

# Frequently Asked Questions

## **Q: What exactly is being proposed?**

Ellis Medicine (Ellis) and St. Peter's Health Partners (SPHP) are collaborating to create a regional alliance. This innovative business partnership will help organize and operate the Capital Region's first Clinically Integrated Network (CIN) that will focus on access, quality, population health, and health costs. The new CIN will allow private physician groups, SPHP and Ellis to work together in coordinating and improving the delivery of health care, as well as participating in new methods of reimbursement.

## **Q: What is a Clinically Integrated Network (CIN)?**

A Clinically Integrated Network is a partnership between physicians, hospitals and the health systems that is collectively committed to improve the quality and efficiency of care delivered to the patient population it serves. Typically, a CIN is the legal entity that provides the structure for an Accountable Care Organization.

## **Q: Does this mean Ellis Medicine and St. Peter's Health Partners are merging?**

No. Forming a CIN does not mean that the organizations become one entity. Rather, a CIN means that organizations involved will remain independently operated, but will work collaboratively on certain initiatives to improve quality of care and determine opportunities to operate more efficiently.

## **Q: Who will be involved in the development of clinical integration and the leadership of this endeavor?**

Private physician groups, other health providers, and other health systems will join Ellis and SPHP in this bold, innovative initiative. Physicians will play a key role in governance and design of the CIN. SPHP and Ellis are creating the initial legal structure and funding the information technology and administrative infrastructure that will help establish this new regional alliance.

## **Q: Will any of Ellis' or SPHP services and programs change?**

Ellis and SPHP will continue to operate independently, each providing separate evaluation of their services and programs to determine if they are appropriate for the individual organization and the community need. Through this new business partnership, the organizations will also evaluate opportunities for service and program improvements if and when appropriate.

## **Q: Why did Ellis and SPHP decide to start discussions?**

To meet the challenges of health reform, the boards and senior leadership of both Ellis and SPHP began discussions to explore how the two systems might further collaborate. Health care reform, including where and how care will be delivered and how it will be paid for, is creating rapid transformation. Powerful market change presents both significant opportunity and significant risk. Health systems that will remain sustainable are likely those that have sufficient scale, size, scope, breadth, and quality outcomes to function in this new world of health reform. Successful models for the future will require integrated networks of physicians and hospital partners to manage these changes in health care delivery and payment.

## **Q: How long have you been in discussions?**

The boards and senior leadership of Ellis and SPHP have been in discussions for several months.

## **Q: What are the benefits of clinical integration?**

Doctors and hospitals nationwide are implementing clinical integration programs to improve the health of the communities they serve, and to ensure future success in the evolving health care industry:

1. Clinical integration provides patients with:
  - a better value for their health care dollar;
  - more effective care management and outreach from a trusted source, their physician;
  - more reliable information to support their choice of health plans, physicians, and hospitals;
  - more accurate and meaningful provider ratings; and
  - greater stability in their relationship with their doctor and hospital, and less likelihood they will need to choose new health care providers every year.
2. Clinical integration allows physicians to:
  - demonstrate their quality to current and future patients;
  - choose the clinical measures against which they will be evaluated;
  - enhance revenue through better management of chronic patients;
  - gather collective support for building necessary infrastructure; and
  - seek higher reimbursement that reflects the higher value they can furnish patients and health plans.
3. Clinical integration gives hospitals the ability to:

- demonstrate their quality to current and future patients;
  - enlist physician support for hospital initiatives, including compliance with “core measures,” clinical pathways, standardized order sets, and supply chain management initiatives;
  - develop a better, more collaborative relationship with their medical staff;
  - improve performance on hospital pay-for-performance measures; and
  - position themselves at an advantage in the market on the basis of quality.
4. Clinical integration gives employers:
- the ability to more effectively manage the health care costs of employees and their dependents through the purchase of better, more efficient health care services;
  - increased employee productivity and reduced absenteeism, through the better management of chronic disease;
  - lower health care costs over the long term, through the reduction of variation in physician practice patterns; and
  - more reliable information to support conversion to consumer-driven health insurance products.