

## A word with Dave Self about health care cost and quality

Dave Self is vice president of administration at St. Luke's Health Partners, a Boise network of health care providers and insurers that was created in 2014 to bring down health care costs.

At SLHP, Self is responsible for an 80-person accountable care organization that is managing the costs of providing care. Instead of reimbursing affiliated providers for each service provided, a practice known as fee-for-service that has long been the standard in the U.S., SLHP has an agreement with insurance companies and with providers that is aimed at keeping costs down. Instead of being reimbursed on the basis of how many services are provided, providers are reimbursed for the outcomes of the care, a practice known as value-based care. SLHP has a relationship with both independent providers and the providers employed by St. Luke's.

St. Luke's isn't the only one moving toward value-based care; the other big hospital in Boise, Saint Alphonsus, has a similar program called Saint Alphonsus Health Alliance. Self comes from the insurance world, but SLHP isn't an insurance company; it's a financially and clinically integrated network of providers and insurers. This type of organization is known as an accountable care organization because it's accountable for the financial and clinical performance of the entire network, not just for individual providers.

In January, SLHP's accountable care organization with CMS, the Centers for Medicare & Medicaid Services, went live, meaning CMS had assigned a population to providers at SLHP. That agreement involves about 25,000 patients in 20 Idaho counties.

Idaho Business Review spent some time talking to Self about SLHP and what he hopes it will achieve. The interview has been edited for length and clarity.

### ***Why did St. Luke's create this accountable care organization?***

Spending 17 to 18 percent of the GDP on healthcare is not sustainable for the nation. Somebody had to step up and start saying there is a better way and we're going to invest and get this thing underway. St. Luke's is one of those organizations, and you find them across the country.

### ***How can you assess the quality of care patients are getting?***

Part of the agreement we have with the insurance companies is that we get claims information that we put into a business intelligence engine. Then we also add in the electronic health record information, so we can build this very strong picture of the patient.

Say it's David Self. They can say he's six feet, 190 pounds, could stand to lose another 10 pounds, doesn't smoke, but he's got high blood pressure, so I may be called a rising risk. The key to improving population health is to identify the people who are a rising risk and have an honest conversation with them about what they can do.

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It's about working with people before they become part of the 5 percent of the population that uses 50 percent of the health dollars. By putting this into the business intelligent engine we can use machine learning to understand where those rising risks are, and give those to the doctors. We provide not just data, but we provide actionable information to the physicians. Our medical staff can help those practices optimize their performance.

***How are you going to know if what you're doing is successful?***

It will take more than one year. Short-term you'll see some financial performance gains in a network; it takes longer with most health care outcomes.

***What short-term gains can you see?***

We would hope to operate below the total amount allocated for the budget. Then there is something for the incentives for the providers.

***What kind of questions do business people ask you?***

Business people want to assure that quality of care is first and foremost. Followed closely by cost. They want to know, "When can I expect to see a decrease in cost?"

***Doesn't a system based on lowering costs encourage physicians to avoid procedures or tests that might be necessary?***

If there is any doubt in the provider's mind, they are not going to risk any adverse outcome. The measures we hold participating providers to in the network are quality measures. And they are tied to the cost outcomes. We look at the totality of healthcare spending in the network.

***What is the provider's incentive to think of health care in terms of outcomes?***

In the financially and clinically integrated network, providers participate in accountability. It's not based on just one situation. The provider is not dependent on one patient's health alone.

The provider has a large panel of people that he or she works with. Their performance is tied to their panel of patients, as well as the performance of the entire network. In the agreement we have with government or a major employer or an insurance company, it says if there is a positive outcome, that outcome is shared with the people who made it happen. If there is a negative outcome, St. Luke's health partners are on the hook for the negative.

It's talking about the long game. What we want over time is to improve the health of the population.

***How is population health different from community health?***

We take accountability for the health outcomes and the financial performance for a defined population of people who are attached to us with a contract through the federal government, private insurance, or a major employer.

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With community health, it's the community at large. St. Luke's Health System can't move the needle on that one by itself, but we can be the collaborator. There are a lot of different parties involved in that, like United Way and the state.

***Which private insurance companies do you work with?***

Four years ago, St. Luke's health system collaborated with Select Health, and when Select Health came to market, it's because Select Health was aligned to a vision of St. Luke's health system of how to take accountability for health outcomes and improving the costs of care. The agreement with the payer says, the insurance company, for this individual line of business, the products sold and those people will be attributed to the St. Luke's Health Partner network.

We also work with a variety of payers, but Select Health is the most closely aligned.

***What can you tell me now about how things are going?***

It's way too early. We have a little more than 160,000 lives attached to SLHP through an accountable care agreement. Twenty-five thousand of them are Medicare patients, and then there are private payer patients from a wide range including Blue Cross and Mountain Health Coop.

***How does this affect people who are managing businesses?***

If they enter an accountable care agreement with the insurance company that is working with us, over time we hope they would see reduced costs of care. That's the goal.

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