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Changing Needs

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Gerard F. Anderson, PhD; Johns Hopkins University

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HealthSpring “Gets” Physician Engagement.

Posted by Vince Kuraitis on February 6, 2008 · Filed in [Companies](#), [DM Megatrend #2: Integration](#), [DM Megatrend #3: Medicare](#), [DM Megatrend #8: Providers](#) · [Comments](#)

I've written a lot recently about Medicare Health Support (MHS). We are learning a lot from MHS about what DOESN'T work with the frail, elderly Medicare population.

But, what DOES work?

One key lesson emerging from MHS is the need to integrate and engage physicians and other local care providers...easier said than done.

MHS is just one of many experimental approaches being tried by Medicare. Other approaches include the medical home model, Medicare Advantage plans, Special Needs Plans (SNPs), P4P, and a [variety of other Medicare demos and pilot projects](#) . I've been critical of Medicare's lack of transparency lately, but I applaud their innovation and experimentation.

While we definitely don't have all the answers, I'd like to bring your attention one company that I believe

has the right strategy and mindset: [HealthSpring](#) . HealthSpring owns and operates Medicare Advantage plans in Alabama, Florida, Illinois, Mississippi, Tennessee and Texas and also offers a national stand-alone Medicare prescription drug plan.

HealthSpring recently conducted an Investor Day meeting with financial analysts. You can read the entire transcript of the meeting [here](#) — warning, it’s about 35 pages long. I’ve culled through this presentation to dig out some best practices that HealthSpring is employing.

A few comments before we dig in to the transcript:

- HealthSpring has a strategic focus to engage physicians, reduce member turnover, and reduce costs. These are key differentiators. Over the years most health plans have alienated physicians or have been schizophrenic in dealing with physicians.
- It’s not clear what type of model will be most successful in Medicare care/disease management. Many different companies are trying many different approaches. There are lessons here for all.
- It’s a team effort. No one company can do this themselves. For example, I have worked with a lot of tech companies as clients and they frankly tend not to “get” the complexity and multi-dimensional nature of engaging physicians. Handing a doctor a gadget or sending them a fax with information about their patient is not enough...pay attention.
- Take this as the beginning of a list of best practices; no body has physician engagement figured out yet, but HealthSpring has a running start.
- It’s multidimensional...there’s not ONE thing that works, it’s a combination. Think — culture, mindset, activities, best practices, incentives, business model, operating model, etc.

So with that backdrop, here are select comments from the [transcript of HealthSpring’s recent Investor Day meeting](#) . The quotes are from various members of HealthSpring executive management. If you just want to skim, I suggest looking for words and phrases that I’ve *italicized*:

Just a quick overview of kind of the HealthSpring general strategy. *Our whole focus has been on getting physicians engaged in part of the process of adding value to the health-care system*

We really are seeing the impact of physician engagement and finding that as doctors do get engaged with us, it makes a huge difference. And we decided to, rather than try and subsidize the docs that weren’t so engaged and didn’t have as good results, to go to a *tiered network product*. We think that’s a long-term strategy. It will tend to make it much more attractive for members to join engaged physicians and hopefully weight our membership that way. We’ve already seen 2,000 to 3,000 members transfer from nonpreferred physicians to preferred physicians.

We continue to invest in a *platform*.

And we have restructured our medical management operations, or are in the process of it, *moving away from sort of telephonic model, population-based to an interventional model*.

The nice thing about having a highly engaged physician model is that you can *communicate with them* and they can help you turn things around

...there’s probably a 3 to 4 point differential [in the Medical Loss Ratio (MLR)] between a group of physicians that are highly engaged to, say, medium to low engagement.

...a group that we brought in that was not engaged and it was a very, very different picture to the tune of 5 points on an MLR. And so we have to *continue to work with those individuals and get them more engaged*.

...they are *highly incented* to want to be a part of the engaged model. And they are actually reaching out to those Medicare eligible that would qualify and really moving them in .

the biggest challenge we have in getting physicians engaged is getting their time and attention to listen to what we have to say. The physicians, they have commercial membership. They may be with other MA plans. They have traditional Medicare members or patients. So they are very busy.... sometimes *we actually pay them a stipend to come and listen to what we have to say...* if I have a doctor with 25 HealthSpring patients, it's not high on his radar screen necessarily to carve out an hour or a dinner to come and really get engaged and listen to what we have to say. But once we're able to find that environment, we have great success.

...we were able to provide those physicians with *good data*, good data which tells them just what the *overall health status of that member* is to begin with. And where their office has difficulty getting the member into the physician's office, we'll augment that through our *coordinated care plan initiatives* to bring that patient into the physician's office and work to get that done. Or, if necessary, *we will send a physician out to their home* to take care of that member from that perspective. But *technology has helped a great deal* in getting the physician's attention.

...we notice a difference when a primary care doctor has around 50 to 75 of our members, we notice a difference in his attention to us and things that Herb talked about, really trying to understand. So we have programs in place to *try to get doctors to at least 50 members per panel*; that's kind of our break point. And then it improves as we move forward.

...a lot of our appeal is saying if you spend the time and get engaged with us, we can *significantly enhance your fee-for-service Medicare reimbursement*. And as I said, as long as you are a meaningful part of the practice, most physicians, that resonates with and you'll get their attention. At least at the primary care level,...we really leverage those primary care relationships to get the specialists on board.

And so we are developing programs to help *encourage and incentivize the office staff* as well.

I know you all have heard physician engagement at least 10,000 times. That is what we're about. But I can really — probably the disenrollment between a physician's office that is engaged and it is not, it is probably half to one-third.

We have a *VP of Health Services* to provide coordinated services. And we have some Director level individuals that provide services as well for our clinical services, our regulatory services and our quality services.

We also work to try to *manage our vendor relationships*. We have a wide diversity of vendor relationships that provide medical management services. And at enterprise level, as well as a market level, we try to coordinate and manage those relationships and those contracts.

We also serve at an enterprise corporate medical management level to try to *share best practices* in terms of what is going on. We have a lot of good markets and a lot of good medical management teams at those levels, and they are always innovating and trying to develop new ways to improve and manage the membership and the medical loss ratio.

Historically most managed care companies tend to be reactive...So what we try to do is being much more *proactive*.... We have umbrellaed all of our services now so that we now call it a *chronic care improvement program* so that case management, disease management, social work are all under the one umbrella and coordinating and managing their services.

...we have really moved very aggressively to *early assessment intervention*.... We tightened down our health risk assessment, or HRA, turnaround times so that every dual member that enrolls is usually assessed by a health risk assessment within two business days.

We also *work with select vendors*. We have been a strategic partner with Healthways for a number of years. We have reorganized that relationship to be more aggressive and more interventional in nature, to be more in line with our current program and thrust associated with the management that we do internally. And that has worked out quite well. I think one of the other Market Presidents also talked about the fact that we're looking to partner with vendors that are placing additional medical resources out into the community, such as physician home visits.

And we want to generate a *single database* so that we can generate the information. We're very a data driven organization. On the medical management side we find it very effective to come to physicians to say, here's the data.

The final thing that we're looking for for probably '08 and '09 is develop a *closer integration with mental health*. In this population there is a lot of psychosocial challenges associated with an aging population.

There are some great lessons here.

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