

ENHANCE Health Network, Lincoln, Nebraska **Combines independence with integration and metro with rural to form an diverse network of community and teaching hospitals**



In December 2013, three metro and six rural community hospitals joined forces to achieve the Triple Aim while strategizing their future under health care reform. The new corporation was called RPN, LLC – a Regional Provider Network (RPN). It is has recently rebranded itself as **ENHANCE Health Network** and is one of several networks developing across the United States in response to market forces such as integration, value-based purchasing, care coordination, and managed risk. The aim of the network is to improve the health of the communities they serve, improve quality of health care provided and reduce costs to patients and employers ENHANCE is unique in that it offers independent institutional governance as an organizational guiding principle.

Mission, vision and guiding principles

As of December 2015, ENHANCE has expanded to an alliance of 66 health care systems and hospitals in western Iowa, northwestern Missouri, and Nebraska. The mission of Enhance is an alliance of healthcare providers recognized as leaders in delivering patient-centered, value-based healthcare through shared services and clinical integration. The vision is enhancing health in our communities by facilitating high-quality, affordable care through education, innovation and collaboration. The organization is founded on seven guiding principles:

1. Support local autonomy and independence
2. Focus on innovating to create value for purchasers and patients
3. Engage healthcare professionals
4. Embrace physician leadership
5. Provide options so members can choose their degree of involvement
6. Collaborate with independent providers who choose to work together
7. Provide greater access to care

Strategic purpose and objectives

The ENHANCE Health Network combines innovation, collaboration and education to support individual providers as they move toward value-centered care. At its core, ENHANCE works to help healthcare providers not only survive, but also thrive, in a value-based healthcare environment by:

- Creating a forum where healthcare systems, public health services, educators and other organizations can collaborate on community-centered healthcare solutions.
- Organizing members from all facets of healthcare, fully integrated care teams bring a wealth of expertise and create opportunities for enhancing quality of care.
- Empowering healthcare systems to gain and utilize the benefits of a regional provider network while maintaining their local independence.

- Facilitating a proactive, patient-centered approach to health in communities of all sizes across the region, including Nebraska, Iowa and Missouri.
- Focusing on the opportunity to share services through joint purchasing and information technology costs to provide greater savings for every member.
- Sharing staff resources, including shared administrative support, creates operational efficiencies, which will save both time and costs.

The near term business process goals of ENHANCE are to build and sustain:

- A high-performing network that manages network membership and adequacy
- Business intelligence capabilities through data analytics
- Shared services capabilities that achieve efficiencies and create revenue
- Medical management and performance improvement capabilities and team-based care



ENHANCE Health Networks 9 founding and 57 affiliate members.

Multi-state membership

Nebraska Medicine and Nebraska Methodist Health System in Omaha and Bryan Health in Lincoln are metro health providers and represent three of the nine founding member healthcare systems in ENHANCE. The other owners are rural community-based health systems and they include Columbus Community Hospital in Columbus, Faith Regional Health Services in Norfolk, Fremont Health in Fremont, Great Plains Health in North Platte, Mary Lanning Healthcare in Hastings, and Regional West Health Systems in Scottsbluff. As seen in Figure 1, in addition to the founding owner members, the network has entered into agreements with 57 additional affiliate members, including 51 critical-access hospitals and several specialty hospitals or community health systems in Nebraska, western Iowa and Missouri helping form the foundation of a delivery model to provide value under payment bundles and reduce the per capita cost of care. Together with support of over 2500 physicians and mid-level providers, ENHANCE represents a growing regional provider network that includes medical, psychiatric and behavioural services, physical rehabilitation, long-term care, orthopaedics and children’s services among others.

Governance

In December 2013, all nine founding member health systems signed letters of intent, united as a for-profit limited liability corporation, and formed a 20-member Board of Managers. The governing board includes two members from each of the nine owners that are a dyad comprised of the hospital or system CEO and their designated physician leader and two elected representatives from the affiliate membership. The affiliate membership board positions are filled by a CEO and a physician leader through election by their affiliate member peers. Each founding member organization and the two representatives from the affiliate membership have one vote; two seats per organization with one vote between them. The Board then formed working committees for shared services, finance and payer contracting, clinical leadership, data and information technology, network membership and regional membership.

Population health and robust data management

Improving the health of populations is a driving force behind the strategic purpose of ENHANCE. To be effective the network needs to gather and analyse data on the health and well-being of the communities it serves and then act on the findings. This requires information technology that can warehouse data and report on the quality metrics at macro and micro levels.

ENHANCE is a member of the Iowa Healthcare Collaborative under the CMMI Transforming Clinical Practices Initiative (TCPI), which is designed to help clinicians achieve large-scale health transformation over the next four years by sharing, adapting and further developing their comprehensive quality improvement strategies. These are peer-based learning networks designed to coach, mentor and assist clinicians in developing core competencies specific to practice transformation. The Iowa collaborative aims to engage 7,046 clinicians including 4,665 primary care and 2,381 specialty care providers.

Through development of its employee health plans, ENHANCE gathers and analyses data to create a risk-based payment strategy tailored for its member organizations. It aligns employees and covered beneficiaries through a provider network with the right physicians, structures, and incentives to improve quality and cost outcomes. Physicians are engaged in credible, cross-continuum performance data in an environment of transparency and continuous performance improvement. Consequently, providers may pinpoint patients at highest risk of poor outcomes and avoidable cost, equip care teams to improve coordination, and enable evidence-based interventions.

Through TCPI and its employee health plans ENHANCE uses a centralized infrastructure of education, data management and supporting resources to deploy local transformation activities. However, the network is not limiting itself in its ability to access data sources. Rather it engages commercial and public payer resources to accumulate data in a repository of information from which they can plan core functions of the

network that allow clinician practices to become actively engaged in the transformation and ensures collaboration among a broad community of practices that creates, promotes, and sustains learning and improvement across the health care system. ENHANCE does not mandate a single health information exchange or electronic health record across the network. Rather, the network looks to organize and act on data from existing sources before expending scarce resources on new data platforms.

Clinical integration

Clinical Integration is defined as “an active and ongoing program to evaluate and modify the clinical practice patterns of the physician participants to create a high degree of interdependence and collaboration among the physicians to control costs and ensure quality.” Because of this, clinical integration directly reflects the ENHANCE mission to support the independence of our members. Becoming a clinically integrated network (CIN), ENHANCE can help members see even greater cost savings and quality improvements through heightened collaboration with payers.

An initial hurdle was building the early structural component necessary to develop clinical integration by addressing the existing “messenger model” physician hospital organizations (PHO) or creating PHO’s positioned to become CINs where PHO’s did not exist. ENHANCE plans to develop CINs with PHOs of the founding members as the hub and CAH and affiliated providers and clinicians in smaller communities as spokes. The communities become the catalyst for achieving meaningful health outcomes.

ENHANCE then negotiates value-based contracts with payers and managed care companies to deploy its resources community by community as those markets around the established PHO’s mature. These contracts are umbrellas without rates and overlaid with shared savings augmenting opportunities with quality incentives. ENHANCE negotiates for the entire CIN and extends to PHOs through a messenger approach.

In regard to clinical integration, the affiliate members are linked by membership to the regionally-dispersed PHO’s, and are envisioned to participate in the governance as well as projects directed by the PHO’s. In that context, ENHANCE becomes a network in a ‘hub-and-spoke’ configuration. This organizational structure provides flexibility for responding to local micro-regional market realities, and adheres to the guiding principles of the organization – allowing for local autonomy and independence.

A next step and perhaps the biggest challenge is establishing clinical integration among the network providers. Quality and cost is determined at a local level. The nine founding members each have a PHO. Ultimately they will become a super-PHO and be able to negotiate contracts with payers for the entire provider network that those PHOs represent. ENHANCE has established participation agreements between the PHOs and as well as participation agreements with physician and practices through the established PHOs.

The value proposition

The goal by the U.S. Department of Health and Human Services of tying 30% of traditional, or fee-for-service, Medicare payments by the end of 2016 and 50% by the end of 2018 to quality or value through alternative payment models, such as Accountable Care Organizations (ACOs) or bundled payment arrangements together with a goal of tying 85% of all traditional Medicare payments to quality or value by 2016 and 90% by 2018 through programs such as the Hospital Value Based Purchasing program and the Hospital Readmissions Reduction Program is ambitious, yet real. The CMS Comprehensive Care for Joint Replacement (CCJR) model may be the latest, but certainly not the last approach to bundle payments under Medicare.

Major commercial plans covering the tri-state market served by ENHANCE are embracing payment bundles and value-based purchasing. In addition Medicaid plans are pursuing this payment approach as well and are rapidly renegotiating provider contracts under bundles, value or managed care.

In anticipation of alternate payment methods, ENHANCE has framed an infrastructure that will position its members to thrive under value-based purchasing. The network will start with a combined 37,500 employees and dependents covered by the health plans of the nine founding members. ENHANCE has secured initial population health management data capabilities to understand utilization and cost and quality patterns of the founding member-owner employees. The initial pass at defining the ENHANCE provider network was completed in the fall of 2015. Health plan initiatives for employees were initiated in May of 2015. ENHANCE plans to expand population health initiatives to managed care plans in 2016, and to private employers in the region by 2017.

Shared services

ENHANCE believes in creating value for its members, which will lead to lower costs of care for patients. The network is working to create efficiencies and cost-saving opportunities through the following initiatives:

- Joint purchasing of drugs, supplies, and physician preference items
- Regional sharing and optimizing of staffing resources, including shared administrative support services
- Effective cost management initiatives, including joint purchasing of information technology infrastructure and software

The network will present an opportunity for hospitals to pool resources, innovate, improve patient outcomes and become more efficient. ENHANCE will improve operations through payer contracting, collateral support for integrated information technology, a data warehouse, medical management and coordinated care, and payer contracting and risk management.

In 2015 ENHANCE established new shared services through vendor contracts and a third party administrator resulting in over \$3.0 million in savings for owner members. ENHANCE is actively pursuing opportunities in energy contracts and best practices as well as food services. Additional opportunities abound and include, credentialing, evidenced-based practice, medical delivery support and telemedicine, and centralized purchasing, and many others. Given the shift from volume to value-based payments, every opportunity to achieve economies of scale allow the provider to become more valued.

Conclusion

The aim of ENHANCE is the Triple Aim. That is to improve the health of communities, improve the patient experience and quality of health care provided and reduce per capita costs to patients and employers. ENHANCE is different and perhaps unique because it provides the network infrastructure, yet offers independent institutional governance as an organizational principle. Guided by its vision, mission and strategic objectives ENHANCE has taken the initiative to develop a model of delivery that will respond to the value proposition in advance of any threat of major structural change in its markets.

Cost savings for the affiliated members are realized by sharing vendor contracts, price-leveling agreements, and participation in value-based contracts with payors. There also is the opportunity to share medical delivery support through resources like telemedicine and physician rotations. ENHANCE members can take advantage of its size, but maintain autonomy as independent community hospitals and keep deeply anchored in the community.

In this path from volume to value, community hospitals have to choose from going it alone, merging or being acquired, or partnering with others to continue to meet their missions. ENHANCE and its membership of community hospitals including dozens of critical access hospitals offers an alternative to transferring assets for those who want to partner. By actively developing strategies for population health, clinical integration, shared services, the network is prepared for a future where they are paid for value, not volume.