A Hybrid Model HIE: Path to Sustainability

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Dr. Richard Swafford, Phd
Director, Clinical Consulting
Orion Health Inc.

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Conflict of Interest

Richard Swafford, PhD

Salaried employee of Orion Health Inc. consulting to IEHIE
Learning Objectives

List your 3-5 session learning objectives that have been approved by HIMSS:

1. Define the components of a hybrid governance model
2. Identify key components of health IT that create value for participants
3. Employ a fee structure and calculate return on investment to help ensure a sustainable operation
Potential HIE Benefits

Value Steps

Health IT creates five kinds of value of benefit to patients, healthcare providers and communities.

TOP STORY

Rural Independent Practice Named 2013 Davies Recipient
White River Family Practice located in White River Junction, Vermont has been named a 2013 Davies recipient by HIMSS

Read More

http://www.himss.org/ValueSuite
WHAT WE WILL COVER

- HIE Landscape
- Defining Sustainability
- IEHIE Business Model
  - Growth Strategy
  - Service Strategy
  - Value Strategy
- The Future and Expectations
- Lessons Learned
- Summary
Public HIEs Failing, Poll Says - InformationWeek
Tuesday, October 7, 2014
2:49 PM

Report: HIEs failing at true interoperability / Government Health IT
Tuesday, October 7, 2014
2:52 PM

Chicago HIE on the brink of failure
Tuesday, October 7, 2014
2:53 PM

The Failed Economics of Health Information Exchanges | healthsystemcio.com
Tuesday, October 7, 2014
2:56 PM

Two recent reports offer insight into HIE failure - Health IT Pulse
Tuesday, October 7, 2014
2:58 PM
These articles share a common message...

A Failure of the Business Model...

Poor Sustainability Planning...
A Failure of the Business Model…
Poor Sustainability Planning…

Let’s be Clear

Not a lack of value
Not poor implementation
Not Staffing Issues
Not Technology Issues
Not Political Issues

Business Planning and Strategy
The Question is WHY?

Some Thoughts (Rich’s Top 5):

1. HIE has traditionally been seen as a Value-added service, not a fee-based service
2. There are no models to replicate
3. Federal and State Grants Impede Business Planning
4. Focus on Technology and not Marketable Solutions
5. Lack of Focus on Value

HIE IS HARD!
HIE Sustainability is REALLY HARD!
Defining Sustainability

The Purpose of Business…

Create value for Stakeholders.
Defining Sustainability

- Who are the HIE Stakeholders and What is the Value they seek?
  - **Participant Organizations** – Service value is greater than service cost
  - **Governance** – Continued Growth and Sustainability
  - **Management and Staff** – Successful Organization and a positive place to work
  - **Community** – Healthier people equals healthier communities
  - **Patient** – Allow more direct involvement in Care
  - **Other Funders** – Meet grant or funding expectations

**Meeting Stakeholder Expectations is the First Step to Reaching Sustainability**
Defining Sustainability

- Financial Sustainability is not enough, there should also be a:
  - Strategy for Growth – “If you are not growing, you are dying…”
  - Strategy for ongoing Services – “New solutions drive new services…”
  - Strategy for Increasing Value – “Not all value is financial…”
Inland Empire HIE Case Study
Business Model: “Growth Strategy”

- HIE Sustainability is about Volume
  - Partnership Strategy
    - Service Provider Model
    - Participant Team Building
  - Public and Private Strategy
    - Public Definition
    - Private Definition
    - Financial Benefit
  - Contracting Strategy
    - Fee Structure
    - 5 Year Contracts
Business Model: “Service Strategy”

• “Data as the Core, Services create stickiness…”
  – Product Specific Value-Added Services – Revenue Enhancing
    • Population Management - Case Management
    • Reporting - Business Intelligence
    • Communication – DSM
  – Product Specific Value-Added Service – Non-Revenue Enhancing
    • Patient Engagement - Patient Portal
    • Public Health Reporting – MU and Other
  – Non-Product Value
    • Collaboration
    • Solution Consultation
Business Model: “Value Strategy”

• “Recognize the Need then Build the Solution, not the other way around.”
  – Meaningful Use – Stage 2 and beyond
  – Patient Engagement
  – Hospital Readmissions
  – Referral Management
  – Payer Engagement
  – Population Management Reporting – Public Health and Other
  – Documenting Improvement in Outcomes
The Future

• Key Expectations – Short and Long Term
  – Short Term
    1. Continue to Grow Participants – Hospital, Physician, Payer
    2. Continue to Move Platform Forward – Version and Base Services
    3. Continue to Expand MU Solution
    4. Expand Marketing and OutReach Activities
    5. Improve Process from Initial Engagement to Effective Use
    6. Product Roll-Outs
    7. Continue to Manage Reputation and Perception
The Future

• Key Expectations – Short and Long Term
  – Long Term
    1. Full-Blown Reporting Environment – Customer Enabled
    2. Expanded Services – Imaging, Referral Management, etc
    3. Market Share in Partner Markets
    4. Develop Additional value-based Services
    5. Recognize and Advance on New Markets
    6. Continue to Manage Reputation and Perception
Lessons Learned

- Unpredictable Market Creates Increased Risk
- Failure to Meet Customer Expectations Means Loss of Customer
- Not Enough Qualified HIE Consultants – Lots of Talk, Little Experience
- Flexibility is Critical
- Don’t be Afraid to Try New Things
- Listen to Your Customer

DON’T GIVE UP!
Summary

• HIE Failure is more about business modeling than technology
• Sustainability Requires Innovative Solutions
• Focus on the Solution, not the System
• The Future is Still Unclear with Regards to the Market
• Hold on Tight and Enjoy the Ride – Enthusiasm and Excitement Sell

Contact Information:
Dr. Richard Swafford, PhD
Director, Clinical Consulting
Orion Health Inc
Richard.Swafford@ORIONHEALTH.COM
760-533-9417
A Review of Potential HIE Benefits

Value Steps

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SATISFACTION
Patient, Provider, Staff, Other
Improved communication with patients, patient satisfaction score, and internal communication.

TREATMENT/CLINICAL
Safety; Quality of Care; Efficiency
Improved patient safety and scheduling. Reduction in medical errors and readmissions.

ELECTRONIC INFORMATION/DATA
Evidence Base Medicine; Data Sharing and Reporting
Increased use of evidence-based guidelines, population health reporting, and quality measures reporting.

PREVENTION & PATIENT EDUCATION
Prevention; Patient Education
Improved disease surveillance and patient compliance. Increased immunizations. Longitudinal patient analysis.

SAVINGS
Financial/Business; Efficiency Savings; Operational Savings
Increased volume. Reduction in days in accounts receivable and reduced patient wait times.

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Questions

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