

So you want to build a Physician-led Health Plan?

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Agenda

- ACA and the COOP program – Opportunity and Context
- Vision
- Problem, Solution, Function and Form
- Features
- Results
- Headwinds and Tailwinds
- Where from here?



Health Plan Journey

- New Mexico Health Connections (CO-OP): 2014 to present
- Spin-out of group lives in 2018 to form:
 - **True Health New Mexico**
 - Management Services Agreement to be TPA for NMHC
 - Subsidiary of Evolent Health
 - True Health opening in other States (2020)



ACA and the CO-OP program

- Individual and Small Group Markets – NEW-(ish) markets
- Guaranteed Issue and Individual Mandate
- Consumer Oriented and Operated Plan (COOP)
- 24 CO-OP's (\$10B → \$6B → \$2B)
- One-time CMS capital infusion (Start-up and Solvency)
- Risk 'buffers' as the Marketplace given huge unknowns
 - Risk Adjustment, Risk Corridors, and Reinsurance (the 3 R's)



Vision

- Physician organizations manage both Clinical and Financial Risk
 - With better population health outcomes
 - And, with greater financial performance
 - (BTW, of what value are health plans?)
- Healthcare organization, not finance organization
- Partnerships not transactions
- Rooted in Staff Model HMO (Lovelace Health Systems in 1990's)
- Embrace Risk and Manage it!



Problems, Solutions, Functions and Form

- Cynical and stale Health Insurance business model
- High uninsured rates
- Option to the Public Option (last minute ACA modification)
- Consumer-focused
- Consumer-operated (governance)



Features

- Significant Medical Management Surface Area
- Medical Management present throughout organization
 - Finance, Sales/Marketing, Benefit Design, Strategy, Network build....
- Physician CEO and CMO
- A “touch” is an opportunity for care – not to be squandered
- Heavily in-source
- More “high touch” and relatively less “program”
- Appeals and Grievances



Features

- Health Plan Benefit design
 - \$0 copay for generics
 - \$0 copay for PCP visits
 - \$0 copay for outpatient BH visits
 - Deep understanding of care delivery and patient behavior
- Sales
 - Value versus Price
 - Medical Management on sales pitches



Features

- Leveraging Physician and Provider relationships
 - Share the vision, partnerships not transactions
 - Better pricing
 - Friction-less, Quick solutions
 - Better and more meaningful contracting, and value-based
 - Provider group performance reporting
 - Strong connection to BH provider community
 - Health Plan as Physician advocates and educators



Features

- Risk Identification and Stratification
 - Health Information Exchanges
 - Risk Score Optimization
- Finance
 - High dollar claim review
 - Deep in clinical and financial audit process



Features – oh yes, the “usuals” – still unusual

- Prior Authorization and Peer to Peers
- Education re: “games Pharma plays”
 - Metformin ER
- DM, CM, and UM – un-silo
- Multidisciplinary Rounds
- Heavy redirection away from hospital outpatient
- Nurse advice line as “triage” for telehealth
- Home telemonitoring program for most fragile



Results

- Utilization Metrics:
 - Admissions (34 vs. 43/1000/year), Readmissions (4% vs. 8%) and ED visits (130 vs. 190 visits/1000/year)
- Quality
 - Outperformed local competition on many HEDIS measures
 - Breast Cancer Screening,
 - Med Mgt in Asthma and Depression
- Spend
 - MCR performance (73.4% THNM, 72.7% NMHC and 84% in 2017)



Headwinds

- Non-payment for Risk Corridor
- Risk Adjustment unpredictable
- Elimination of Cost Share Reduction (CSR) for Individual Market
- Elimination of Individual Mandate
- Fractioning of risk pools
 - Short term plans and Association Health Plans
 - Public confusion about Healthcare, exploited by some politicians
- Capital needs
- Small is agile but lack of concentration of membership is challenging



Tailwinds

- Immense opportunity given stale business models in health insurance
 - The bar is low and people are hungry for new models
- Capital is flowing into healthcare
- Burning platform for change given aging of Physician population
- Need for Physician leadership and ownership of Population Outcomes
- Technology enabled solutions continue to grow
- Uninsured rated is much improved
- The drugs are amazing!



Where from here?

- New vision of PCP program
- New markets
- New technologies around engagement
- Full-risk bearing partnerships
- Growing the presence of physician leaders

