Integrating Gainsharing into Inspira Health's Clinically Integrated Network

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by Jo Surpin and April Venable

New Jersey has been in the forefront of gainsharing initiatives since the first New Jersey Hospital Association (NJHA) Medicare Demonstration in 2009. The demonstration included 12 hospitals and 1,300 participating physicians, and covered 150,000 Medicare patients. It ran for three years, and then expanded to 23 hospitals as part of the Bundled Payment for Care Improvement (BPCI) Model 1, concluding in 2016. Largely as a result of the NJ Demonstration, all Medicare bundled payment initiatives and ACOs include a gainsharing component. In 2017, an exception to NJ state legislation governing physician relationships, referred to as the "Codey" bill, was passed (S-913), allowing programs like the NJHA gainsharing program to be used by hospitals for its commercial (i.e., excludes Medicare and Medicaid Fee-for-Service) patients.

Gainsharing, whether focused on internal cost savings (e.g., the NJ demonstrations) and/or reductions in payments compared to a target price (e.g., shared savings), is an essential component to any effective physician engagement strategy. This is particularly true as reimbursement or provider payments transition from fee-for-service to value-based payments. Although alternative gainsharing approaches focusing on specific services and specific costs have been tried by some, the NJHA program provides a broad-based, comprehensive gainsharing methodology, and includes physicians regardless of specialty or employment status. It also includes all inpatient costs, and not just those limited to a specific area such as supplies. NJHA partnered with Applied Medical Software, Inc. (AMS, Collingswood, NJ) in executing its Medicare and now commercial gainsharing programs. The AMS Performance Based Incentive System® (AMS PBIS®) provides an all-inclusive system of targeted, highly defined financial incentives covering all inpatient cases and costs.

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Inspira Health Network was an early adopter of gainsharing. It began a care redesign process with an inpatient-focused gainsharing program by participating in the NJHA Medicare Gainsharing Demonstration (CMS BPCI Model 1 initiative), which set the foundation for strong physician alignment. It recognized that to be successful in an era of population health, aligning the hospital and physicians' financial incentives and quality goals is essential. Inspira then set about a process of clinical integration and population health, which included the need to create a physician integration strategy across the continuum of care. Inspira created Inspira Health Partners (IHP), a Clinically Integrated Network (CIN), in 2015 and in January 2018 launched the NJHA Commercial gainsharing program, branded as the Hospital Quality and Efficiency Program (HQEP), as part of its CIN.

Inspira Health Network

The Inspira Health Network was formed in November 2012 by the merger of South Jersey Healthcare and Underwood-Memorial Hospital. Inspira's vision is to be the region's leading network of health care providers, delivering the full continuum of primary, acute, and advanced care services.

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The non-profit network comprises three hospitals, a comprehensive cancer center, several multi-specialty health centers and a total of more than 150 access points. These include urgent care; outpatient imaging and rehabilitation; numerous specialty centers, including sleep medicine, cardiac testing, digestive health and wound care; homecare and hospice; and more than 30 primary and specialty physician practices in Cumberland, Gloucester, Salem, and Camden counties. Inspira's medical staff is composed of more than 1,100 physicians and other healthcare providers.

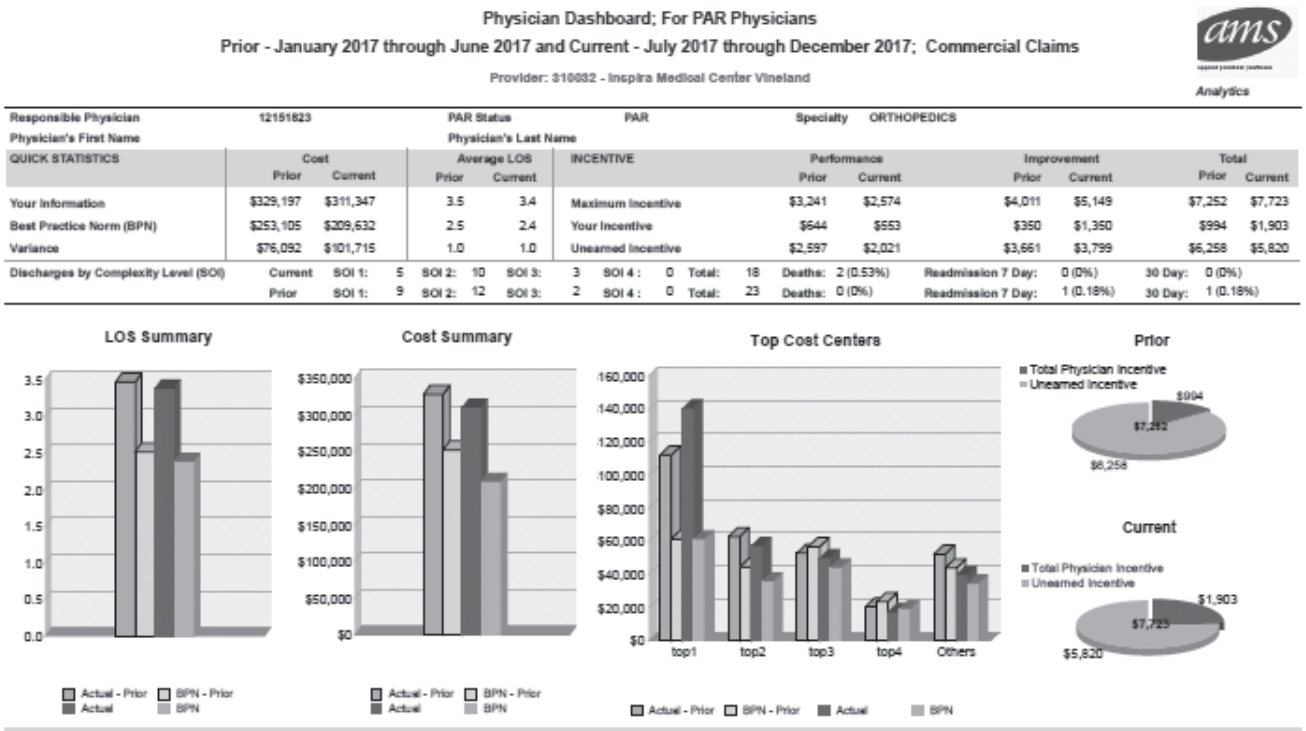
IHP initially offered shared savings programs to primary care providers rewarded based on the total medical spend of attributed lives from payer contracts. IHP also wanted to engage its specialist providers with a shared savings opportunity that was meaningful and a direct result of their contribution to cost and quality. Branded the Hospital Quality and Efficiency Program (HQEP), the Commercial Gainsharing program implemented in January 2018 was designed to focus on specialists, a different model than the original Medicare gainsharing program.

NJHA Gainsharing Program Framework

Aligning physicians through a gainsharing approach is appealing as physicians face economic and clinical challenges. Gainsharing addresses operational inconsistencies and complexities as costs and clinical standards are established and incentives encourage partners to work together to meet common goals. Gainsharing has evolved from a stand-alone program to engage physicians and align hospital and physician incentives, to a program that can be integrated with other initiatives that focus on total care provided to patients. The common element of success to any of these initiatives is physician engagement and financial incentives to physicians provide this key ingredient.

The NJHA Program starts with generating "best practice norms" (BPNs) based on state-wide discharge data (UB-04) for all inpatients. BPNs are established at the 25th percentile (lowest costs) for each specific APR DRG to account for case mix and severity. Costs are reported by cost center to enable utilization comparison of services such as lab and radiology.

To incent physicians to improve their historical financial performance and to reach the BPN, incentives are based on two factors:



1. Performance - actual cost compared to the BPN.
2. Improvement - actual cost compared to each physician's historical costs.

Employed and private practice physicians are eligible to participate in the gainsharing program. Physician participation is voluntary.

The NJHA Gainsharing Program was initially designed to attribute the physician incentives to what is referred to as the Responsible Physician (RP). Typically, this is the surgeon of record for surgical cases and the attending physician of record for medical cases, which is often a hospitalist.

Physician dashboard reports are provided to show a physician his or her costs, improvement opportunities, calculated incentives and the incentive opportunity if financial performance improves.

The NJHA Program is designed to meet the state legal and regulatory requirements. As such, an oversight or steering committee that consists of at least 50% physicians is required and is often critical to the success of the program. The committee ensures the fair administration of program requirements, prioritizes institutional initiatives, and sets conditions for incentive payment regarding quality and performance issues specific to the institution. The committee identifies the physicians to be included in the program, establishes the appropriate thresholds to determine if incentives are to be paid, and determines the allocation or balance between performance and improvement incentives.

Inspira HQEP Program Components

At Inspira, membership in the CIN is a requirement of participation. The HQEP program is governed through the CIN committees. Case attribution and distribution methodology are developed by the Finance Committee. Quality metrics and cost savings initiatives are vetted through the Clinical Consensus Committee. All recommendations of these committees are approved by the Board.

After reviewing its past experience with the program and its current objectives with the CIN, IHP decided to modify the traditional attribution logic for medical cases within its program to attribute cases to the specialist aligned with the service line of the case DRG. The majority of the incentive is allocated to the responsible specialist with a small portion to the attending physician. Surgical DRGs are attributed to the surgeon of record, consistent with the original program. This strategy is designed to 1) offer an incentive opportunity to specialists within the CIN (not previously in place), and 2) engage specialists in hospital-based care redesign by developing customized, specialty-specific savings initiatives and quality metrics.

Quality monitoring is a requirement of the program. Performance on quality metrics conditions the payments to physicians. Inspira is using its Service Line Councils, which consist of administrative and physician dyad leaders, to develop specialty-based quality metrics. Where a service line is not in place (e.g., pulmonology, infectious disease), the Chief Medical Officers are leading this initiative. These measures are approved by the Clinical Consensus Committee of IHP and the Board. Regardless of the means to developing quality metrics, physician input is key to achieving alignment.

HQEP Quality Measures

In order to implement the program quickly, it was initially decided to use measures from the original Medicare gainsharing program.

The selection of quality measures to track and to use to condition incentive payments will be regularly reviewed and updated accordingly.

Physician Communication

Although results are not yet available for the first performance period (January – June 2018) for the newly implemented commercial program (due to this article's publication date), a lesson learned from Inspira's initial program was that communication is key to driving behavior change and momentum for future gains.

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Surgeons – Surgical Cases	Specialists – Medical Cases	Attendings – Medical Cases
Timely Medical Records	Timely Medical Records	Timely Medical Records
Response to CDI Queries	Response to CDI Queries	Response to CDI Queries
Patient Experience	Patient Experience	Patient Experience
Operative Report Dictation		H&P Dictation Timeliness

For Year 2 of the program, specialty specific measures were developed and approved by the Clinical Consensus Committee and Board of the CIN.

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Sample Specialty Quality Measures				
Orthopedics	**Other Surgical**	**Women's Services**	**Cardiology**	**Pulmonology**
Surgical Site-TKH/THA Infection Rate	1st Case On Time Starts	NTSV (C-Section) Rate	Door to Balloon Turnaround Time	Ventilator Associated Events (VAE) per 1,000 Ventilator Days
Discharge to Home on Joint Replacements	Timely Operative Report Dictation	Episiotomy Rate	Timely Medical Record Completion	Smoking Cessation Order Rate
TKA/THA Readmission Rate	Timely Medical Record Completion	Rate of Elective Deliveries Less Than 39 Weeks	Timely Operative Report Dictation	Conversion Rate of IV to PO Steroids
Timely Medical Record Completion	Patient Experience	Timely Medical Record Completion	Patient Experience	Timely Medical Record Completion
Timely Operative Report Dictation		Patient Experience		Patient Experience
Patient Experience				

When performance period results and distributions are approved for release, one physician from each practice group will be required to meet with members of leadership to review results – both areas of success and opportunities for improvement. These meetings will also be used to solicit feedback from physicians on opportunities for collaboration between hospital and medical staff in order to drive efficiencies. Ideas shared during these discussions will be presented to both governance bodies of the CIN that drive program development – the Clinical Consensus Committee and Finance Committee.

The CIN will also take the opportunity to include programmatic updates via its website and monthly newsletter.

Conclusion

Clinical integration and population health is core to Inspira's key strategic drivers. For this to happen, physician alignment is a key objective. Gainsharing aligns provider incentives and fosters the trust necessary in the medical staff to participate in more complex alternative payment structures that serve to decrease overall health costs. Inspira's success with gainsharing in the past provided a roadmap to using it as a key strategy to engage physicians in the CIN, but also recognized that it needed to include a broader group of physicians, specifically specialists.

Inspira's success with the gainsharing program is anchored around an active, engaged governance model, prioritizing projects that gain administrative support and ensuring that physicians receive the necessary data, reports and feedback to help drive change. Although initial progress is encouraging, transformation is ongoing.

Inspira's integrating gainsharing into its CIN continues the work done toward delivering the brand promise: to offer easy access to highly skilled physicians, advanced technology and the highest quality of care under one new, forward-thinking, powerfully connected health network.

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