

Presentation to
The Select Committee on Efficiency in Government
Presented by John Goodnow, CEO
Benefis Health System
August 23, 2011



Benefis at a Glance

- Community-owned and-governed.
- Serves a 15-county area with more than a quarter of a million people and a land mass bigger than Connecticut, Massachusetts, New Hampshire and Vermont combined.
- Largest non-governmental employer in Cascade County with more than 2,600 employees.
- 500 beds on two campuses in Great Falls. More than 200 physicians are on the Benefis Medical Staff, including physicians employed by the Benefis Medical Group.



High Quality, Low Cost

- Benefis was recognized as one of the top 5% of all hospitals in the entire country for quality in 2011, earning the distinction for the sixth time in the last seven years.
- Benefis provided more than \$9.5 million in charity care in 2010 to Montanans who couldn't afford to pay their medical bills. Benefis' charity care has increased an average of 25% a year over the past four years.
- Benefis is low cost. According to the latest data from the Montana Hospital Association, Benefis is 7% lower on inpatient charges and 30% lower on outpatient charges than our Montana peers.
- Nearly 70 percent of patients at Benefis are government-insured:
 - Medicare: 43.9%
 - Medicaid: 16.3%
 - Other Governmental: 8.8%



Montana's Largest Medicaid Providers

Hospital	Inpatient Days	Medicaid Days	Medicaid Percentage
Benefis Health System	67,447	10,474	20.80%
Billings Clinic	63,414	9,196	19.71%
St. Vincent Hospital	53,539	7,897	18.55%
Community Medical Center	28,704	7,362	30.55%
Northwest Healthcare	33,144	4,425	20.60%
St. Patrick Hospital	39,722	3,291	13.73%
Shodair Hospital	4,815	2,898	62.64%
Northern Montana Hospital	9,301	2,606	33.96%
St. Peter's Hospital	19,865	2,415	18.57%
St. James Healthcare	16,242	2,297	20.91%

"Benefis Health System is Montana's largest single Medicaid provider."

Benefis Health System fully appreciates the State's need to control Medicaid expenditures and is anxious to partner with the State, in a collaborative fashion, to achieve that goal.

The logo for Benefis Health System, featuring the word "Benefis" in a large, white, serif font above the words "HEALTH SYSTEM" in a smaller, white, sans-serif font, all set against a dark blue rectangular background.

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Benefis would propose investigating the creation of a pilot between the State (DPHHS) and BHS, would include the following elements:

- DPHHS would assign Medicare recipients in Great Falls or Cascade County to BHS as their “Medical Home” and care provider.
- BHS would conduct a health risk assessment for the Medicaid recipients who were assigned to us. Based on the results of the health risk assessment, efforts to address the risks, increase preventive services, and improve health status would be undertaken by BHS as the recipients’ Medical Home/Care Provider. To make this successful, we’d likely need to build in incentives for the recipients.
- BHS would develop a medical home model of a team of providers who would make care decisions for the recipients, and who would ensure that unnecessary tests or services are not provided, that tests are not duplicated, and that care is provided in the most cost-effective manner.

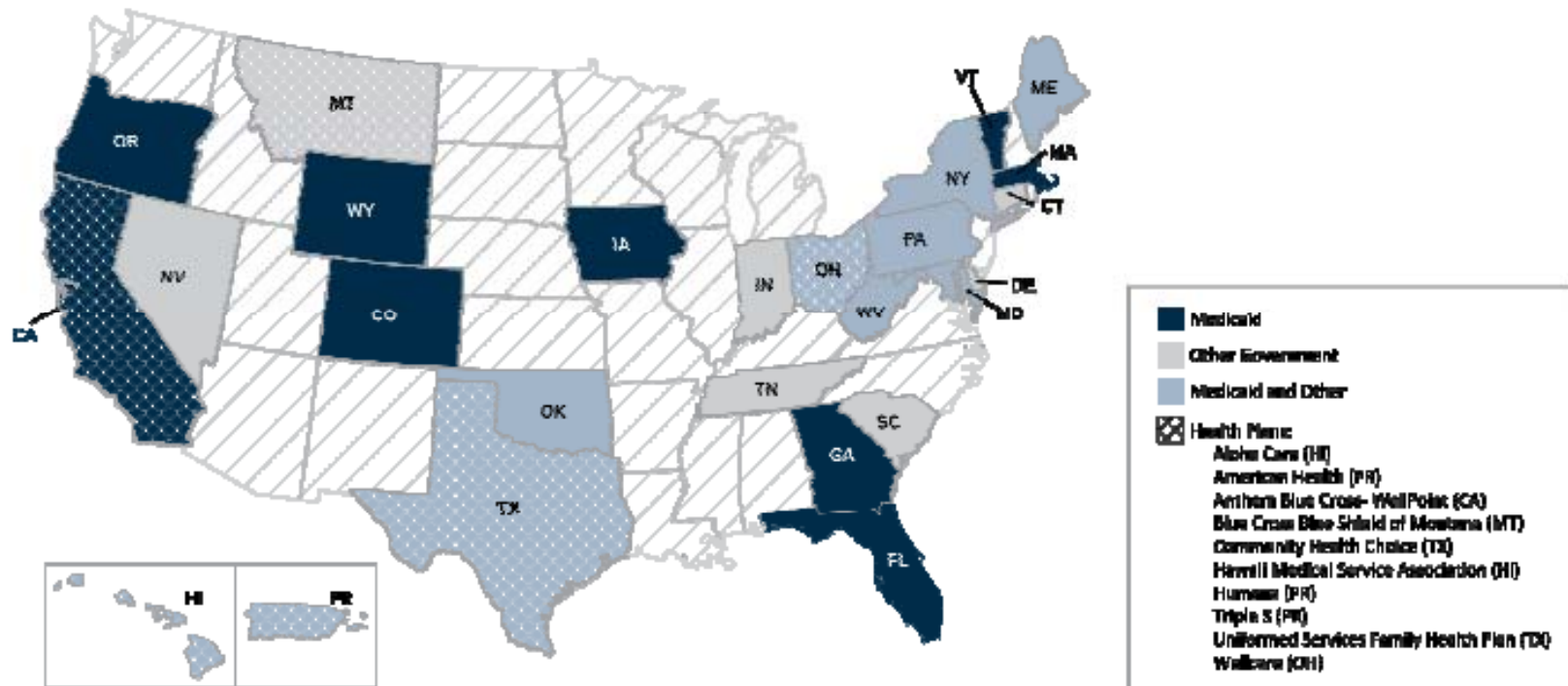


- BHS, as a partner in the pilot with DPHHS, would be willing to fund a portion of the cost and we'd appreciate sharing in the savings, which we are confident would result.
- BHS would view this as a hand-in-hand partnership versus an adversarial relationship.
- Assuming we are able to develop a pilot, BHS would likely contract with APS – a national level player with significant experience in the above. BHS has already had preliminary conversations with APS. The BHS contract with APS would be at BHS' expense to assist us in the medical home model and care management.



APS Expertise on a National Landscape

Over 30 Medicaid Programs | Government Programs In 25 States and Puerto Rico | 10 Health Plans



Government Services:

Disease Management and Care Coordination

California, Indiana, Iowa, Maine, Pennsylvania, Ohio, Oregon, Tennessee, Vermont, Wyoming

Utilization Management/ Review

Colorado, Georgia, Maine, Maryland, New York, Nevada, Oklahoma, West Virginia, Wyoming

External Quality Review/ QI/Specialty Services

California, Delaware, Florida, Georgia, Maine, Massachusetts, Oklahoma, Pennsylvania, Wyoming

Behavioral Health:

Georgia, Hawaii, Maine, Maryland, Puerto Rico, South Carolina, West Virginia

5/2011 JV

Benefis Health System would propose working with The Select Committee on Efficiency in Government and staff on developing specifics of a collaborative pilot, including a timeline.

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And Benefis is no stranger to partnering with DPHHS

Benefis Spectrum Medical, Inc. Partnership Projects with the Department of Public Health and Human Services

1998: Awarded the contract to provide case management services under Montana Big Sky Home and Community-Based Waiver Program in a five-county area. (Senior and Long Term Care Division)

2001: Because of the quality of the services provided in our five-county area, the Human Resource Development Council in Bozeman and Benefis Spectrum Medical entered into a contractual arrangement where Benefis Spectrum Medical managed their Montana Big Sky Home and Community-Based Waiver Program. (Senior and Long Term Care Division)

2003: Partnership with the Senior and Long-Term Care Division on the Montana CHOICE Grant. Benefis Spectrum Medical developed a training center for attendants with a replicable curriculum to enhance training, recruitment and retention of this hard to find work force. The training center still exists today. (Senior and Long Term Care Division)

2004: Benefis Spectrum Medical had a client who needed daily nursing for medication reminders so developed a pilot project utilizing an innovative medication dispensing system which increased the consumer's independence and reduced costs to Medicaid. (Senior and Long Term Care Division)

2006: Benefis Spectrum Medical participated in a pilot project called the Big Sky Bonanza, which is a Medicaid-funded long-term care program that offers advanced consumer direction, where the consumer is in charge of directing services and managing a monthly budget that is designed to meet their long-term care needs and goals. This program recently went statewide. (Senior and Long Term Care Division)

2007: Benefis Spectrum Medical piloted a project called the SDMI Waiver. This program is intended to service consumers with a severe and disabling mental illness in their homes as opposed to institutional care. The program has grown and recently expanded to other service areas. (Addictive and Mental Disorders Division)

2008: Benefis Spectrum Medical was asked to test and train on the new QAMS data base. This system tracks serious occurrences with consumers that all providers can access and allows the State to gather statistical data. (Senior and Long Term Care Division)

2009: The Human Resource Development Council in Bozeman discontinued their relationship with the State with the Montana Big Sky Home and Community-Based Waiver Program. The State allowed Benefis Spectrum Medical to continue to run the program under our current agreement for the waiver program in Butte. (Senior and Long-Term Care Division)

2011: Opportunity – Contracts have expired for the Montana Big Sky Home and Community Based-Waiver Program and teams are responding to the Request for Proposal. Benefis Spectrum Medical will be applying for those areas that currently are struggling in an effort to assist the department with ensuring quality performance.

Thank you and we will await word back from the
Committee.

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