



East Hawaii IPA

GENERAL MEMBERSHIP MEETING & ELECTION

April 26, 2017

'Imiloa Astronomy Center



East Hawaii IPA

WELCOME

Dr. Kevin Kurohara, President

April 26, 2017

Vision

A community working together to achieve better health.

Mission

Empower independent healthcare providers in Hawaii Island to improve quality, increase access and lower costs to achieve better health.

Strategic Priorities

- ✓ Strengthen IPA through enhanced integration
- ✓ Develop Board directed/physician led management of cost & quality
- ✓ Establish a sustainable financial revenue stream
- ✓ Strengthen IT capabilities

- **Welcome**
- **Financial Report**
- **Activity Report**
- **Election of Directors**
- **Partnering for Strength- WHY?**
 - *Hawaii Health Partners Proposal*
 - **Discussion: Questions & Answers**
- **Election Results & Recognition of Outgoing Directors**
- **Adjournment & Announcements**



East Hawaii IPA

FINANCIAL REPORT

Dr. David Nakamura, Treasurer

April 26, 2017

Balance Sheet- As of 12/31/16



ASSETS	
Current Assets	
Checking/Savings	\$981,268
Security Deposit	\$1,850
Total Current Assets	\$983,118
Long Term Investment	\$20,513
TOTAL ASSETS	\$1,003,631
LIABILITIES & EQUITY	
Liabilities	
Credit Card	(\$2,212)
GE Tax Payable	\$2,813
Health Plan Hawaii Reserve	\$400,000
Total Liabilities	\$400,601
Equity	
Retained Earnings PY Adjustment	(\$1,631)
Retained Earnings	\$616,124
Net Income	(\$11,463)
Total Equity	\$603,030
TOTAL LIABILITIES & EQUITY	\$1,003,631

2016 Year End Profit & Loss

Income	\$2,140,545
Expense	\$2,152,388
Net Ordinary Income/(Expense)	(\$11,843)
Other Income/Expense	\$380
Net Profit/(Loss)	(\$11,463)

Ordinary Income/Expense	
Income	
HMSA	\$1,964,295
Aloha Care	\$14,507
Ohana Health Plan	\$41,199
Symposium Revenue	\$118,756
Other	\$1,788
Total Income	\$2,140,545
Expense	
Management	\$10,000
MSO & LHH	\$1,586,565
Education, Dues, Subscriptions	\$301
PCMH	\$72,224
Advertising	\$4,905
Bank Charges	\$556
Business Licenses	\$29
Contributions	\$1,500
Directors Fees	\$13,350
Meals & Entertainment	\$115
Insurance	\$12,737
Interest Expense	\$19
Meetings	\$19,495
Miscellaneous	\$4,764
Office Expense	\$18,085
Postage	\$1,960
Professional Services	\$222,396
Rent & Utilities	\$37,408
Staffing	\$4,497
Symposium Expense	\$100,873
Taxes - GET	\$34,839
Telephone	\$834
Travel	\$4,938
Total Expense	\$2,152,388
Ordinary Income/Expense	(\$11,843)
Other Income	
Interest Income	\$513
Total Other Income	\$513
Other Expense	
Penalties	\$132
Total Other Expense	\$132
	\$380
	(\$11,463)

Balance Sheet As of March 31, 2017



ASSETS	
Current Assets	
Checking/Savings	\$ 1,141,663
Security Deposit	\$ 1,850
Total Current Assets	\$ 1,143,513
Other Assets	
Long Term Investment	\$ 20,513
WIP Leasehold Improvement	\$ 10,400
TOTAL ASSETS	\$ 1,174,426
LIABILITIES & EQUITY	
Current Liabilities	
Credit Card	\$ 992
GE Tax	\$ 1,844
Hawaii Health Plan Reserve	\$ 400,000
Deferred Income	\$ 20,000
Total Current Liabilities	\$ 422,836
TOTAL LIABILITIES	\$ 422,836
EQUITY	
Prior Period Adjust.	\$ 1,794
Retained Earnings	\$ 603,030
Net Income	\$ 146,767
TOTAL EQUITY	\$ 751,591
TOTAL LIABILITIES & EQUITY	\$ 1,174,426

Profit & Loss- January 1- March 31, 2017

Income	\$294,098
Expense	\$147,110
Net Ordinary Income/Expense	\$146,988
Other Net Expense	-\$220
Net Profit/Loss	\$146,767

Ordinary Income/Expense	
Income	
HMSA	\$262,786
Aloha Care	\$3,795
Ohana Health Plan	\$5,892
Symposium Revenue	\$21,625
Total Income	\$294,098
Expense	
Advertising	\$110
Bank Charges	\$70
Business Licenses	\$22
Computer Expense	\$3,535
Directors Fees	\$10,000
Dues & Subscriptions	\$1,127
Education & Training	\$1,021
Employee Benefits	\$445
Meals & Entertainment	\$2
Insurance	\$13,453
Interest Expense	\$38
Meetings	\$12,088
Supplies	\$159
Office Expense	\$5,629
Postage	\$170
Professional Services	\$45,728
Rent	\$3,736
Repair & Maintenance	\$252
Staffing	\$36,169
Taxes-GET	\$11,911
Telephone	\$713
Travel	\$2,930
Utilities	\$1,241
Total Expense	\$147,110
Net Ordinary Income	\$146,988
Other Income/Expense	-\$220
Net Profit/Loss	\$146,767

2017 Approved Budget

REVENUE	\$1,530,000
EXPENSES	\$1,476,750
NET PROFIT/LOSS	\$53,250

REVENUE	
HMSA- PT Engage & P4Q	\$475,000
HMSA -PT Grant	\$748,000
HMSA- LHH	\$100,000
ALOHA	\$10,000
OHANA	\$40,000
UHC	
SYMPOSIUM	\$120,000
HMC SPECIAL FUNDING	\$25,000
COMMUNITY FIRST	\$12,000
	\$1,530,000
TOTAL REVENUE	0
EXPENSES	
PAYROLL & BENEFITS	\$345,938
DIRECTOR FEES	\$100,000
PROFESSIONAL SERVICES	\$422,813
INSURANCE	\$18,000
SUPPLIES	\$25,000
RENT & UTILITIES	\$98,000
SUBSCRIPTIONS/SOFTWARE	\$166,000
MEETINGS (FOOD/SPACE)	\$60,000
TRAVEL	\$26,000
HAWAII GENERAL EXCISE TAX	\$65,000
EQUIPMENT & FURNISHINGS	\$50,000
SYMPOSIUM EXPENSE	\$100,000
	\$1,476,750
TOTAL EXPENSE	0
NET MARGIN/LOSS	\$53,250



East Hawaii IPA

ACTIVITY REPORT

Susan Mochizuki, Administrator

April 20, 2016

- New Membership Agreement
- Membership Strategic Planning Retreat
- 20th Annual Symposium
- HMSA Model Office & Payment Transformation Contracts
- Comprehensive Primary Care – CPC+
- Provider & Staff Engagement & Education
- eClinical Works Selection
- Care Coordination & Management
- IPA Operations from Pono Health → In-House

THREE KEY AREAS

Practice Support

- Facilitating CPC+ & Payment Transformation Success
- Education/Communication
- eClinical Works Implementation

Resource Center

- Care Coordination & Management
- Supporting Effective Referrals to Community
- Specialty Resources

Operations

- Communication
- Membership
- Annual Symposium
- Health Plan Contract Negotiation

Opportunities:

- HMSA One Year Special Funding Commitment- \$2 PMPM
– For infrastructure building- care coordination, support to practices
- HMSA Total Cost of Care
- SBIRT: Screening Brief Intervention Referral & Treatment (SBIRT)
grant for training, referral management- \$240K/year for 2 years
- CPC+ Funding for 21 EHI IPA Physicians

Challenges:

- Payment and Reporting Complexity – Cannot adequately address
- HMSA- IPA not strong enough to effectively negotiate
- Medicare programs are very complex, need targeted expertise
- Many care gaps– between PCPs, specialists, hospitals, patients
- Reliance on outside consultants- minimal in-house ability

CAN IPA HELP KEEP INDEPENDENT PRACTICE VIABLE WITHOUT OUTSIDE HELP?



East Hawaii IPA

ELECTION OF DIRECTORS

Dr. Kevin Kurohara

April 26, 2017

- **Brenda Camacho, MD – Primary Care-Pediatrician**
- **Buddy Festerling, MD – Primary Care-Family Medicine**
- **Craig Shikuma, MD – Primary Care-Internal Medicine**

- **Three Open Positions**
- **Vote for Up to Three Candidates**
- **Voting is Anonymous**
- **Top Three Candidates with Most Votes Elected**
- **Absentee Ballots Included**
- **Quorum = 25% of Voting Members (77) = 20**



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Partnering for Strength

Dr. Kevin Kurohara, Dr. Lynda Dolan,
Susan Mochizuki

April 26, 2017

CHALLENGES/THREATS FOR INDEPENDENT PRACTICE & IPA



MISSION: Empower independent healthcare providers in Hawaii Island to improve quality, increase access and lower costs to achieve better health

CHALLENGES

- Administrative burden onerous & impossible
- Small independent practices with much variation
- HMSA & Medicare reimbursement systems complicated, changing
- Gaps in care outside of PCP control-most too small to have own care management
- Retiring and newly established providers struggling
- Potential for better \$\$s in system but limited wherewithal to take advantage

THREATS

- Increasing uncontrolled costs –
- HMSA & Medicare – not transparent
- Independent physicians at bottom of food chain
- If system collapses- larger system may take over & community will suffer

WHY A LARGER PARTNER?



- Strategic Planning retreat (last year) – addressed this possibility
- Health plan contracting expertise and negotiating leverage
- Relieve administrative burden of reporting, reconciling, monitoring
- Ready access to data and ability to report on all levels
- Established education system, comprehensive training
- Take control of care management resources & not rely on health plan vendors
- Access to larger network – specialists, care coordinators, staff
- Ability to help leverage dollars to go back to individual practices

Background

- **Informal meetings held followed by Board discussion**
- **Administrator meetings with key HHP leadership and staff**
- **Donna Mills, IPA Consultant- Facilitate discussions**

Who Are They?

- **Hawaii Health Partners (HHP)- Wholly owned subsidiary of Hawaii Pacific Health**
- **110 primary care physicians- 67 employed, 43 independent**
- **Separate from the hospital system (Kapiolani, Straub, Pali Momi, Wilcox)**
- **Contracts for and provides MSO services for primary care providers**
- **Has accountability for costs and revenue sharing**

Hawaii Health Partners (HHP) Option- WHY?



Local & understands Hawaii market

Contracting expertise & leverage- 100K + lives/ robust contracts
Frequent meetings with HMSA- 2 – 3 times per week

Relief from administrative burden- Examples:

Direct reporting to COZEVA

R4R submittals and monitoring

Patient follow up touches- calls, reminders, letters

Patient attribution monitoring

CPC+ Support

Digs deep into individual offices

Dedicated, focused expertise & resources

Minimal need for outside vendors

Tools, Expertise

EHI IPA Office will benefit- cannot do alone

HOW?

- **EHI IPA to remain independent entity**
- **Providers sign individual contracts with HHP's ACO**
- **HHP handles contracting with HMSA and other health plans**
- **Agreement between IPA and HHP for services**
(Services/functions need to be defined)
- **Bonuses to contracted providers based on performance points**
- **EHI providers accountable for own costs/savings and bonused accordingly**
- **ACO/IPA controls care management dollars (no HMSA PMSO, POST, etc)**
- **CPC+ Offices to pay for HHP services if needed**
- **Providers who sign recognized as HHP affiliates**
- **Likely to establish IT "bridge"/interface for one system (eCW)
between providers who sign & HHP's system**

WHEN??

- **Start discussions in May 2017
Hold Member Forums**
- **Finalize by September 2017**
- **Agreements distributed October 2017**
- **Start January 1, 2018**

THOUGHTS?

QUESTIONS?

FEEDBACK?



East Hawaii IPA

ELECTION RESULTS

Dr. Kevin Kurohara

April 26, 2017



East Hawaii IPA

RECOGNITION OF OUTGOING DIRECTORS

Dr. Kevin Kurohara

April 26, 2017



East Hawaii IPA

ANNOUNCEMENTS & ADJOURNMENT

April 26, 2017

COMMUNICATION

- ✓ WATCH FOR WEEKLY EMAILS FROM IPA ON WEDNESDAYS
- ✓ SEE ALERTS WITH LINKS TO BACKGROUND INFO
- ✓ CHECK OUR WEBSITE BLOG FOR WEDNESDAY UPDATES AND PRESENTATION SLIDES
- ✓ ASK JOYCE FOR BLOG/PRESENTATION SLIDES PASSWORD jvital@ehiipa.com



➤ Calendar

- May 3 – Board of Directors Meeting
 - May 16- Hospital Record Access Training- HMC & Others
 - September 19 – IPA Super Huddle
- **21st Annual Symposium:** August 18 – 20, Fairmont Orchid



- **\$75 for East Hawaii IPA Members**
- **Applying for 12 AAFP CMEs**
- **Registration deadline August 4**
- **Hotel deadline July 17**