



# Cooperation is the New Competition

Tuesday, December 11, 2018

1:30 – 2:45pm

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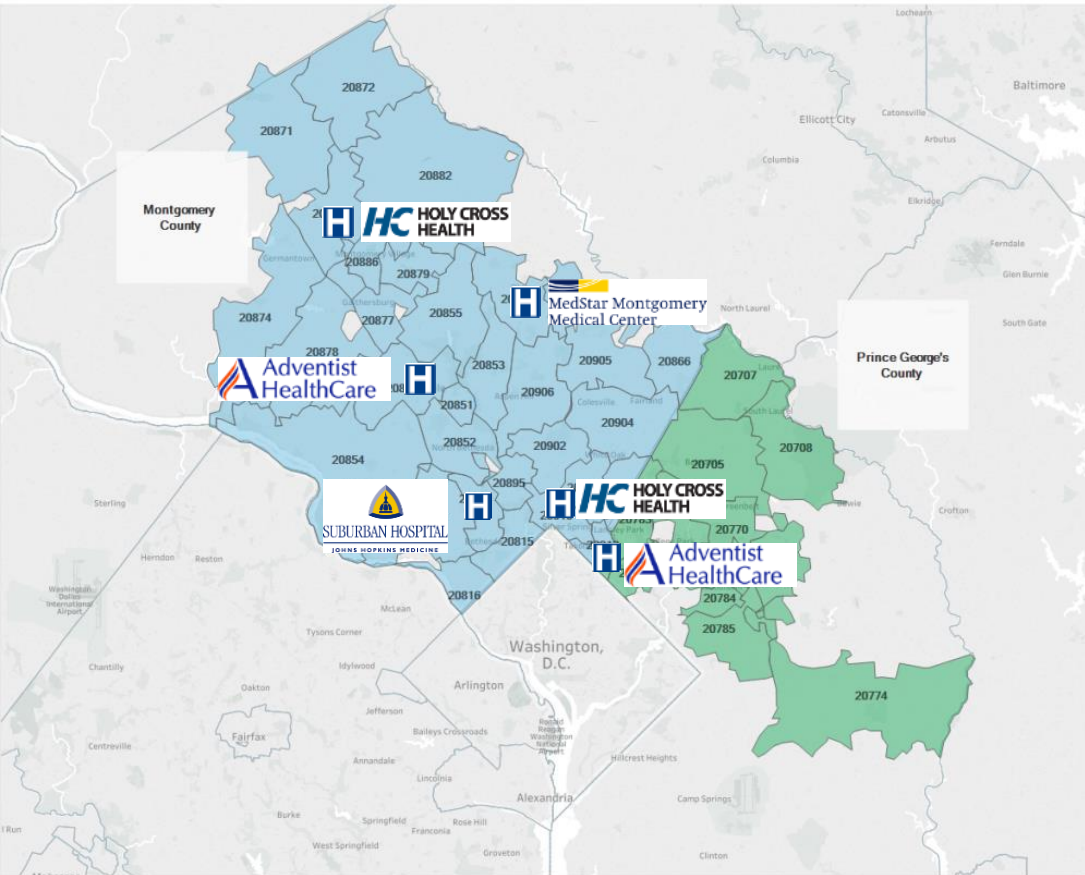
## Nothing to disclose:

Annice Cody and Leslie Graham today have no relevant financial or nonfinancial relationship(s) within the services described, reviewed, evaluated, or compared in this presentation

## Session Objectives

1. Understand advantages of hospital partnership in a value-based care environment
2. Identify incentives in your community that could be leveraged to increase collaboration between hospitals and community-based providers of clinical and social services
3. Understand the role that both hospital- and community-based providers play in ensuring the success of collaborative programming
4. Anticipate and develop strategies to address potential barriers to partnership
5. Identify models for partnership that address potential barriers and are responsive to clinical cost savings opportunities in your community

# Nexus Montgomery: 6 Hospitals Serving One Community



- Service area spans two counties adjacent to Washington DC
- 1.3M residents in 47 ZIP codes
- Highly diverse – racially, ethnically, economically
- 1/3 residents are foreign born; More than 180 languages

## Mission

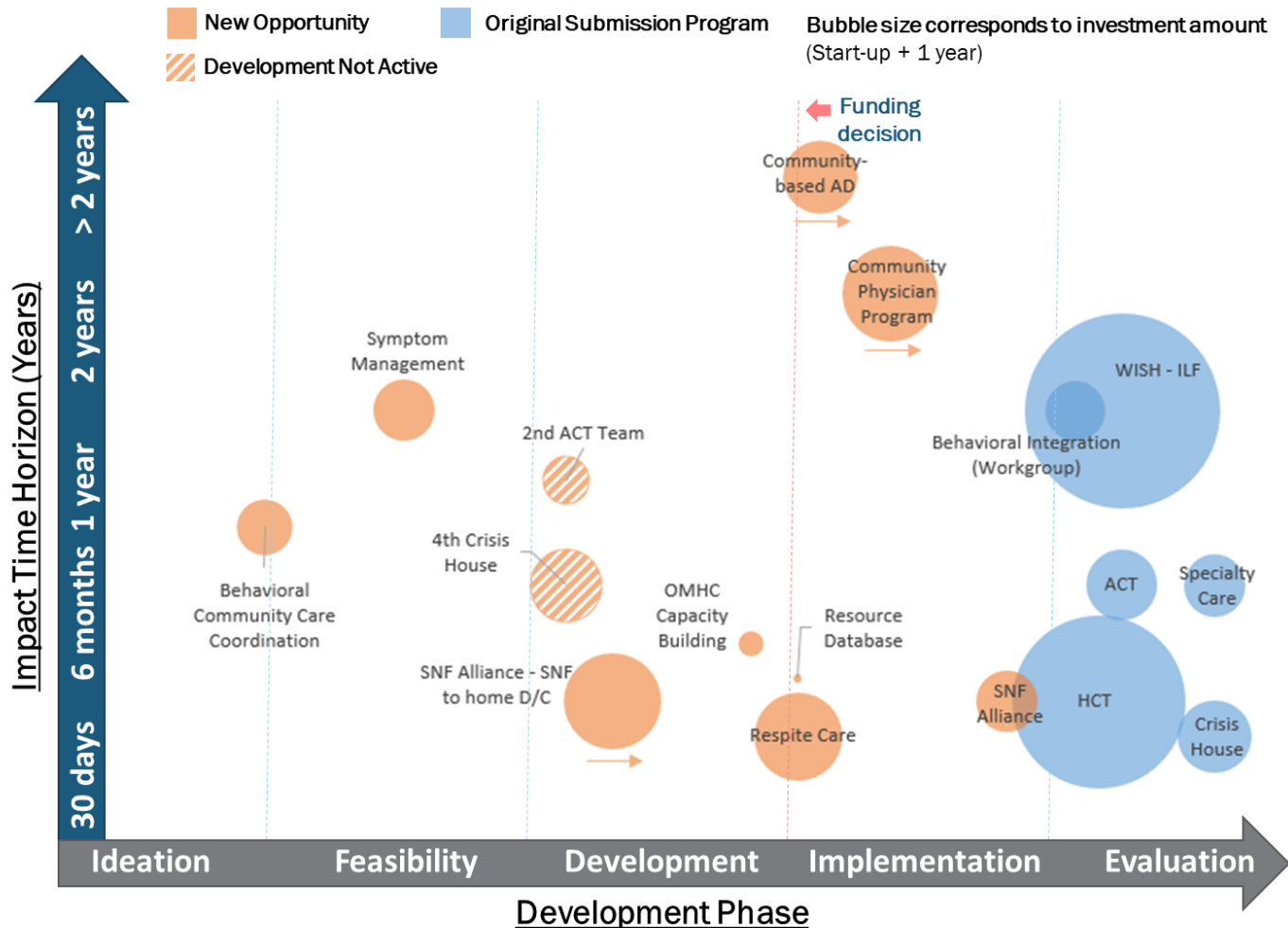
Nexus Montgomery, a collaboration among Montgomery County's hospitals, works with community partners to promote health, reduce hospital utilization and manage total cost of care for our shared community in ways that no single hospital could achieve on its own

## Vision

Nexus Montgomery will establish itself as a center of innovation and a model for collaboration by jointly managing a dynamic portfolio of programs that is developed in response to our evolving economic, social, and healthcare environments, implemented efficiently, and continuously evaluated for effectiveness and stewardship of resources.

# Current Program Pipeline Summary

Updated: 10/19/18



## Program Categories:

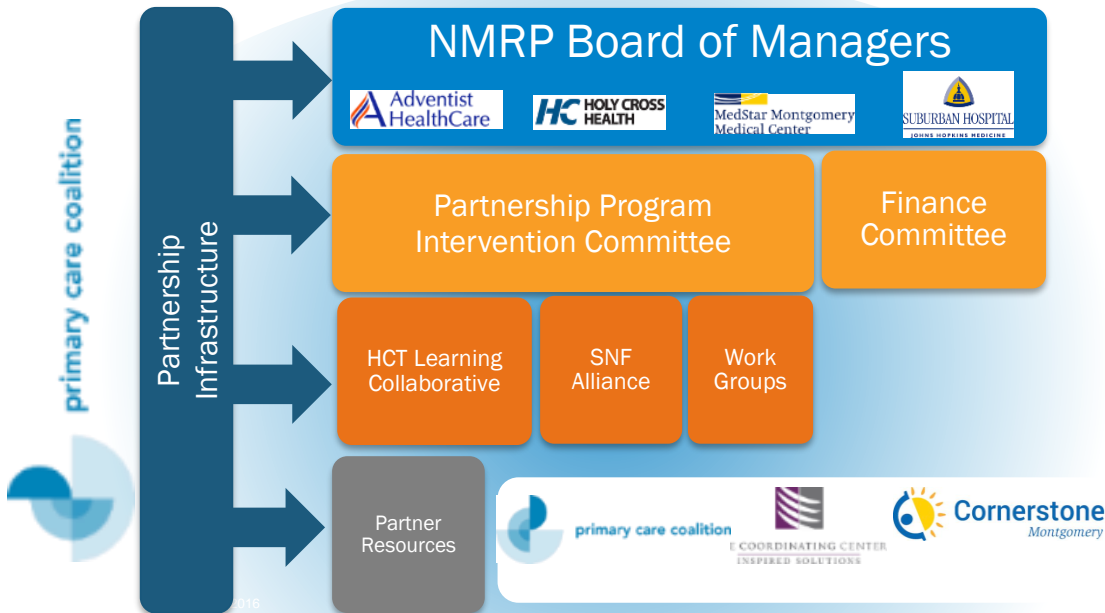
- i. Pre-Emptive Services
- ii. Alternatives to Hospitalization
- iii. Readmission Reduction

# Partnering with Local Community Resources

- **Start-up and capital investments to local non-profit:** to build capacity (e.g. add a crisis bed house, an ACT team). Nonprofit CBO owns/brands the service, responsible for ongoing operating expenses
- **Expansion of existing services to the Nexus population:** Provision of operating funds to a nonprofit CBO, which opens its program to more clients (e.g. Specialty Care for Uninsured – Project Access).
- **Nexus-branded program:** Nonprofit CBO selected to implement via RFP (e.g. WISH)

CBO: Community-based organization

# Purposeful Governance and Management



## Partnership infrastructure

- Dedicated staffing
- Contract management
- Governance support
- Data analytics and reporting



# Maryland's unique hospital payment system creates strong incentives for partnership

**Maryland  
is an  
“Accountable  
Care State”**

- Statewide requirements for control of growth in Medicare hospital and total cost of care spending
- Each hospital has a fixed annual all-payer revenue cap
- Penalties and rewards on all-payer revenue for quality and readmissions
- Penalty and reward on Medicare revenue for each hospital's share of attributed lives in its community

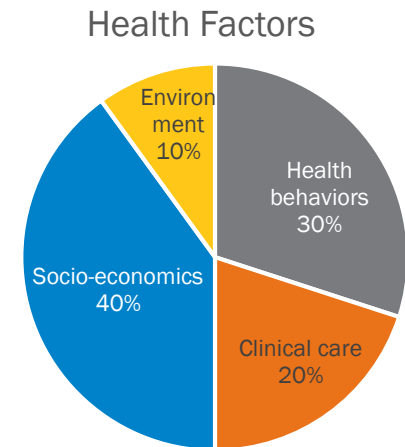
## But that's not all ... more reasons to partner

Shared patient populations

- Across hospitals
- With SNFs
- With highly independent medical community

Limited influence of medical care on health outcomes

- Role of health behaviors, social and economic factors, and the environment



What are the incentives for partnership in your community?

# Factors for the success of collaborative programming

- Recognize population-level change cannot be driven by individual organizations
- Value and leverage existing community assets
- Pursue strengths, understand limitations
- Find sweet spot for scope
- Build the muscle of trust with others

What are key criteria for a successful partnership?  
What may be barriers to partnership?

## Successful partnerships anticipate potential barriers and proactively develop strategies to address them

Challenge	Barrier	Strategy
Governance	Power imbalance, role confusion, mistrust	Consensus on a formal governance structure and operating rules
Joint implementation	Delivery systems' natural culture of control; CBOs often more grassroots	Skilled neutral management partner
Speed of results	Program ramp up takes time and money	Achieve consensus on performance measures
Data sharing	Privacy rules, concerns about competitive advantage	Partners agree to a common, neutral data analytics team
Imbalance of resources	Different capacities to take on risk	Advance payment, simple contracts, no use of imbalance in negotiations

# Cooperation is the New Competition – Partnership Lifecycle

## Launch

- Focused investments with significant hospital control to achieve short term targets
- Attention to governance, balance of power, relationship development

## Growth

- Increased trust and transparency; withstand relationship shifts as incentives shift
- Ability of Nexus to innovate, move quickly and bring together stakeholders
- Collective faith in the model

## Maturity

- Broadening scope and time horizon of investments
- Positive spillover beyond original programs

# Dialogue