A provider contract — with incentives for lowering cost while providing quality care — signed three years ago by the South Jersey-based physician group Advocare and Horizon Blue Cross Blue Shield of New Jersey is yielding tangible results.

Continuum Health Alliance, a practice management and population health services company based in Marlton, N.J., that works with Advocare, recently shared with me the accomplishments the shared-savings program achieved during its first year. They included:

- 13 percent reduction in the overall cost of care.
- 12 percent reduction in 30-day re-admissions.
- 9 percent reduction in inpatient admissions.
- 8 percent reduction in emergency department visits.

Those figures are all better than the statewide numbers released late last month by Horizon BCBSNJ for its 200,000 members enrolled in patient-centered medical homes, where emergency room visits and total cost of care fell by 4 percent and hospital admissions dropped 2 percent.

The population health program involves 20,000 Horizon BCBSNJ members and 23 Advocare internal medicine and family practices with 27 offices around New Jersey.

The organizations are working together to improve the quality of care patients receive, including preventive health measures; improving patient satisfaction; and reducing the overall cost of care. Under the program, Horizon is providing upfront payments — typically $5 per person per month for commercial members and $10 per month for Medicare advantage patients — to support costs associated with improving care coordination and quality outcomes. One such expense is the salary of nurse care-coordinators, who focus on overseeing the care for patients with chronic and at-risk health conditions such as diabetes.

The initiative required the physician practices to become NCQA-recognized patient-centered medical homes within two years. That model of care emphasizes coordination by a team of providers that is led by a primary-care physician and also includes registered nurses, social workers, pharmacists and a variety of support staff.
Continuum, which was founded in 1998 by South Jersey pediatrician Dr. John M. Tedeschi [who also founded Advocare] provides practice management services to more than 1,000 primary-care physicians, specialists and nurse practitioners at more than 300 medical offices and hospital locations.

Dr. Christopher T. Olivia, Continuum’s president, said the practices it serves were able to achieve greater cost savings than other providers in Horizon’s shared-savings program largely for one simple reason. “We don’t operate hospitals,” Olivia said, “so we don’t have big boxes to fill up.”

Dr. Steve Peskin, senior medical director for clinical innovations at Horizon BCBSNJ, said under the population health program, the Newark-based health insurer is providing data to help medical practices deliver higher quality and lower-cost care.

“We’re not saying doctors weren’t doing a good job before, but we are saying they are doing a better job now,” Peskin said.

The data encompassed everything from tracking whether patients are getting the preventative health screenings at the right time, monitoring how patients with chronic health conditions like asthma or heart disease are being managed and identifying patients who are high users of health services to determine if they are getting the right care in the right setting.

“With an organization like Continuum that has a lot of experience with electronic medical records, we can provide them with more detailed data because they can handle it,” Peskin said.

Olivia said Continuum is using data to transform the culture of medical practices and the behavior of people who work in them. He said the data, to be useful, has to come from multiple sources. The practices Continuum manages have records on the care provided by its physicians, but not care provided in hospitals — especially if the physician has no knowledge a patient was admitted — or at other health settings.

Horizon provides retrospective claims data, which Peskin said can be useful with “anticipatory care planning.” The claims history information that Horizon provides to practices, Peskin explained, is analyzed and presented in a way that helps physicians understand what screenings and prevention steps to consider for its members. The information is intended to be used to help physicians prevent both the progression of a disease for those who are sick, and to keep healthy patients well through recommended screenings and vaccinations.

Continuum uses the data to track whether physicians are using the latest “best practices” to diagnose and treat illnesses, and also to identify gaps in care.

“That could be, say, monitoring a diabetic patient who is hospitalized to ensure the patient is seen two days after a discharge and not two weeks later,” Olivia said.

Under the shared-saving aspect of the program, Horizon compares a patient-centered practice’s cost trends versus a comparison population to determine cost savings. Participating practices can qualify for shared savings if they perform better than the comparison population in controlling the cost of care. The percentage of shared savings earned depends on meeting specific, and undisclosed, quality outcome goals.

Olivia said the effort to improve population health and patient satisfaction, while also lowering health-care costs, does involve spending more money in certain areas.

“We spend more on ambulatory care, but save on inpatient care,” he said. “People are saying we are trying to close down hospitals. That’s not what we are trying to do. There are always going to be patients who need to receive care in a hospital. Good hospital partners are essential to what we are doing and we need them to coordinate care with us.”