



**Banner Health<sup>®</sup>**

# **Accountable Care Relationships**

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# Banner Health at a Glance



**23 Acute care hospitals**

**Medical group with  
1,039 providers**

**Behavioral / Home Care**

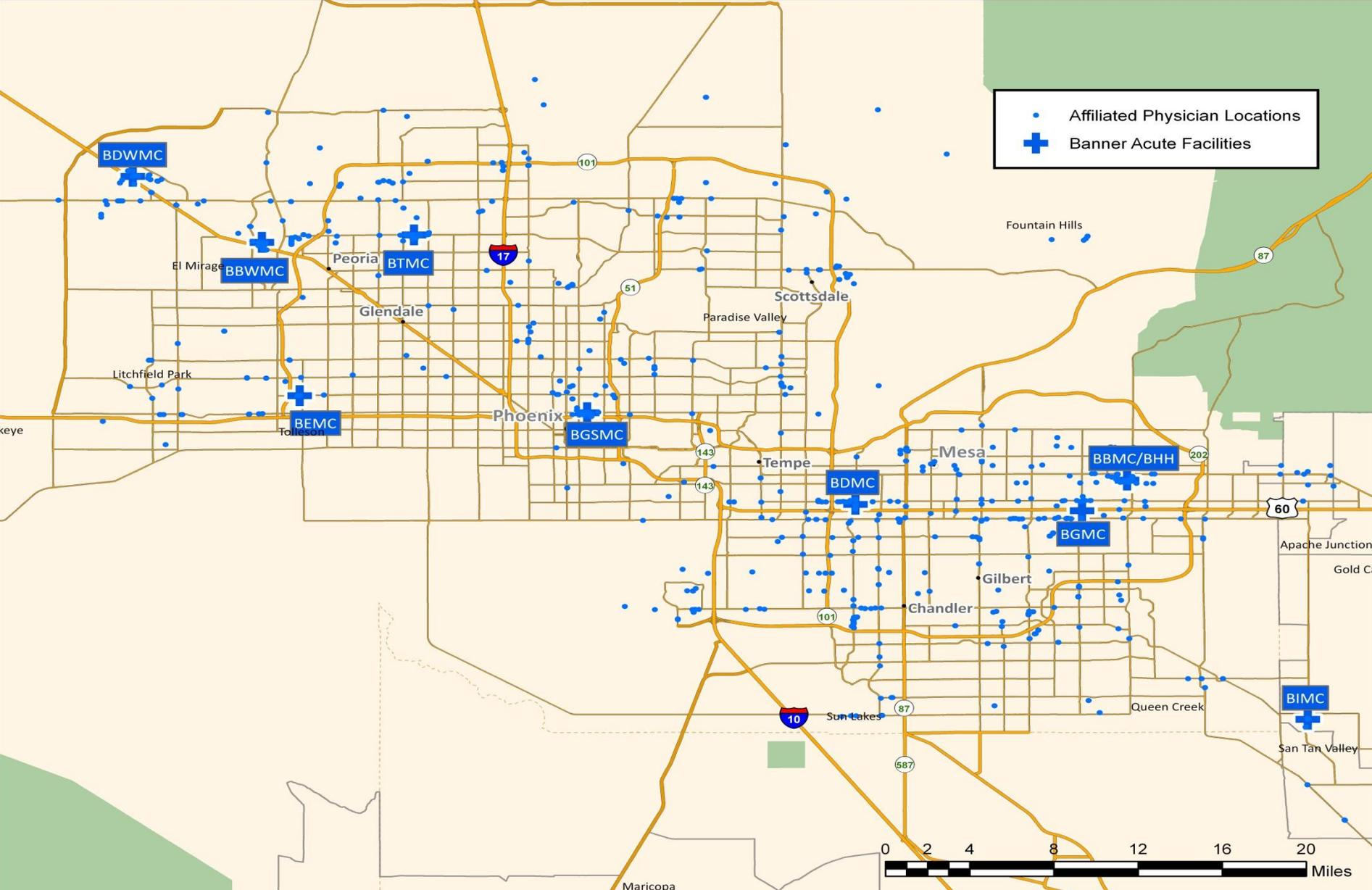
**Outpatient surgery**

**\$5 Billion in net revenue**

**36,705 employees**

**77% of net revenue  
in Arizona**

# Banner Health Network (the ACO)



# Value Proposition in an ACO Type Model

Expense reduction

Revenue generation

Decrease unit cost



Decrease utilization



Increase new membership

Delivery Efficiency  
(service/care)

- All care team members practicing at the top of their license
- Streamlined work flow
- Process automation
- Decrease the cost of delivering a service (i.e. hospital bed day)

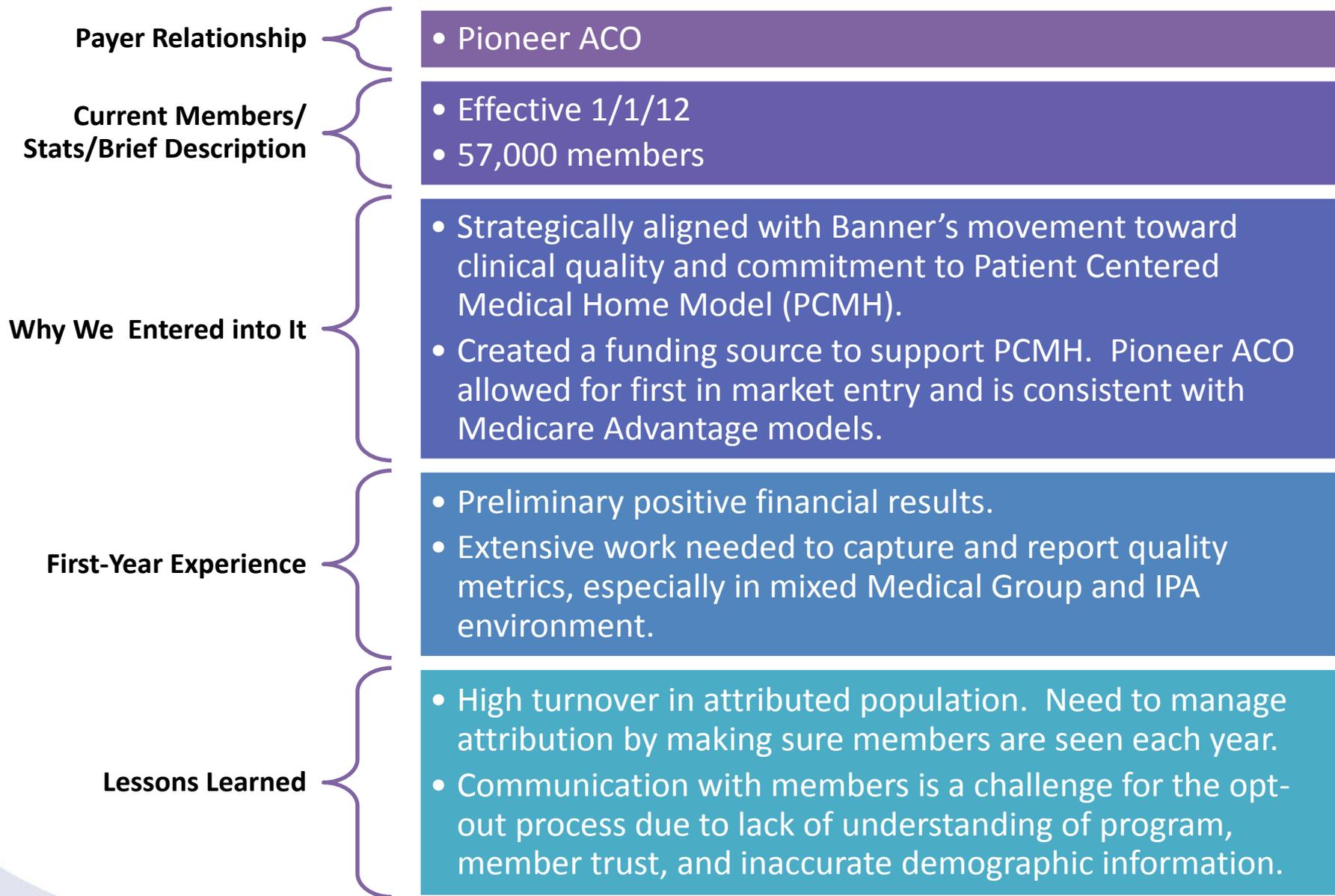
Appropriate Utilization  
(level/type)

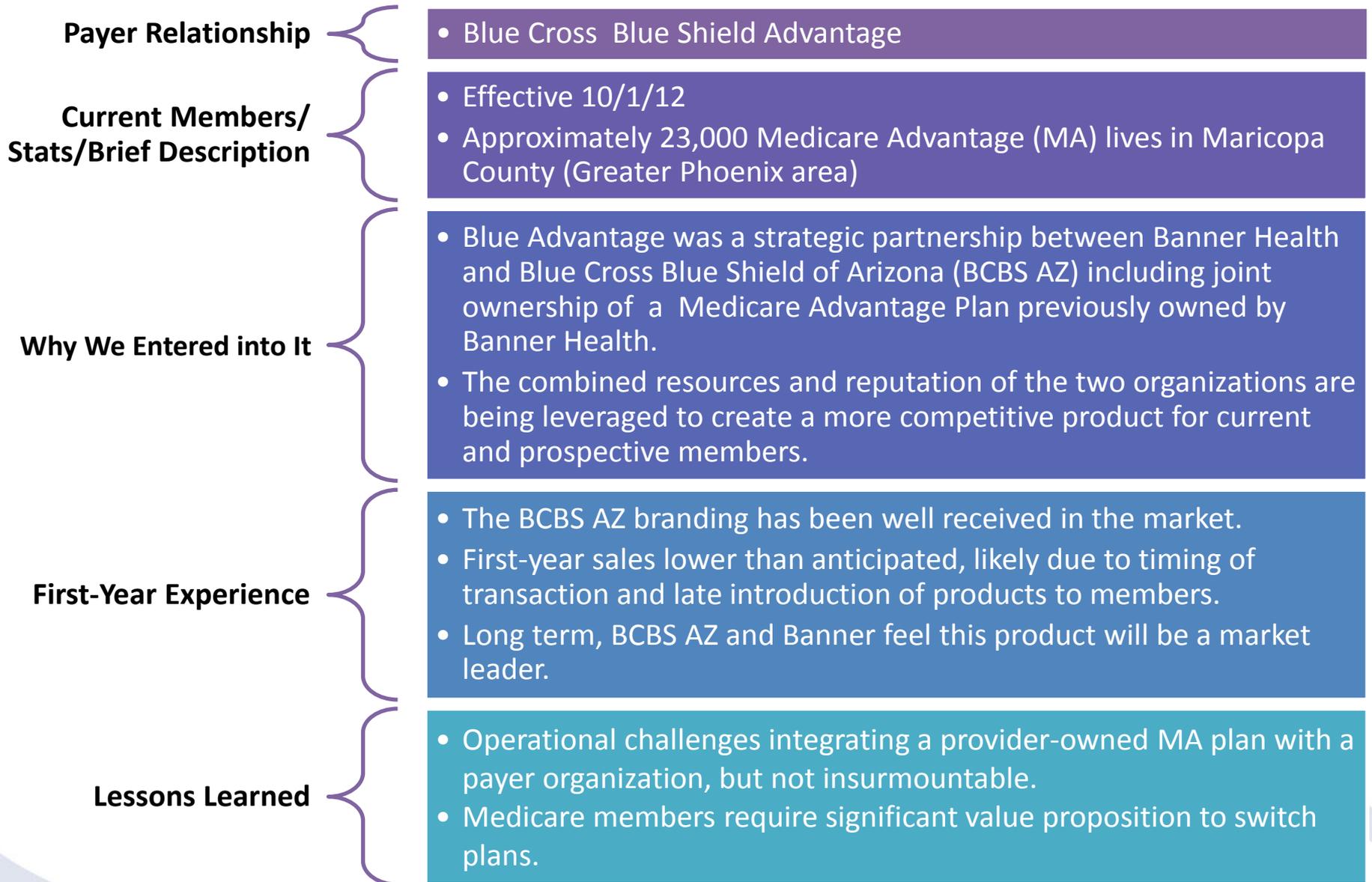
- Population health risk management strategies
- Care coordination and navigation
- Evidence based medicine
- Fraud and abuse mitigation

New Business Revenue

- Shared Savings, Care Coordination, Risk and Joint Venture arrangements with payers
- Specialty focus care delivery programs/ models with bundle payments

**... while increasing quality and member experience**





# Summary of ACO Relationship

Type	Network Design	Membership Type	Est Average 2013 Membership
Commercial Fully Insured	BHN	Assigned	2,000
Commercial Fully Insured	Broad	Attributed	20,000
Commercial Self Insured	Broad	Attributed	20,000
Commercial Self Insured	BHN	Assigned	5,000
Commercial Fully Insured	BHN	Assigned	1,000
Commercial Self Insured	Broad	Assigned	10,000
Commercial Fully Insured	Broad	Attributed	15,000
Commercial Fully Insured	Broad	Attributed	1,000
Commercial Fully Insured	BHN	Assigned	5,000
Commercial Self Insured	Narrow	Assigned	68,000
Medicaid	Broad	Assigned	7,500
Medicare Pioneer	Broad	Attributed	55,000
Medicare Advantage	BHN	Assigned	6,500
Medicare Advantage	BHN	Assigned	24,000
Medicare Advantage	BHN	Assigned	22,000
Medicare Adv	Broad	Assigned and Attributed	3,000
<b>TOTAL</b>			<b>265,000</b>

# Overall Lessons Learned

- New business models ranging from shared savings to joint ventures have developed faster than we anticipated.
- Physicians will adapt to accountable care principles if you have specific clinical and financial models to invite them into, such as patient-centered medical home, bundled payments, shared savings, or other mechanisms to align quality, service, and cost goals.
- Finance and administrative work dominate time and attention during the start-up phase.

# Overall Lessons Learned (cont.)

- Clinical performance, innovation, and member service are the keys to long term success. We plan to stay focused in these areas.
- Identifying specific areas of financial quality or service improvement is a great way to align interests of all parties toward a common goal.
- Don't underestimate the extent to which communication is needed for these relationships to be successful. In-person meetings of any type (formal or informal, large or small) seem to be the most useful method of transmitting information.