

2017 West Michigan Healthcare Economic Forecast

Presented by:

Office of the Vice Provost for Health
Seidman College of Business

Twitter #HealthCheck2017



Sponsored by:



Nonprofit corporations and independent licensees
of the Blue Cross and Blue Shield Association

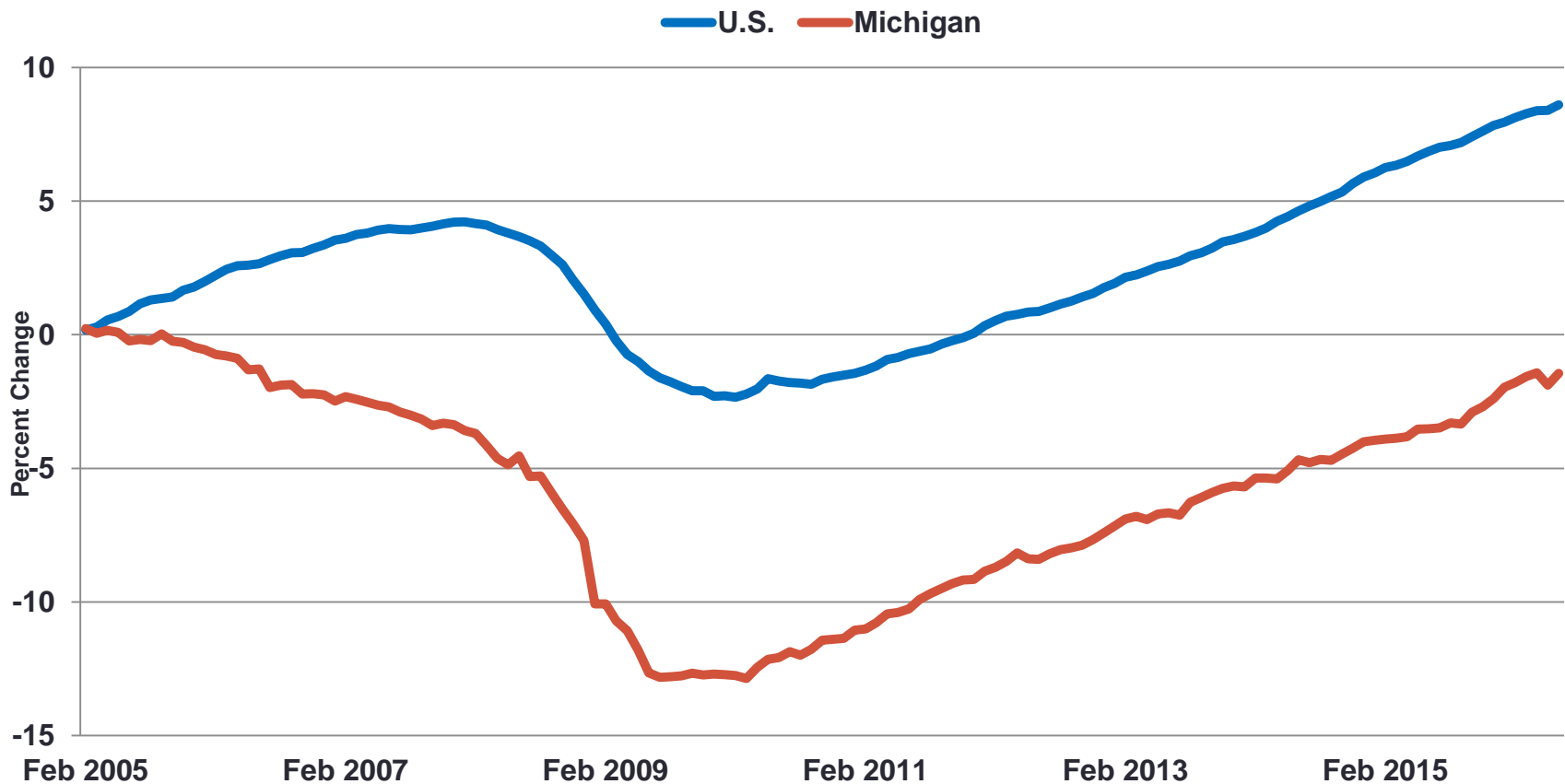


HEALTH CHECK 2017

Kevin Callison, Leslie Muller, Gerry Simons,
Brooke Delgoffe

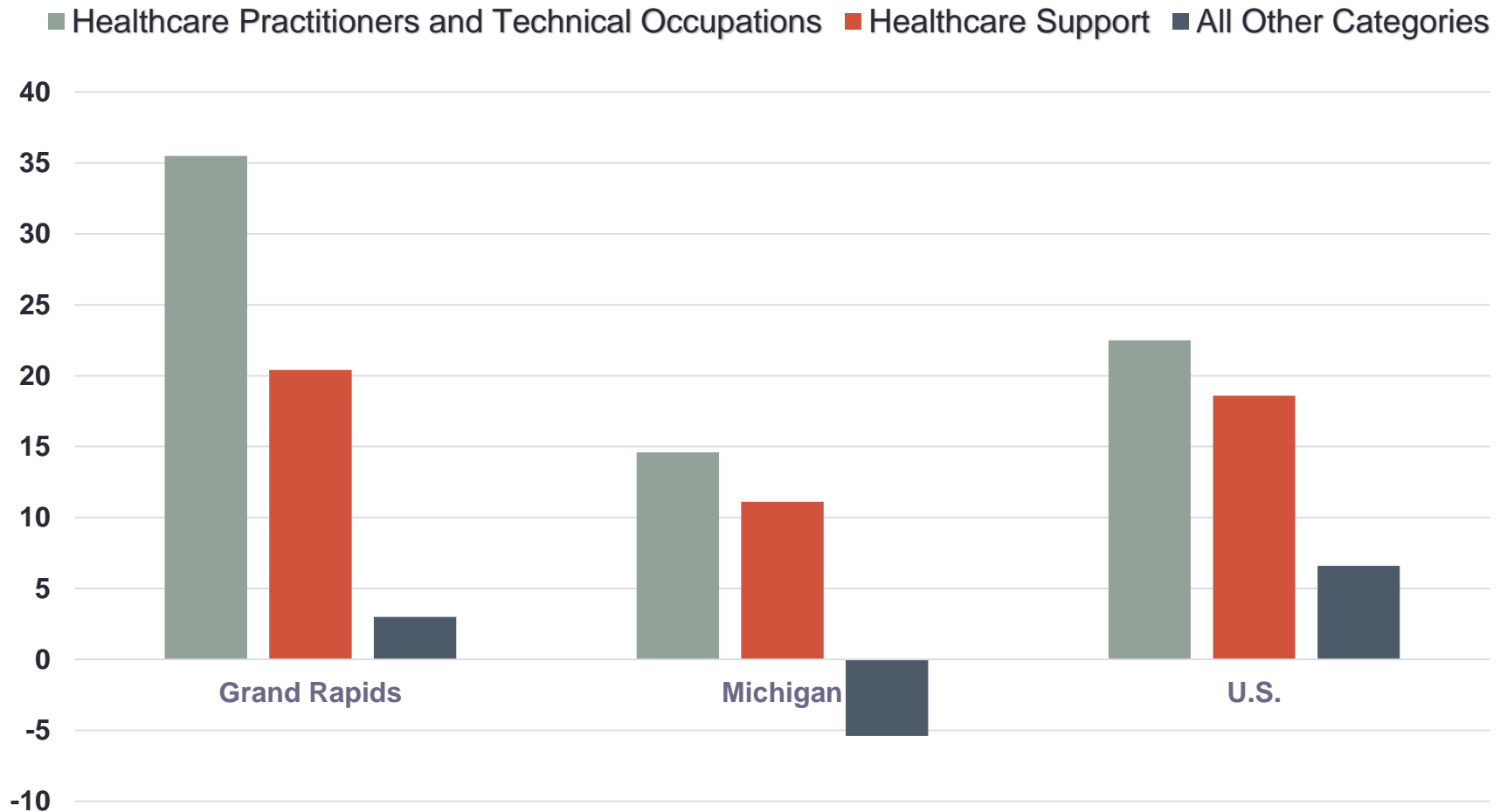
Education and Job Growth – Pg. 6

Figure 1: Nonfarm Payroll Jobs Percent Change, February 2005 to June 2016



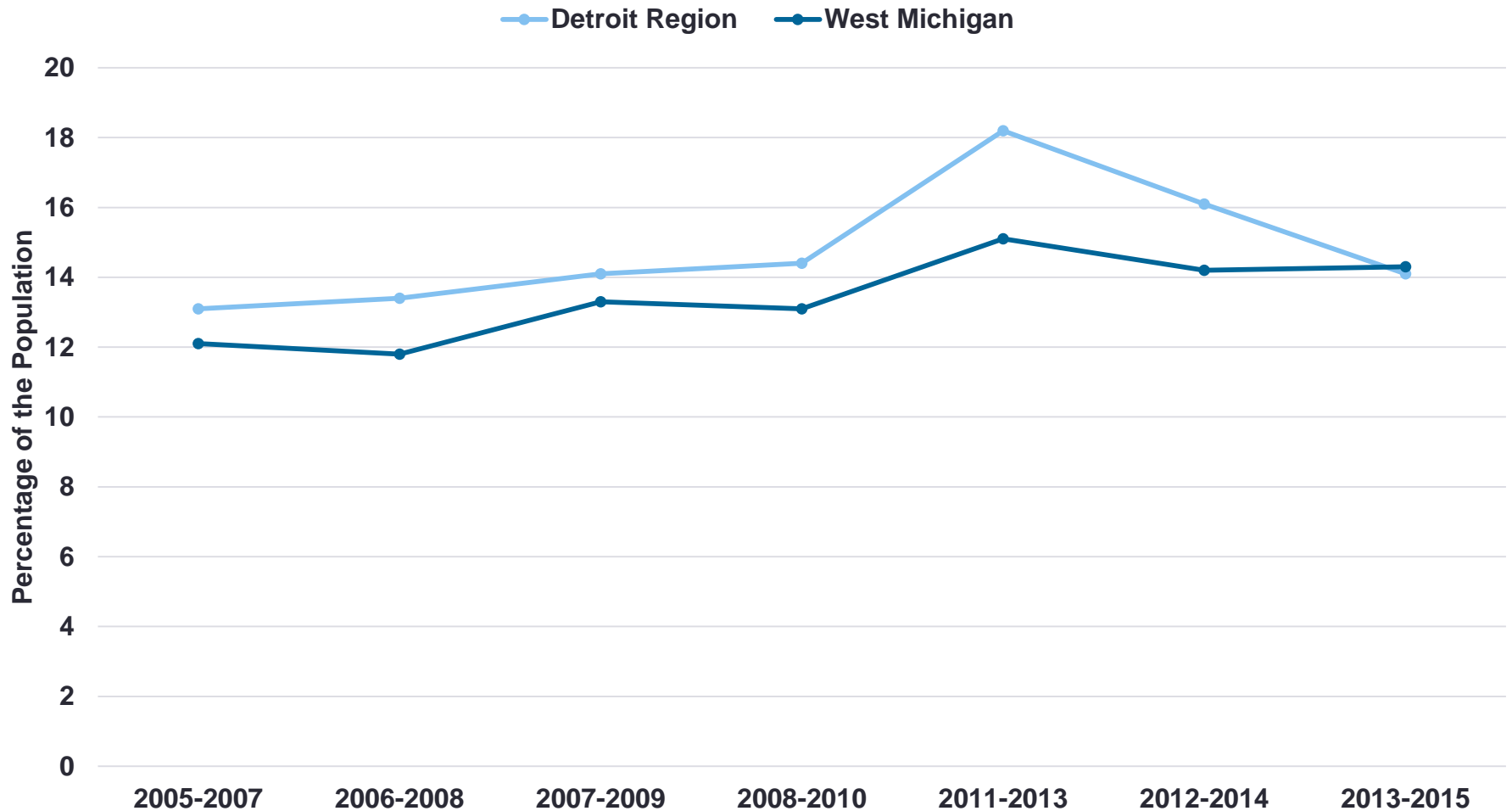
Education and Job Growth – Pg. 7

Job Growth for Health Occupations, 2005 - 2015



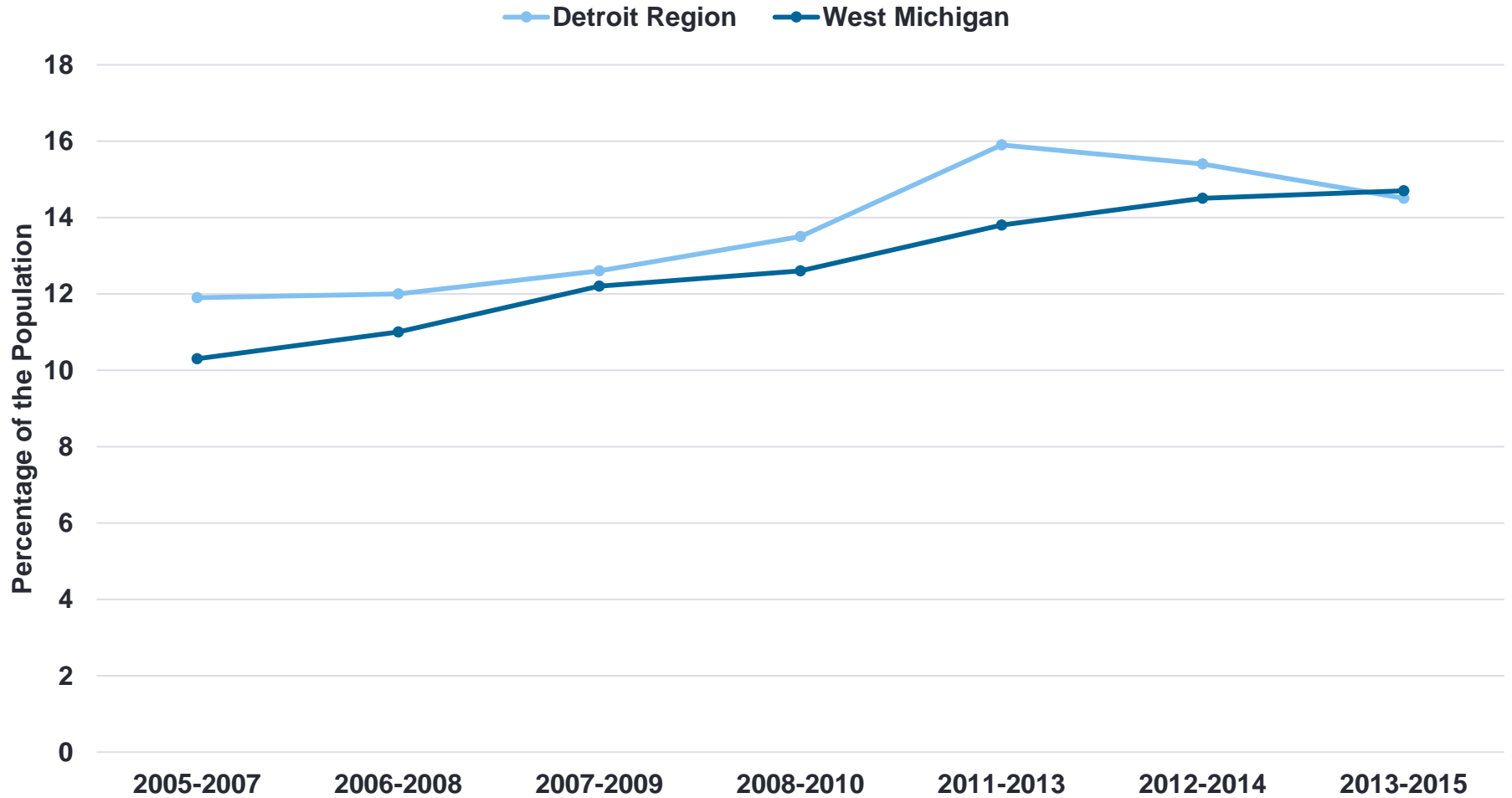
Health Care Overview – Pg. 36

Figure 6: No Health Insurance



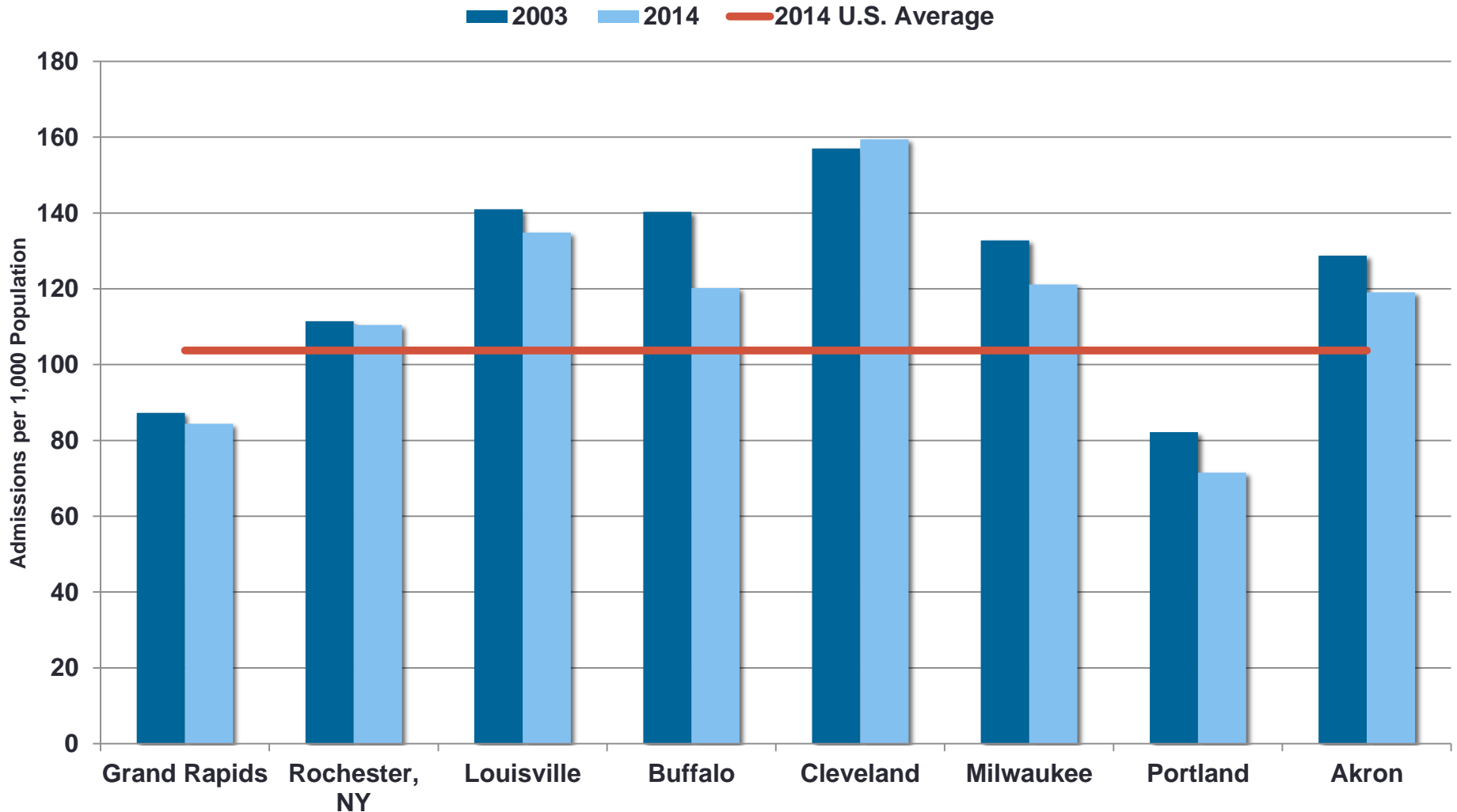
Health Care Overview – Pg. 37

Figure 7: No Health Care Access Due to Cost



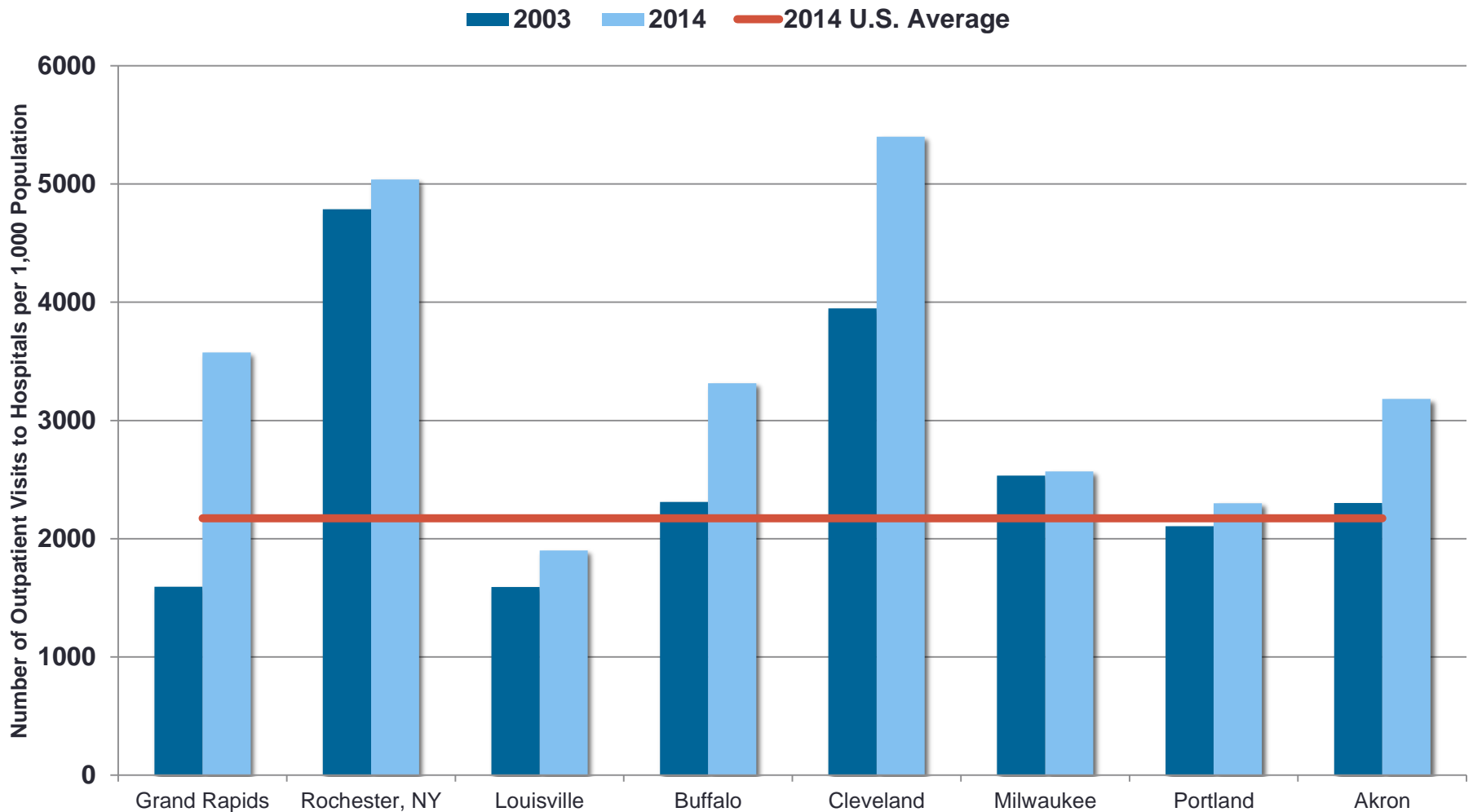
Benchmarking Communities – Pg.45

Figure 3: Hospital Admissions per 1,000 Population



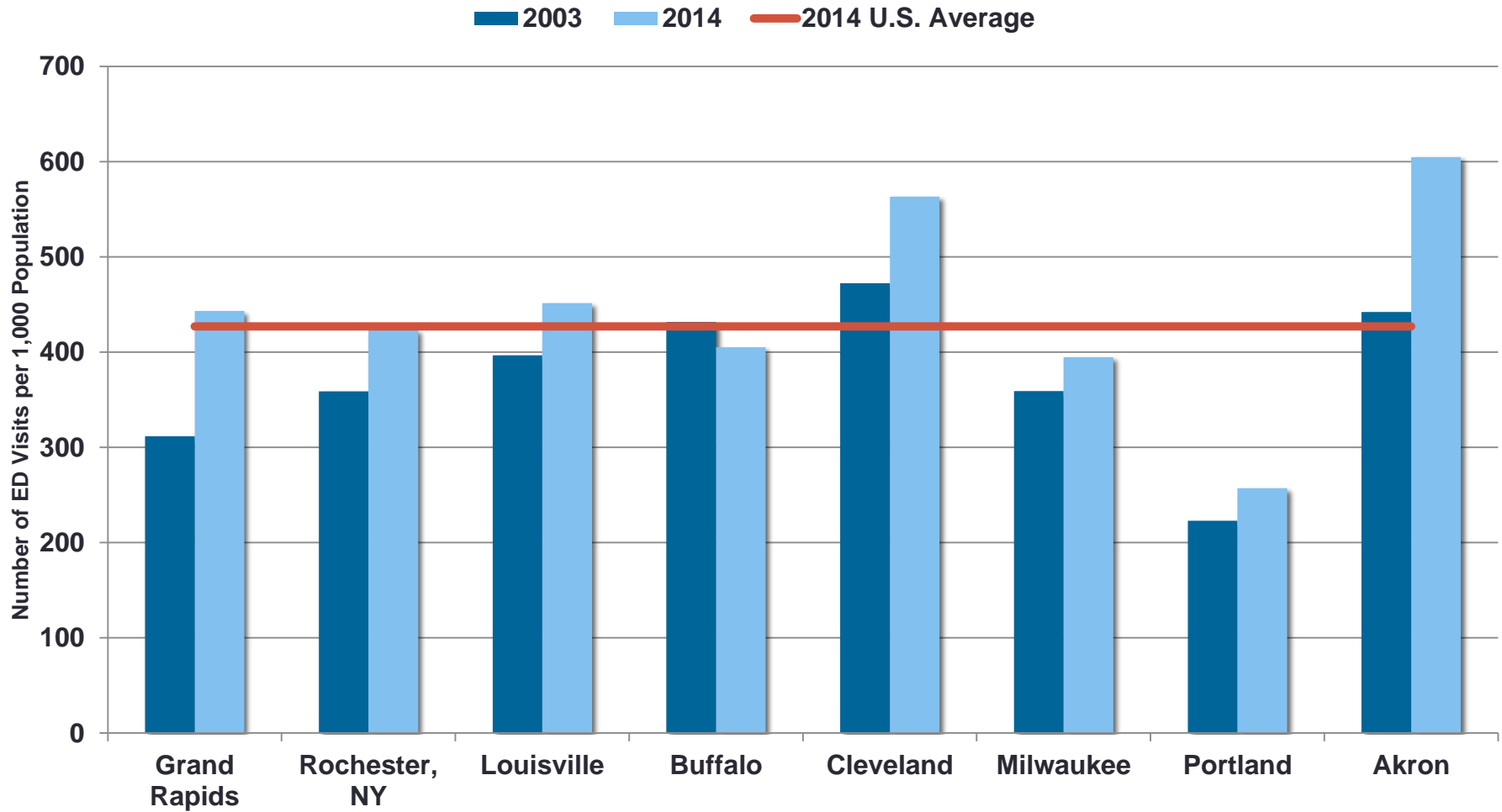
Benchmarking Communities – Pg.45

Figure 4: Outpatient Visits to Hospitals per 1,000 Population



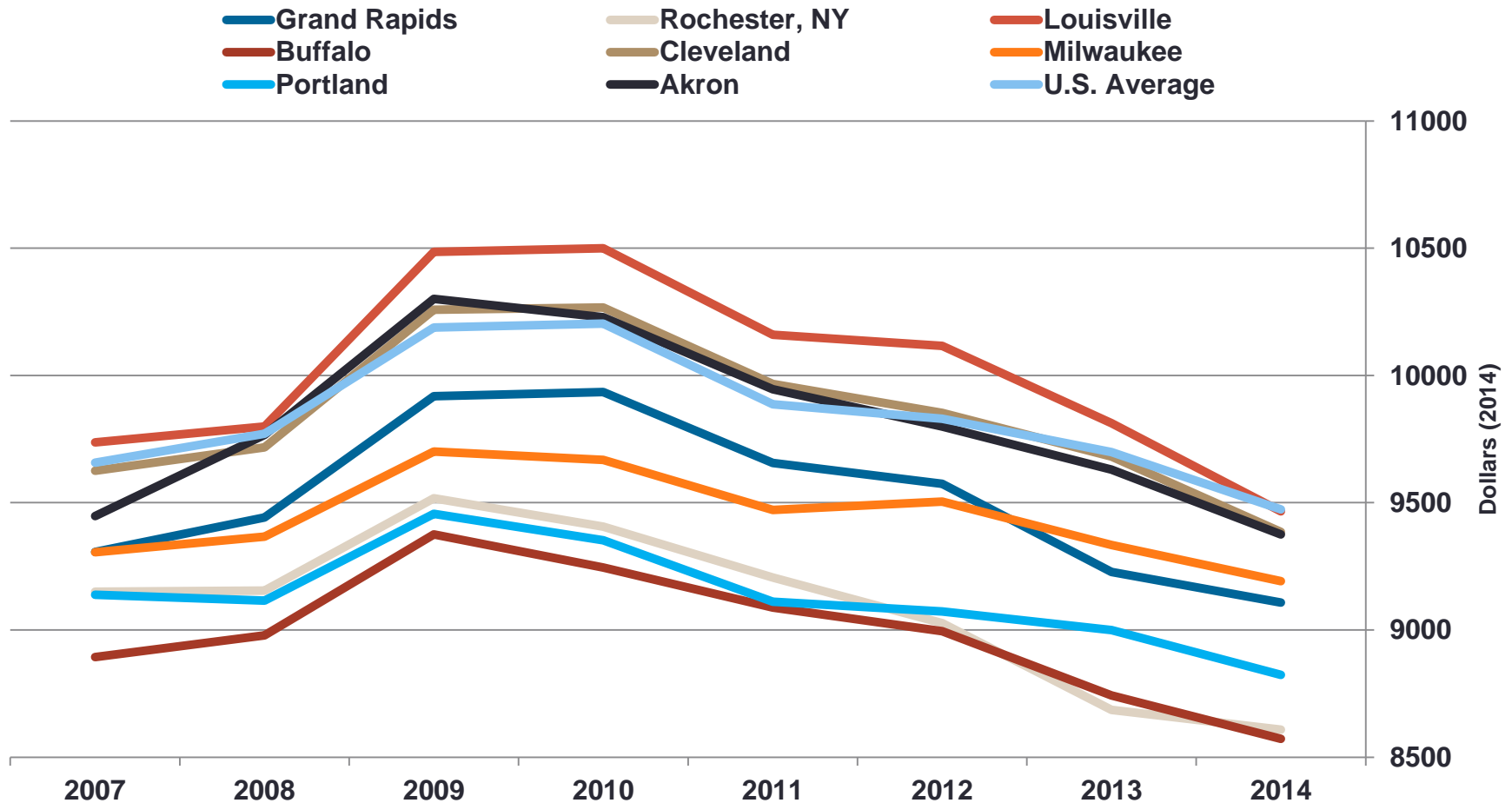
Benchmarking Communities – Pg.46

Figure 5: Emergency Department Visits per 1,000 Population



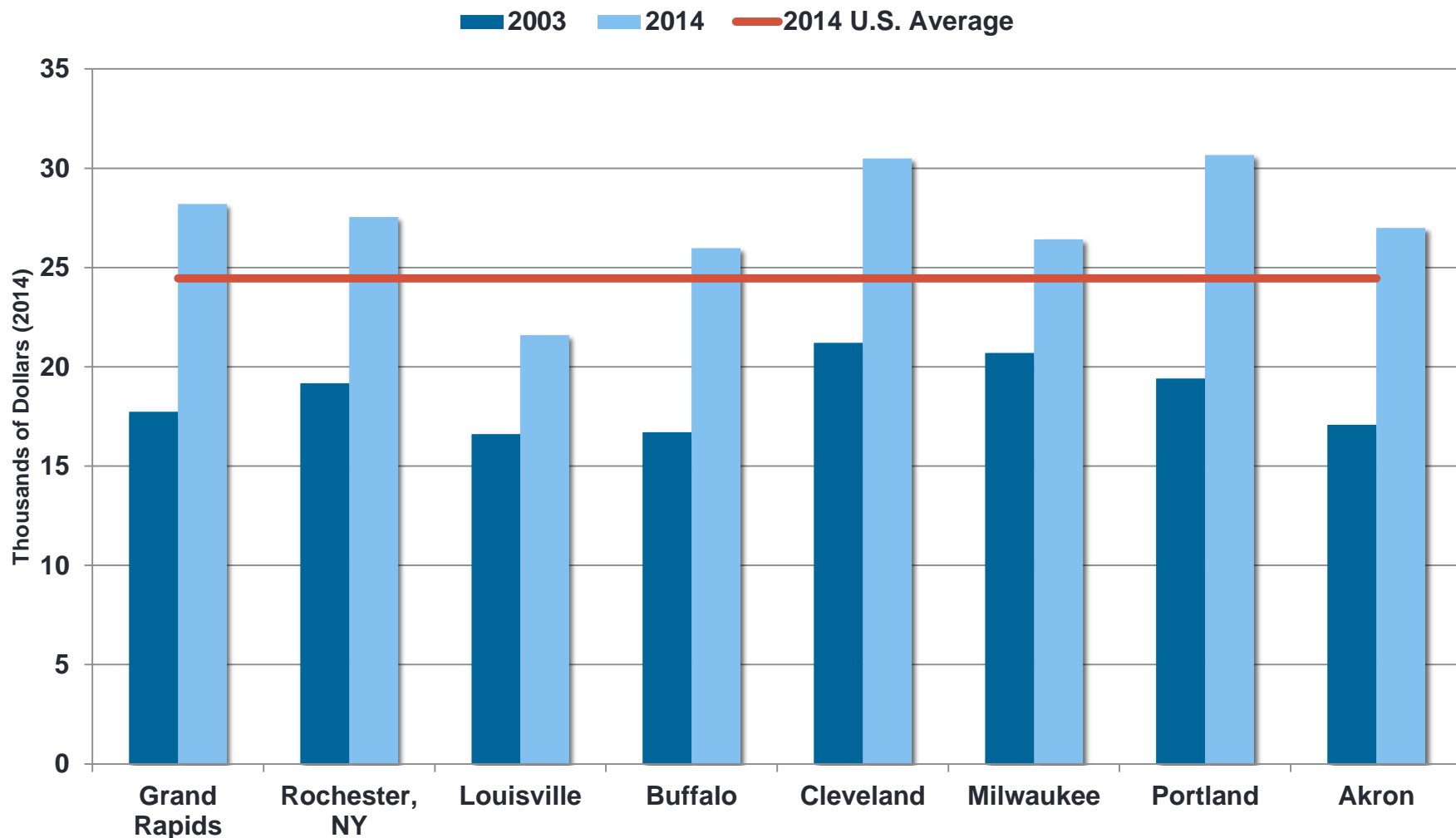
Benchmarking Communities – Pg. 48

Figure 10: Adjusted Medicare Expenditures per Medicare Enrollee



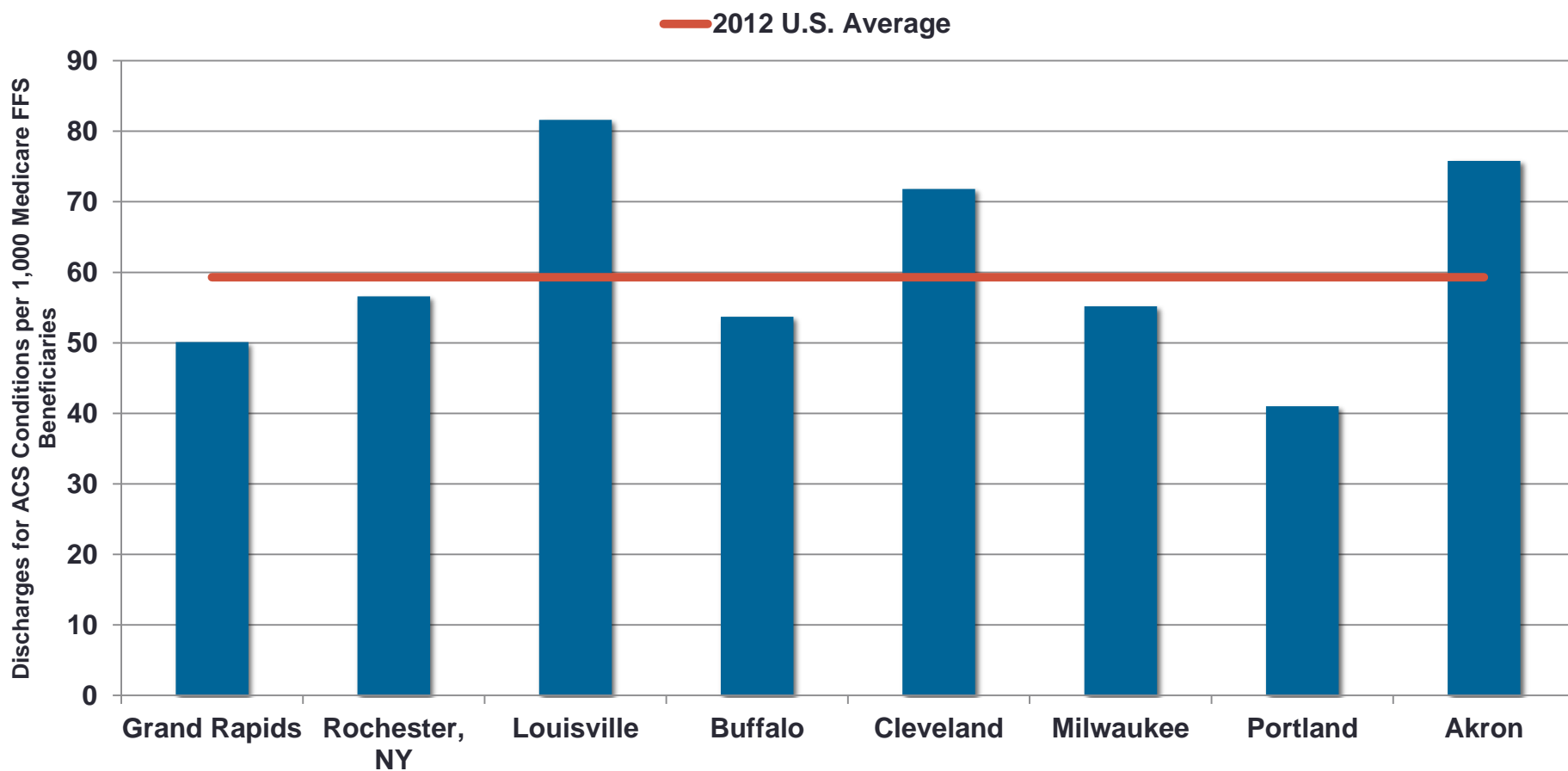
Benchmarking Communities – Pg. 48

Figure 9: Total Hospital Expenses per Admission



Benchmarking Communities – Pg. 50

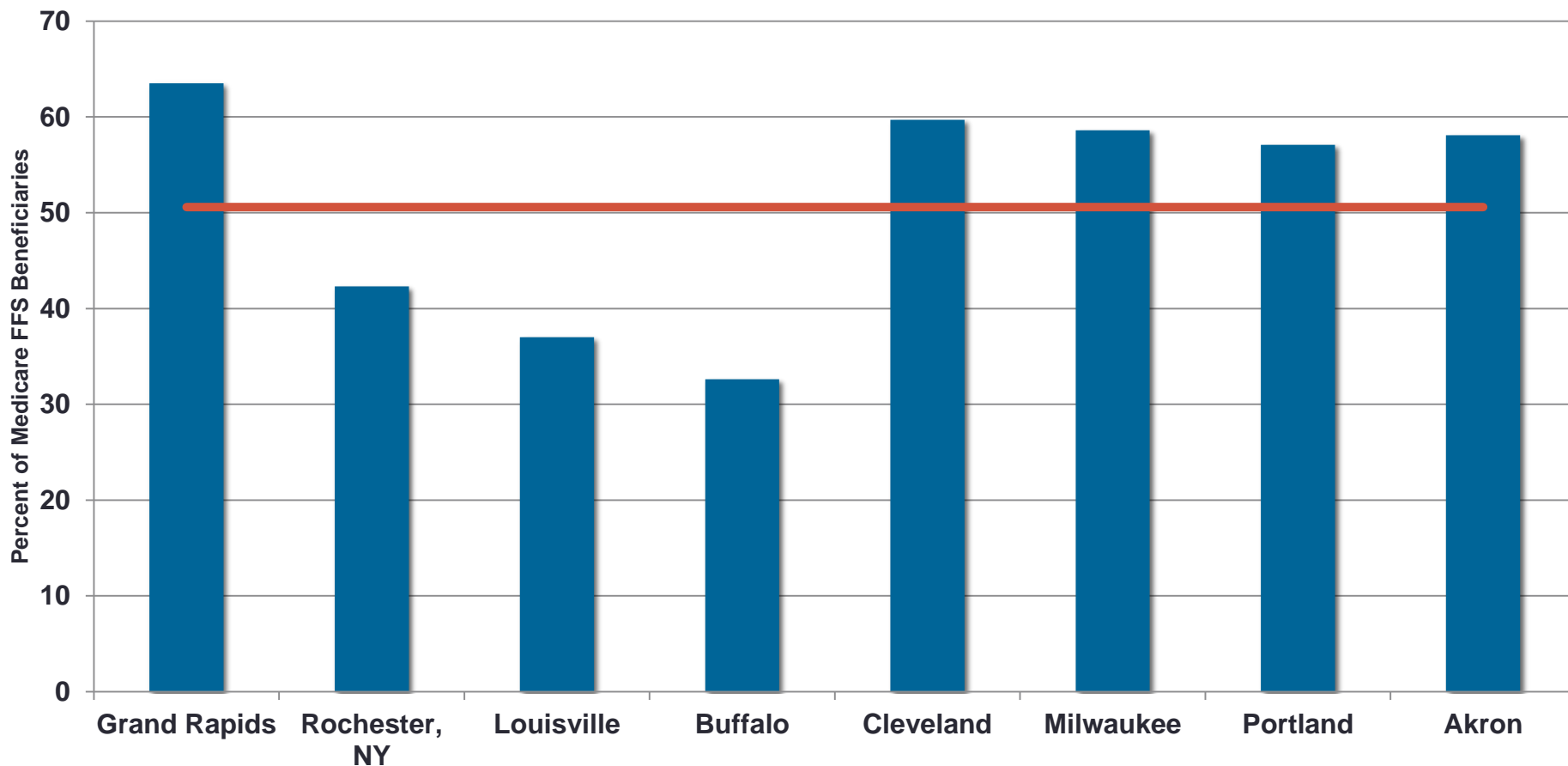
Figure 13: Care Coordination - Discharges for Ambulatory Care-Sensitive Conditions per 1,000 Medicare FFS Beneficiaries, 2012



Benchmarking Communities – Pg. 51

Figure 15: End of Life Care - Percent of Medicare FFS Beneficiaries Enrolled in Hospice in the Last 6 Months of Life, 2012

— 2012 U.S. Average



Employer Survey – Pg. 54

- Online survey administered to *The Employers' Association of West Michigan* members*
- Firm responses: 78 (15% response rate)
- Firm size:
 - 29% have fewer than 50 FTEs
 - 47% have 50-249 FTEs
 - 23% have 250 or more FTEs
- Approximately half in Manufacturing

*Thank you to the Employers' Association of West Michigan for their Administration and Collaboration in this Survey

Employer Survey – Pg. 57

Number of Plans Offered

- Did not offer a plan: 1%
- One plan: 66%
- Two or more plans: 33%

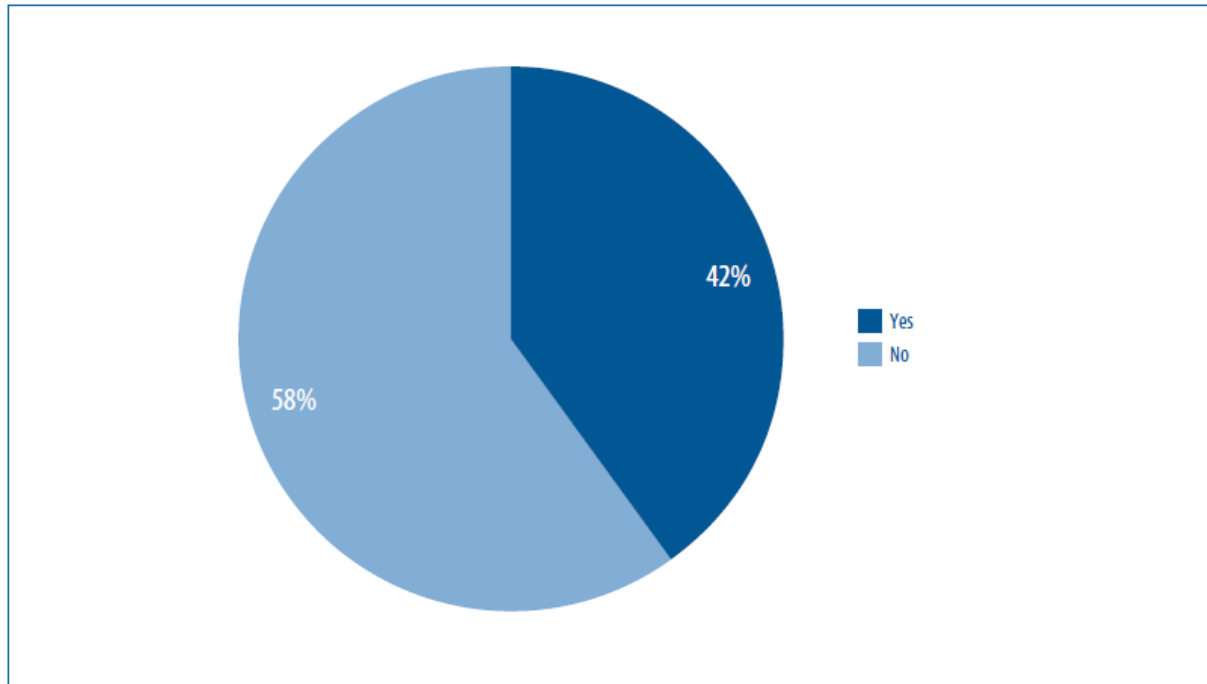
Types of Plans Offered*

- High Deductible (HDHP): 68%
- Traditional Plans:
 - PPO 40%
 - HMO 14%
 - POS 3%

*Note: percentages do not add up to 100%, as each firm can offer more than 1 plan

Employer Survey – Pg. 58

- High Deductible Insurance Plans
- Figure 4: Percentage of Firms Offering HDHP Only



- Average Annual Deductible
- Single: \$2,500
- Family: \$4,842

Employer Survey – Pg. 59

- Health Savings Accounts (HSAs)
 - Of those firms who offer an HDHP: 54% offer an HSA
 - Of those firms who offer an HSA: 54% contribute
 - Average annual employer contribution:
 - \$665 Single
 - \$1,245 Family
 - Covers one quarter of the annual deductible

Community Survey – Pg. 60

- Survey Sample:
 - Downtown Grand Rapids *Movies in the Park* (July-August 2016)
 - Sample size: 408
 - Student workers trained in random sampling techniques
 - Under-sampled Medicaid & Medicare enrollees
 - Uninsured rate: 5% (Figure 2)

Community Survey – Pg. 63

- Insurance Status of Those Uninsured in the Previous Year

2017 Health Check

- Still Uninsured: 15 %
- Gained insurance from:
 - Employer 40%
 - Medicaid 21%
 - Marketplace 8%

2016 Health Check

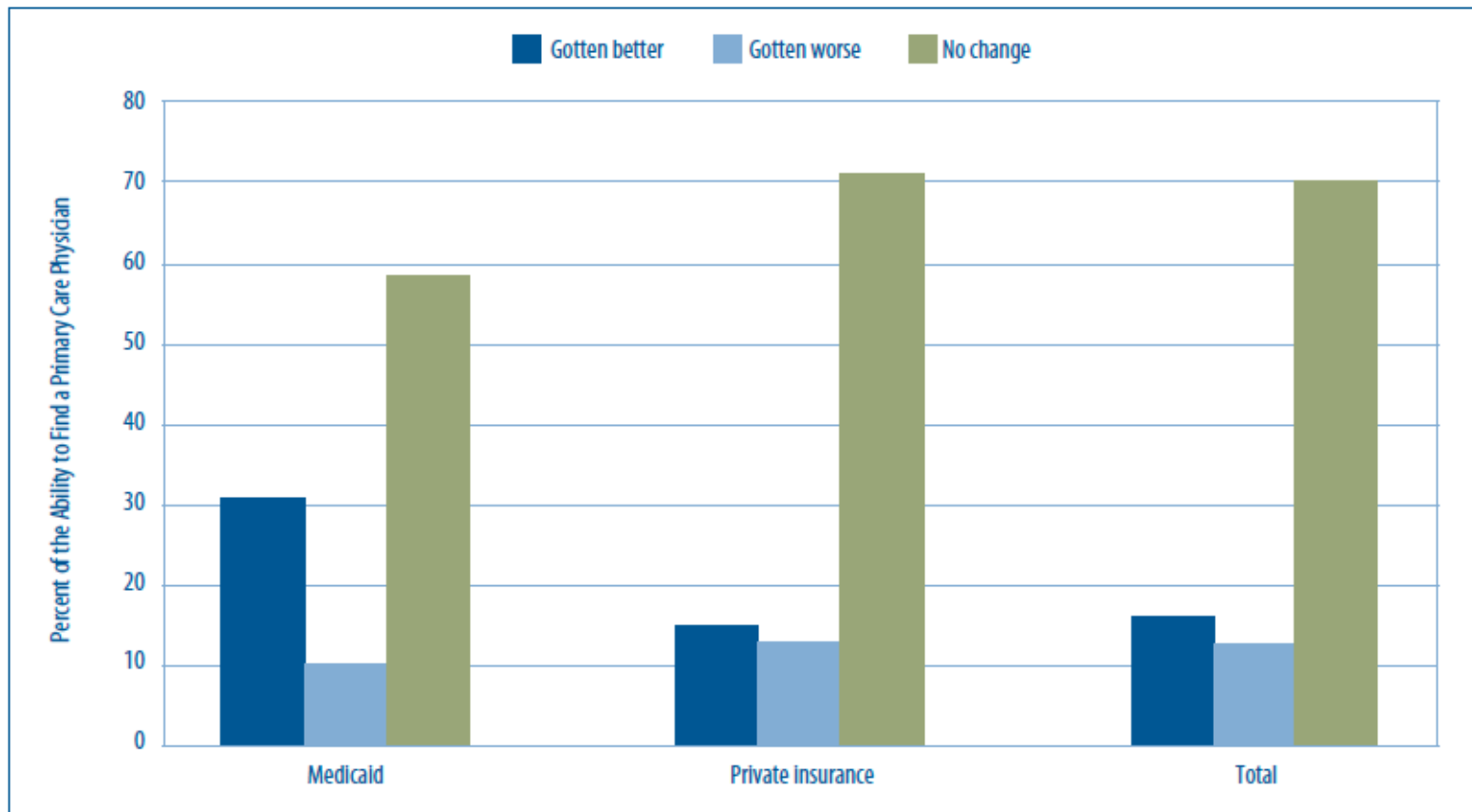
- Still Uninsured: 24 %
- Gained insurance from:
 - Employer 25%
 - Medicaid 19%
 - Marketplace 9%

Community Survey – Pg. 63

- Primary Care Physician Office Changes in the Last Year:
 - Time Spent in the Waiting Room
 - Got Better: 28%
 - Got Worse: 9%
 - No Change: 63%
 - Time Spent with the Physician
 - Got Better: 25%
 - Got Worse: 16%
 - No Change: 59%

Community Survey – Pg. 64

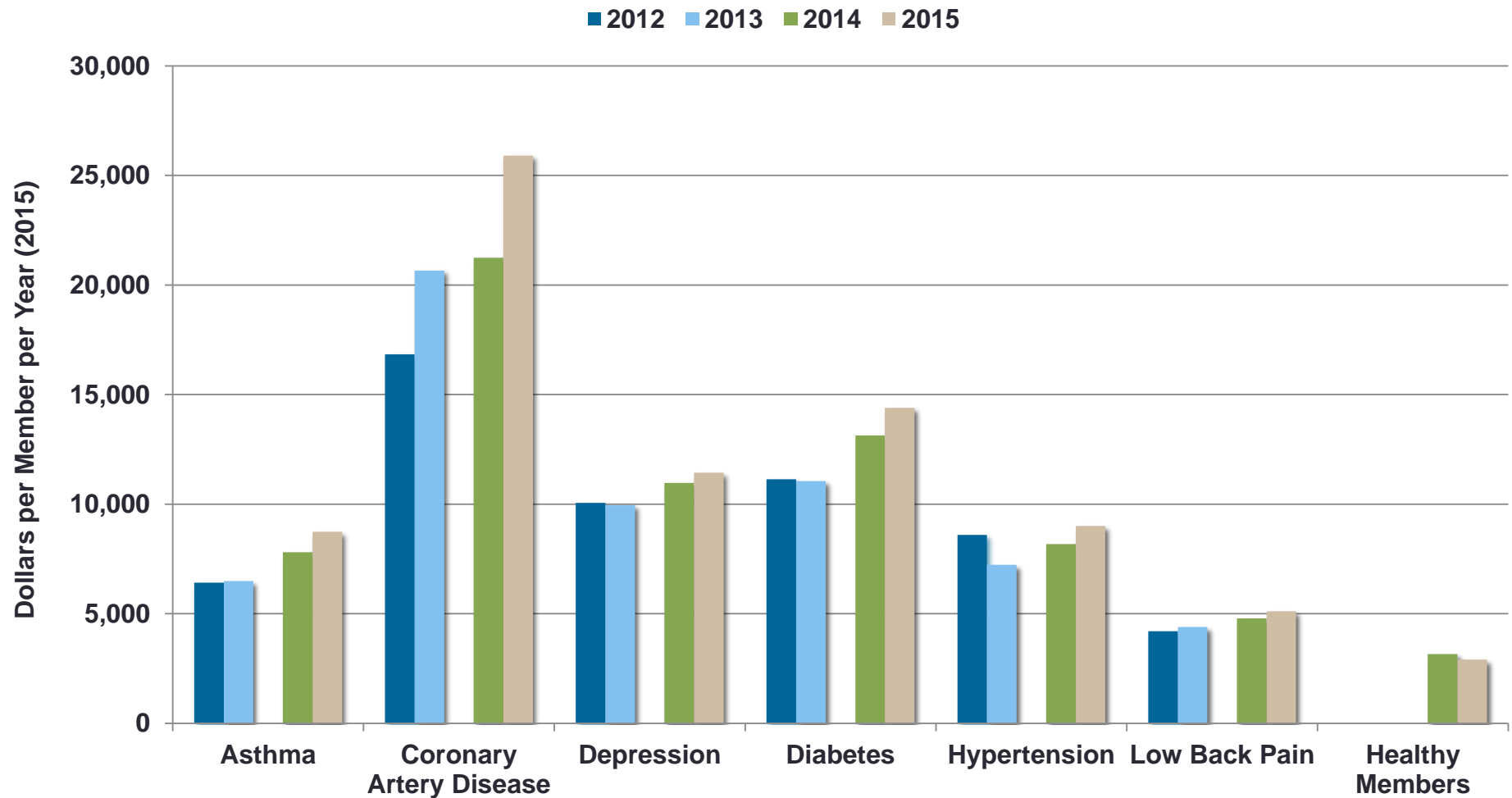
- Figure 6: Ability to Find a Primary Care Physician - Private Insurance and Medicaid



Number of observations: 381
Source: Author's calculations

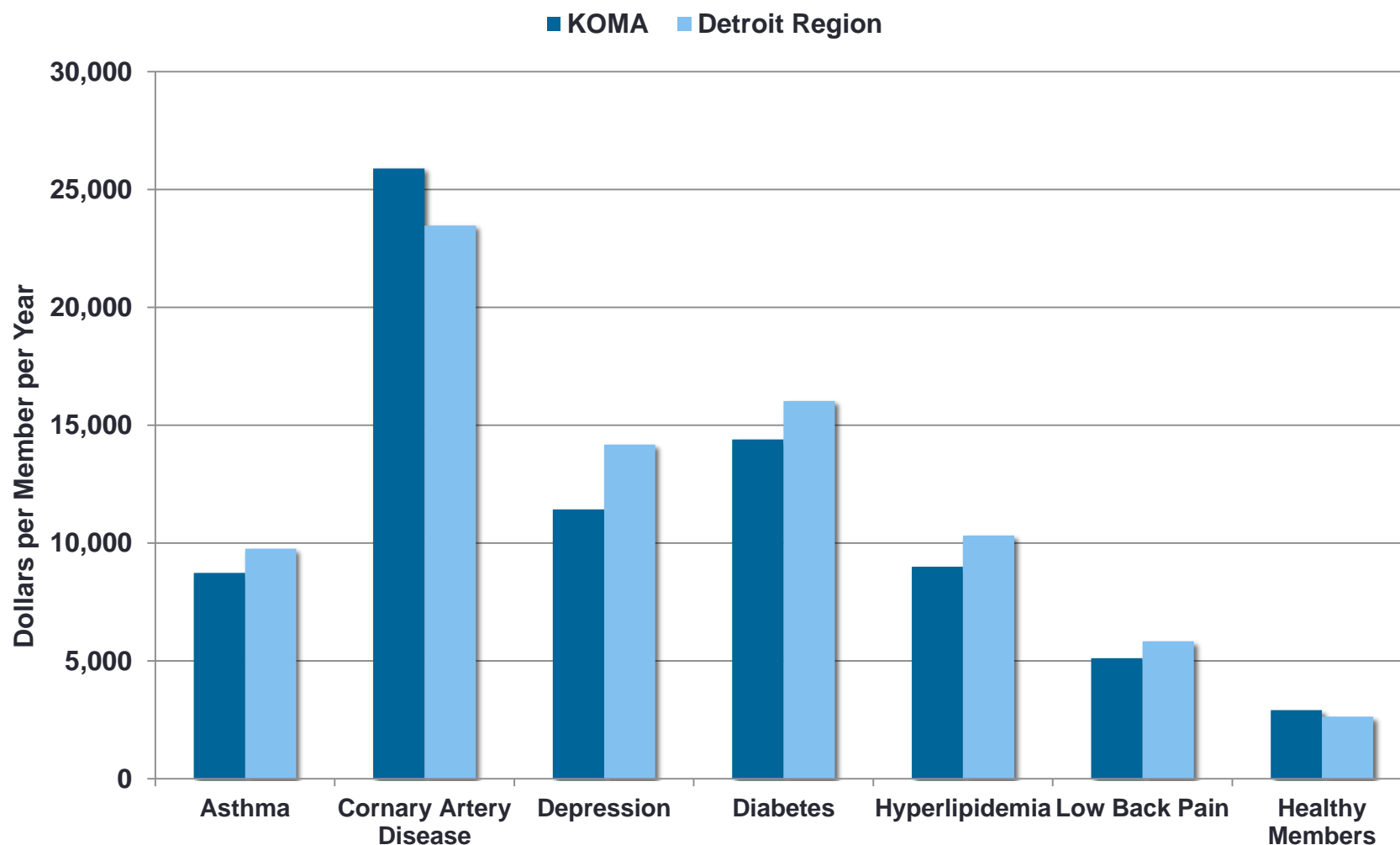
Major Medical Costs – Pg. 69

- Figure 1: Average Expenditures per Member in KOMA, 2012-2015



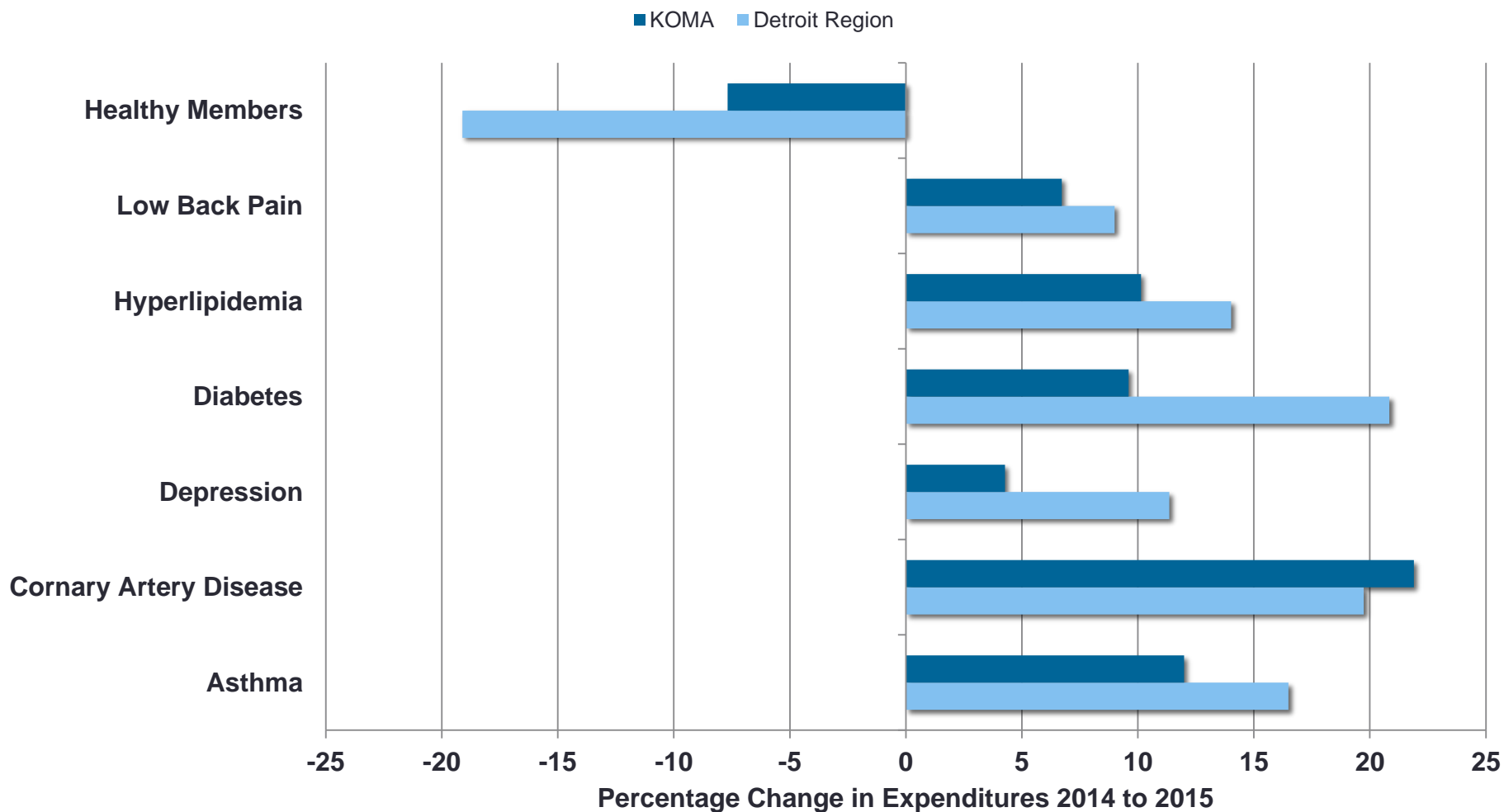
Major Medical Costs – Pg. 69

- Figure 2: Average Expenditures per Member, 2015



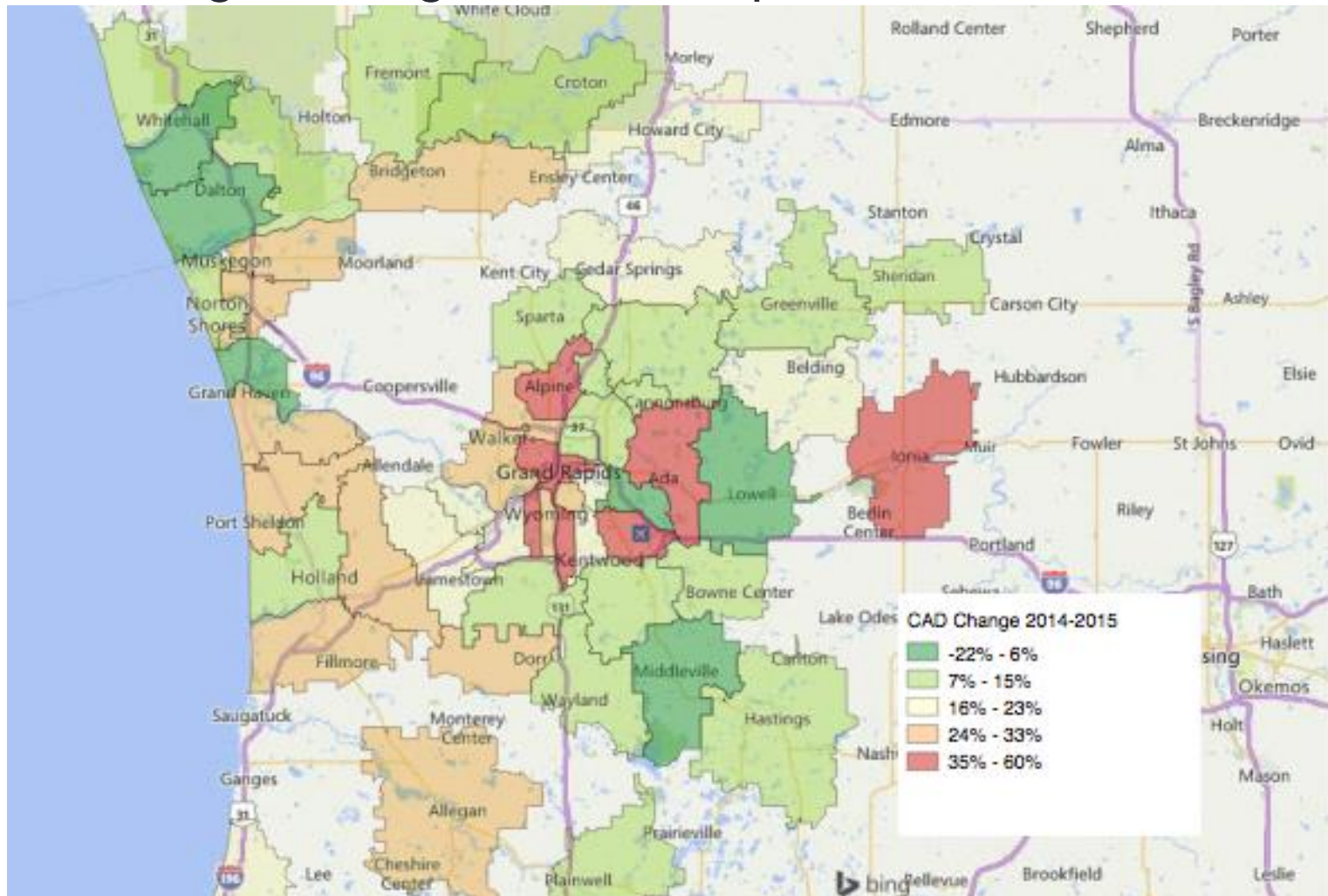
Major Medical Costs – Pg. 70

- Figure 2A: 2014-2015 Percentage Change in Average Expenditures per Member



Major Medical Conditions

- Percentage Change in CAD Expenditures, 2014 - 2015





Q & A

Panel Discussion

- **David Blair, MD**
CEO and President, Mercy Health Physician Partners
- **Tina Freese-Decker, MHA, MSIE, FACHE**
President, Spectrum Health Hospital Group
- **Nick Lyon, BA**
Director, Michigan Department of Health and Human Services
- **Jim McDonald, BS**
Vice President - Total Rewards - Meijer



Population Health Management: Opportunities and Challenges

David E. Blair, MD

President, MHPP-GR and Affinia Health Network

January 13, 2017

Population Health Management

Involves Specific Actions To:

1. Improve the Experience of Care
2. Improve the Health of the Population
3. Reduce per Capita Cost

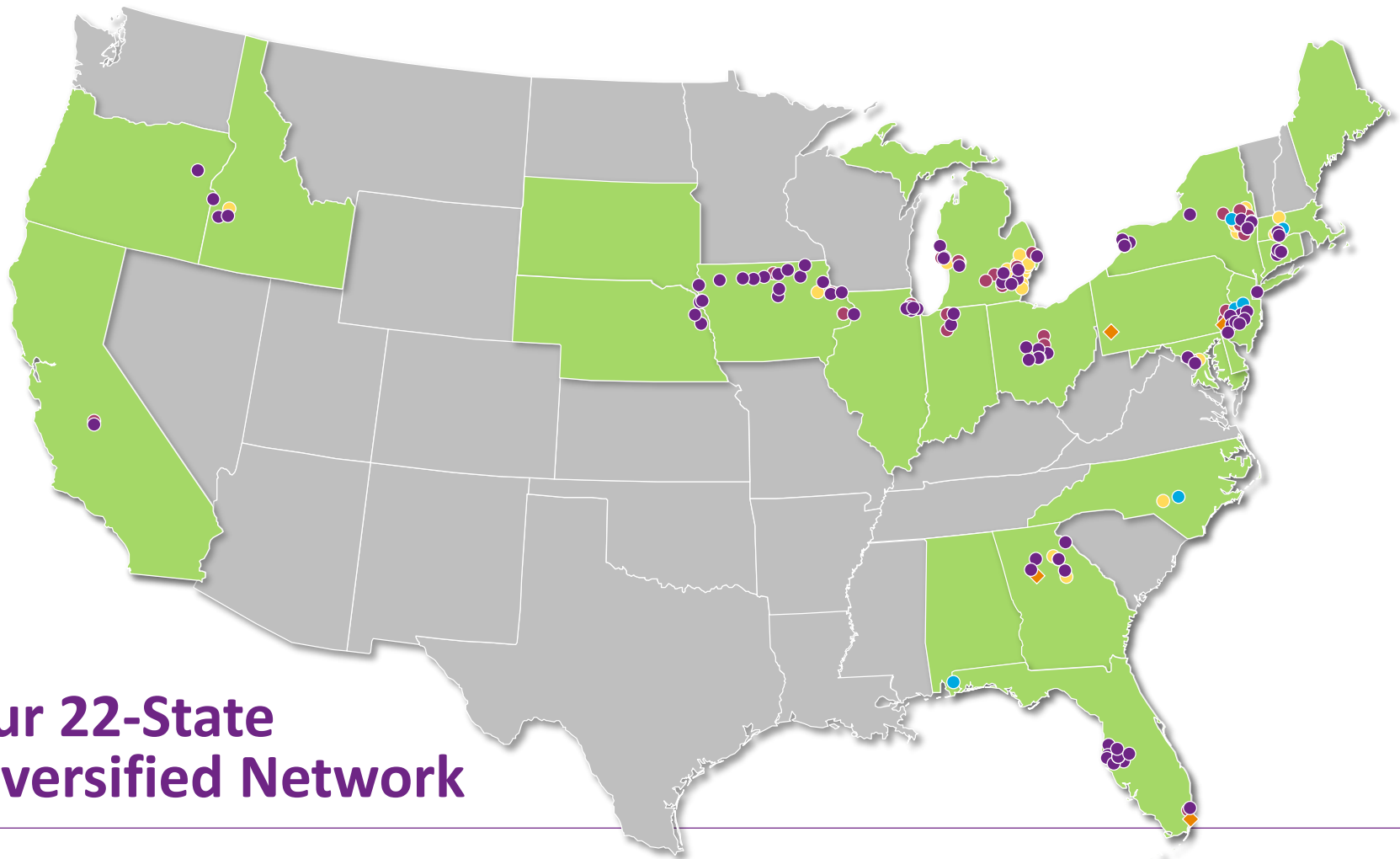
(Triple Aim)

Population Health Management

- Strategy
- Provider
- Customer | Patient

Trinity Health: People Centered 2020





Our 22-State Diversified Network

- 93** Hospitals* in 20 Regional Health Ministries**
- 4** Mission Health Ministries
- 3** National Health Ministries***
- 23,900** Affiliated Physicians
- 47** Home Care & Hospice Locations Serving 116 Counties
- 14** PACE Center Locations
- 59** Continuing Care Facilities
- 5,300** Employed Physicians

*Owned, managed or in JOAs or JVs.

**Operations are organized into Regional Health Ministries ("RHMs"), each an operating division which maintains a governing body with managerial oversight subject to authorities.

***Includes multiple locations for Trinity Home Health Services, Trinity Senior Living Communities and PACE facilities.

True North Vision

Quality & Safety

- Adverse Events
- Readmission Rate

Financial Stewardship

- Operating Margin
- % of total operating revenue

Population Health Management

- Total Cost of Care
- Number of Lives in Value Based Hypertension; % Controlled Contracts

Colleagues

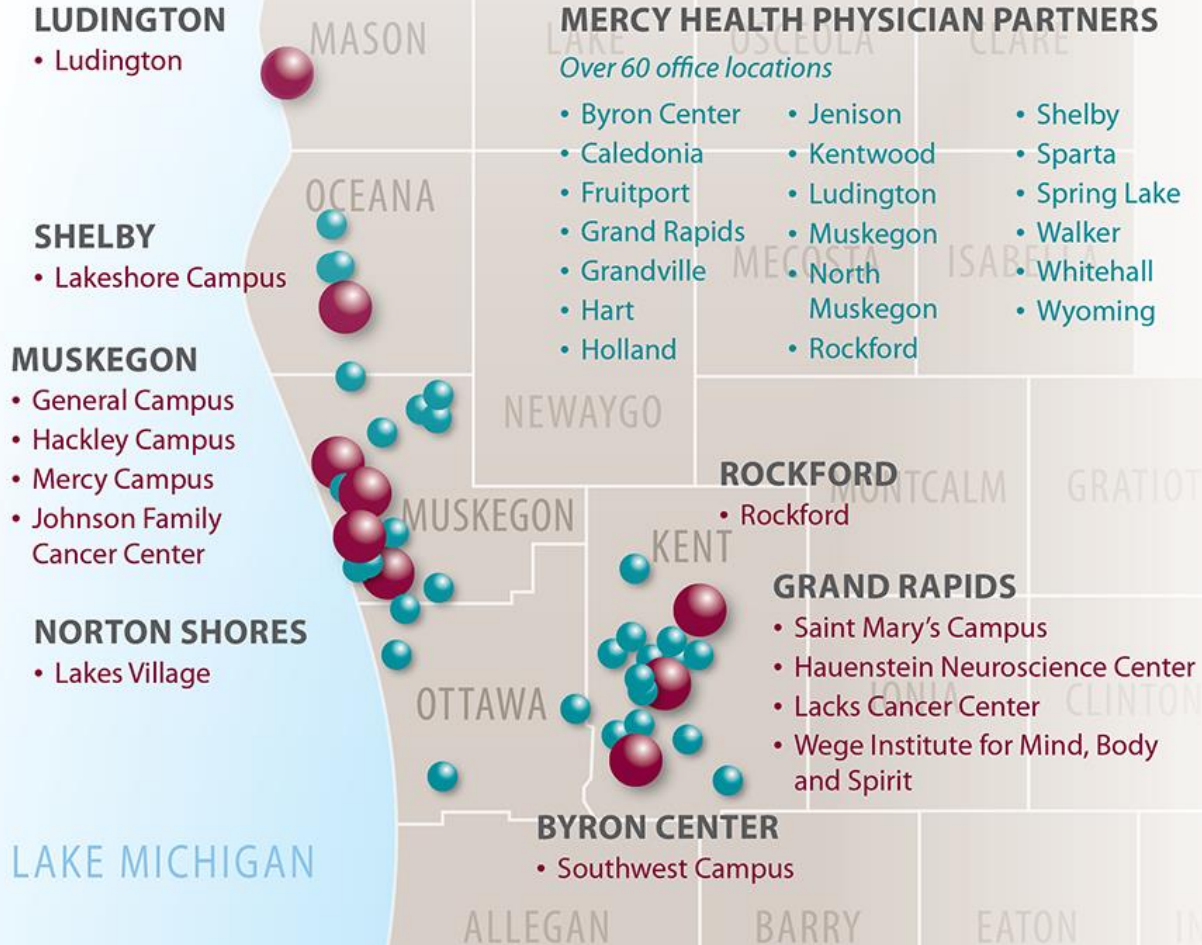
- Turnover

People Centered

- H-CAHPS – Overall Rate Hospital
- CG-CAHPS – Would Recommend Office



We are Mercy Health.



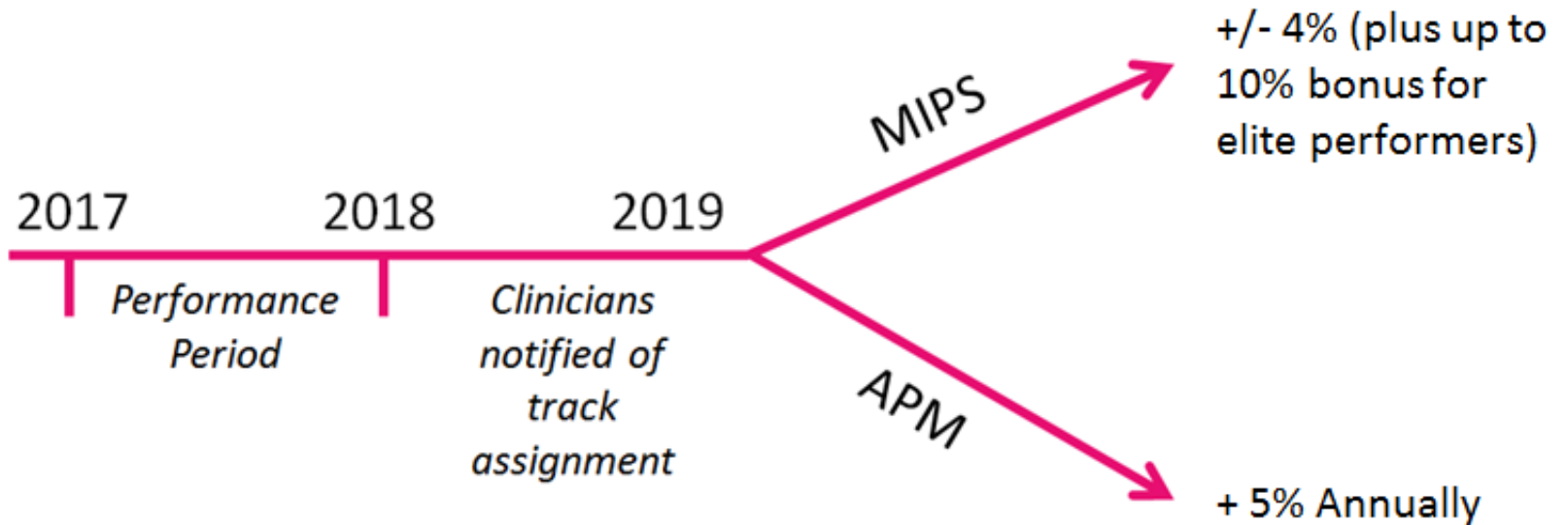
MACRA: Two Paths

- Repeals the Sustainable Growth Rate Formula
 - Replaces with .5% increases on fee schedules annually through 2018
- Creates two new payment models under the Quality Payment Program (QPP)
 - MIPS: Consolidates existing quality reporting programs
 - APM: Provides incentive payments for participation in Alternative Payment Models (APMs)

The Merit-based Incentive
Payment System (MIPS)

OR

Alternative Payment
Models (APMs)



Source: CMS

Merit Based Incentive Program (MIPS)

- Consolidates 3 independent quality driven initiatives with the intent to ease complexity and administrative burden and adds a 4th component to incentivize clinical improvement activity.



Quality



Advancing Care
Information



Improvement
Activities

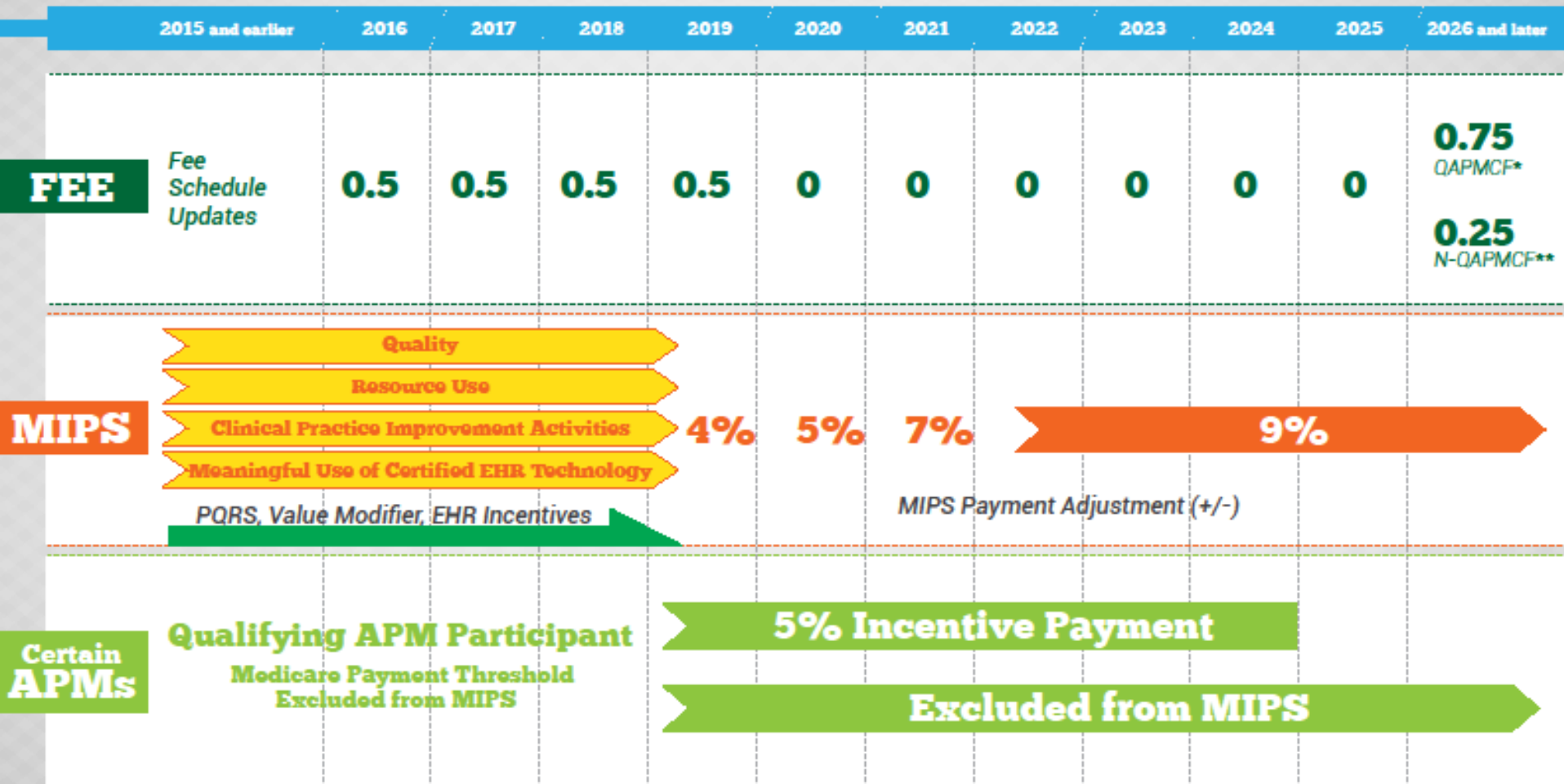


Cost



MIPS Final Score (0-100)

Timeline

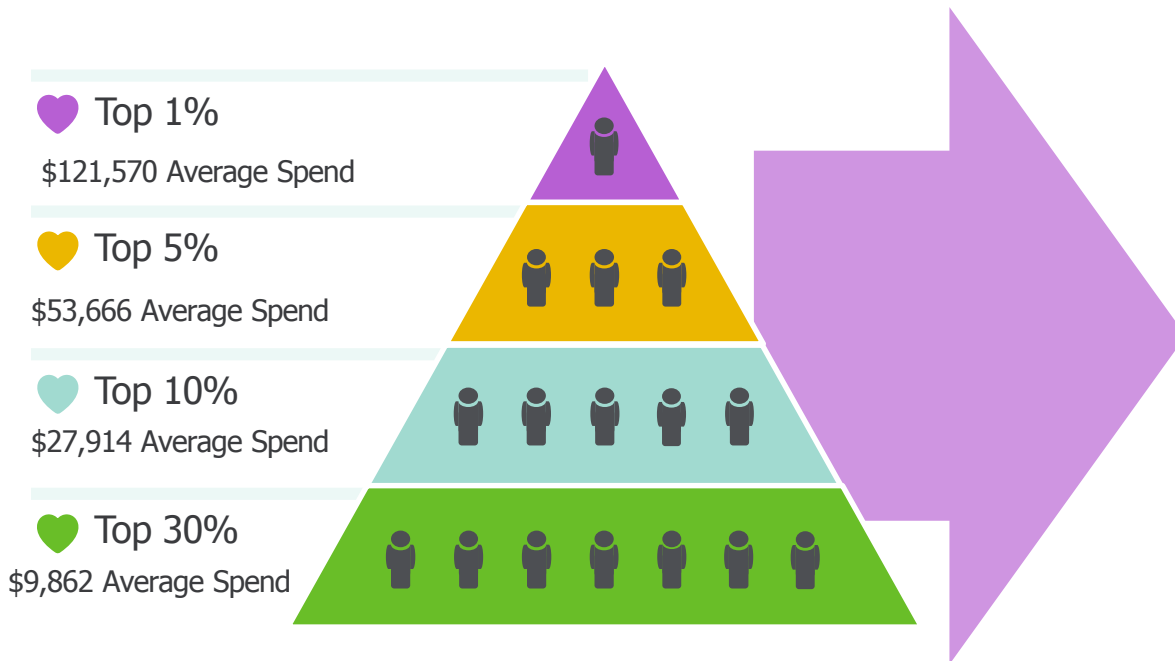


*Qualifying APM conversion factor

**Non-qualifying APM conversion factor

Trinity Health Next Generation ACO utilizes Evidence-based Criteria to Stratify and Identify Population for Care Management Review

1. Sort population by Medical Spend



2. Stratify Top Spenders using Evidence-based Criteria:

- 2 or more Inpatient Admits within 12 months OR
- 2 or more Readmissions within 12 months OR
- 2 or more ED visits within 12 months OR
- 2 or more Diagnoses of Chronic Conditions (Heart Failure, Hypertension, Diabetes, CAD, COPD, Asthma or Behavioral Health)

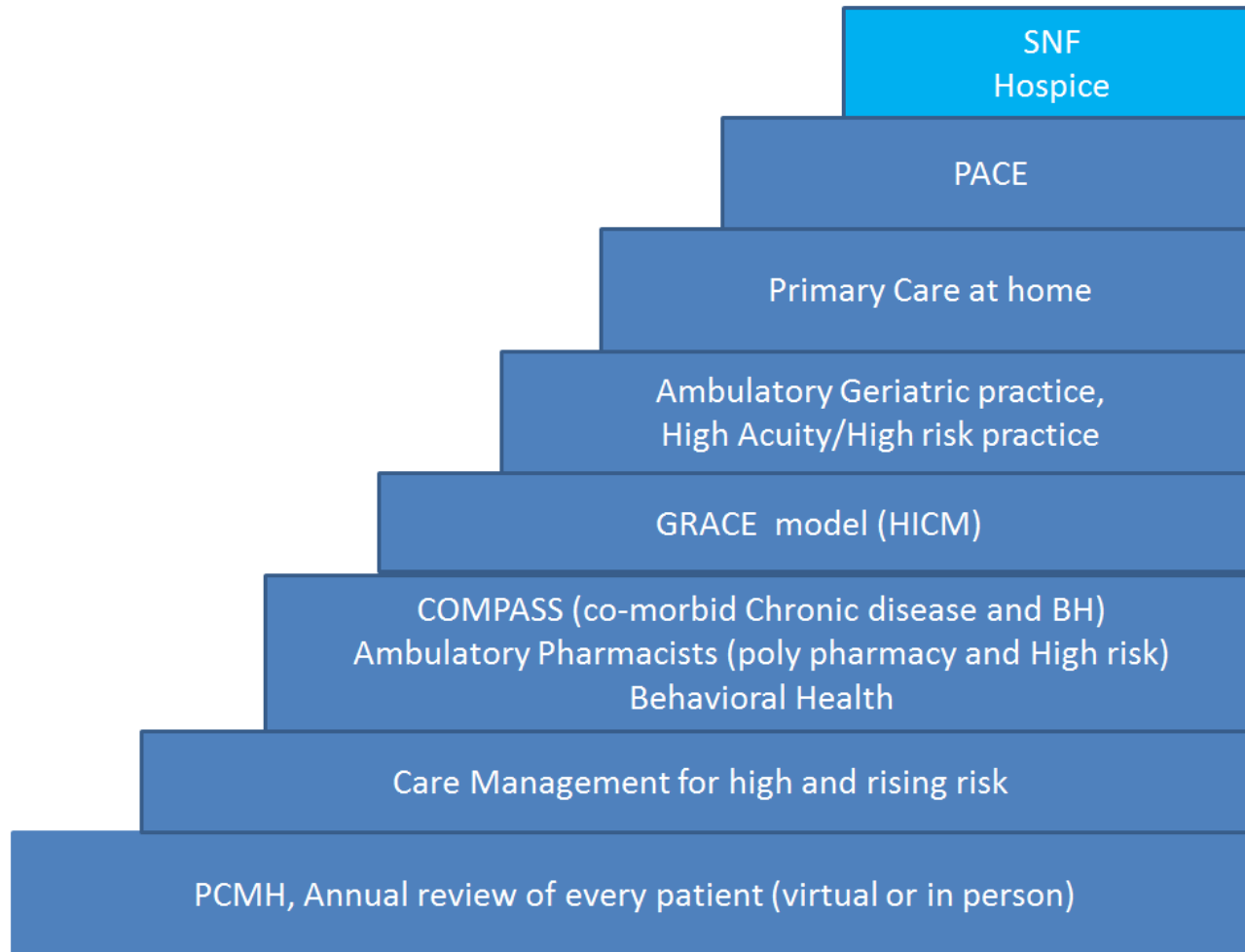
3. Identify Beneficiaries who require further clinical review

4. Care Management begin “Detective Work”

5. Review with Accountable Clinical Team

[Reference: Proactively Identifying the High Cost Population: Insights from the Health Care Transformation Task Force](#)

Care Management Strategic Plan



Population Health Management Summary

Better for:

- Patients
- Providers
- Society

Population Health Management

Questions?

SPECTRUM HEALTH



Opportunities in 2017

Tina Freese Decker
President, Spectrum Health Hospital Group

Spectrum Health

Mission: To improve the health of the communities we serve



\$326 MILLION
FY2016 COMMUNITY BENEFIT



\$5 BILLION ENTERPRISE



25,200 EMPLOYEES

Spectrum Health Hospital Group and Spectrum Health Medical Group



12
HOSPITALS
2,138 BEDS



180
AMBULATORY
SITES



1,500
EMPLOYED
PHYSICIANS AND APPS
(including about 1,400 members in the
Spectrum Health Medical Group)



1,700
INDEPENDENT
PHYSICIANS



342,162
ED VISITS



74,300
ADMISSIONS



2,300
ACTIVE
VOLUNTEERS

Priority Health



752,000
MEMBERS



6,500
EMPLOYERS



34,000+
PROVIDERS



115
ACUTE CARE
HOSPITALS



SERVES MEMBERS
ACROSS THE U.S.

Telemedicine



Innovation and Quaternary Care





Transparency

Name & Address	Distance from 49426	Price for procedure	
Bryan S. Kamps, MD Spectrum Health Medical Group - Georgetown 3152 Port Sheldon Road Suite C Hudsonville, MI 49426	0 miles	\$45 ▼ \$67	Select
Peter S. Vaslu, DO Peter S. Vaslu, DO, PC 3152 Port Sheldon Road Hudsonville, MI 49426	0 miles	\$45 ▼ \$67	Select
William M. TenHaaf, MD Georgetown Medical Center 670 Baldwin Street Jenison, MI 49428	3.4 miles	N/A	Select
Jay A. Lughart, MD Georgetown Medical Center 670 Baldwin Street Jenison, MI 49428	3.4 miles	\$45 ▼ \$67	Select
Holland Hospital Medical Building - Zeeland 8300 Westpark Way Zeeland, MI 49464	4.6 miles	N/A	Select
Spectrum Health Zeeland Community Hospital 8333 Felch Street Zeeland, MI 49464	4.6 miles	\$206 ▲ \$94	Select
Susan M. Day, MD Spectrum Health Medical Group 8333 Felch Street Suite 202 Zeeland, MI 49464	4.6 miles	\$45 ▼ \$67	Select

Home - Spectrum Health Medical Group
https://www.findadoctor.spectrumhealth.com/...
4.8 out of 5 stars
Based on 622 Reviews

2.7 Miles from Grand Rapids, MI

Spectrum Health Hospitals - Lab at
2900 Bradford St
2900 Bradford St NE
Grand Rapids, MI 49525
616.391.4080

Lab
4.8 out of 5 stars
Based on 622 Reviews

3.45 Miles from Grand Rapids, MI



Reviews "All comments are from verified patients"

Lab
★★★★★ 4.7 out of 5 stars
Based on 2,958 reviews | Hide Reviews

SEP 2016 I appreciate the speed that we receive the lab results.

SEP 2016 I don't enjoy getting blood drawn, but I did enjoy the friendliness and patience of the technician.

SEP 2016 Kia drew my blood with great skill. I hardly felt a needle

Christina Fressedecker
Christina's Radiology Results

All Results Lab Results Radiology Results

No more waiting for office hours and a phone call or letter to get your test results. See your reports as soon as they are available, including any notes from your provider. These reports are for your information only. Please talk to your doctor before stopping any medication or changing treatment plans.

View results from December 2016 Going back 6 Months Show

DR BODY COMPOSITION - 10:14 PM
Results made available 07/16/2016
View Results

US ABDOMINAL SURVEY 3:04 PM
Results made available 07/14/2016
View Results

Community Health

Core Health Program Outcomes, Grand Rapids

Measure	Before Program	Final During Program
Emergency Department Utilization	33.9%	29.2%
Hospitalization as an Inpatient	32.2%	20.6%
Reduction in Length of Stay as an Inpatient		19.1%
HbA1c < 7.0%	27.9%	32.5%
Meds being taken as prescribed (mean no. days)	3.1	3.8
Physical Activity: Mean Number of Days Per Week (30-min)	2.0	2.7
Servings of Fruits or Vegetables Daily (mean)	1.1	1.5
Blood Pressure Maintained Under 130/80	32.3%	40.0%
Inpatient Charges per Day	\$2,152	\$1,535

July 1, 2015 through June 30, 2016





Improving Health



SPECTRUM HEALTH





Nick Lyon

Director, Michigan Department of Health
& Human Services



Jim McDonald
Vice President - Total Rewards -
Meijer



Questions?

Closing Remarks

www.gvsu.edu/vphealth/



Grand Valley State University and the Midwest Interprofessional Practice, Education, and Research Center are pleased to host:

Health Forum of West Michigan

Friday, February 3, 2017

AGING IN PLACE

Richard M. DeVos Center
Grand Valley State University
Loosemore Auditorium
401 West Fulton Street

Go to www.gvsu.edu/vphealth for updated information and to REGISTER.
Call 616-331-5876 for more information.

Sponsored by:



Nonprofit corporations and independent licensees of the Blue Cross and Blue Shield Association

Hosted by:

