

Testimony of Marc Malloy
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United States Senate, Committee on Finance
“Progress in Health Care Delivery: Innovations from the Field”

May 23, 2012

Chairman Baucus, Ranking Member Hatch and other distinguished Members of the Committee:

Thank you for the opportunity to be here today. My name is Marc Malloy. I serve as President and Chief Executive Officer of Renaissance Medical Management Company. I am honored to be asked to share with you today our experience as an industry leader driving innovation in health care delivery.

Renaissance is a physician-owned network of 230 primary care physicians located in the suburban market of Philadelphia and is one of the thirty-two Pioneer Accountable Care Organizations (ACO) chosen by CMMI. Since 1999, Renaissance has been focused on improving patient outcomes, improving quality of care for the population served and lowering medical costs. We exist to support our patients through the practice of high quality medicine in an economically sustainable way.

We have never shied away from the challenge of improving our patients' well-being, delivering high quality care and controlling costs. Renaissance has invested in people, processes and technology to achieve results. From a practical perspective, the physicians understand that the best way to improve quality and lower costs is to focus on three primary areas:

Keep Healthy People Healthy

At the root of our success is the commitment of our physicians whose daily efforts ensure that we are focused on prevention and wellness. We do this by making sure that our patients get the health screenings they are supposed to receive and by making available to patients up-to-date information and tools to become active, engaged partners in promoting their health. In addition to the obvious benefit to the patient of staying healthy, if we can prevent people from developing a medical condition, we can completely avoid the costs associated with care.

Mitigate Health Risk Factors

In order to improve the health and well-being of the people we serve, it is critically important to ensure that individuals understand how their family history and lifestyle affect their well-being, and how to mitigate their health risks. Our physicians regularly screen patients to identify patients with emerging conditions so that they can effectively treat any emergent issues before they become more serious. Once we identify risks, we work with patients to create personalized goals and target appropriate, proven interventions such as tobacco cessation, stress management, nutrition counseling, physical activity and others to help patients mitigate identified health risks.

When I think about our efforts in this area, it reminds me of a phrase I learned from my mom, Sylvie Marceau who passed away this past October. She always spoke of the importance of "early entry to care." In her work as the CEO of the Healthy Start Coalition in St. Lucie County Florida, she dedicated her life to reducing infant morbidity and mortality. Her work showed empirically that getting expectant mothers into care early in their pregnancy provided the best opportunity for healthy moms and babies. Likewise, early identification of health risks and early entry to care for patients with medical conditions typically results in a lower cost of care and better outcomes when a condition can be managed before it becomes more significant.

Ensure the Provision of Coordinated, Evidence-Based Care

When a patient already has a serious acute or chronic condition, our ability to improve well-being and reduce costs comes from our commitment to delivering an evidence-based plan of care that is well-coordinated across the patient's entire care team. We deploy nurses to perform patient risk assessments, establish clinical goals for the patient, educate the patient and or caregivers on how best to manage the disease state, monitor progress and report findings and progress to the primary care physician.

The combination of the various resources developed and deployed by the physicians has produced some impressive results. We have achieved some of the highest quality measures in the nation, and demonstrated medical cost savings over several years. It is because of our success in these areas that Renaissance applied for and was selected as a Pioneer ACO.

Every innovation that Renaissance has made over the years has been based on adapting to the ecosystem within we have operated. With the passage of PPACA, the environment continues to change. Renaissance has entered into a strategic relationship with Healthways that will bring new capabilities to our ACO for things like predictive modeling to identify patients likely to need additional care management services. In turn Healthways expects to deploy the tools and capabilities developed by Renaissance into other parts of the country as part of its physician driven population management strategy.

Renaissance is working with its partners to adapt the people, processes and technology to continue its mission to improve patient well-being, improve the overall quality of care and lower costs for the population served. In addition, we have entered into new discussions with hospitals and payers alike to establish high performance networks, which is to say, hospitals and physicians aligned in ways to collaborate on providing the best care at the lowest costs. We believe that these smaller but higher performing networks of providers will provide a basis for new products and services for the consumer market, and the health insurance exchange.

The clinical leadership within Renaissance has concluded that vertical and horizontal integration are inevitable, as such we have entered into discussions with potential partners to drive a deliberate and contemplative approach to advance our clinical quality objectives but to also provide better information sharing, greater transparency in quality and costs, and better delivery of care to patients. Our goal is to be the architects of these arrangements.

The world of health care delivery is changing and the changes will certainly be disruptive, but we think that organizations willing to innovate and adapt have an opportunity to fundamentally improve the delivery of health care in America.

Thank you for the honor and privilege to report on our work in the Philadelphia marketplace. I would be pleased to answer any questions.