Population Health Management: Advancing your Position in the Journey to Value-Based Care

Population Health Management as a term serves as a helpful starting point to describe the evolution of care delivery underway. Care delivery is transitioning from a system built around the reactive treatment of illness – with payment based on volume of services provided – to one that prioritizes the proactive care of chronic disease and active advancement of health and wellness – with a payment model that supports those goals. These emerging care and payment models have the potential to truly transform health and healthcare delivery. Yet, the journey towards value-based care is not without challenges and risks for providers. As providers navigate this evolving and uncertain terrain, they need an integrated approach that is guided by an overarching vision and aligns clinical, operational and financial models.

The Evolving Landscape

Multiple stakeholders — public and private purchasers, providers and consumers — are pursuing initiatives that drive increased accountability for value to providers. The aim of such efforts is to not only curb the growth of healthcare costs, but also to bend the cost curve while improving health outcomes. The approaches that have emerged are diverse but many can be grouped under the umbrella of population health management, which we define as:

The advancement of the health of a defined or specific population through coordinated programs and activities that address medical and/or social determinants of health, and are supported by an aligned payment model that rewards improvement of the population’s health and the delivery of high-value care.

- **Health**: Health outcomes of individuals and distribution of those outcomes within the group. Sample indicators include: life expectancy, mortality rates, health and functional status, disease burden and health risk factors.
- **Population**: A specific group of individuals. A population can be defined broadly (e.g., a payor group, such as Medicaid) or narrowly (e.g., poly-chronic / complex vs. chronic with social needs).
- **Aligned Payment Model**: A contractual arrangement assigning some degree of financial responsibility for managing the health of a defined population to a given entity, typically a provider organization. An aligned payment model can be achieved through a range of models with varying risk for the value of care provided (e.g., shared savings, bundles, full capitation).
Key Challenges and Common Risks

In reality, providers do not manage a single population. Rather, they manage multiple populations under a mix of financial arrangements with varying levels of risk. In this context, providers must resolve two fundamental issues:

1. **Managing Populations under Mixed Models**
   How do we most effectively manage performance both across and within the populations we currently serve?

   - **POTENTIAL RISKS**
     - **Approaching each population separately** without considering how populations and their respective care and payment models relate to one another.
     - **Pursuing population health management from a siloed view** without taking into account the interplay between clinical, financial and operating models.

2. **Taking Increased Accountability for Performance**
   Which populations should we shift to increased risk or do we expect the market to move in that direction? How do we prepare for and execute against this transition?

   - **POTENTIAL RISKS**
     - **Succeeding under a performance-based arrangement** without fully understanding the drivers of success.
     - **Doing nothing** and being unprepared when the market moves more performance accountability to providers.

An Integrated Approach to Population Health Management

To mitigate these common risks, providers should take a purposeful and integrated approach to population health management; rooted in an enterprise vision and focused on developing capabilities across multiple interrelated dimensions.
**Enterprise Vision for Population Health Management**  
Clarify your overall approach to population health management, including objectives and measures of success.

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<tr>
<th>Know your populations: What populations do you manage today? How may their needs change over time? What will be required to maintain or deepen existing relationships with these populations?</th>
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<th>Understand the market evolution: How is the market expected to change in the coming 3 to 5 years?</th>
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<th>Articulate your value proposition: Where does population health management fit in the broader enterprise vision and strategy? What is your organization uniquely positioned to offer the market to disrupt the current competitive environment and create new/lasting value?</th>
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**Segment and Stratify Populations**  
Identify, assess and classify your populations to guide your population health management efforts.

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<th>What are the needs and preferences for each of your populations?</th>
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<th>How sophisticated is your stratification methodology?</th>
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<th>Have you appropriately deployed resources based on your knowledge of each population?</th>
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**Advance Clinical Management and Care Models**  
Design and implement clinical and access models that advance population health management.

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<th>How do your clinical and access models meet the diverse needs of your populations? For example:</th>
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- Accountability for clinical outcomes - alignment between cost management and health management  
- Clinical variation management - avoidance of unhelpful care, complications and adverse events  
- Care transitions management

**Promote Consumer Engagement and Access**  
Foster consumer access to services and information.

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<th>How do you effectively deploy multiple engagement and access modalities to bring the individual to the center of his or her care? For example:</th>
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- Coordinated activities to cultivate consumer relationships  
- New access points (e.g., online self-service, retail clinics)  
- Pricing / quality transparency

**Engage Provider and Community Partners**  
Develop and mature your provider network to position for and succeed under population health management models.

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<th>Provider engagement and leadership: How do you engage providers and clinicians representing diverse specialities and roles? What formal and informal leadership roles do physicians and clinicians play? Do they have decisional authority? Performance accountability?</th>
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<th>Network development: Do you have the requisite network composition, configuration and alignment vehicles?</th>
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<th>Community partners: Do you have relationships with the right community partners (e.g., other clinical organizations, alternative delivery sites and social service entities) to effectively manage the health of your populations? To reach the populations you aim to serve in the future?</th>
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Align Economics
Prioritize and pursue a strategic payor product portfolio inclusive of population health management and traditional business models.

Payor strategy: Does your payor strategy and/or product portfolio capitalize on the enterprise’s distinct value proposition to advance the mission, vision and strategic objectives?

Incentive distribution: How do you effectively share upside and/or downside risk to incentivize all stakeholders towards common objectives?

Resource management: Are your resources allocated to support your population health management goals? Are any new financial management structures and processes needed?

Create and Deploy Powerful Information
Aggregate, analyze and share information to create actionable insight – from data capture to reporting and profiling across groups and for individual patients or providers.

How can you most effectively apply new and existing technologies to support the enterprise’s population health management needs, including key clinical, operational and business functions? For example:
- Data aggregation and integration
- Analytics and reporting
- Care management and coordination tools
- Member engagement
- Incentive alignment and financial management

Unified Leadership and Culture
Engage leadership and staff at all levels of the enterprise and promote enterprise norms and standards to support the transformation to population health management.

Is there awareness and alignment across the organization around the population health management vision and approach?

Is leadership comfortable with and committed to change management?
For More Information

Please contact us to learn how we are helping organizations advance in their population health management journey.

Thomas Graf, MD  
National Director of Population Health Management  
570.449.6647  
tgraf@chartis.com

Greg Maddrey  
Director and Accountable Care Solutions Practice Leader  
952.250.0529  
gmaddrey@chartis.com

Mark Werner, MD  
National Director of Clinical Consulting  
540.520.4161  
mwerner@chartis.com

Anneliese Gerland  
Accountable Care Solutions Practice Manager  
202.306.2216  
agerland@chartis.com

Our Population Health Management advisory services are supported by a broad group of firm leaders, including the following individuals who contributed to this content and our 2015 Webcast Series: Ken Graboys, Managing Partner; Myra Aubuchon, Associate Principal; Fred Bentley, Principal; Claudia Blackburn, Senior Manager; Cindy Lee, Principal; Melissa McCain, Director and Practice Leader for Clinical Transformation; Kathy McCarthy, Principal; Stacy Melvin, Director; Gregg Mohrmann, Director; Bob Schwyn, Director; Dr. Mark Van Kooy, Associate Principal

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