member attribution, a model for shared savings, financial targets and a quality incentive payment based on the **3M Value Index Score (VIS)**.

Throughout its transformative journey, Wellmark has worked collaboratively with its providers on the design and implementation of each initiative. Together, both the plan and its providers are learning and evolving the strategies and action plan for achieving their goals—reducing costs while improving quality and outcomes.

As one of the first five health systems to become part of the Wellmark ACO contract, Wheaton Iowa wanted to find an effective approach for engaging the Covenant Clinic physicians, who were the key participants in the ACO. One of the lessons learned from the other health systems participating in the ACO was that commitment from plan and provider leadership, along with buy-in and active engagement, were essential to success—particularly as it related to performance on the quality measure being employed, the 3M VIS.

The solution: Collaboration, provider engagement and transparency

A collaborative framework and governance structure was established by Wellmark and Wheaton Iowa, which included joint committees (ACO Steering and Operations Committees) as well as teams within Wheaton Iowa to ensure full-scale engagement of those whose expertise, buy-in and participation would be required. The Wheaton Iowa teams examined data, identified and addressed issues and processes for improvement, and helped further develop the information and data that the physicians needed from the physician perspective.

Key elements of success for Wheaton Iowa included:

- **Data sharing.** Wellmark, through 3M's online dashboard, provides the analytic tools and data to the system and physicians, and is helping to train and educate them on how to use the tools. Risk-adjusted data on costs, quality and population health status are available through the dashboard. This dashboard uses **3MSM APR DRGs**, **3MSM Clinical Risk Groups (CRGs)**, potentially preventable events, total cost of care metrics, and the 3M VIS, which is the quality measure linked to shared savings and quality incentive payments.
- **Comparative analytics.** Wheaton Iowa was one of the first systems within the Wellmark ACO to provide physicians with detailed, comparative analytics in a "safe" environment. "We knew it would be concerning to put an absolute number out there for all physicians to review, so we shared the information in a way that would make our physicians comfortable," says Jeff Halverson, vice president, Physician Network, Wheaton Iowa/Covenant Clinic. "Primarily, this occurred during department meetings."

The dashboard and reports enable the physicians to drill down to the patient level and generate patient lists for care management and gaps in care, which is strengthening effective care management.

- Transparency and collaboration.** This level of transparency and data sharing across the system is building trust within the organization and between the payer and provider, an important contributor to achieving desired results. In fact, the collaboration between physicians and Wellmark has led to a better understanding of the type of data and reports physicians are looking for. Sheryl Terlouw, Wellmark’s director of Network Innovation notes, “We are learning a lot from each other and are able to give physicians what they need. This experience has been a straight-up learning curve—every day is a school day for us.”

In addition, Halverson believes the collaboration between Wellmark and Wheaton Iowa has offered new insights into how Wellmark is thinking and evolving its strategies moving into the future.

Among the initiatives conducted by Wheaton Iowa were:

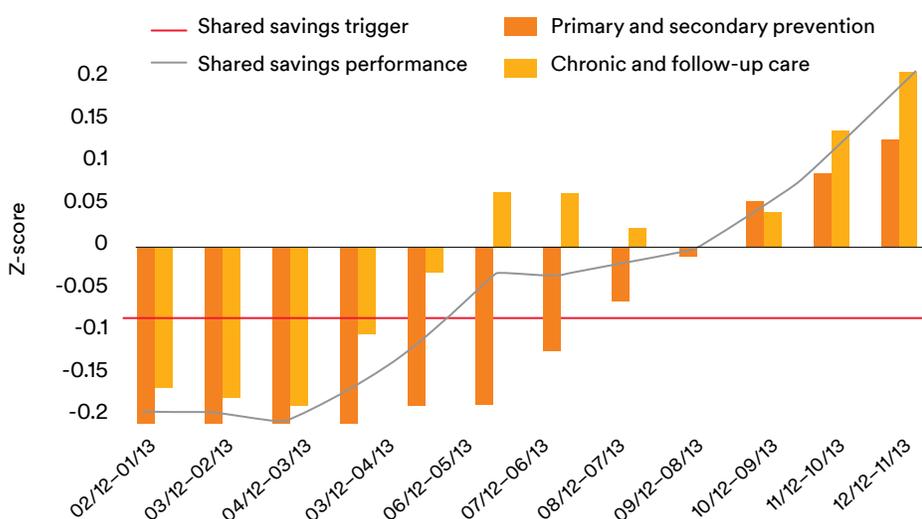
- Using reports to retrospectively identify individual patients with gaps in care
- Building health maintenance into the electronic health record (EHR), which provides recalls and reminders on a prospective basis
- Creating process teams that identified necessary changes to improve results, including the process for scheduling screening mammograms, handling patient no-shows and cancelled appointments, and contacting chronically ill patients to schedule visits with their primary care provider

The results: Exceeded quality and financial goals

After two years, the Wellmark shared savings payment model is showing results. The initial five ACOs have improved their quality scores by over 35 percent and saved more than \$12 million during the first two years.

After its first year, Wheaton Iowa had already met and exceeded its established quality and financial targets.

Figure 1. Wheaton Iowa quality trend



Real results

Within one year of joining the ACO shared savings payment model with Wellmark, Wheaton Franciscan Healthcare-Iowa met and exceeded its established targets on quality and financial measures, making it eligible for a quality incentive payment and a share in the savings. Specifically, the organization:

- Exceeded savings by more than three percent
- Was eligible for quality incentive payments
- Achieved quality goals for both primary and secondary prevention measures and managing chronic and follow-up care, as determined by the 3MSM Value Index Score (VIS)

Measuring and rewarding performance

A critical component to the Wellmark shared savings model was to avoid sacrificing quality to achieve savings. They accomplished this by measuring the ACOs’ past quality performance to establish a baseline. To receive any shared savings or a quality incentive payment, the ACO must outperform its historical performance, or the shared savings trigger must be met.

The Wheaton Iowa trigger, based on past 3M VIS performance, was a -0.09 Z-score, as shown in figure 1. A Z-score represents a normalized performance score measured by standard deviations from the mean, with zero (0) representing the network mean. Wheaton Iowa’s 3M VIS historical performance was slightly below the network mean, but an important part of Wellmark’s program is to incent improvement regardless of an ACO’s starting point.

Case study: Wheaton Franciscan Healthcare-Iowa and Wellmark BCBS of Iowa

Achieving unexpected results

Wheaton Iowa built teams that were laser-focused on understanding and improving each measure. Their results were remarkable, as demonstrated by a year-end 3M VIS of 0.19. With the savings trigger met, Wheaton Iowa qualified for both shared savings and a quality incentive payment.

Fay says, “The results were far better than we [Wellmark and Wheaton Iowa] had anticipated. We thought Wheaton Iowa would show modest improvement, but they generated three percent in savings above their financial target.”

Lessons learned

- **It’s important to get physicians “on board” early through a number of sessions.** This helps with physician buy-in, engagement and understanding, particularly when a new measure, like 3MSM VIS, is rolled out and tied to payment.
- **Listen and learn from each other.** It’s important to view the world from others’ perspectives and meet their needs. This understanding helped Wellmark provide the reports and data that physicians knew would help them deliver better care.
- **Set goals but don’t be prescriptive.** While the plan, in collaboration with providers, sets the goals and targets, it’s up to the providers to operationalize how they meet them.
- **Don’t necessarily limit up-front risk options.** Based on their experience, Wellmark and Wheaton Iowa agree that in retrospect they could have taken on more risk so that the physicians and the organization could have realized greater revenue from the savings.
- **The learning never ends.** Through transparency and collaboration, Wellmark and Wheaton Iowa continuously gain new insights that help refine their strategies for achieving quality and cost goals.
- **Leadership buy-in is vital for success.** Leadership vision and commitment to design, collaboration, engagement and transparency are essential ingredients to success. Without this commitment, accountability and sustainability are not assured.



“This experience has been a straight-up learning curve—every day is a school day for us.”

— Sheryl Terlouw, director, Network Innovation, Wellmark

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