Steve Weichhand:

Welcome to The Vurge podcast where we bring together groundbreakers and industry disruptors from various corners of the virtual world to ponder the future of technology innovation. I'm your host, Steve Weichhand. And today I'm with Jason Jones, one of the industry's leading experts in health system, affiliate models. Jason started his career at Epic, where he was part of the development of the original Community Connect model. He'll explain this far better than I ever could, but Community Connect essentially allows health systems to extend their instance of Epic out to community physicians or hospitals. In addition to working with Jason during our time at Epic, where his office was truly just a few doors down from mine, I've had the opportunity to work with him on several really interesting projects, focused on Community Connect. And while today his office is much further than a few doors down from mine, I'm excited that he's able to join us virtually from his office today. So Jason, welcome to the show.

Jason Jones:

Thanks, Steve. I'm excited to be here.

Steve Weichhand:

All right. Well, to begin with, can you explain why a healthcare provider organization would be interested in establishing an affiliate program and what are the different ways that organizations partner with community physicians or hospitals?

Jason Jones:

Sure. I think at this juncture, what we see is that everyone has their own reasons for doing so. If you kind of think about the common themes that we see or what our clients tell us they're doing it, the most recurrent thing that we hear is that they want to create that community record of care. The whole idea is that we can provide better care to the patients and we can make the patients more participatory in their healthcare. If we can show them and make all parties involved, aware of the care that's happened, regardless of where it happened is we kind of look beyond just the community record of care. The other common themes we often see are expanding the footprint or catchment area of the hosting organization, deepening relationships with the community providers or the services up there. Oftentimes, Community Connect doesn't just mean the physician offices anymore.

Jason Jones:

We're seeing quite a bit of provisioning and sharing of their EHR to services that wouldn't typically be considered as part of the primary health care delivery model. In addition to that, we often see groups that want to share their clinical capabilities, whether that's evidence-based medicine standard practices that they've implemented to take care of specific disease states or informatics support, which can be really hard to drive out from these small healthcare provider organization. So outside of Community Connect we often see is acquisitions. Community Connect at its core. When we were first developing the model, we called it Virtual M&A, because you get a lot of the value of buying up the brick and mortar healthcare provider organization, by extending to them. It doesn't mean you're taking ownership of their other finances, but you get that level of integration and partnership that often happen once you employ a community provider.

Steve Weichhand:

So it seems like there's a lot of mutual value in moving to this type of a model. And we'll dig into some of the specifics on how the programs are structured and how those benefits are actually created later. But first, can you talk a little bit about how prevalent this model is of extending Epic into the community? When did it start? And how do you see it changing the way that health systems compete for market share?

Jason Jones:

Sure. In the Epic space specifically, at one point Epic surveyed their customers and then they ordered that about 85% had some sort of Community Connect program. Now, that's a fairly wide number. And what we've seen is that a lot of organizations start a Community Connect program and at some point, decide they no longer want to continually provision out, but they will maintain support for those that they've extended to. On the other side of the equation, you're seeing more and more organizations that are diving into connect now, and hadn't historically done it, is they're trying to shore up industry consolidation, right? There's organizations that they compete with, continue to get bigger and bigger much through acquisition as we see in the press on a day-to-day basis. And so these Epic customers that don't want to buy up the other organizations, they're looking at the Community Connect model.

Jason Jones:

As far as when it started, I think this goes back pretty deep into the Epic history. I started seeing it heavily around 2008, mostly in the independent physician office space. Starting around 2010, you started seeing more and more Epic customers extending out to hospitals. And that really started in the critical access hospital space or other small community hospitals that never could have bought Epic to begin with. Now where we stand today, you're seeing Epic customers that are extending out to large, 200 plus inpatient bed hospitals and large independent practice associations that are in excess of 200,000 annual ambulatory visits.

Steve Weichhand:

That's quite the evolution in range of levels of investments across organizations. I want to kind of jump into kind of a little bit deeper level, deeper discussion into the strategy and tactics behind these Community Connect programs. So I guess to begin with, what are some of the key considerations that organizations need to take into account as part of this shift from being a care delivery system to becoming a software vendor?

Jason Jones:

Sure. You hit the nail on the head. Most of these organizations are not prepared to be a vendor cause they've never been a vendor. Is they think about billing out for services, rendered everything about billing insurances or patients directly, not another organization that is looking for more of a invoice type of delivery. So before they really dive into becoming a vendor, the first thing I always tell clients is, sit down with your executive team and to find a strategic roadmap for a connected program. Really what we're talking about here is to find why you want to do it and establish goals for doing so. The reason this is important in the context of becoming a vendor that you've got to establish what your business plan and business case is going to look like before you hand this off to more of the traditional IT staff members that will happily execute upon this, but they're going to execute it historically in more of a model for employed providers, employed clinicians and not a true customer.

Jason Jones:

So when you're defining your program, what you really want to lean into is establishing a menu of service offerings, really identifying what you want to offer and what you don't. And that's both within the EHR itself, as well as the ancillary and supporting systems or processes that go along with it.

Jason Jones:

In addition, you want to identify which types of groups you're going to provision your EHR to. As I mentioned, as you were talking about the history, traditionally it has gone to small independent provider organizations, small offices, critical access hospitals, community hospitals, but now we're seeing more and more going out to long-term acute care facilities, licensed mental health associations, public health entities in any range of community health providers that wouldn't historically have been included in a Community Connect style provisioning.

Steve Weichhand:

That's great, definitely when you're establishing a program like this, understanding the drivers behind it and what the vision for that program should look like is important as you hand it off to these different business units that you talked about. I want to talk a little bit about some of the specific elements of what that program looks like. Obviously, as a vendor there's considerations around pricing, around what your scope of services will include, like you alluded to earlier. So I want to talk a little bit about some of those elements of a Community Connect program. F to dig more into that, can you talk a little bit about how the pricing of a connect platform would typically work? What's generally included in that pricing? And I know you mentioned there should b a menu of offerings, but what would a kind of typical a typical engagement include?

Jason Jones:

Absolutely. I think the average engagement is really the Epic EHR itself and the standard supporting programs or platforms that go alongside of it. So there, we're thinking about the Citrix environment it's got to run on, the licenses that sit behind all the scenes, because as we think about the pricing model and approach for Community Connect, there's a fair mix of the traditional capital and maintenance pricing as well as subscription based pricing. I think those are the two primary options I see out there. And at this point I'm seeing about 50 50 split. As we think about what those pricing models are made up of, almost every organization I've worked with has done a cost based pricing model where they've identified the underlying direct and indirect costs associated with the EHR, and then taking that into the consideration for pricing.

Jason Jones:

Now, the pricing itself runs through the strategic definition the executive leadership puts behind it at the beginning, i.e. is the organization going to subsidize the cost to make the price point lower for affiliates that they want to provision to? Or are they going to try to mark it up at cost plus X percent? As we dive into what's included, as I mentioned, so we're thinking about the EHR itself. Oftentimes, the implementation of it is included in the subscription as you're building out that model, training materials are usually included in it, ongoing upgrades and maintenance to the system. And then some organizations will include data and analytics services with it, others excluded. It really depends on how deep into the data and analytics world that the affiliate partner might want to go.

Steve Weichhand:

That's really helpful. Thanks for expanding on that. One thing you mentioned there that, you know, having been a part of some of these engagements with you and working with other teams, one thing that I find really interesting is that pricing and costing model around affiliate programs. From what I've seen and the majority of the projects that I've worked on, this is not a program really that organizations are trying to make a significant margin on. Instead, what they're trying to do is use this as a way to achieve those benefits that you talked about earlier, having that single electronic health record for the community and strengthening those relationships with those physicians or hospitals in the community. I think there's a tremendous amount of external benefits to the organization outside of the pricing of it.

Jason Jones:

That's right. Very few try to mark it up. Those that do have specific reasons around what they were trying to achieve by marking the costs up, but by and large you're right, the underlying spirit of Community Connect is about engaging the providers and engaging the community and creating better health outcomes for the patients that you serve.

Steve Weichhand:

I want to build on that idea of providing informatics as a service a bit. It sounds like, or the way I would think about that would be an additional service on top of those traditional core community connect elements that you talked about, having the licenses and the Citrix available. So talk to me a little bit about some of the additional services or things that organizations include in a Community Connect program for their affiliates that they could choose from, perhaps, based on their specific needs. You mentioned earlier that there's a wide variety of different types of organizations now participating in these programs. I would imagine that a five physician practice would have much different needs than a 200 bed hospital in terms of the scope that they would want included. How can organizations build out a menu of different offerings within their Community Connect program and what would be the common or high value items that you would see appearing on that menu?

Jason Jones:

Absolutely. I think you're exactly right. So as we kind of defined pricing and costing at the top, that's really the table stakes. That's just enough to get the EHR out there and functional for you to use. So as we can think about what those added on services or those value added services or differentiators even become, we start with what immediately touches the EHR and build out from there. As you've identified, there's a number of things. And so as we kind of talked about the scale between a small physician office and an enterprise hospital, one of the first things, and one of the most influential items on initial pricing where it's included is interfaces integration in third parties. So as you might imagine, a small physician office is unlikely to have a lot of third party integrations.

Jason Jones:

At that point, we're probably talking about a real time interface with a reference lab and not probably too much else, potentially a daily extract of charges if they're using a third party [inaudible 00:15:02] cycle management service. As we think about how we scale that up to a hospital, we've just completely changed the integration scope, because inevitably they're going to have a number of other third-party systems locally within the hospital and within their community that they're going to have to partner with. And so as we think about that integration, sometimes that's included in the base pricing model. Other times it's not, which is why I didn't dive too deep into it as we were talking about costing or pricing, because it kind of resides in its own special area. It has to be defined while you're defining what

this program is going to look like. As we continue to build up from there, training becomes kind of one of the next logical areas.

Jason Jones:

Every organization tends to handle training differently. And as I know you are aware of Steve, the training world is a pretty complex beast in and of itself. So what we tend to see being delivered continuously or continually on the same spectrum is the initial implementation training for our Community Connect affiliate. That's going to be baked into the base pricing model because we have to train this folk on how to use the system alone. Where it gets complex is the ongoing training services, education services, and then the additional user education that really make somebody or take somebody from a base level EHR user to a super user.

Jason Jones:

I know Steve, you and I have worked together on provider efficiency in the past. Many kind of include that in their comprehensive approach to either training or informatics. And that's one of those difference makers that can be offered as an add on service or baked into the Connect program itself is the post live training optimization and analysis of the user efficiency to make sure that the users are able to effectively use the system and not spend an overburdening amount of time in the system itself.

Jason Jones:

As we continue to build on from that, we start talking about clinical content. Now, you would think, "Okay, all clinical contents included in Epic. So why would this be a additional service or something added on?" The host organizations that is generally will not hold back content when they're provisioning it out, it's the ongoing maintenance and incorporation of the affiliates into the continued content delivery. Traditionally, that looked a lot like order sets, but everyone's got to have order sets. Everyone does it a little bit differently. There's a lot of provider preference baked in here, but the ability to continually deliver order sets that are tailored to both evidence-based medicine, as well as provider preference for practice is something that isn't necessarily baked into the standard Community Connect contract, but it's something that's commonly edited as a service that will be provided.

Jason Jones:

Again, we see that a content delivery and the ability to kind of work closely with the provider community very well tied to the shared informatics program. From there, we like to look at what I mentioned before is data and analytics. Regardless of Community Connect affiliate size, whether they are a two provider practice or 200 bed hospital, they will have reporting, data and analytics wants and needs. The starter set that they will get as a part of the Connect program, so the reporting work bench reports, the clarity reports that we're all pretty well familiar with are great place to begin. Over from there as each organization has different reporting requirements, whether industry or payer driven, they're going to need ongoing reporting data and analytics support. And this is not something that they can typically afford on their own. And when I say afford, what we really mean is it's not an effective purchase for them.

Jason Jones:

They're either going to have an in-house staff member try to become familiar with the Epic reporting landscape, which is relatively complex and a very specific type of reporting. Or they're going to look at outsourcing, and it's entirely to perhaps a EDW vendor that will layer on reporting as a service on top,

which can be quite pricey for a small Connect affiliate. Continuing on that building from the EHR spectrum, then we started looking at things like quality reporting. If any of your affiliates are involved in any value-based care programs or quality programming, they likely required to submit quality reports that can be quite time consuming to pull and to populate and send. This kind of works closely with the data and analytics because many consider extracts and exports a part of data and analytics and reporting. But the quality reporting tends to be a little bit different.

Jason Jones:

And this is something that some host organizations are taking on for their affiliates as a service. As we started looking beyond just the Epic piece itself, then we start thinking about digital health platforms because that's so much of where the industry is focused on today. So whether that looks like the integration of a telehealth service into Epic, i.e. integrating Zoom or Microsoft teams to do telehealth in a real-time fashion through Epic or providing additional providers that can offer after hours support or even an expansion on the clinical service offerings. I think that's the next front for where we'll see some efforts and some associates services in the Community Connect space.

Steve Weichhand:

Well, there's certainly a broad spectrum of additional services to consider there. Thanks for sharing those examples. I want to go through a couple other questions before we round things out here and shift gears a little bit across those questions. So next, I want to dig into kind of looping back on the different stakeholders that you mentioned that are involved in the strategy definition of a Community Connect program. This really isn't kind of an IT hyper-focused initiative. This has much broader considerations from the overall strategy of an organization and the impact or the benefits that that organization can receive from having a Connect program in place. So talk to me about the key individuals or departments that are involved in developing and running a successful affiliate program.

Jason Jones:

Everyone too brought up an answer for you here?

Steve Weichhand:

Maybe a bit more granular than that.

Jason Jones:

Sure thing. So as we think about the foundation of program, building out what your strategy looks like and really offering what we're going to offer to the community, or think about executive leadership, somebody from your physician or community relations department, because they will likely have existing relationships with those you're planning to extend to, you want to tap into strategy, legal and finance. Just as a starting point, as you're building out what the program is going to look like, how and if you can provision and the cost of what you'll provision it to, of course IT would be included in that discussion as well. I think we kind of would assume that from the beginning. As you start building and beyond just the initial foundation, and really we're talking about, again, just the strategy, the who, the what, and mostly the why, that's when we start looking across the enterprise at other groups like the patient experience group, because we are cultivating this shared community patient record.

Jason Jones:

You want patient experience to be a part and parcel to how you'll deliver this, and it really baked into the thought and design of the program. You also want to start incorporating groups like your revenue cycle, your HIM, your patient access groups, because as the Epic systems designed, they will likely see some changes coming as you're building this out. But you also want to get a feel for, as we hit the intersection of technology and operations, these groups tend to have a little bit more overlap with your community providers than your traditional clinicians as we build out beyond that and start thinking about the sales of this. If we're not talking about inbound leads, or even when we talk about inbound leads, inbound leads being the part of the community reaching out saying, "Hey, you've got that sweet, sweet, Epic system. I want a piece of it."

Jason Jones:

That's where we start tying in marketing, start building and crafting the story found why we're to do this. You'll notice that I've intentionally described many groups outside of IT, because as you asked them the question, many think this is going to be an IT led, run and delivered project, but this hits almost every phase and every part of your health system, because you want to make sure that this is a part of your strategic roadmap for ongoing growth and services. Most importantly, or shouldn't say most importantly, equally importantly, as we think about IT, you should really be engaging your Epic leadership, your integration leadership oftentimes interfaces what's set outside of that Epic group, but the interface team will make or break your Community Connect projects and your infrastructure slash technology teams.

Jason Jones:

The technology group often gets moved to the back of the list because we think, "Oh, we're staying software. I don't need to consider too much about my connectivity, my hardware, my storage, my Microsoft server licenses.", but these are all important pieces that will play into the total costs as well as because they require capital purchases. They'll need to be consulted and informed early in the decision-making process, so you've got plenty of lead time to bake in any capital expenditures you might locally incur before you start your provisioning.

Steve Weichhand:

There's a lot of cooks in that kitchen, but it's important that they all work towards that same goal. So thanks for talking through some of the considerations across those different departments, and really we're seeing that more and more across many different types of programs. I think Connect is a great prime example of the importance of engaging operations across all of these different business units, because in order for the program to be successful, you really need the collaboration across what at times, and within the IT department seems like a siloed area. It needs to break down those silos. Last question for you. For organizations that have established or are in the process of establishing a Connect program, you talked through a lot of great considerations, so thanks for sharing that. But talk to us a little bit about what the best resources are that those individuals should look to get started or to refine their existing Community Connect playbook. And what support would organizations like say, Epic offer for this type of a program?

Jason Jones:

Sure. Epic's a great place to start. They have an annual Community Connect users group meeting, and I think it's a fantastic coordination of those that are within the Epic sphere getting together, exchanging ideas. They also host a number of materials regarding Community Connect on the user web and all good

starting content. Your Epic liaisons will likely be happy to point you in the direction of another Epic employee that can be your Community Connect and a PM and advisors you work through. But what I recommend to organizations is make sure you're thinking beyond just the Epic side of this. Epic does a fantastic job as a software vendor provisioning out what is one of the best in the industry platforms. But as you start considering that space beyond Epic is we've talked about the additional service offerings or even your legal or your pricing models. There's a number of us in the consulting community that have a lot of experience in the area and we're always happy to help.

Jason Jones:

The thing I would say is start asking questions, make connections at other health systems, because I haven't... I'm yet to meet a Community Connect leader at a hospital system that isn't willing to engage others in a dialogue about how it works, what they found in their experiences. So I think the resourcing is really, Epic as a starting point, your existing provider industry community and then of course, us in the advisory space. And I've seen this at the tactical and strategic levels at a number of healthcare provider organizations across the country.

Steve Weichhand:

Well, fantastic. Jason, it's always great reconnecting with you. We need to do this more often. And I just want to say thank you for sharing- [crosstalk 00:28:36]

Jason Jones:

Absolutely.

Steve Weichhand:

... with us and spending your valuable time with us today.

Jason Jones:

Fantastic, Steve. Thank you. It's been fun.