



The Pathway to Thriving and Surviving During Crisis

THE ESSE HEALTH MODEL

When the COVID-19 pandemic hit the United States in March 2020, no one could have predicted the havoc it would wreak on countless systems and structures—the economy, schools, social services, and healthcare. As a result of the pandemic, many hospitals, medical practices, and other healthcare systems were forced to cancel or postpone patient visits, dramatically reduce headcount, and look for ways to manage cash flow—either for the short-term or for the foreseeable future. Expenses were unexpectedly diverted for personal protective equipment, ventilators, the transition to Telehealth and remote work.

Nationally, hospitals and medical practices were overwhelmed with patients battling the coronavirus, but meanwhile, were losing significant revenue from the decrease in other services. In fact, the American Hospital Association estimated a total four-month financial impact of \$202.6 billion in losses for America's hospitals and health systems, or an average of \$50.7 billion per month.¹

THE ESSE HEALTH WAY FORWARD

In stark contrast to the national picture of health systems in crisis, Esse Health, the leader in value-based population healthcare, has not only survived the challenges of COVID-19, but flourished despite them.

As the St. Louis area's largest independent physician's group—owned and operated by its doctors—Esse Health physicians take a personal stake in the healthcare of the community. Esse Health's 100+ independent physicians and 45 offices are dedicated to an exceptional approach to patient-centered prevention and healing. Since 1996, the physicians and medical providers at Esse Health have been improving the overall well-being of their patient population through patient education, lifestyle modification and prevention. Esse Health's mission is leading the healthcare community by placing patients and their physicians at the center of health decisions.

1. American Hospital Association, May 2020

The first case of COVID-19 in the St. Louis area was reported on March 7, and the City of St. Louis instituted a stay-at-home order beginning on March 23. Through the spring of 2020 the St. Louis region was seeing COVID-19 cases and associated deaths march steadily upward. As the region's cases of coronavirus skyrocketed, Esse Health was well-positioned to manage the crisis, using a value-based healthcare approach to both ensure patients were receiving the best care and communication possible, and physicians and other medical professionals maintained stable employment and steady income streams.

VOLUME VS. VALUE

The traditional healthcare reimbursement model in the United States is a volume-based, or a fee-for-service (FFS), model. Under this model, primary healthcare providers are paid per visit and charge a separate fee for each service provided to the patient. As a result, each time a patient has a doctor's appointment, a hospital stay or a surgical consultation, the patient or third-party payers (insurance companies and governmental agencies) are billed for each visit, procedure, test, treatment or other health-care service provided. Volume-based care incentivizes medical practitioners to increase their total number of patients and provide an increased number of services, driving more billing, which encourages high-cost services and products. Providers are paid for seeing patients regardless of the clinical outcomes. The conventional fee-for-payment model of the American healthcare system—in place for centuries—has been on shaky ground even before the global pandemic. Despite this system's historical longevity, there are signs that it is unsustainable in the current market environment.²

This instability received an overnight wake up call with the arrival of COVID-19. When patients stopped going to see providers for routine doctor's appointments, and non-emergent medical visits were either cancelled or postponed—both financial resources and patient care plummeted.

VALUE-BASED HEALTHCARE: A PATHWAY TO THRIVING AND SURVIVING DURING CRISIS

Alternatively, value-based healthcare prioritizes a patient's treatment, and holds provider organizations accountable for their patient's health outcomes. For 25 years, Esse Health has been a leader in value-based healthcare—incentivizing its physicians to provide high-quality healthcare for their patients, resulting in lower healthcare costs and greater physician and patient satisfaction.

In a value-based healthcare system, the doctor-patient relationship is at the center of care, building a strong relationship with patients, serving as a partner, and empowering patients to take an active role in their healthcare. Through disease recognition, early diagnosis and prevention, and the use of tools and technologies, patients experience better outcomes while healthcare costs are kept in check.

These aspects of the value-based healthcare system, coupled with a full-risk model in which accountability is shared among all stakeholders, result in lower healthcare costs for patients and greater financial rewards for physicians.

2. <https://news.bloomberglaw.com/health-law-and-business/insight-the-healthcare-industrys-shift-from-fee-for-service-to-value-based-reimbursement>

URGENCY IN TRANSITIONING TO VALUE-BASED HEALTHCARE

When the coronavirus pandemic began to take hold of the nation, it quickly became evident that the current FFS system of volume-based care was dangerously ill equipped to handle the surge of patients who had contracted the virus, especially low-income individuals and those whose social determinants of health made them more susceptible to the health risks posed by COVID-19.

“The disparities in the data reflect long standing challenges facing minority communities and low-income older adults, many of whom face structural challenges to their health that go far beyond what is traditionally considered ‘medical,’” said CMS Administrator Seema Verma. “Now more than ever, it is clear that our fee-for-service system is insufficient for the most vulnerable Americans because it limits payment to what goes on inside a doctor’s office. The transition to a value-based system has never been so urgent. When implemented effectively, it encourages clinicians to care for the whole person and address the social risk factors that are so critical for our beneficiaries’ quality of life.”³

It was with this concern for their patients’ quality of life, as well as for clinicians’ work and practices, that Esse Health took proactive steps to respond to the pandemic quickly, efficiently, and with all stakeholders top of mind.

ESSE HEALTH TAKES IMMEDIATE ACTION

Just three days after the first case was identified in St. Louis, on March 10, Esse Health formed and convened the Esse Health COVID-19 Task Force—to prevent regional healthcare resources from being overwhelmed.

Composed of physician leaders, operations, IT, care management, supply chain, human resources, and finance staff, the Esse Health COVID-19 Task Force mobilized with virtual meetings three times per week to develop strategies, coordinate resources and deploy processes to manage the crisis, both for patients and for Esse Health employees. Guided by the principles of value-based population healthcare decisions and approaches, the Task Force served as a forum for decision-making and policy development around Esse Health’s ongoing response to the pandemic. The Esse Health COVID-19 Task Force not only formulated and disseminated patient care protocols, but also monitored and led:

- Guidelines from all reliable sources (the Centers for Disease Control and Prevention, medical societies, and State and County Public Health Departments)
- Community data and trends
- Testing volumes and results
- Personal protective equipment (PPE) supply
- Lab operations
- HR needs and employee safety

The Esse Health COVID-19 Task Force put measures in place to deal with the immediacy of COVID-19, both with an eye toward mid-term solutions and thinking far into the future about the uncertainty and possible timeline of the global pandemic—developing a Medical Office Preparedness Plan/Contingency Plan and creating a structure and framework for the work that followed to assist both patients and Esse Health employees.

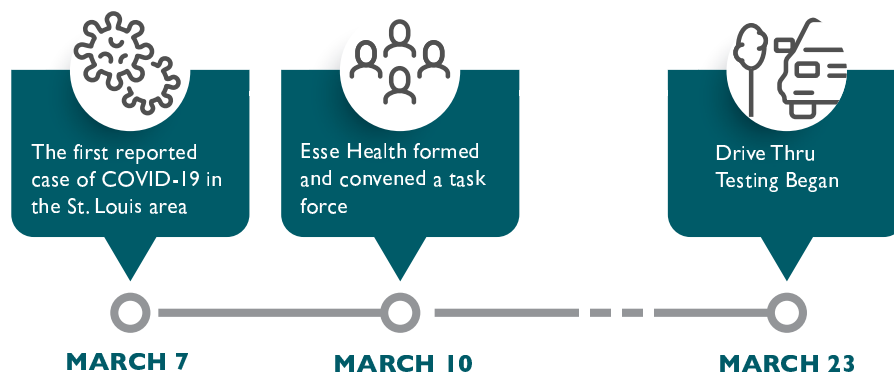
3. Centers for Medicare & Medicaid Services, June 22, 2020

At the point in time when some health systems were first thinking about moving to remote office systems, given the forward-thinking and quick acting dynamic leadership of Esse Health, the organization was thinking through scenario planning and what a safe return to work might look like for 45 offices across the region—in the context of the global pandemic—leading the forefront of a value-based population healthcare pandemic response.

LEADERSHIP IN COVID-19 SCREENING AND TESTING

From the beginning, balancing patient health and safety with the health and safety of the Esse Health team was critical. And the key to this balance was testing. The Task Force quickly mobilized to arrange tent rental, and on March 23, less than two weeks after the first identified coronavirus case in the area, Esse Health set up a testing tent in the parking lot of an Esse Health facility—only the second tented testing facility in St. Louis.

MAJOR MILESTONES



While Operations focused on the physical set-up for testing, Clinical Systems Analysts focused on developing a COVID-19 screening template for the EMR system. Toward the start of the pandemic, other testing facilities would only test individuals who had travelled to so-called ‘hot spots.’ In contrast, the Esse Health COVID-19 screening template allowed all Esse Health offices to ask patients a robust series of questions about travel, symptoms, and potential exposure, and then schedule the patient for testing at the tent facility as needed. The template provided a quick, efficient script for each office which immediately appeared in the patient’s electronic medical chart. The Esse Health COVID-19 screening template was so successful, it became a model for others—and the EMR system vendor requested permission to share the template with its other non-Esse Health EMR system users.

The testing criteria established by Esse Health was more liberal than other testing facilities, allowing physicians to identify positive cases early; when those same cases would have otherwise been ineligible for testing in other locations. In fact, Esse Health’s testing criteria was on the vanguard, as the CDC criteria soon evolved to align with Esse Health’s original standards.

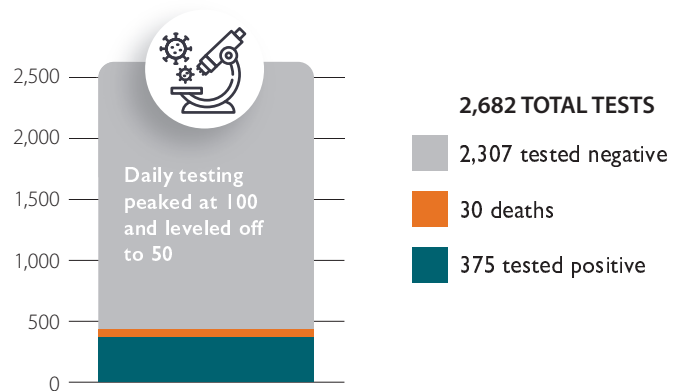
At the peak of the pandemic, Esse was testing 100 individuals per day. In the early stages of the pandemic, the transmission rate was approximately five (i.e., one infected person was infecting five others). This approach enabled Esse Health to self-quarantine positive cases, thus minimizing the potential for further transmission and infection.

To date, Esse Health has identified 375 positive COVID-19 cases, thereby preventing approximately 1,800 additional cases and having a significant impact on thwarting a surge that would have overwhelmed the local resources and led to countless unnecessary deaths.

“Because we were able to mobilize the Esse COVID-19 Task Force within three days of the first case in the region, and generate higher testing volumes and quick results, we’re confident we caught more COVID-19 cases earlier — before they became life-threatening.”

– Mike Castellano, CEO

ESSE COVID IMPACT BY THE NUMBERS



PATIENT CARE IS PARAMOUNT

Throughout the process, Esse Health offices remained fully operational, complying with all governmental social distancing guidelines. They had the foresight to contact vendors and suppliers early to order PPE and other supplies necessary to provide leading edge patient care in a flexible environment. Esse Health’s customized EMR system, morning huddles, and interdisciplinary team approach to value-based healthcare ensured physicians were alerted by triage nurses, advance practice providers, and patient service representatives when patients presented with COVID-19 symptoms. As such, physicians were not front-line diagnosticians, rather, patients presenting with COVID-19 symptoms were diverted to the COVID-19 testing tent as a first step, and all patients were then followed up with by physicians and other providers as needed.

In addition to COVID-19 patients, Esse Health physicians resorted to innovative ways to provide ongoing routine care to patients when they could safely do so. Some offices provided drive-up blood draws in parking lots to check cholesterol, monitor blood sugar and perform other lab work. In order to minimize potential exposure to patients as well as Esse Health staff, routine monitoring of vitals such as blood pressure were conducted with patients remaining in their cars.

TELEHEALTH ACTIVATES VALUE-BASED HEALTHCARE

The foundational principles of value-based population healthcare, high-touch patient communication—serving a broad population through a multidisciplinary team approach, is activated through Telehealth. Telehealth services enhance the value-based healthcare approach, in that it allows physicians to connect with patients on a more regular basis and in a space where the patient may feel more at ease to discuss his or her medical conditions. Esse Health quickly leveraged technology to institute Telehealth, allowing patients to remain safe at home during the pandemic, while still being able to proactively attend to their medical needs.

Always open to innovation, Esse Health recognized the potential of Telehealth even before the pandemic. With a Telehealth technology platform in place, they quickly acquired high-resolution webcams, devised a seamless workflow and, on March 17, installed cameras on approximately 120 provider computers through a contact-free drive-up process. In the span of just a few days, physicians quickly transitioned from in-office patient visits to high-resolution Telehealth visits.

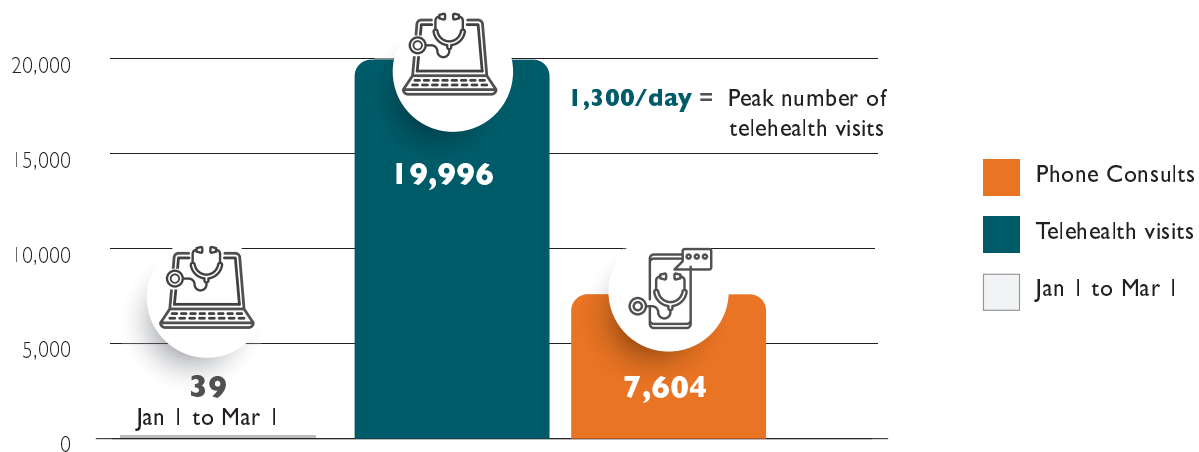
Esse's Telehealth services and capabilities were promoted by early Telehealth adopter physician leader Matt Dougherty, M.D. who was featured on several local and national television and radio outlets. With the Telehealth infrastructure in place, a specific Telehealth workflow was developed to handle the influx of calls. Patients who called their Esse Health doctor were triaged over the phone, and either scheduled for a COVID-19 test in the testing tent or scheduled for Telehealth services depending on their condition or concerns.

Clinical Systems Analysts developed a template to document a Telehealth visit in a patient's chart, complete with language indicating the patient was advised and had consented to a Telehealth visit. Developing the Telehealth template was important to Esse's navigation of the pandemic—it was adaptable to rapidly changing payer policies, avoiding needless delays in obtaining reimbursement for services.

The Telehealth ramp-up was dramatic for Esse Health. From March 15 to June 15, Esse Health provided approximately 20,000 Telehealth visits, reaching a peak of 1,300 visits, or 30% of visit volume in a day. In contrast, Esse Health physicians provided only 39 Telehealth visits in the two months prior to the pandemic.

COVID-19 presented an opportunity both for Esse Health and patients to quickly adopt Telehealth. Practically overnight, patients found themselves with an increased comfort level around Telehealth—allowing providers to connect with patients, facilitate transitions, and take steps to close gaps in care or confirm the patient was

TELEHEALTH VISITS TO DATE



compliant with his or her plan of care. In addition to treating COVID-19, Esse Health was able to extend routine care via Telehealth. For example, dietitians started performing Telehealth visits with diabetic patients—whereby patients could show dietitians the contents of their refrigerators directly through their screen—allowing for a successful and engaging visit whereby the dietitian could advise on specific food choices.

Esse Health anticipates that Telehealth will remain a significant and meaningful part of its strategy—as it’s a compelling catalyst to the ongoing value-based population healthcare model. The pandemic served to hasten the adoption and understanding of the need to transition to Telehealth for physicians, support staff, administration and patients.

TOOLS FOR SUCCESS—THE NEXUS OF PEOPLE AND TECHNOLOGY

Esse Health was able to spring into action quickly because of its agile and adaptable operations framework and a dedicated staff who were on the forefront of implementing identified operational changes. To facilitate communication, office managers and physician office leaders participated in bi-weekly virtual meetings with the Executive Leadership team to discuss such issues as: testing, PPE use and supply, Lab operations, HR support, and plans for reopening.

Participants were encouraged to use the time to share best practices, ask questions, and discuss any issues and challenges—cultivating an environment of open communication and collaboration.

As with Esse Health’s patient response, technology played a key role in employee management and operations. The company was able to rapidly deploy tools, technologies, and equipment to support a remote workforce with essentially no disruption to business continuity. The company purchased laptops for the central business office staff who didn’t have them prior to COVID-19, including billing and insurance clerks to allow for remote work, as well as upgraded phone lines and internet bandwidth to accommodate hundreds of people logging in remotely.



PATIENT OUTREACH—CRITICAL TO SUCCESS

Esse Health’s mission—“leading the healthcare community by placing patients and their physicians at the center of health decisions” highlights the central tenet of the value-based population healthcare model—the physician-patient relationship. During the COVID-19 pandemic, physicians and support staff conducted thousands of outreach calls to elderly patients or those most at-risk. Clinical offices contacted patients to listen to their concerns around the coronavirus, educate them about the importance of staying at home, and alert them to Esse Health’s Telehealth services so they could continue receiving high quality care.

Technology was a critical component of Esse Health’s COVID-19 response. Care Management teams utilized CareSignal software technology to identify rising-risk patients in real time, in order to monitor and manage their chronic conditions. An analytical dashboard was developed that provided daily reports on positive, pending, and negative COVID-19 test results. A clinical response team, which was developed to focus on patients who had tested positive for COVID-19, created a protocol to communicate with physicians regarding potentially clinically deteriorating patients. Additionally, Esse Health acquired pulse/oximeter monitoring equipment for clinical offices, ensuring physicians had the necessary tools and technologies to care for patients. Internally, the team developed a Telehealth analytics dashboard to track provider adoption and utilization of Telehealth visits.

Communication was also key to ensuring patient safety and health. Esse Health’s Chairman and CEO sent regular email blasts and a patient newsletter to more than 90,000 individuals, and text messaging services were used to continuously update patients on new services, protocols and health guidance. The Task Force also created a document for patients, outlining testing recommendations, masking guidance, and helpful information around making decisions about returning to work and going into the community.

EMPLOYEE COMMUNICATION—STAYING ENGAGED AND FOCUSED

Throughout the pandemic, constant internal communication was integral to Esse Health’s successful response, mitigating some of the stress and anxiety caused by the uncertainty of the crisis.

EMPLOYEE COMMUNICATION INCLUDED:

- Initial calls between Human Resources (HR) and all Clinical Office Managers to discuss staffing needs
- Development of a Comprehensive Internal COVID-19 Communications Plan providing a timeline and scripting for Clinical Office Managers for use with staff
- FAQs for all employees around employment status changes
- Bi-weekly, company-wide emails updating all employees on the work of the Task Force, relevant community information, and Esse Health efforts
- Development of podcasts in conjunction with the Employee Assistance Plan (EAP) to provide employee support, address the challenges of working remotely and offer suggestions on how to mitigate those challenges
- Established a dedicated employee Nurse Line, where employees could call to discuss COVID-19 concerns with medical professionals

Mike Castellano, Esse Health CEO, played not only a very strategic role during the pandemic but was also very tactical in his leadership. His leadership style during COVID-19 lent itself to visibility and accessibility. He regularly sent messages of support and thanks to employees, creating a sense of unity, togetherness and appreciation.

HUMAN RESOURCES—SUPPORTING, PLANNING AND FORWARD-THINKING LEADERSHIP

The global pandemic created an unprecedented moment for the human resources team to address current and future staffing, implications on the health and wellness of staff and their families, and the internal needs of the Esse organization.

The HR team developed a comprehensive Communication Plan for clinical office managers to address staffing implications. Virtual meetings were held with all clinical offices to discuss changes to the clinical office environment and the resulting staffing needs. An HR Buddy System was created, pairing an HR team member with each clinical office manager, in order to provide support to frontline managers, as well as address specific questions involving individual employee management.

Personal Assistance coaches were available to guide Esse Health employees to resources, including parenting consultations, health and nutrition coaching, organizing, finances, and more. Coaching and support was also available via podcast. HR developed a podcast in conjunction with Esse Health's Employee Assistance Program (EAP) for employees to access EAP support, and manage the challenges of working remotely. They also developed FAQs to help employees understand employment status changes.

BUSINESS AND FINANCIAL

One of the biggest benefits of a value-based healthcare system is the financial stability it affords practicing healthcare providers. Because Esse Health practices value-based population healthcare as a full risk-bearing entity, the company has been able to not only financially weather the pandemic, but it's able to plan for a robust financial future. Unlike many other health systems, Esse Health did not require additional equity or debt capital to overcome the downturn, and was thus able to ensure the financial stability of its employees during one of the worst economic crises in recent history.

EMPLOYEE SUPPORTS INCLUDED:

- **Delayed Furloughs** – At a time when most companies were quick to lay off or furlough staff, Esse Health continued to pay employees through April 15, at which point some staff were furloughed.
- **Internal Relief Fund** – Esse Health created a fund to guarantee a comfortable compensation for physicians most negatively impacted financially. Leadership met with shareholder physicians from each Esse Health office (36 virtual meetings in total) to cover the impact of the Relief Fund and a budget was created for every location and shared with shareholder physicians.

- **401(k) and Retirement Plan Contributions** – While other medical systems cut benefits, Esse Health maintained all contributions for 2019 and continued their matching benefits throughout 2020.
- **Medical Plan Benefits** – The company maintained all medical plan benefits throughout the pandemic and resulting economic downturn, even for employees who were furloughed.

As one health expert so aptly put it: “Going forward, value-based healthcare can help ensure health care resiliency. By accepting value-based or capitated payments, providers are better able to weather fluctuations in utilization, and they can focus on keeping patients healthy rather than trying to increase the volume of services to ensure reimbursement. Value-based payments also provide stable, predictable revenue—protecting providers from the financial impact of a pandemic.”⁴

SUMMARY

As the nation begins to think about reopening, Esse Health continues to put its patients and employees first, ensuring that stringent safety and cleaning protocols are in place, PPE is available to all who need it, and the COVID-19 Task Force’s continued work and communication provides guidance to all offices.

Throughout the pandemic, one thing has been clear—value-based population healthcare has proven to be the approach that works—for patients and physicians alike.



FOR MORE INFORMATION

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