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Commission on Health Care for
Our Neighborhoods Issue Brief:

Building Clinical Partnerships

Recommendations on
NYC Health + Hospitals' Transformation

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Summary

As both innovator and advocate, NYC Health + Hospitals strives to promote and protect the health, welfare, and safety of the people of the City of New York. Our public health care system believes that part of this mission is to partner with other health workers and with communities to enable each of our institutions to promote and protect health in its fullest sense – the total physical, mental and social well-being of the people. Strengthening partnerships with the other health and social service providers is critical for addressing the social and economic factors that impact health status and outcomes. Clinical partnerships with other health care providers committed to serving all New Yorkers, especially the uninsured and low-income residents, complement and support NYC Health + Hospitals' transformation into a modern high-performing health system based in ambulatory care and focused on keeping people healthy.

Over the last six months, NYC Health + Hospitals examined models around the country where health care providers partnered to improve operations, the quality of care, and care management. In designing new partnerships, NYC Health + Hospitals' can build on and refine existing relationships with other health systems that share significant patient overlap including its physician affiliation agreements, academic partnerships, and joint planning and projects under the State's Delivery System Reform Incentive Payment (DSRIP) program.

This brief outlines:

1. NYC Health + Hospitals' Current Partnership Considerations

- As payment for health services shifts to rewarding value and health outcomes, clinical partners will help NYC Health + Hospitals achieve the patient volume necessary to effectively manage care and support investment in care management infrastructure.
- As described in [NYC Health + Hospitals' Transformation: Reenvisioning Clinical Infrastructure](#), NYC Health + Hospitals must restructure to meet the needs of patients where they live, learn, work, and play, and to deliver the best quality care that all New Yorkers deserve. As patient needs continue to evolve, clinical partnerships offer a cost-effective way to provide affordable, high-quality, coordinated and seamless access to services for our patients.
- NYC Health + Hospitals can leverage its current and growing experience in care management to develop clinical partnerships that coordinate care and generate savings given that patients, including the uninsured, currently receive inefficient and uncoordinated care at multiple facilities across multiple systems. NYC Health + Hospitals is operating a successful Medicare Shared Savings Program Accountable Care Organization, and is expanding care management capacity through the OneCity Health Performing Provider System aimed at reducing avoidable hospitalizations.

2. Clinical Services Partnership Models

- Safety-Net Accountable Care Organizations (ACO) in which partners share financial risk
- Management Services Organization (MSO) partnerships in which partners jointly invest in population health management services
- Joint clinical services planning and program affiliation agreements through which partners meet community demand for specific services.

3. Commission Recommendations

- NYC Health + Hospitals should foster stronger partnerships with other hospitals and providers that support our public health care system's central mission to deliver high-quality and accessible care to all New Yorkers.
- Partnerships should jointly incentivize NYC Health + Hospitals and other health care systems to provide coordinated, high-quality care to the uninsured.
- Joint care management programs should link, standardize and build upon existing care management programs at NYC Health + Hospitals and other health systems.
- Partnerships should seek to ensure patients have access to a comprehensive range of services, including those services that are not provided at NYC Health + Hospitals.
- NYC Health + Hospitals must continue to evaluate existing clinical and academic relationships to ensure that they support future clinical objectives, such as providing more care in community-based settings, promoting the delivery of high-value care under alternative payment arrangements, and delivering the right care at the right place at the right time.
- NYC Health + Hospitals should continue to evaluate clinical partnership arrangements as a viable option.



NYC Health + Hospitals' Current Partnership Considerations

Positioning for Value-Based Payments

As New York's Medicaid program transitions to value-based payments, all health care providers now have an incentive to keep patients and communities healthy. Under this new paradigm, providers will be paid according to how much they impact patient outcomes, which may not be as tied to the volume or type of services provided. NYC Health + Hospitals can harness this opportunity to support its mission by reinvesting the financial value of improved patient outcomes. Getting paid for value, however, requires a large volume of patients to help spread risk. Between MetroPlus and HealthFirst, NYC Health + Hospitals is already at risk for nearly 600,000 members, a significant number, but only about 20 percent of the overall Medicaid managed care market in New York City. Partnerships can help achieve the scale necessary for investments in population health and care management infrastructure and for negotiating value-based contracts with managed care companies.

Improving Care for Overlapping Patients

A significant number of patients receive care from NYC Health + Hospitals and other health care systems. Notably, a substantial number of Medicaid enrollees frequently use emergency and inpatient services at multiple health care systems. These utilization patterns demonstrate the need for properly structured care coordination partnerships across health care systems. Care coordination partnerships can ensure that patients are re-connected with their primary care provider upon discharge from a hospital visit to reduce avoidable emergency department and inpatient admissions and re-admissions.

Establishing partnerships also allows NYC Health + Hospitals to quickly and more efficiently build a broad health care network that meets all patient needs. While today NYC Health + Hospitals offers a robust range of critical services, it does not provide every service that every patient could need. Patients currently use non-NYC Health + Hospitals providers for certain highly specialized services. These patients have little or no continuity of care as they move between systems and the receiving provider organization has no financial incentive to manage patient care efficiently or to ensure seamless transitions and patient experience. Strong partnerships will ensure that NYC Health + Hospitals patients receive timely access to specialized services that are coordinated with NYC Health + Hospitals' care.

Managing the Costs of Uninsured Care

As the City's leading safety-net provider, NYC Health + Hospitals served more than 400,000 uninsured patients in 2015. Support for this care comes from multiple sources including federal supplemental payments and financial support from the City. However, the gap between these payments and the cost of providing uninsured care is projected to expand exponentially over the next five years, leaving NYC Health + Hospitals on the hook for these uninsured individuals. The ACA repeal legislation currently advancing through Congress would likely increase the number of uninsured while still maintaining cuts to safety-net funding that helps offset, but does not fully reimburse, the cost of treating the uninsured. Currently, NYC Health + Hospitals does not coordinate with other health care systems when caring for the uninsured, resulting in the provision of duplicative, unmanaged and potentially unnecessary care, primarily in high-cost settings such as emergency departments. By partnering with other health care providers to share information about patient service utilization and coordinate care, NYC Health + Hospitals can more effectively engage uninsured patients in an appropriate setting and provide better care at a lower cost.



Leveraging Successful Medicare Accountable Care Organization (ACO) Infrastructure

NYC Health + Hospitals can leverage its experience in operating a successful Medicare Shared Savings Program (MSSP) ACO, a 13,000-member ACO focused on Medicare members and individuals who are dually enrolled in both Medicare and Medicaid. Over the past three years, NYC Health + Hospitals achieved nearly \$30 million in Medicare savings and in 2015 achieved a quality score of 94 percent. The NYC Health + Hospitals MSSP ACO has been the only public sector-led ACO that has generated shared savings in all three years of operation, an achievement by less than 15 percent of ACOs nationally. Such savings are significant in light of the disproportionately high medical costs of these high-need populations.

Aligning All Partnerships with Clinical and Financial Goals

NYC Health + Hospitals currently has affiliation contracts with Physician Affiliate Groups of New York, Mt. Sinai, New York University and SUNY Downstate which are valued at about \$1 billion annually. These contracts were formed many years ago and were designed to employ physicians and to support research and teaching. These arrangements are not necessarily aligned with the strategic goals for the future of NYC Health + Hospitals. As NYC Health + Hospitals executes on its transformation strategies, these contracts will need to evolve to support the future clinical, operational and financial goals, such as providing more care in community-based settings, promoting the delivery of high-value care under alternative payment arrangements, and delivering the right care at the right place at the right time.

Clinical Services Partnership Models

NYC Health + Hospitals has begun to explore the development of clinical services partnerships to help NYC Health + Hospitals better coordinate care and to improve patient access to a broad high-quality network. The range of models below varies by how closely partners establish legal structures to collaborate on the clinical aspects of care delivery and whether they assume any shared financial risk.

Clinical services partnership models include: (1) Safety-Net ACO where partners share financial risk; (2) Management Service Organization (MSO) where partners jointly invest in population health management services; and (3) joint clinical services planning and program affiliation agreements where partners coordinate to effectively match clinical supply with community demand for specific services.

Partnership Objectives and Models

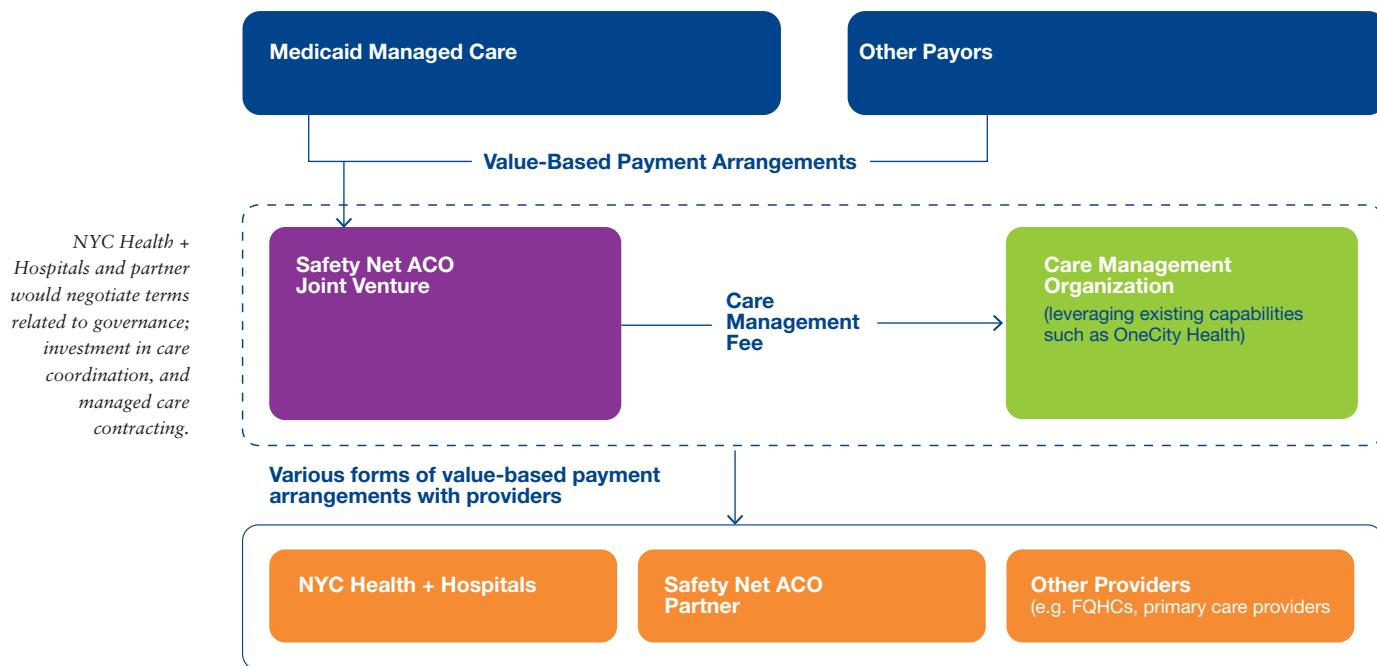
Objective	Safety-Net	MSO	Joint Clinical Services Planning and Program Affiliation Agreement
Reduce cost structure through service restructuring			X
Ensure access to tertiary and quaternary services	X		X
Expand managed-care contracts and shift to value-based payment	X	X	X
Improve access and coordination for uninsured	X	X	X
Avoid duplicative investment in population health infrastructure		X	X

Safety-Net Accountable Care Organization (ACO)

NYC Health + Hospitals could form a contractual relationship with one or multiple health systems to create a Safety-Net ACO that would negotiate value-based contracts with managed care companies and administer value-based payments to a network of providers. Funds flowing through this Safety-Net ACO joint venture could include Medicaid managed care plan payments, expanding existing relationships with MetroPlus, HealthFirst, and other plans, and potentially other payors. The Safety-Net ACO joint venture could directly fund a care management organization that works across the provider network to coordinate and manage patient care. NYC Health + Hospitals can leverage its existing subsidiary, OneCity Health, which is providing the care management capacity for DSRIP aimed at reducing avoidable hospitalizations.

The Safety-Net ACO joint venture would also seek to manage downstream relationships with a provider network that includes NYC Health + Hospitals, voluntary hospital systems, Federally Qualified Health Centers (FQHCs) and other providers such as community primary care physicians. Within those relationships, the vision is for the Safety-Net ACOs to direct patients to care at locations where they would receive the highest quality and value of care.

Potential Safety-Net ACO Model



Nationally, the ACO model is emerging as an effective way to manage care for Medicaid beneficiaries served by multiple providers. For example, in Hennepin County, Minnesota, a local hospital, the county health department, an FQHC and a Medicaid managed care plan came together to form Hennepin Health, a Safety-Net ACO-like model dedicated to managing care for a target group of Medicaid beneficiaries. In the first year of Hennepin Health's operation, emergency department visits dropped by 9 percent while outpatient visits increased by 3 percent.¹ Hennepin Health's community-level care coordination efforts resulted in an increased percentage of patients receiving cost-effective diabetes, vascular and diabetes care in more appropriate outpatient settings.

Management Services Organization (MSO)

Under this model, NYC Health + Hospitals and one or more hospital systems could form a large-scale population health management organization with a standardized care management approach and programs, and seamless information sharing on shared IT platforms. NYC Health + Hospitals and partner(s) would use DSRIP and other funding sources as initial startup capital and would then receive a percentage of premiums from payor contracts as operating revenue to cover ongoing services. The MSO would deliver a range of services including:

1. Serving as the primary population health management support and administrative services platform for payor contracts and the delivery system;
2. Operating a patient engagement center and other population health management services;
3. Operating a large locally-deployed, embedded care management model, seamlessly integrated with a strong ambulatory care network;
4. Partnering with city agencies and social service organizations to address the social determinants of health, such as housing and employment.

¹ Shana Sandberg, et. al, "Hennepin Health: A Safety-Net Accountable Care Organization For The Expanded Medicaid Population," Health Affairs, 2014.

In Camden, New Jersey, the Camden Coalition operates a robust MSO which brings together local hospitals, primary, behavioral and specialty care providers, and community-based organizations. The core strategies the Camden Coalition employ include: using data to coordinate care for patients with complex needs through joint health information exchange; coordinating care with primary care providers after an inpatient visit to prevent avoidable hospital readmissions; improving primary care capacity for specific high-risk populations; enhancing patient and community education and engagement; expanding mental health and substance use treatment; and increasing access to programs that address the social determinants of health.

Joint Clinical Services Planning and Program Affiliation Agreements

By engaging in joint clinical services planning, NYC Health + Hospitals and other local health systems and providers will define the health service needs of communities at a local level, and work to best meet those needs. This form of regional planning would build on the jointly-developed borough-specific Community Needs Assessments completed in 2014 for DSRIP. In addition, NYC Health + Hospitals could pursue programmatic affiliation agreements with clinical partners that ensure NYC Health + Hospitals patients have access to high-quality care not provided at NYC Health + Hospitals facilities.

Clinical Partnership	State	Summary of Model
Adirondack Health Institute (AHI)	New York	In a nine-county region in upstate New York, a group of hospitals, health systems, and providers formed a joint venture to promote, sponsor and coordinate initiatives and programs that improve health care quality, access, and service delivery in the Adirondack region. AHI operates several Community Health Service Programs such as an enrollment assistance program and several Health System Transformation programs such as a Health Home for high-risk Medicaid enrollees.
Camden Coalition	New Jersey	In Camden, New Jersey, the Camden Coalition operates an Accountable Care Organization and population health management organization which brings together local hospitals, primary, behavioral and specialty care providers, and community-based organizations. The core strategies the Camden Coalition employs include: using data to coordinate care for patients with complex needs through joint health information exchange; care coordination with primary care to prevent avoidable hospital readmissions; improving primary care capacity for specific high-risk populations; enhancing patient and community education and engagement; expanding mental health and substance use treatment; and increasing access to programs that address social determinants of health.
Canopy Health	California	In a four-county region in the Bay Area of California, University of California San Francisco Health and John Muir Health, in partnership with several large physician groups, formed Canopy Health, an Accountable Care Network with 12 acute care hospitals and more than 12,000 physicians. Canopy Health will form value-based contracts directly with health plans and is planning to offer health plans in the fall of 2016.
Hennepin Health	Minnesota	In Hennepin County, Minnesota, a local hospital, the county health department, a Federally Qualified Health Center and a Medicaid managed care plan formed Hennepin Health, a Safety-Net ACO-like model dedicated to managing care for a target group of Medicaid beneficiaries. Hennepin offers health care coverage to Hennepin County residents enrolled in a Minnesota health care program. Hennepin Health's community-level care coordination efforts resulted in an increased percentage of patients receiving cost-effective diabetes, vascular and diabetes care in more appropriate outpatient settings.
Mile High Health Alliance	Colorado	In Denver, Colorado, the Mile High Health Alliance was formed to bring together stakeholders from medical care, behavioral health, public health and social and community services to work collaboratively. The Alliance is developing a specialty care referral network to improve access to specialty care for uninsured and Medicaid patients and is working towards sharing data between high utilizer programs in Denver, tracking specific high-utilizing patients, and developing a more formal learning collaborative around high utilizers.

Clinical Partnership Models Examples

Commission Recommendations

The Commission recommends NYC Health + Hospitals continue to explore and evaluate various partnership options as critical components of its transformation work. The type of partnership(s) entered into will be dependent on a range of factors across NYC Health + Hospitals and its potential partners including, but not limited to, a willingness and readiness to share in the financial risk, to establish joint health information exchange, and to coordinate care for population health management. Ultimately, partnership opportunities must be evaluated against their ability to improve patient care, their consistency with NYC Health + Hospitals core mission of caring for the underserved, and their contribution to the sustainability of the NYC Health + Hospitals system.

To guide NYC Health + Hospitals in its ongoing efforts to strengthen partnerships, the Commission makes the following recommendations:

- NYC Health + Hospitals should foster stronger partnerships with other hospitals and providers that support our public health care system's central mission to deliver high-quality and accessible care to all New Yorkers
- Partnerships should jointly incentivize NYC Health + Hospitals and other health care systems to provide coordinated, high-quality care to the uninsured.
- Joint care management programs should link, standardize and build upon existing care management programs at NYC Health + Hospitals and other health systems.
- Partnerships should seek to ensure patients have access to a comprehensive range of services, including those services that are not provided at NYC Health + Hospitals.
- NYC Health + Hospitals must continue to evaluate existing clinical and academic relationships to ensure that they support future clinical objectives, such as providing more care in community-based settings, promoting the delivery of high-value care under alternative payment arrangements, and delivering the right care at the right place at the right time.
- NYC Health + Hospitals should continue to evaluate clinical partnership arrangements as a viable option. Key components of these relationships must include:
 - Patient-centered arrangements that ensure access to the full range of high-quality services for all populations, regardless of ability to pay.
 - A commitment to joint governance of the partnership structure that provides transparency to each participating partner and various stakeholder groups.
 - An agreement that partners will commit to sharing clinical data, as appropriate, in a timely manner.
 - Legally enforceable contractual relationships that will protect NYC Health + Hospitals' interests related to access to care and clinical and financial objectives.