Our Journey to Clinical Integration

Lehigh Valley Health Network

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Lehigh Valley Health Network Overview

- 8 Campuses
- 1 Children's Hospital
- 30 Pediatric Specialties
- 163 Physician Practices
- 45 Rehabilitation Locations
- 26 Health Centers
- 18 ExpressCARE Locations
- 81 Testing and Imaging Locations
- 18,000+ Employees





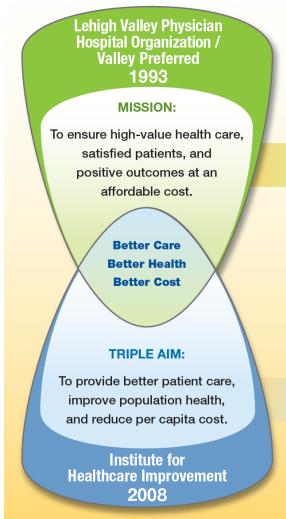
We heal, comfort and care for the people of our community by providing advanced and compassionate health care of superior quality and value supported by education and clinical research.

LVHN Vision

We will build on our foundation as a premier academic community health system and become an innovative population health leader that creates superior quality and value for the patients and communities we serve.

Lehigh Valley Physician Hospital Organization (LVPHO)/Valley Preferred

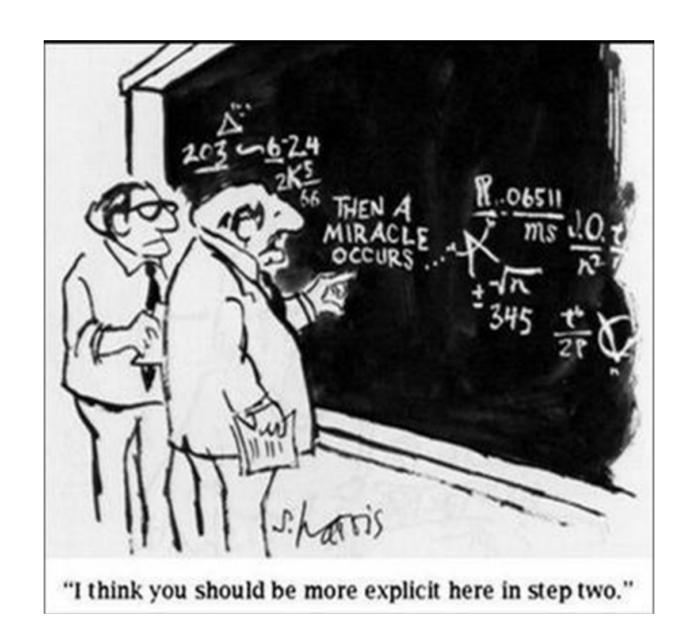
- Formed in 1993, mission unchanged
- Supports physician engagement and quality improvement
- Nearly 100 members when we started out in 1993, to more than 1,300 member physicians today across a 12-county region
- Provides effective, efficient and uniform measures to support accountable care and population health



And along came the ACA....

- Situational Analysis (Circa 2008 2012)
 - Per the ACA and/or CMS
 - There will be no new money
 - We will sequester payments, if needed
 - We will withhold a portion of your payments, for quality sake
 - We will endeavor to reduce your payments through innumerable initiatives
 - We will regulate the payors, so good luck getting more from them
 - Any questions? refer back to the "Triple Aim"
 - » Take care of more people, at higher quality and a lower cost, while we beat you.

Frankly, our industry deserved this



Special feature: Systems survey reveals strong financial rebound / Page 26

Modern Healthcare

HE ONLY HEALTHCARE BUSINESS NEWS WEEKLY

L 0, L021

\$5.50

MAJOR HEALTH SYSTEMS, ORGANIZATIONS LINE UP AGAINST PROPOSED ACO PROGRAM

Future of Medicare's accountable care organization plan jeopardized...

...by providers unwilling to take on what they say is big risk for little reward

Populytics Overview

Established December 2013

Population health management and analytics firm

Integrated services

- Population health analytics
- Clinical care coordination
- Health benefits administration & consulting
- Corporate wellness programs

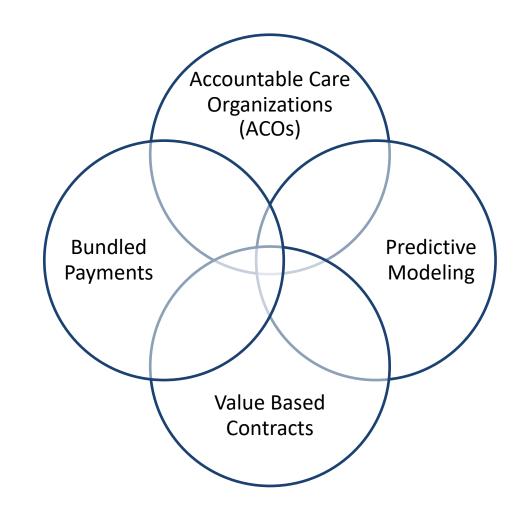
Expert professionals

- Payer & provider informatics
- Medical management services
- Advanced analytics
- Business development
- Insurance and risk management

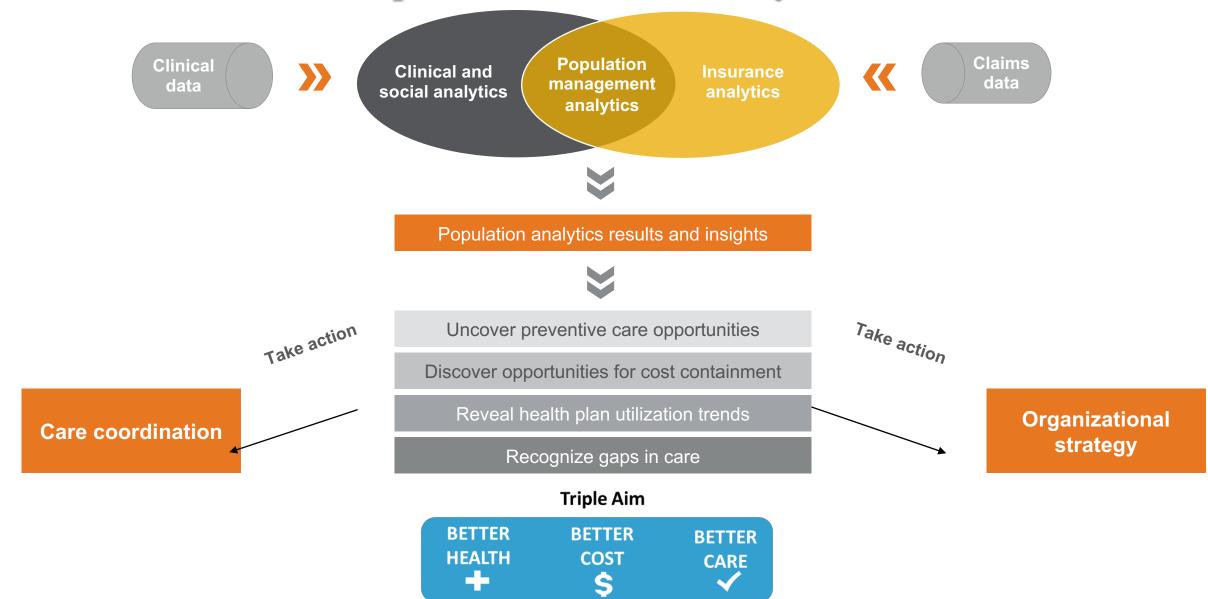


Populytics Drives Payment Innovation

- Manage commercial, Medicare and Medicaid populations
- Implement and manage shared savings and shared risk contracts
- Identify priority quality and utilization measures
- Align performance measurement on value based contracts
- Implement bundled payments
- Implement joint venture products



Population Health Analytics



Integrating Population Health Analytics

- Integration must occur in three areas for successful Population Health Management:
 - Data sources (insurance claims, EMR, socio-economic)
 - Prioritized analytics in EMR
 - Data-driven culture
 - Change management and translational ability/speed

Clinical Analytics

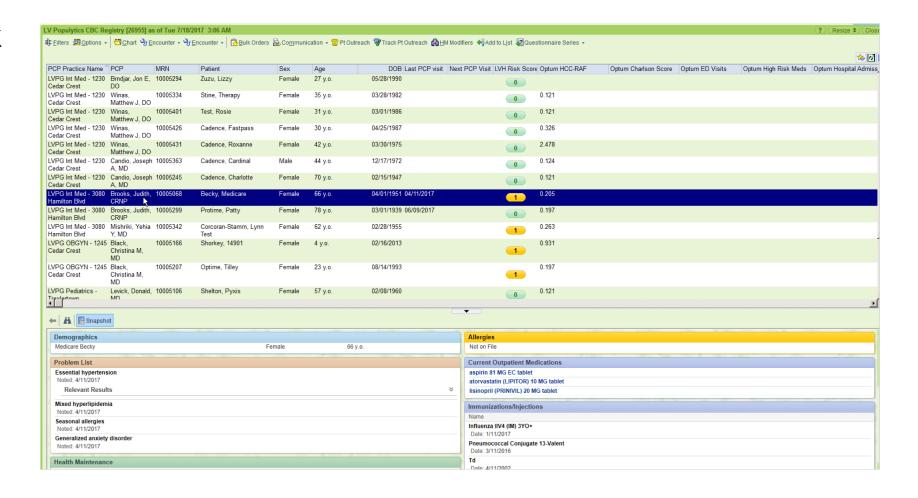
The risk of the population being managed is evaluated from several perspectives including:

- Clinical Risk
 - Risk Scores
 - Disease Prevalence
 - New Technology
 - RX Pipeline
 - Care Gaps
 - Quality Parameters

- Attribution Risk
 - Annual Wellness Visits
 - Lost attribution
- Documentation and Coding Risk
 - Case-Mix Index
 - Hierarchical Clinical Conditions

Integration into Workflow

- Data driven work processes
- Directing resources to patients most at risk
- Registry development incorporating multiple data sources



Financial Analytics

Financial analytics are used to analyze medical care cost and trend including PMPM, utilization and cost per unit metrics.

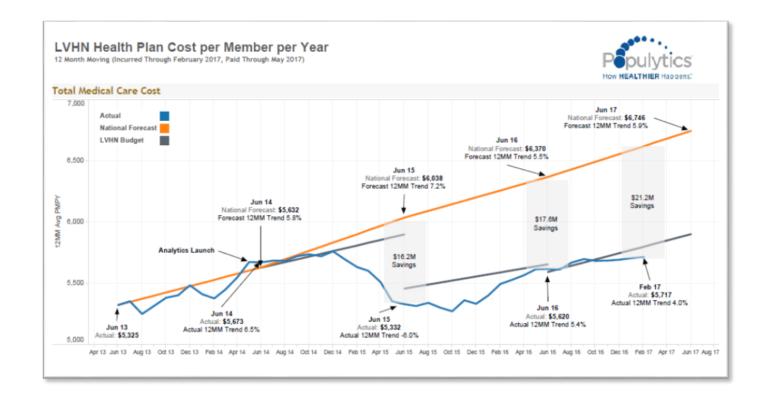
Financial analytics include:

- Medical Expense Budget
 - Experience Compared to Budget
 - Experience Compared to Benchmark
- Care Cost Review
 - PMPM
 - Utilization
 - Cost Per Unit
 - Trending
 - Identify Utilization Drivers by Type of Service or Clinical Condition

- Episodic Analytics
- Outmigration Analysis
- Care Pathways/Bundled Payments
- Accountable Care Metrics

LVHN Health Plan

- The National Forecast is based upon the forecast of the yearly medical care cost trend by national authorities including Milliman, PWC, Kaiser and Mercer
- The LVHN Health Plan
 outperformed both its budget and
 the National Forecast of medical
 care cost trend in each of the fiscal
 years subsequent to the analytics
 launch
- There were cumulative savings of \$55M when comparing actual medical care costs to what the medical care costs would have been based upon the National Forecast absent any data driven initiatives



Achieving Clinical Excellence®

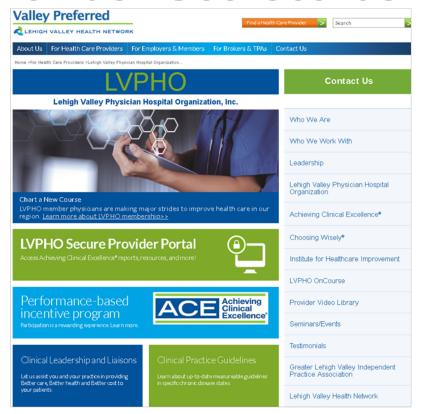
- Semi-Annual Practice-Based Group Incentive Plan: Designed to provide physicians with incentives to meet the Triple Aim
- Measurement Categories
 - Better Care: CG CAHPs participation, Meaningful Use standards
 - Better Cost: Risk Adjusted ALOS, Risk Adjusted Episode Cost, Admissions and Readmissions,
 ED visits, and generic Rx Utilization
 - Better Health: Evidence-based Quality Measures, QI Projects
- Funding Sources: Include employer, payers & shared savings distribution
- CME Opportunities/Online Modules

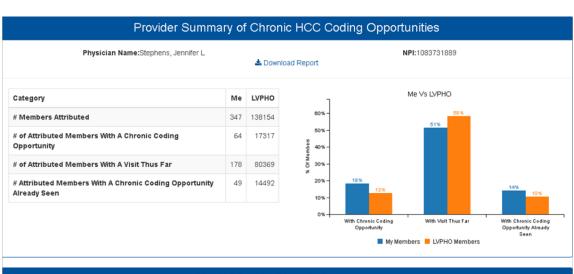
Average	Incentive	Payment	by I	Practi	ce
		1 -			

PCP \$61,073 Specialist \$22,257

Provider Portal: Information in the Hands of the Physicians

Provider Scorecards





Diagnoses I've Missed			Diagnoses LVPHO Missed				
Show 5 • entries Search:			Show 5 ▼ entries			Search:	
Code 🎼	Patients 🎼	ICD 🎼	Description	Code ↓↑	Patients ↓#	ICD 🎼	Description
4400	3	9	ATHEROSCLEROSIS OF AORTA	E119	818	10	TYPE 2 DIABETES MELLITUS WITHOUT COMPLICATIONS
E6601	3	10	MORBID SEVERE OBESITY DUE TO EXCESS CALORIES	J449	812	10	CHRONIC OBSTRUCTIVE PULMONARY DISEASE UNS
135	2	9	SARCOIDOSIS				
2875	2	9	UNSPECIFIED THROMBOCYTOPENIA	1739	805	10	PERIPHERAL VASCULAR DISEASE UNSPECIFIED
4439	2	9	UNSPECIFIED PERIPHERAL VASCULAR DISEASE	H3532	800	10	EXUDATIVE AGE-RELATED MACULAR DEGENERATION
Showing 1 to	o 5 of 91 entrie:		Previous 1 2 3 4 5	E6601	766	10	MORBID SEVERE OBESITY DUE TO

An Overall Health System Strategy









Build and leverage an analytic platform to:

- 1. Prospectively Risk-Stratify our population
- 2. Identify the top 5% of individuals driving 50% of healthcare costs
- 3. Proactively interrupt their negative path to improve their outcome
- 4. Demonstrate the connection of higher quality care to lower episode costs
- 5. Embed this new workflow into our care delivery model
- 6. Embed the new competency into value based contracts with payers

Two Economic Objectives:

- 1. "Lose Less" on vulnerable populations
- 2. Drive market essentiality with commercial populations



Questions?





