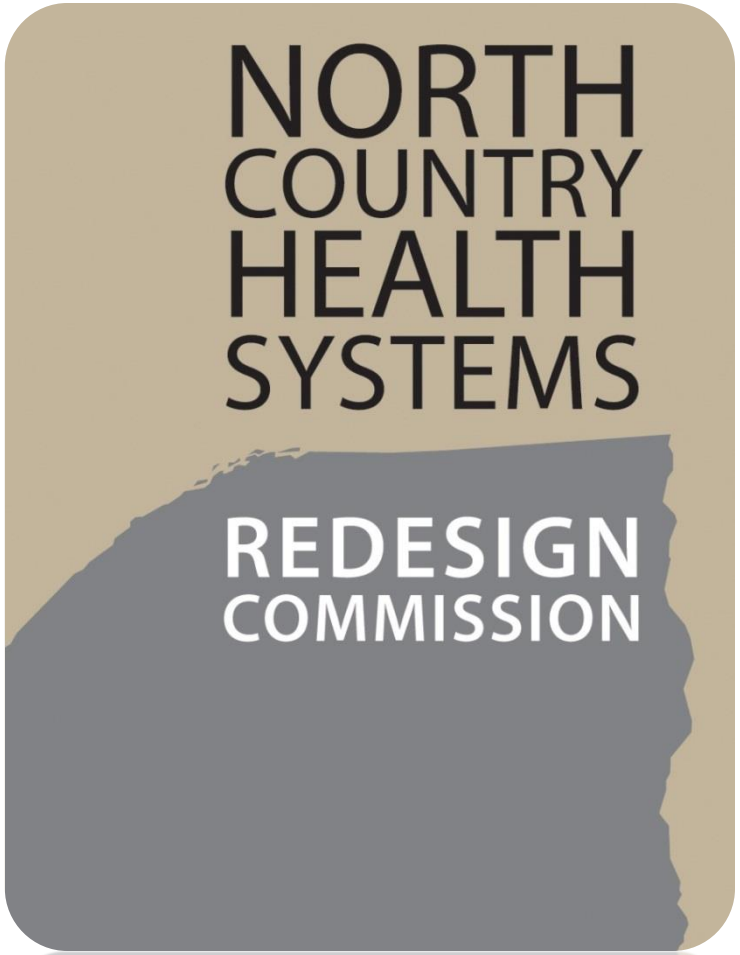


WELCOME

February 18, 2014

NORTH COUNTRY HEALTH SYSTEMS

REDESIGN COMMISSION

INTRODUCTIONS

Dan Sisto, *Chair*

North Country Health Systems Redesign Commission

NORTH COUNTRY HEALTH SYSTEMS

REDESIGN COMMISSION

St. Lawrence County Health Providers

David Acker, President and CEO
Canton-Potsdam Hospital and
St. Lawrence Health System, Inc.

Anthony G. Collins, President
Clarkson University

William Fox, President
St. Lawrence University

Stephen Knight, CEO
Clarkson University

Avery Marzulla, Physician Assistant
Community Health Center of the North Country

Anne Richey, Executive Director
Community Health Center of the North Country

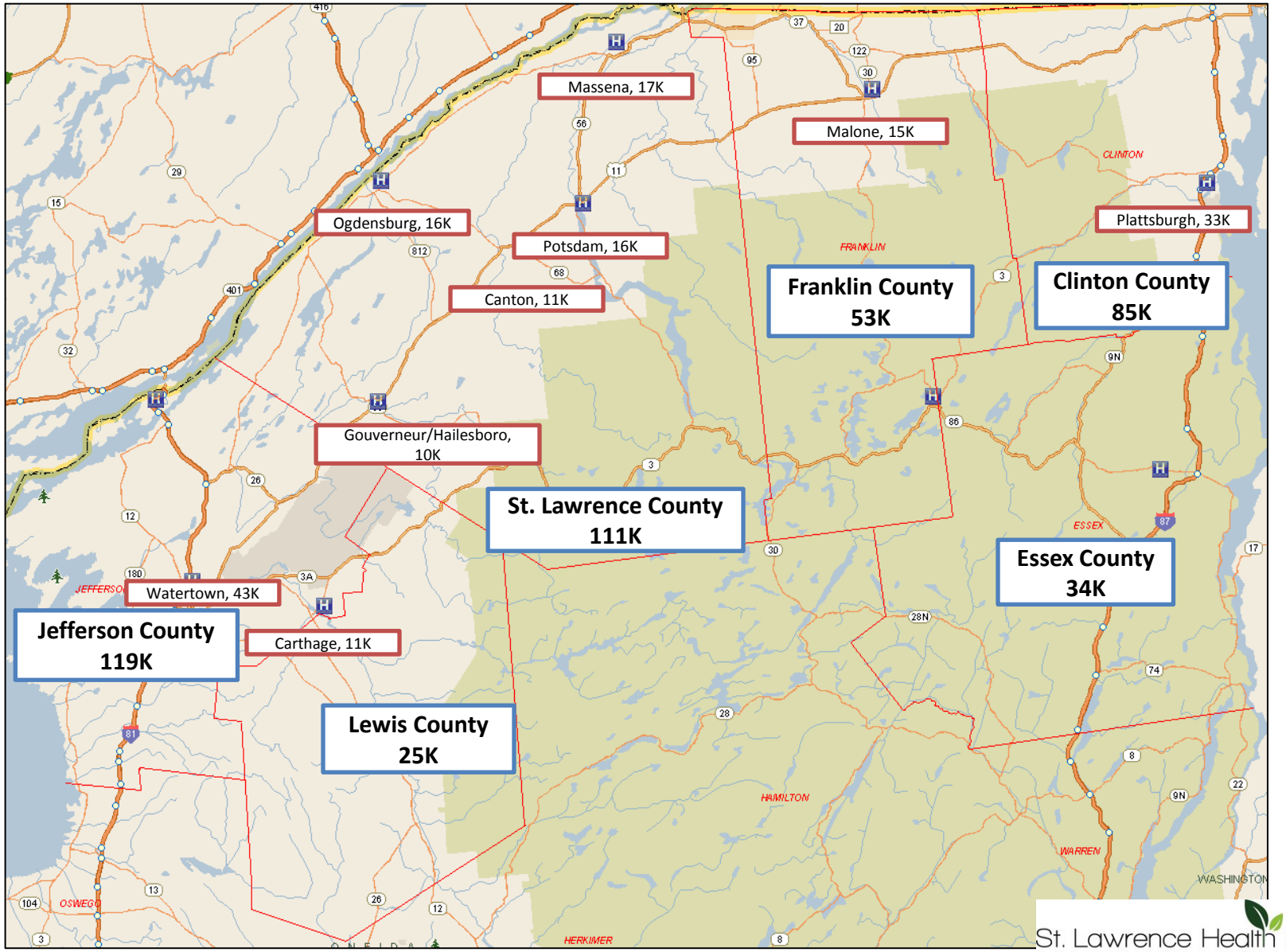
St. Lawrence Health System

St. Lawrence Health System

St. Lawrence Health System Presentation to North Country Health Systems Redesign Commission

February 18, 2014 Meeting

St. Lawrence County population dynamics have historically impeded county collaboration

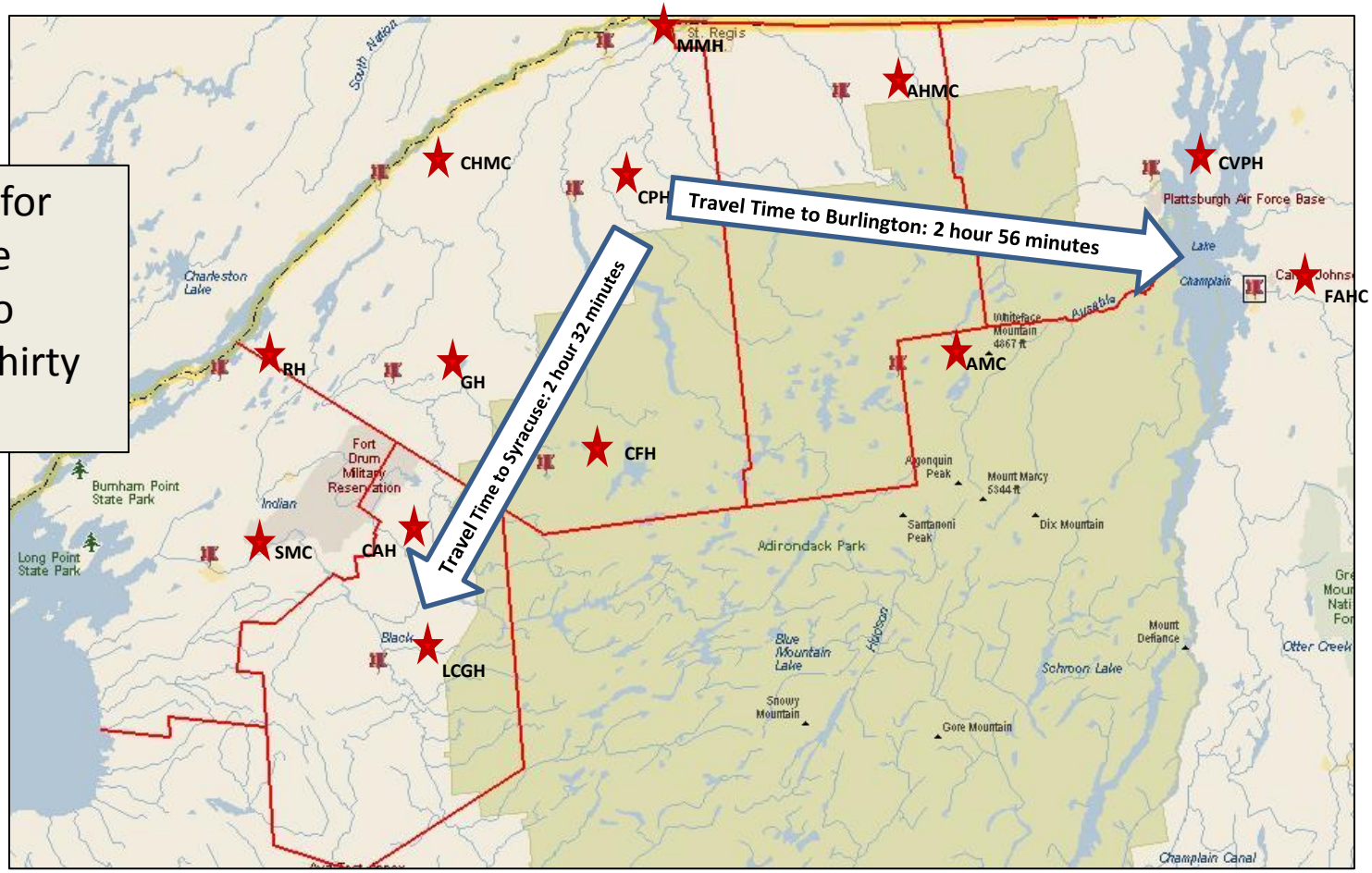


St. Lawrence Health System

Access to subspecialty and tertiary services is the worst in NYS

- SLC is fundamentally different than other NC counties, due to geography, number of hospitals, and tertiary referral patterns.
- SLC does not naturally append itself to either east or west.
- Carving SLC into pieces erodes critical mass needed to support high quality system of care.

Travel time for tertiary care exceeds two hours and thirty minutes.

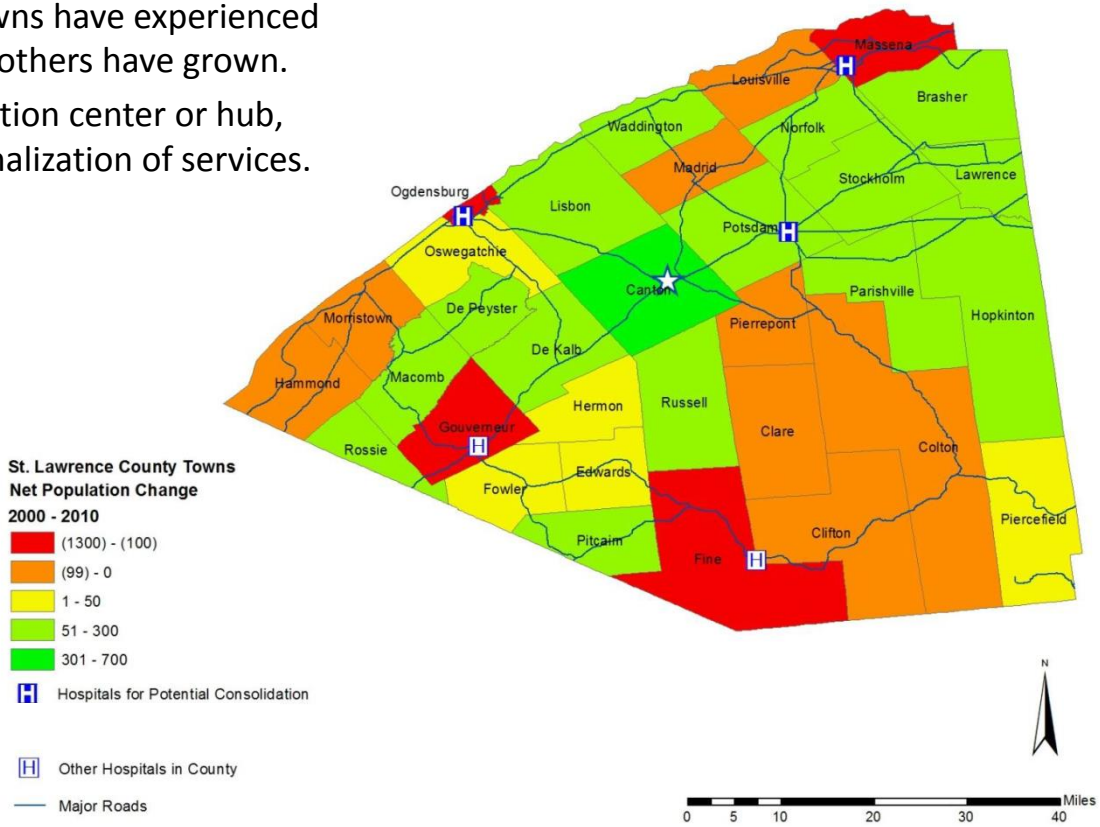


Given the geography and existing referral patterns within the County, strong relationships with tertiary hospitals in both Syracuse and Vermont are imperative.

While the population has remained static, declines in manufacturing and education growth have impacted SLC

- The total population of 112,000 is virtually unchanged over the past ten years, however, some towns have experienced substantial population declines while others have grown.
- The County has no single large population center or hub, which impedes consolidation or rationalization of services.

- Largely as a result, the County now has five hospitals, ranging from small to very small/critical access status
- As each hospital attempts to meet its service area needs, the County's broader health care needs are underserved, while the area suffers from excess beds and physician shortages
- The home base for each hospital other than CPH is decreasing, as Canton and Potsdam's education sector remains strong while local manufacturing continues to struggle in other communities.



Largest declines =

Largest increase =

St. Lawrence Health System

Excess Hospital Capacity in St. Lawrence County

	Beds	ADC	Current Need	Excess Beds
Total Mental Health beds	52	45	57	(5)
Total Rehab beds	15	3	4	11
Total OB beds	21	8	11	10
Total Med Surg beds	211	101	135 105*	76 106*
Totals	299	157	202 172*	92 122*

- 2008 – 2013 SLC Acute Admissions dropped by 2,267 or 20%.
- 2013 – 2018 Med Surg Utilization is expected to decline by a minimum of 9% by 2018 reducing Med Surg ADC to 92.
- Duplication of Services and Inefficient Use of Resources Add Needless Cost to the System and Threaten the Liability of all SLC Hospitals.
- No SLC Hospital has the physical space to meet even these declining bed needs.

*Based on Average Length of Stay of 4.31. Using CPH ALOS Med Surg excess beds increase from 76 to 106.

**Clifton-Fine Hospital excluded because they have special use beds and minimal inpatient acute utilization.

The Consequence of Excess Capacity

- Small Hospitals Nationwide typically incur significant financial losses in the operation of OB and ICU Units.
- A minimum of 1,200 deliveries per year is needed to operate an OB Unit on a breakeven bases. In 2012 there were 1,030 deliveries in St. Lawrence County.
- The average daily census in the county's OB Units is as follows:
  - CPH 3.1 patients per day
  - CHMC 2.8 patients per day
  - MMH 1.9 patients per day
- In 2013 CPH had expenses of $1,967,000 in operating its eight bed OB Unit and revenues of $960,000, a loss of just over $1,000,000.

January 1, 2013 Quality and Regulatory Status at EJ Noble Hospital

- 7 Department of Health Plans of Correction
- Serious Joint Commission concerns to address
- Immediate jeopardy – scheduled to lose Medicare license on 3/10/13 with interim survey to occur on 1/23/13

The intersection of financial performance and quality care has been demonstrated at EJ Noble Hospital

EJ Noble Hospital Profit/Loss

Year	Profit/Loss	Operating Margin
2013	($5,200,000)	(43.9%)
2012	($4,790,000)	(28.9%)
2011	($1,544,000)	(8.7%)
2010	($501,000)	(2.6%)
2009	$781,000	4%
2008	$212,000	1.2%
2007	($242,000)	(1.5%)
2006	($786,000)	(5.3%)

Year	Profit/Loss	Operating Margin
2005	($391,000)	(2.6%)
2004	($1,388,000)	(10%)
2003	($486,000)	(3.4%)
2002	$318,000	2.4%
2001	($7,000)	0
2000	($579,000)	(4%)
1999	($186,000)	(.17%)

As well as at its affiliated Nursing Home

Kinney Nursing Home Profit/Loss

Year	Profit/Loss	Operating Margin
2012	($20,000)	-0.7%
2011	($335,000)	-12%
2010	($481,000)	-18%
2009	$13,000	+0.4%
2008	($107,000)	-4%
2007	($185,000)	-7%
2006	($160,000)	-7%

Year	Profit/Loss	Operating Margin
2005	($22,000)	-1%
2004	($245,000)	-12%
2003	($198,000)	-9%
2002	($327,000)	-16%
2001	($609,000)	-37%
2000	($177,000)	-9%
1999	($62,000)	-3%

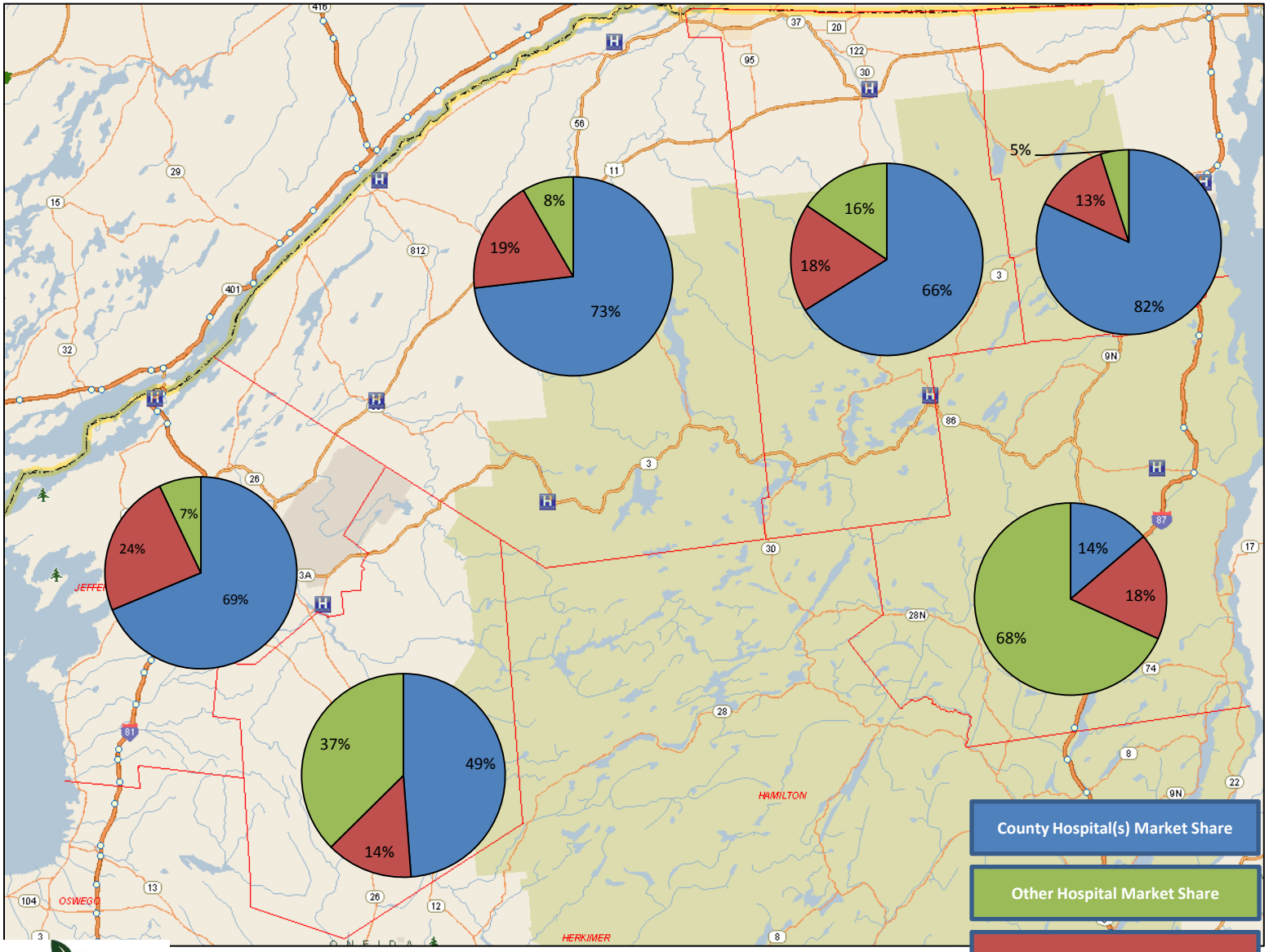
St. Lawrence County Health Rankings

Category	Ranking
Health Outcomes	57 of 62
Mortality	53 of 62
Morbidity	57 of 62
Health Behaviors	59 of 62
Clinical Care	53 of 62
Social & Economic Factors	58 of 62
Physical Environment	32 of 62

Category	National %	NYS %
Premature Death	+26%	+18%
Smoking	+108%	+50%
Obesity	+28%	+28%
Excessive Drinking	+186%	+18%
Preventable Admits	+97%	+44%
Physical Inactivity	-48%	-24%
Primary Care Physicians per 100K	-271%	-219%

Data Source: Robert Wood Johnson Foundation

In the three largest North Country counties, residents use local County hospitals for nearly all the non-tertiary care services



On a consolidated basis, St. Lawrence County has substantial critical mass

2012 Net Revenue

St. Lawrence County: $258.0M
CPH: $93.4M
GH: $17.9M
CHMC: $96.9M
MMH: $43.9M
CFH: $5.9M

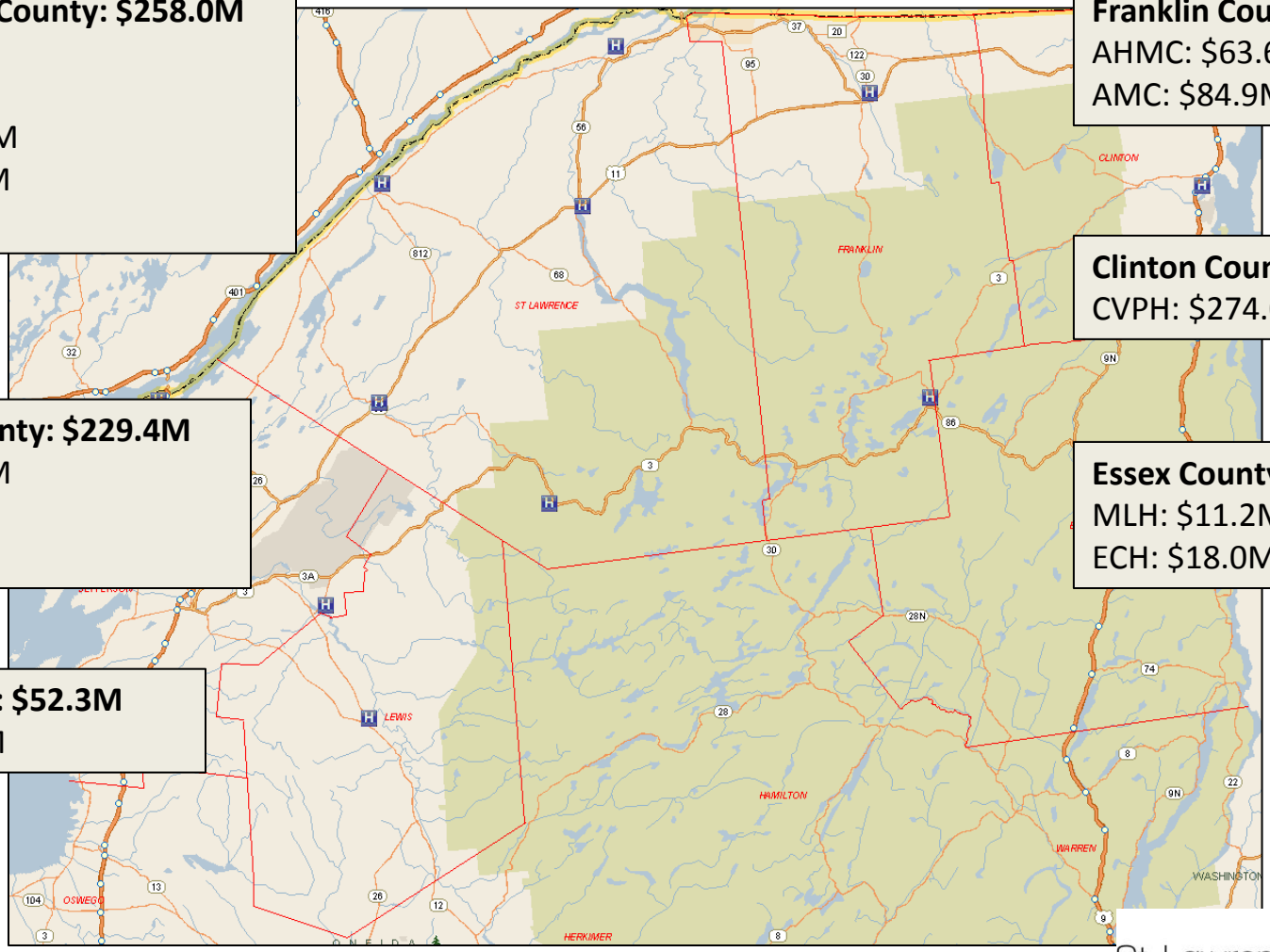
Franklin County: $148.5M
AHMC: $63.6M
AMC: $84.9M

Clinton County: $274.0M
CVPH: $274.0M

Jefferson County: $229.4M
SMC: $181.5M
CAH: $36.5M
RH: $11.4M

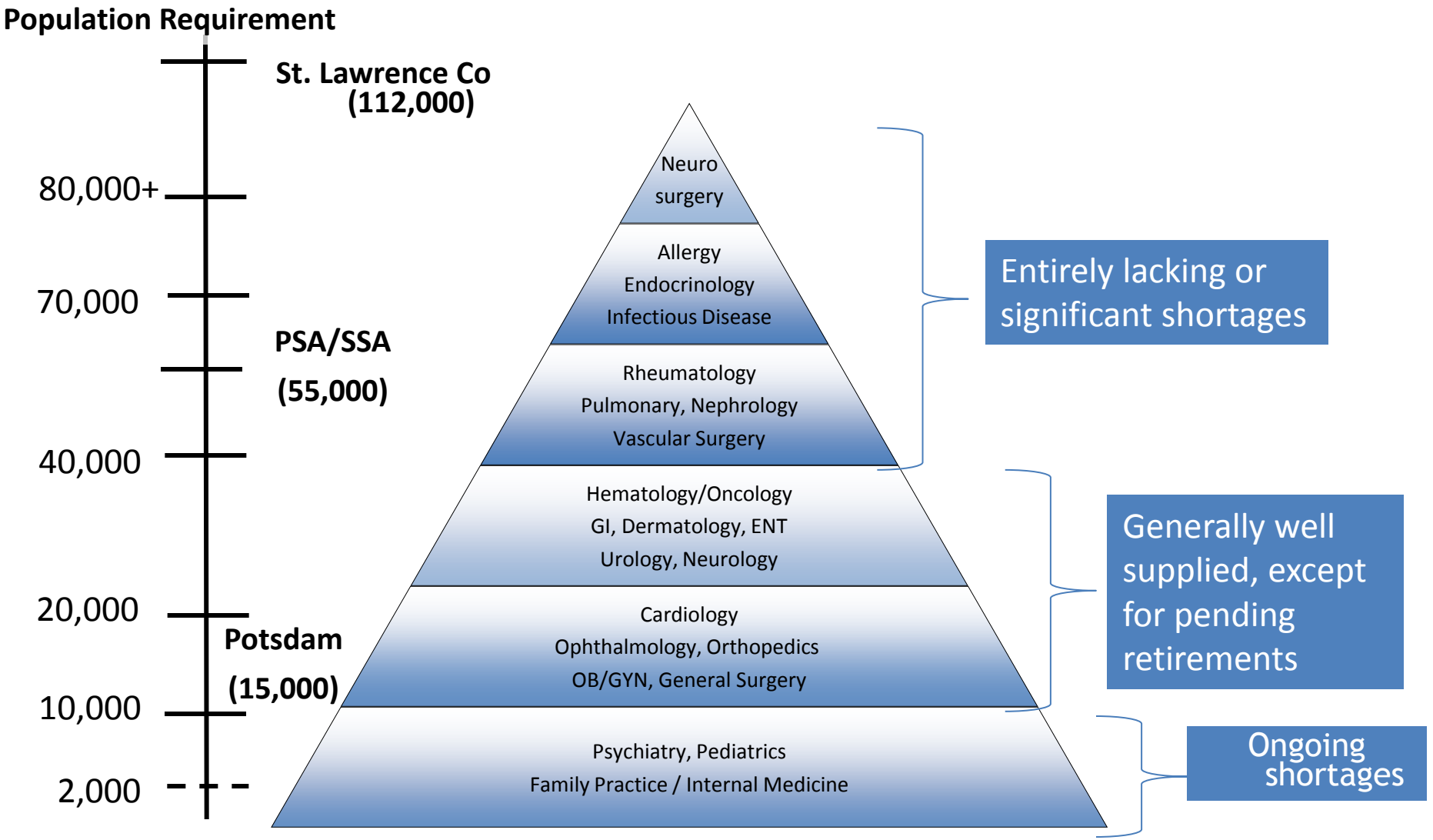
Essex County: $29.2M
MLH: $11.2M
ECH: $18.0M

Lewis County: $52.3M
LCGH: $52.3M



St. Lawrence Health System

Planning Standards



SLHS has put into place the building blocks of a sustainable Healthcare System for the future

- Innovation in new models of care and payment illustrations:
  1) Urgent Care Center to reduce unnecessary ED utilization, improve access, at lower cost, and provide currently unavailable "retail medicine".
  2) Creation of ten provider primary care facility, with unique "classroom within a clinic" for Clarkson PA students, referral coordination and outpatient care management team. PCMH Certification expected 8/1/14.
  3) Created Health Coaches Curriculum for Community Health students at SUNY Potsdam. To begin teaching St. Lawrence University pre-med student in the Fall.
  4) Participation in CMS Model II on the payment program that began 1/1/14. Smallest hospital in NYS to participate in a CMS bundled payment demonstration project.

- Building collaborative relationship illustrations:
  1. Northern Lights, a home health agency formed by CPH, CHMC, Hospice, and United Helpers.
  2. Partnership with United Helpers and Community Health Center of the North Country led to preservation of healthcare services in Gouverneur.
  3. Long standing and deepening relationships with all four local universities.
  4. Strong affiliation with FAHC with current focus on Quality and Cardiology.
  5. SUNY Upstate partnering in Pathology and Obstetrics.

SLHS has put into place the building blocks of a sustainable Healthcare System for the future

CPH	2007	2013
Physicians	41 Full Time	64 Full Time
Mid Level Providers	15 Full Time	33 Full Time
Total Providers	56	97

SLHS	2013
Physicians	72 Full Time
Mid Level Providers	41 Full Time
Total Providers	113

- Creating a diverse, deep, and high quality system of providers
- Financial strength – consistently positive operating margins and strong balance sheet.
- Investments in IT – the smallest and one of only 32 hospital awarded HIMSS level 6 status.
- Advances in Quality – excellent quality ratings improve annually.
- Nationally Recognized in Patient Safety and Process Improvement Initiatives

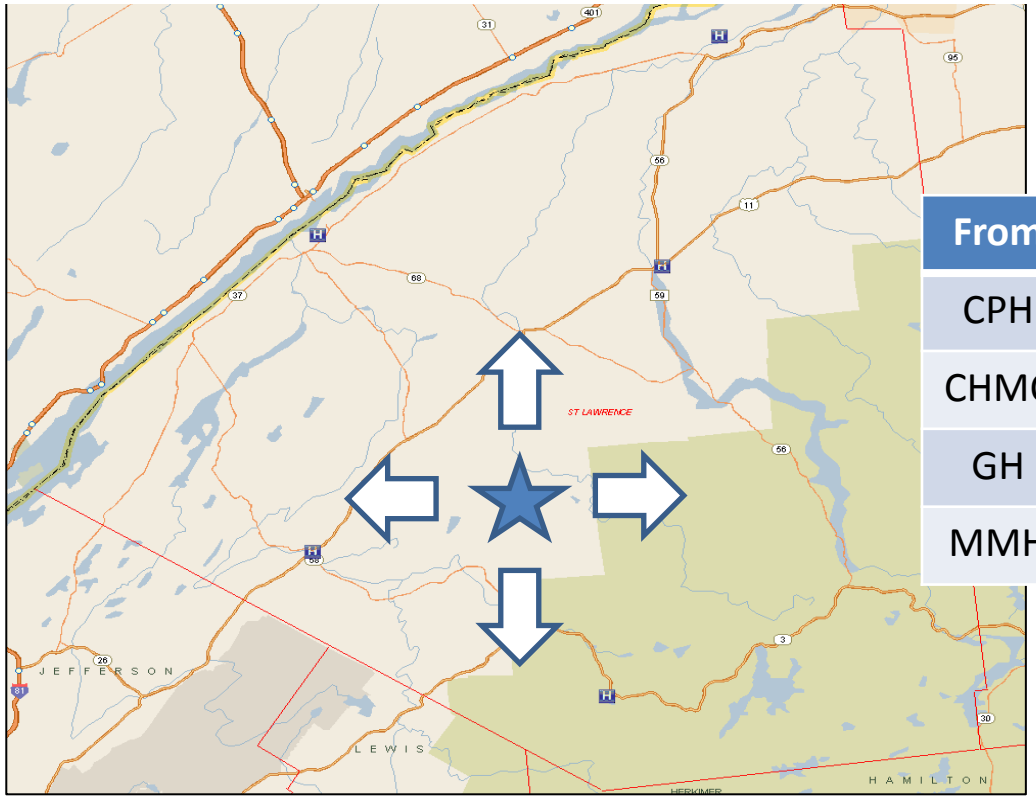
Conceptual Components of a Consolidated Facility on a Central Site

Initial phases to include:

- Emergency Room with an Observation Unit and Level III Trauma Designation
- Nine bed Critical Care Unit
- Twenty inpatient surgical beds with needed operating rooms
- Twelve bed Obstetrical Unit
- Specialty physician office space, with focus on County-wide specialty needs
- Coordinated transport services

Cost of preliminary phases estimated at $50 to $60 million

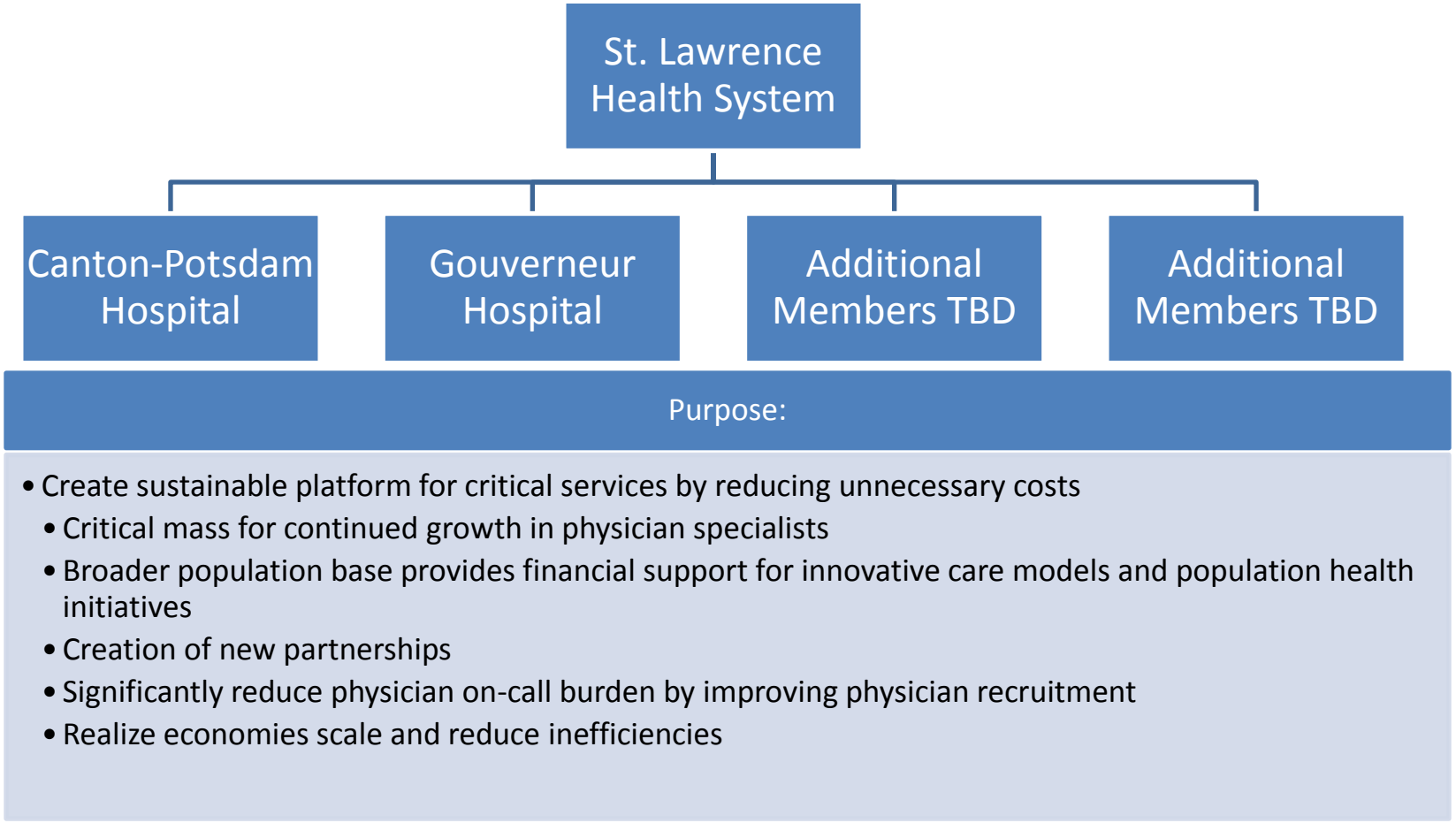
Canton is the logical site for centralization of high acuity, capital intensive care.



From	Miles	Minutes
CPH	10.5	16
CHMC	20.5	30
GH	25	35
MMH	29.1	35

- The historical referral patterns and immense geography of St. Lawrence County does not lend itself to being appended to either an eastern or western pillar.
- There is a vibrant employer base in the county that needs a strong local healthcare system to support it.
- The critical mass of providers, medical spending, and size of population is so substantial that it requires a pillar in the middle to support it.

SLHS has been created to serve as a catalyst for reforming the health care delivery system in St. Lawrence County



- **No single current entity will have majority control.**
- **Open to hospitals and non-acute health care members.**

Community Health Center of the North Country

Community Health Center of the North Country

Federally Qualified Health Center since 2007

Executive Director – Anne Richey

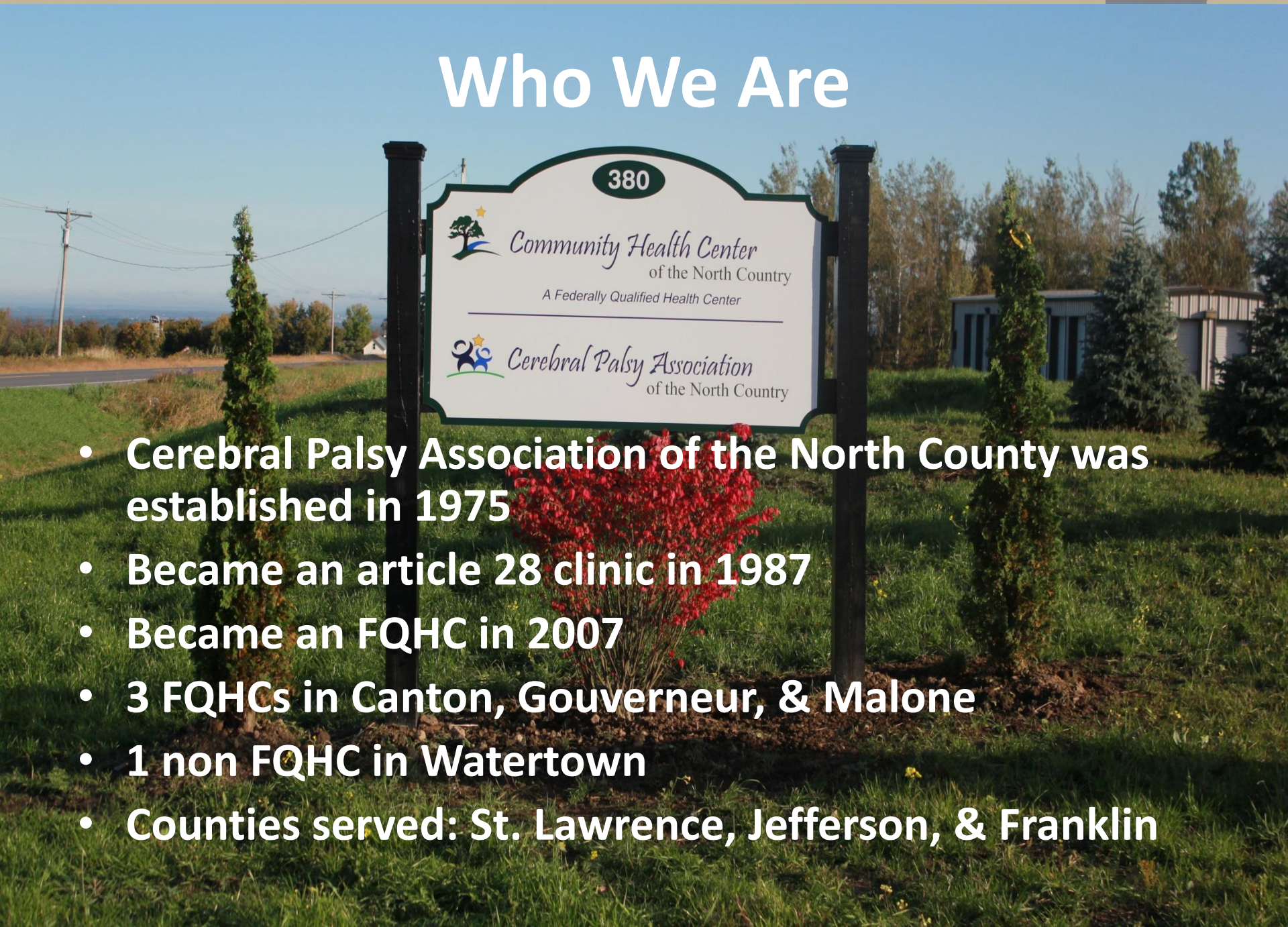
Medical Director- Dr. Andrew Williams MD, FACP

Director of Clinical Services – Darlene Bertolozzi

Our Mission

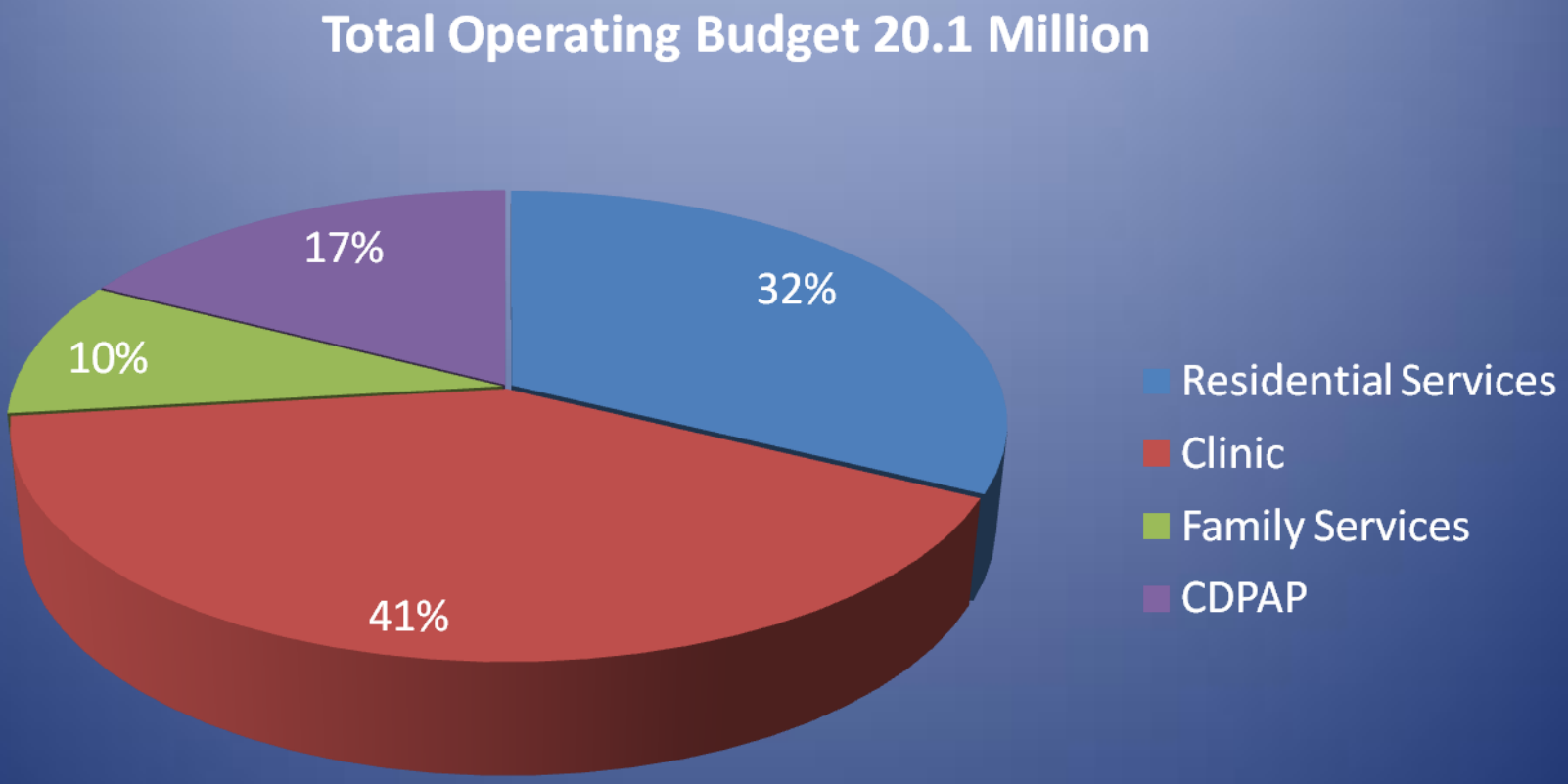
Provide comprehensive, accessible health and human services in the counties of Northern New York and to offer services to people of all income levels with a special commitment to low income, medically underserved individuals & people with disabilities.

Who We Are



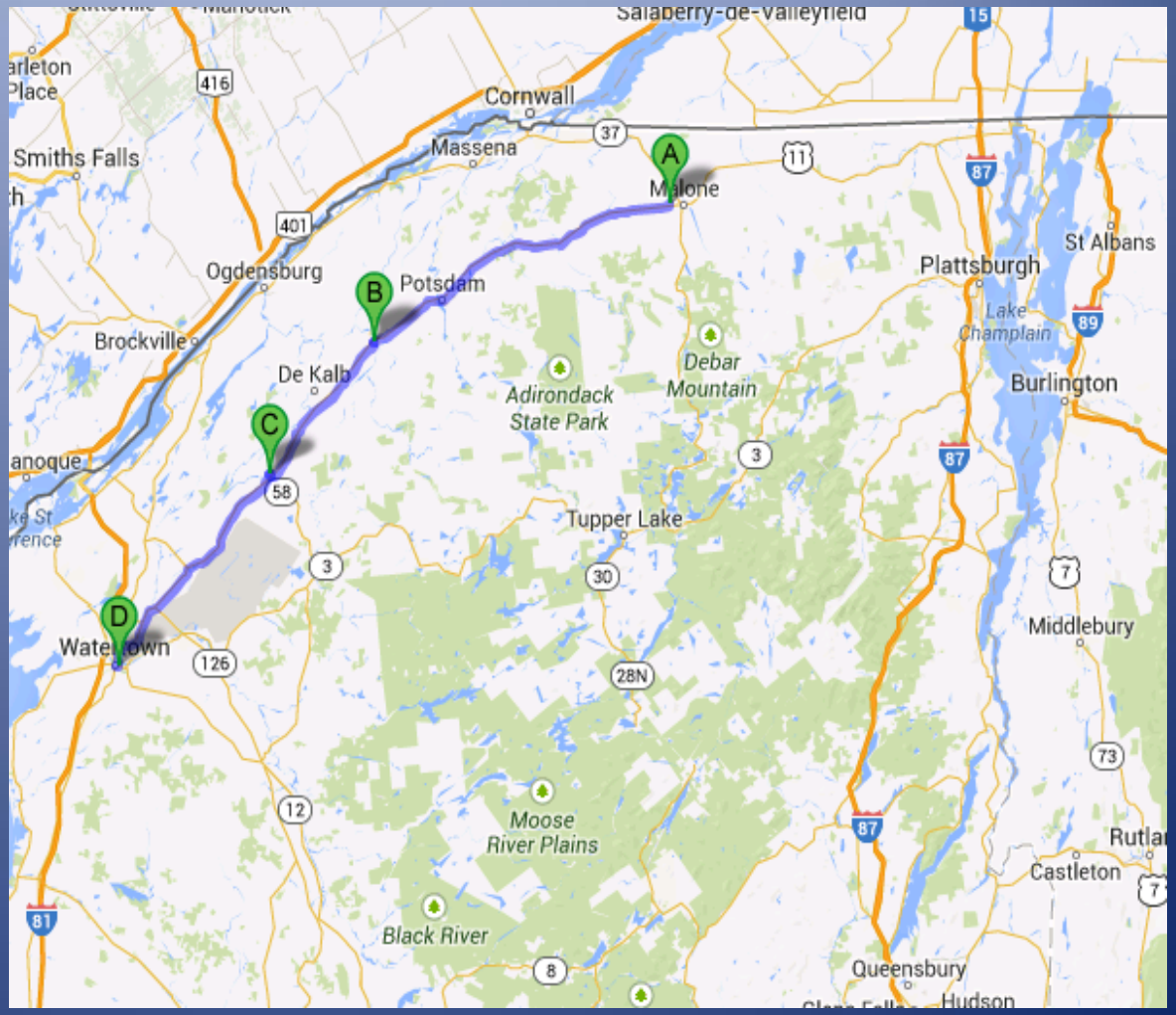
- Cerebral Palsy Association of the North County was established in 1975
- Became an article 28 clinic in 1987
- Became an FQHC in 2007
- 3 FQHCs in Canton, Gouverneur, & Malone
- 1 non FQHC in Watertown
- Counties served: St. Lawrence, Jefferson, & Franklin

Operating Budget



Our Locations

- A) 380 County Route 51, Malone, NY 12953
- B) 4 Commerce Lane, Canton, NY 13617
- C) 77 West Barney Street, Gouverneur, NY 13642
- D) 167 Polk Street, Watertown, NY 13601



What We Offer

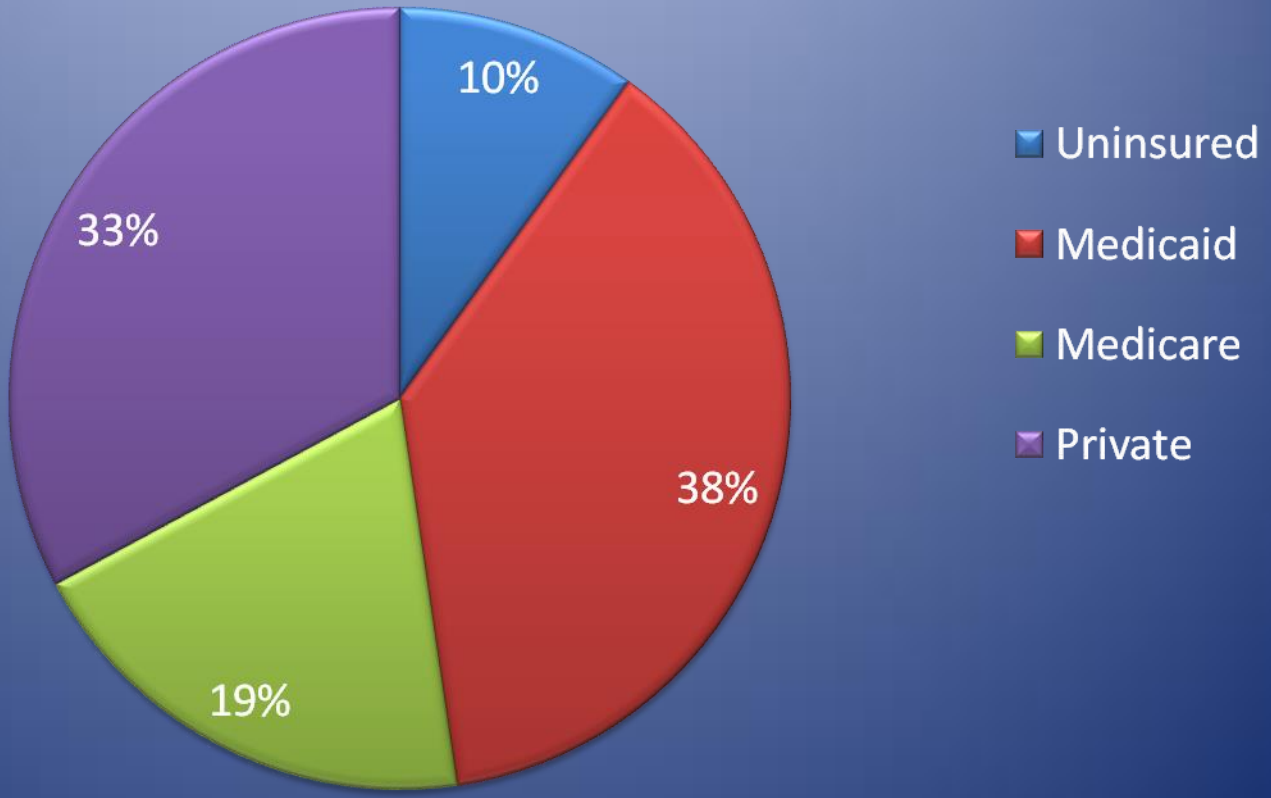
- Services: Primary Care, Dental services, Mental Health, Physical Therapy, Optometry, Orthopedics and Foot Care
- Wide array of services for people with developmental disabilities
- Consumer directed home care program (CDPAP)
- Clinic Case Management at our 3 FQHC locations
- Sliding Fee Scale available-patients who are at or below 200% of the poverty level

Our Staff

- 580 total employees
  - 98: Clinic staff (including 26 Health Care Providers)
  - 300: Consumer Directed Person Assistant Program/CDPAP (home care)
  - 182: OPWDD funded programs for people with developmental disabilities

Patients

Insurance Companies



Our Patients

- Total Patients in 2013: 10,988
  - New Patients: Over 3,000
  - Patients under 19: 4,136
    - Last year: 2,377
  - Patients Over 60: 2,360
    - Last year: 1,292
- Projected Patients for 2014: 16,000

- Medical Conditions:
  - Asthma: 415
  - Diabetes: 1009
  - Hypertension: 1953
  - Depression: 983
  - HIV/Aids: 2
  - Heart Disease: 502
  - MH disorders: 1739
  - Substance abuse: 144

Location of Patients We Serve

- Gouverneur area-29%
- Massena area-20%
- Malone area-16%
- Ogdensburg area-15%
- Canton area-14%
- Other-6%

Our Partners in Health

- St. Lawrence Health System – Canton Potsdam Hospital / Gouverneur Hospital
- Claxton-Hepburn Medical Center
- Massena Memorial Hospital
- Alice Hyde Medical Center
- St. Lawrence Health Initiative
- Health Center Network of New York (HCNNY)
- Community Health Care Association of New York State (CHCANYS)
- Clarkson University

Accomplishments

- May 2011: Implemented an EHR
- September 2013: Became an NCQA Patient Centered Medical Home (PCMH) Level 3 at our Canton location
  - Improved Population Health
  - Improved Access to Care
  - Offered Continuous-Comprehensive Care
  - Better Coordination of care
- October 2013: Expanded Primary Care Services to Gouverneur
  - Collaboration with CPH and United Helpers
- 2013: Completed Stage 1 Meaningful Use Requirements
  (Currently working on Stage 2)
  - Demonstrated meaningful use of our EHR for a large portion of our patient populations
  - Provide patients with electronic access to their medical information

Quality Care-2013

- Screening Rate for Breast Cancer increased by 25%
- Screening Rate for Cervical Cancer increased by 16%
- Hypertensive Patients:
  - Over 70% have controlled BP
- Diabetic Patients:
  - Over 55% have controlled A1C

Challenges

- Recruiting/retaining quality providers
- Transportation

Potential Solutions

- Recruitment/Retaining Quality Providers:
  - Loan repayment incentives
  - Recognition of LMSWs for reimbursement from all payers
  - Regional economic development
- Transportation
  - Regionalizing DSS transportation coordination
  - Enhanced reimbursement rates for home visits
  - Expand service areas

Next Steps

- Expand services to Ogdensburg and Massena
  - 5 year goal to open sites in Ogdensburg and Massena to expand high value and advanced primary care services to these regions
- Develop and strengthen our existing partnerships with healthcare providers in the area
- Strengthen relationships with local academic institutions
- Becoming a PCMH at our other 2 sites
- Completing Stage 2 of Meaningful Use
- Further increase our cancer screening rates

Summary

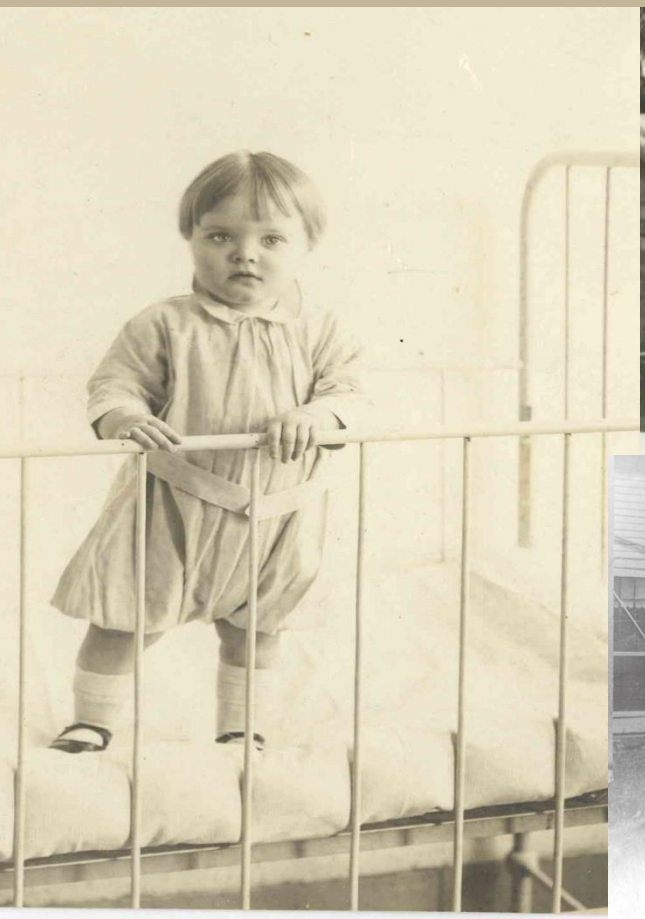
- Provide high value care to a large geographic region
- Created strong collaborations with neighboring hospitals
- Recognized as PCMH, level 3
- Plans to expand services to Ogdensburg and Massena

United Helpers

North Country Health Systems Redesign

BY:

Steve Knight



United Helpers
Since 1898

Caring for Our Community

Outpatient Physical Therapy

Companion Services

Certified Home Care

Subacute Rehabilitation

People HELPING People

Assisted Living

serving St. Lawrence County

Kindness & Professionalism

Childrens' Therapy

Family Housing

Intermediate Care Facilities

serving nearly 1000 people everyday

Skilled Nursing

more than 100 YEARS of Servic

Home Health Services

Independent Living

Skilled Team

Supportive Case Management

United Helpers

Strong Roots

peace of mind

Health Care and Rehabilitation Centers

Since 1898

Pre-School Program & Early Intervention

committed to quality

Day Habilitation

Enriched Housing

community partners

Speech & Occupational Therapy

Subsidized Senior/Disabled Housing

Adult Residence

Housekeeping

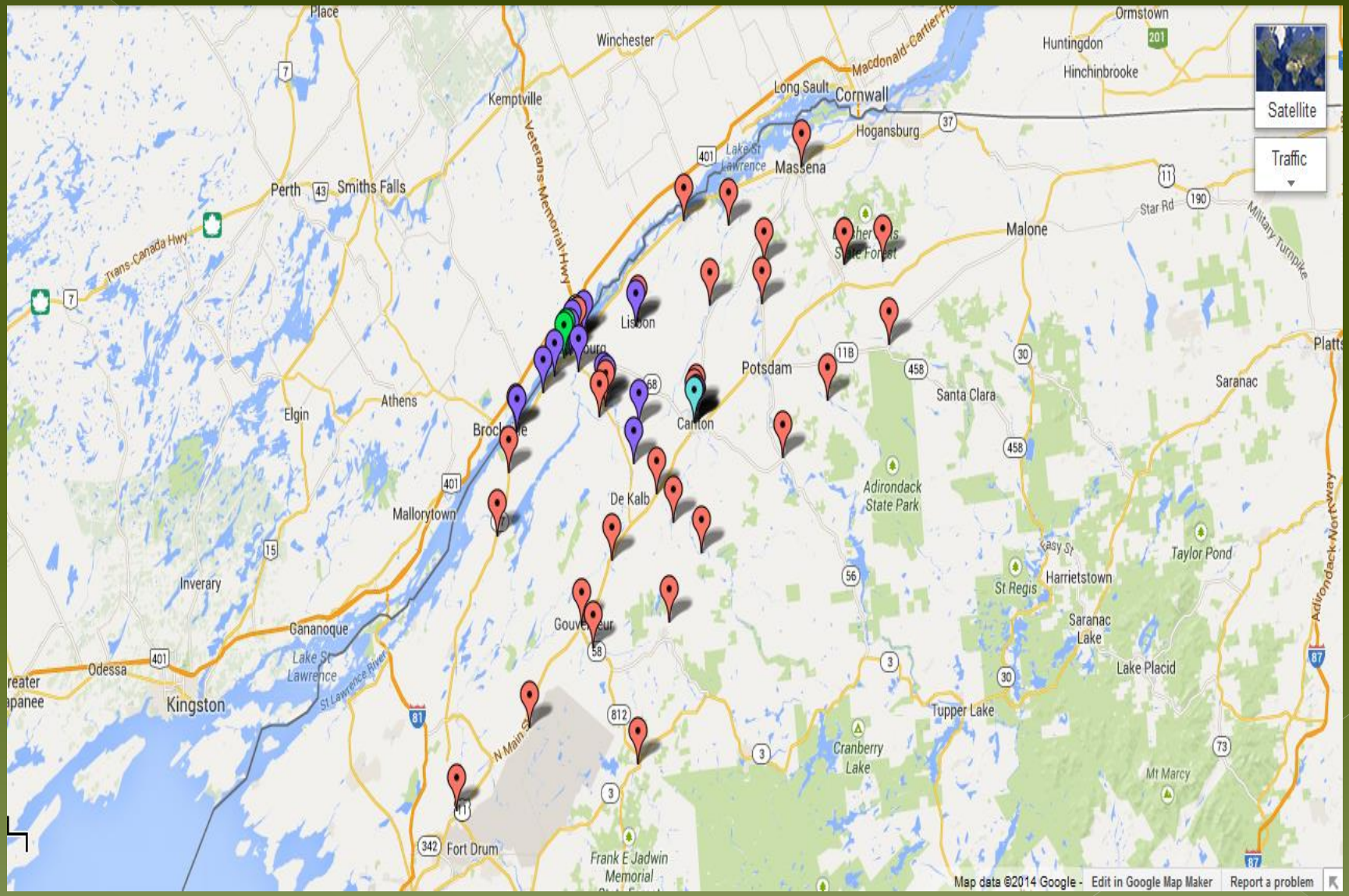
Outpatient Physical Therapy

Licensed Home Care

Mental Health Services

Intensive Supportive Housing

Homes and Services for Developmentally Disabled


Satellite
Traffic
Map data ©2014 Google - Edit in Google Map Maker Report a problem
Winchester
Kemptville
Perth
Smiths Falls
Trans-Canada Hwy
Veterans Memorial Hwy
Macdonald-Cartier Fwy
Long Sault
Cornwall
Hogansburg
Massena
Lake St Lawrence
Ormstown
Huntingdon
Hinchinbrooke
Star Rd
Military Turnpike
Malone
Lisbon
Potsdam
Canton
Brockville
Athens
Elgin
Mallorytown
De Kalb
Santa Clara
Saranac
Adirondack State Park
Taylor Pond
Harrietstown
St Regis
Saranac Lake
Lake Placid
Tupper Lake
Cranberry Lake
Mt Marcy
Adirondack Northway
Inverary
Gananoque
Odessa
Kingston
Lake St Lawrence
St Lawrence River
Fort Drum
Frank E Jadwin Memorial

Vision 2010

Governance:
"This encourages the Board to view their responsibilities organizationally and promotes cooperation."

Organizational Culture:
"There is an understanding that the United Helpers companies exist for the purpose of serving people in need and everyone works to enhance the quality of the lives of the people we serve."

Market (growth)
Many of our services were originally established on institutional acute care models. We recognize that today's customer clearly prefers easily accessible services that do not severely alter "life flow." We develop our services and renovate/construct buildings based on a residential/social model as opposed to the institutional model. We organize and deliver services around people's normal daily routines rather than at the convenience of a facility or the staff.

Partnerships:
We recognize the need to develop relationships with other professionals or organizations in order to provide optimal cost-effective services. In fact, many grants and funding sources require partnerships as a prerequisite for consideration.

United Helpers regularly utilizes the expertise of trade associations, clinical consultants, trainers, hospitals and various other organizations and professionals when appropriate. We are open to establishing new relationships as strategic alliances could prove indispensable .

Commitment to Excellence (Quality):
While our minimum standards for quality are guided by regulatory agencies, we take a more pro-active approach. United Helpers uses additional quality indicators to measure levels of excellence.

Human Resources (People):
Personnel selection and retention are organizational priorities as well as having the right people in the right positions.

Resource Management:
We recognize the trend of continually decreasing government reimbursement and accept the necessity for fiscal imagination and an increased commitment to the entrepreneurial spirit.

Technology:
UH recognizes its dependence on technology. Our ability to keep up with technology enhances the effectiveness of our services to our customers.

Fund Development:
There is a renewed, organizational commitment to significantly increasing the endowment by 2015.

REDESIGN COMMISSION

United Helpers' Pillars

1. Quality
2. Service
3. Financial
4. People
5. Growth
6. Sustainability

Key Points

- UH supports the triple aim and NYS DOH's efforts to reform health care delivery
- UH has been working on and positioning itself to deliver the triple aim for years
- UH provides a vast array of post-acute services
- UH understands (so we think) the many redundancies, inconsistencies and costs associated with the current post-acute system
- UH is subject to and understands a multitude of reimbursement methodologies
- UH understands (so we think) SLC's post-acute needs

Northern Lights
Home Health Care

Key Point

- UH has Seen the power of meaningful collaboration first hand and is willing to do more…

Triple Aim

- Better Care
- Better Health
- Lower Cost

Thought & Suggestion…

- As part of the Commission's long-range planning and due diligence, I believe that there is value in investigating alternative care delivery models and systems.
- I suggest a St. Lawrence County-wide demonstration project

Advanced Rural Model


Innovation
Business
Creativity
Improvement
Process
Discover
Development
Choice
Work
Creativity
Business
Improvement
Choose
Modern
Solution
Future
Process
Discover
Idea
Brainstorming
Decision
Representation
Solution
Science
Representation
Imagination
Science
Decision
Creative
Success
Communication
Change
Success
Future
Inspiration
Inspiration
Communication
Technology
Idea
Strategy
Conceptual
Generation
Invention
Modern
Organization
Definition
Choose
Creative
Strategy
Definition
Organization
Motivation
Technology

Innovation

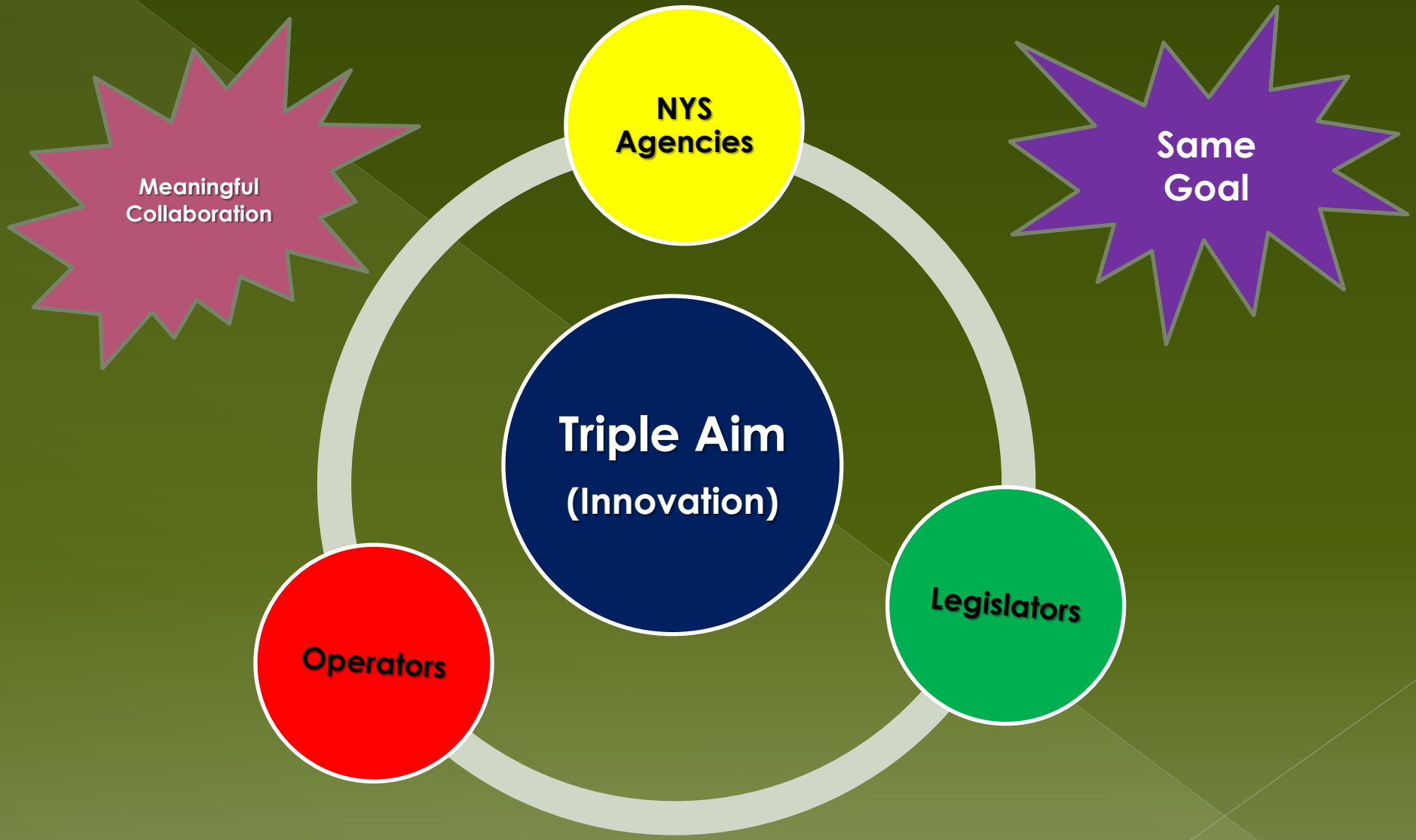
1. Directional
2. Intersectional

ARM's Goals and Priorities

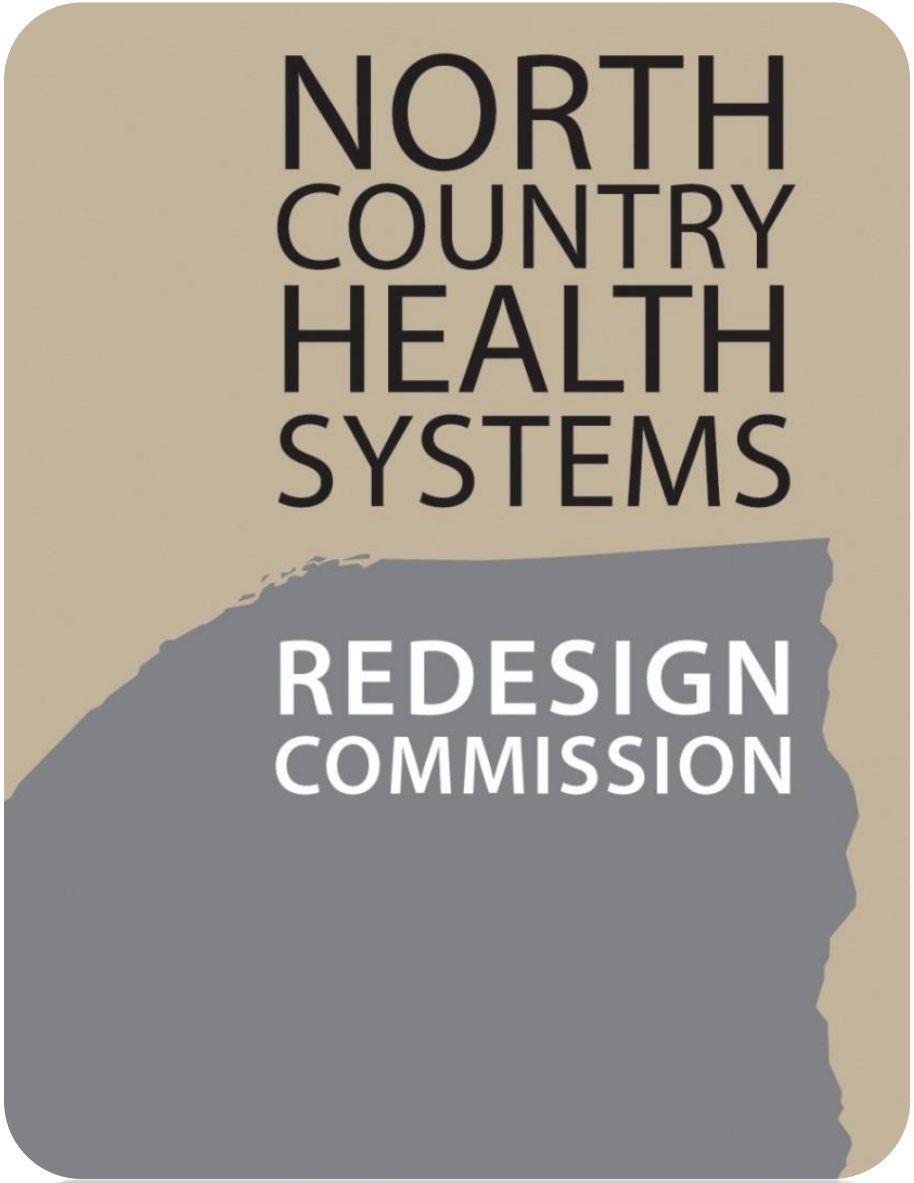
- **Fix the fundamental problems in our existing systems**
- Assign a high-level DOH employee to the project
- Assign staff from elected officials' offices
- Inclusive process
- Transparency at all levels (State, County, Private)
- A commitment to the Triple Aim at all levels
- Accountability at all levels
- Meaningful collaboration
- Attain a deep understanding of how the existing SLC health system operates
- Use knowledge to "Redesign" a flexible, responsive, quality and cost effective system of care and services

Why?

- Why can we use medication certified aides in some of our programs and not in others? **In fact, some of the "others" have better RN supervision.**
- Why do I get $40.56/day for our adult home and the SLPC gets over $800/day? **Reimbursement discrepancies abound with no correlation to value.**
- Why does the ALP program require an agency to deal with three separate state agencies who are not coordinated? **Three sets of regulations, two separate surveys.**
- Why can't enriched housing services be aggregated together to serve multiple sites in an efficient manner?
- **One operating certificate, multiple levels of care and community service…**


Meaningful Collaboration
NYS Agencies
Same Goal
Triple Aim
(Innovation)
Operators
Legislators

Thank You


NORTH
COUNTRY
HEALTH
SYSTEMS
REDESIGN
COMMISSION

NORTH COUNTRY HEALTH SYSTEMS

REDESIGN COMMISSION

FLETCHER ALLEN PARTNERS

Dr. John Brumsted, President and CEO

Fletcher Allen and Fletcher Allen Partners

Stephens Mundy, President

Community Providers, Inc.

FLETCHER ALLEN PARTNERS

North Country Health Systems
Redesign Commission

February 18, 2014

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In alliance with The University of Vermont

Central Vermont Medical Center

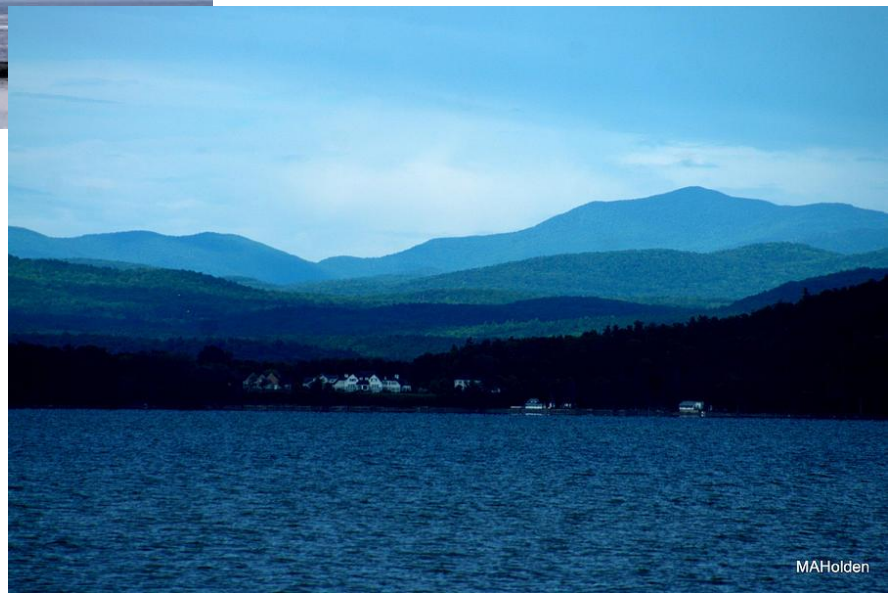
CVPH MEDICAL CENTER

Elizabethtown Community Hospital

Fletcher Allen and the North Country – A History of Collaboration

Look West

Look East



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Longstanding Affiliations and Partnerships

- Affiliated with Alice Hyde since January 1, 2002
- Affiliated with Canton-Potsdam since June 1, 2005
- Partnering with Inter-Lakes Health since June 30, 2010
- Through these relationships, we manage an extensive regional network of services, including:
  - Regular outreach clinics provided by Fletcher Allen specialists
  - Continuing medical education workshops
  - Telemedicine services
  - Ongoing exchange of clinical information and best practices

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Fletcher Allen Partners:
Leading in an Era of Reform

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Integration Drivers

- Health Care Reform challenges:
  - Shifting from fee-for-service to a value-based, population health model.
  - Declining reimbursement
  - Changing relationships between hospitals, doctors
  - Technology – time and resources to keep pace
- Achieving the triple aim: better care, better health and lower costs
- Elements of success = financial strength, capital capacity, improving quality and access, and controlling costs

Conclusion: We are stronger together.

Our Philosophy

- Mission: We are committed to the development of an Integrated Delivery System that provides high-value health care to the communities we serve and enhances our academic mission.

- How do we achieve this?
  - Right-size the delivery system by redistributing services so that patients receive the right care, at the right time, as close to home as possible, at the lowest cost.

Fletcher Allen Partners – Shared Objectives

- To establish an integrated regional health care system under the common control of Fletcher Allen Partners which shall align the missions, clinical services and economic interests of the members as health care providers.

- To engage in collaborative regional planning to develop a highly coordinated health care network that will improve the quality, increase the efficiencies and lower the costs of health care delivery in the communities served.

- To provide Fletcher Allen Partners with sufficient corporate authority to assure that the Shared Objectives can be promoted fully and that the aligned economic interests and missions of the members are fostered and pursued.

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Shared Objectives (continued)

- To provide high quality, cost-effective services to the communities we serve.
- To increase community access to needed health care services throughout the system.
- To support local access to primary and subspecialty care.
- To promote excellent relationships by system members with physicians and other providers.
- To develop system-wide clinical, quality and operational standards that are consistent with best practices, centers of excellence, increased use of electronic health records, and enhanced physician recruitment.

Fletcher Allen Partners: Who We Are Today

Fletcher Allen Health Care	Central Vermont Medical Center	Champlain Valley Physicians Hospital	Elizabethtown Community Hospital

- 3 Community Hospitals (VT and NY)
- 1 Academic Medical Center
- 1,063 Physicians
  - 812 Specialists
  - 251 Primary Care Providers
- 1,161 Licensed IP Beds
- 37,766 IP Discharges
- 933,583 OP Encounters
- 651,688 Professional Office Visits

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Strategic Areas of Focus

- Governance
- Clinical Integration
- Academic Model
- Physician Alignment
- Value-Based Care
- Growth
- Branding

Clinical Integration: Service Line Integration

- Cardiovascular integration
  - Keep NNY PCI patients at CVPH
    - CVPH has earned top 5% distinction in PCI
  - Consolidate cardiovascular surgery at Fletcher Allen
    - Just approved by NYSDOH
  - Forming NNY cardiology service
- *This is the first of many service lines we will integrate, ensuring appropriate care in the appropriate location for our patients.*

Clinical Integration: Quality/Practice Standardization

- The Jeffords Institute for Quality and Operational Effectiveness
  - 20+ year history of practice standardization – measurement, clinician engagement, skilled quality consultants
  - Results: UHC top performance on quality and efficiency
    - Fletcher Allen ranked top 10 nationally, #1 for patient safety
    - Fletcher Allen ranked #2 supply chain performance; FAP has realized supply chain savings of $4.63 million since the beginning of calendar year 2013
  - Results: Only 13 of 404 regions nationwide have lower Medicare service use than Burlington (see appendix)
- UHC benchmarking across the system
- System quality dashboard
- Service line consistent quality and efficiency processes and measurement

Academic Model

- Develop, secure funding and begin application process for the Family Medicine Residency Program at CVPH
  - Business plan developed, currently securing funding
  - Program slated to begin 2016 with 4-6 residents
  - Objective: to train skilled primary care physicians to serve North Country; 60% of residents practice where they trained
- Explore potential clerkships to ED at CVPH and CVMC; OB clerkship to CVPH
- Develop and implement plans for system-wide clinical trials network

Physician Alignment

- Aligned physician workforce ensures improved access and enhanced quality of care.
  - Many specialty providers at CVMC and CVPH are now employed by the University of Vermont Medical Group (UVMMG).
  - Physician Leadership Council developing a regional provider workforce plan to ensure the right care is being delivered in the right places to support population health, and creating the vision for a cohesive structure supporting community and faculty physicians.

Value-Based Care: Migrating to Value-Based Contracts

- Building the networks
  - OneCare Vermont
  - Adirondacks ACO
- Building the care model
  - Transforming primary care delivery
  - AHI PCMH pilot project
- Building supportive financial analytics
- Migration of patient populations underway

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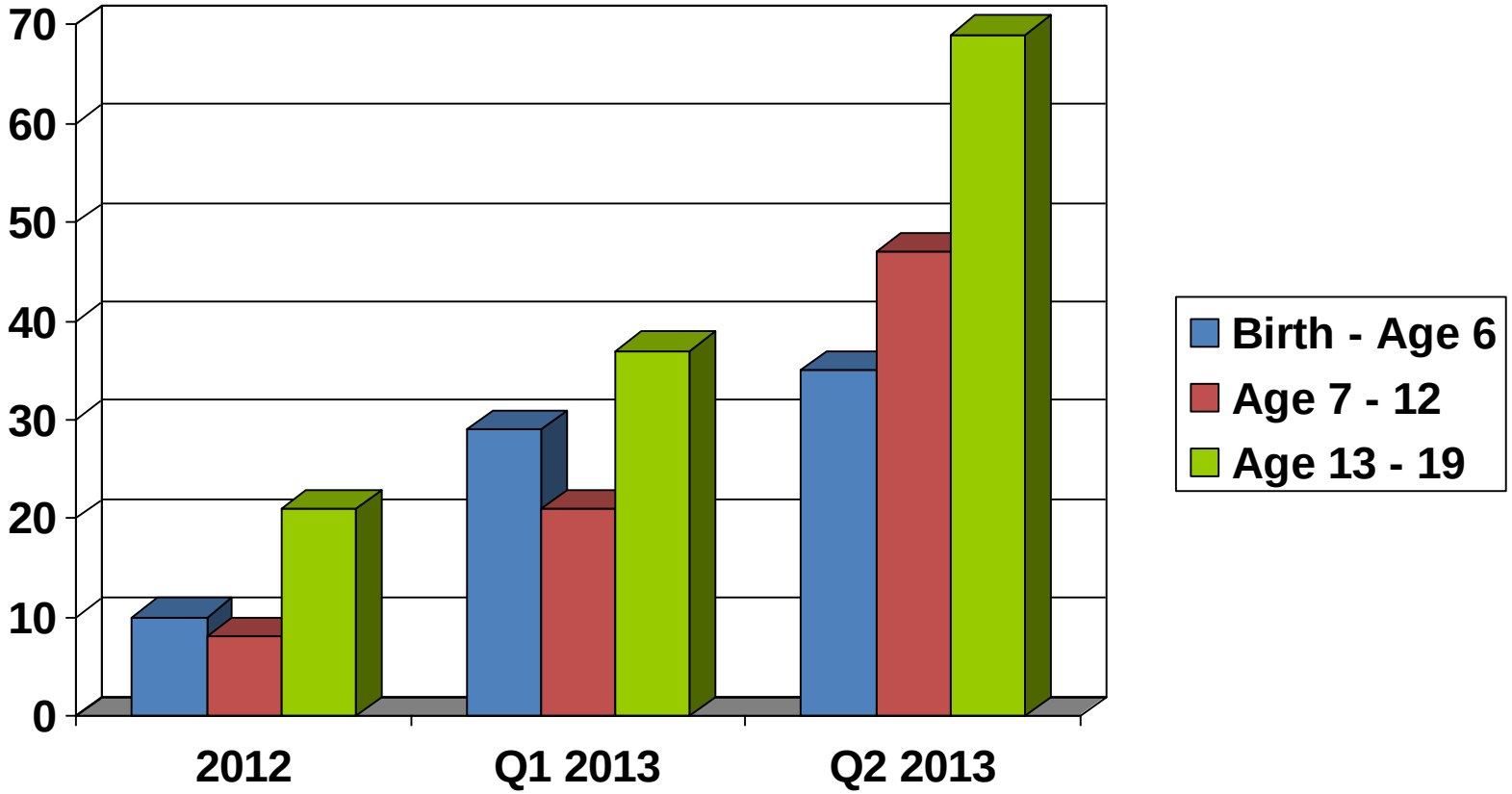
Value-Based Care: Clinical Decision Support

- Extensive use of clinical decision support tools
  - HealthFortis to guide the selection of evidence-based radiologic studies
  - Removal of inappropriate labs from order sets (Choosing Wisely Campaign)
- Standardization of Primary Care Practice around established best practices
  - AHI PCMH pilot with dramatic change documented
  - Transforming primary care delivery

Value-Based Care: AHI Reduced Utilization

Pediatric Patients Cumulative BMI Improvements



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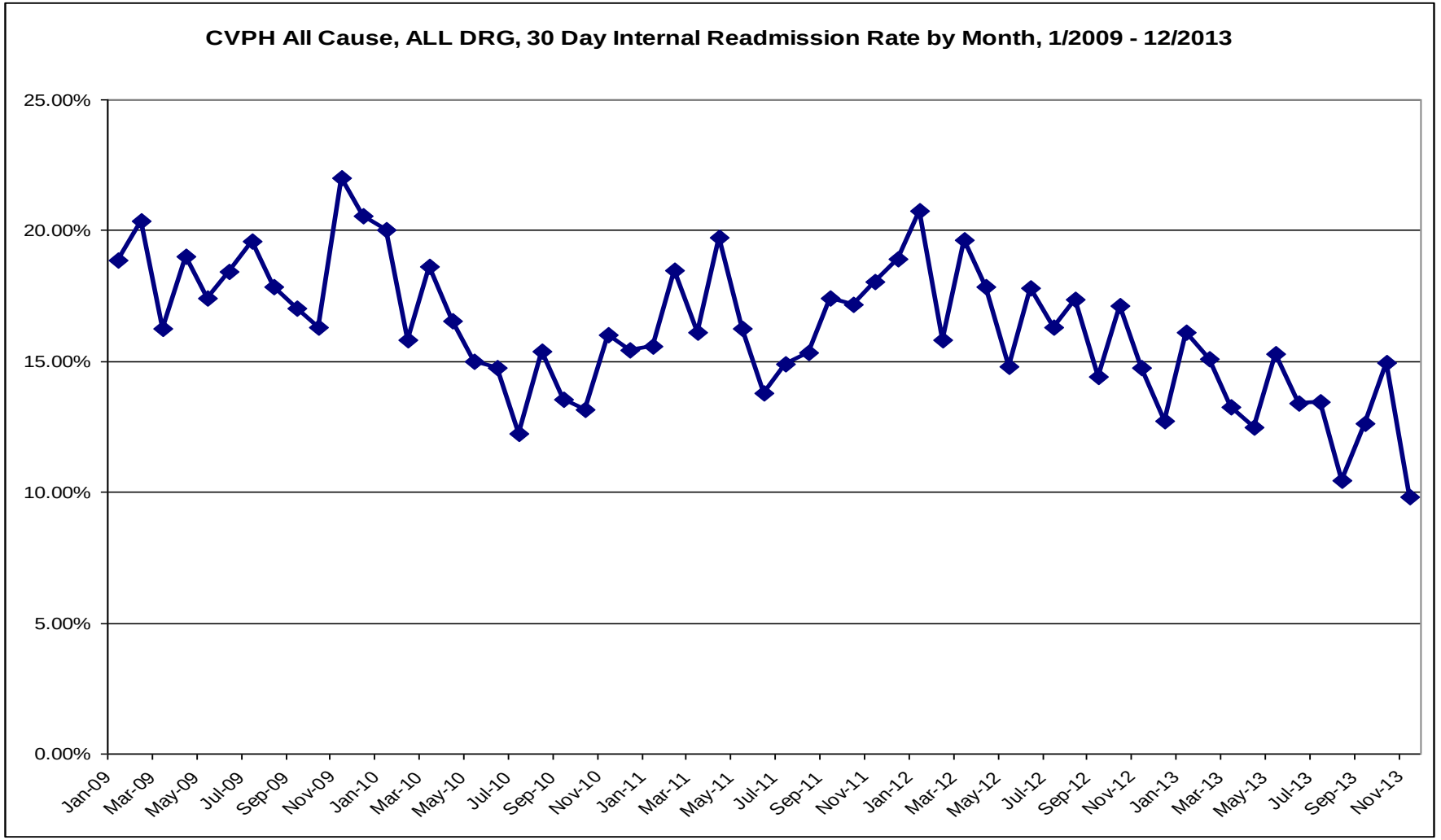
Value-Based Care: AHI Reduced Utilization



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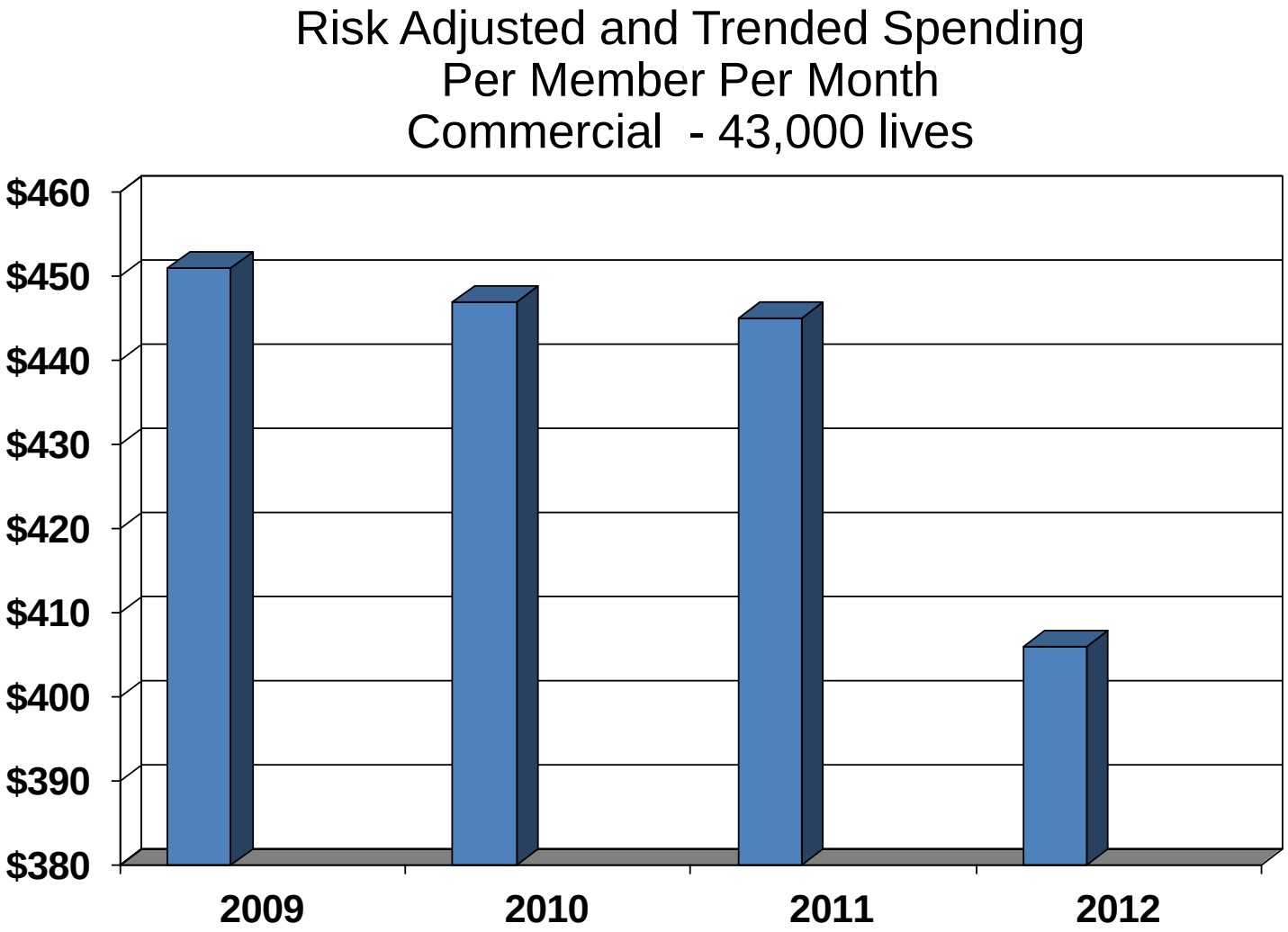

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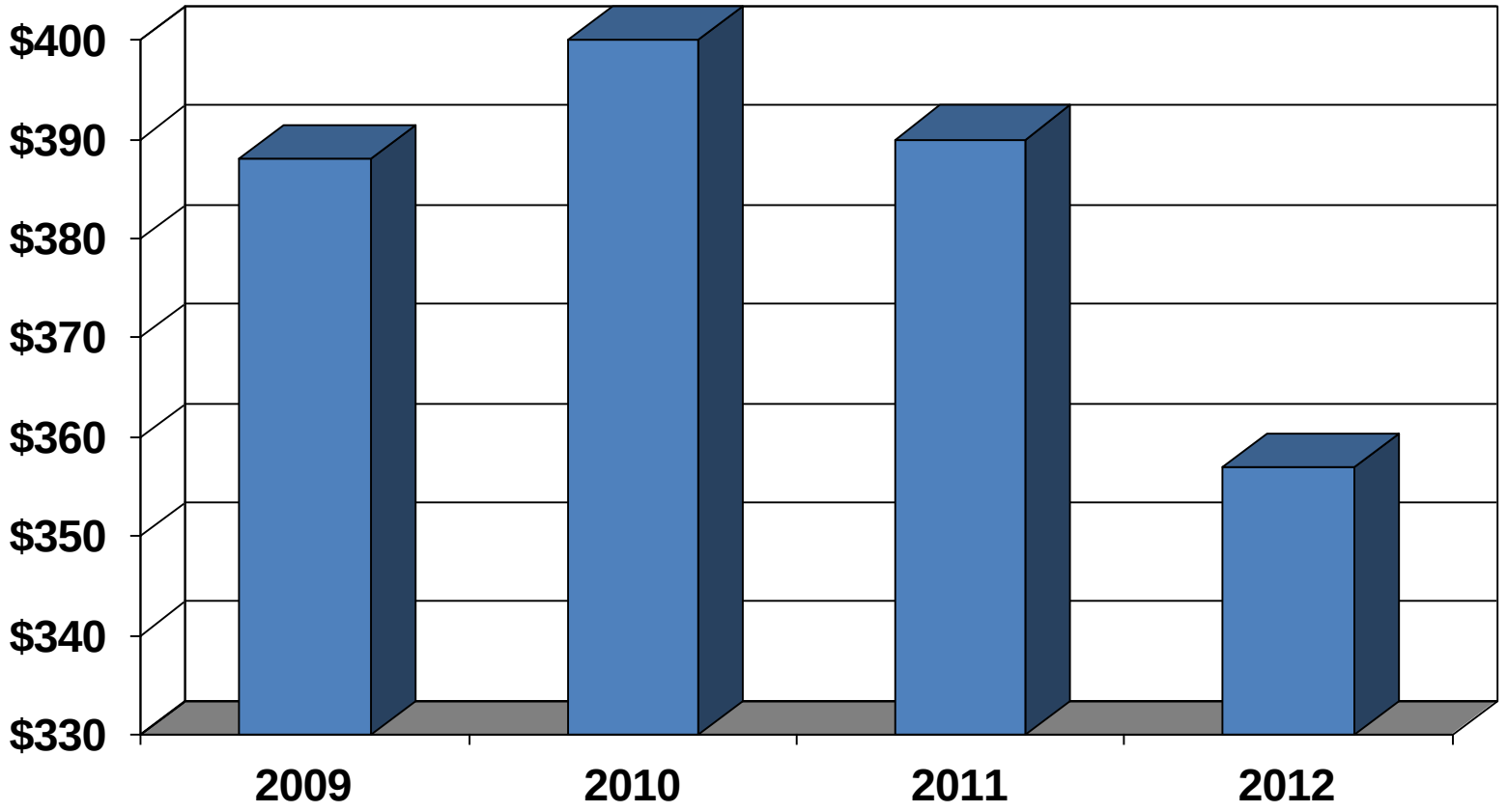
Value-Based Care: AHI Reduced Utilization

Risk Adjusted and Trended Spending
Per Member Per Month
Medicaid HMO – 21,000 lives



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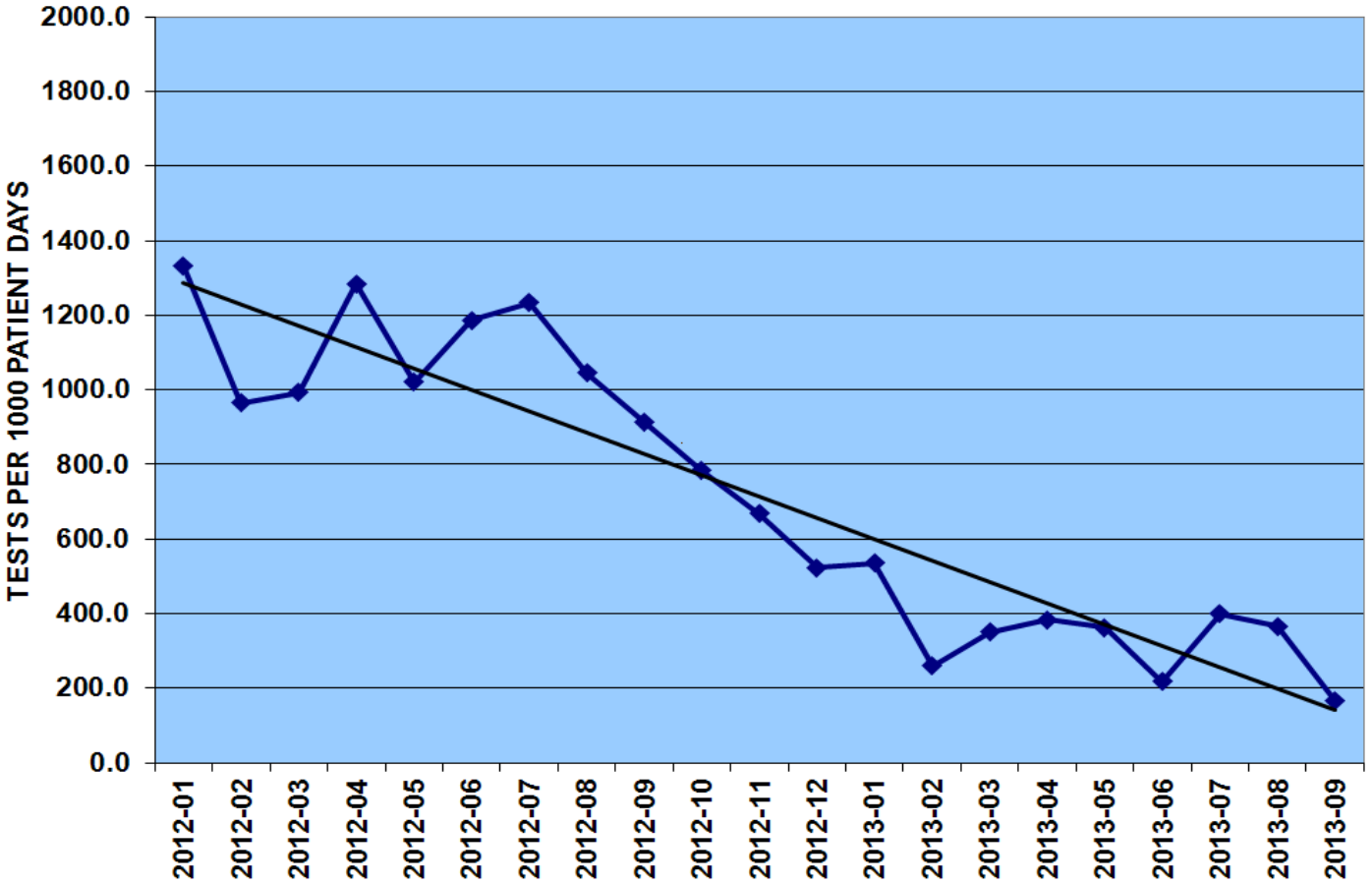
Value-Based Care: BUN Tests Per 1000 Patient Days



Value-Based Care: Leveraging Big Data

- Northern New England Accountable Care Collaborative (NNEACC)
  - Eastern Maine, MaineHealth, Dartmouth-Hitchcock, Fletcher Allen
  - Database of claims and EHR inputs
  - Software and data analytics
- Business Intelligence at CVPH and Fletcher Allen
  - Common data center in development

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Value-Based Care: Exchanging Health Info

- Fletcher Allen is working with HIXNY through its partnership with Vermont Information Technology Leaders (VITL), the Vermont equivalent of HIXNY
- VITL is working closely with HIXNY to create an interstate electronic highway to exchange patient information securely between New York and Vermont providers
- Fletcher Allen Partners CIO Chuck Podesta sits on the VITL Board and CVPH CIO Wouter Rietsema, MD is on the HIXNY Board

Growth: Examples of MOUs with North Country Hospitals

- Inter-Lakes Health (ILH)
  - Actively helping ILH restructure into an integrated, sustainable clinical and financial model of healthcare delivery
  - Goal to bring ILH under CPI management, potentially join FAP via CPI in 2015

- Alice Hyde
  - Looking at changes in structure and designation so that this organization could potentially come into FAP through CPI; committed to working together to help create an integrated delivery system

Lessons Learned in Building an Integrated Network

- Need a strong Board, executive leadership and shared vision
- Culture change takes time, trust and willingness to embrace change
- Resources – human and financial – are critical

Opportunities to Partner to Transform Care in the North Country

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ILH Restructuring

- We anticipate significant costs to our health network to restructure operations at Inter-Lakes Health. This is a worthwhile investment to ensure the survival of this valuable critical-access hospital.
  - Request openness to an innovative model to right-size the capacity at this organization.
  - Refinancing or forgiving some of the $20M debt would be hugely helpful.
  - The emergency department at ILH needs a $3M renovation to operate a standalone service.

(Waiver 1.01, 1.03, 1.09,1.10)

Family Medicine Residency

- Meaningful investment to meet the primary care needs of the North Country – also a financial commitment with upfront and ongoing costs.
  - Startup costs - $500K to hire the program director and program coordinator
  - $1.6M for first 3 years of program
  - Ongoing annual cost from 2020 is $700K
  - Looking at 340(b) program, FAP commitment, grants, State funding and philanthropic support

(Waiver 1.03, 1.04, 1.06)

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Additional Areas of Support

- Expediting regulatory approvals
  - Just received NYSDOH approval to consolidate cardiothoracic surgery at Fletcher Allen and operate a standalone PCI program at CVPH. Anticipate future service line integration will necessitate similar review, and appreciate the ability to expedite these review processes with the State.

  (Waiver 1.01, 1.03)
- EMS hospital-hospital transfers
  - With greater connectivity between VT and NY hospitals, we need a robust transport system for patients. We need help with ambulance planning and a coordinated EMS system.

  (Waiver 1.04)

Additional Areas of Support

- Telemedicine: Need to address questions on licensing, credentialing and payment.
  - Does a Vermont provider need a New York license to treat a NY patient from their desk in VT?
  - What is the payment mechanism for providing these consults?

  (Waiver 1.05, 1.09)
- Extend and expand the Adirondack Medical Home Pilot

  (Waiver 1.03, 1.04)
- Request a broad and flexible definition of "safety net provider" under the NY DSRIP that would include Fletcher Allen Partners hospitals and affiliates.

Questions?

Appendix

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Cost-effective care for NNY patients

- Fletcher Allen and our Fletcher Allen Partners hospitals (CVPH, Elizabethtown and CVMC) treat approximately 39% of patients in Clinton, Essex, Franklin and St. Lawrence counties.

- We treat approximately 59% of patients in these counties when we include care provided by our clinical affiliates at Alice Hyde, Canton-Potsdam and Inter-Lakes Health.

- We provide 90% of tertiary care for patients in these four counties.

Data provided by the Healthcare Association of New York State and compared on a Federal DRG basis with comparable average lengths of stay.

Fletcher Allen is a high-performing provider

- 2008 commercial claims data compared Hospital Service Areas in Vermont, Maine and New Hampshire
  - Burlington HSA had lowest ED use
  - Burlington HSA had lowest potentially avoidable ED use
  - Burlington HSA had lowest 30-day inpatient readmission rate in Vermont
  - Burlington HSA had the lowest rate of hospitalization for ambulatory care sensitive conditions

Onpoint Health Data • Tri-State Variation in Health Services Utilization & Expenditures in Northern New England, June 2010

Regional Variation in Utilization

State	Area Name	Service Use per Beneficiary as % of Nat'l Avg
FL	Miami-Ft. Lauderdale-Pompano Beach	139%
MA	MA, non-metro areas	108%
MA	Springfield	91%
ME	ME, non-metro areas	88%
ME	Portland-S. Portland-Biddeford	88%
NH	NH, non-metro areas	91%
NH	Manchester-Nashua	92%
NY	NY, non-metro areas	84%
NY	Albany-Schenectady-Troy	88%
NY	Glens Falls	85%
VT	VT, non-metro areas	85%
VT	Burlington-S. Burlington	82%

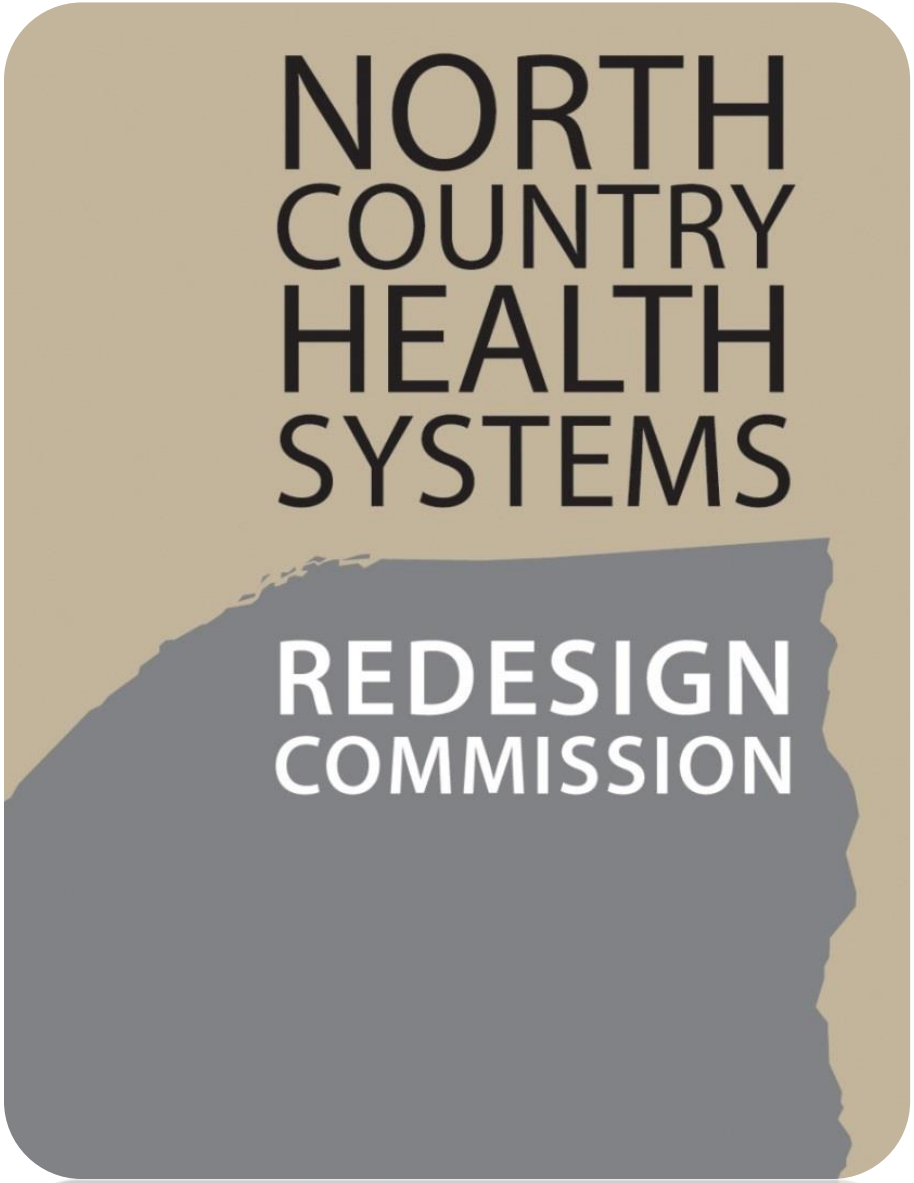
Only 13 of 404 regions have lower service use than Burlington – that means only 3.2% are doing better.
Only 37 of 404 regions have lower service use than the rest of Vermont.
Of the 404 regions, only 23 had a service use of 82% or better – that puts Burlington in the top 6% nationally.
Of the 404 regions, only 47 had a service use of 85% or better – that puts Vermont (as a whole) in the top 12%.

Source: MedPAC Report to Congress Measuring Regional Variation in Service Use (Dec. 2009)

Comparison of Fletcher Allen with UHC Hospitals
Selected Quality of Care and Cost Measures (2009)

	Fletcher Allen Health Care	UHC Full Member Hospitals (Median)
Readmissions (lower is better)	**4.24%**	**5.39%**
CMS 26 Composite Care Measure (higher is better)	**91.1**	**87.9**
Heart Attack Composite	**97.5**	**95.4**
Heart Failure Composite	**90.2**	**87.8**
Pneumonia Composite	**86.4**	**79.3**
Surgical Care Composite	**87.0**	**86.1**
Risk-adjusted Mortality Ratio (lower is better)	**1.0**	**0.9**
Risk-adjusted cost per Inpatient Discharge	**$7,133**	**$10,575**
Observed to Expected Cost Ratio	**0.81**	**1.16**
Average Length-of-Stay	**5.04 days**	**5.60 days**

Source: Arrowhead Health Analytics Report on Health Care Costs and Cost Growth in Vermont, University Healthsystem Consortium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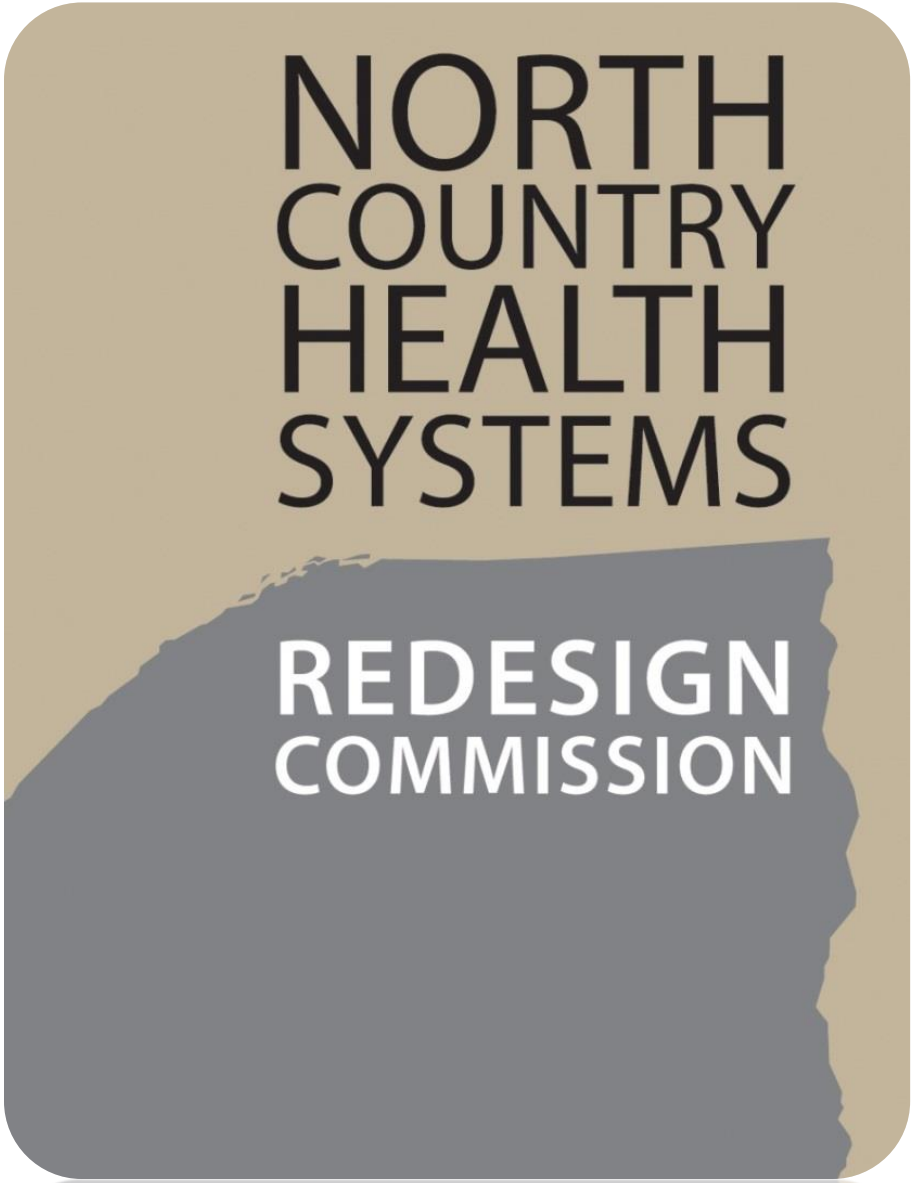
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