Evaluating Integration of the Clinical Enterprise

Board of Regents Working Group
8 October 2009
**University of Minnesota**

**Academic Health Center**

Innovative expertise in education and research leading to better health and vital economy in Minnesota.

| Meeting Expectations: | 70% of all health professionals working in Minnesota trained at the University | Leading work in  
| | | • diabetes  
| | | • infectious diseases  
| | | • neuroscience  
| | | • cancer  
| | | • cardiovascular research  
| | | • Global impact in prevention and health improvement  
| | | • 970,000 human and animal patient visits  
| | | • 1,700 educational rotations in Minnesota  

Through our:  
Schools and Colleges | Centers and Institutes | Clinics and Hospitals

In Disciplines of:  
Dentistry | Medicine | Nursing | Pharmacy | Public Health | Veterinary Medicine

Driving Initiatives in:  
Education | Research | Clinical/Outreach
Change is Coming to Healthcare

The Mission of the Academic Health Center is Dependent on the Clinical Enterprise

- All health systems are being asked to deliver greater value.
  - Improved clinical outcomes
  - Lower cost
  - Improved experience

- Our role will be to care for the health of a population, not just individual patients.

- Payment systems and methodologies are changing, rewarding those who deliver value.
To Position Ourselves For Success, We Must…

- Consistently *deliver great value* – improved clinical outcomes and experience at lower costs
- Supply *integrated business intelligence* to all aspects of care delivery and management
- Establish core *capabilities to effectively manage quality, utilization, and financial risk.*
- *Eliminate unnecessary variation* on core clinical and administrative processes
- Expand *patient acquisition/retention* strategies.
- *Reduce total per patient and per capita costs.*
- Support research and educational activities to ensure a reliable *pipeline to innovation and quality talent*
- Fund and organize for *care model innovation.*
This Positioning Requires A Transformative Integration: Our Roadmap

What We Are Today
Pretty Good
Alliance/Interdependent
U of M / UMP / Fairview

What We Need To Be Tomorrow
Really Good
Clinical Integration
U of M / Integrated Clinical Enterprise

What We Could Be
Great
Transformation
Integrated Academic Health System

Goal: Accelerate the transition from Pretty Good to Great
An Integrated Academic Health System
Will Look, Feel and Act Differently

• A single, integrated multi-specialty provider group – University faculty Fairview employed and independent providers – all engaged in the partnership goals

• A network of academic medicine capabilities (clinical, teaching, research)

• Every patient in the system considered as a potential candidate for a clinical trial and an opportunity for learning

• System commitment to invest in clinical research and clinical trials

• Understanding that clinical research fosters clinical growth

• A larger, stable patient base across the continuum of care, provides a more cohesive educational experience for future providers

• Care standardized across the system through development and system-wide adherence to evidence-based care protocols

• Integrated business systems to support clinical, teaching and research missions

• System brand change from Fairview to University of Minnesota
Evolving Design Criteria: Mission and Vision

• **Scope:** All aspects of FHS with Fairview Medical Group, University Minnesota Physicians, associated networks of medical staff and referring physicians

• **Vision:** Create an integrated Academic Health System, recognized as one of the nation’s leaders

• **Mission:** Advance excellence and innovation in integrated patient care, medical education and research
Evolving Design Criteria: Fiduciary Options

• The Academic Health System would be organized as a single, tax exempt fiduciary enterprise, and would be

• Organized in a way that best enables the accomplishment of the Vision and Mission, and would have an

• Affiliation Agreement with the University of Minnesota
Evolving Design Criteria: Board Structure

• A new board would be constituted
• The new board should be self-perpetuating non-representational, and comprised of people with the skills needed to fulfill the vision and mission
• The new board should have retained authority to govern the enterprise, with limited authorities reserved by the University and Fairview Association
• Composition of the new board:
  – Community business and civic leaders
  – Physicians
  – Nationally distinguished leaders
  – Ex-officio: CEO, SVPHS, Head of physician group practice
Evolving Design Criteria: Physician Model

- UMPhysicians and Fairview Medical Group would form a single, integrated, multi-specialty group practice.
- University faculty would have an employment relationship with both the Medical School and the Academic Health System similar to current practice.
- The existing UMPhysicians structure will be retained and organized to serve as the vehicle for the single, integrated group practice within the new health system.
Evolving Design Criteria:
Physician Model

• The board of the new physician practice will manage the group practice
• The new group practice would have academic and community members
• UMPhysician’s current clinical structure would be the organizing framework.
• System wide integrated service lines would be formed across the continuum of care
• There would be one common infrastructure platform for the group practice
Evolving Design Criteria: Management Structure

• A single CEO accountable to the board for the entire integrated system
• A single physician executive of the multi-specialty group practice
• A single Chief Medical Officer
• A COO of the hospitals and facilities division
• System-wide officers include finance, human resources, IT, strategy and general counsel
System Management Structure

Preliminary Model Under Consideration

Fairview Association

Limited Reserved Powers

U of M Regents

Governing Board
Physicians/Civic/Experts

CEO

Strategy Council

Operations Council

Research/Academic Council

COO
Hospitals/Continuum

C-Suite
Enabling Expertise

CMO
TBD

President
UMM Group Practice

Community Providers

Inter-Dependent Physician Practices

UMMC
UMACH
FSH
FRH
FLMC
FNMC
FMGMC

Finance
Human Resources
IT / Transformation
Strategy
General Counsel

Quality
Safety
Experience
Care Model
Research
Education
Medical Staff Org.

Integrated, Branded Service Lines

Shared Clinical Services/Hospital-Based Specialists

Translational Research (AHC Research “Corridors”)

Training and Education

Integrated Care Model

Academic Health System
- Enhance clinical enterprise
- Nation leading research
- Academic prominence
Evolving Design Criteria: How Does This Differ From Today?

- Integrated Academic Health System that supports the academic mission of the University’s Academic Health Center
- Single system board with a mission and vision reflecting the ideal of an Academic Health System
- Board is self-perpetuating and non-representational
- One CEO for the system
- System Leadership Team with authority over the direction of the Academic Health System and with significant physician membership
- One CMO for the system with accountability for quality, service and achieving academic objectives
- Single multi-specialty physician group practice
- Integrated, provider directed care delivery
- Improvement in aligning funds flow and incentives across the system
Next Steps In Developing A Model For Moving Forward With Integration

• Apply the Design Criteria to:
  – Perform a legal structure analysis and arrive at one that will best fit
  – Develop the business case to analyze the financial best fit
  – Analyze mission benefits of integration to University, Fairview, and UMPhysicians
  – Assure fulfillment of the academic mission
  – Content of the Affiliation Agreement between the Academic Health System and the University of Minnesota
Business Model For Integration: Evaluating Potential Benefits

• Core areas of high potential benefit
  – Integrating the care model across the system
  – Improving efficiencies and reducing total cost of care
  – Strengthening the network and minimizing out-of-network referrals
  – Extending the academic mission (market share)

• Factors contributing to the high potential
  – Removal of regulatory barriers
  – Ability to align incentives and make performance improvements
  – Simplification of decision-making and implementation
UMPhysicians Care Model: A Work In Progress
Critical Elements of Care Model

• Patient must be at the center of the care model
• Care should be evidence-based when possible. Where evidence is not available, a culture of inquiry should be supported as an integral part of care delivery – not as separate research
• All care will be team based, with each member of the team performing at their highest skill level
• The academic mission should elevate performance (financial and clinical) rather than be a burden to overcome
• Clinical education will be facilitated, allowing development of skills or systems of learning that will serve the future.
Elements of Care Model

- Care should be perceived as seamless by patient and referring physician
- Care delivery will be designed across the continuum
- Right person, right job
- Full use of electronic health record
- IOM markers of clinical quality will be regularly measured and reported
- Compensation for clinical work should support academic health system priorities, and must include some consideration of quality of care
Consideration of Multiple Viewpoints in the Design

- Patients and their families
- Referring providers
- The physician/NP/PA/PharmD providing care
- Payer
- Learners
- Our community and the state
- Other academic medical centers
Potential Value Added in A More Integrated Enterprise

1. Strengthened commitment of the new enterprise to the academic mission
2. Enhanced ability to improve health across the continuum of care
3. Increased access to patients
4. Better outcomes, improved service and reduced per capita cost of care
5. Simpler structure that is more efficient and effective
6. A new entity that supports sustainable growth
7. Enhanced capacity for and commitment to clinical research
8. Increased capacity and revenue to support education and research missions
9. Enhanced planning coordination for the clinical and academic enterprise
10. Coordinated effort in meeting legal/regulatory requirements
11. Enhanced ability to recruit and retain faculty and compensate them at a competitive market rate
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