It is likely you are answering the call to lead healthcare today because you have a deep, passionate commitment to improve the human condition. If we don’t lead the journey from integrated delivery systems to population health, we will be remiss,” Stephanie S. McCutcheon, FACHE, told participants of “The Journey to Value-Based Care for Population Health: Sharing, Scaling and Replicating to Accelerate Results,” a program funded in part by The Foundation of ACHE’s Fund for Innovation in Healthcare Leadership and held Aug. 11, 2014, in conjunction with ACHE’s Washington, D.C., Cluster.

Throughout the program, McCutcheon—an innovation and transformation advisor and principal at McCutcheon & Co.—and a series of panelists shared information on the journeys several health systems have taken to make the move from integrated delivery to population health. Community systems and academic medical centers alike are continuing to share their innovative reform models, from which they have achieved successful results. The presenters highlighted how their organizations are engaging both their own employees and the communities they serve in a culture of health and wellness.
“Most leadership teams chart the objectives of the journey to value-based care, what the metrics are, how to measure them and what the design team is going to put together to deliver on the objectives,” said McCutcheon. “We must ensure that what we design can be replicated and scaled and is sustainable.”

Throughout the program, panelists shared how their organizations are learning through innovation and perseverance about how to successfully join in the population health journey.

**An Integrated System Evolution**

Gayle L. Capozzalo, FACHE, executive vice president and chief strategy officer at Yale New Haven (Conn.) Health System, a large, nonprofit academic medical center, described her organization’s journey to forming a relationship with a large, for-profit community-based healthcare system, Tenet Healthcare.

“The story starts with a revision in our mission, vision and values,” Capozzalo said. “The thing we did that made the most difference on this journey was we revised our vision. We’re a very large organization that has always been about providing the highest-quality patient care. We are still very focused on the patient, as we should be, but we incorporated into our vision the broader concept of making a difference in the lives of those we serve: to think about the patient and the person he or she is before becoming a patient and after.”

This revision in the organization’s vision helped create the rationale behind Yale New Haven Health System’s desire to form a strategic affiliation with a for-profit. “We recognized that if we were going to create the integrated delivery network we needed, we had to think about the word collaboration.”

At the same time, Capozzalo’s organization was recalibrating its vision, Vanguard Health Systems (now Tenet) was beginning to look at expanding its network in Connecticut. The two organizations began talking about how they might build a strategic relationship.

“The goal was to set up a strategic collaboration that allowed for network development and population health, that created the infrastructure for population health and that allowed us to take risk for the care of a defined population in Connecticut, New York and Massachusetts,” Capozzalo said.

The result of this strategic alliance was the creation of two organizations. The first is a regional provider organization that is owned 20 percent by YNHHS and 80 percent by Tenet. Capozzalo said the 20 percent owned by YNHHS does not require capital and is based on providing high-quality clinical services to these hospitals. The second organization formed by the collaboration is a clinically integrated network that “takes risk,” Capozzalo said, and is owned 50/50 by YNHHS and Tenet. According to Capozzalo, the clinically integrated network is capable of providing the population health YNHHS sought to achieve through such a collaboration.

Among the clinical benefits of the integrated network, Capozzalo told the crowd, are providing one standard of care, focusing on the health of the population and managing patients across a continuum of care. Specific population health-related activities YNHHS offers include outcomes tracking, chronic disease management, predictive analysis, post-acute care, case management, a patient portal, wellness, field support and patient outreach.

“When we think of population health, we think of managing care across the continuum,” Capozzalo said.

**Inspiration Meets Innovation**

“The things that made us successful in the last 20 years is not the set of cards you want to take into the future,”
Jean A. Wright, MD, vice president for innovation at Charlotte, N.C.-based Carolinas HealthCare System shared as she began her presentation about using innovation to accelerate transformation.

Wright discussed how moving healthcare organizations into new models of care delivery, such as population health, will require new skill-sets to help facilitate this transition and transformation. Specifically, she discussed how building a skillset around innovation can help accelerate transformation and help organizations ready themselves for new care models.

Wright has studied and applied strategies from leaders in the field of innovation such as David Kelley, founder of the company IDEO, which has created products such as the first mouse for Apple.

“Learning from people like him, I realized there’s a science to innovation,” Wright said. Wright described how, according to Kelley, there are four fears that hold organizations back from taking risks and trying new things: fear of the messy unknown, fear of judgment, fear of letting go and fear of the first step.

Wright said Carolinas has a system to help team members get past all those fears. To help staff get over the fear of the unknown, work teams are sent on exercises such as conducting interviews, doing walk-throughs of various departments and doing observations. To address the fear of judgment, staff members are encouraged to present their work as a kind of show and tell, make videos of it and even post it to YouTube.

Having staff members put their work out there and discuss it with others in the organization helps them get over the fear of letting go. At Carolinas, staff members participate in a gallery crawl during which they can display what they’re working on and others can openly give feedback on it. To get over the fear of taking the first step, staff members make a cardboard prototype of every new area they’re going to build.

At Carolinas, the definition of innovation is “creating value through the identification and implementation of new ideas.” Wright reports to the chief strategy officer, who reports to the CEO. She said her organization has a “crisp set of metrics” by which it measures innovation. It also adheres to a set of guiding principles regarding innovation. Among those principles are honoring diversity of thought, believing the risk of not creating exceeds the risk of creating, and embracing and learning from “smart failure.”

Carolinas awards those who try and fail with a gear-shaped trophy. “If you don’t begin to recognize those folks who are sticking their necks out, you will not break free in a culture,” Wright said. “We do not think we can get people from the volume to value curve without recognizing those people who are willing to take risks.”

An Employee Accountable Care Journey

Thomas Auer, MD, CEO of Bon Secours Virginia Medical Center in Richmond, discussed how the medical center is applying population health management to its employees through an employee accountable care organization. “We are creating for our employee population a health and wellness activity and culture,” he said.

The organization, which has nine hospitals, 1,500 inpatient beds, 650 employed physicians (with a total medical staff of 3,000 physicians), and a total of 12,500 employees, was told...
in 2010 by its actuaries that its healthcare costs would have to be budgeted to go up 11 percent the following year. “We knew we had to do something very dramatic and different,” Auer said.

Next on the list was encouraging employees to identify a primary care physician. In 2010, when Bon Secours began tackling population health among its employees, the leadership discovered that only 40 percent of employees could identify a primary care physician (no insurers in the organization’s market required patients to do so). “We started saying that in year two of the program, everyone needed to have a primary care physician,” Auer said.

To further improve health among its employee population, the next year the organization added more incentive programs and more activities to identify high-risk populations and work with them to make sure they got in to see a primary care physician. As part of the incentive program, for the 2013–2014 year, participants could earn $300 each for achieving any of the following three health behaviors: completing both parts of a personal health assessment; getting three preventive screenings (e.g., a physical, mammogram, colonoscopy, flu shot); and maintaining a healthy weight.

The program achieved 90 percent employee participation.

The biometric screening and personal health assessment screenings also are available to employees’ significant others. “Getting the families engaged has been a tremendous success,” Auer said.

Most recently, the organization has added some advanced testing focused on addressing risk factors for conditions such as diabetes and obesity. Bon Secours employees and their spouses also have access to health coaching. The health coaching component of the ACO is called the Partner for Health program. It involves coaching by telephone (six-month lifestyle coaching or nine-month condition management) and advanced laboratory testing.

The advanced testing uncovered key information about the employee population such as the fact that 58 percent of participants were at risk for developing diabetes and 65 percent were at risk for heart disease. Uncovering this type of information has been critical to getting the employee population on the way to wellness, according to Auer. He shared that within approximately six months of the program’s start, dramatic health improvements among

---

The program “The Journey to Value-Based Care for Population Health: Sharing, Scaling and Replicating to Accelerate Results” was funded in part by the Fund for Innovation in Healthcare Leadership, a philanthropic initiative of the Foundation of the American College of Healthcare Executives. An article on the second of two Fund programs for 2014, “Ethical Leadership in Uncertain Times,” will appear in the May/June 2015 issue of Healthcare Executive.

The Fund was established in 2006 to bring innovation to the forefront of healthcare leadership by developing and enhancing its focus on future healthcare leaders, ethics in healthcare management and healthcare management innovations. In its commitment to developing future leaders, the Fund also has provided scholarships for the Foundation of ACHE’s Senior Executive and Executive Programs.

Since the Fund’s inception, more than 2,000 generous donors have made contributions totaling more than $3 million. This support has enabled the Fund to strengthen the field of healthcare leadership by providing educational opportunities on important trends and issues.

For more information on the Fund, including ways to contribute, please visit ache.org/Innovation or contact Timothy R. Tlusty, vice president, Development, ACHE, at (312) 424-9305 or ttlusty@ache.org.
employees were already being seen. For example, 19 percent of participants lowered their risk for diabetes, and 42 percent lost a total of 4,336 pounds.

Next up? Expanding the employee ACO program to other employers within Bon Secours’ community, to further extend the population health reach. “We are ready to take it out into the market,” Auer said.

Using Metrics to Project Savings
Ron Loeppke, MD, vice chairman of U.S. Preventive Medicine in Jacksonville, Fla., discussed the measurement of a population’s health risks and how it is useful in managing and improving the health of a population. “In the future, we’re accountable for a whole population of people who may never come into the clinic or hospital,” he said.

Loeppke discussed 15 Key Health Risks as defined by Dee W. Edington, PhD, former director of the Health Management Research Center at the University of Michigan. These health risks, such as blood pressure, cholesterol, smoking and stress level, carry risk levels of low, moderate or high. By knowing the health risk levels of a population, providers can take better-guided preventive steps in helping individuals manage their health status.

Prevention strategies for managing a population’s health, according to Loeppke, can be divided into three categories: primary prevention (achieved through health promotion and wellness); secondary prevention (achieved through screening and early detection); and tertiary prevention (achieved through early intervention and care management).

Loeppke stated that a growing body of evidence through years of research has demonstrated that, “Health costs follow health risks,” he said. He shared how various employer-focused, value-based performance metrics can aid population health management. Engagement with the patient population—through health assessments, health coaching and health management—is one. Another example is health risk identification and mitigation. By reducing certain health risks, costs are reduced and employee productivity is increased.

He shared results of a wellness program designed to improve population health. Participants experienced reductions in the prevalence rates and associated claims costs of 12 out of 13 health risk measures (including blood pressure, cholesterol, weight, tobacco usage, etc.). When comparing claims data of the employee wellness program participants and non-participants, participant costs dropped 15 percent compared to non-participants. This, Loeppke shared, resulted in a $494 per employee, per year average savings for wellness program participants versus non-participants.

Metrics such as these also reveal other crucial information for employers to know, according to Loeppke, such as costs for lost work time. “As health risks go up in an individual or population, the amount of absenteeism and presenteeism go up,” Loeppke said.

For Loeppke, using data and metrics is crucial to ensuring true population health management. “It’s not good enough to just focus on people with medical conditions to improve the quality of their care,” he said. “We have to go upstream and manage the health risks of the whole population so not as many people fall into the river of illness in the first place.”

Jessica D. Squazzo is senior writer with Healthcare Executive.