



HEALTHTRUST<sup>SM</sup>

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*July 24<sup>th</sup>, 2017*

## The Clinically Integrated Supply Chain

*Jay Kirkpatrick*

*Regional CEO, Healthtrust*

# Why we engage

# HCA's Tri-Star Division Engaged Spine Surgeons

## Spine Best Practices Committee

- 2013
- Physician-led
- Multiple-stakeholders
- Agents for Change
  - Physician Forum
    - Best Practices
    - Patient Outcomes
  - Evidence evaluation
  - Access to data
- Savings
  - Osteobiologics
    - 32% decrease in costs for participating group
    - 27% increase in costs for non-participating

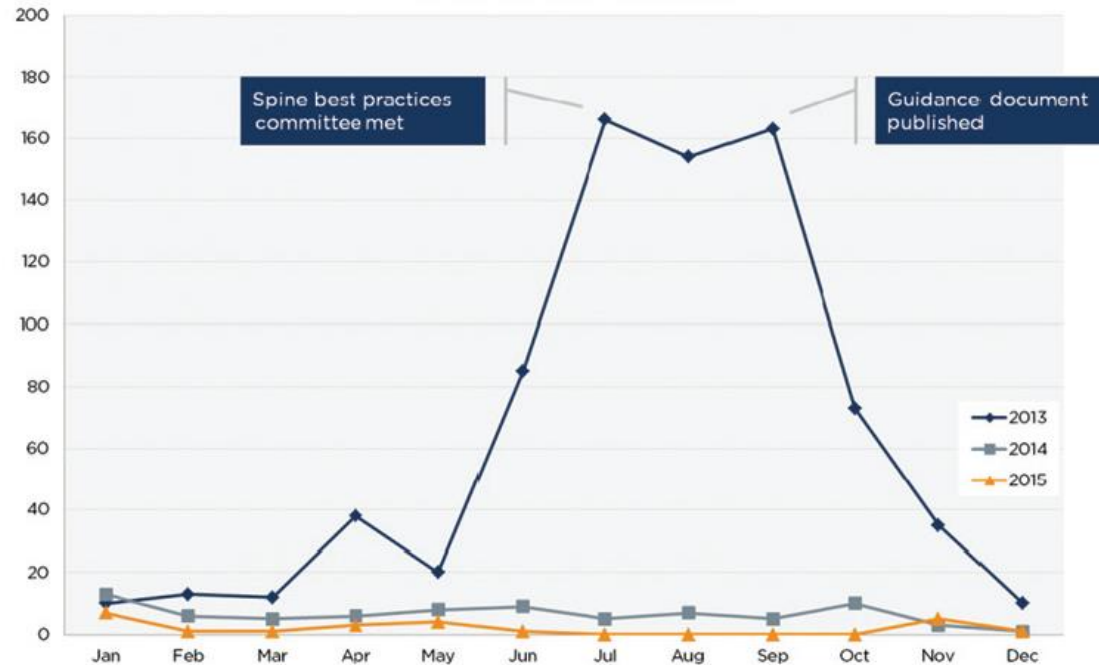


Figure 1: Stem and amniotic cell utilisation (doses implanted) HCA TriStar division

# HCA's Clinical Value Analysis Committees



- Physician-led
- Multiple stakeholders
- Evidence-based approach to evaluating devices, drugs, capital equipment evaluations



- Physicians requesting new technologies bring clinical evidence to committee



- Clinical evidence
- True cost of using the product
- Ripple effect of disapproval

## The Results

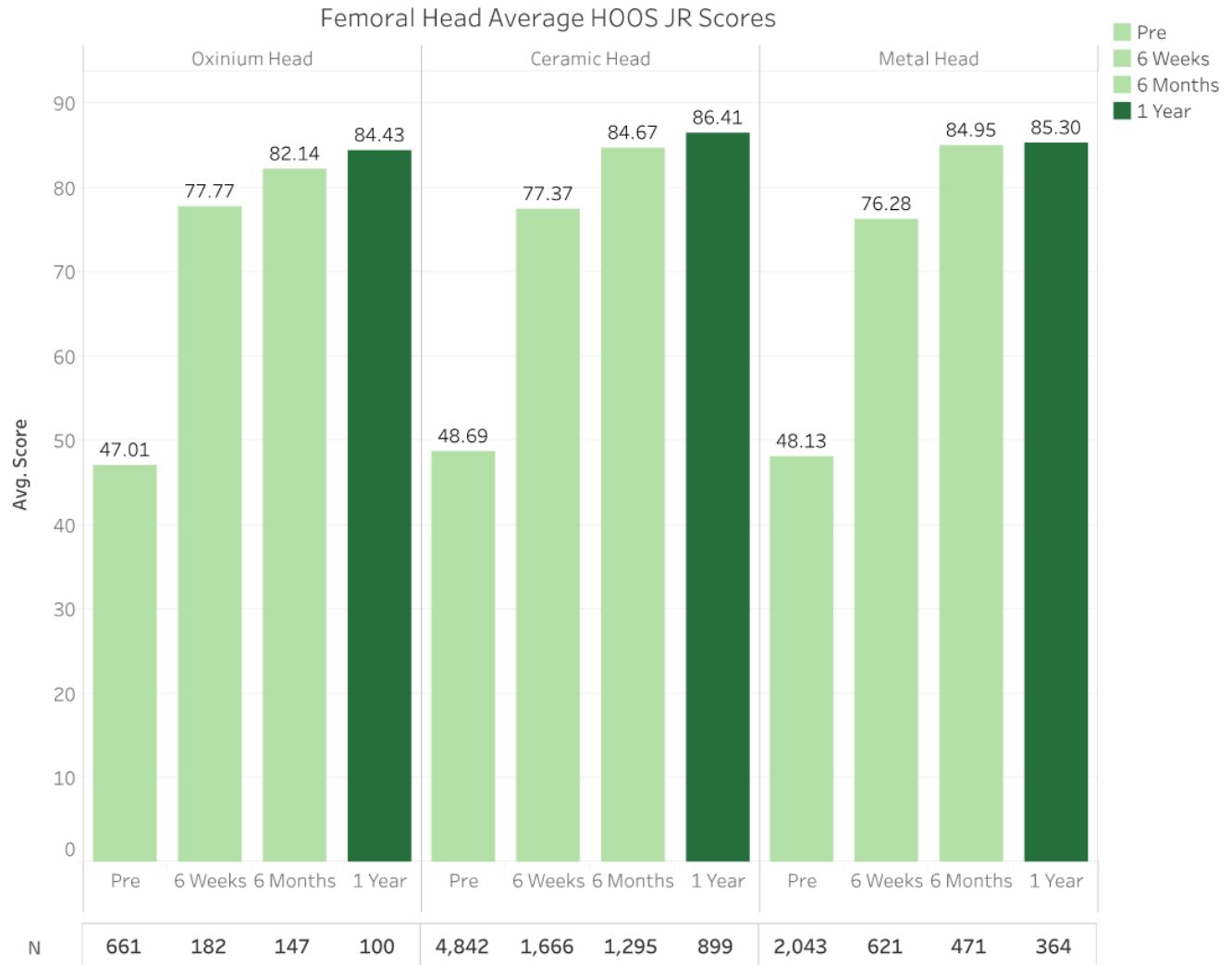
2011 - 2015

- 119 products evaluated
- \$5 million saved
  - Reducing variation through defined criteria for use
  - Improved compliance with current contract
- Avoided another \$1.8 million in additional costs from declined products
- Reduce technology creep
- Platform for partnership on patient care initiatives (Trust/Transparency)

# Engage with Evidence

## Engagement Process

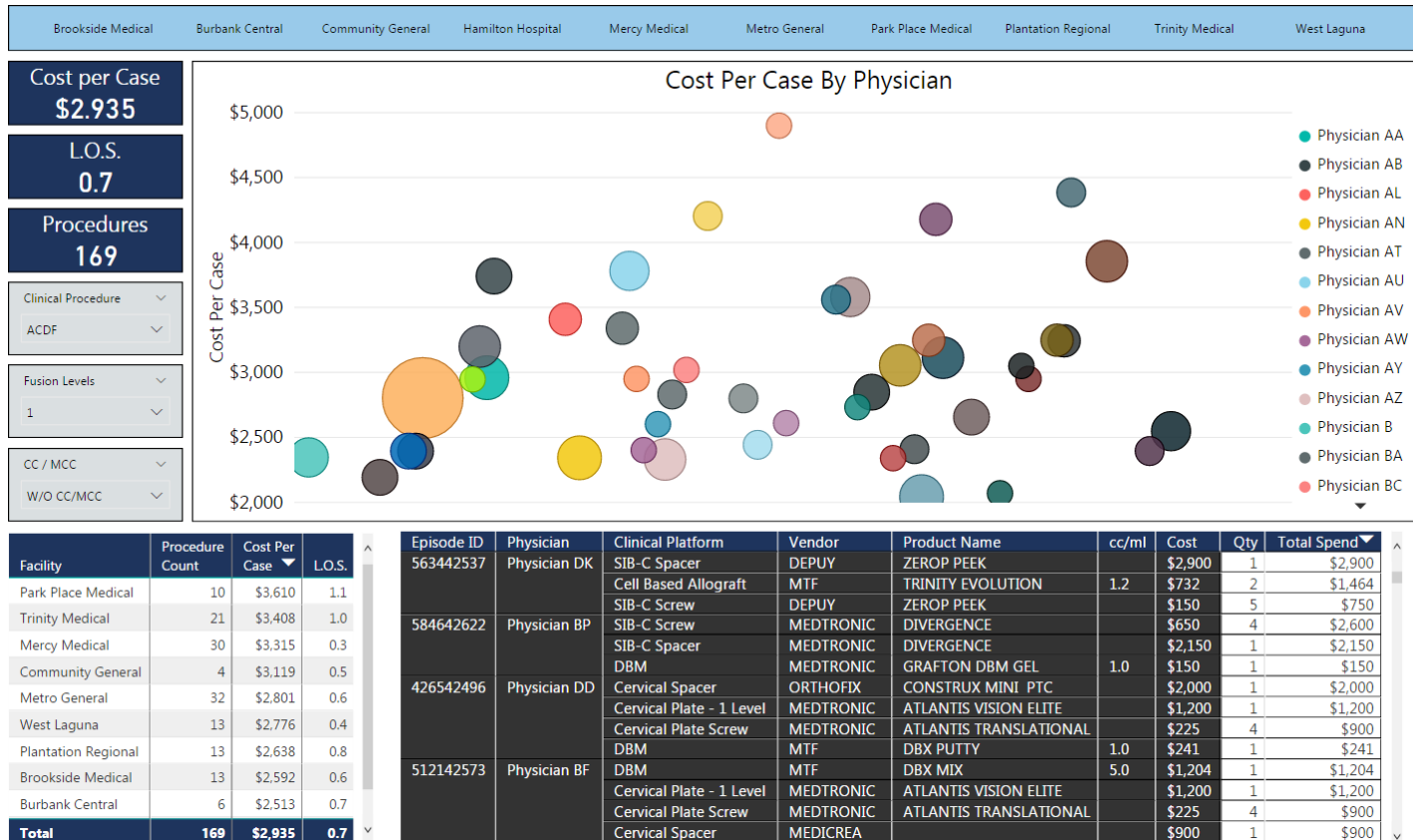
1. Clinical evidence
2. Utilization Data
3. Cost Awareness



# Engage with Evidence

## Utilization Data

- Peer to peer benchmarking
- Identify outliers and opportunities
- Drill down to component level utilization and costs

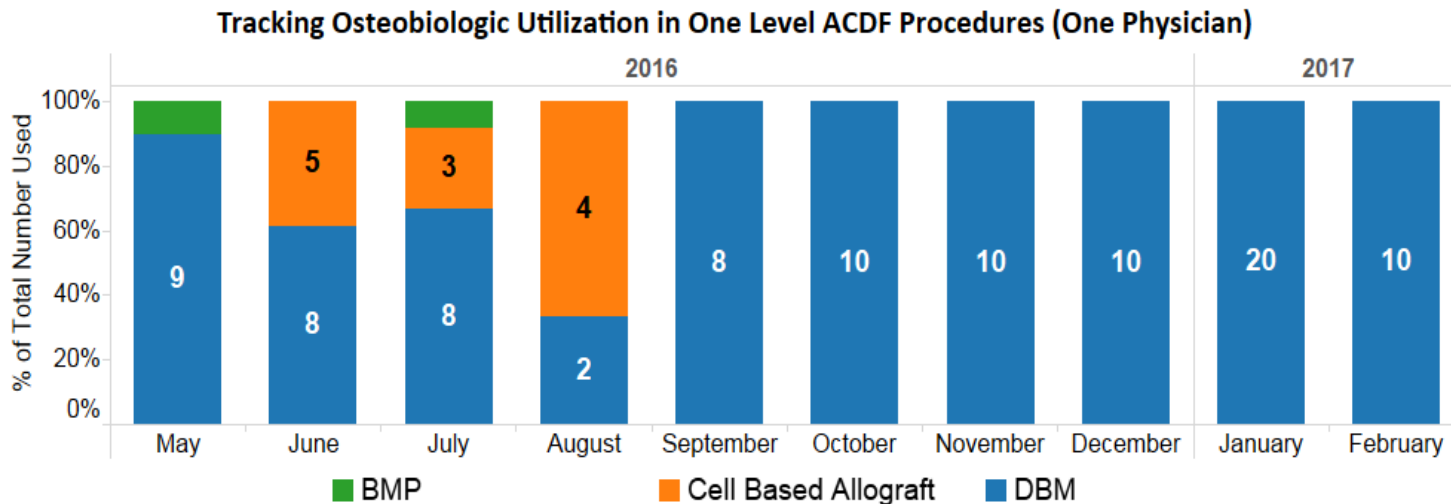


# Clinical Evidence and Utilization Data

## 3. Cost Awareness

Volume (CC)	Cell Based Allograft	BMP	DBM
1	\$432	\$1,795 (1.4cc)	\$120
5	\$2,031	Not used	\$540
10	\$3,507	Not used	\$1,020

## 4. The Results

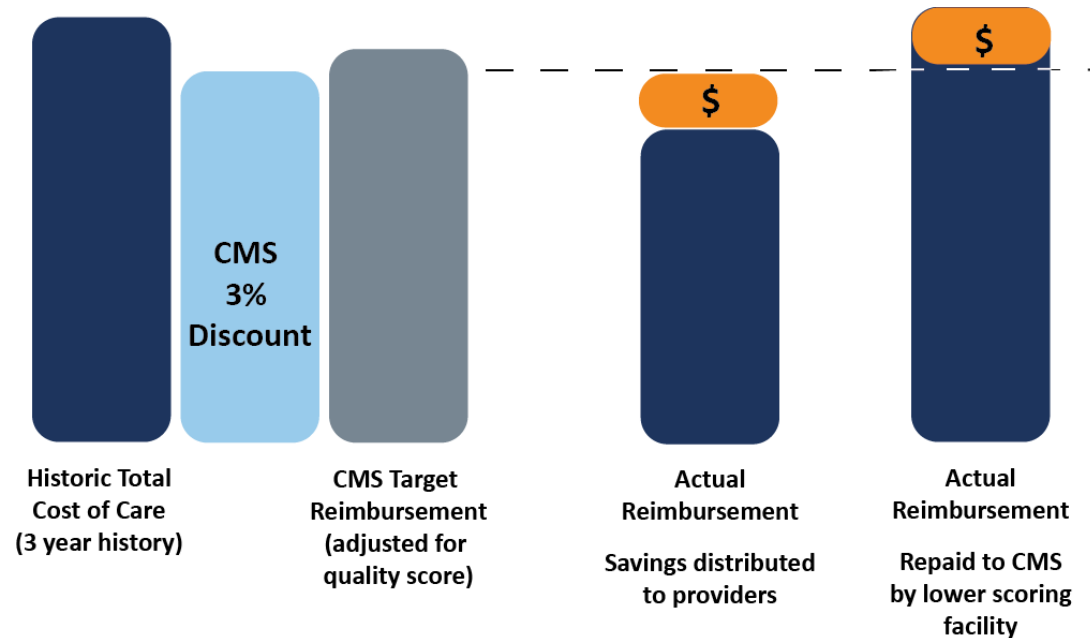


55% Savings in Biologics

# To Thrive in Value-Based Payments We Must Engage Physicians

## Bundled Payment Reimbursement Structure

- Acute Care Hospitals
  - Bear financial risk
- 90 Day Episode of Care
- Quality Adjusted Target Price
  - 3 year historical spend
  - Regional/local blend
  - Phase to 100% regional by PY 4.
- CMS 3% discount
- Pay using FFS payment
- Adjust target based on quality
- Reconciliation or Repayment
  - Fee-for-Service, retroactive





# Core Elements of a Comprehensive Approach to Bundled Payments

Addressing the Continued Shift to Value-Based Payments

## Gainsharing

- Quality of care minimum required
- Share up to 50% of physician fee
- Internal costs

## Successful Bundled Payment Programs

- **Department of Orthopedic Surgery, University of Arkansas**
  - 14% reduction in cost per episode
  - LOS decreased from 3.81 to 2.57
  - Readmissions decreased from 16 to 10%
  - Average cost of readmissions decreased 23%
- **NYU Langone Medical Center**
  - LOS decreased from 4.27 days to 3.58
  - Discharges to inpatient facilities decreased from 71% to 44%
  - Decreased readmissions
  - Reduced inpatient costs



A blue-tinted photograph of a business meeting. In the foreground, a pair of glasses and a pen rest on a document with bar charts. In the background, two men in suits are seated at a table, one holding a pen. The overall scene is professional and collaborative.

# How we engage

# The Process of Getting to Know Your Surgeons

Gather intel prior to engaging

- Review their CV and LinkedIn
  - Honors and awards
  - Memberships and offices in professional services
  - Symposia/Conferences/Workshops
  - Community involvement
  - Publications
  - Speaking engagements or presentations
  - Personal Interests
  
- Talk with people that know them
  - Nurses/Service line leaders/Administration
  - Questions
    - Tell me about Dr. XYZ..... family, kids, hobbies, work interests, etc.
    - We're looking for a way to connect with him and we have this project we're working on, would he be a good candidate for this type of work?

# The Process of Getting to Know Your Surgeons

## Profile

### The Innovator

- Thought leadership/consulting
- Pioneers
- MBAs
- Looking for impact on the business side
- Early adopters of new products
- Interested in the process/how it works

*How to engage:*

*New technology reviews, potential committee chair*

### The Academic

- Educator
- Specialist
- Perfectionist and competitive
- Loves to teach
- Using the same techniques and products since residency

*How to engage:*

*OR staff development and training*

### The Data Nerd

- Research
- Analytical
- Introverted
- Active in clinical societies
- Slow to adopt new products

*How to engage:*

*Hospital data analysis, clinical study reviews*

### The Balanced

- Consensus builder
- Family and work are equal priorities
- Practical
- Uses what's available if it won't slow him/her down
- Use company as in residency, but has also adopted new technologies

*How to engage:*

*Product trials, process improvement*

# Get to know your surgeons interests

## Engage

- Promote what's important to them

- The Patient Experience

“A surgeon will give further consideration to lower cost alternatives, and may even switch to that system, ***if the quality of care is equivalent and the incentive for cost savings is sufficient***” Craig Morrison, MD Southern Joint Replacement Institute

- The Incentive

“Surgeons can be motivated by investments that enhance their ability to **serve the patient, have a positive impact on their patient's overall experience and outcome, and work more efficiently to serve their patients.**”

Craig Morrison, MD Southern Joint Replacement Institute

- Build the relationship

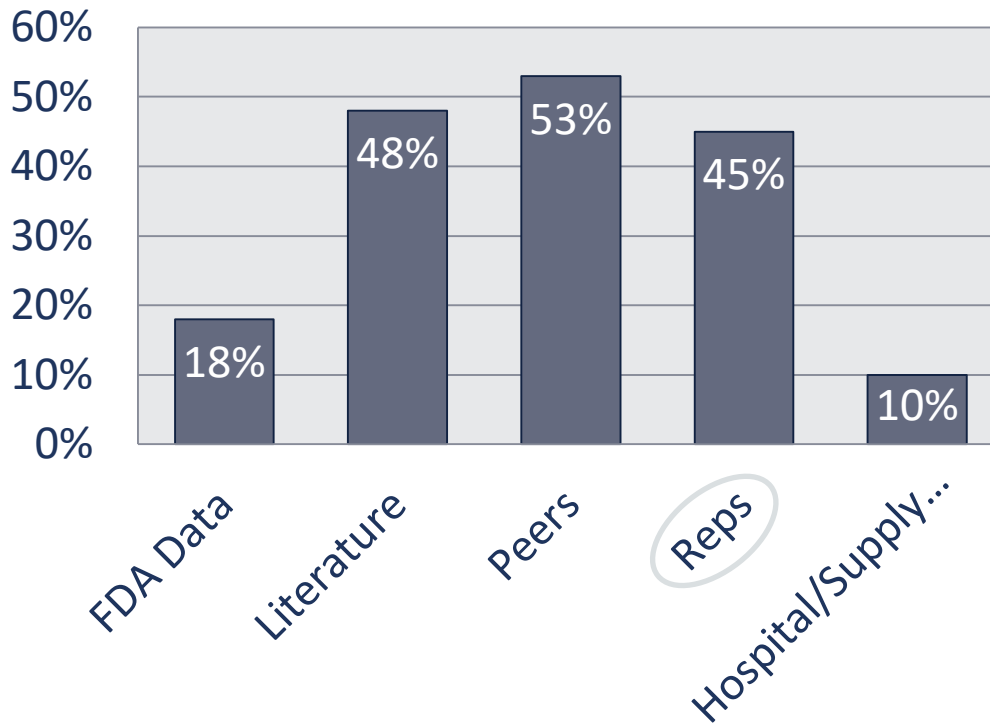
- Generate trust
  - Financial transparency
- Specific requests vs. putting them on a committee
  - E.g., “Can I have your feedback on this new study?”
- Patient and persistent

# Physician Preference Survey

Physicians are engaged



## Physicians' sources for device decisions



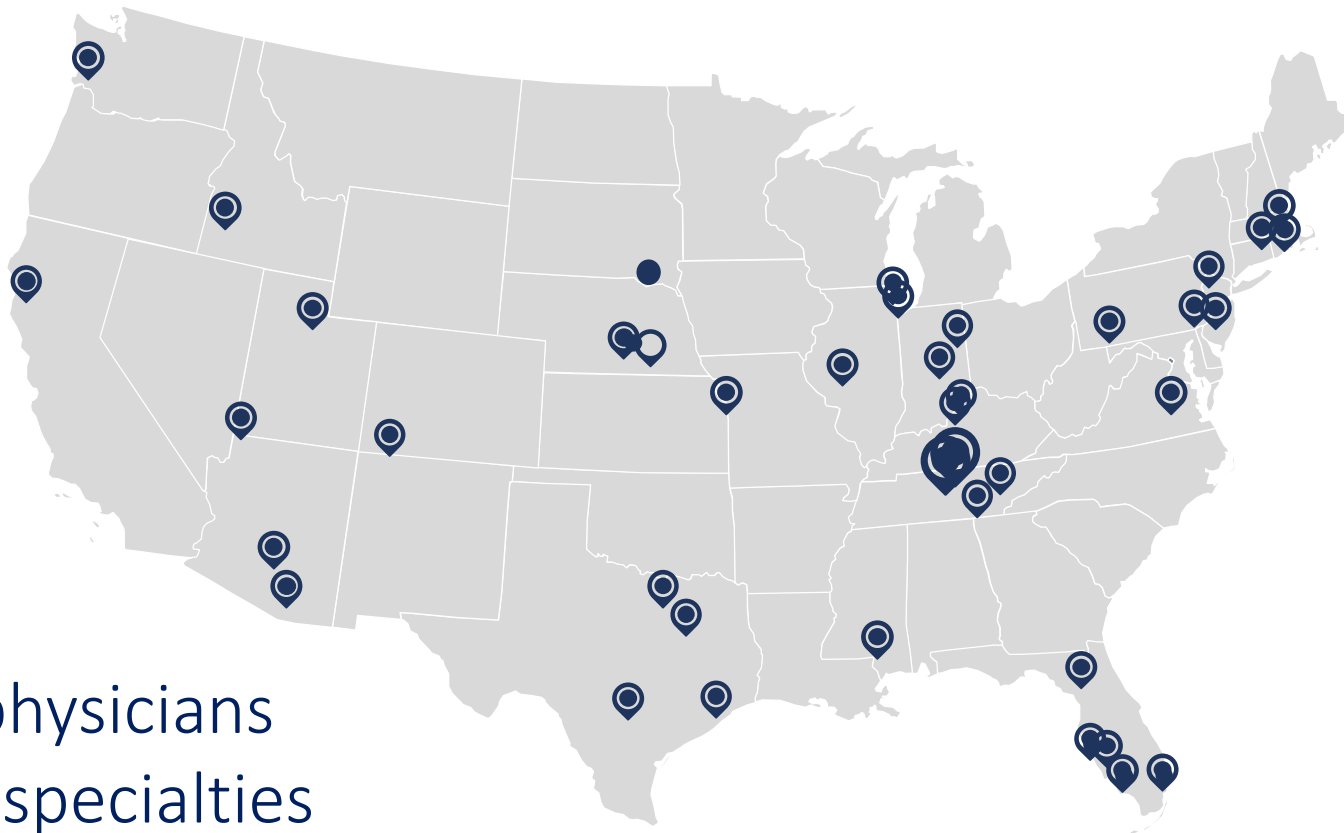
*Supplier reps have **4x greater influence** on device decision than the hospital/supply chain*

*Peers have the greatest influence*

- Presented at AHRMM, 2015

# HealthTrust Physician Advisor Program

Current Physician Footprint



**140+** physicians  
**24** subspecialties  
**19** health systems

# Completed Projects With Physician Involvement

Since inception

## Education and Speaking Engagements

- 55 physicians
- 25 events
- 600+ attendees



## National Agreements and New Technology Review

- 100+ physicians
- 45 projects
- Estimated savings: \$15,101,845
- Estimated cost avoidance: \$42,301,269



## Peer Reviewed and Other Publications

- 21 physicians
- 12 articles





QUESTIONS?