

# Centers of Excellence

Health Plan, Employer, and Provider  
Perspectives



# Today's Presenters

Brennan McNally, Optum – VP of Network Solutions

Tina Hayes, Duke Energy – HR Principal

Stacie Vance, OrthoIndy – Chief Nursing Officer & VP of Clinical Operations

# Today's Agenda

Time	Topic	Presenter
10 MIN	Introductions & Organizational Overviews	All
	Centers of Excellence (COE) Overview	
	- Opportunity	
20 MIN	- Quality and Qualification Processes	Brennan M
	- Evidence Based Outcomes	
	- COE Examples	
		Tina H
20 MIN	Duke Energy COE Spotlight	Brennan M
	Spine and Joint Solution with OrthoIndy	Stacie V
10 MIN	Q&A Session	All

# Who is Duke Energy?



---

Energy company

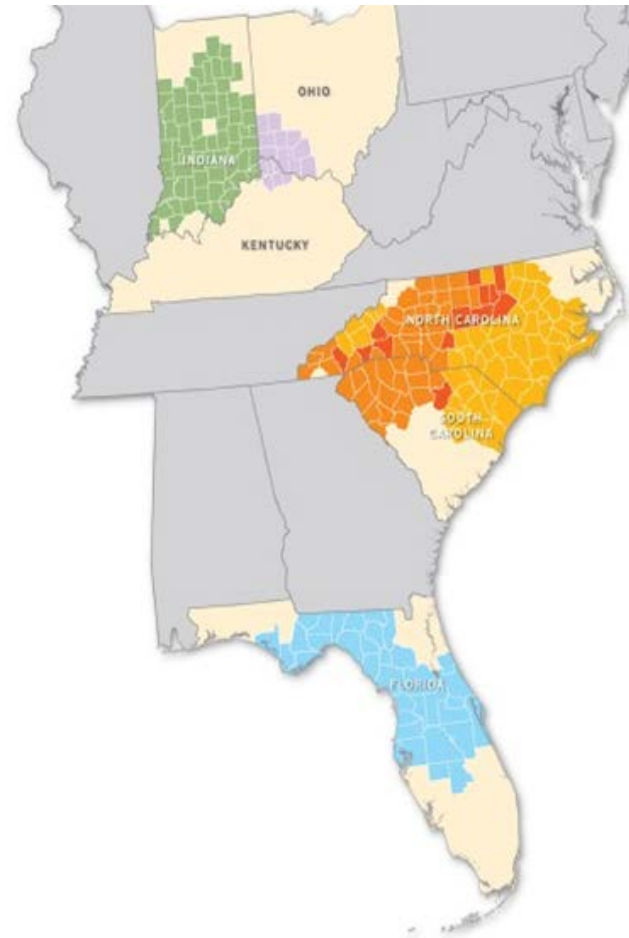
Headquartered in Charlotte, NC

150+ years of service

Fortune 125 company

Serves 7.4 million electric customers across  
the Southeast and Midwest

---



---

## Our Workforce

- 29,000 employees
- 70,000 covered members
- Average age is 46; 78% male
- Primary functions: lineman, power plant operator, office
- Located in 6 primary states in SE and MW regions

## Our Healthcare Strategy

- Create an environment that promotes and supports personal accountability and the health, safety and productivity of our workforce and their families
- UnitedHealthcare provides medical, clinical, behavioral, financial and wellness solutions



- Founded over 50 years ago, OrthoIndy is one of the most highly respected orthopedic practices in the Midwest.
- With over 70 physicians providing care to central Indiana residents from more than 10 convenient locations, OrthoIndy provides leading-edge bone, joint, spine and muscle care.

### **Mission Statement**

To provide the highest quality, comprehensive bone, joint, spine and muscle care to patients throughout the Midwest, the United States and around the world.



## **OrthoIndy Physicians**

- 50 Orthopedic Surgeons
- 14 Anesthesiologists
- 7 Physiatrists
- 14 Office Locations
- 5 Urgent Care locations

## **OrthoIndy Hospital**

- 38 Inpatient Beds
- 16 State of the Art OR's located in 3 locations
- 6 Outpatient Physical Therapy Locations
- 3 MRI's and 1 CAT scan

## **Specialty List**

- Bone Tumor & Oncology
  - Cartilage Restoration
  - Hand & Upper Extremities
  - Hip & Total Joint Replacement
  - Knee & Total Joint Replacement
  - General Orthopedics
  - Pediatric Orthopedics
  - Spine
  - Sports Medicine
  - Trauma
-

Driving better results for the health care system

---

## UNITEDHEALTH GROUP

Ranked **6<sup>th</sup>**  
of the Fortune 500

Named World's **Most Admired Health  
Care Company in Insurance and  
Managed Care** by *Fortune*, 2011–2016

**\$157 billion**  
FY15 revenue

A diversified enterprise with complementary  
but distinct business platforms



Helping people live  
healthier lives

Health benefits



Helping to make health systems  
work better for everyone

Health services



# Optum: Helping to make the health system work better for everyone

---

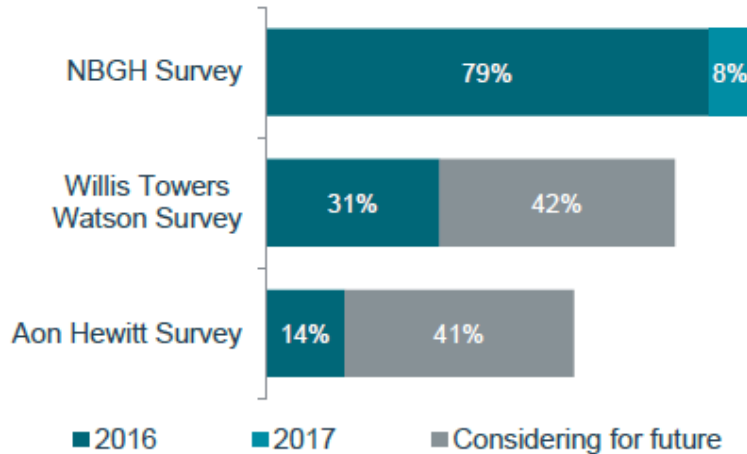


# Centers of Excellence (COE)

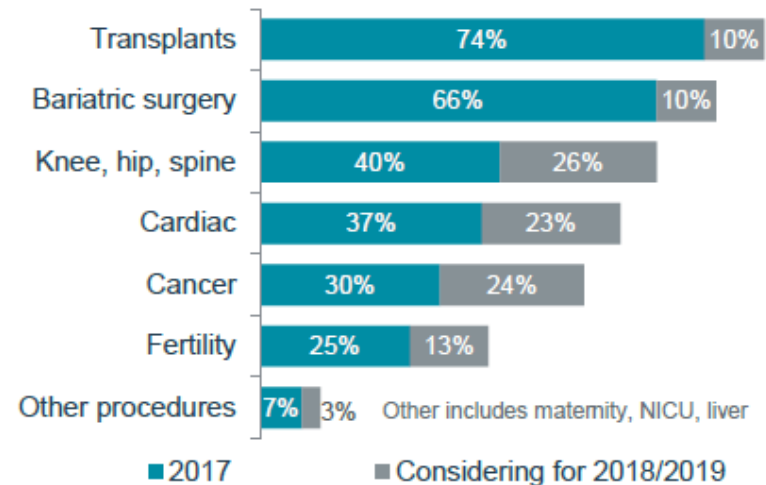
Addressing variation in costs and outcomes for complex conditions

# Centers of Excellence Interest and Adoption

## Many Employers are Offering or Considering Centers of Excellence<sup>1,2,3</sup>



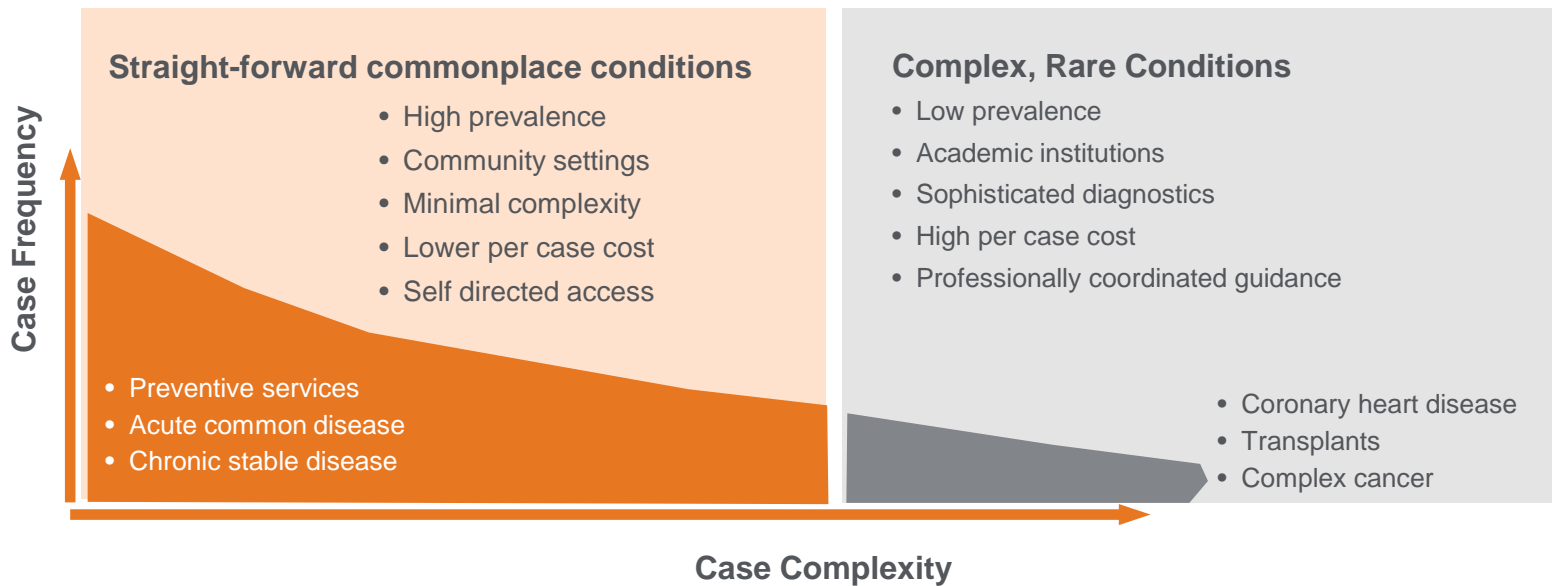
## Employers Have COEs in Place for a Variety of Clinical Needs<sup>1</sup>



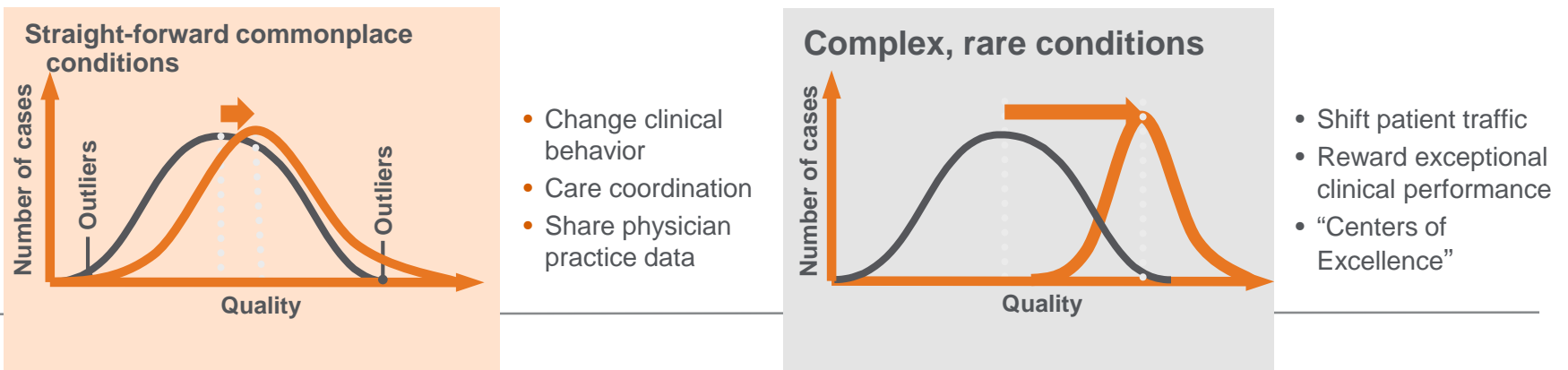
**71%** of large employers say that what a vendor is doing to adopt reimbursement methods based on cost, quality, efficiency and outcomes is very important to their vendor selection decision<sup>4</sup>

1. Large Employers' 2017 Health Plan Design Survey, National Business Group on Health, Aug 2016
2. Key Insights from the 2016 Emerging Trends in Health Care Survey, Willis Towers Watson, May 2016
3. The Future of Health, Results from the 2015 Aon Hewitt Health Care Survey, 2016
4. 20th Annual Towers Watson/ NBGH Best Practices in Health Care Employer Survey, Nov 2015

# A transformative approach: Continuum of condition frequency and complexity

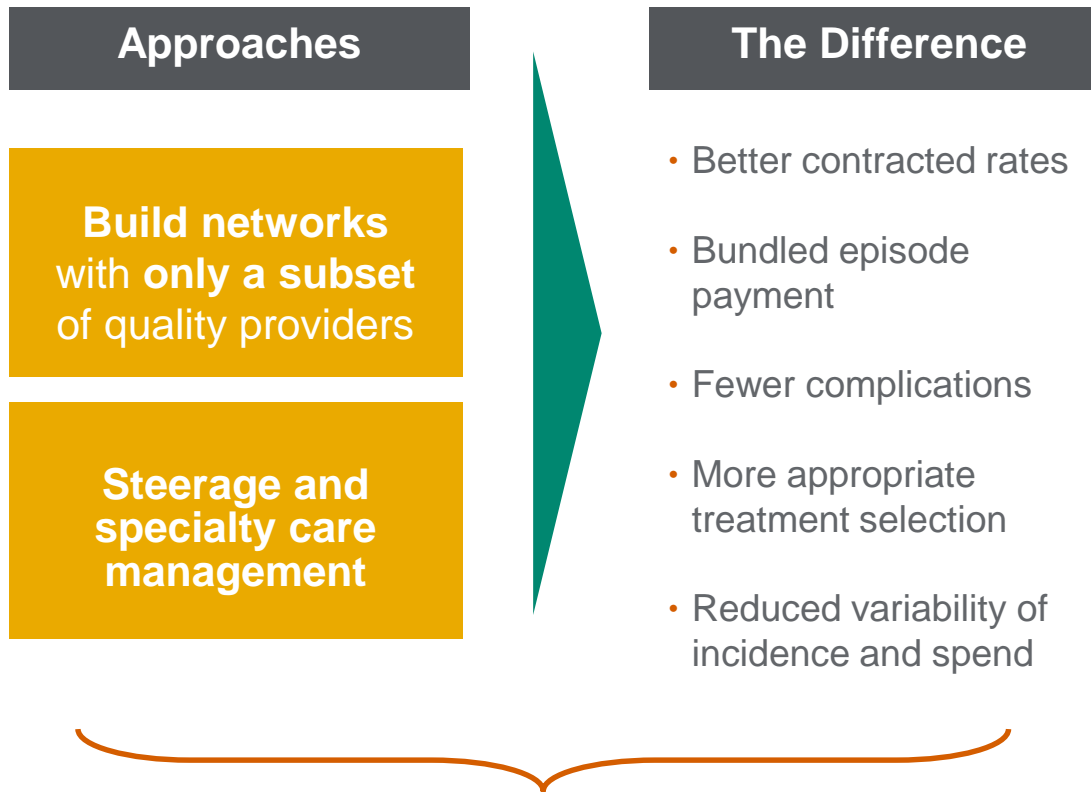


## Management of variance requires two coordinated approaches



# How COEs Create Value

---

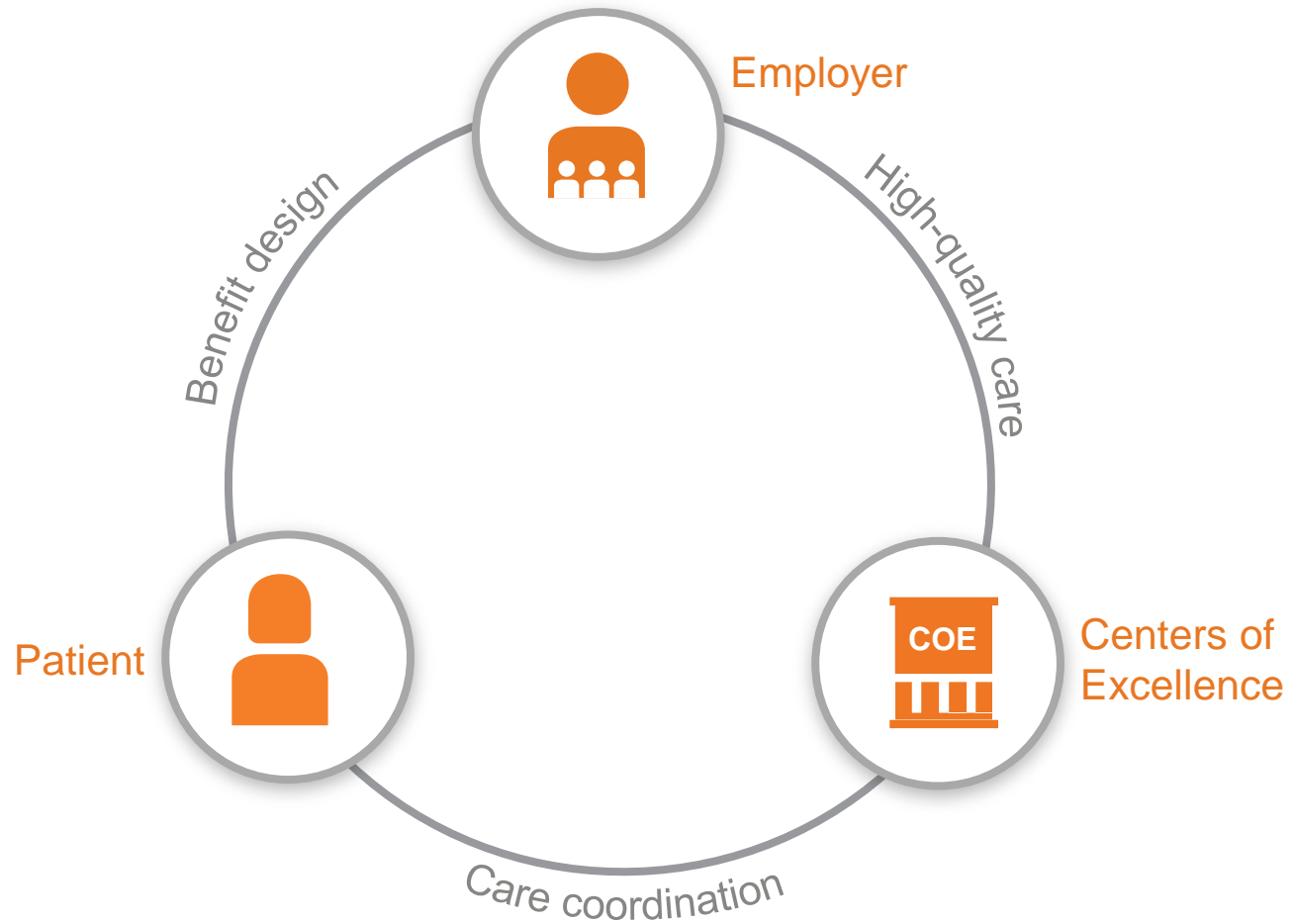


Levers that enable us to improve outcomes and reduce spend across episodes of care

---

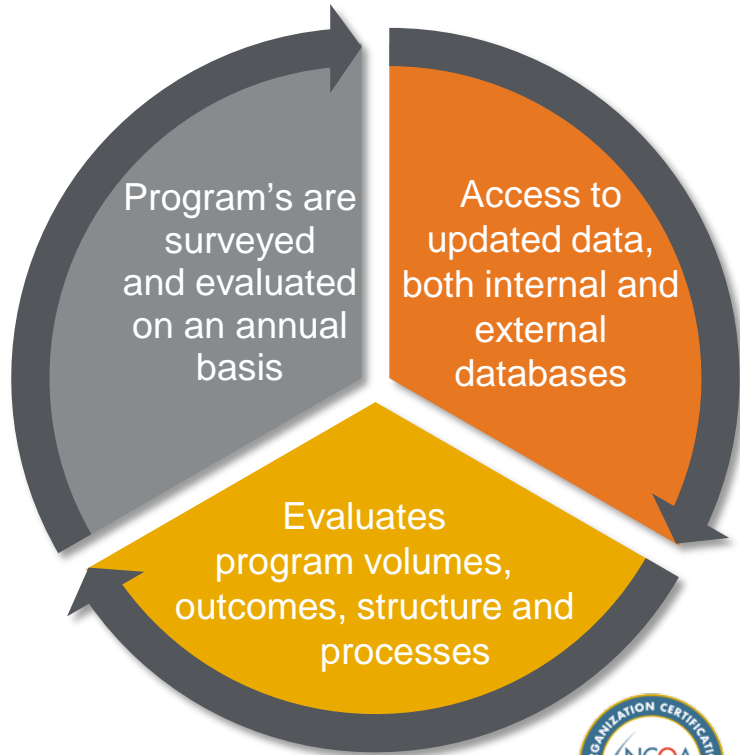
# COEs create alignment among stakeholders

---



# Centers of Excellence Qualification

There are many approaches to qualifying a COE network, below are some insights from how we've assembled our COE program



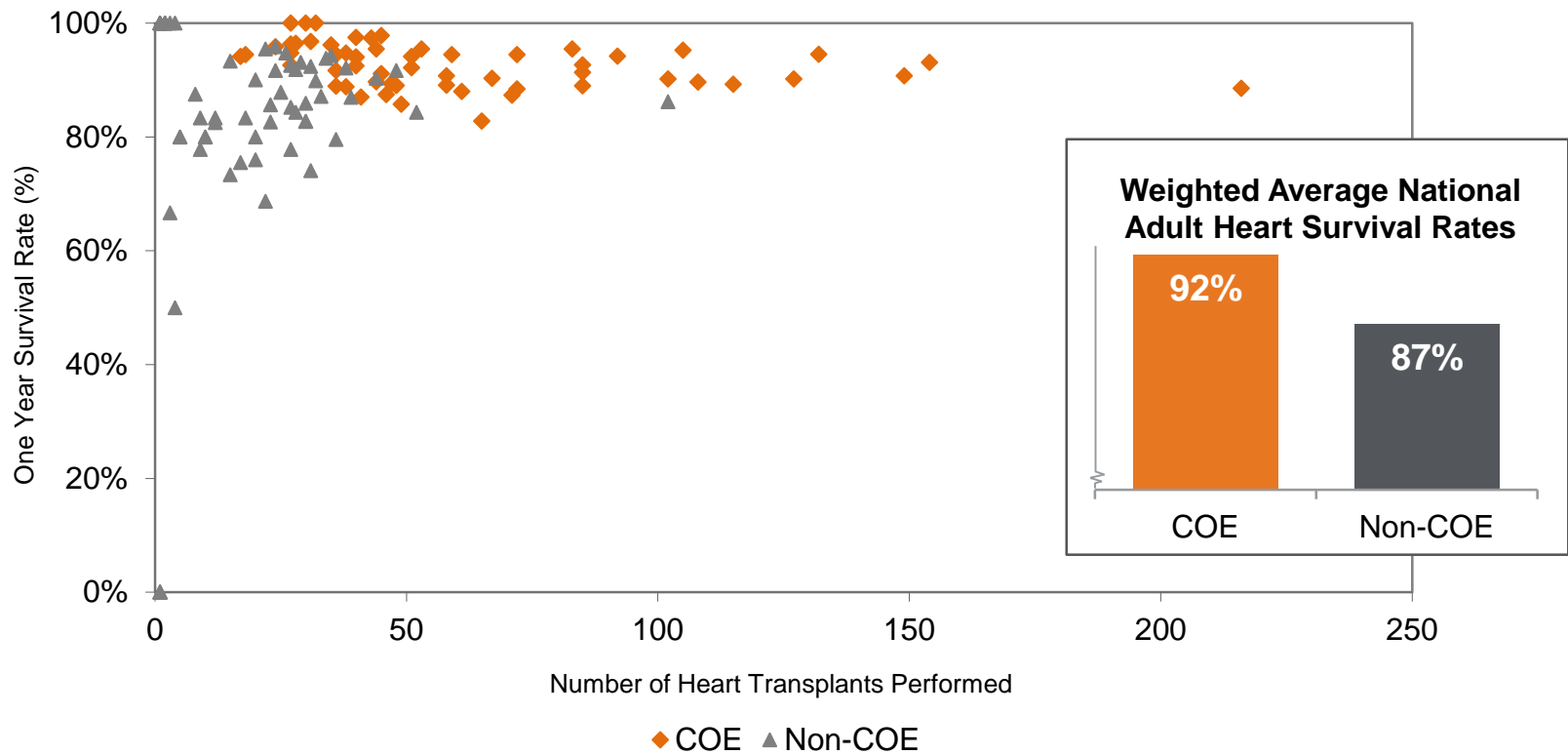
## Qualification Resources

- Dedicated medical directors
- Access to external medical directors
- Provider survey and analytics process managers
- National databases, internal membership data, serving as basis for volume and survival criteria
- Proprietary COE qualification criteria validated annually by expert panels
- Nation's leading surgeons make up specialized annual external advisory panels
- Facilities surveyed annually

# COE Example: Heart Transplant

Connection between volume and outcomes

## National Adult Heart Graft One-Year Survival Rates by Center Volume



Source: Data taken from the June 2014 SRTR Data Release. Data is for all heart transplants performed from 1/1/2011 – 6/20/2013. Optum network status as of 10/28/2014.

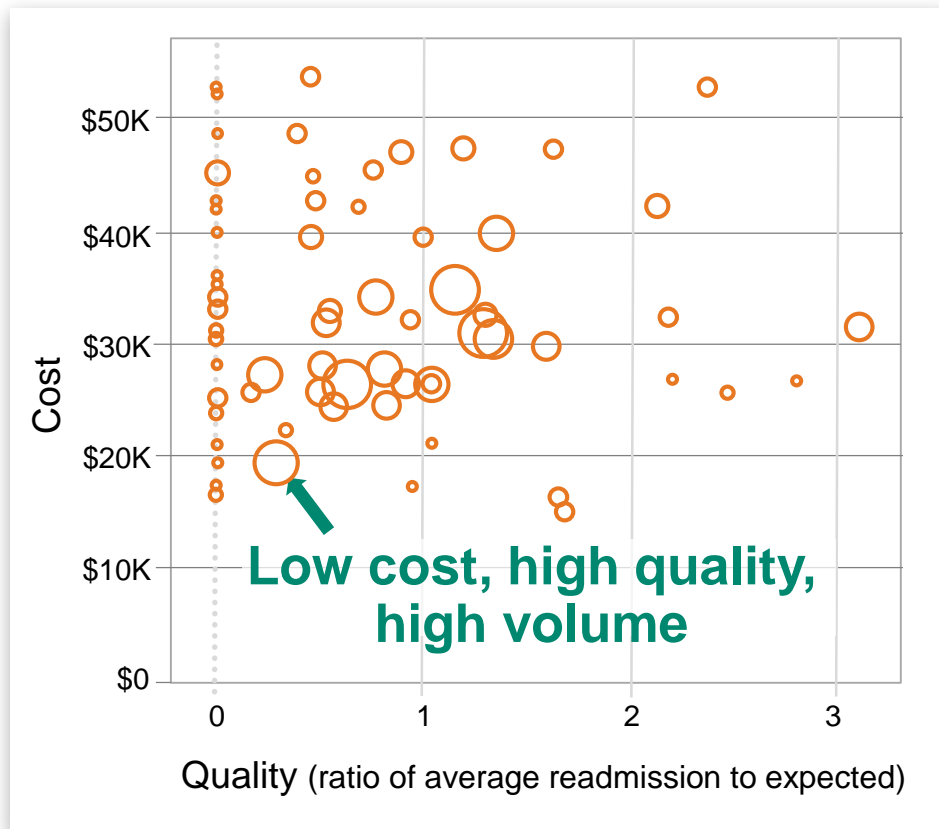
Confidential property of UnitedHealth Group. Do not reproduce or copy without permission



# COE Example: Orthopedics

## Hip and knee replacements by facilities in the Atlanta area

*Each bubble represents a hospital; size of bubble indicates annual volume*

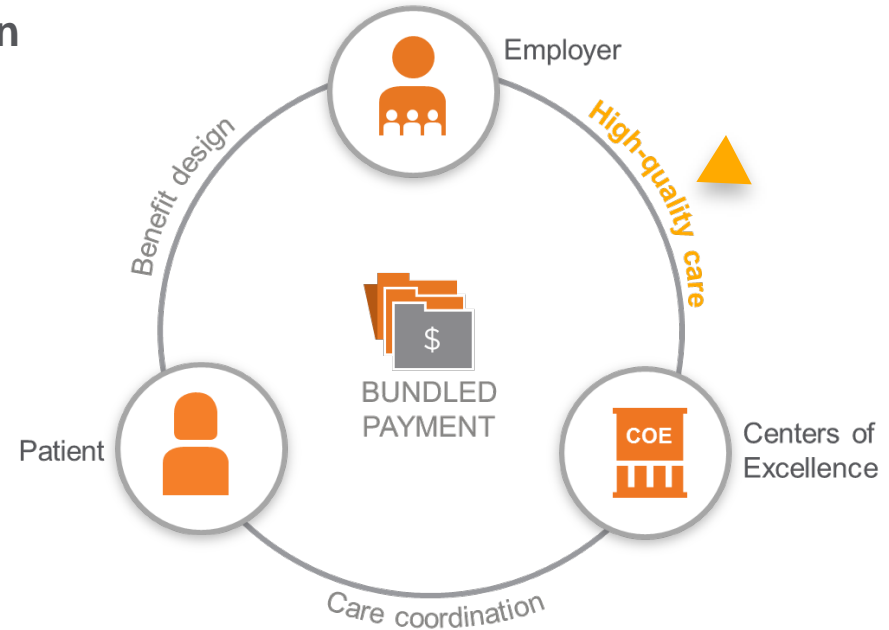


Source: VDA report, 2015 Commercial Population.

# Building a COE for Orthopedics

- **Some of the criteria for SJS COE qualification include:**

- Annual surgery volume, by procedure type
- Risk adjusted readmission rates
- Length of stay
- Required accreditations
- Orthopedic program in place for a minimum of 24 consecutive months



## OrthoIndy – one of the first SJS COEs

- Identified as early target market – concentration of membership
- Met the triple aim
  - Qualified to be a COE based on quality standards
  - Operating at an already efficient price point
  - Ability to contract under bundle arrangement

# COE Highlight

Spine and Joint Solution:  
Addressing the variation in knee, hip  
and back surgeries for Duke Energy

# Opportunity at Duke Energy

---

Optum and Duke Energy identified the following:

- Musculoskeletal (MSK) category spend had **increased by 10%** and was the top cost driver
- MSK spend was higher than energy industry peer group
- The number of MSK claimants **increased by 9%**
- Knee surgery and spinal fusion were the most prevalent MSK surgical procedures performed and were driving a significant portion of the trend



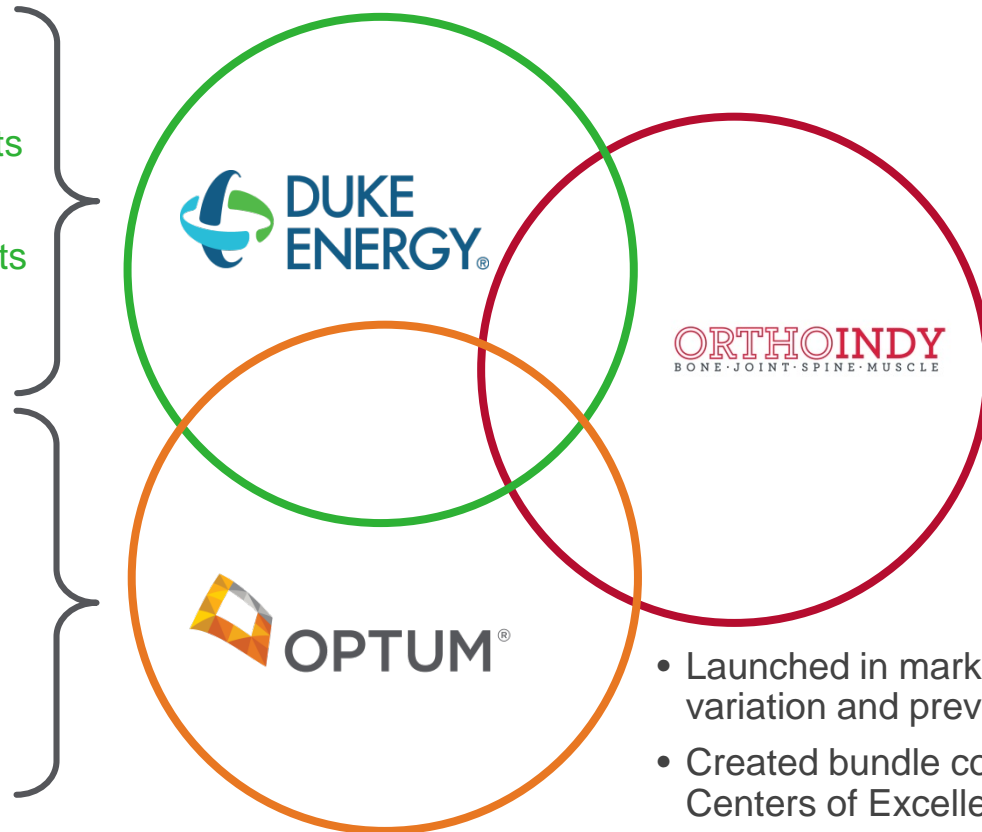
**(volume of surgeries) x (varied outcomes + varied cost) = unmet needs**

# Partnership for a solution

---

- Rising musculoskeletal costs
- Desire to impact system
- Willingness to adjust benefits

- Contracting capabilities
- Facility relationships
- Clinical expertise
- Platform for bundle administration



- Launched in markets with high cost, variation and prevalence
- Created bundle contracts with Centers of Excellence (COE)
- Implemented plan design change to influence COE utilization

# Benefit design – Duke Energy’s involvement

## Problem

How to increase COE utilization

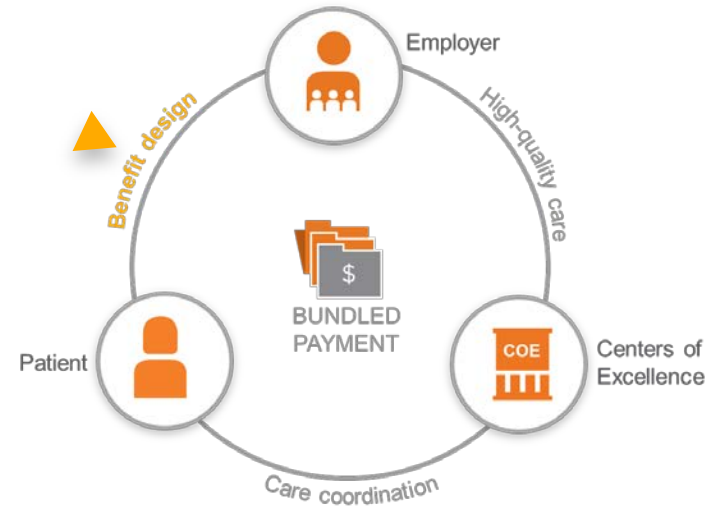
- ✓ Quality
- ✓ Bundle arrangement

## Solution

Effective design that encourages COE utilization while maintaining benefit plan’s financial viability

## Benefit Design Tactics

- ✓ UHC allows flexibility in choosing a strategy as long as it achieves a financial incentive for the member
- ✓ A travel and lodging benefit is an optional incentive to offer for employees outside of a COE radius



# Member Experience with Centers of Excellence

---

- Providing the members with clinical resources throughout their journey adds to the value of their COE experience
- Member benefits:
  - Clinical outcomes
  - Concierge Experience
  - Financial incentives



Video (~3 min)



**JAMES EDWARDS**  
Turbine engineer & hip replacement patient



# Key components to being a successful Center of Excellence

---

- Don't attempt to sell something you don't have...
- Almost does NOT count!



# Key components to being a successful Center of Excellence

---

- We all know WHY to improve but we need to know HOW...
- You must commit to service line development



# Key components to being a successful Center of Excellence

---

- Dissect each and every aspect to meet the overall goals
- Peel back the layers:
  - Satisfaction (for all patients, employees, providers)
  - Metrics/Scorecards (for both providers and employees)
  - Protocols and care pathways
  - Operational excellence
  - Patient navigation



# Duke Energy's Spine and Joint Solution Results

**~30%** fewer costly complications and readmissions<sup>1</sup>

**~\$10,000** or more average cost savings per operation<sup>1</sup>

**~25%** lower costs, on average, when compared with median costs in the same metropolitan areas<sup>1</sup>



## Covered procedures

- Disc repairs, decompressions
- Spinal fusions
- Total hip replacements
- Total knee replacements

**(surgeries at COEs) x (consistent outcomes + predictable costs) = better results**

1. Optum analysis, July 2013-September 2015

# Duke Energy outcomes & member satisfaction



World Class Net Promotor Score: 73



93% of members were very satisfied with the COE



98% of members were very satisfied with their surgeon

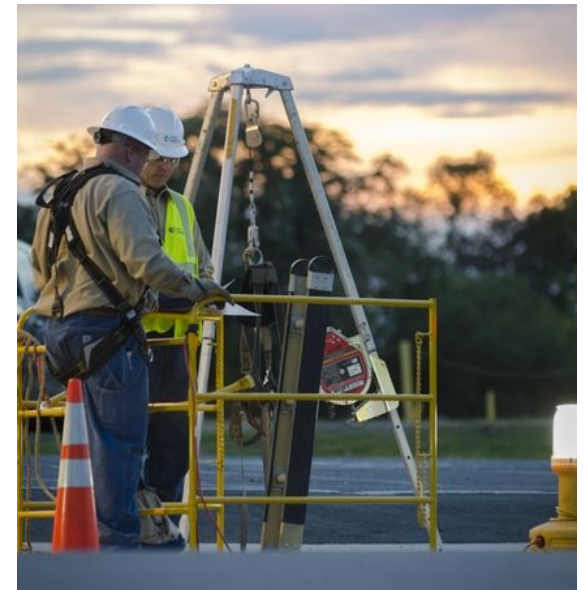
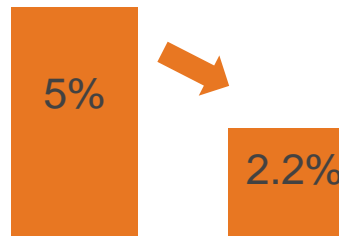
9.4%

Shorter length of stay



56%

Lower complication rate at COEs



NPS is calculated as follows: Promoters % - Detractors %

# Questions?

Brennan McNally, Optum – VP of Network Solutions

Tina Hayes, Duke Energy – HR Principal

Stacie Vance, OrthoIndy – CNO & VP of Clinical Operations