BoardBrief

Prepared for Colorado Hospital Association Trustees

Putting Your Mission to the Test: Managing the Health of a Population

Improving the health of the community is the driving mission for most, if not all, hospitals. The goal of population health management is closely aligned with that mission and may seem to be a logical and perhaps easy step for hospitals and health systems to take. Managing the health of a population has significant implications for hospitals and health systems that are important for trustees to understand.

The topic of population health has become a presence in health care media and on conference agendas as hospitals and health systems seek to cross the gap from the first curve to the second curve in health care transformation. Accountable for hospital and health system strategic success, trustees must have a solid grasp of the meanings and implications of population health management and why it's important to the future of their organization and the community as a whole.

What is Population Health?

In the American Hospital Association's (AHA's) Signature Leadership Series 2012 report, *Managing Population Health: The Role of the Hospital*, population health is defined as "a strategic platform to improve the health outcomes of a defined group of people, concentrating on three correlated stages:

- The distribution of specific health statuses and outcomes within a population;
- Factors that cause the present outcomes distribution; and
- Interventions that may modify the factors to improve health outcomes.

Population health resides at the intersection of three distinct health care mechanisms. Improving population health requires effective initiatives to: 1) increase the prevalence of evidence-based preventive health services and preventive health behaviors; 2) improve care quality and patient safety; and 3) advance care coordination across the health care continuum."[1]

The AHA also notes that a common description of population health is "the health outcomes of a group of individuals including the distribution of outcomes within a group." Very simply put, population health management means improving the overall health of a population. This includes identifying individuals with the highest-risks (the most acute and complex conditions) and those with chronic conditions, and determining the best means for keeping them healthy. It also means determining and addressing the preventive and wellness needs of the rest of the population.

Why is Population Health So Important?

One of chief drivers behind today's efforts to manage population health is the shift from a volume-based, fee-for-service payment system to a system based on value. New payment structures with shared savings and risk, bundled and capitated payments, and penalties for low quality of care scores and high readmissions contribute to the rising investment in population health management by health care organizations.

The ability to deliver high quality care and improve health outcomes while managing costs will significantly affect hospitals' and health systems' ability to succeed in a value-based health care environment.[1] The Institute for Health Technology Transformation predicts that population health management will be a required core strategy for health care providers,[3] and nearly all hospital CEOs (98 percent) responding to the AHA's 2012 Annual Survey of Hospitals believe hospitals need to be implementing population health strategies.[4]

7335 East Orchard Road Greenwood Village, CO 80111-2512 720.489.1630 p 702.489.9400 f
www.cha.com

What Is In the "Population"?

One of the first and most important steps in managing the overall health of a population is to define who's included in the "population," or group of people whose health is to be "managed." A population can be defined in multiple ways, including: 1) individuals within a specific geographic area, such as the hospital or health system's community or service area; 2) a patient population, such as a physician practice group's patients or a hospital's discharged patients; or 3) a payer group, including Medicare patients assigned to an Accountable Care Organization (ACO), patients covered under a particular insurer's benefit plans or employees of a particular employer. A population may also be defined by a particular health condition, such as diabetes, asthma or cardiac conditions.

There are a number of ways to define a group of individuals whose health the hospital or health system wants to best manage and improve. The key is to ensure a clear definition of the population in question from the start. The ability to measure the impact and outcomes of various health care interventions is dependent on knowing exactly what the target population is. Without the ability to establish a credible baseline and demonstrate measured improvement, the hospital will sacrifice financial reimbursement in a value-based system.

What Does it Take?

Many hospitals are already taking steps to improve the health of various populations, including focused attention on improving quality and patient safety, better coordination of care and delivery of preventive and wellness services.[1] The size and resources of a hospital or health system and its community may define the scope of the population health strategies the organization is able to undertake. Regardless of scale, below are several primary factors to consider.

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Common Vision. When the board and the CEO agree upon a common vision for community and population health, and all key players, including the medical staff, are working toward that same vision, the path to achievement becomes a little easier and the outcomes are more effective. To get there, the board and CEO must agree upon and clearly articulate the extent of the commitment and engagement of the organization in community and population health efforts.

Case Studies: Population Health in Action

Collaboration to Improve Overall Health. The Partnership for a Healthy Community is a Florida not-for-profit corporation formed in 1994 with the mission of assessing health status, identifying priority health needs, and supporting collaborative efforts to address those needs to improve health and quality of life for the residents of Escambia and Santa Rosa Counties in Northwest Florida. The Partnership performed comprehensive health status assessments for the Escambia and Santa Rosa Counties in 1995, 2000, 2005 and 2012, and used the results to develop priority health needs strategies in three areas: health weight, quit tobacco, and "stay well." The Partnership includes more than 70 community organizations, including Baptist Health Care and Sacred Heart Health System. For more information, see http://livewellnwfl.org.[9]

Partnerships for Asthma. Parkview Health System in Fort Wayne, Indiana established the Asthma ER Call-Back Program as an effort to address local asthma challenges. Focused on reducing the costs of asthma and improving quality of life, the hospital credits collaboration with its community partners for the program's success. The Allen County Asthma Coalition supplies the program with educational materials, donor support provides pillow and bed encasements, and medical interpretation for families is made possible by a coalition of local health organizations. Grant dollars from the Indiana State Department of Health (ISDH) contribute to the program's financial sustainability and an ISDH epidemiologist helps to quantify the program's results. Representatives of the Asthma ER Call-Back Program encourage others to ensure strong, collaborative relationships with community partners as their starting point.[8]

Prescriptions for Hiking. In a unique effort to address the community's obesity and diabetes concerns, physicians at Columbia Valley Community Health (CVCH) in Wenatchee, Washington have partnered with Chelan-Douglas Land Trust in a collaborative program called the Foothills Hiking Challenge. Doctors at CVCH write hiking prescriptions for patients, encouraging healthy exercise and raising patients' awareness of this free, natural resource just minutes from their homes.[2]

Targeted Health Needs. Identifying targeted health needs is a first step in population health management. Hospitals and health systems may choose to target quality and patient safety by selecting an area in which the organization's health outcomes measures fall short. A hospital or health system may also want to focus its efforts on one or more of the health needs identified in a community health needs assessment, or where it experiences a high rate of admissions. Many organizations are also working to improve the coordination of care between providers.

Interventions. Once a target health care need has been identified, the contributing causes or factors must be identified, and possible strategies for addressing them must be evaluated. Hospitals and health systems must assess and prioritize efforts to pursue. This includes consideration for where the organization can have the most critical impact or influence. It is also an opportunity for trustees to consider the long-term goals for a healthy population, to challenge common assumptions and the status quo, and to seek out new and creative partnerships and collaborations that will engage, motivate and inspire patients and the community.

Partnerships and Collaborations. Multiple factors influence the health of an individual or population, including socio-economic factors, which often affect access to care or ability to comply with treatment plans. Many factors are outside the hospital's control or they may exceed the hospital's resources. This reality is prompting many health care organizations to consider the partnerships or collaborations they will need to succeed. The network of partners and collaborative relationships that were established when the hospital conducted its community health needs assessments is a good place to begin when identifying opportunities to address a population's health concerns. Public health departments and other social service agencies have years of experience and expertise to contribute to collaborative public health efforts.

Trustees should recognize that they themselves are a good resource for identifying potential partnerships and collaborations. Lay trustees in particular can contribute new, different and community-based views of unique partnerships and collaborations. Trustees generally have networks of community contacts that can lead to new and innovative alliances for improving the community's health.

Clear Accountabilities. As hospitals and health systems forge new relationships with others in the community, the ability to navigate a path to success is often dependent on clear expectations set from the beginning, which are understood and agreed to by all parties. Expectations should include roles, responsibilities, goal and objectives, and project plans, all well-defined and agreed upon.

Measured Outcomes. To demonstrate improvement and ultimately earn revenue in a value-based system, the organization must have the ability to establish a baseline of measurement and track and measure outcomes and improvements in quality, patient safety and health.

Data and Technology. Data and technology may well be among the most important resources for successful population management. In its report on population health management, the Institute for Health Technology Transformation noted that electronic health records and automation support "essential population health management functions, including population identification, identification of care gaps, stratification, patient engagement, care management, and outcomes measurement."[3]

Available Resources. Investment in hospital infrastructure in support of population health comes at a time when hospitals are also facing lower patient volumes, reduced operating revenue and growth in expenses that outpace revenue.[6]

Critical Actions for Trustees

Hospital CEOs overwhelmingly agree that hospitals need to implement population health strategies; others in the health care arena predict that population health management will be a required core strategy.[3,4] Are you and other members of your board prepared for this leadership responsibility?

1. Does your board have a good understanding of population health management and its importance to your organization?
2. Does your hospital or health system have the infrastructure necessary for managing population health? If not, what actions does the board need to take to ensure the hospital or health system is able to develop population health management as a competency?
3. Do you know what strategies the organization is pursuing to manage and improve population health? Does the board maintain adequate oversight to ensure successful outcomes?
4. Do you know what efforts others in your community or region are pursuing to manage and improve population health? Are your efforts well-aligned or are they duplicative? Could joining forces create a more successful outcome for the community?
5. Is your organization maximizing its resources, efforts and potential impact through partnerships and collaborations? If "the whole is greater than the sum of its parts," what opportunities should or could the organization pursue?

Hospitals must carefully assess their resources and prioritize health improvement initiatives accordingly. The board must lead the way in establishing partnerships with others who will share the responsibility for improving the community's health and best maximize the benefit of scarce resources.

How Is Success Defined?

Ultimately, the hospital or health system's board of trustees is accountable for the organization's success. In a value-based system, success is increasingly defined not only by financial viability, but by the organization's ability to fulfill its promised mission to positively impact and improve the health of its community.

Sources and Additional Information

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