Children’s Mercy
Pediatric Care Network (PCN)
an Integrated Pediatric Network (IPN)

Bob Finuf, Vice President & PCN Executive Director
Agenda

• Children’s Mercy’s Scope of Services
• Children’s Mercy’s History with Medicaid Managed Care
• Why Develop Children’s Mercy Pediatric Care Network?
• Overview of Children’s Mercy Pediatric Care Network
• Provider Value Proposition
Children’s Mercy Hospitals & Clinics

Size and Scope

- 21: Pediatric oncologists on staff
- 44: States from which patients visited Children’s Mercy in 2011
- 319: Inpatient beds (391 beginning in September with the opening of Hall Tower)
- 400+: Employed Pediatric specialists and subspecialists
- 2,000+: Cancer patients seen annually
- 4,500+: Transports each year (top 3 busiest teams in the country)
- 6,000+: Employees
- 14,875+: Admissions annually
- 17,750+: Surgical procedures performed each year
- 400,000+ Patient visits annually
Community Provider

• 1: Only Pediatric Trauma Center between St. Louis and Denver
• 5: Locations in the KC Metro Area
• 51%: Medicaid as a percentage of annual patient revenue
• 75+: Medical residents employed by Children’s Mercy each year
• 400+: Medical students who annually rotate through Children’s Mercy
• 1897: Year founded as a single-bed hospital for children
• $120+M: Total community benefit provided each year
Industry Leader

- **1st**: Human Genome Center within a Children’s Hospital
- **1st**: Hospital in Kansas or Missouri (and just the third Children’s Hospital nationwide) to achieve Magnet Designation for excellence in nursing
- **1**: Largest Pediatric Clinical Pharmacology program in North America
- **10 out of 10**: Pediatric specialties at Children’s Mercy ranked by *US News & World Report*
CMH’s Service Area Extends Over a Broad Regional Geography

[Map showing the service area coverage with different regions and distances marked.]

- **Primary Service Area (18 counties)**
- **Secondary Service Area (50 counties)**
- **Outreach Areas (43 counties)**

- **Children’s Mercy Hospital or Major Ambulatory Location**
- **Children’s Mercy Specialty Outreach Location**

- **Drive time to CMH Main**

- **1 hr**
- **2 hrs**
- **2.5 hrs**
- **3 hrs**
- **4+ hrs**

St. Louis 4 hrs ➔ From CMH
Children’s Mercy Hospitals & Clinics – Kansas City History with Medicaid Managed Care

• Children’s Mercy & Truman Medical Center formed Family Health Partners (FHP), a Medicaid managed care organization (MCO) in 1996
• Children’s Mercy acquired Truman’s interest in FHP in 2002
• By 2011 FHP was serving 210,000 Medicaid recipients (Adults and Children) in Missouri and Kansas
• In anticipation of health care reform and the changing landscape in Medicaid managed care, Children’s Mercy sold FHP to Coventry Health Care January 1, 2012
Children’s Mercy Hospitals & Clinics – Kansas City History with Medicaid Managed Care cont....

• As part of the FHP transaction Children’s Mercy retained key infrastructure components from FHP.

• Simultaneous with the sale of FHP on January 1, 2012 Children’s Mercy formed Children’s Mercy Pediatric Care Network (CMPCN), a new Pediatric “ACO-like” organization to function as an Integrated Pediatric Network.

• CMPCN entered into a global capitation agreement with Coventry Health Care and their Medicaid MCO subsidiaries in Missouri and Kansas January 1, 2012 for 112,000 Medicaid eligible children in the KC Metro area.
Why Sell the Medicaid MCO and Develop CMPCN?

• The current payment model is unsustainable (fee-for-service is in Hospice)

• Care is fragmented

• Poor cost/outcome ratio vs. the world
Why Sell the Medicaid MCO and Develop CMPCN cont...

• Pediatric practices are under resourced and overburdened with administration

• A model for real and sustainable community-based population health is needed

• The care delivery and payment models need to be aligned and CMPCN provides a vehicle to accomplish that while focusing on Pediatrics
GDP refers to gross domestic product.
Source: OECD Health Data 2011 (June 2011).
Current State

Build ‘n Fill
Future - Incentives Aligned to do the Right Thing

**Right Time**
Preventative Care
Chronic Disease Management

**Right Setting**
Patient Centered Medical Home
Convenient and Timely (home, school, technology enabled)
Acute & Specialty Care when Needed

**Right Care**
Coordinated
Evidence Based
Appropriate Intensity
How Do We Get From Here to There?
Assumptions

• Better care does not have to result in higher cost in the aggregate, but it may (and should) result in higher costs within components of care.

• Providers will face steadily increasing pressure to be accountable for the cost of care (take cost out) while maintaining and increasing the quality of care.

• The care delivery model and the payment model must be fundamentally redesigned simultaneously to achieve meaningful improvement in quality and cost.

• The government will not provide the solution, but the government may very well provide the motivation to find the solution.
Assumptions cont...

• The only person that likes change is a wet baby. Change is hard, and it requires hard work, innovation, and diligence to produce meaningful change.

• You must believe, and go “all in”.

• Disruptive innovation often produces real or perceived winners and losers. All stakeholders will need to reexamine their role in the health care ecosystem.

• An innovation’s initial form is rarely its final form.
Children’s Mercy Pediatric Care Network’s Mission

To improve the health and well-being of children through an integrated pediatric network in the greater Kansas City area that is value-based, community-focused, patient-centric, and accountable for the quality and cost of care.
Current Patient Inclusion:

- KS- 21 yo and under
- MO- 20 yo and under
- Enrolled with participating Medicaid MCO
- Patient’s PCP is located in one of the included counties
  - Patient Selected PCP
  - Auto-assigned PCP

Future Patient Inclusion:

- 20 yo and under
- Live in PCN Service Area
- Attributed to a sponsoring organization (employer, private or public payer)
How Does It Work?

CMPCN:

• Is accountable for the quality and cost of care for a defined pediatric population through a global prospective payment model.

• Provides resources to the community-based providers for the patient-centered medical home.

• Reduces the barriers of traditional medical management and utilization review

• Exports Children’s Mercy resources and expertise into the community

• Compensates providers based on level of engagement and outcomes
What We Do

We improve health care delivery by offering:

- **Simplified administration and reduced fragmentation**, including standardized claim submission requirements, payment policies, and credentialing processes.

- **Better population-based clinical tools and medical home support tools** such as Health Information Technology and aggregated data for the pediatric population in the Kansas City area.

- **Payment system reform**: “value based” payment, opportunities for at-risk contracting, sharing savings, and other creative payment models.

- **Delegated health plan administration**, including medical management, provider credentialing, and disease management programs.
Data Driven

Fig. 3: Data Sources Feed into CMPCN Data Warehouse

- Hospitals
- Primary Care Physician
- Specialist and Ancillary Providers
- EMRs
- Web-based Administrative Care Inputs
- National and Regional Labs
- Pharmacy Benefits Manager
- Hospital and Physician Labs
- Health Plans

CMPCN Data Warehouse
Using Data to Provide Care

Fig. 4: CMPCN Data Warehouse Facilitates Interventions

CMPCN Data Warehouse

- Preventive Care
- Hospitals
- Chronic Disease Management
- Cost to Budget Reports
- Prescribing Efficiency
- Seamlessly View Patients Across Registries
- Quality and Performance Reporting
## Children’s Mercy Pediatric Care Network (CMPCN)

### Medicaid Managed Care Administrative Services

<table>
<thead>
<tr>
<th><strong>Shared Services CMPCN/Health Plans</strong></th>
<th><strong>CMPCN</strong></th>
<th><strong>Health Plans</strong></th>
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| “Shared Services” are performed separately by CMPCN and Health Plans but not necessarily with the same allocation of resources by each. | • Appeals (first level for network providers)  
• Care Management (high use / high cost)  
• Data Analytics  
• Disease Management (Asthma, Diabetes)  
• HEDIS Data Collection Support  
• Inpatient Transition  
• Medical Home Support  
• Payer Contracting/Relations  
• Payment Model Determination  
• Prescription Drug Management (if applicable)  
• Prior Authorization  
• Performance Reporting and Analysis  
• Utilization Management  
• 24-Hour Nurse Advice Line | • Appeals (except first level for network providers)  
• Benefits Administration  
• Claims Administration  
• Community & Member Outreach  
• Compliance  
• Customer Service  
• HEDIS Data Collection & Reporting  
• Enrollment  
• Marketing  
• Non-Medical Services (transportation, dental)  
• Pharmacy Benefits Management Services  
• Pharmacy Network  
• Quality Improvement  
• State Contracts  
• Underwriting |

- Credentialing
- Financial Reporting
- Government Relations
- HIT Platform
- Patient Outreach and Prevention
- Provider Relations and Contracting
- Website Design and Maintenance
Children’s Mercy Pediatric Care Network (CMPCN) Provider Flow of Funds/Data
Provider Value Proposition

PCN Services

Current

• Intermediary with MCOs for streamlined communication
• Standardized Payment Model
  • FFS (70%)
  • Medical Home Admin Cap (15%)
  • Incentive Based Cap (15%)
• Standardized Medical Management
• Non-Redundant Credentialing Process
Provider Value Proposition cont...

PCN Services cont..

Current cont..

• Liaison for all things CMH
  ➢ Office Based CPGs
  ➢ CMH Concierge
  ➢ MOC
  ➢ Quality Improvement
• Medical Home Resourcing
  ➢ Data Exchange
  ➢ Patient outreach and intervention
Provider Value Proposition cont...

• **PCN Services cont...**

**Future**
• Shared Risk/Savings Payments
• Relaxed Medical Management
• Office Quality Resources
• Use of CMH Resources like HR
• Business Office Support
• HIT Services
  ➢ Web hosting, content and tools
  ➢ Health Information Exchange
Provider Value Proposition cont...

Provider Engagement Obligations

• Appropriate use of Acute and Specialty Settings
• Address Gaps in Care
• Address Access to Care
• Medical Home Collaboration
• Disease and Case Management Collaboration
• Provide Data to PCN
Disruptive innovation often produces real or perceived winners and losers.

All stakeholders will need to reexamine their role in the health care ecosystem.