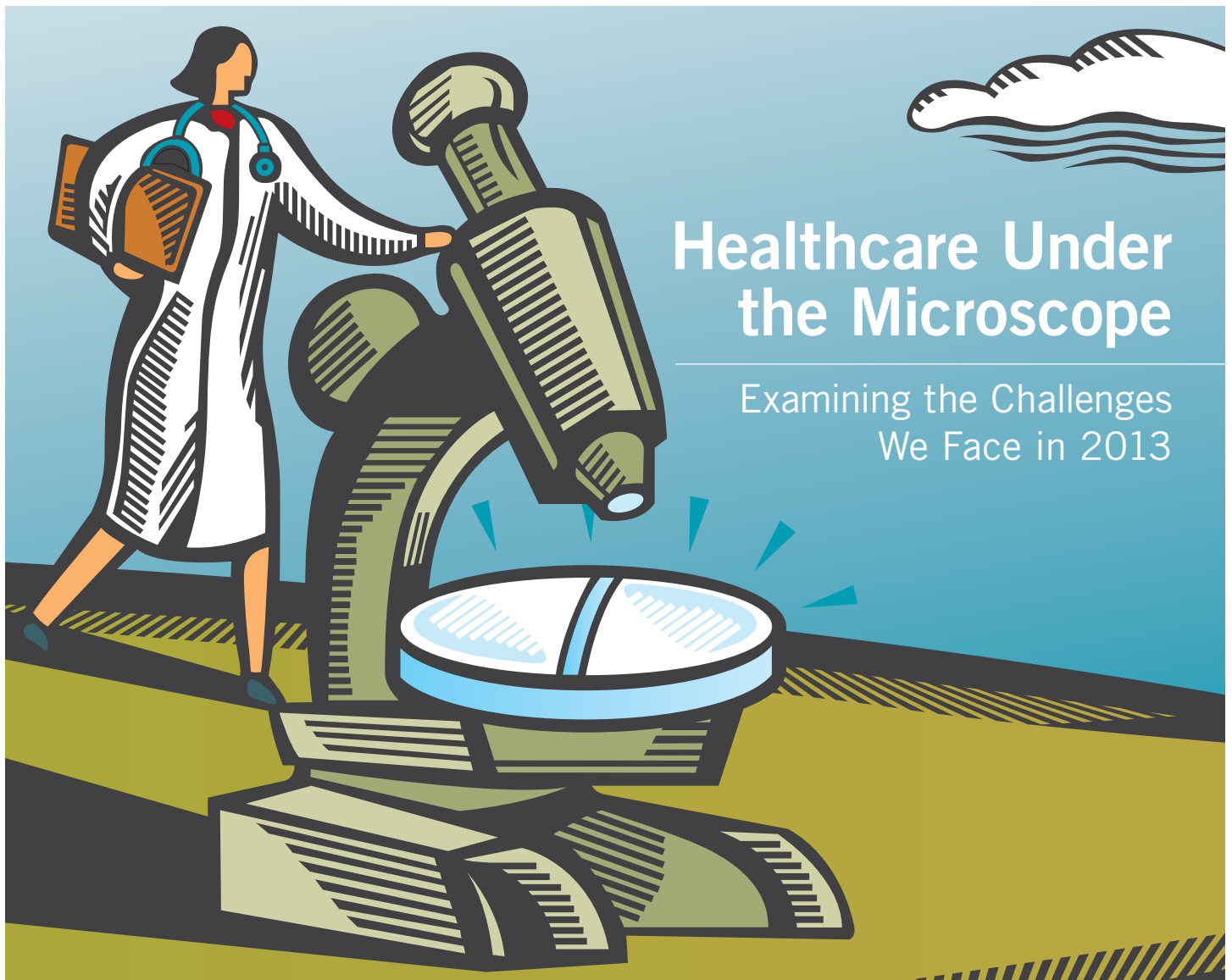


touchpoints

Connecting you to the Heritage Provider Network

Issue 10 | Jan/Feb 2013



Healthcare Under the Microscope

Examining the Challenges We Face in 2013

»» LATEST NEWS

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Happy Holidays and Happy New Year. During this past year, implementing the Accountable Care Act (ACA) has been a focus of our organization. It will continue to be a focus in the New

Year. The ACA lays out a roadmap for the future of healthcare delivery. At HPN we believe we are well prepared to take this journey. Our success has always been predicated on the very tenants of the ACA – quality, coordinated, and cost-effective care to improve our members’ health.

Two important aspects of healthcare reform which occupied much of our time last year were the launch of Heritage California ACO, and preparing for the transition of the dual eligible population to managed care. Heritage California ACO presented us with the opportunity to provide a coordinated, proactive model of care to a larger senior population. The dual eligible demonstration is fast approaching, and we cannot stress enough the importance of working together to ensure that beneficiaries are aligned with their physicians.

HPN views the challenges inherent in reform as an opportunity for positive change; to develop a successful, sustainable model of healthcare delivery for everyone. Being ahead of the healthcare reform curve provides us with the tools to navigate the twists and turns of change, and the opportunity to actually help shape the path of reform.

Richard Merkin, M.D.
President and CEO of HPN



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The Affordable Care Act in 2013

Improving quality, access and affordability, while paving the way for more primary care providers.

The Affordable Care Act (ACA) received two significant boosts in 2012.

The first came with the Supreme Court of the United States’ (SCOTUS) decision to uphold the act’s major provisions on June 28, 2012. The second boost came with the November 06, 2012 re-election of President Barack Obama, the driving force behind the ACA implementation. With this renewed momentum several key provisions of the act, which are beneficial to our industry and our members, should see implementation in 2013.

› Improvement of Preventive Health Coverage Effective January 1, 2013.

The ACA provides new funding to state Medicaid programs when they cover preventive services to patients at low/no-cost. This provision is designed to expand the number of Americans receiving preventive care, and to lower overall healthcare costs as preventive services are critical to maintaining health and avoiding unnecessary hospitalization.

› Expanding Authority for Bundling Payments Effective no later than January 1, 2013.

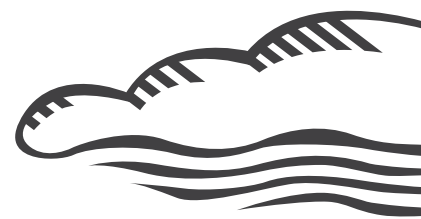
In order to encourage hospitals, doctors and other providers to work together to improve the coordination and quality of care, the ACA establishes a national pilot program for expanded payment bundling. Under the program, this team of divergent providers is paid a flat rate for an episode of care as opposed to the current uncoordinated payment system that reimburses each individual provider for single items or services or smaller item/service bundles. For example, if a team of providers is collaborating on a surgery procedure, each provider would normally bill Medicare individually for their piece(s) of the procedure. Under the pilot structure, the whole team is instead compensated with a bundled payment for the whole procedure. **If the team works together more efficiently, eliminating waste and duplication they will provide better quality care at lower cost than under the individually billed model.** Resulting savings can be shared amongst the team and Medicare.

› Additional Funding Provided for the Children’s Health Insurance Program Effective October 1, 2013.

Provisions of the ACA provide states with an additional two years of funding to continue extending coverage to children whose families cannot afford private insurance and who are not eligible for Medicaid.

The ACA also includes a comprehensive strategy to create more jobs within the healthcare sector, including special provisions to strengthen the nation's backbone of primary care providers. **This ongoing strategy began in 2010, continues through 2013 and beyond, and provides resources to:**

- › **Create more than 500 additional primary care residency slots** across the country by 2015.
- › **Support the development** of more than 600 new physician assistants.
- › **Incentivizing more nursing students** to become nurse practitioners / finish nurse practitioner education sooner.
- › **Establish new health clinics** led by nurse practitioners.
- › **Encourage states to develop and implement innovative strategies** to expand their primary care workforce, and therefore patient access by 10 to 25 percent over the next ten years.
- › **Increase access to providers in underserved areas**, and offer tax benefits to health professionals working in those areas.
- › **Improve access to career training** and offer financial assistance to those training for the health profession.
- › **Provide student loan forgiveness programs** for eligible healthcare professionals.



Like most long-term strategies, the Affordable Care Act started slowly, building the necessary foundations in preparation for lasting change.

The past few years under the act have been mostly about questions and anticipation.

In 2013 we enter the implementation phase in earnest, and many of those questions and concerns will finally be addressed as we both experience and **create a new era of affordable, accessible, quality healthcare.**



Accountable Care in Action



A year's worth of perspective

In early 2012 the Heritage California ACO hit the ground running. Our overall goal; **to improve quality of care and service** through coordination of care across the entire continuum and to reduce costs through enhanced preventative care and disease management. As we prepare to enter 2013 with renewed purpose and an increased patient population to serve, we would like to pause to celebrate some of our 2012 success stories.

Coordinating better outcomes



"My mother and I both live in Bakersfield. In early January, my mother suffered a major brain accident that was untreatable by local doctors, causing her to be flown miles from home to UCLA for treatment. Ultimately, she wound up in a skilled nursing facility in Santa Monica for eight months. Because I also work in Bakersfield, I could only see her on weekends, leaving her alone in the hospital for days at a time. Finally, Heritage California ACO came into the picture. The ACO Community Services Coordinator, Eva, immediately began working to reunite my mother with her family, believing that she was stable to go home, and that the skilled nursing facility was keeping my mom "hostage." She was home within weeks. Once my mom was back in Bakersfield, the ACO proved to be a God-send. Even when my mother had to go back to the hospital,

the coordination of care by Heritage California ACO kept the stay short, and the staff was able to arrange a follow-up visit at BFMC's Priority Care Clinic almost immediately after discharge.

Today, my mom is living comfortably in her own home, with loving family who never leave her bedside, a nursing staff that comes to visit her three times a week, and is seeing her own doctor."

- Ruby L.



Eva
ACO
Community
Services
Coordinator

Personalized care, created just for you

"You guys made me feel like there is hope and that being diagnosed with diabetes is not a death sentence. I felt like I was worth your time. I was given the attention I needed in a timely manner. Your team made me feel important. I was not just a number, but someone you cared about. They were thorough and provided the attention I needed in a timely manner.

Your guys had all the answers and I felt companionship. I was not just a number."

- Stella L.

Touched by Heritage California ACO

*"As my father's Parkinson's Disease has progressed our ACO Complex Case Manager has proved a great asset in acting as a liaison between the family and his primary doctor, coordinating care, facilitating appointments, laboratory orders, and medical equipment referrals. **It is comforting to know that I have someone my family can call regarding my father's care after-hours and even on weekends."***

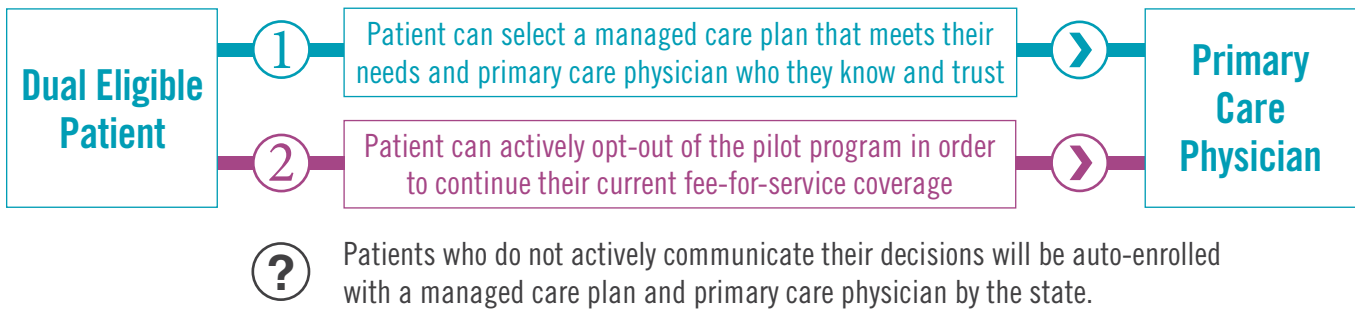
- Corryln M.

Desert Hot Springs, California

Medi-Medi Changes Are Here

The September/October issue of Heritage TouchPoints contained a primer on anticipated changes in the way the State of California would manage its “Medi-Medi” population, or those individuals eligible to receive benefits under both Medicare and Medi-Cal. As predicted, the Department of Health Care Services (DHCS) has begun the process of notifying select Medi-Medi beneficiaries, via targeted letter, of upcoming changes. Inevitably, we as providers can expect many questions and concerns from our patients as they receive such notifications from the DHCS, and we need to be prepared to offer as much help and information as possible.

During the notification period, affected beneficiaries are expected to get a letter that is targeted to them based upon their current coverage. Those under fee-for-service coverage will be given a set period of time from the date of their letter to actively select a managed care plan and primary care physician or to opt-out of the managed care option in order to continue their current fee-for-service coverage. They must actively communicate their decision. Those who do not communicate their decision will be auto-enrolled with a managed care plan and primary care physician by the state.



Making sure your Medi-Medi patients understand and exercise their choices

This plan has understandably raised concerns in the local medical community. After all, these beneficiaries are among the most vulnerable and at-risk populations within the healthcare system. They often have multiple chronic conditions which frequently have gone without treatment prior to their enrolling in Medicare. Therefore it is particularly critical that this population not experience an interruption in the continuity or quality of care for any reason. As a physician, you can do one of two things to ensure ongoing quality of care for your dual eligible patients:

- 1 If you are contracted with an approved Medi-Cal managed care plan in your county, be sure that you guide your patients to select that plan. You should also advise your patient to select the appropriate medical group or IPA to ensure that you remain their primary care provider.
- 2 If you are not contracted with an appropriate plan, or if your patients do not want to enroll in a managed care plan, be sure that they understand they must actively communicate their choice to opt-out of the managed care plan and retain their current fee-for-service coverage.

We're here to help The Heritage Provider Network (HPN) is working diligently through its affiliated groups to ensure that your dual eligibles receive uninterrupted care during the pilot transition. We have also deployed regional resources to help your patients make informed decisions regarding their coverage options during this transition. For more information on assistance available in your region, please refer to the resource directory below.



Affiliated Doctors of Orange County	888.787.1712	High Desert Medical Group	661.951.3277
Bakersfield Family Medical Center	661.327.4411	Lakeside Medical Group	888.787.1712
Coastal Communities Physician Network	800.604.8752	Regal Medical Group Inc.	888.787.1712
Desert Oasis Healthcare	800.500.5215	Sierra Medical Group	661.273.7346
Heritage Victor Valley Medical Group	760.245.4747		

Affiliate Group Update

Bakersfield Family Medical Center

In Loving Memory of Bob O'Keefe (Jul 21, 1951 – Oct 28, 2012)



Bob was a strong and positive force at Bakersfield Family Medical Center. Throughout his battle with cancer he remained optimistic and would never give up. Bob always had that strength of confidence in his business and personal life. There was nothing he couldn't accomplish. He was always ready to take on a challenge and win that challenge. He would want us all to remember him for his strength, optimism, and vigor for life. **His memory will always be cherished. May his vitality spread like a wildfire.**

Desert Oasis Healthcare (DOHC)

Transforming Healthcare Through Heritage California ACO

The Accountable Care Organization (ACO) care delivery model has been described as the *“unicorn of healthcare, a beautiful, magnificent creature but no one has ever seen one or are sure they are real.”* That may have been an accurate assessment 6 months ago, but recently there have been unicorn sightings in the desert.

Our ACO model is PCP-centric and based on the physician leading the coordination of a care plan founded on evidence-based-medicine. The focus is on maintaining wellness versus managing the acute or chronic episodic illness. Support systems offered via exclusive DOHC programs include Disease Management, Case Management, Medication Management, Physicians Home Care Program (PHCP), Home Health, Hospice “Choices” and many others. These programs are expected to improve the overall patient care experience, while reducing avoidable healthcare encounters and preventable hospitalization. Ultimately the expectation is a “bending of the cost curve,” that if left unopposed will have a trajectory that is destined to compromise both our economy and the affordability of healthcare.

The impact of leveraging our existing processes and programs on an additional 10,000 Medicare beneficiaries in the Coachella Valley is being evaluated and analyzed right now.

You may be thinking, “How does this affect me?” The simple answer is that participation in the pioneer ACO project demonstrates our commitment to quality healthcare and supports our role as leaders of transformational change.

Our entire DOHC organization, including our IPA partner physicians and their respective caring staff, is a known innovator in the provision of an integrated healthcare delivery system. Every person at DOHC, at any distance from the patient, is involved in improving the healthcare experience for every patient that touches our organization. We have over 90 primary care physicians and specialists who have aligned with us in this endeavor. So, if you spot a unicorn, you'll know you're a part of the transformation.

High Desert Medical Group (HDMG)

The staff of HDMG is committed to creating the synergy necessary to improve our approach to coordinating care by embracing and achieving **“Triple Aim”**: **Improve the experience of care, improve the health of those we are privileged to serve, and eliminate duplicate and unnecessary care.**

HDMG is certain that by building partnerships with patients, caregivers and providers will undoubtedly strengthen the conversation necessary to create a culture of accountability, which will result in a more efficient healthcare delivery system.

Also, as we begin to transition and integrate Medicaid-Medicare beneficiaries, the commitment to coordinating care as well as population management will certainly be necessary.

Regal Medical Group (RMG) and Lakeside Community Healthcare (LCH)

Don't forget about Medicare Special Election Periods

Even though the Medicare Annual Election Period (AEP) ended on December 07, 2012, under certain circumstances, beneficiaries may still be able to make changes to their Part C (Medicare Advantage) and Part D (Prescription Drug) plans under what's called a Special Election Period. (SEP) SEPs occur in certain situations, like if a beneficiary loses their medical or drug coverage, if they move out of their current MAPD HMO service area, or if they enter or leave a nursing home. If you, or any of your patients, have questions about Special Election Periods, or about Medicare coverage in general, please refer to the appropriate number in the regional resource directory on this page, or contact your local Health Insurance Counseling and Advocacy Program at www.cahealthadvocates.org/HICAP/index.html

Sierra Medical Group

Sierra Medical Group is happy to announce the completion of the expansion and remodeling of our Lancaster facility. The 13,000 square foot building has been expanded to 19,900 square feet and includes 9 provider offices, 27 exam rooms with new computers, rooms designated for patient education, telemedicine and a newly renovated urgent care. A new telephone system with direct line access has also been installed.

We hope to showcase our newly remodeled building during our open house early next year. The open house will include facility tours, a blood drive, various health screenings, raffle prizes, games and much more. The date is yet to be determined and will be posted on our website. Please visit www.sierramedicalgroup.com for more information.

Heritage in the News

“HealthLeaders Media” Names Dr. Richard Merkin a Top 20 Healthcare Leader in 2012

In the annual “HealthLeaders 20” profiling individuals who are playing a critical role in improving healthcare, Dr. Merkin was recognized for his visionary approach to solving complex medical problems through the \$3 million Heritage Health Prize Competition. The goal of the prize is to help save the country over \$40 billion in avoidable hospital costs. The prize is the world’s largest predictive modeling contest, challenging entrants to create an algorithm that predicts how many days a patient will spend in the hospital in a given year.

“I am honored to be included in the “HealthLeaders 20” as a global leader in healthcare innovation,” said Dr. Merkin. *“The Heritage Health Prize has attracted over 27,000 entries from around the globe representing many different sectors of industry. I truly believe this competition can help solve our country’s \$3 trillion healthcare crises in a globally transformative way,”* he continued.

“We noticed that when we identify patients at high-risk for hospitalization, in many instances early intervention might be able to prevent unnecessary hospitalizations,” Dr. Merkin continued. *“It became obvious that if we could identify these high risk patients with greater specificity and sensitivity, we could help transform healthcare by hopefully reallocating some of the care dollars into cure dollars. Creating this prize establishes a competition within an online global problem solving community encouraging entrants to share innovative ideas that will change healthcare delivery.”*

For more news, visit www.youtube.com/hpnhealth



Heritage Provider Network Affiliated Medical Groups

One of the largest integrated physician associations in California

- ▶ **Affiliated Doctors of Orange County**
www.adoc.us | Phone: 800.747.2362
Counties Served: Central and North Orange County
Total Number of Contracted Physicians: 1,000+
- ▶ **Bakersfield Family Medical Center**
www.bfmc.com | Phone: 661.327.4411
Counties Served: Serving all of Kern County.
Total Number of Contracted Physicians: 400+
- ▶ **Coastal Communities Physician Network**
www.ccpnhpn.com | Phone: 800.604.8752
Counties Served: San Luis Obispo and Tulare.
Total Number of Contracted Physicians: 600+
- ▶ **Desert Oasis Healthcare**
www.mydohc.com | Phone: 760.320.5134
Counties Served: Imperial, Riverside & San Bernardino.
Total Number of Contracted Physicians: 500+
- ▶ **Heritage Victor Valley Medical Group**
www.hvvmg.com | Phone: 760.245.4747
Counties Served: Los Angeles and San Bernardino.
Total Number of Contracted Physicians: 200+
- ▶ **High Desert Medical Group**
www.hdmg.net | Phone: 661.945.5984
Counties Served: Los Angeles and Kern.
Total Number of Contracted Physicians: 275+
- ▶ **Lakeside Medical Group**
www.lakesidemed.com | Phone: 818.637.2000
Counties Served: Los Angeles, Ventura, Riverside and San Bernardino.
Total Number of Contracted Physicians: 2,350+
- ▶ **Regal Medical Group**
www.regalmed.com | Phone: 866.654.3471
Counties Served: Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura.
Total Number of Contracted Physicians: 12,100+
- ▶ **Sierra Medical Group**
www.sierramedicalgoup.com | Phone: 661.945.9411
Counties Served: Kern, Los Angeles and San Bernardino.
Total Number of Contracted Physicians: 100+