



Direct to employer partnerships

Provider of Choice Breakout Session
May 20, 2021

Welcome to our breakout session! We'll begin at **2:20/3:10pm** ET.

A **FEW TIPS** to ensure today's session is a success

- Everyone is **automatically muted** when joining.
- You can **use the chat box to ask questions of the presenters** or share your thoughts with your fellow attendees.
- **Please be patient with the technology.** There can be delays.
- For the best viewing experience, we recommend **changing the layout to grid view.**
- **Send any technical questions** to Alyssa Luz in the chat or at LuzA@advisory.com
- Submit any additional questions you have after the presentation to **ask.advisory.com**.

Today's research experts



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QUICK POLL

Providers: are you currently involved in an employer partnership (e.g., direct-to-employer contract, COE network)?

- A. Yes
- B. No, but considering within the next year
- C. No

In which service lines are you involved/would you want to pursue employer partnerships?

- A. Orthopedics
- B. Cardiovascular
- C. Oncology
- D. OB
- E. Neuro/spine
- F. Occupational health

Defining COE: Specific specialty care at specific sites

Our definition for today's discussion

Purchaser programs that incentivize or direct patients to use specific providers for specialty care in order to reduce cost, cut spending, and/or improve quality.

Other definitions

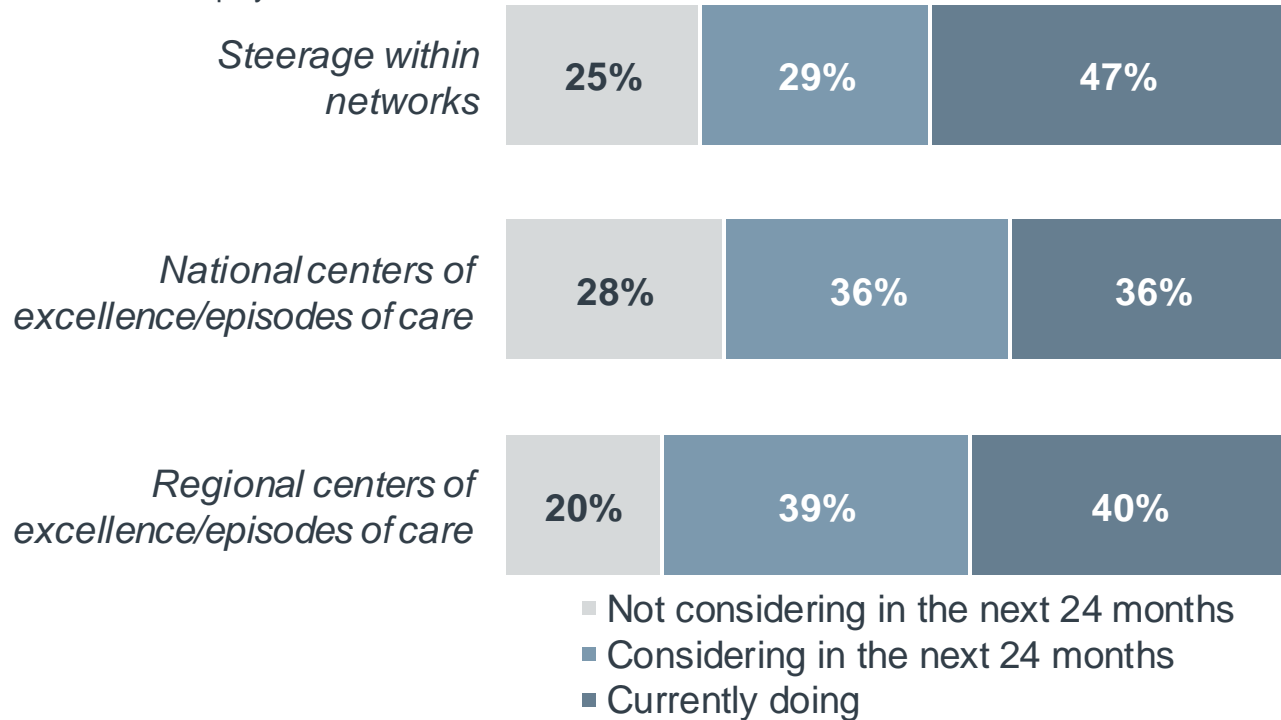
- **Informal center of excellence terminology**
Specialized programs built for a specific condition or procedure that relies on a team-based approach to care and well-defined patient pathways
- **Certification from accrediting bodies**
Formal certifications given by groups such as The American College of Cardiology for meeting clinical standards, processes, and outcomes metrics
- **Designations from commercial health plans**
Labels given by payers such as Anthem's Blue Distinction Centers that are typically based on both quality and cost performance

Employers are embracing steerage

Employer interest in narrow networks and centers of excellence

2020

n=165 U.S. employers



 **82%**

Of employers believe that COEs will **reduce annual health care costs** per employee

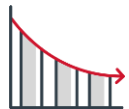

 **92%**

Of employers believe that COEs will **impact the quality of care** provided to employees

Source: "Pulse of the Purchaser Survey: Healthcare Strategy & Beyond, September 2020 Results," National Alliance of Healthcare Purchaser Coalitions, September 28, 2020, <https://connect.nationalalliancehealth.org/viewdocument/pulse-of-the-purchaser-survey-health>; Willis Towers Watson, "2020 Health Care Delivery Survey," October 16, 2020.

Models shaped by cost savings opportunity for a service

Two center of excellence frameworks

Goal	 Reduce inappropriate utilization	 Reduce cost per case
Value proposition to payer	Providers in program offer low inappropriate utilization of high-cost services	Providers in program reduce total cost for treatment episodes at the same or higher quality
Typical payment model	Fee for service	Bundled payment
Defining characteristics	<ul style="list-style-type: none"> • Variation in treatment for a condition or diagnosis • Evidence of superiority of some treatment pathways over others 	<ul style="list-style-type: none"> • Variation in outcomes or cost • Accepted treatment pathway for a diagnosis or condition
Examples	<ul style="list-style-type: none"> • Spine surgery • Cancer care 	<ul style="list-style-type: none"> • Joint replacement • Maternal medicine • Open heart surgery

Exploring the details of each framework

Case in point: Orthopedics COE models, by service

<i>Service</i>	Spine surgery	Joint replacement
<i>Case example</i>	<p>Walmart Retail corporation with 1.5M employees • Bentonville, AR</p> <ul style="list-style-type: none"> • Walmart aims to reduce spine surgery utilization by steering employees to high-quality COEs that often recommend non-operative treatment • Walmart saves \$32K, on average, for each of the 54% of patients that avoid surgery at a COE 	<p>SEIU 32BJ¹ Union representing 148K service workers • New York, NY</p> <ul style="list-style-type: none"> • Contracts with Mount Sinai Health System on a 30-day bundle for joint replacement aimed at reducing cost and outcomes variation • Program saved SEIU 32BJ \$1M in 2018 and prevented any readmissions for THA patients
<i>Value proposition</i>	Low and appropriate surgical utilization	Short return-to-work time and lower cost and quality variation

COE goal determines necessary provider investments

Investments needed to engage in COE

Example 1: Joint replacement

Example 2: Spine surgery



Short length of stay and return-to-work time



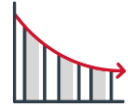
Comprehensive patient triage and navigation



Ability to accommodate travelling patients



Multidisciplinary program management



Mechanism to ensure appropriate use of surgery

5%

Percent of health systems that ultimately met ECEN¹ COE requirements, even with requisite infrastructure and outcomes

1. Employers Center of Excellence Network. Network includes large, national employers such as Walmart, Lowe's, McKesson and JetBlue Airways.

Sources: Slotkin, et. al., "Why GE, Boeing, Lowe's and Walmart are Directly Buying Health Care for Employees," *Harvard Business Review* (June 8, 2017); Advisory Board research and analysis.

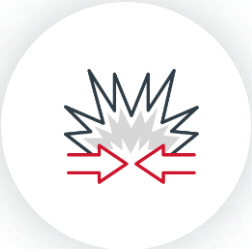
QUICK POLL

Which of the following would be the **greatest hurdle** for your service line to become part of a COE network?

- A. Demonstrating the right outcomes metrics
- B. Negotiating a fair price
- C. Multidisciplinary collaboration
- D. Consistent use of evidence-based guidelines
- E. Infrastructure to accept traveling patients

COEs must be more than just a volume play

..... Organizational Goals for COE Designation



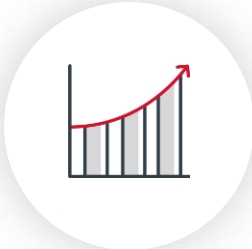
**Competitive
necessity**



**Improve
outcomes**



**Brand
recognition**



**Increase
volume**




**Improve payer
relationships**

For new entrants, increased volumes from COE partnerships are **not likely** to offset investment costs

Evaluate your readiness for employer contracts

 CHEAT SHEET
Service Lines, Institutes,
and Centers of Excellence

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The Integrated Care
Advantage


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 BLOG POST
What MSK and Carrum Health
learned from developing cancer
bundles


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 RESEARCH
The Oncology Leader's Guide
to Developing Employer
Partnerships


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 DECISION GUIDE
Is your spine program
ready for employer
steerage?

[Read now](#)

 DECISION GUIDE
More employers are steering
their workers' spine care choices.
(And most spine programs aren't
ready to respond.)

[Read now](#)

 OUR TAKE – COMING SOON
Earning Inclusion in Employer
Centers of Excellence Networks

 DECISION GUIDE – COMING SOON
Is your program ready
for employer steerage?

End of Breakout Round 1: next steps



3:10 PM ET–4:00 PM ET



Next Session: Breakouts Round 2

- Please click on the link in your calendar hold to join the next session starting at **3:10 PM**.
- If you cannot find the calendar hold, you can join using the link on the event page:
advisory.com/Topics/Clinical-Services/provider-summit



We value your feedback!

- Please share your thoughts on this breakout with us by filling out the evaluation. *Note: this is a separate evaluation from the one you received after the general session.*
- The evaluation will pop up in a separate window after you exit.

Take a 5 minute break



Please take some time to stretch, refill coffee, and grab a snack. We will start at 3:10pm ET.

End of Breakout Round 2: next steps



We value your feedback!

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Check the event page soon for slides from today's presentation and other related resources:

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