

PARTNERSHIP PREPARES THE RIGHT PRESCRIPTION FOR NEW PATIENT CARE MODE

Healthcare Case Study

North Highland helped architect an agreement between two healthcare entities, as well as designed and implemented their new, shared patient care strategy that will help generate tangible results in revenue, market share and quality of care.

THE CLIENTS

Client 1 is a large, multinational Healthcare Management Company that provides comprehensive solutions which improve well-being, decrease health care costs and generate economic value for commercial insurers, governments and employers in the United States, South America, Europe and Australia. With revenues of \$720 million-plus, this organization helps more than 40 million individuals improve their health.

Client 2 is the largest Health Plan in Hawaii to establish a Patient Centered Medical Home (PCMH), which provides an integrated and holistic approach to patient care for covered members.

THE CHALLENGE

The two organizations asked North Highland to architect an agreement between the two parties and to help develop a new patient care model. The Health Plan sought to improve health outcomes and reduce administrative costs by transitioning utilization management and medical management to the Healthcare Management Company, while the latter's aim was to add significant incremental revenue. The immediate challenge was to create a new relationship between the Healthcare Management Company and the Health Plan that would expand the Management Company's existing disease management program into a broader outsourced medical management agreement between the two organizations. Additionally, both organizations were eager to leverage the framework of a PCMH

CHALLENGE:

Help two healthcare organizations work together to establish a Patient Centered Medical Home.



model. Transitioning physician practices to the PCMH could reduce the overall costs of providing health services, improve quality outcomes, and increase member and physician satisfaction.

A broad team of clinicians and health care consultants, integration and project management experts, along with an in-depth understanding of both clients' businesses made North Highland uniquely qualified to lead the project.

THE SOLUTION

The project began with the goal of large-scale implementation of the new patient care model within seven months. Part of the North Highland team helped the Management Company and the Health Plan establish an outsourced agreement quickly. Another part of the team began to focus on the dual tracks of transitioning existing medical management from the Health Plan to the Management Company and establishing the infrastructure for the Patient Centered Medical Home.

To transition the Health Plan's current capabilities to the Management Company's organization, North Highland's healthcare team developed the framework and guided the planning, design and implementation of the integration solution that included:

- **Formal program structure** with reporting relationships, steering committee, dedicated resources and single points of accountability
- **Integration plan** highlighting workstreams, tasks, deliverables, key milestones, dependencies and resource allocations
- **Proactive reporting** including identification and management of program issues and risks
- **Ongoing change management and communications** to mitigate disruptions to both organizations

At the same time, North Highland facilitated the development and introduction of the PCMH model to physicians and members. The goal was to build a sustainable health care system that provided access to quality care at a reasonable cost. In addition, the Management Company wanted to increase the utilization of evidenced-based care, improve coordination of care and

increase the earning potential of primary care physicians (PCPs). The North Highland team worked with the two clients to meet an aggressive timeline in the critical areas of:

- **Economic modeling:** Patient reporting, automation and ROI analysis
- **Physician contracting:** Contract templates, negotiations and agreements, patient consent
- **Service modeling:** Care coordination model, process redesign and support tool design
- **Reporting and analytics:** Pay for performance reporting, technology selection, registry and other tool development
- **Physician onboarding:** Definition of roles and responsibilities, identification of targeted physicians and provider education and recruitment
- **Communications:** Stakeholder analysis, change management, communications plans and town hall meetings

THE VALUE

With North Highland's help, the Management Company expanded an existing relationship into a comprehensive, outsourced medical management agreement with the Health Plan that **increases the Management Company's revenues by \$30 million per year over the 10-year term of the contract.** At the same time, the Health Plan will **reduce its care costs by \$5 million per year.** At the heart of the deal is a thriving patient care model that today **serves 70% of Hawaii's commercially insured members** – a model that has the potential to significantly improve the health status and well-being of the state's residents.

While the clinical and financial benefits of Hawaii's PCMH may take several years to realize, the ease and strength of North Highland's implementation made an immediate impact. As the health care industry in the United States continues to wrestle with health care reform, the successful implementation of this PCMH could serve as a model for other provider-payer ventures that seek to improve access to quality care, while reducing total costs.



THE VALUE:

A thriving patient care model that today serves 70% of Hawaii's commercially insured members – a model that has the potential to significantly improve the health status and well-being of the state's residents.

THE VALUE SUMMARY

North Highland helped these two organizations partner, and then engineered and implemented a new patient care model expected to reduce care costs by \$50 million and increase revenues by \$300 million over 10 years.

ABOUT NORTH HIGHLAND

North Highland is a global management consulting firm that delivers unique value, relevant big ideas and strategic business capabilities to clients around the world. The firm solves complex business problems for clients in multiple industries through an integrated approach and offers specialty services via its Data and Analytics, Managed Services, and Sparks Grove divisions. North Highland is an employee-owned firm that has been named as a “Best Firm to Work For” every year since 2007 by Consulting Magazine. The firm is a member of Cordence Worldwide (www.cordenceworldwide.com), a global management consulting alliance. For more information, visit northhighland.com and connect with us on [LinkedIn](#), [Twitter](#) and [Facebook](#).