

Achieving Transformation Through Public-Private Partnership

Case Study: Kern Medical Center

Background

Health care for the uninsured in Kern County was historically fragmented due to multiple geographic, organizational, and technological challenges. Public safety net providers in Kern County operated within silos, with few opportunities to coordinate services. Faced with limited health care options, uninsured patients turned to the Emergency Department at Kern Medical Center (KMC) as their primary source of care. The largest, and by far the busiest, safety net hospital in the region, KMC provided, and continues to provide, the majority of the hospital outpatient and inpatient services for uninsured, indigent patients in Kern County. When COPE Health Solutions (COPE) began collaborating with KMC to develop a strategy to address these system challenges, many of these visits were either for non-urgent care or acute care visits for preventable conditions. An evaluation performed by COPE using KMC data demonstrated that KMC spent over \$4,000,000 in 2007/2008 treating patients in a hospital-based setting that could have been otherwise managed with timely outpatient primary care.

The Vision

As part of the proposal development for the Medicaid Demonstration (Health Care Coverage Initiative – Section 1115 Medicaid Waiver 2006), COPE proposed a multifaceted strategy to improve health care, targeting change at the system, organization, provider, and patient levels. COPE worked with KMC leadership to develop a vision to create an integrated delivery network, which became known as the Kern Medical Center Health Plan (KMCHP), to maximize the demonstration's funding impact in the community.

A cornerstone of KMCHP was linking patients to a local “medical home” where a patient could easily access a comprehensive range of services addressing most health care needs, including the coordination of and access to outpatient specialty and diagnostic care. By offering a set of programs and services that met unique regional needs, KMCHP provided care more efficiently; consequently, decreasing per-patient health care costs, improving access to care and enhancing patients' abilities to navigate the system and manage their own care. As part of a successful proposal for the Medicaid Demonstration, Kern County was one of ten counties selected to participate in the three year demonstration that allowed public health care systems and partners to provide Medicaid-like coverage to indigent patients with the intention of developing sustainable, innovative and cost-effective models of care. As part of this demonstration, KMCHP was awarded an allocation of nearly \$40 million for health care and administrative costs over three years to support the development and implementation of an integrated delivery network for the county.

The Goals

In developing the new health care delivery framework, KMCHP was directed to address the following six goals as a requisite to participating in the Medicaid Demonstration:

- Expand the number of Californians who have health care coverage.
- Strengthen and build upon the local health care safety net system, including disproportionate share hospitals, county clinics, and community clinics.



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Historical partnerships between public and providers to increase access and quality, while decreasing system costs.

- Improve access to high quality health care and health outcomes for individuals.
- Create efficiencies in the delivery of health services that could lead to savings in health care costs.
- Provide grounds for long-term sustainability of the programs funded under the Coverage Initiative.
- Implement programs in an expeditious manner in order to meet federal requirements regarding the timing of expenditures.

These far reaching goals set the bar for minimum expectations for the public-private, integrated delivery network. Working with local leadership and the state, COPE was able to develop a network design and approach that met and exceeded each of these goals, ensuring KMCHP was able to draw down the full amount of funds allocated to the demonstration.

Highlights of COPE Health Solutions' approach

During the contract period from November 2007-August 2010, COPE executed the following activities:

- *Planning, development, and implementation of the Health Plan:* Wrote the initial CI proposal on behalf of Kern County to the State and negotiated the terms of the contract. During the planning phase, convened key stakeholder workgroups to engage all stakeholders in the development of the health plan.
- *Administration and ongoing management:* Carried out all of the functions of a health plan, including creating screening and enrollment processes, conducting outreach to potential enrollees, processing claims, managing the contract with the State, tracking patient satisfaction, and performing ongoing data analysis for quality improvement efforts.
- *Coordination of care:* Authored and negotiated contracts between KMC and private community clinics to expand primary care access for patients, and assigned all KMCHP patients to medical homes. For frequent users of hospital services, developed a Care Management Program to assist patients in accessing care more appropriately. Care between community clinics and KMC was enhanced through redesigning specialty care referral processes and implementing a process for information sharing between community clinics and KMC.

Benefits and Outcomes

By developing and maintaining strong relationships between the various network providers (public and private), ensuring joint-accountability and adapting designs to current realities, KMCHP demonstrated how systems can maximize available resources and current operational frameworks to drive the success of a more integrated, cost-effective health system.

KMCHP achieved demonstrable improvements in the quality, coordination and cost-effectiveness of health care delivery for Kern County's safety net population. A formal evaluation by UCLA indicated that Kern was one of only two counties that demonstrated consistent decreases between coverage initiative years one to three in both the rates of Emergency Department and inpatient visits. Moreover, the Care Management Program, which served patients who disproportionately accessed hospital resources, resulted in significant decreases in ED and inpatient utilization among Care Managed patients. In recognition of the efforts to increase coordination and integration, KMCHP was awarded a National Association of Public Hospitals (NAPH) Safety Net Award for Integrated Delivery Systems.

Perhaps most noteworthy of this integrated delivery model was the historic departure from traditional care delivery, in which KMC worked independently to address the overwhelming needs of a vast geographic community. To bridge this critical gap in access, without building additional service sites, KMCHP was able to immediately expand outpatient primary care capacity by establishing formal agreements with two community health center organizations. At the conclusion of the initial three year demonstration, over 10,500 patients had been assigned to a medical home (41% of these patients were assigned to a private community health center).

To date, this partnership has grown to include the area's largest community health center organization, and with these three private partners, KMCHP is able to provide timely, local access to affordable care across the county. This relationship represents the first ever public-private partnership for the medical center and private community health centers, not only demonstrating the feasibility of such collaboration, but the practicality of coordinating with available resources and providers to improve the level of care for the community.

COPE Health Solutions is a national leader in helping health care organizations succeed amid complexity and uncertainty

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