Module II of the CHFP Program: HFMA's *Operational Excellence* exam
Sample Exam Case Studies/Questions

The intent of the *Operational Excellence* exam is for you to exhibit your mastery of the information learned in Module I: *HFMA's Business of Health Care*. In Module II: *Operational Excellence*, you will apply that learning through your careful responses to case study challenges that comprise the exam. The *Operational Excellence* exam includes a number of case studies, each of which presents a complex challenge and questions on how you would address those challenges. The challenges address issues related to the three stakeholder groups: payers, providers and physicians.

Please note that these are **examples of the types of questions** in HFMA's Operational Excellence exam. Not all of the content of the course is covered within these sample questions: this document is ***not*** a predictor of success. ***This is not a practice CHFP exam.***

Review these sample case studies in preparation for the Operational Excellence exam. *Correct answers are on pages 5-6.*

Sample Case Study 1 - Physician Alignment

New General Hospital is a 227-bed hospital (Average Daily Census of 166) that provides strong community care to a growing, affluent, suburban market with no dominant competitors. The hospital has a private practice physician model and above-average financial indicators, with an operating margin of 5.9%.

This hospital has strong alignment of purpose, but average alignment in clinical activity and economic areas. Moreover, market indicators suggest that the urgency of creating stronger physician alignment is lower than average.

Detailed investigation of New General Hospital shows that hospital leadership has been actively working to create a common vision with its physicians. This common vision has led to direct physician leadership in setting the strategic course of New General Hospital.

However, while New General Hospital has kept up with the national trends, it has not been overly aggressive at using the strategies that might advance clinical activity or economic alignment. For instance, the Hospital does not employ any physicians; pay- only limited amounts for ER call and has only a very limited number of other contractual and business service activities which involve its physicians.

With the relatively weaker alignment within clinical activity and economic elements, New General Hospital has embarked on investigating the strategies to strengthen these two areas of alignment. However, in this market, the urgency for change is lowers than average. As such, New General Hospital has been investigating moderate impact strategies with lower risk in the contracts and business services categories.

Today, New General Hospital has made extending the electronic medical record to all physicians on the medical staff its key priority on its way to building out a strong alignment of purpose to create a clinically integrated physician network. This will allow New General Hospital and its physicians to deliver better

care coordination and allow the physicians and hospital to contract together, creating increases in economic alignment.

Additionally, to improve clinical activity alignment, medical directorships are being reevaluated to ensure they advance the vision of the hospital's operations, and a clinical co-management relationship in cardiology is under development.

Questions:

1) New General Hospital put a strong foundation for physician alignment in place by:
   a) Conducting market research to first insure market position
   b) Inviting physician leaders to participate in crafting a strategic vision
   c) Conducting an strategic operations alignment review to determine the level of desired alignment
   d) Seeking to understand the economic issues faced by the physicians

2) Key business reasons for extending the electronic medical record to all physicians would be including all of the following **EXCEPT:**
   a) The medical record is the basis of payment for physicians and hospitals and needs to include all physician services
   b) Bundled payments in which payment is jointly shared by physicians and hospitals
   c) Assist physicians and hospitals in building economies of scale and economic alignment
   d) Assist physicians in determining patient co-pays

3) In working on aligning with physicians, New General Hospital must become increasingly multi-disciplinary its business discussions and decisions. This will require hospital leaders to build trust and confidence in the business case by:
   a) Employing evidence-based best practices with the physicians
   b) Insuring physician buy-in on compensation plans
   c) Educate physicians on business and finance
   d) Insuring finance has access to clinical data regarding outcomes

Sample Case Study 2 - A Critique of Accountable Care Organizations

Accountable Care Organizations (ACOs) have been heralded as a promising model for improving the quality of care and reducing unnecessary costs through coordination and collaboration among providers. The concept envisions a transformation in the way that care is organized and delivered across the care continuum.

The American Hospital Association (AHA) recently shared the experiences and lessons learned from four organizations that have embarked on this journey in its report, *The Work Ahead: Activities and Costs to Develop an Accountable Care Organization*.

This report identifies a total of 23 different capabilities that must be developed across four categories to achieve this transformation: 1) network development and management; 2) care coordination, quality improvement and utilization management; 3) clinical information systems; and 4) data analytics. The costs associated with developing these capabilities range from $5.3 to $12.0 million for t prototype ACOs.

Questions:

1) All of the following are features of an Accountable Care Organization (ACO) **EXCEPT:**
   a) An ACO is a network of providers
   b) An ACOs key feature is primary care physicians in lead role
   c) An ACO shares clinical and financial responsibilities
   d) An ACO is exempt from population health reimbursement mandates

2) Overall, the ACA provisions regarding ACOs, and payment reforms were I intended to create a business environment where providers:
   a) Must have a clear strategic plan and the business model to achieve it
   b) Need to compete more on quality and price
   c) Are challenged to include the patient as a stakeholder
   d) Must work together to generate more positive patient outcomes

3) An ACO is a network of doctors and hospitals that shares financial and medical responsibility for providing coordinated care to patients. The primary reason ACOs were created is to:
   a) Address the issue that patients are getting each part of their health care separately causing unnecessary spending
   b) Provide increased availability of primary care for Medicare and Medicaid patients
   c) Realign reimbursement models to include coverage of the un-insured
   d) Incentivize greater commitment consumer demands

Sample Case Study 3 - The Patient-Centered Medical Home

Greater Up-State Health is a multi-provider, multi-payer collaboration involving essentially all primary care practices serving about 200,000 residents in a five-county region.

The impetus for this initiative was a crisis in the region's ability to attract and retain primary care physicians. In the past three years, the region lost nearly two dozen primary care physicians, significantly eroding its already small base of primary care physicians.

The providers and the community viewed this crisis as an opportunity to effect real change, and identified the patient-centered medical home model as their best chance of improving primary care for physicians and patients alike.

Over a four-year planning period, physicians, payers, state officials, and community leaders worked to achieve broad consensus on the structure and funding of this Greater Up-State Health. The business aim of this planning was twofold:

1. To strengthen the region's ability to attract and retain primary care physicians by improving their quality of life and increasing their income, and
2. To transform the delivery of primary care in the region by increasing quality and continuity of care, reducing avoidable utilization and costs, and improving the health of the community.

To achieve these ambitious goals, the participating physicians committed to meeting criteria necessary for their practices to become NCQA-certified patient-centered medical homes, and to defining and ultimately achieving a variety of access, quality, and utilization goals over a five year period.

The patient-centered medical home (PCMH) is a model intended to improve access to primary care while enhancing care coordination. It incorporates advanced health information technology, and revolves around provision of evidence-based preventive and chronic care coordination services delivered by a team of providers led by a physician with whom the patient has an ongoing relationship.

The participating payers agreed to reimburse participating providers $7 per member per month over and above the normal fee-for-service payments for office visits to cover the costs of the expanded services of a medical Home. These payments enable the practices to put in place the elements of a PCMH, with the expectation that this model of care will result in fewer avoidable emergency department visits and hospital admissions in the future.

Over a five-year period, the participating physician practices are being held to a series of performance benchmarks to ensure that the new payments are financing improvements in patient care and generating cost savings that exceed their investment.

Questions:

1) The "Patient-centered Medical Home" model has potential to advance the *Triple Aim* goals of health reform: 1) A healthy population, 2) Extraordinary patient care, and

a) Sustainable profitability
b) Reasonable costs
c) Insuring access to care
d) Affordability of care

2) Greater Up-State Health's patient centered medical home is a business strategy that is heavily reliant on:

a) Payers' willingness to invest capital into the medical home
b) Patient satisfaction
c) Capabilities of the IT infrastructure
d) Primary Care Physicians in lead roles.

3) Greater UP-State Health can significantly impact the cost of health care in its service areas. It does so by

a) Establishing transparent pricing
b) Upgrading its IT infrastructure
c) Addressing the issue of treatment bring received in disparate locations
d) Connecting business process more tighter to those of payers.