

# Henry Ford Health System drives GM employees to better health

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The movie “Ford v Ferrari” depicted the Ford Motor Co.’s quest to design a revolutionary car that would topple Enzo Ferrari’s team from its dominating position atop the auto racing world and was nominated for the Academy Award for best picture.

Henry Ford Health System (HFHS) is in its third year of an innovative direct-to-employer, risk-based contract with another major Detroit-area automaker—General Motors Co. (GM)—offering this unique health benefit to more than 25,000 nonunion employees. This endeavor may not contain enough drama to inspire a Hollywood screenplay, but it could identify a pathway to sustainable value-based care that drives down costs and encourages GM employees to seek care from physicians who are held accountable for high-quality care.

The value-based program, ConnectedCare, was launched in January 2019 and requires HFHS to hold costs under mutually agreed upon annual limits and meet 19 quality, cost and utilization targets.

If the six-hospital, Detroit-based system and its 3,000-member physician network meets these objectives, they will share in medical cost savings realized by GM. If unsuccessful, HFHS will be on the hook for some of the loss.

Learn more about how Henry Ford Medical Group moves medicine. Henry Ford is a part of the AMA Health System Partner Program.

## Why pursue direct-to-employer contract

An AMA resource, “Case Studies, Custom Networks, and Contract Terms: ‘Direct-to-Employer’ Arrangements,” discusses alternative custom network models, gives an overview of important contract terms, and describes the value-based arrangement between General Motors and the Henry Ford Health System.

GM was driven by a desire to have greater control over the structure and value generation of its benefit plan than its third-party administrator was prepared to provide, according to the AMA resource.

“The problem,” according to an AMA report, was that “GM and its employees were paying more every year but not receiving improved quality of care and efficiencies” from their health care providers.

The AMA direct-to-employer contracting resource notes that GM was motivated to do the following:

- | Provide a more responsive and convenient network for employees living and working in the defined seven-county service area.
- | Customize its benefit plan to give providers greater flexibility and encourage them to deliver health services without traditional managed care limitations.
- | Create financial incentives for providers to manage costs without sacrificing quality.
- | Negotiate directly on service fees instead of delegating that function to its third-party administrator.

HFHS collaborated with GM to develop a value-based care agreement that included what GM considered most important to them and what the health system knew could be sustainable based upon its experience with other risk-based contracts.

“We approached the agreement as a slightly different way to address population health,” Susan Hawkins, senior vice president of population health at Henry Ford, said in a news release. “Our experience in other risk-based contracts, including Next Generation ACO and Medicare Advantage, was critical in preparing us to design a program that directly served the needs of GM salaried employees and their families.”

Collaboration, transparency and mutual learning were keys to designing the plan, Hawkins said.

This included features such as:

- | Creating a dedicated concierge team and expanding the 24/7 nurse advice line to deliver a seamless customer experience to GM enrollees.
- | Expanding the Henry Ford Physician Network (HFPN) to ensure ConnectedCare enrollees have sufficient access to primary and specialty care wherever they live.
- | Providing innovative and coordinated care management in recognition that “the concept of

customer experience goes beyond the employee-facing services and encompasses the patient's entire journey," including episodes of illness and changes in health status.

An "enabling factor" in Henry Ford's ability to successfully drive change was a uniform and interoperable systemwide electronic health record that could measure both individual physician and practice-level quality and cost, using scorecards and gaps-in-care outreach reports specific to the GM population.

In the first year, the Henry Ford ConnectedCare offering attracted more than 10% of eligible GM employees, converting enrollees from the existing broad-network benefit offerings. The first performance year showed success in reducing cost and improving quality, resulting in shared savings between the two companies. By year two, the enrollment had grown to 12%; although the final evaluation will occur in late summer, the initial performance results for 2020 are also promising.

"HFHS and the HFPN have truly enjoyed the partnership with General Motors in creating a value-based health care offering for their employees and families," said Bruce Muma, MD, HFPN's president and CEO. "We have been inspired by GM's dedication to the health and wellbeing of its workforce, as well as their innovative spirit. It's amazing what can be accomplished when two organizations come together with a powerful vision and shared values."