

*Baptist Medical Center South in Montgomery, Alabama, a 463-bed not-for-profit hospital, has a long history of providing comprehensive care for musculoskeletal patients, particularly total joint replacement, spine, fracture, and sports medicine. Given the significant contribution of the orthopedic services to the financial health of the hospital and the close relationship with the orthopedic Surgeons, both parties decided to pursue a closer alliance to solidify the relationship and synchronize goals and incentives.*

### ***Initial Steps:* Education and Consensus**

With long-established relationships with both the hospital leadership and the orthopedic surgeons, Corazon facilitated and guided the development of the hospital-physician alignment strategy. The process was initiated with education of all parties on various alignment strategies and associated risks and benefits. These ranged from simple low-risk, 'loose' alignment models to complex high-risk, 'tight' alignment models.

Following these work sessions, a steering committee with representation from the hospital leadership and the physicians was established to meet regularly and provide guidance to the development of the model(s). Upon review and assessment of various alignment models, a consensus around service line co-management and gain-sharing agreements were reached. The gain-sharing agreement is part of the Medicare-CMS approved CJR bundled payment for Hip and Knee Replacement.

### ***Going To Work:* Agreement Development**

Based on the care process "pain points" and goals of the hospital and surgeons, Year 1 metrics were developed to further advance the service line, such as:

- Physician leadership
- Standardization of order, protocols, pathways, and vendors
- Outreach and community education
- Development of an accredited "Center of Excellence"

Additionally, quality and process improvement Incentives and targets were established for:

- Unplanned readmissions
- Complications
- Discharges to home
- Patient participation in pre-op education classes
- Patient satisfaction

### ***Getting It Done:* Execution Structure**

In order to carry out the implementation of these agreements, a shared governance structure was established between the hospital and the surgeons with a joint operating committee and medical directors, along with three multidisciplinary surgeon led sub-committees consisting of Quality, Process Efficiency, and New Programs. These committees met regularly to develop and execute plans to complete assigned initiatives and achieve overall service line and hospital goals.



Main Entrance, Baptist Medical Center South

*Working with the Baptist Team and the orthopedic surgeons, Corazon facilitated the development of the most viable alignment relationship between the parties. After one year of these agreements, the results far exceeded everyone's expectations, particularly with the migration to a broad sense of ownership, culture of trust, and teamwork.*

### ***Bumps on the Road:*** Challenges

While the project successfully achieved the desired goals, several issues caused the agreement development to take a longer than expected, which Corazon assisted with by proactively addressing the following throughout the process:

- History of past failed attempts
- Data analysis and the program process
- Navigation of the legal requirements for contract development
- Consensus-building and development of trust among the key stakeholders

### ***Year 1 Results:*** Good News

The leadership involvement and time dedicated by the surgeons resulted in significant progress in the development of standard orders, protocols, and pathways. Additionally, quarterly and year-end monitoring showed improvement in most areas of focus for the incentive portion of the agreement. Seven out of eight metrics reached or exceeded the established goal, and were eligible for the full payment, while one metric reached the 50<sup>th</sup> percentile goal target and was eligible for 50% of the full payment. The hospital also achieved actual episode spending below the target price and achieved better quality and outcomes scores, which resulted in a reconciliation payment from Medicare for the difference between the target price and actual episode spending. As a result, the surgeons were eligible for a significant gain-sharing payment under the CMS approved CJR bundled payment program.

### ***Future:*** More Good News

The program is now in its second year with new areas of focus and incentive metrics. All parties have been extremely satisfied with the results and ongoing processes that have been established. However, the most important results are the culture changes: a new sense of trust, ownership, and teamwork that has emerged.

*For a more detailed explanation of this Alignment project that involved multiple components of Corazon's scope of services, call 412.364.8200.*