

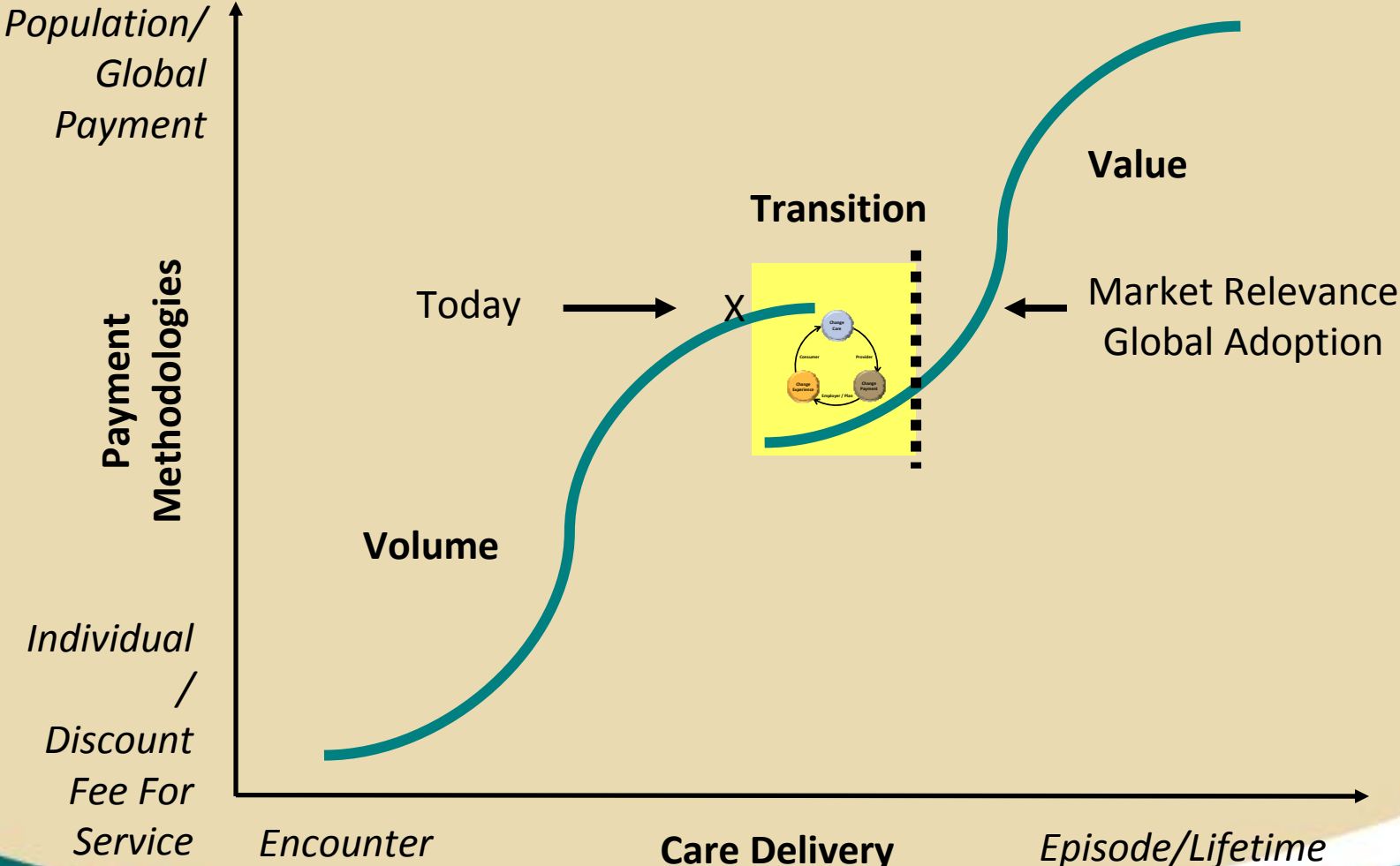
# Transforming Fairview's Business Model to Accept Risk and Manage the Health of Populations

Health Industry Forum  
April 16, 2010

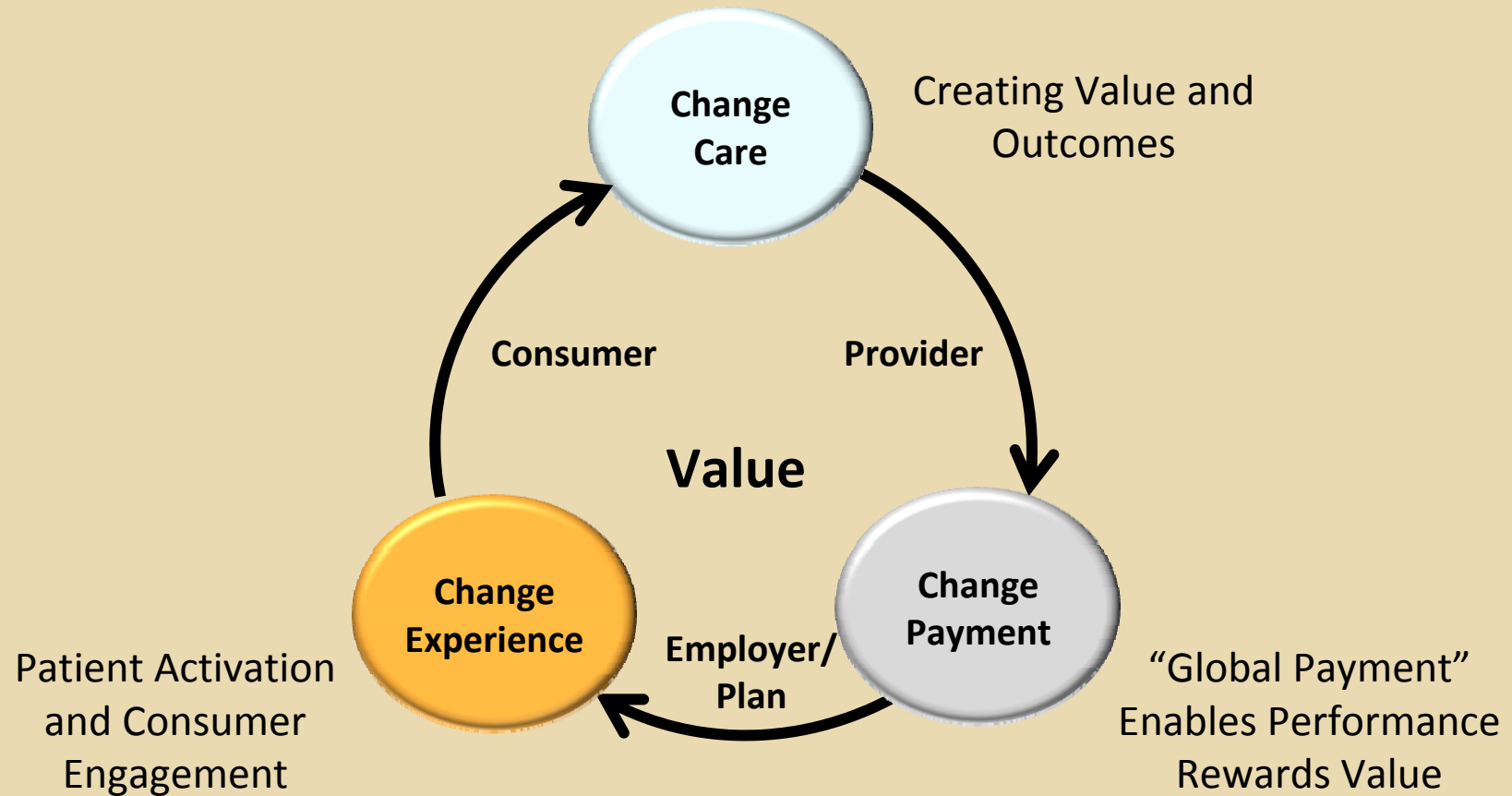
# Change is coming...Change is here

- **We are being asked to deliver greater *value*.**
  - Improved clinical outcomes
  - Lower cost
  - Improved experience
- **We will be asked to care for the health of a population.**
- **Payment systems and methodologies will change, rewarding those who deliver value.**

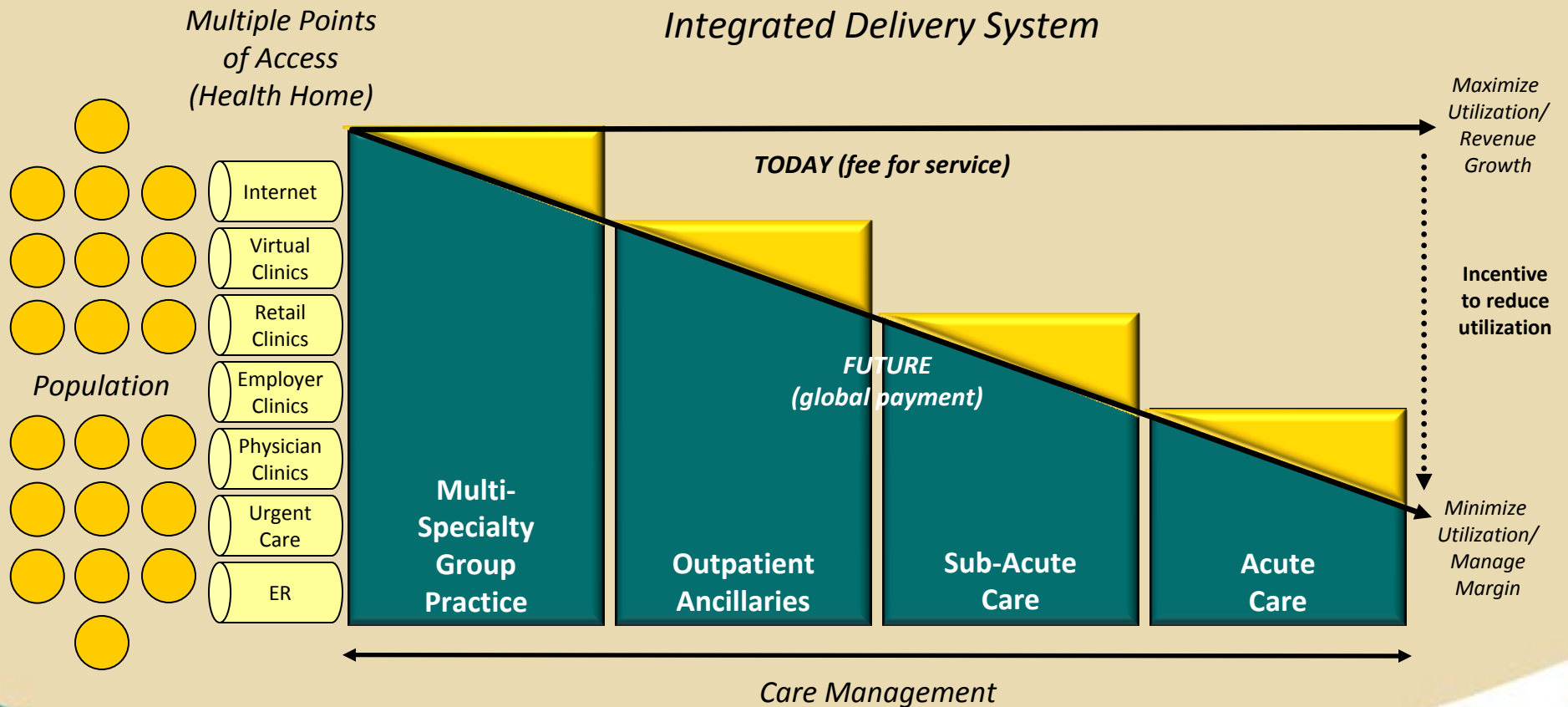
# The market is changing...



# Requiring a new “value chain”...



# And a repositioning of our business model



# To deliver on today's and tomorrow's definition of "value"

## Today

*Processes  
& Outcomes*

*Encounter  
Satisfaction*

*Cost/  
Case*

*Share of  
Encounters*



## Tomorrow

*Health  
Status*

*Customer  
Loyalty*

*Cost/  
Member*

*Share of  
Covered Lives*

# Creating capabilities and capacity to manage the health of populations

**Volume**

**Value**

Fee-for-Service

Shared Savings

Episode Payment

Partial Capitation

Global Payment

2009

2010

2011

2012

Care Delivery Innovation

Medical Home

Network Development

Fairview Population

Population Health

Epic Install

Integrated Business Intelligence

Fairview Medical Group Reorganization

Care Packages

Physician Compensation

Payer Contracting Methodologies

Sensor Technology

Operating Model/ Infrastructure

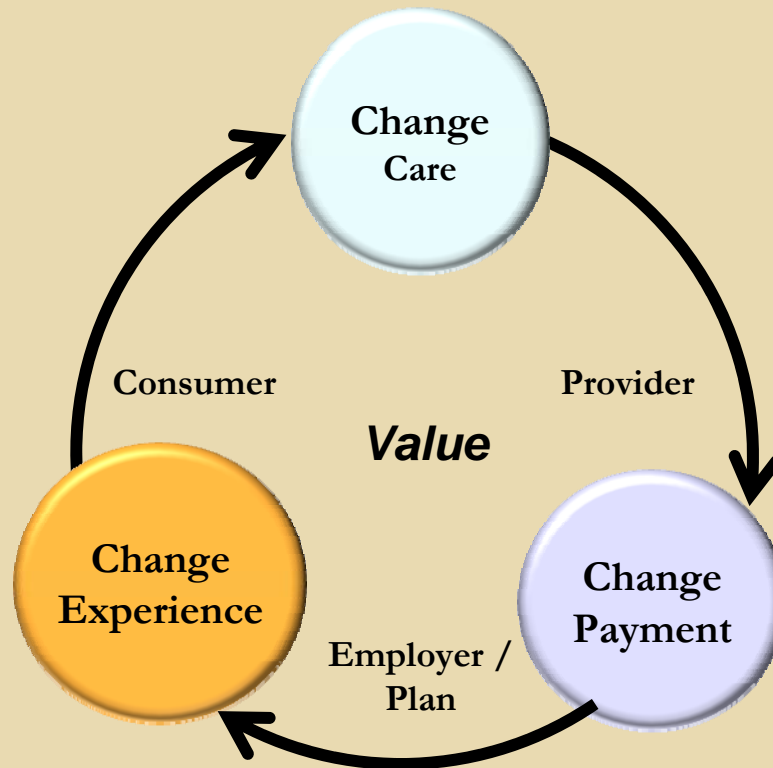
Accountable Care Organization

Virtual Care

# Working to Create “New Value Chain”

- Clinic Model Redesign
- Team-based Care
- Care Packages
- Virtual Care

- NetClinic
- Virtual Care
- Patient Activation
- Panel Management

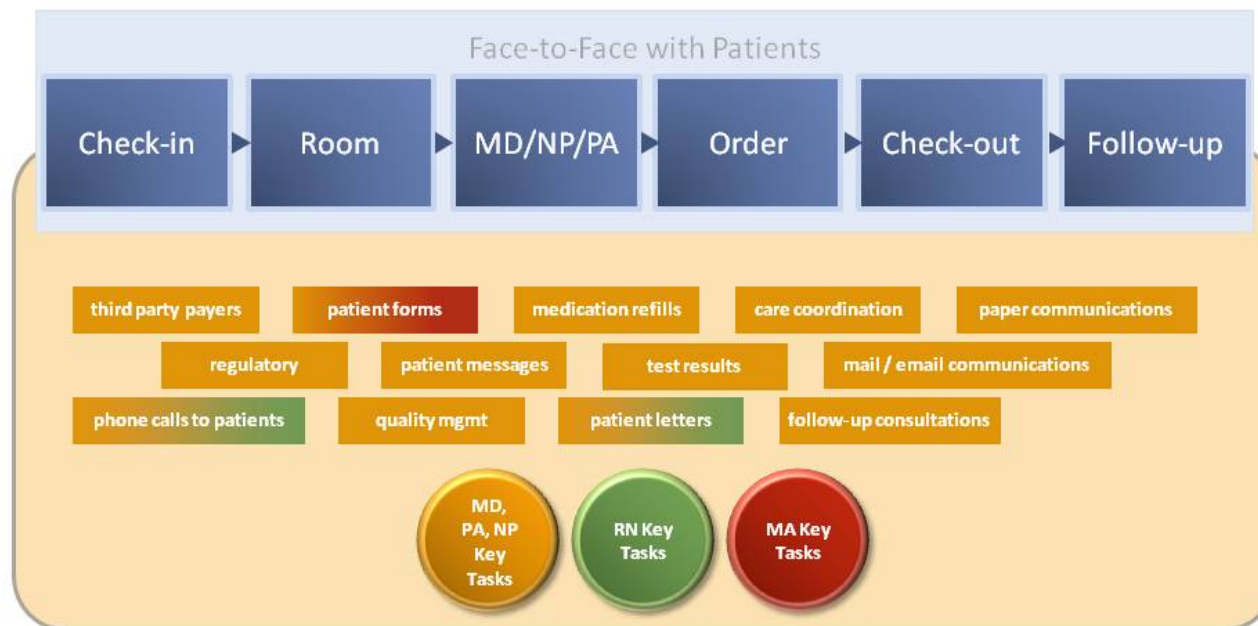


- New Physician Compensation Models
- Risk Contracts/ Shared Savings
- Moving to Episode/Global Payments

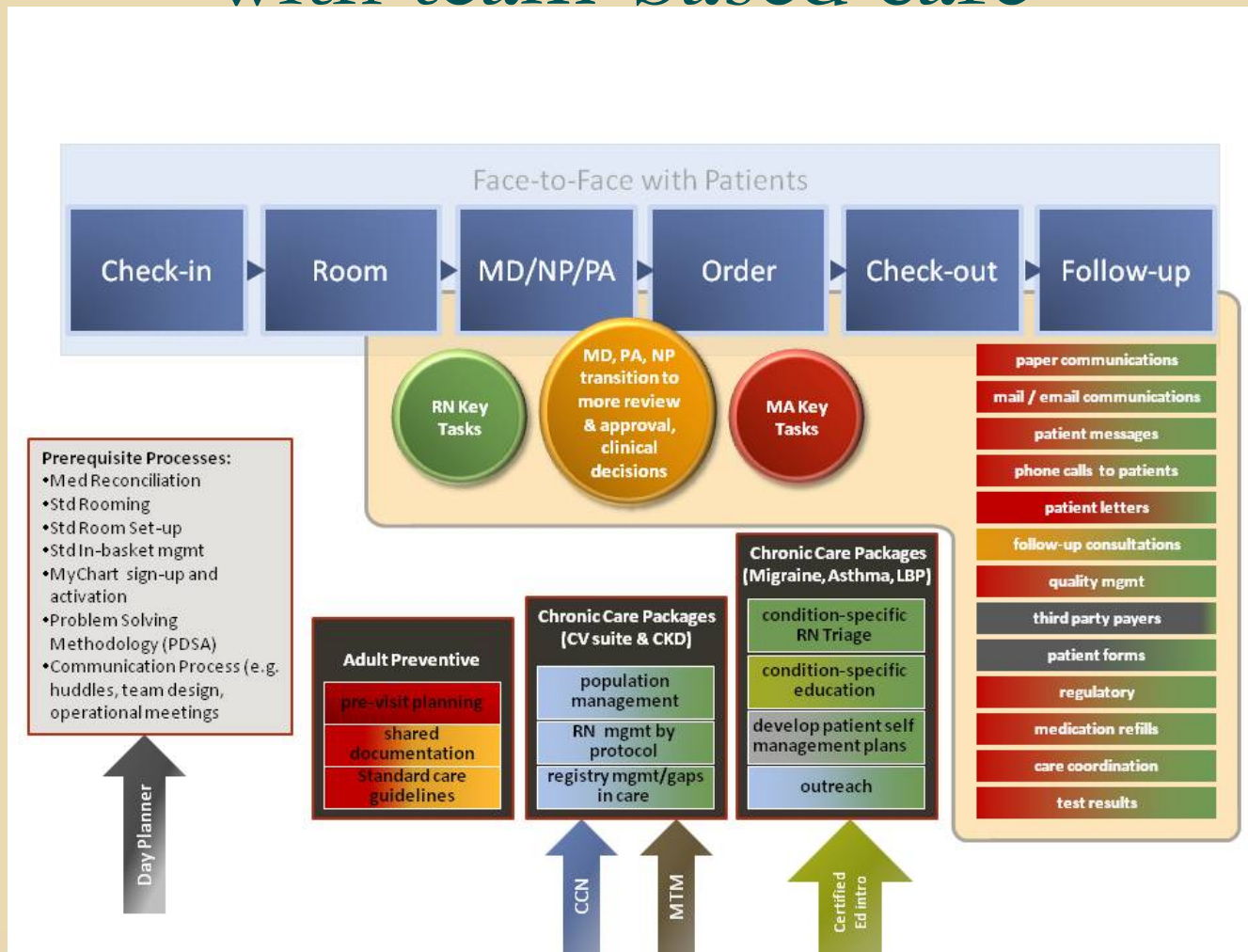
Building a Community Capability to Generate New Care, Experience and Payment Models



# Today...care for the sick is physician centric



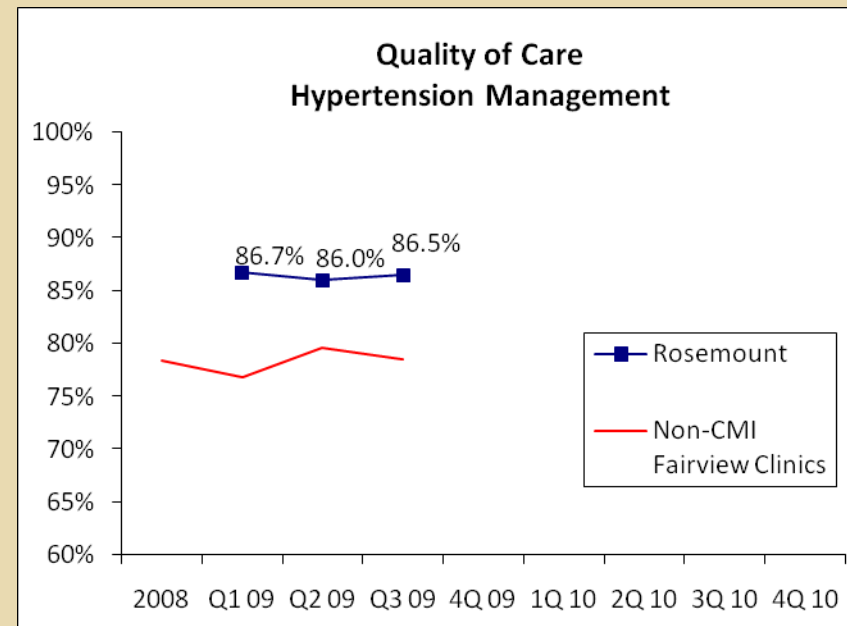
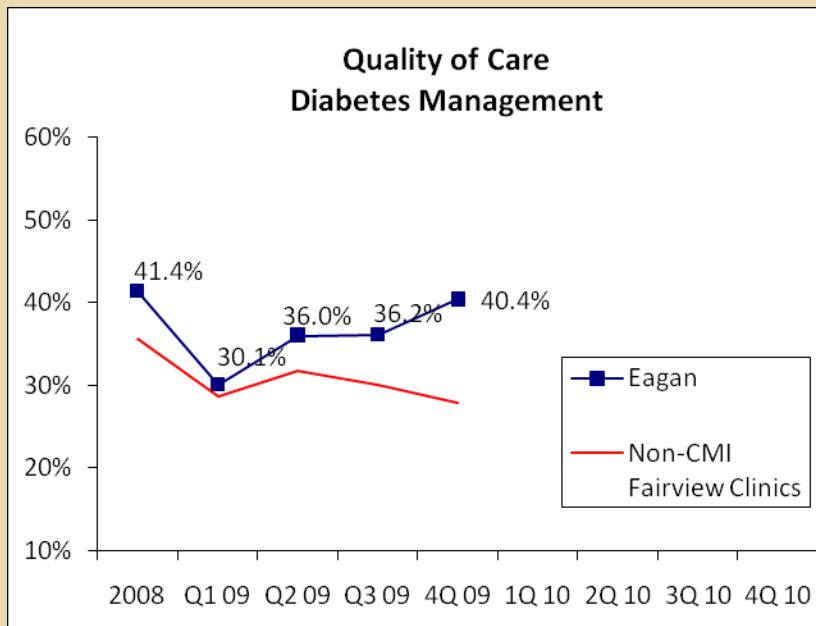
# Tomorrow...keeping patients healthy with team-based care



# 2009 CMI results...

- Improved quality
- Increased access and capacity
  - promoted virtual care (phone, email, webcam)
  - created new visit types (nurse only, team visits – n clinicians to one patient)
  - asked patients for input on length of appointment required when scheduling
- Increased patient satisfaction
  - Migraine example
  - A real person answered the phone
  - ... who knows you

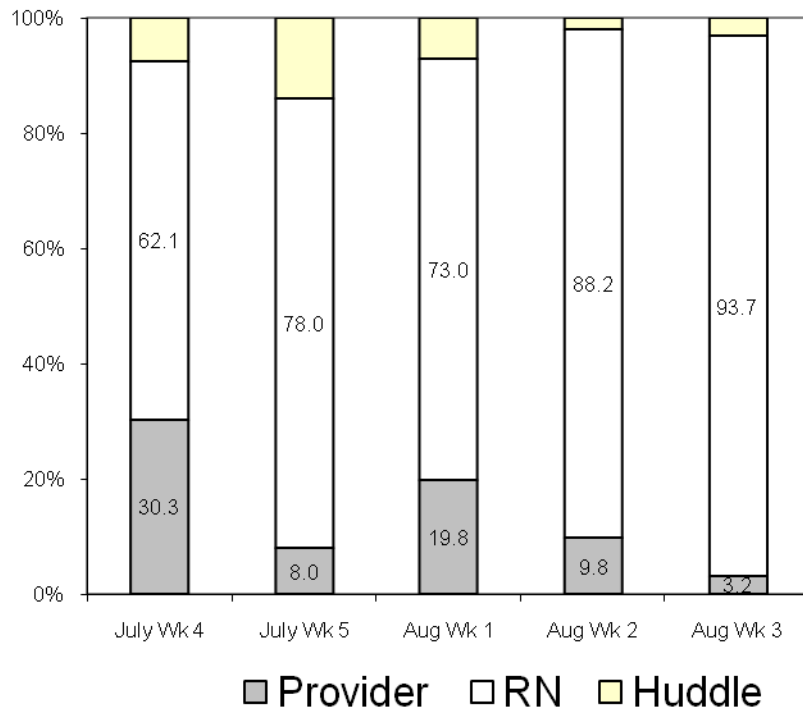
# Improved quality in CMI clinics



# Improved access and capacity...

## MD Capacity Increase

### Eagan Teamlet D Patient Msg Handling



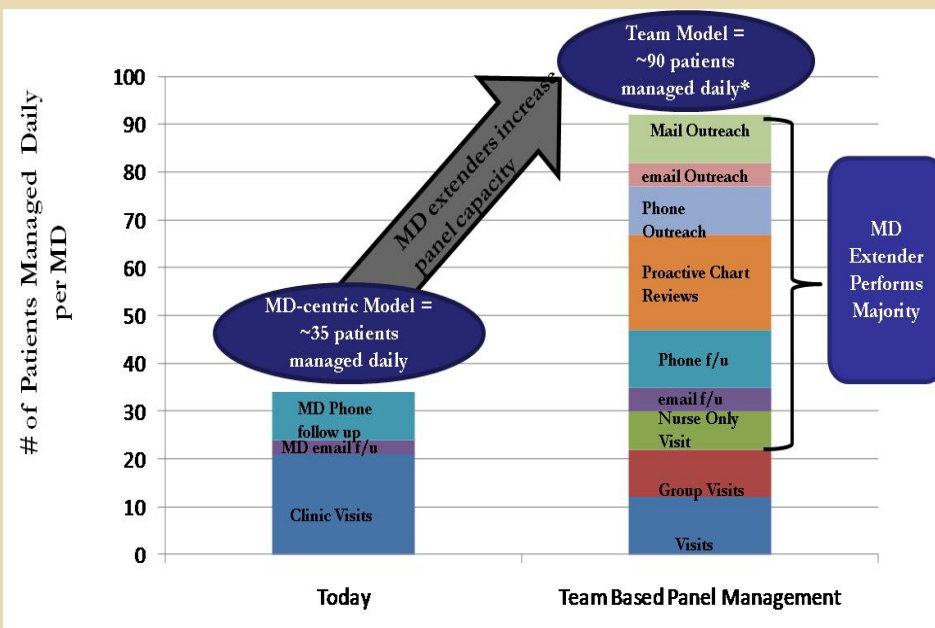
## Improved Access

### Northeast Clinic Call Abandonment Rate

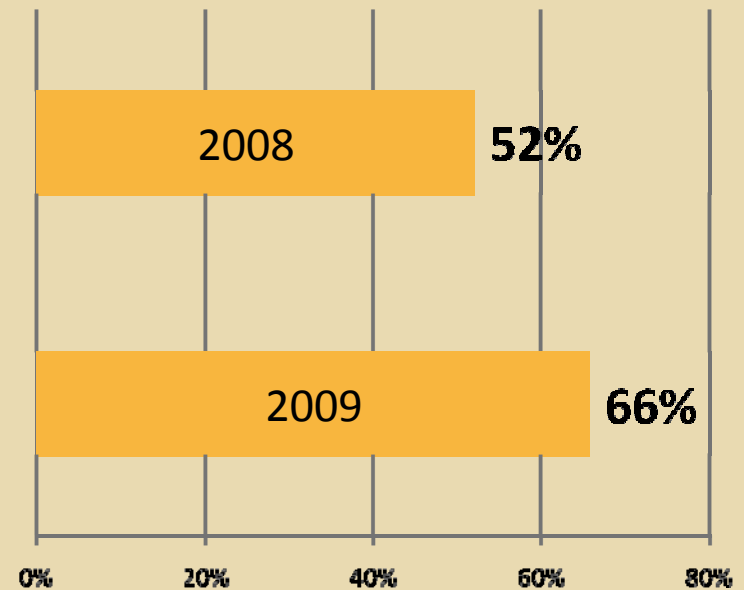
Date	Abandonment Rate
6/1-6/5	22%
6/8-6/12	33%
6/15-6/19	34%
6/22-6/26	31%
6/29-7/3	34%
7/6-7/10	31%
7/13-7/17	35%
7/20-7/24	33%
8/5/2009	<b>GO LIVE</b>
8/10-8/14	14%
8/17-08/21	13%

# Successfully shifting care to lower cost & more patient-friendly interactions...

## Team-Based Care



## Clinic's % Of Non-Traditional Encounters



# Virtual care...Care Anywhere

**49** visits (**0** paid extensions)  
**21** coupons used  
**1057** enrolled consumers (4.3% with visits)  
**32** providers (75% with visits)

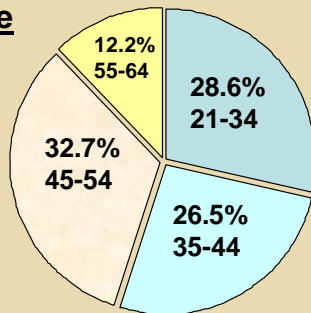
**Average Satisfaction with Online Care**  
 By Consumer: 4.69/5 stars  
 By Provider: 4.31/5 stars

**Online Care Rooms**  
**2133** Total Card Swipes  
**1503** Main  
**525** RP  
**105** Virginia

## Visit Demographics

69.4% Female  
 30.6% Male

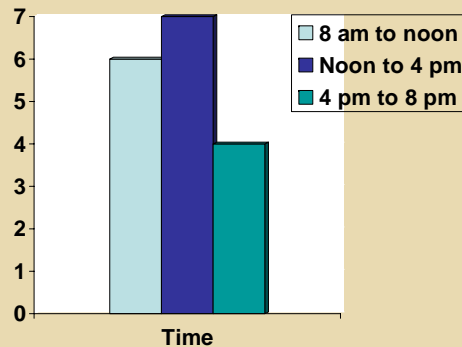
### Age



### Top Rx

18 prescriptions written.  
 No additional detail available

### Time of Day



### Top Diagnoses/Disease Areas

1. Skin disorders and redness
2. Behavioral Health
3. Insomnia
4. Migraines and other headaches
5. Hypertension

### Provider Types

94% MD  
 4% Physician Asst  
 2% Nurse Practitioner

### Satisfaction with Provider

4.63/5 stars

### Visit Details

0% Phone Only  
 100% Web

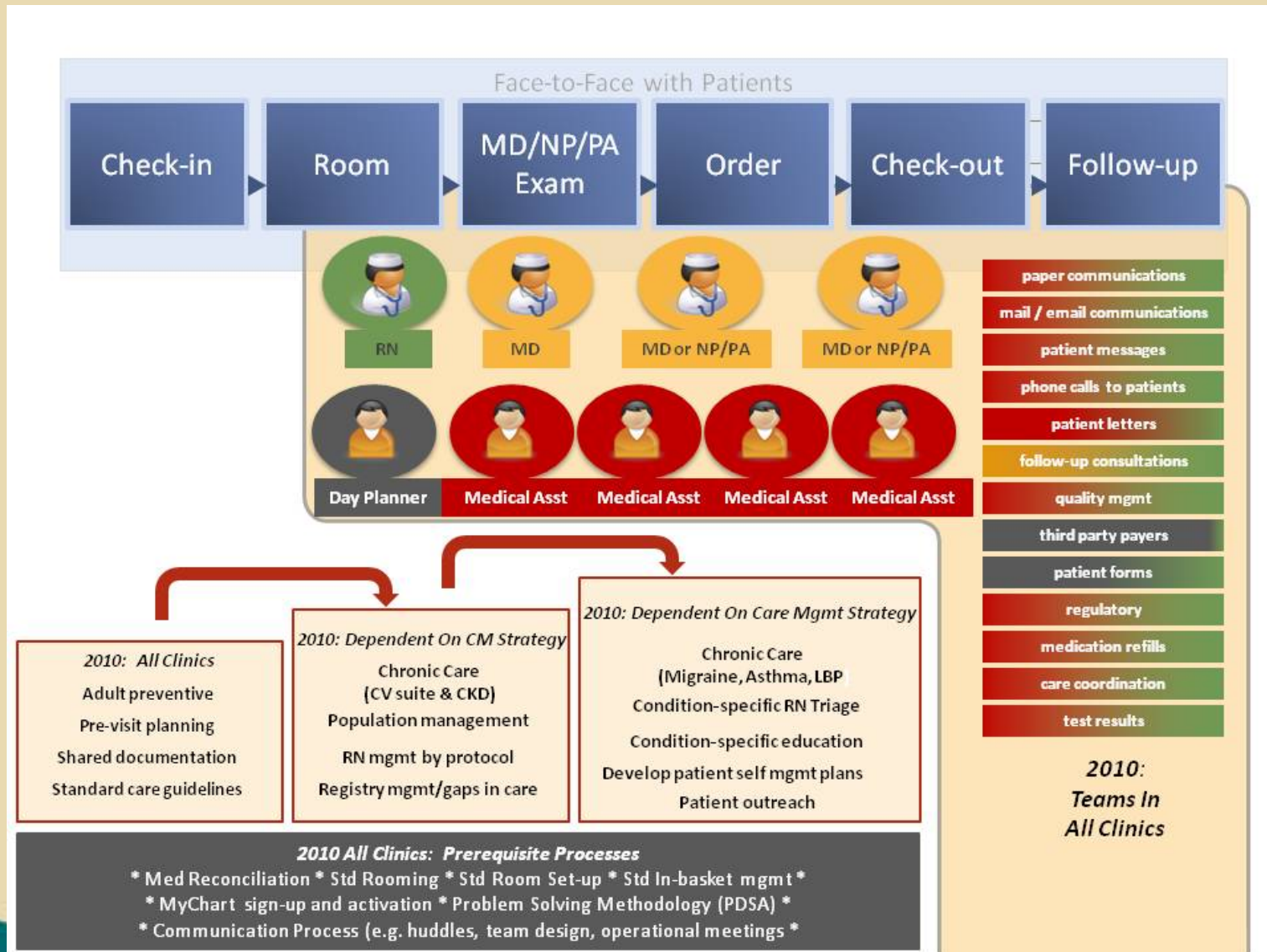
0 Disconnects  
 0 Provider Cancelled/  
 Provider Declined  
 49 Completed

## Virtual care prototype with BCBSM:

- Fairview providers care for BCBSM employees & family members using web cams in employer clinics and homes
- Model and understand virtual care operations
- Design for consumerism

( November 30, 2009 - January 25, 2010)

# In motion 2010 CMI goals





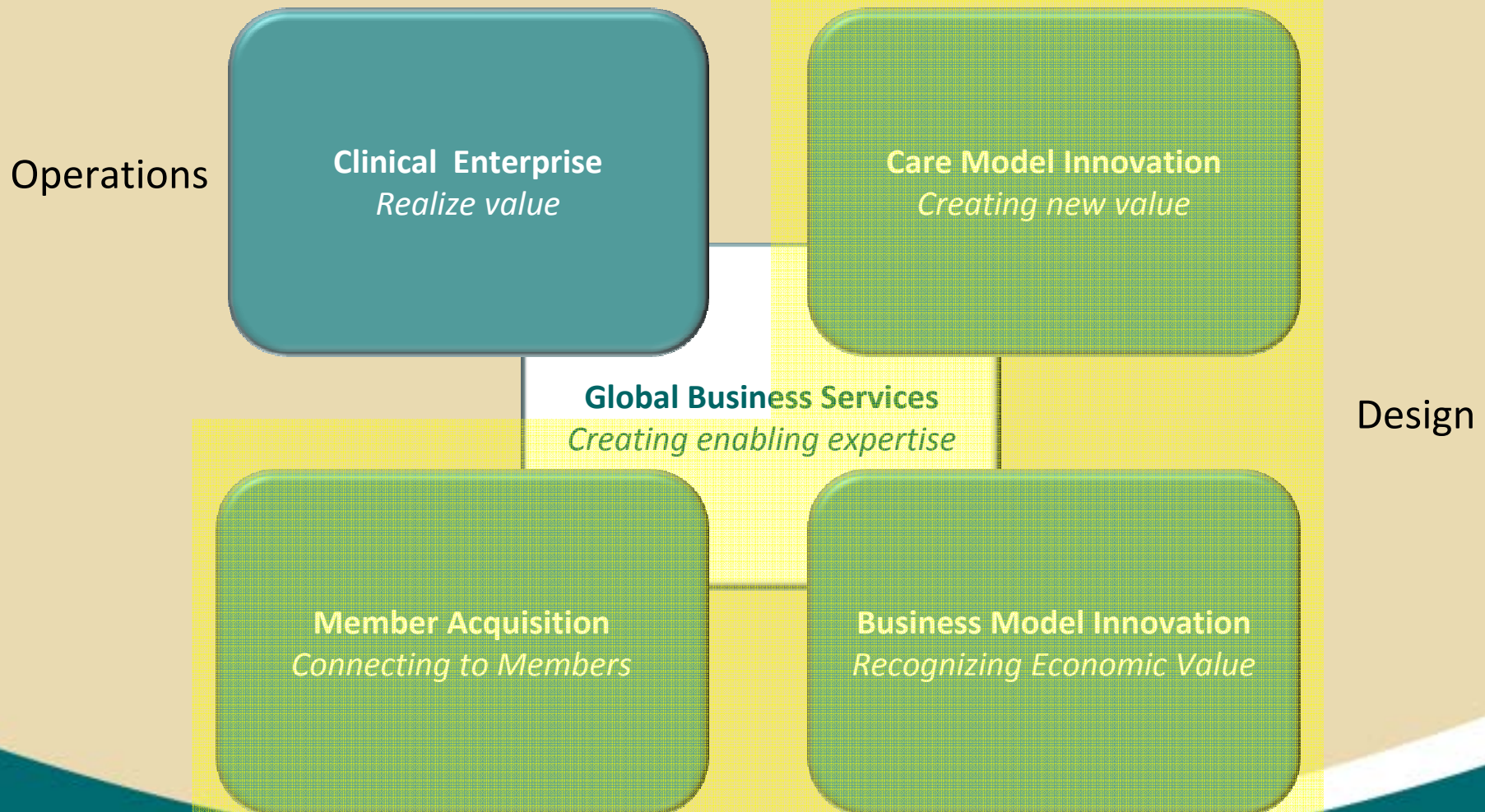
# Payer revenue at risk

- Revenue at risk with 3 major commercial payers
- Various models
  - Clinical quality
  - Clinical quality & total cost of care
  - Total cost of care
- 2010 Revenue at risk \$40+M

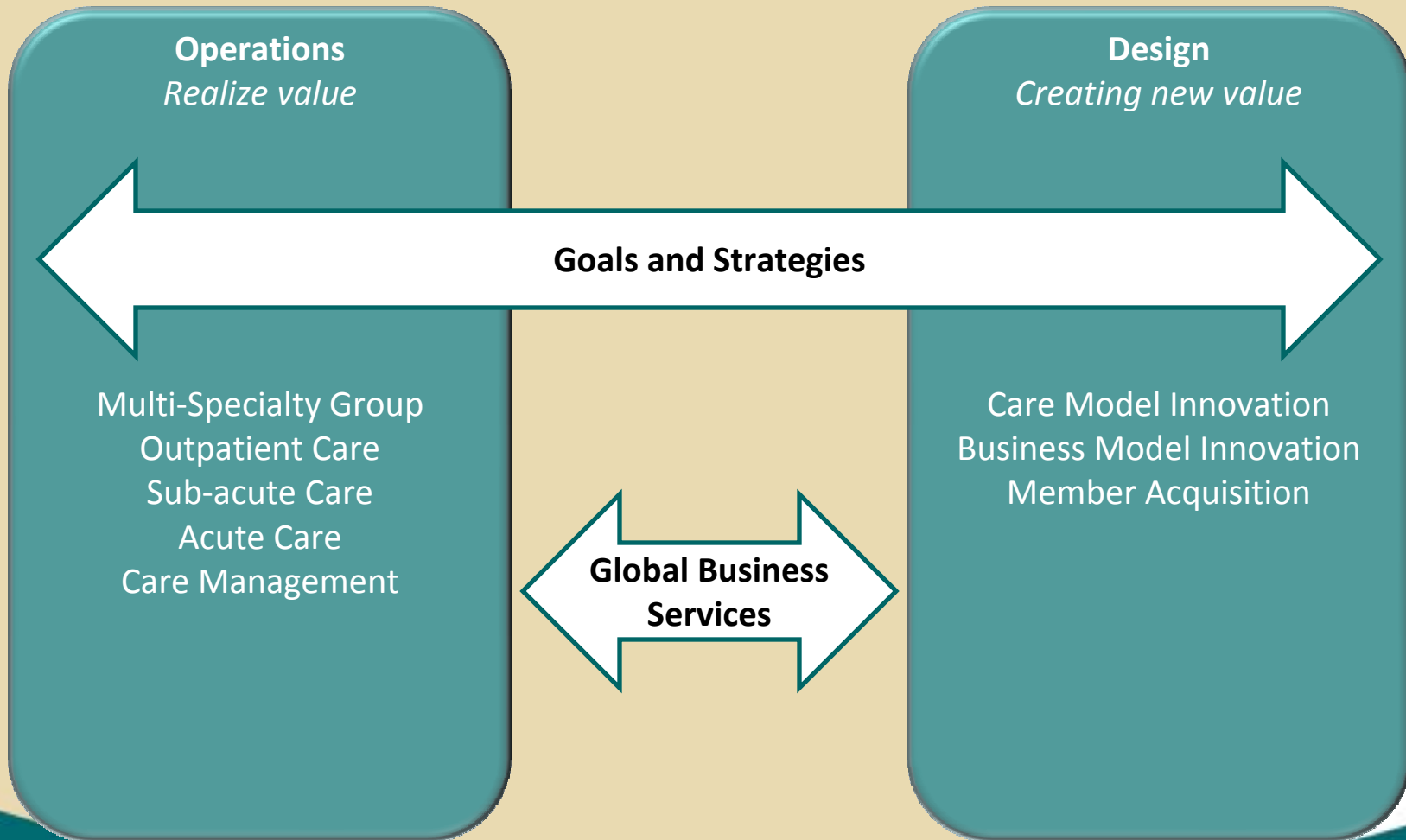
# Challenges

- Changes in the care models are moving faster than payment & growth models
- Living in two worlds is difficult
- Changing roles

# Our work requires transformational change in organization focus...



# Our work requires transformational change in organization focus...



# Business model shift

Select functions of payers shifting to providers, as providers take accountability for accepting performance risk and managing the health of populations.

