Advisory Panel for Health Care

Advancing the Academic Health System for the Future:

Profiles in Academic Health System Leadership

November, 2013
## Project Focus and Methodology

### Project Focus

This project is focused on developing a blueprint of best practices/principles for leadership that will help AMCs move to a sustainable model in the future.

Our Report, based in part on the profiles contained here, begins with premise that AMCs are distinguished as institutions that support opportunities for translational research, testing innovative models of care, and education.

With those foundational commitments, AMCs must learn to decrease cost, increase integration, and right-size in this new era. The generational shift away from hospital-based care must be recognized and addressed.

### Our Methodology

The following are institutional profiles that summarize emerging strategies and highlight innovative approaches to system development and other AMC transformation activities from across the county. These institutions were selected specifically by the Advisory Panel for Health Care at the AAMC as institutions that are engaged in specific activities that can teach other AMCs.

These profiles were built through extensive primary interviews with executives, as well as secondary research using a variety of sources. All profiles completed on Nov. 1, 2013.
Drivers of Academic Health System Formation

- Movement from fee-for-service payment toward value based payment
- Need to achieve order of magnitude reductions in cost structures (of clinical and academic enterprises)
- Need to participate in consolidating markets and not be marginalized
- Need to continue to support teaching and research missions
- Need to manage population health, and
- Need to focus on the overall patient experience and overall societal health
Major Themes – Advancing the Academic Health System for the Future

1. Future will be System-Based
   - Population Health Manager
   - Public Entity/Statewide Hub
   - High-Performance Regional Systems

2. Strong, Aligned Governance, Organization & Management Systems
   - Leadership strategically/aligned
   - Aligned and effective decision-making
   - Merges systems up to the task

3. University Relationships Challenged to Evolve
   - Compelling new opportunities
   - Political and strategic challenges
   - Fair market values/services/transparency

4. New Physician Leadership and Evolution of Practice
   - Chair roles focused on leadership framework
   - Economic and admin. integration
   - New roles for physician executives

5. Transparency in Quality, Performance, Financial Data
   - True understanding of complete cost structure
   - Quality reporting and outcomes critical to brand
   - Measures to demonstrate value to purchasers

6. More Efficient Operating Models to Bend the Cost Curve
   - Commitment to cost reduction key
   - Skills that EAM become essential
   - Streamlined operations between silos

7. Time to Lead on Population Health is Now
   - Pop Health capabilities needed to assume risk
   - Post-acute services become critical success factor

8. Candid Assessment of Strengths and Weaknesses Essential
   - Market and policy dynamics forcing current state evaluation
   - Candid leadership conversations about organization’s "hand"
Acknowledgements

The AAMC research team would like to acknowledge the AAMC Advisory Panel for Health Care that provided significant direction on the development of the overall project report and the case study profiles included here. A complete list of the panel participants is in the Appendix.

The research team would also like to thank the institutional leaders who generously gave of their time to help build these profiles, and who offered materials to support our understanding various aspects of their respective institutional strategies. We list the participants at the beginning of each profile throughout and we thank them for their generosity.

Project Team

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Questions or Comments?
Please contact Tom Enders and Joann Conroy
Profiled Institutions
University of Iowa Healthcare

Profile Takeaways

• A founding member of the University of Iowa Health Alliance (UIHA) which provides a vehicle for collaboration on statewide efforts to share best practices, reduce variations in care, and ensure Iowans have access to a “medical home”.
• Through the UIHA, Iowa will extend its reach throughout the state by offering an insurance product on the state exchange.
• Cohesive and aligned leadership, with shared incentives, have enabled Iowa to implement cost reduction strategies such as the development of enterprise wide, centralized support functions.

Interviewees:
• Mark Hingtgen, Assistant Vice President for Finance, Iowa Healthcare
• Debra Schwinn, Dean, Roy J. and Lucille A. Carver College of Medicine

Profile Completed on November 1, 2013
University of Iowa

Mission & Vision

Mission: Changing medicine through pioneering discovery, innovative interprofessional education, delivery of superb clinical care and an extraordinary patient experience in a multidisciplinary, collaborative, team-based environment; and changing lives by preventing and curing disease, improving health and well-being and assuring access to care for people in Iowa and throughout the world.

Vision: World class people creating a new standard of excellence in integrated patient care, research, and education, making a difference in quality of life for generations to come.

Market Situation

UIHC Serves patients throughout Iowa and other states; especially western and central Illinois. They define their geographic service areas by 30 mile increments.

• 59% of all patients come from within 30 miles of the main Iowa City campus.
• 82% from within 60 miles

UIHC ranked in top of state total hospital discharges

• Hospital is statewide inpatient market share leader in 22 of 33 services lines
• In primary service area, they have highest market share in 24 of 33 services lines (10 surrounding counties)

University of Iowa Hospitals and Clinics (UI Health Care) constitutes the clinical practices of the University System including University of Iowa Physicians (UIP). The College of Medicine operates as an integrated organization with UIHC as well as the overall University of Iowa System.
University of Iowa

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| Integrated Governance| • All clinical services report up through an integrated organizational structure including the clinical activities of the UIP.  
• Leadership team (VP of Medical Affairs, Jean Robillard; Dean Debra Schwinn; and CEO of UIHC, Ken Kates) bridge many issues.  Leadership team shares incentives.  All goals support the pillars in the strategic plan; there is some cascading down to next level of management. |

*2 rotating MD department chairs added to cabinet in 2013
### University of Iowa

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| Fiscal Transparency     | • The hospital must produce a separate, audited, balance sheet because hospital issues its own revenue bonds.  
                           • However, the UI Health Care enterprise can produce a combined income statement and balance sheet through the use of a unified financial reporting system.  
                           • Many support functions, such as finance, human resources, information systems, patient fiscal services and marketing support the entire UI Health Care enterprise (See Org chart on previous slide for UI Shared Services) |
| Compensation & Incentives| • Compensation plans are specialty-specific but have common elements (e.g., time to schedule an appointment; not bumping clinics; timely and accurate documentation; patient satisfaction).  
                           • Leadership (VP for Medical Affairs, Dean, and Hospital CEO, etc.) share goals and incentives for successfully meeting them. |
| Access to Capital       | • Access to capital for the clinical enterprise is available through cash reserves or the issue of revenue bonds by the hospital.  
                           • Access to capital for the academic enterprise is through collegiate cash reserves or the central University. |
# University of Iowa

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| Management of Risk             | - UIHC has a Medicare ACO with Cedar Rapids Mercy and has partnered with community providers in a commercial ACO.  
- Formed the University of Iowa Health Alliance (UIHA) to serve as an umbrella for numerous initiatives to employ and share best practices within the network, which has state-wide reach, and to share potential costs related to population health management.  
- The Alliance participants have also partnered to offer an insurance product on the State health exchange starting October 2013. |
| Scale                          | - UIHA extends throughout the state of Iowa. The UIHA has the potential to meet the health care needs of approximately 2,000,000 covered lives within the next three years by partnering around the Medicaid expansion and the health insurance exchanges.                                                                                         |
| Primary Care Network Development | - UIHA will increase access and strengthen primary care to provide Iowans with a medical home and allow for continuity of care from the community to the specialty providers through the use of care coordinators, tele-health and electronic health records.  
- Next step is UIHA to move toward clinical integration of primary care.                                                                                                               |
| Data Analytics & Performance Measurement | - EPIC clinical information enables access to robust datasets that are, or can be, utilized to understand care and its costs across the continuum internally, and as the UIHA develops perhaps externally. This is enhanced by academic predictive analytics research via CCOM.  
- UIHA will allow for sharing of costs of information systems and expertise. The data from the clinical information system has already allowed for development of scorecards and metrics around quality, safety and satisfaction data. |
### Cost Management/Quality of Care
- Setting up relationships with long term care organizations as a way to lower costs. Trying to learn about cost of care and how to manage that cost.
- The Clinical Quality Group leads efforts to improve care across the organization.
- Need physicians to understand the importance of managing costs; this is not yet consistent across the physician organization, however is rapidly moving forward.

### Education, Research, & Innovation
- As in most academic organizations, the economics of health care reimbursement are making it more difficult to support academic costs out of declining clinical revenues.
- The enterprise is focused on identifying opportunities to eliminate redundant services and related costs, both in support of the academic and clinical enterprise. Investigating opportunities to fund research beyond traditional grants or clinical and translational grants, perhaps through commercial partnerships.
- Undergraduate medical students are introduced to the EPIC EMR system early on and become highly proficient users of clinical information and data. Educational material is presented now in EPIC playground modules so students access data for class as they will when interacting with patients.
Iowa Chair Workgroups

Four department chair workgroups were established in the last year to ensure physician leaders have a voice in leading the organization. Groups coalesce around a vision for the future of medicine in a time frame of 5-10 years. This facilitates development of ideas to help the organization succeed in this future state and drive needed change. All groups examine their focus area through the lenses of patient care, education and research. Recent work products include innovative residency pathways, leadership for facilitating more accurate coding of patient characteristics, etc.

- **ACO and Outpatient Group**
  Focus: Issues related to ambulatory care and alternative payment and delivery models while supporting research

- **ICU and Inpatient Group**
  Focus: Inpatient clinical quality, outcomes and operations, and hospice care, and bridging with basic science for enhanced

- **Basic Sciences**
  Focus: Decreasing cost of research, stretching research dollars, supporting faculty in adding informatics, and preserving tenure through innovative recommendations

- **Diagnostic and Molecular Therapeutics**
  Focus: Development of innovative residencies to drive the merged field of Diagnostic and Molecular Therapeutics

Preparing for the Future of Health Care
Iowa Healthcare – *Networked AMC System*

- Established June, 2012 and includes 54 hospitals, >160 physician clinics, and 2,300 physicians. Each organization will maintain it’s independence and focus on local missions and governance while also participating in statewide efforts to lead and improve the health care system.

**Examples of Activities include:**

- Member-assisted development of performance metrics and comparative data reporting to identify best practices.
- Cost sharing for IT systems and resources needed to analyze clinical data and make it available and useful for physicians.
- Collaborative research initiatives (ICORE = Iowa Center for Outcomes Research).

**Founding Members**

- University of Iowa Health Care
- Mercy Health Network
- Mercy – Cedar Rapids
- Genesis Health System