

Delivering value by transforming care



Legacy Health



Message from Legacy's Care Transformation leadership

Legacy Health is actively investing in care transformation, both within our organization and through collaborations with local and regional partners. As we reflect on the results of our concerted efforts in 2016, it is evident that our approach is unique, effective and good for the health of our community.

Legacy is pursuing a pluralistic approach to transforming care. Our clinically integrated network is comprised of employed and independently practicing providers. This results in a care delivery system that is integrated, innovative and tightly aligned around a shared vision of quality improvements that produce value — value for patients and members, employers and payors.

As a comprehensive health system, we are proud of our legacy of providing outstanding care to people when they need it. With six hospitals, dedicated children's care offered at Randall Children's Hospital at Legacy Emanuel, and more than 70 clinics, we are the fifth largest employer in the Portland metro area. We are also the only locally owned and operated not-for-profit health system in our region. Now, with the addition of over 1,800 independently practicing providers through Legacy Health Partners, our capacity for improving health outcomes and delivering value is even greater.

The members of our clinically integrated network agree to be held accountable to a set of performance standards. These are developed by a provider-led board and committees with input from the full membership, and aligned with national benchmarks and targets. In 2016, the Legacy Health Partners network of providers delivered quantifiable improvements in patient health outcomes and more efficient use of financial resources.

The Legacy Health Partners network comprises primary care providers and specialists throughout the Portland metro area and Southwest Washington. For members of a health plan, the ability to access a respected network that is broad and integrated is a big plus. If an employer should change health plans, the employee likely won't face the inconvenience of needing to find a new provider.

Our approach to population health management is also rooted in collaboration and communication. Because our care team coordinates closely with all parties involved in a patient's care, there is less duplication of services. Every entity involved in an individual's care can use their resources appropriately and efficiently. This is a fundamental driver of transforming care.

Good health for our community is our north star. We can chart our progress by the results we produced in 2016, and we strive to deliver even more value in 2017 and beyond.



Jon Hersen
Vice President, Legacy Care
Transformation



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Executive Summary

Legacy Health is transforming the way we deliver care. As national reimbursement models transition from volume to value, health care organizations increasingly will be challenged to deliver higher quality, better coordinated care that benefits the patient and produces greater value for every dollar spent. Legacy is meeting the care transformation imperative head-on.

The four pillars supporting Legacy Health's care transformation initiative and the focus of this report are:



Provider and Member Engagement
Legacy Health Partners



Model of Care Development
Care Support Resources



Community Collaborations
Legacy Partner Solutions



Financial Alignment
Value-based contracting

Legacy Health Partners, our clinically integrated network, is comprised of 2,400 providers focused on a growing set of quality improvement measures aimed at improving health and managing costs.

Care Support Resources, the heart of our population health management services, provides an extra layer of care support for health plan members with chronic and complex conditions.

Legacy Partner Solutions, a portfolio of clinical and administrative support services — along with other provider and practice resources — is available to Legacy Health Partner practices to promote efforts that meet population health goals.

Value-based contracting is our strategy for steadily taking financial accountability for populations and increasing our capacity to make significant improvements in the health of our community.

2016 performance highlights

- \$1.1 million in shared savings realized through performance on the Legacy Employee Health Plan (LEHP) contract
- Exceeded our per-member, per-month (PMPM) target by more than \$9
- 19,000 people received benefits through the LEHP contract, including 360 lives managed by Care Support Resources
- 31 percent reduction in medical costs for health plan members managed by Care Support Resources
- Met targets for 16 of 22 Legacy Health Partners (LHP) Clinical Integration Program measures
- Performed better on 20 Clinical Integration Program measures for LHP-attributed patients compared to non-LHP attributed patients
- Exceeded HEDIS 90th percentile for three cancer-screening measures
- Launched several provider-support services, including medical home and MACRA consulting

Legacy Health's results in 2016 as well as our growing clinical integration capabilities demonstrate our progress on these strategies. After our first full year of performance, we are realizing a return on investment in the form of improvements in quality, efficiency and patient health.



Provider and Member Engagement

Legacy Health Partners

The formation of Legacy Health Partners in 2014 was a significant step in our care transformation journey. Legacy Health Partners is a partnership of independent private practice physicians, Legacy Health and Legacy Medical Group. It is a physician-led, clinically integrated network that uses information technology and data integration to help providers improve population health.

The Legacy Health Partners network comprises 2,400 providers from 200 practices. Primary care providers, specialists and practice staff are aligned around a growing set of performance measures that are shown to improve patient and population health and deliver greater value for every health care dollar spent. Members are supported by a provider-led board and committees, dedicated staff, data and technology resources, Field Operations Advisers, Care Support Resources, Legacy Partner Solutions and communications and educational resources.

The 2016 Clinical Integration Program included performance measures designed to improve patient care outcomes, increase efficiency and strengthen the overall performance of the network. Measure targets were set against established, nationally accepted benchmarks.

Legacy Health Partners met 16 of 22 network measures in 2016

LHP's strong performance on the 2016 measure set represents great care provided to patients across the continuum — from the inpatient to outpatient settings and through the transitions of care in-between.

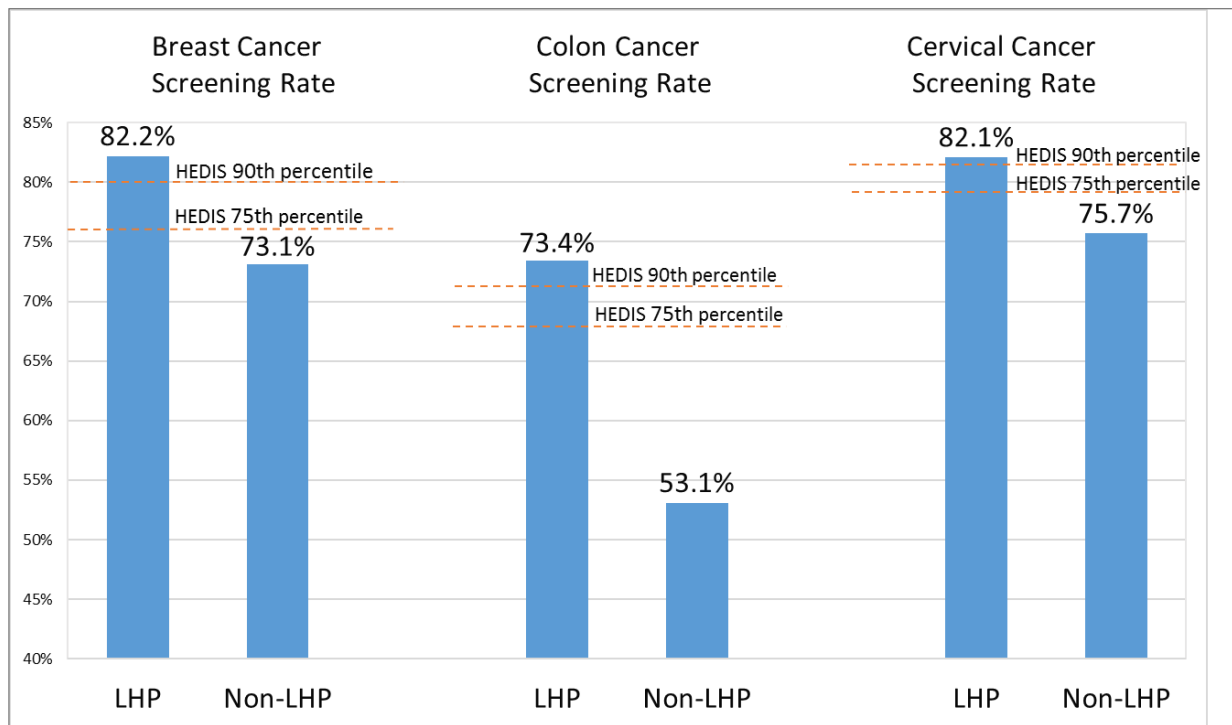
2016 LHP Clinical Integration Metrics		Final Performance
Accountable Care Index	Inpatient Length of Stay	✓
	In-Network Coordination	✓
	ED Visits/1000	✓
	Readmission Rate	✓
Rx	Generic Medication Prescribing Rate	✓
Adult Wellness	Breast Cancer Screening	✗
	Cervical Cancer Screening	✓
	Colon Cancer Screening	✓
Pediatric Wellness	Well Child Visits; 0-15 Months - 5 or More	✗
	Well Child Visits; 3-6 Years - Annual	✓
	Well Child Visits; 13-17 years - Annual	✓
Chronic Condition	Diabetes Care - Eye Exam	✗
	Diabetes Care - Routine HbA1c	✓
	Appropriate Medications for Asthma	✓
	Lipid Lowering Medication for CAD	✓
OB	Elective Delivery Between 37 and 39 Weeks	✓
Inpatient Care	PCP Identified at Discharge	✓
	VTE-1: VTE Prophylaxis	✗
	SBIRT (ED Substance Abuse Screen)	✓
	Postoperative Pulmonary Embolism or DVT Rate	✓
	Utilization Discharge Readiness Checklist	✗
	Timeliness of Discharge Summary	✗

Evaluation of the performance measures not met in 2016 led to development of new or refined tactics to improve performance:

- Breast cancer screening measure missed by 2 percent (40 patients) due to limited data from the long measurement look-back period. In 2017, LHP will continue the practice of allowing practices to manually submit data that supplements claims data. This will provide a more timely representation of performance while helping providers close care gaps.
- Well-child visits measure missed by 3 percent (7 patients). LHP will continue to provide reports indicating which patients are not meeting the numerator so providers can close care gaps.
- Diabetic eye exam measure missed by 2.5 percent (16 patients). An LHP provider advisory forum in 2016 highlighted that PCPs may not have the time to complete the extensive checklist of items a diabetic patient visit could include, eye screenings being just one. In 2017, LHP and Legacy’s marketing department are piloting a direct mail campaign to remind patients with diabetes to schedule their annual eye exam appointments.

Improving health through prevention and wellness

The Legacy Health Partners Clinical Integration Program includes nine important preventive and screening measures for cancer, well-child visits, immunizations and diabetes. Improvement on these measures demonstrates Legacy’s ability to keep people healthy and avoid the need for complex and costly treatments. The network performed exceptionally well on the three cancer screening measures compared to HEDIS benchmarks.



About HEDIS: Healthcare Effectiveness Data and Information Set (HEDIS) is a tool used by more than 90 percent of America’s health plans to measure performance on important dimensions of care and service. Because so many plans collect HEDIS data, and because the measures are so specifically defined, HEDIS makes it possible to compare the performance of health plans on an "apples-to-apples" basis. LHP uses both regional and national HEDIS benchmarks to set many of the network’s performance targets. Other applicable state and national standards are also reviewed during the target-setting process.



Model of Care Development

Care Support Resources

By focusing on improving the health of a group of individuals, Legacy is targeting resources where they can make the most significant impacts on health outcomes and costs.

In 2016, 19,000 people received health care benefits through the Legacy Employee Health Plan (LEHP). Health plan members with long-term health issues who need extra help managing their health could participate in Care Support Resources (CSR), a proactive set of strategies and interventions focused on groups of individuals with chronic conditions such as asthma and diabetes.

Health plan members managed by CSR are grouped into three categories depending on their health conditions and needs: complex care, condition care and transitions of care. These individuals receive one-on-one support from members of a specialized, comprehensive clinical team that includes care managers, pharmacists, a social worker and a health coach. These professionals work closely with providers to care for their patients in a coordinated, cost-effective manner.

High rate of CSR member engagement and satisfaction

Ninety-five percent of Legacy Employee Health Plan members identified for participation in Care Support Resources engaged with the program in 2016.

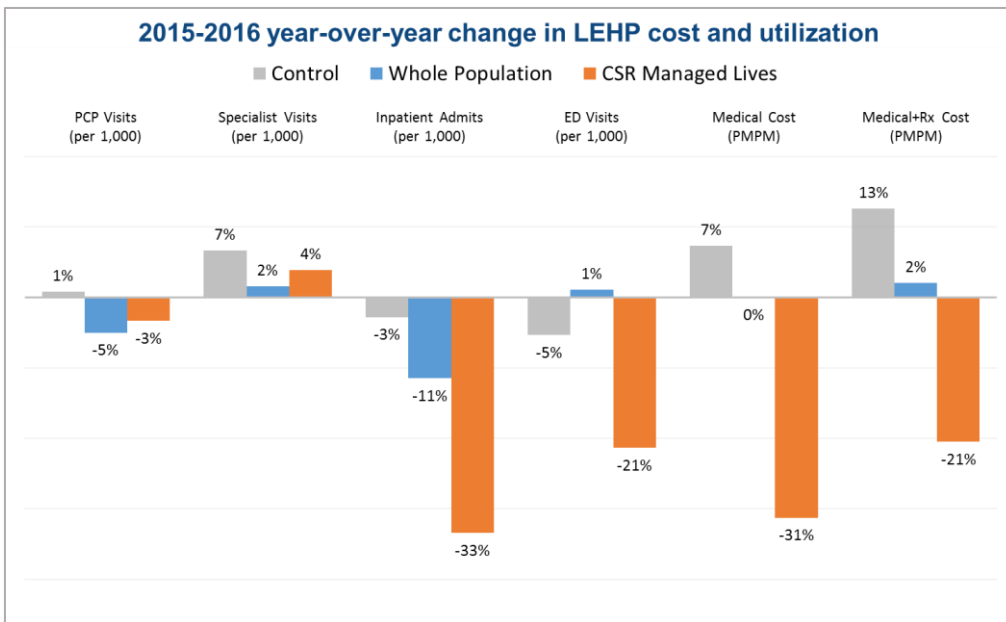
Members active:

- Complex Care – 208
- Condition Care – 229
- Transition of Care – 58

Members graduated: 183

CSR member experience survey:

- 83 percent of respondents report high satisfaction:
 - *It's easy to contact CSR staff*
 - *Staff are respectful and courteous*
 - *They listen well and explain things clearly*
 - *We work well together*



For members managed by the Care Support Resources program in 2016, Legacy saw a 21 percent reduction in visits to the emergency department and a 31 percent decrease in medical expenses compared to the previous year.

Legacy Employee Health Plan population, CY 2016



Community Collaborations

Legacy Partner Solutions and other provider services

Legacy Health is very attuned to the Quadruple Aim, which includes provider satisfaction. Because provider burnout and dissatisfaction can be associated with lower patient satisfaction and reduced health outcomes, Legacy has invested in services and resources that help providers perform their work more efficiently and effectively.

Legacy Partner Solutions

Legacy Partner Solutions is a portfolio of clinical and administrative support services available to partner practices, health systems, facilities and payors to help them meet their population health goals. Current offerings include MACRA, medical home certification consulting and Comprehensive Primary Care Plus (CPC+) support.

MACRA assessments

Legacy offers free assessments for all MACRA-eligible practices to help them prepare for MACRA participation. Following the assessment, practices may choose from a set of basic and premium service packages designed to meet different price-point and service-level needs:

- Individual vs. group payment adjustment modeling
- Quality measure selection guidance for group reporting
- Quality measure selection guidance for individual reporting

By the end of 2017, Legacy will have completed more than 100 assessments.

Medical home consultation

Legacy provides comprehensive support for primary care practices wanting to become certified as medical homes. Services include a free readiness assessment, nominally priced application support, and onsite training for Oregon's Patient-Centered Primary Care Home and National Committee for Quality Assurance (NCQA) certification. To date, Legacy has signed eight contracts for medical home support.

CPC+ program

In 2016, six LHP private practice clinics were selected for the Comprehensive Primary Care Plus (CPC+) program. Legacy's team of experts provides consulting and coordination services, including workflow and reporting support.

Legacy is also actively developing other services, including behavioral health, a consult and triage line, provider insurance and patient experience support.

Field Operations Advisers

A team of dedicated, knowledgeable staff provides support and consultation to all 200 practices in the Legacy Health Partners Network. In 2016, the Field Operations Advisers team held 722 provider meetings and addressed 3,473 issues or questions.

Education and communications

Legacy Health Partners offers training materials, online education, monthly e-newsletters and a member-only Web portal to increase the knowledge and ability of every member of the LHP network, both providers and practice administrators.



Financial alignment

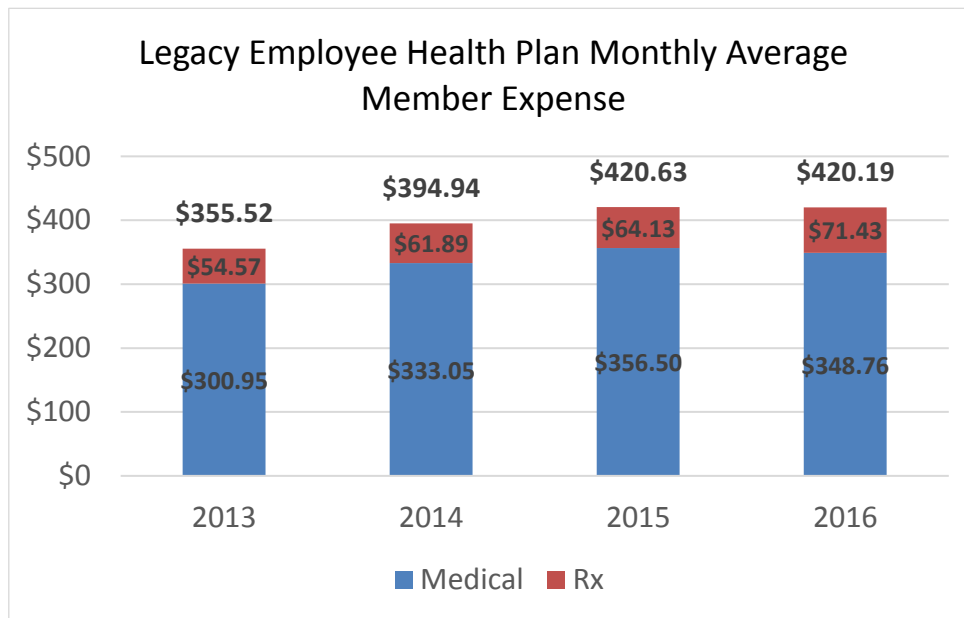
Value-based contracting

Health care delivered in a more coordinated, efficient way creates more value for every dollar spent. In value-based contracts, health systems and providers are held accountable for the quality, cost and health outcomes of the care they provide.

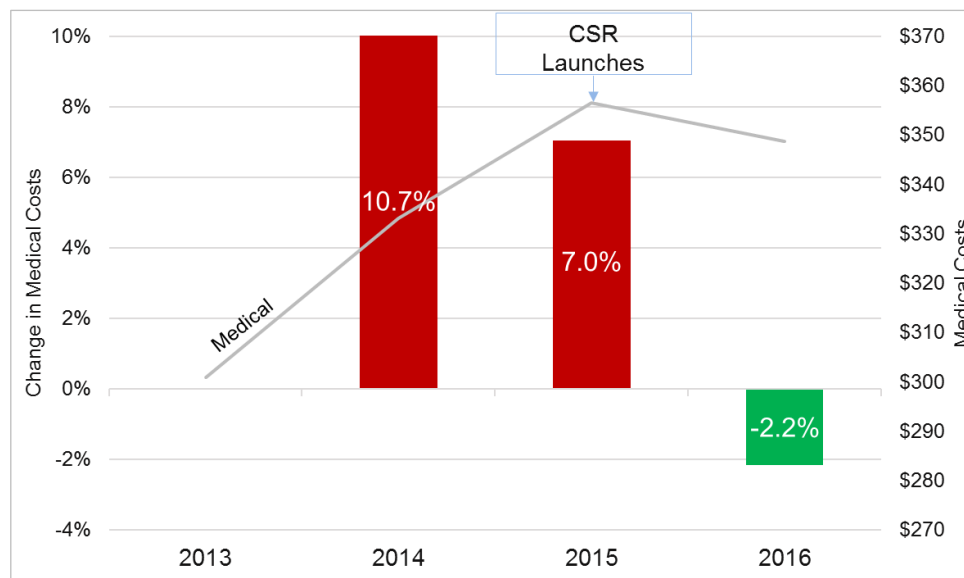
Legacy has several value-based contracts in place already. In 2016, the Legacy Employee Health Plan and our partnership with PacificSource included value-based reimbursement.

Legacy's goal is that within the next five to seven years, 50 percent of Legacy's revenue will be tied to value-based contracts.

The results stemming from our care transformation efforts so far indicate that we are on the right track.



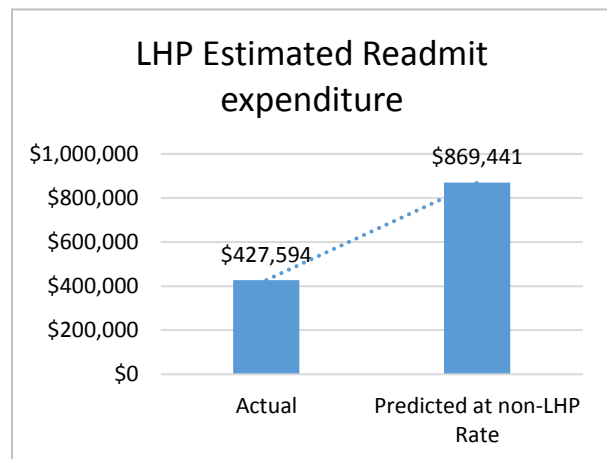
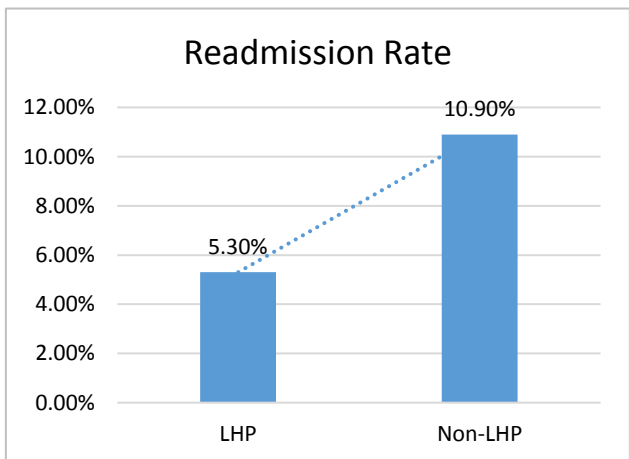
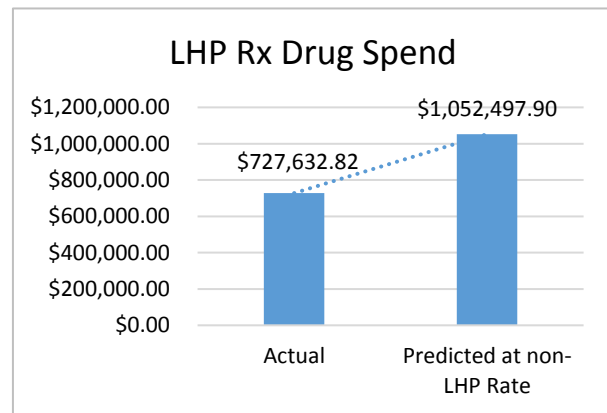
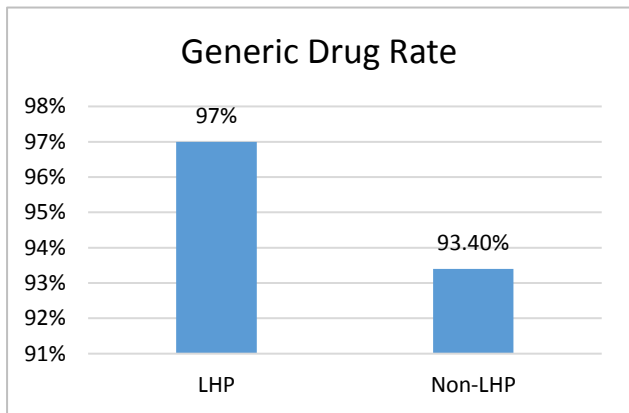
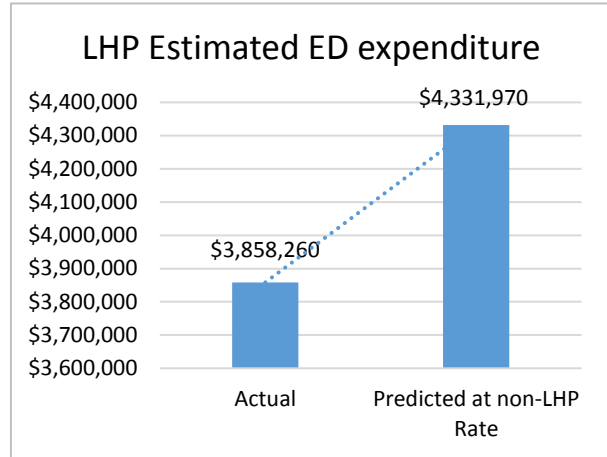
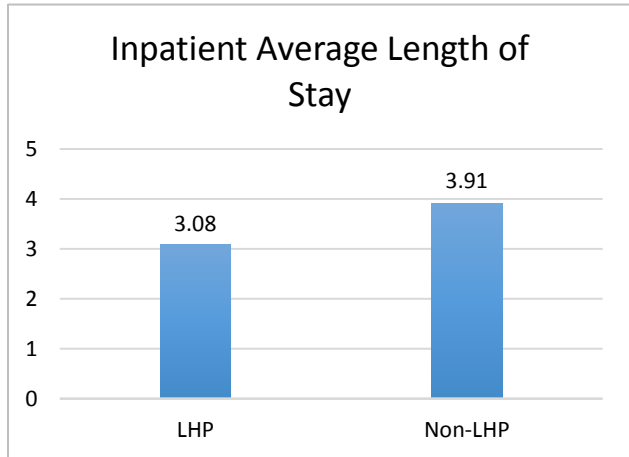
Legacy Employee Health Plan costs stabilized in 2016 after two years of increasing costs.



While total costs per member stabilized, medical (non-pharmacy) expenses decreased after two years of significant increases.

Delivering value through reduced costs and increased efficiencies

The results achieved in such a short amount of time represent value and benefit for both Legacy and our patient population. These results also demonstrate the excellent performance of Legacy Health Partners providers compared to those not in the network. Patients attributed to LHP providers spent less time in the hospital, had fewer readmissions and decreased out-of-pocket drug expenses compared to those attributed to non-LHP providers. For example, Legacy Employee Health Plan members saved \$22,376.27 in out-of-pocket drug expenses, or approximately \$7.40 per member.



All data displayed above: Legacy Employee Health Plan population, CY 2016

The future: Opportunities to deliver better outcomes and more value

Legacy's equal focus on quality, cost and health outcomes ensure that as we work toward increased efficiencies, patients continue to receive well-coordinated, high-quality care from a committed network of providers. Growth of our current programs as well as the development of new services will allow Legacy to expand the populations we care for and achieve the results we've realized to date on a larger scale. Some of the things we are working on include:

Provider and Member Engagement

- Growing LHP's performance measure set to include more specialty-specific measures that reflect the great care being provided by specialists in the network, outcomes measures that demonstrate improvements in patients' health status, and reporting individual provider-level performance
- Enhancing LHP's membership standards and requirements to maintain the high quality of providers participating in the network
- Increasing data interoperability among LHP practices to increase the flow of clinical data in support of LHP's performance measures

Model of Care Development

- Expanding Care Support Resources to include additional health conditions, programs and services including but not limited to:
 - Behavioral health services
 - Wellness programs
 - Pediatric-specific programs

Community Collaborations

- Adding new Legacy Partner Solutions offerings such as a consult line that provides telephonic support to LHP providers seeking nurse, pharmacy, social work, and health coach consultation and navigation for all patients
- Launching new practice, provider and patient solutions including patient experience surveys, patient care navigation and a referral center to support care coordination
- Developing direct patient communications that encourage patients to get needed preventive screenings and wellness care, as well as guidance about the appropriate time to see their primary care physician versus going to the emergency department or an urgent care center

Financial Alignment

- At the end of 2017, Legacy Health Partners will have four value-based agreements in place with more than 75,000 lives under management
- LHP has negotiated its first product, Medicare Advantage, highlighting the strength of the network. It will be offered in 2018.
- A new incentive distribution methodology will better align incentive payment opportunity with the number of patients attributed to a provider and the number of clinical integration program measures applicable to them. The new model also will incentivize practices to move toward medical home certification and support those practices who have existing medical home models.

Legacy Health

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