



SIGNALLAMP
HEALTH



Relationships:
The key to
better chronic care

*Healthcare
leaders share
their views*

Executive Summary

As health systems increasingly seek to extend care beyond the walls of their facilities, a new survey of hospital and physician practice leaders provides insights into how well they're doing, which programs they participate in, how they think care should be delivered and what their top challenges are.

The survey, which was conducted in early 2019 by Sage Growth Partners and commissioned by Signallamp Health, collected input from 106 respondents.

The survey paints a picture of healthcare organizations that believe:

- + Managing chronic care is highly important and care must extend beyond the hospital and physician office. However, only about half believe they manage chronic care well today.
- + People, not technology, are still the primary driver of chronic care.
- + Telephonic nurse outreach is seen as the best way to manage chronic conditions outside the physician office.
- + Developing an ongoing, trusted clinician relationship is critical for managing care and building patient loyalty.
- + Two-thirds participate in the Comprehensive Primary Care (CPC) program today and about half plan to use telemedicine in the future.
- + Hospitals and physicians group leaders have some significantly different views about caring for chronic patients, including:
 - Twice as many practice as hospital leaders believe they're managing chronic care well.

HOSPITAL AND PRACTICE VIEWS OFTEN DIFFER

	Practice leaders	Hospital leaders
Managing chronic care very/extremely well	65%	33%
Inadequate capital	56%	47%
Inadequate reimbursement	43%	27%
Inadequate technology	20%	41%
Office-based chronic care is most important	75%	20%
Office-based care is least important	9%	45%

- Practices are more likely to cite inadequate capital and reimbursement as key barriers, while hospitals are more likely to cite limited technology as a barrier.
- Three-quarters of practices view office-based care as the most important approach, compared with only 20% of hospitals.

Many respondents say they lack adequate people and financial resources to support their chronic care efforts. That's not surprising given that the healthcare delivery system has long focused on episodic, facility-based care, and changing that model to extend care to the home and community is hard to operationalize and to finance.



KEY FINDINGS



98%

of respondents say chronic care management is a priority



97%

believe extending care beyond healthcare facilities is needed to meet chronic care patients' needs



97%

believe an ongoing nurse or clinician relationship is very/extremely important to manage care and build loyalty



71%

believe a balance of people and technology is optimal for care delivery



53%

say they're managing chronic care very well



61%

have insufficient human resources



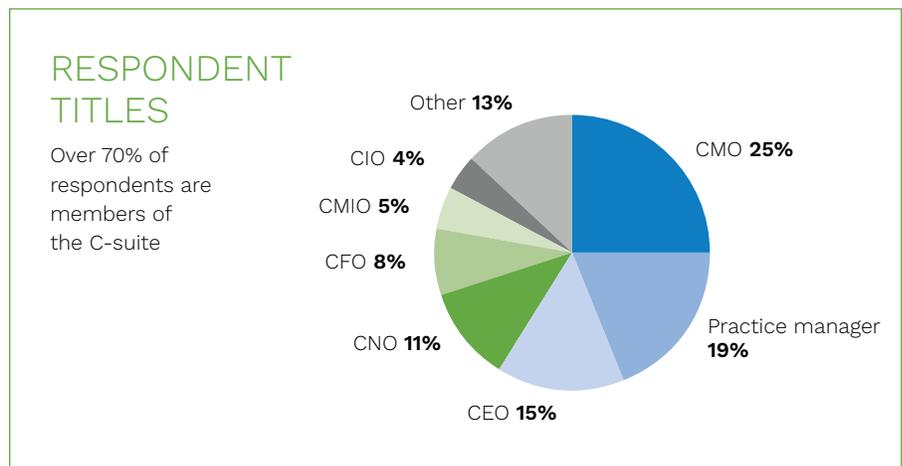
52%

believe reimbursements are insufficient

Methodology and Respondents

In early 2019, Sage Growth Partners (SGP), a healthcare consulting firm based in Baltimore, MD, conducted an online survey of healthcare executives to understand their views on managing chronic conditions. The independent survey was commissioned by Signallamp Health, a technology-enabled care management provider that dedicates nurse resources to chronically ill patients.

The survey represents 51 hospital leaders and 55 physician practice leaders. Over 70% are members of the C-suite (see chart for breakdown) and one quarter are practice managers. Some 56% are currently affiliated



with an ACO, while 21% are planning or considering an ACO affiliation. Of physician practice respondents:

- 82% are independent
- 9% are hospital-owned
- 45% are single specialty
- 14% are primary care
- 41% are multi-specialty

KEY FINDINGS

+ Chronic care is a priority and extending care outside facilities is key

Respondents overwhelmingly agree that chronic care is a high priority, and that they need to extend care beyond their facilities to meet the needs of these patients.

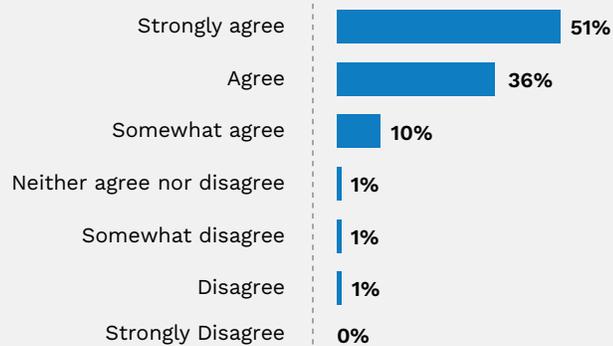
Nine in 10 respondents strongly agree (51%) or agree (36%) that managing chronic care is a priority in their organization. Another 10% somewhat agree, while only 2% disagree.

The vast majority (92%) agree or strongly agree that, to meet the needs of chronic care patients, they need to extend care beyond hospitals and physicians' offices. Note, however, that hospital leaders are more likely to *strongly* agree with this statement than physician practice leaders (42% vs. 30%) and 4% of physician leaders strongly *disagree*.

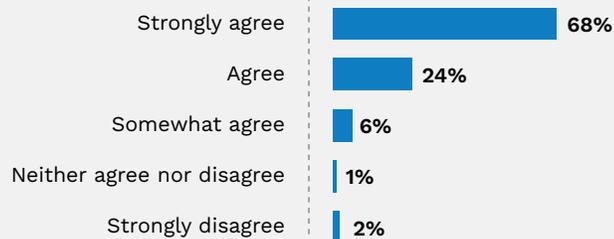
Overall:

- 68% strongly agree
- 24% agree
- 6% somewhat agree
- 1% neutral
- 2% strongly disagree

To what extent do you agree with the following statement: “Chronic care management is a priority in my organization?”



To what extent do you agree with the following statement: “To meet the needs of my chronic care patients, my organization needs to be able to extend care beyond hospitals and physicians’ offices?”



Percentages may not add up to 100% due to rounding.

+ Overall, the industry is sober about its ability to manage chronic care and readmissions

Only about half of respondents believe that they are very to extremely effective at managing chronic care and less than half are effective at preventing readmissions.

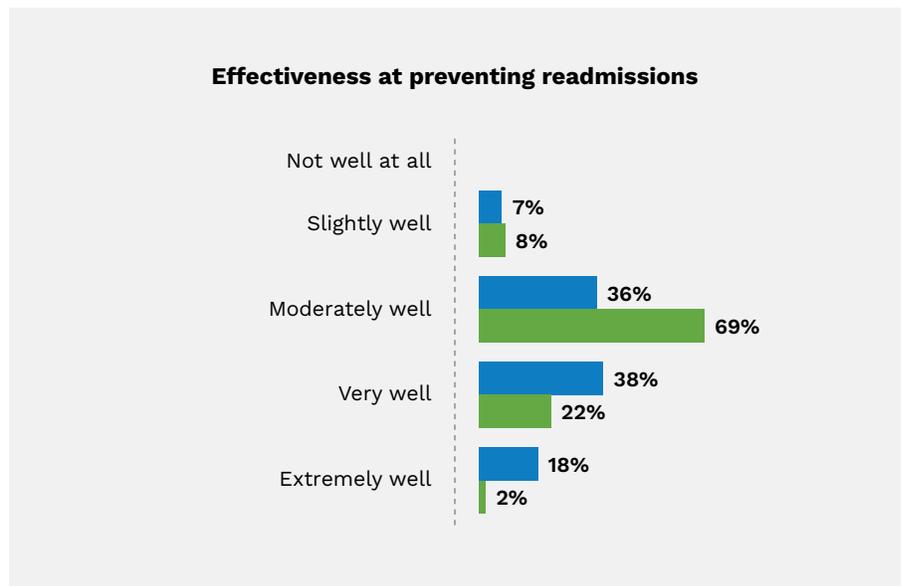
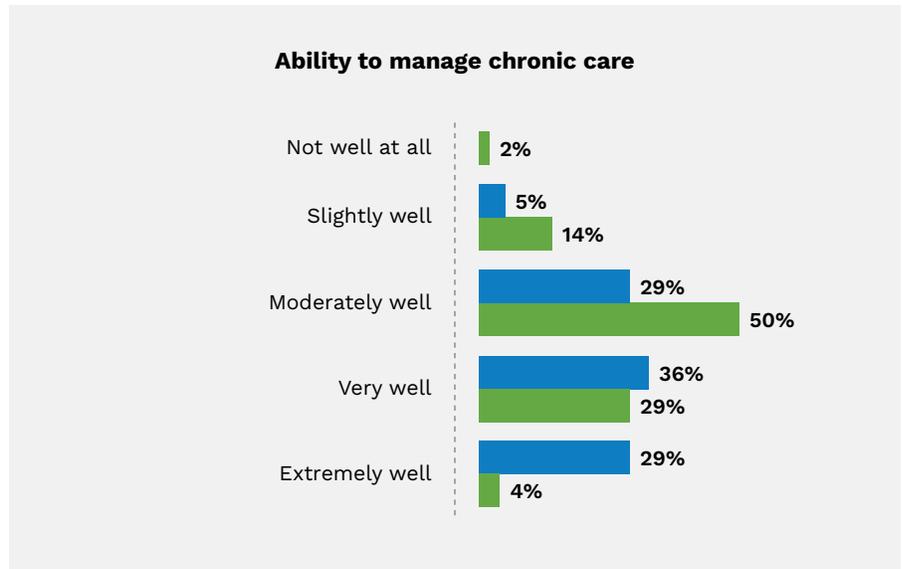
Ability to manage chronic care (all respondents):

- 53% very to extremely well
- 42% moderately well
- 11% slightly to not well at all

Effectiveness at preventing readmissions (all respondents):

- 43% very to extremely well
- 55% moderately well
- 8% slightly well

However, hospitals rate themselves much lower on both of these metrics than do physician offices (see charts).

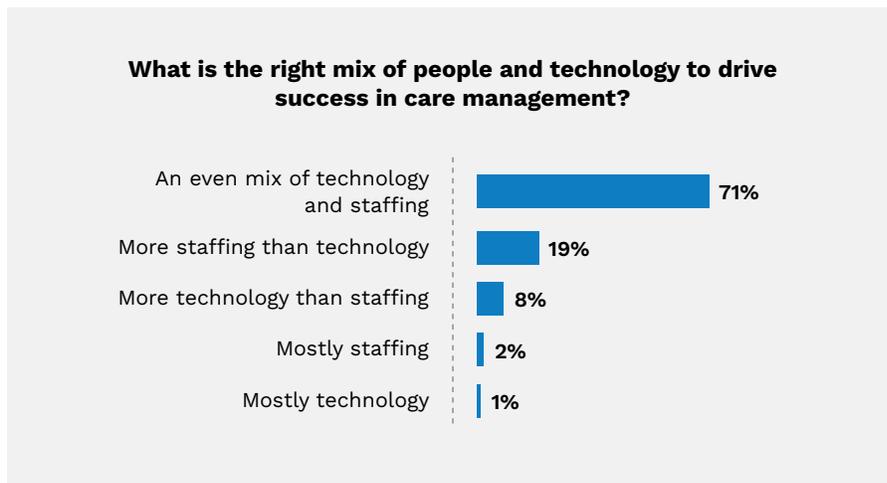


■ Physician groups ■ Hospitals

Percentages may not add up to 100% due to rounding.

+ Delivering chronic care: Tech cannot replace people

Despite the rise of sophisticated technology, people are still critical to healthcare delivery. The survey found that over two-thirds of respondents (71%) believe that an equal combination of people and technology is ideal and 19% say that more staffing than technology is optimal.



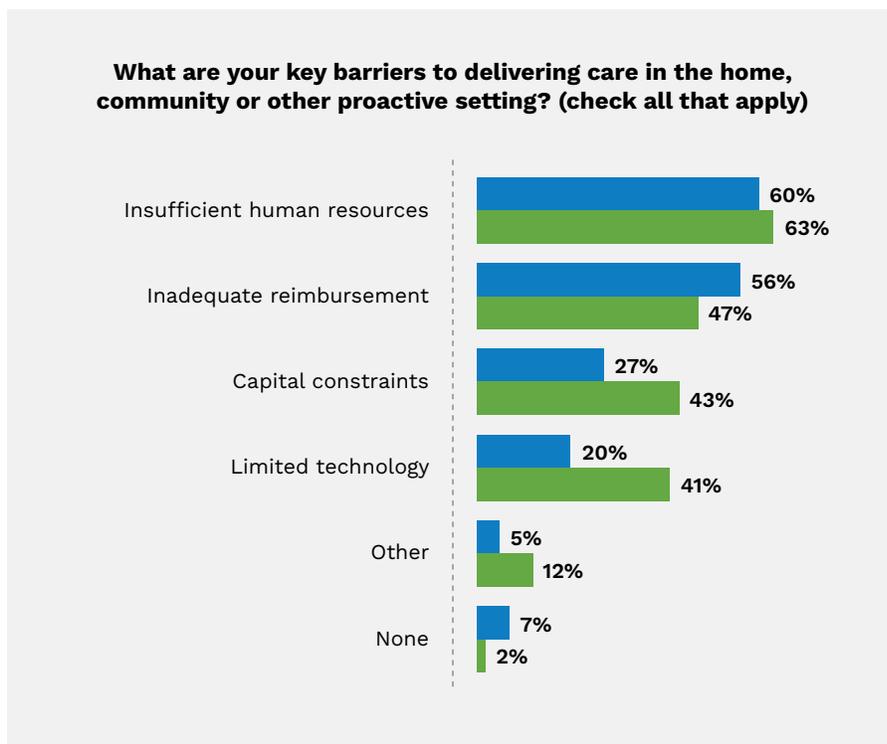
Percentages may not add up to 100% due to rounding.

+ Key barriers: Insufficient people (and finances)

People matter most, but they are also the greatest barrier. Respondents say insufficient human resources is their main constraint in delivering chronic care in the home or community, followed by inadequate reimbursement and capital constraints. Only 5% of respondents say they have no barriers.

Practices face more financial constraints than hospitals

Physician groups and hospitals agree that their top constraint is people. However, physician groups are more likely than hospitals to cite inadequate reimbursement as a key barrier, while hospitals are more likely to cite limited technology and capital constraints as barriers.



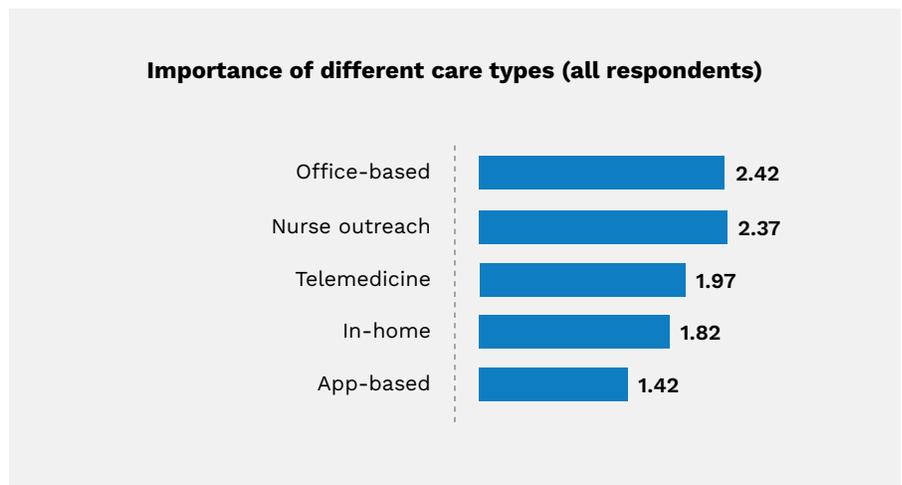
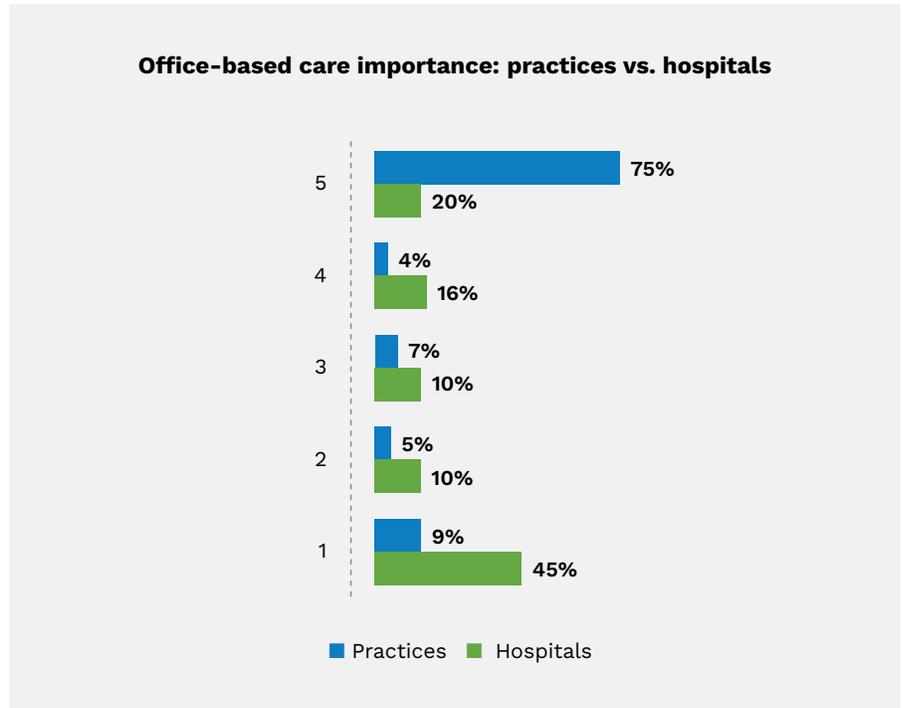
■ Physician groups ■ Hospitals

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+ Physician practices and hospitals disagree about the importance of office-based chronic care, but they agree on nurse outreach

Physician practices and hospitals have markedly different views about the importance of office-based chronic care. Three-quarters of physician practices rank it as the most important type of care, while only 20% of hospital leaders rank it first and 45% rank it as the least important of five types. This suggests that physician groups still view traditional office-based care as the epicenter.

Both groups rank telephonic nurse outreach as the second most important type of care. Telemedicine is ranked third, in-home care fourth, and app-based care is seen as the least important of the care delivery approaches.



Mean ratings for all respondents on a scale of 1 to 5 where 5 is most important.

Percentages may not add up to 100% due to rounding.

+ Developing an ongoing, trusted clinician relationship is key to managing care and building patient loyalty

Virtually all respondents (97%) view developing an ongoing trusted relationship with a nurse or other clinician as very to extremely important. Given that respondents also report that insufficient human resources is their top barrier to delivering chronic care, clearly new approaches to leveraging clinicians are needed.

- 69% say a trusted relationship is extremely important
- 28% very important
- 3% moderately important

Trusted relationships also build loyalty

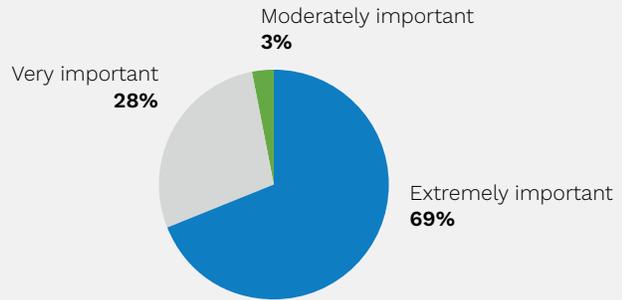
Not only do respondents view establishing trusted relationships with health providers as extremely important, over three-quarters see it as extremely likely to improve patient loyalty.

- 76% extremely likely to build patient loyalty
- 18% somewhat likely
- 6% neutral

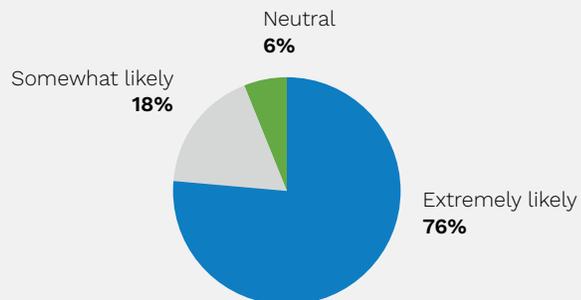
Clinician access and nurse-based care rank above technology-based services

About 90% of respondents rate clinician and nurse services as very/extremely important compared to 59% to 60% that rate tech-based outreach and care as very/extremely important.

How important is developing an ongoing trusted relationship with a nurse or other clinician?



How likely will a trusted relationship with health providers improve patient loyalty?



Percentages may not add up to 100% due to rounding.

+ Current and future participation in chronic care programs

The Comprehensive Primary Care (CPC) program tops the list of programs for which respondents currently receive reimbursement, with two-thirds participating. Another 58% participate in chronic care, 40% in behavioral health, 34% in in-home care and

27% in telemedicine programs. For the future, over half plan to participate in telemedicine, about a third plan to participate in chronic care, and a quarter or more plan behavioral health and in-home participation. The high number that say they participate

in chronic care is interesting in light of the low uptake of Medicare's Chronic Care Management (CCM) program, which appears to be serving less than 2% of Medicare recipients.

Hospital executives participate in more of these programs than do physician practice leaders...

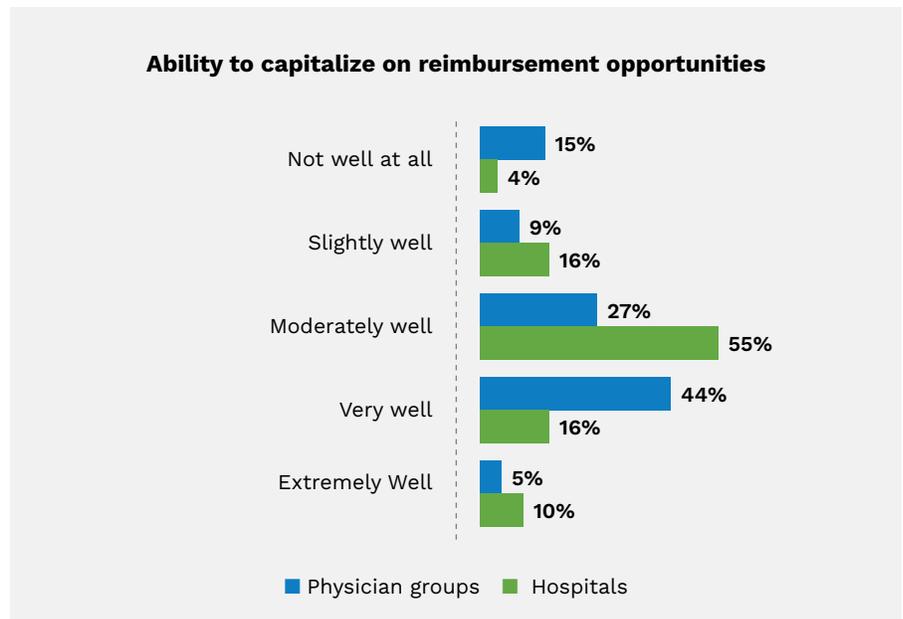
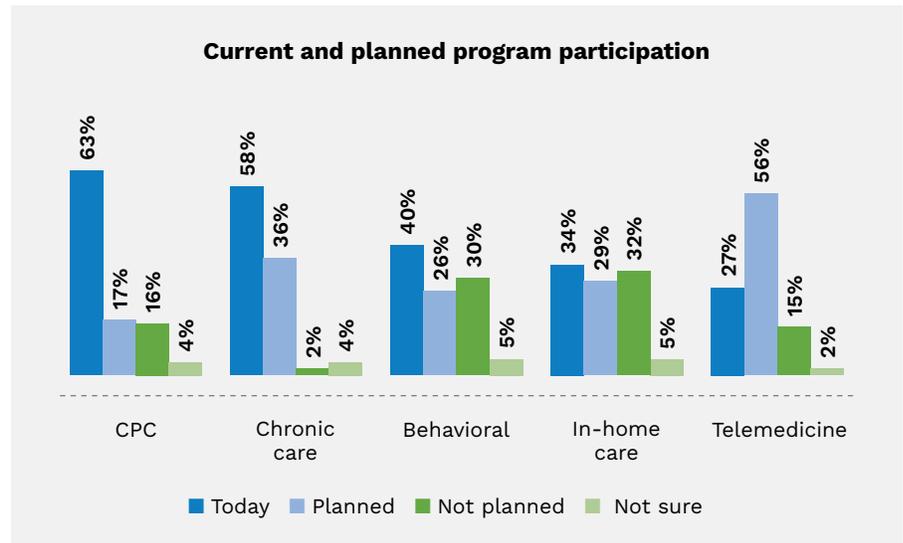
This question revealed another gap between hospital and physician practice respondents: Hospitals are more likely than physician groups to participate in all five programs today *except* for chronic care (55% of hospitals vs. 62% of physician groups).

Hospital leaders are also more likely to participate in these programs in the *future* (all but 2% to 12% participate now or plan to), whereas many physician practice leaders have no future plans:

- 53% don't plan in-home care
- 45% don't plan to offer behavioral health
- 31% don't plan CPC participation
- 22% don't have plans for telemedicine

...But practice leaders are more confident than hospital executives of their ability to capitalize on reimbursement opportunities

Some 49% of physician practices rate their ability 'very' or 'extremely' well, compared to only 26% of hospital executives.



Percentages may not add up to 100% due to rounding.

Addressing the barriers

The need to manage chronic conditions is consistently understood today—but who delivers it and where and how it's executed are viewed differently depending on whether you're leading a hospital or a physician practice. The groups agree that chronic care management is a high priority and that making patients feel well managed and supported will enhance their loyalty. And both groups view technology as supporting—but in no way replacing—the people who deliver this care.

Where the groups diverge is in

their views about the optimal way to deliver care and their ability to manage that care. Physician groups are more confident but also appear more resistant to changing the current delivery system model to be more patient-centric—believing that the office is the most important chronic care setting—while health systems are more likely to see the value of services that reach patients where they live.

Most respondents say they are managing chronic care at least moderately well. But over half say they don't have adequate staffing or reimbursement to

support their efforts. Roughly a third also cite limited technology and capital constraints. Those barriers may help to explain the low adoption of the CMS CCM program to date—providers simply don't have the people, the dollars or the technology to make it work.

Chronic care management models that help to address the people, financial and technology barriers that exist today and that help clinicians reach patients in their homes and communities will enable providers and patients to reap the benefits.



About Signallamp Health, Inc.

Signallamp Health is a technology-enabled care management provider that works as an extension of health systems and providers and dedicates nurse resources to chronically ill patients. For patients, Signallamp Health builds on trusted physician relationships to enhance patient care, engage patients in their own good health and deliver better health outcomes. For providers and health systems, Signallamp is targeting untapped sources of revenue, driving ancillary services and helping practices succeed in MIPS and value-based reimbursement.



About Sage Growth Partners

Sage Growth Partners accelerates commercial success for healthcare organizations through a singular focus on growth. The company helps its clients thrive amid the complexities of a rapidly changing marketplace with deep domain expertise and an integrated application of research, strategy, and marketing. Founded in 2005, Sage Growth Partners is located in Baltimore, MD and serves clients such as Philips Healthcare, Quest Diagnostics, Launchpoint, Ingenious Med, and ArborMetrix.