Introduction: What is PHM?

PHM is a model for helping providers and payers assess the populations they serve across the continuum of care. It involves the stratification of patients into well-defined risk groups and the creation of differential care strategies based on each group’s needs. Its goal is to reduce costs by preventing those who are well from becoming ill and improving quality of life and enhancing health outcomes for those who have developed one or more chronic condition.

Credit: Ernst & Young

PHM focuses on

1. Identifying and supporting the sickest patients
   More than 133 million Americans, or about 45% of the population, have at least one chronic condition, which accounts for more than 75% of national health care spending. Identifying these high-risk patients early and implementing proactive disease and case management programs will enable providers and payers to cut down on inappropriate spending and improve patient care.

2. Minimizing or preventing the progression of disease.
   According to the Institute of Medicine’s Crossing the Quality Chasm report, about 50% of Americans with chronic illnesses are not receiving recommended care. Providers and payers will need to work together to verify physicians are abiding by medical best practices and patients are adhering to their treatment plans. Through robust data analysis, gaps in care can be identified, preventive measures taken and risks mitigated.

3. Promoting a culture of wellness
   Central to an effective PHM model are informed and involved patients who participate in setting their own goals for wellness. Hence, providers and payers will need to design targeted, long-term strategies that drive patient engagement and promote healthier behaviors. Moreover, the necessary infrastructure must be in place to gather patient information not only at the site of care, but also remotely. As trends indicate that health care will be delivered in the lowest-cost and most efficient environments, such as the patient’s home. An effective PHM program will keep patients as healthy as possible, which will in turn maximize the value of coordinated care and minimize the need for high-cost interventions such as emergency department visits and hospitalizations.

Public Health Management

Five steps for moving forward

Into the future: achieving effective PHM
Building a sound PHM program requires functional efficiencies and operational effectiveness — all based on a solid, integrated strategy.

1. Define your target population and its needs
   The target population could be your entire service area or any subset, whether economic, geographic or demographic, or patients with certain medical conditions. Identify the health status and needs of that group and the health and wellness services that will best address the risks identified.

2. Set, measure and monitor program outcomes
   Once you begin a program, effectively tracking outcomes requires the ability to gather, coordinate and collate data from care providers across the care continuum, as well as from payers, pharmacies and individual population members. Gathering and leveraging this broad set of data typically calls for new or more mature capabilities in your clinical informatics group.

3. Develop the technology infrastructure for data analytics and reporting
   Providers can begin by leveraging payers’ infrastructure and heritage with analytics. With more robust EHRs, providers will not only have connectivity among all parties collaborating in a patient’s care, but also more real-time feedback on how each provider organization is adhering to its own guidelines, using data with more richness and specificity. Alerts and follow-up can be moved more rapidly to appropriate caregivers.

4. Manage the growth in demand for IT services.
   PHM will spur new IT demands, including increasing storage and processing capabilities, developing and deploying web and mobile tools to enable full consumer participation, and building health information exchanges. Chief information officers will need to set priorities and manage expectations.

5. Expand partnerships
   To realize the benefits of PHM, providers and payers will need stronger collaborations that bring access to rich data sources.