



# Governance and Decision-making Webinar

August 13, 2015

**HSCRC**

Health Services Cost  
Review Commission

# Webinar Agenda

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## ▶ Speakers

- ▶ Dawn Hamilton, JD, MHA, Senior Consultant, HMA
- ▶ Dr. Art Jones, MD, Chief Medical Officer, Medical Home Network and Principal, HMA
- ▶ Deborah Gracey, Principal, HMA

## ▶ Agenda

- ▶ Introduction
- ▶ Governance Fundamentals & Considerations
- ▶ A Tale of Collaboration Success
- ▶ Facilitated Discussion
- ▶ Lessons Learned
- ▶ Tools for Designing Regional Partnership Governance Structures
- ▶ Questions

# Introduction

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- ▶ Regional Partnerships are at a critical point in the health system transformation process and are facing challenges which require good governance and decision-making:
  - ▶ Many participants are competitors and have not collaborated before
  - ▶ There are multiple lead hospitals and a wide scope of many community partners to include in decision-making
  - ▶ Tight timeline for completing the Final Plan (December 1) and the Interim Plan (September 1)
- ▶ Effective, efficient decision-making and governance structures are important for success.
- ▶ Domain 2 of the Transformation Framework is to “Establish formal relationships through legal, policy, and governance structures to support delivery and financial objectives.”

# Transformation Plan Template

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## **Formal Relationships and Governance**

**List the participants of the regional partnership such as hospitals, physicians, nursing homes, post-acute facilities, behavioral health providers, community-based organizations, etc. Specify names and titles where possible.**

**Describe the governance structure or process through which decisions will be made for the regional partnership. List the participants of the structure/process.**

**Identify the types of decisions that will be made by the regional partnership.**

**Describe the patient consent process for the purpose of sharing data among regional partnership members.**

**Describe the processes that will be used by the regional partnership for improved care and the MOUs or other agreements that will be used to facilitate the legal and appropriate sharing of care plans, alerts and other data as described in the process.**

**Attach the list of HIPAA compliance rules that will be implemented by the regional partnership.**

# Governance for Planning vs. Operations

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- ▶ Decision-making and governance often need to be different for the planning process and for the operation of the Regional Partnership
  - ▶ Part of the planning process is determining what the Regional Partnership will do together and designing the most appropriate governance structure needed to support those activities
  - ▶ A formal governance structure of some sort will be needed for the ongoing operation of the Regional Partnership itself
- ▶ **Regional Partnership Planning Phase**
  - ▶ Governance and decision-making are nimble, collaborative and efficient
  - ▶ An executive committee of some sort is set up to make final decisions based on recommendations of work group(s)
  - ▶ Work groups are comprised of people with appropriate expertise and experience, who keep work moving, in order to design the regional partnership model, the operational governance structure and prepare recommendations for the executive committee.
  - ▶ Create only essential work groups comprised of members with appropriate expertise and experience, for example:
    - ▶ Clinical/Population Health
    - ▶ Finance/Sustainability
    - ▶ Provider/Community Engagement
    - ▶ Data/Analytics

# Governance for Operating the RP

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- ▶ A more formal Governance structure will typically be required for operating the Regional Partnership.
- ▶ The role of the governing body
  - ▶ Decides the direction of the organization, establishes priorities, sets policies, selects and oversees management, committees, etc.
  - ▶ Evaluates the performance of the Regional Partnership as a whole
- ▶ Prior to designing the governance structure, key questions and considerations will need to be discussion and decided upon.
- ▶ First and foremost: define the partnership's goals – what do you want to accomplish together?
  - ▶ Short-term and long-term

# Determine “What” you want to do together and then create the governance structure

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- ▶ *What will the Regional Partnership do? For example:*
  - ▶ Offer care coordination to a defined set of high-need patients in a defined area
  - ▶ Develop specialized behavioral health teams to follow psychiatric admissions for prevention of readmissions
  - ▶ Offer a diabetes program to high-need and/or high utilizing Medicare patients in a defined area
- ▶ *What types of services will be offered? For example:*
  - ▶ Obtain consent for enhanced information exchange needed for full care coordination
  - ▶ Perform standardized risk assessments and needs assessments
  - ▶ Create care plans together
- ▶ *Who needs to be part of the model? For example:*
  - ▶ Hospitals, PCP practices, specialists, behavioral health providers, long term care facilities, community partners

# Determine “What” you want to do together and then create the governance structure - cont’d

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- ▶ ***What patients are in this population? Who and how many?***
  - ▶ Describe the population, for example:
    - ▶ Medicare high utilizers, those with multiple chronic conditions
    - ▶ Other details needed to develop effective strategies, interventions, tools , for example:
      - Density of high utilizers/those with multiple chronic conditions in an LTC facility
      - Those with frequent psych readmissions
- ▶ ***What is the model for your care coordination and the make-up of the staffing?***
  - ▶ What type of care coordination model will be developed
  - ▶ What type of care coordination resources will be deployed
    - ▶ Nurses, social workers, community health workers, etc.
  - ▶ What are the staffing ratios for each type of staff in the model?
  - ▶ What leadership and administration is needed?
  - ▶ What is the expected ROI?

# Governance Considerations

## ▶ How will the partnership be organized?

- ▶ Alliance or a separate legal entity (i.e. LLC, C-Corp, nonprofit)
  - ▶ MOU or bylaws must be developed
- ▶ What leadership positions are needed?
- ▶ What will the governance structure look like?
- ▶ How will the initial governing body members be selected/elected by the partnership?

## ▶ Governing body considerations

- ▶ What type of governing body will be employed?
  - ▶ Board, Executive Board
- ▶ How many members will be elected or appointed?
- ▶ What types of members and expertise and experience are needed?
  - ▶ Business, finance, community partners, legal, etc.
- ▶ How will you involve partners in decision-making?
- ▶ Consider the types of committees that will be needed to support the governing body, for example:
  - ▶ Clinical, Finance, IT/data
  - ▶ Advisory Committee

# Governance Considerations – cont'd

## ▶ What are the membership participation rules?

- ▶ How will participating members be determined?
- ▶ What are the responsibilities and expectations?
- ▶ How will participants be held accountable?
  - ▶ How will performance be monitored and measured?
- ▶ What is the criteria for adding or terminating partners?
- ▶ What is the dispute resolution process?

## ▶ What are the decision-making processes?

- ▶ What are the voting rules?
- ▶ What mechanisms need to be in place to ensure success?
- ▶ How will voting rights be allocated?
- ▶ What will the voting requirements be for various types of decisions?
  - ▶ Majority, super-majority, unanimous
- ▶ What are the meeting and communication rules?
  - ▶ How will the group interact and how often?

# Governance Considerations – cont'd

- ▶ What governance supports, policies and procedures are needed? For example:
  - ▶ Memo of understanding or bylaws
  - ▶ Operating agreement that defines:
    - ▶ Regional Partnership charter, key aspects of governance, roles, responsibilities
  - ▶ Participation agreement that defines:
    - ▶ Partner participation, roles, expectations
  - ▶ Performance monitoring, reporting
  - ▶ Mechanisms for financial accountability
  - ▶ Financial distribution plan
  - ▶ HIT, data sharing plan
  - ▶ Processes for partner and stakeholder communication & engagement
  - ▶ Dispute resolution mechanisms
  - ▶ Conflict of interest policy



# MEDICAL HOME NETWORK

Maryland Regional Partnership Presentation

8.13.15



MEDICAL HOME NETWORK™  
Building Partnerships for Better Health

# Medical Home Network

## MHN Providers

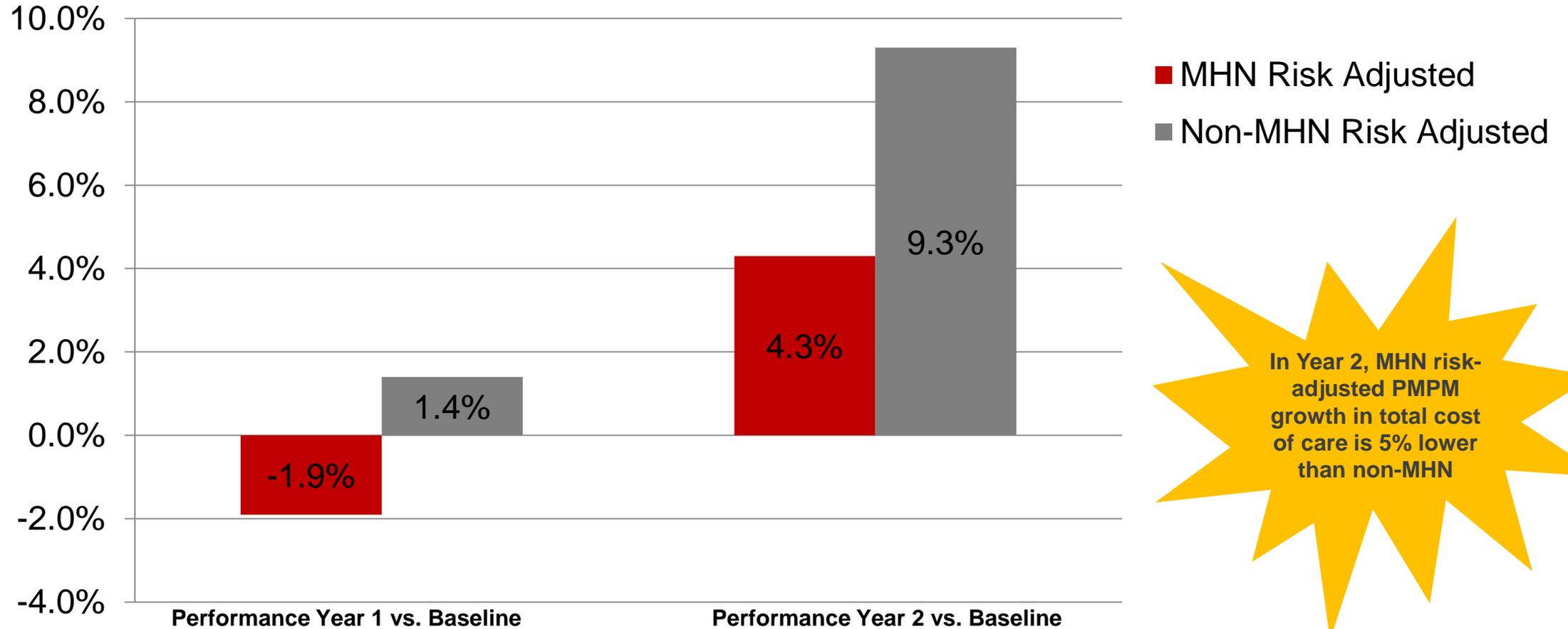
- 1 Academic hospital
- 1 Children's hospital
- 1 Rehabilitation hospital
- 3 Community hospitals
- 9 FQHCs
- 3 Hospital-employed physician groups

## MHN Geography



# Growth in Total Cost of Care: *MHN vs. non MHN Matched Cohort Trend*

## Trend Over Baseline Period



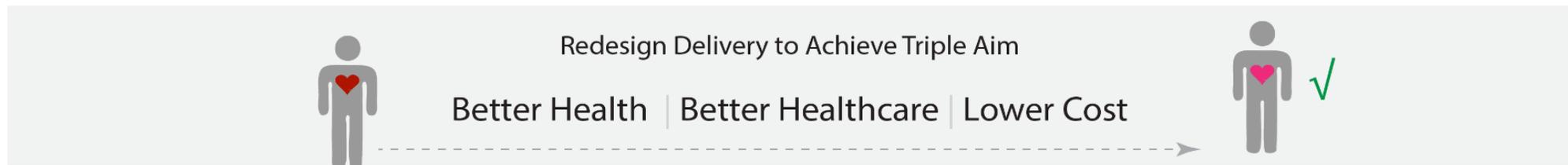
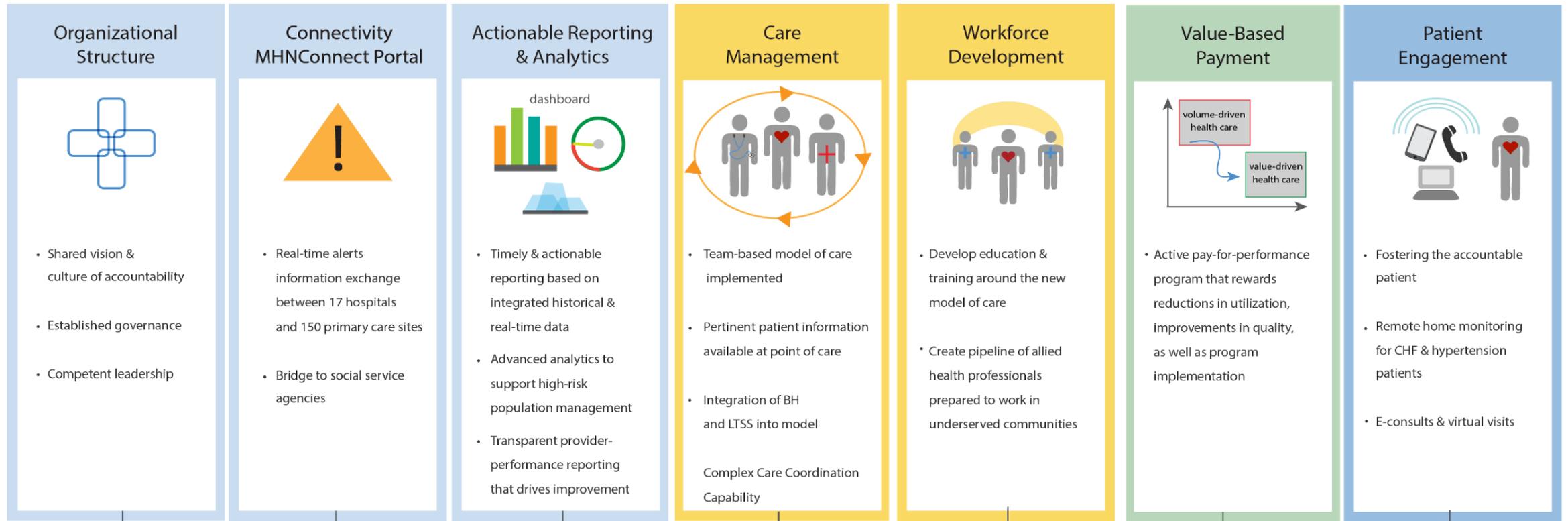
# Improvements in Patient Engagement and Care

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- ▶ 71.4% of 80,000 members have completed Health Risk Assessment
- ▶ July 2014 – May 2015
  - ▶ 34% reduction in bed days/1000\*
  - ▶ 13.9 % reduction in ED visits/1000\*
  - ▶ 35% reduction in readmission rates\*

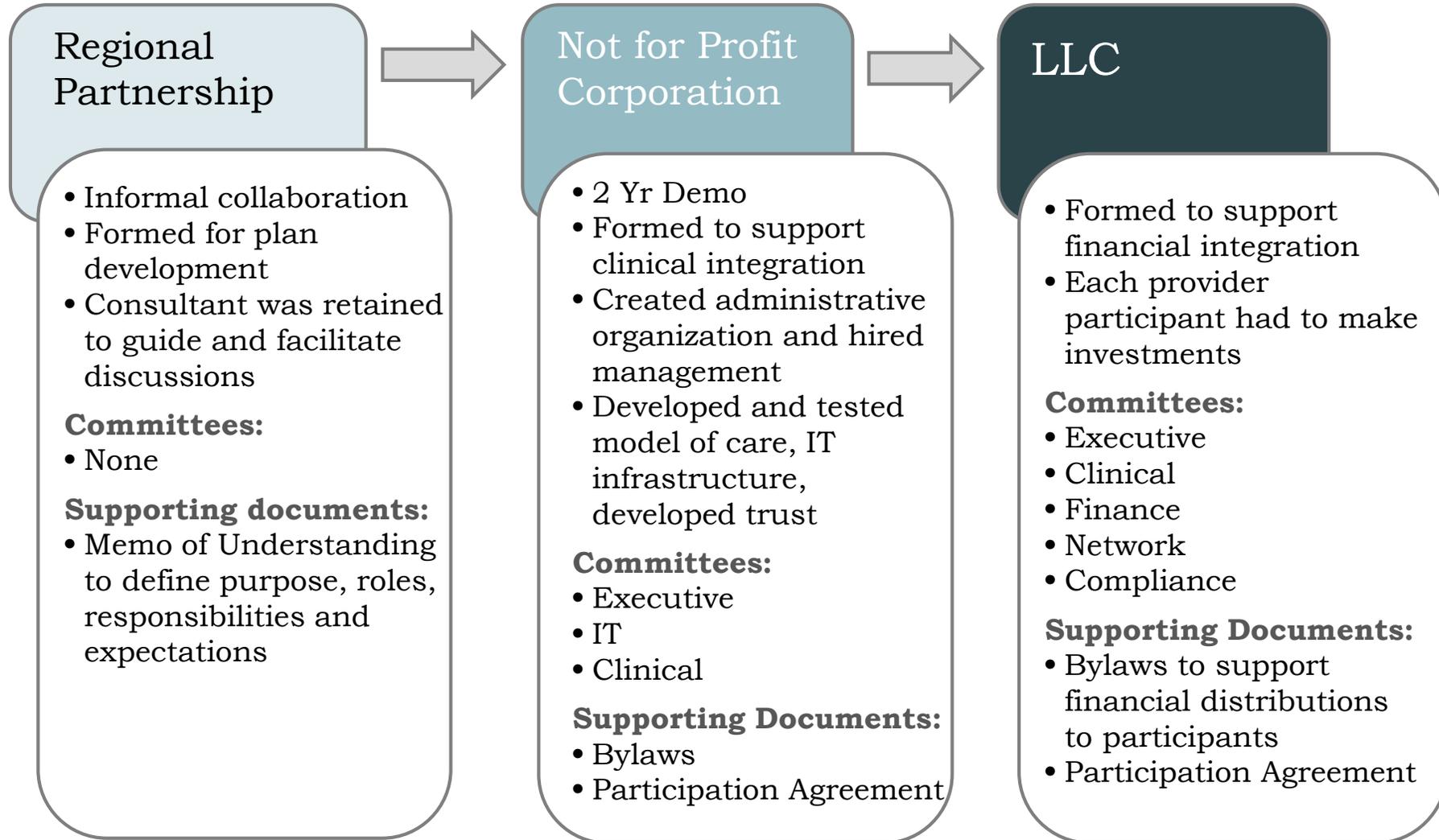
\* Reflects the reduction achieved by MHN PCPs as compared to non-MHN PCPs in the CountyCare program in Illinois; MHN has 48% of the ~180,000 CountyCare member population. CountyCare is a no-cost publicly funded managed care health plan in Cook County, Illinois.

# The Building Blocks for *Delivery System Transformation & Population Management*



# Evolution of MHN

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# Questions for Dr. Jones



# Lessons Learned

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- ▶ It's critical to have an efficient, effective governance structure in place to support and position RPs to succeed
- ▶ Governance and decision-making structure during planning may need to be different from governance/decision-making structure for ongoing operation of the RP
  - ▶ Overcome the counterintuitive nature of collaborating with historic competitors; what were the catalysts for working together
  - ▶ Make the collaboration the top priority
  - ▶ Don't dwell on past grievances; focus on present and future goals
  - ▶ Progress will occur over time
  - ▶ Make goodwill gestures
  - ▶ Be purposeful in obtaining input and developing a shared purpose, goals

# Lessons Learned

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- ▶ **Understand each other's revenue streams**
  - ▶ Become familiar with the unique reimbursement mechanisms of each provider type within the partnership
  - ▶ Share any unique regulatory restrictions to clinical and financial integration
  - ▶ Define potential consequences of payment reform on each organization
  - ▶ Differentiate revenue from profit margin; aim to sacrifice revenue without sacrificing profit margin when possible
- ▶ **Understand and define the value of integration**
  - ▶ Within and beyond the collaboration
  - ▶ Understand the value each partner brings; each partner must bring value

# Lessons Learned

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- ▶ **View any new financial proposition from a total package perspective**
  - ▶ Don't seek to profit from each component of the deal
  - ▶ Don't assume that the status quo is not a long term option
  - ▶ Recognize each entity provides some low-value services that must be eliminated
  - ▶ Consolidate services among partners to achieve efficiency while maintaining reasonable access to care
  - ▶ Be willing to repurpose, reduce or transfer staff to a partner
  - ▶ Plan with the aim of evolving to a multi-payer model
- ▶ **Shared decision-making authority and responsibility breaks down barriers**
  - ▶ Recognize natural alliances and prevent them from dominating
  - ▶ Avoid creating new alliances for the purpose of excluding some participants from decision-making
  - ▶ Delineate critical decisions that require a super-majority or unanimous decision to protect the interest of minority partners
  - ▶ When possible, contribute to start-up costs and assign ownership equitably among participating entities

# Lessons Learned

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- ▶ Establish metrics of success, report them transparently and hold each other accountable
  - ▶ Choose process and outcome measures
  - ▶ Set clear and realistic performance and other expectations for each partner
  - ▶ Be transparent about reporting
  - ▶ Recognize improvement as well as absolute excellence
  - ▶ Take a CQI approach, anticipating, recognizing and dealing with unforeseen consequences
  - ▶ Expect that success will not be immediate but don't use that as an excuse for falling short of goals

# Review of Reference Tools and Next Steps

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## ▶ REFERENCE TOOLS

- ▶ Sample Memo of Understanding
- ▶ Sample Bylaws

## ▶ NEXT STEPS:

- ▶ Governance will be a focus of the Learning Collaborative on Sept. 3
  - ▶ Plan to send representatives to attend both the Governance and Care Management breakout sessions
- ▶ Follow up with your Point of Contact if you need additional technical assistance related to governance

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# Questions

