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

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<th>Project Focus</th>
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<td>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.</td>
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<td>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.</td>
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<td>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.</td>
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<th>Our Methodology</th>
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<td>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.</td>
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<td>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.</td>
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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
   - Specialized Complex Care Leaders
   - High Performance Regional Systems

2. Strong, Aligned Governance, Organization & Management Systems
   - Leadership strategically aligned
   - Connected and effective decision making
   - Mem systems up to the task
   - Trust about resource allocation and performance

3. University Relationships Challenged to Evolve
   - Compelling new opportunities
   - Political and strategic challenges
   - Fair market values, services, transparency
   - Updated university policies and procedures

4. New Physician Leadership and Evolution of Practice
   - Community based physician expansion
   - New roles for physicians/executives
   - Chair role focused on leadership framework
   - Economic and admin. integration

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

6. More Efficient Operating Models to Bend the Cost Curve
   - Streamlined operations between missions
   - Skills that EDAM become essential
   - Compete with cost-efficient competitors
   - Commitment to cost reduction key

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

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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<tr>
<th>Name</th>
<th>Role</th>
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<tbody>
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<td>Senior Director and Regulatory Counsel</td>
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<td>Evan Collins</td>
<td>Health Care Affairs</td>
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<td>Alex Morin</td>
<td>Senior Analyst</td>
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<td>Manatt Health Solutions</td>
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Questions or Comments? Please contact Tom Enders and Joann Conroy
Profiled Institutions
University of New Mexico Health System

Profile Takeaways

• UNM has consolidated administrative functions for all clinical departments leading to significant cost savings and efficiencies in clinical program management
• UNM is aggressively involved with its community partners, feeling it is responsible to lead state-wide efforts to provide care for the whole state as the singular T/Q provider and an organization capable of large-scale geographically dispersed population health management.
• UNM believes that it must have physician-led clinical transformation and integration efforts from the top down, and has a designated executive leadership role, “Health System Executive Physician in Chief” responsible for execution.

Interviewees:
• Paul Roth, Chancellor for the Health Sciences, CEO, UNM Health System and Dean, School of Medicine
• Anthony Masciotra, CEO, UNM Medical Group, Inc.
University of New Mexico Health System

Mission & Vision

**Mission:**
Our Mission is to provide an opportunity for all New Mexicans to obtain an excellent education in the health sciences. We will advance health sciences in the most important areas of human health with a focus on the priority health needs of our communities. We will ensure that all populations in New Mexico have access to the highest quality health care.

**Vision:**
UNM Health System helps New Mexico make more progress in health and health equity than any other state. New Mexicans will choose UNM Health System as their gateway to advancing patient care, clinical innovation, and continuous healthy living.

Market Situation

UNM is the state’s only academic health center, only Level 1 trauma center and serves as the safety net hospital for all of New Mexico.

Being the only major T/Q provider in the region and the only institution capable of providing population health tools forces them to wear two hats.

UNM faces a challenging payer mix; 26% Medicaid and 20% total uncompensated care.

UNM faces competition from two integrated delivery systems, each with large health plans. UNMs lack of a health plan will force it pursue future partnerships with other large health plans.
### University of New Mexico Health System

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<th>Characteristic</th>
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| **Integrated Governance** | - CEO of the Health System is also the Dean of the SOM. Clinical and academic activities report up through this role (Chancellor for Health Sciences) who reports to the Health Sciences Center Board of Directors.  
- Other institutional leaders also participate. Core Leadership and HS Operation teams meet weekly with focus on integrated HS strategy and operations. Contracting and quality are consolidated at the HS level.  
- Any strategic issue relating to clinical enterprise is brought before committee of chairs. Big decisions are brought to them early on for reactions and feedback. They implement executive decisions. |

**Consolidated Virtual Health System Leadership Team**
- Chancellor, Health Sciences Center
- Vice Chancellor for Research
- HS COO
- HS Executive Physician In Chief
- Executive Vice Dean SOM
- CEO, Hospital
- CEO, FPP
- Deans Colleges of Nursing and Pharmacy.
- CFO, HSC
## University of New Mexico Health System

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| **Fiscal Transparency**     | • FPP has consolidated administrative functions (billing and collections; coding, quality reporting; consulting engagements for some operational performance improvement; and some centralized clinical site costs) for all departments of the SOM.  
  • FPP manages clinical contracting for the HS and contracts under a single UNM HS boilerplate.  
  • Currently developing funds flow alignment with governance committee overseeing all HS capital (Hospitals, SOM and FPP). Governance committee commenced in October, 2013.  
  • Health system created 2 years ago—consolidation of 7 hospitals, practice plan and outpatient facilities, colleges of nursing and pharmacy. |
| **Compensation & Incentives** | • XYZ compensation plan now. Thinking about how to embed quality metrics. Working to align metrics of hospital management team with those at the School of Medicine.   
  • Goal: eventually every faculty member will have some portion of salary tied to frontline hospital and faculty clinical performance.   
  • All chairs share 5 goals: increase ambulatory care volume by 5%; reduce LOS by 0.5 days; increase surgical volume by 5%; increase revenue per unit by 2%; align IT use to business capability/strategy across system. |
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<td>Access to Capital</td>
<td>- Health System keeps all of its balances (although housed within each of the clinical departments, hospitals and FPP). The HS is run as a separate enterprise, even though is part of a university and reports to University Board.</td>
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<td>- Recently approved funds flow change will create a “Consolidated Service Fund” to be funded by all the revenues of the Hospitals, FPP and SOM. Hospital, clinical departments and FPP will get annual budgeted funding and will be cost centers in the future. Funds will be set aside from the CSF for strategic planning. Oversight and governance of this fund will include HSC Chancellor, HS COO, EPIC, EVD SOM, Clinical Chairs, Hospital and FPP CEO and HSC CFO. Committee commenced operations in October, 2013.</td>
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<td>- Phase one, beginning now, is to manage as a virtual CSF and funds will move beginning in FY 15 budget cycle.</td>
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<td>- FPP and Hospital jointly funded development of a UNM HS owned community hospital with open medical staff</td>
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<td>Management of Risk</td>
<td>- Facing mixed reimbursement model in next few years where there is some capitated reimbursement, meaning they have to assume risk. Need to figure out how to thrive when some clinical revenue is fee-for-service and some is risk-based.</td>
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<td>- Currently responsible for approximately 40,000 lives through UNM Care Program (designed for poorest patients) and the state program – State Coverage Insurance (SCI) – for patients who just miss qualifying for Medicaid. SCI reimburses on a capitated basis.</td>
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<td>- Will establish an entity responsible for accepting risk-based payments.</td>
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<td>Scale</td>
<td>- FPP has financially supported expansion of 10 clinics into new markets.</td>
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<td>- Focus is not on size of the clinical enterprise but on their core missions. UMN “owns” population health in New Mexico.</td>
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| **Primary Care Network Development**                | • All ambulatory clinics to be consolidated into a virtual, consolidated entity responsible for billing, staffing, operating ambulatory clinic platform to be led by a physician executive. Licensure will maximize revenue but governance and oversight will be consolidated.  
  • Partnerships being explored with providers including large multispecialty for-profit practice, FQHC’s and post acute (rehab and home health) with additional integration of health insurers into mix (BCBS, Molina, United) |
| **Open Architecture – Engaging with community providers** | • UNM is aggressively involved with community partners. Its vision “...to improve the health and health equity of New Mexicans greater than any other state by 2020...” has driven this initiative.  
  • Strategies include:  
    • HERO’s (Health Education Resource Officers) serves all of rural NM, divided into 5 regions, to create partnerships with community care agencies and bring clinical care as need to those communities  
    • Project ECHO provides outreach education and a clinical care platform funded by RWJ, CMS CMMI and other private funds. Currently being reviewed by CMS as a national model to provide care and education to rural underserved communities. |
| **Data Analytics & Performance Measurement**         | • The HS has a centralized data warehouse housing hospital, FPP billing data, quality and care extracts from the EMR, cost data and 10 years of ETG data (Delta Group). Still working on top end tools for more timely transformation from data to information to impact clinical practice outcomes. |
University of New Mexico Health System

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| Cost Management/Quality of Care      | • Financial data, productivity data, and quality metrics available across organization through internal website.  
• UNM participates in RWJ Foundation Aligning Forces for Quality (AF4Q) community. |
| Education, Research, & Innovation    | • Designated as a CTSA in 2010 which provides umbrella for research and educational activity for entire HSC. Research landscape transformed to considerably more clinical, community, and population-based research that is more closely integrated with clinical activities. HEROs also provide Academic Extension Hubs that allow UNM to connect with community hospitals, FQHCs, community colleges, and others, all of whom feel they are strengthened by a UNM affiliation- This involves all mission areas. |
University of New Mexico has a “Health System Executive Physician in Chief” that reports directly to the Chancellor, and supervises the Chief Medical Officer and the individual component unit chief medical officers.

**Responsibilities**

- Leader and architect of the strategic operating plans for the UNM Health System, leading the implementation of both the UNM strategic plan and operating plan, assuring consistency in approach by all health system component units.
- Responsible for fostering effective collaboration, alignment and integration between components of UNM Health System.
- Internal expert in best practices at a local and national level, and external representative in national endeavors in health reform.
- Supports Health System CMO and unit CMOs in quality improvement and safety initiatives, medical staff affairs, and lean management systems.
- EPIC: Drives external partnerships and relationships.