

CASE STUDY

Impact on Hospital's
Outcomes

**Improved Care
Coordination**

Through physician education and engagement, care coordination and quality of care improved.

**11%
Reduction in
A/R > 60**

from 13% to 2% in FY17

Risk > FFS

Due to the success in managing delegated risk, the hospital is approaching additional health plans to move some of its FFS agreements to risk-based contracts.

Pursuing Risk: Hospital Takes Proactive Approach to Manage Risk, Improves Quality and Financial Performance

About

This 350-bed, California-based community acute care hospital specializes in maternal and child health, cardiac care, orthopedics and critical care services. The independent, not-for-profit hospital treats more than 100,000 patients each year.

Challenge

The hospital struggled to cost-effectively serve the needs of its population and looked to improve its ability to administer risk-based agreements. The hospital also faced challenges related to its managed Medicaid contract with the county. The county experienced chronic delays adjudicating claims, which resulted in a large block of claims stagnating at the county-payer level. Hospital executives worked with the county to move from a fee-for-service (FFS) to a capitated-payment arrangement to improve their efficiency and financial performance.

Solution

To manage the process for taking on risk, the hospital contracted with Conifer Health to manage the risk pool and operate the utilization management and claims adjudication functions for the risk-bearing organization. Through Conifer Health's ongoing management, the hospital has improved cash flow, significantly reduced outstanding accounts receivable (A/R), and increased opportunities to get paid upfront for services. The hospital ended fiscal year 2017 with an A/R aging over 60 days average rate of 2% — compared to 13% previously — as Conifer Health processed claims more efficiently. Because the hospital and physician groups share risk, and the risk pool was successful in improving outcomes and managing costs, the physician groups participating in the risk-sharing arrangement received a distribution from the risk pool according to the negotiated terms of the arrangements, further proving the benefits of shared risk and clinical alignment. The risk pools have successfully met their targets since the agreement's inception in 2005. Because coordinated care is critical to achieving and beating quality goals, Conifer Health worked with the physician groups, analyzed utilization, and through ongoing education, engagement and management, significantly improved the level of coordination through the network.

Conifer Health helps organizations transition from volume to value-based care, enhance the patient experience and improve quality, cost and access to healthcare.

For more information, visit ConiferHealth.com/Hospitals



Sharing Risk – And Reward

By managing risk and taking control of delegated claims processing from the county, the hospital accelerates payments and improves clinical coordination with partner provider organizations.

Physician Alignment Is Critical

Meeting regularly with participating provider groups to discuss services provided and any outstanding issues leads to greater efficiency, improved coordination and better outcomes for patients.



Take the Lead

By strategically taking on risk, hospitals can improve the efficiency of their revenue cycle, keep A/R down and often negotiate better arrangements with ancillary providers.



Align for Risk

Hospitals can improve their financial performance and efficiency if they develop a systematic approach to tracking care in ways that allow them to take on and manage delegated risk. By aligning with a third-party managed services partner and physician groups, they can succeed in managing downside risk.



Next Steps

With Conifer's support and alignment, the hospital has successfully established the infrastructure to continue to take on additional risk in ways that are better for its patients and bottom line. Moving forward, the hospital continues to focus on improved coordination of care within its network, while continually finding and working with the highest-quality providers in the region.