



September 11, 2015

Mr. David Seltz  
Executive Director  
Health Policy Commission  
50 Milk Street, 8<sup>th</sup> Floor  
Boston, MA 02109

Dear Mr. Seltz:

This letter and attached Exhibit B which includes Wellforce's response to the Health Policy Commission, in collaboration with the Office of the Attorney General and the Center for Health Information and Analysis, request for written testimony on health care cost trends. I certify that I am legally authorized and empowered to represent Wellforce for the purposes of this testimony, and acknowledge that it is signed under the pains and penalties of perjury.

Please feel free to contact me directly at 978-937-6200 or Susan Green, Executive Vice President and Chief Financial Officer at 978-788-7143.

Sincerely,

A handwritten signature in black ink, appearing to read "Normand E. Deschene". The signature is fluid and cursive, written over a light gray background.

Normand E. Deschene  
Chief Executive Officer  
Wellforce

## **Exhibit A: Notice of Public Hearing**

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Pursuant to M.G.L. c. 6D, § 8, the Health Policy Commission (HPC), in collaboration with the Office of the Attorney General (AGO) and the Center for Health Information and Analysis (CHIA), will hold a public hearing on health care cost trends. The hearing will examine health care provider, provider organization and private and public health care payer costs, prices and cost trends, with particular attention to factors that contribute to cost growth within the Commonwealth's health care system.

Scheduled hearing dates and location:

**Monday, October 5, 2015, 9:00 AM**  
**Tuesday, October 6, 2015, 9:00 AM**  
**Suffolk University Law School**  
**First Floor Function Room**  
**120 Tremont Street, Boston, MA 02108**

Time-permitting, the HPC will accept oral testimony from members of the public beginning at 4:00 PM on both days. Any person who wishes to testify may sign up to offer brief comments on a first-come, first-served basis when the hearing commences on October 5 and 6.

Members of the public may also submit written testimony. Written comments will be accepted until October 9, 2015 and should be submitted electronically to [HPC-Testimony@state.ma.us](mailto:HPC-Testimony@state.ma.us), or, if comments cannot be submitted electronically, sent by mail, post-marked no later than October 9, 2015, to the Health Policy Commission, 50 Milk Street, 8th floor, Boston, MA 02109, attention Lois H. Johnson.

Please note that all written and oral testimony provided by witnesses or the public may be posted on the HPC's website: [www.mass.gov/hpc](http://www.mass.gov/hpc).

The HPC encourages all interested parties to attend the hearing. For driving and public transportation directions, please visit: <http://www.suffolk.edu/law/explore/6629.php>. Suffolk University Law School is located diagonally across from the Park Street MBTA station (Red and Green lines). Parking is not available at the law school but information about nearby garages is listed at the link provided.

If you require disability-related accommodations for this hearing, please contact Kelly Mercer at (617) 979-1420 or by email at [Kelly.A.Mercer@state.ma.us](mailto:Kelly.A.Mercer@state.ma.us) a minimum of two (2) weeks prior to the hearing so that we can accommodate your request.

For more information, including details about the agenda, expert and market participant panelists, testimony and presentations, please check the Annual Cost Trends Hearing section of the HPC's website, [www.mass.gov/hpc](http://www.mass.gov/hpc). Materials will be posted regularly as the hearing dates approach.

## **Exhibit B: Instructions and HPC Questions for Written Testimony**

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On or before the close of business on September 11, 2015, please electronically submit written testimony signed under the pains and penalties of perjury to: [HPC-Testimony@state.ma.us](mailto:HPC-Testimony@state.ma.us). **You may expect to receive the questions and exhibits as an attachment received from HPC-Testimony@state.ma.us.** If you have any difficulty with the template or did not receive it, please contact Kelly Mercer at [Kelly.A.Mercer@state.ma.us](mailto:Kelly.A.Mercer@state.ma.us) or (617) 979-1420.

Please complete your responses in the provided **Microsoft Word** template. If necessary, you may include additional supporting testimony or documentation in an Appendix. Please submit any data tables included in your response in **Microsoft Excel or Access format**.

We encourage you to refer to and build upon your organization's 2013 or 2014 Pre-Filed Testimony responses, if applicable. Additionally, if there is a point that is relevant to more than one question, please state it only once and make an internal reference. If a question is not applicable to your organization, please indicate so in your response.

The testimony must contain a statement that the signatory is legally authorized and empowered to represent the named organization for the purposes of this testimony, and that the testimony is signed under the pains and penalties of perjury. An electronic signature will be sufficient for this submission.

If you have any other questions regarding this process or regarding the following questions, please contact Lois Johnson at [Lois.Johnson@state.ma.us](mailto:Lois.Johnson@state.ma.us) or (617) 979-1405.

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## Exhibit B: HPC Questions for Written Testimony

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1. In 2014, Tufts Medical Center Parent (Tufts) and Circle Health corporately affiliated to form Wellforce. Please provide information, as described in more detail below, about this recent corporate affiliation and attach analytic support for your responses where available. Feel free to provide separate responses from Tufts and Circle Health.
  - a. How have costs (e.g. prices and total medical expenses), referral patterns, quality, and access to care changed after this material change?

In October of 2014 Tufts Medical Center (Tufts MC) and Lowell General Hospital (LGH) officially announced the creation of Wellforce, an alternative health system for Massachusetts. Tufts MC and Lowell General leaders realized that practicing medicine had become complicated and required a lot of administrative work on the part of physicians and caregivers. Wellforce has set out to assist clinicians and provide them with the tools and services they need to get back to practicing medicine. Clinicians as well as patients prefer more time with clinician-patient care engagement and less time on paperwork. Members of Wellforce are also dedicated to providing the highest quality of care at a lower cost and in the most efficient location for the patient.

In Wellforce's first six months, several new initiatives have begun and we're already seeing benefits of this important strategic relationship.

- LGH is sending more patients to Tufts MC for their tertiary medical needs. In just the first quarter, Tufts MC achieved a 37 percent increase in inpatient discharges from LGH and Circle Health compared to the same time last year.
  - Additional clinical collaborations between cardiology, vascular surgery, neurosurgery and trauma teams. LGH switched its trauma affiliation from Brigham & Women's Hospital to Tufts MC as of February 2015, and now sends patients requiring trauma care from their region to the Tufts MC talented trauma team. Our long-standing, highly effective partnership in pediatrics and high risk pregnancy also continues.
  - Circle Health, Tufts MC and New England Quality Care Alliance have found ways to save money on the cost of insurance and other services by working together. This has resulted in about half-million dollars in savings to date.
- b. Tufts and Circle Health stated that the transaction would "allow for innovation in care management models, dissemination of best practices, shared infrastructure and information systems, and increased scale to serve a greater population base." What progress has been made on the development of innovations in care management, dissemination of best practices, and shared infrastructure and information systems?

Tufts MC and Circle Health have conducted a series of clinical due diligence reviews over the past year to identify clinical integration opportunities and support the following objectives of our new health care delivery system:

- Melding community and academic-based care to promote effective, patient-centered, high quality population health management on a coordinated basis across a spectrum of services, from primary to quaternary, and across a broad geographic area.
- Creating a unique balance of community and academic care, teaching and research.
- Forging effective relationships among community-based and academic physicians, community-based and academic hospitals, and supporting their collaboration in care coordination and effective implementation of population health management.
- Deploying care models in close proximity to the populations served and in close coordination with the system's academic medical center.

To date, Wellforce has been developing innovative models in care management and clinical integration across key service lines, including cardiovascular, neurosciences, trauma and oncology. Examples of how Tufts MC and Circle Health have advanced their clinical integration in cardiovascular services include:

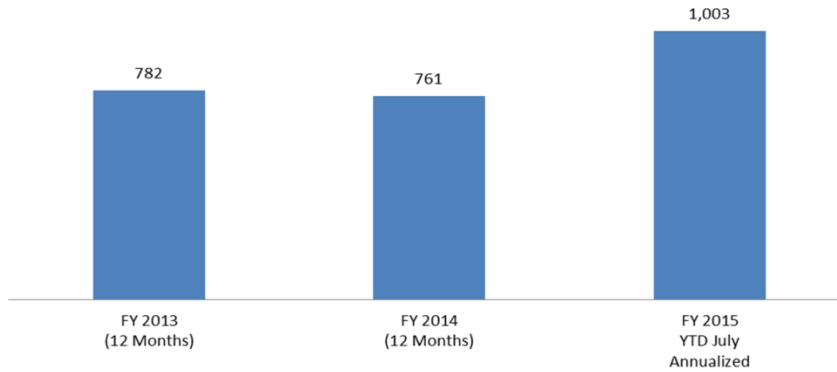
- The creation of a Wellforce Steering Committee for Cardiovascular Services to advise and guide clinical integration efforts. The group shares updates on current efforts, identifies new opportunities and prioritizes initiatives.
- Initiating a catheterization image transfer system so cardiothoracic surgery can immediately review catheterization data with Merrimack Valley cardiologists.
- The establishment of regional catheterization and echocardiography conferences to review cases for educational purposes. Electrophysiology conferences will be added later this year.
- Optimizing communication within cardiac surgery for all patient transfers, including hospital stay and post-discharge, including:
  - Clear guidelines (or direct ways) to transfer a patient in for surgery.
  - Consistent communication throughout the patient's stay by phone call, email or fax to the referring provider.
  - A faxed operative note and discharge summary to the referring provider on the day of discharge.
  - A note with the post-operative visit summary to the referring provider via electronic medical record.
- Collaboration toward establishing heart failure disease management programs that optimize care and reduce re-admissions.

- c. Tufts and Circle Health stated that the formation of Wellforce would “facilitate rationalizing care delivery to assure that services are provided in the most efficient setting, with incentives for close collaboration among physicians, facilities and other health care providers.”
  - i. Please describe any steps that Wellforce has taken to rationalize care delivery, in particular noting any changes in referral patterns such as increased patient flow to

Lowell General Hospital for non-tertiary care and to Tufts Medical Center for tertiary and quaternary care.

Inpatient referrals from Circle Health to Tufts MC increased 32% from FY2014 to FY2015 as represented in the graph and table below. The objective of in-network referrals is to assure the seamless care management of patients, improve quality, and lower the cost of total medical care by retaining patients within the high value/low cost Wellforce provider network. The case mix index (CMI) for referred patients from LGH’s primary service area who were treated at Tufts MC was 50% higher than those treated at LGH, validating our appropriate deployment of care to the right setting, with non-tertiary care generally rendered at LGH and tertiary/quaternary care provided at Tufts MC.

**Tufts MC Inpatient Discharges from Lowell General Hospital & Physician Referrals - FY 2013 to FY 2015 YTD July Annualized**



Tufts MC Inpatient Discharges* from Lowell General Hospital & Physician Referrals FY 2013 to FY 2015 YTD July Annualized					
Referral Description	FY 2013 (12 Months)	FY 2014 (12 Months)	FY 2015 YTD July Annualized	% Change FY 13-14	% Change FY 14-15
LGH PHO	553	485	590	-12%	22%
Transfers from LGH**	229	276	380	21%	38%
Transfers From LGH Saints Campus**	0	0	32	--	--
<b>LGH Total Inpatient Referrals</b>	<b>782</b>	<b>761</b>	<b>1,003</b>	<b>-3%</b>	<b>32%</b>

\*Discharges exclude Normal Newborns (MSDRG 795)

\*\*Transfers exclude referrals from LGH PHO to eliminate overlapping

Increased referrals to Wellforce providers result in significant financial savings to the Commonwealth based on Tufts MC and LGH’s lower commercial prices compared to their Massachusetts’ hospital cohort groups. According to CHIA’s Feb 2015 Relative Price (RP) Chartbook on Health Care Provider Price Variation in the Massachusetts Commercial Market, both hospitals had close to the lowest commercial RPs of their respective cohort group of hospitals. Tufts MC had the second lowest Composite RP Percentile of the six Massachusetts

Academic Medical Centers, while LGH had the third lowest of the 20 Massachusetts non-DSH Community Hospitals.

- ii. Please describe any incentives currently in place to encourage collaboration among Wellforce providers.

Wellforce brought together high quality value providers to serve as an alternative healthcare system in the market, in an effort to create a forward-thinking system focused on supporting the clinician-patient relationship and lowering the overall cost of care. We are doing this by incentivizing our providers to share in the development and sharing of innovative expertise, technologies and programs. Wellforce providers are committed to the mission, vision and values of our high value health care system and will all benefit from the shared infrastructure, dissemination of best practices, innovation in care management and professional satisfaction of being part of the solution to the much-needed transformation of health care delivery.

Wellforce believes healthcare is changing rapidly and that consumers are demanding more from healthcare every day. Wellforce serves as a platform for innovation to meet the new level of consumerism in the marketplace. Wellforce is not only helping to bring tertiary and quaternary levels of care to the community setting, it is enhancing access to services and helping even the smallest of physician offices to offer their patients new modes of engagement.

The slides below provide an overview of Wellforce's current size, scope and reach as well as a summary of our innovations and collaborations to date.

**Wellforce: The Facts**  
Founded in 2014 through a partnership with two high-quality, lower-cost organizations.

**Partners:**

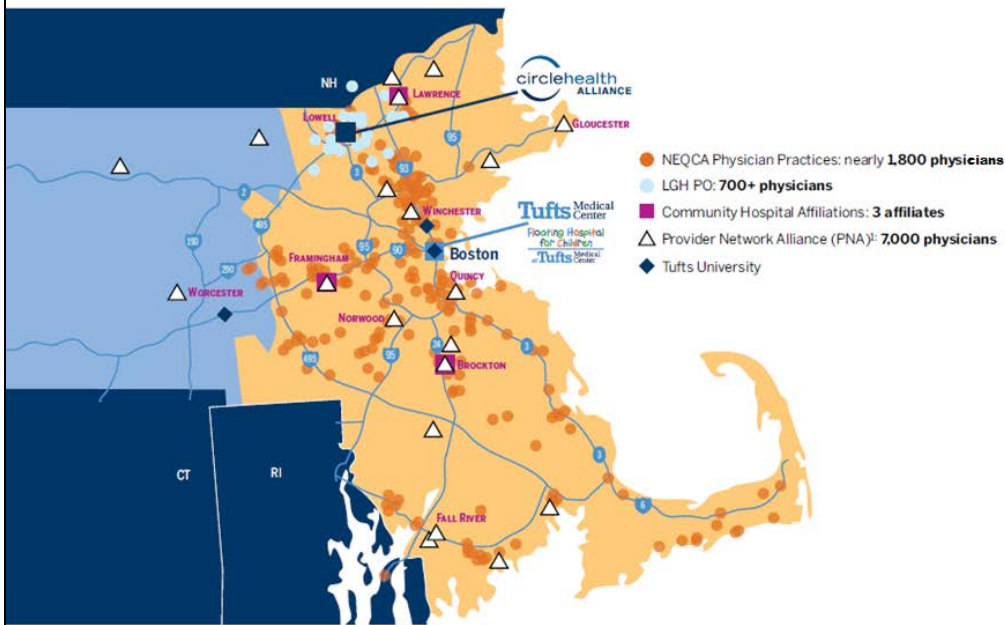
- Tufts Medical Center
- circlehealth
- Floating Hospital for Children at Tufts Medical Center
- Lowell General Hospital
- NEQCA
- Lowell General

**Key Statistics:**

- 2,500 physicians
- 2 community hospital campuses
- 1 academic medical center
- 849 beds
- 9,000 employees
- 2<sup>nd</sup> highest case mix index
- \$1.36 billion in revenue
- 46,663 inpatient discharges and bedded outpatients
- 787,296 outpatient visits
- 142,072 emergency room visits
- 17,817 outpatient surgeries and OR cases

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## The Wellforce reach



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## Examples of innovation and collaboration to date



### Population health management

- Aggregating clinical data to identify care gaps and improve the quality of care while lowering costs
- Care Management for Complex Patients
- Patient-Centered Medical Home
- Pharmacy Tech Pilot
- Regional Nurses Approach
- Diabetes Disease Management Program

### Clinical integration

- Coordinating care across conditions, providers and settings to achieve safe, timely, effective, efficient and patient-focused care
- Pediatric Behavioral Health Coordinators
- Mother Infant Research Institute
- Maternal Fetal Medicine Program
- Pediatric Hospitalist and Neonatal Program
- Intensivist Program
- Tertiary Affiliation
- Communication Tools
- Dialysis/Port Access
- Physician Group Health Information Exchange
- Cardiovascular Surgery/Clinic
- Thoracic Surgery
- Home Health Care and Skilled Nursing Transition of Care
- Meaningful Use of EHRs (attested to state 1 MU)
- Cerner
- Customer Service and Quality Improvement Techniques to help improve patient interactions and experience
- ICU Management
- CVC Work

### Access

- Providing convenient, efficient, and timely "on demand" access to care
- Pharmacy Retail Program
- WellConnection Telemedicine Program
- ZocDoc Online Appointment Scheduling
- InQuicker ED Online Scheduling
- Destination Center for Joint Replacement

### Operational excellence

- Optimizing scale, processes and resources for improved performance
- Patient Experience Training
- Medication Prior Authorization Support Program
- Pharmacy Improvement Program
- Quality Improvement Program
- Clinical and Translational Science Institute
- Magnet Designation
- Purchasing
- Insurance Risk Unification
- Payer Contracts
- Performance Improvement Program to support work flow improvement at individual practices
  - Innovation grants
  - Practice Quality Coordinators
- Best Practices to Manage Medical Expenses
  - Pharmaceutical quality and cost management
  - Care Alliance integrated care management model for Medicare Advantage



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