



**BON SECOURS  
VIRGINIA HEALTH SYSTEM**  
Bon Secours Health System, Inc.

October 7, 2013

The Honorable Emmett W. Hanger, Jr., Chairman  
The Honorable R. Steven Landes, Vice-Chairman  
Commission Members  
Virginia Medicaid Innovation & Reform Commission  
201 North 9<sup>th</sup> Street  
Richmond, VA 23219

Dear Commission Members:

On behalf of the Bon Secours Virginia Health System, I am pleased to submit herewith comments pertinent to our efforts around Medicaid reform and why we favor Virginia moving forward with Medicaid expansion. First, I am pleased to share the following examples of some recent reform initiatives, efforts which are resulting in improved patient care and outcomes and reducing costs. These are the voluntary efforts above and beyond the mandatory programs (readmission reductions, value based purchasing and hospital acquired conditions) that all hospitals participating in Medicare are required to participate in. We are proud to participate in these voluntary pilot programs that are designed to reduce costs and improve quality:

#### REFORM INITIATIVES

- 1) Accountable Care Organization – Effective January 1, 2013, the Good Hope ACO was selected as one of 106 new CMS Medicaid Shared Savings Participants. Good Help ACO is one of the largest ACO's in the country working to improve quality and reduce cost for Medicare beneficiaries. Across Bon Secours Health System, teams are working hand-in-hand with provider practices representing over 1,000 providers to manage the health of 60,000 assigned beneficiaries within the network. This pioneer model of care is improving quality and reducing the cost of care for thousands. Early returns show reductions in our admissions and emergency room utilization for the assigned beneficiaries and positive financial performance against our ACO cohorts across the country.
- 2) CMMI Bundled Pilot – On January 1, 2015, Bon Secours' St. Mary's Hospital will begin participation in a Three-Year Bundled Payment Pilot program with CMMI for Hip and Joint replacements. This pilot covers the period three days prior to admission to 90-days post inpatient discharge. In addition to reducing patient costs, we will be able to apply lessons learned toward private-sector, non-Medicare bundled payment agreements. This program requires dedicated coordination across all touch points of care to be successful and this has been shown to be a large component of the opportunities to reduce the overall cost of care.
- 3) Primary Care Medical Home – The Bon Secours Medical Group is dedicated to transforming its delivery of care by focusing on strategic Primary Care growth and Primary Care delivery system design. The emphasis is on a patient centric model that integrates team care delivery and the principles of population health in a Medical Home model. By using Connect Care in a very robust fashion and optimizing the tools therein, we are able to track and reconcile high

risk tests and referrals, and identify and take action on populations of patients that are at risk. The use of evidence-based standards of care, integrated biomedical equipment, registries and the patient portal have allowed us to achieve certification as a “Level 7 HIMSS” delivery system, the highest level there is, and we are one of only four recipients in the country. Tools like our “Diabetes Registry” have also allowed us to improve outcomes of patients with chronic disease.

In addition to these voluntary efforts, we have been engaged with Clinical Transformation efforts since 2008. We have traditionally defined this as reducing variations of quality and costs and have been very successful in these efforts, taking millions of variable costs out of our system since 2008. These concentrated efforts by service line positioned us well for the innovative pilots and mandatory programs that have now become the new way of life in our transitioning to a pay for value world.

The aggressive use of team care and embedded disease management by our Nurse Navigators has also allowed us to achieve Level 3 NCQA Recognition at 20 primary care practices across Virginia, with eight additional sites submitted and due by the end of calendar year 2013.

Innovative strategies like our CHF Home health initiatives in which high risk CHF patients are identified while in our hospitals and then followed by our Home Health team discharge, have had remarkable results with a 30-day readmission rate of less than 2%. We are now experimenting with the use of digital tele-monitoring equipment to provide our patients with comprehensive management, and truly achieve our vision of “Health Care Without Walls”.

#### MEDICAID EXPANSION

- 1) Medicaid expansion is already underway in several states across the country. A key benefit to Virginia participating in expansion is the return of \$9.9 billion in federal money to Virginia from 2013-2016. Getting the currently uninsured covered and actively involved in diagnosis and treatment during the period being 100% covered by federal funds, will significantly reduce cost and improve health outcomes for this population in the out-years.
- 2) Coordinated care as outlined in our reform initiatives will improve quality and lead to significant cost control.
- 3) This gateway approach to the future delivery of health care will move this uninsured population from the most expensive method of care, the emergency room, to a primary care model that will identify, manage and lower future cost.
- 4) Cost-shifting care for the uninsured to private plans, the business community, will be significantly minimized.

For these and many other reasons, I hope the Medicaid Innovation and Reform Commission will continue to pursue CMMS waivers on behalf of significant reform for Virginia, and agree to move forward with Medicaid expansion in 2014. If Virginia is to achieve its goal of improved health outcomes for its citizenry and lower the cost of care for both government and private payers, I do not

Virginia Medicaid Innovation & Reform Commission  
October 7, 2013  
Page 3

see this as an either/or proposition; rather, Virginia needs to pursue both reform and expansion as a combination of efforts that will lead to improved care and lower cost.

Finally, I remind the Commission that Virginia is already recognized as a higher quality, lower cost state, and that many of the uninsured we would be serving under Medicaid expansion are employed on a full or part-time basis. I appreciate the difficult challenges facing the Commission and thank you for your time and effort as you seek the best possible outcomes for Virginia.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Peter J. Bernard". The signature is stylized with large, sweeping loops.

Peter J. Bernard  
Chief Executive Officer

Cc: The Honorable William A. Hazel, Jr., MD  
Secretary of Health & Human Resources