

Creating and Pitching Your Value Proposition – A Master Class in Deal Making

Value Proposition Workbook

12

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What is a Value Proposition?

A statement of the benefits that a vendor promises to customers in return for payment.

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What is a Value Proposition?

**BOLD
PROMISE**

+

**CLEAR
REQUEST**

Value Proposition Workbook

14

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A Value Proposition

\$500

1 week

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A Value Proposition

\$3,500

3 weeks

10 yr. guarantee

Free touchups


3 references

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Developing Your Value Proposition

Every community needs a champion ready to present a powerful value proposition for its asthma management program.

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Partners For Asthma Action's Value Proposition

Jill Heins Nesvold, MS
Director of Respiratory Health
American Lung Association of Upper Mid-West

PAA's Value Proposition Assertion

For \$500,000/year, PAA will improve asthma control in Minneapolis and St. Paul for approximately 10,500 pediatric asthma patients and deliver between \$0.9–1.8 million in savings to the health care system.

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Improved Asthma Control

PAA will improve asthma control by:

- Reducing ER visits by 10%
- Reducing hospitalizations by 50%
- Increasing school attendance among children with asthma by 2 days
- Reducing symptoms and limitations on normal activity (i.e., improving QOL) by 30%.

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PAA's Population of Focus

1. PAA focuses on children with asthma Minneapolis and St. Paul
2. Population is 600,000; 180,000 children
3. PAA serves the 10,500 pediatric asthma patients in Minneapolis and St Paul (source: MDH)

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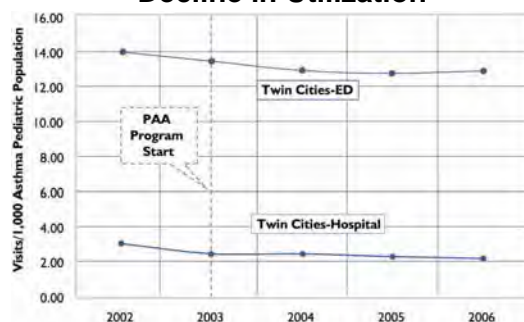
The Basis for Our Value Proposition

- PAA is a coalition of 60 health, education, public policy, and community leaders
- Program designed in 2001-2002 and operated since 2003
 - Helps providers improve the quality of care
 - Fills gaps in existing community asthma care network

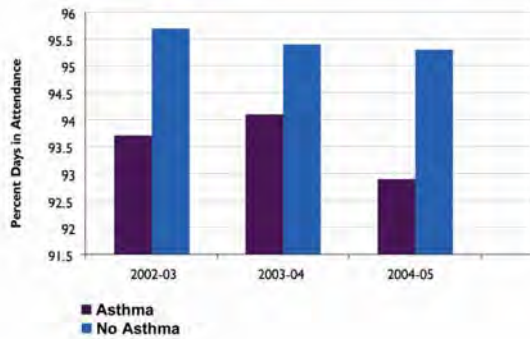
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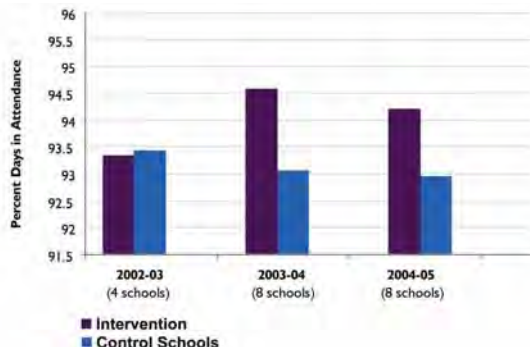
The Basis for Our Value Proposition Decline in Utilization



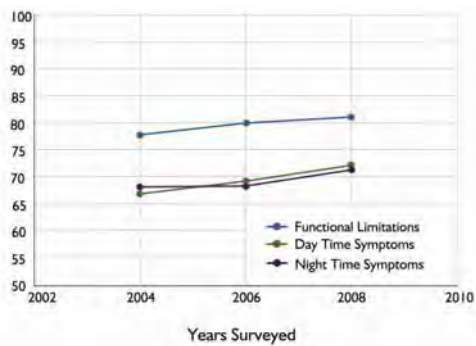
The Basis for Our Value Proposition Attendance for Children with Asthma



Effect of School-Based Intervention on Children with Asthma



The Basis for Our Value Proposition Quality of Life Improvements



Program Costs

We will spend the \$500K on...

1. Program Operations – 60% of budget
 - School-Based Interventions
 - Community-Based Education and Interventions
 - Policy Initiatives
 - Health System/Professional Education
2. Management Structure – 25% of budget
 - Program Management
 - Financial Administration
3. Evaluation – 15% of budget

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Cambridge Health Alliance Value Proposition

David Link, MD, Chief
Department of Pediatrics
Cambridge Health Alliance
Planned Care Program for Asthma

CHA's Value Proposition Assertion

**For \$250,000/year, CHA will
dramatically improve asthma
health outcomes for 3,000
pediatric asthma patients and
deliver \$850,000/year in savings
to the health care system.**

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Improved Asthma Control

CHA will improve asthma outcomes as follows:

- Reduce asthma ED visits for children by 50%
- Reduce asthma hospitalizations by 75%
- Significantly increase school attendance for children with asthma

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CHA's Population of Focus

- Service area is Cambridge, Somerville, and metro-north Boston
- 6,000-7,000 children with asthma in service area
- 3,100 children with asthma at CHA
- Largely urban and minority population

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The Basis for Our Value Proposition

CHA is an integrated health system

- 3 hospitals
- 20+ primary practices
- Network Health

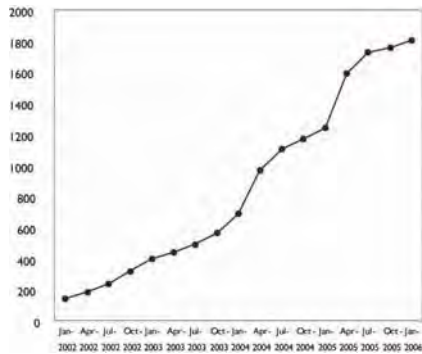
CHA uses an EMR linked to a Registry to:

- Drive system improvement
- Connect healthcare system
- Track outcomes by patient, site, and provider
- Create 'accountability loop' for providers
- Support evidence-based care

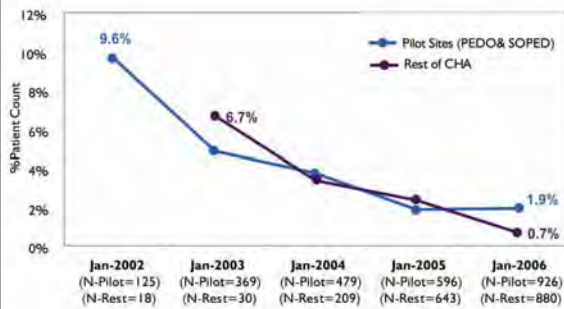
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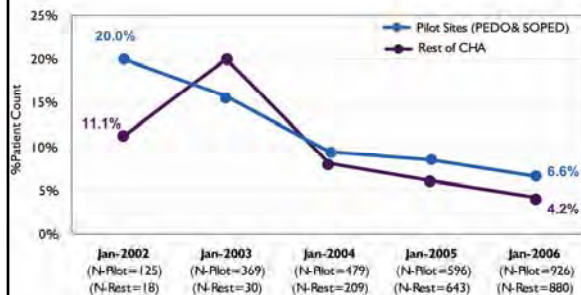
The Basis for Our Value Proposition Patients in Registry



The Basis for Our Value Proposition Decline in Hospitalization



The Basis for Our Value Proposition Decline in ER Visits



Program Costs

We will spend the \$250K on...

Asthma Program for 3,000 patients

Cost elements that make up \$250K:

- Healthy Homes (and supplies)
- IT – ongoing cost
- Case Management
- Education and Training
- Planned Care Coordinator
- CME updates
- Leadership support
- School RN training and case management

Information Technology - \$60k (already paid; not a recurring cost)

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If I am not for myself, who will be for me?

If I am only for myself, what am I?

And if not now, when?

Hillel

(1st century AD)

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Value Proposition – “HOPE”

CHA and Partners will lead a consortium to manage 7,000 pediatric asthma patients, reduce their ED visits and hospitalizations by half, significantly increase their school attendance, and save MANY \$ (use your imagination) for the healthcare system.

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EPA Business Case Initiative

- Develop clear, concise and compelling expressions of Value Propositions.
- Encourage leaders to present their Value Propositions to the community.

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EPA Business Case Initiative Case Study Participants

Health Plan	Delivery System	Community Coalition
<ul style="list-style-type: none">• Kaiser Permanente of Colorado• Monroe Plan	<ul style="list-style-type: none">• Cambridge Health• Maine Health	<ul style="list-style-type: none">• Partners for Asthma Action

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Our Work Today

- Create the value proposition
- Scale and size
- Who to talk to
- Share it with others!

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Today's Rules

- No calculators – simple math
- All answers are correct
- This is easy!
- Have fun!

Your Leadership Story

Value Proposition

- Price
- Population
- Value
- Program
- Cost Structure
- Evaluation

Price: A realistic request & a bold offer

Asthma Action Team (AAT)

AAT is requesting \$320,000/year to improve "asthma control" for the 8,000 children with asthma in our community.

The program cost is \$40/child with asthma.

Communities spend on the order of \$1,200/child to treat asthma.

The increment of \$40/child is expected to be partially offset by reduction in urgent and emergency care.

My Program

Asthma Population:

8,000 children

Program Cost/person:

\$40/child

Total Program Cost/year:

$8,000 \times \$40 =$
\$320,000

Population: The people we are committing to serve

AAT	My Program
<p>The population in our geographic area is 480,000 residents.</p> <p>The number of children (under 19) is 80,000.</p> <p>The number of children with moderate to severe asthma/year is 8,000 (10%)</p> <p>The program's population is the 8,000 children with asthma each year.</p>	<p>Total Population 480,000 people</p> <p>Population of interest: 80,000 children</p> <p>Percent of population of interest with asthma: 10%</p> <p>People with asthma: 8,000</p>

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Value: The results we will be accountable for delivering

AAT
<p>Our strategy for improving “<i>asthma control</i>” will deliver two high value outcomes:</p> <ul style="list-style-type: none"> • Increase the percent of children with asthma action plans from 50% to 95% • Decrease the number of pediatric asthma ED visits/year from 13/1,000 children in our community to 2/1,000 over a 3 year period. (1,040 visits/year to 160 visits/year) (\$600,000 swing in dollar value)

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High Value Outcomes Encountered

<p>Clinical Outcomes</p> <p>% w/Asthma Action Plan ↑</p> <p>Use of Controller Meds ↑</p> <p>Beta-Agonist overuse ↓</p> <p>Spirometry ↑</p>	<p>Quality Outcomes</p> <p>Lost School Days ↓</p> <p>Lost Work Days ↓</p> <p>Quality of Life Scores ↑</p>
<p>Delivery System Outcomes</p> <p>Asthma ED Visits ↓</p> <p>Asthma Hospitalizations ↓</p>	<p>Provider Readiness</p> <p>Clinics Educated #</p> <p>ED's Educated #</p> <p>Pharmacists Educated #</p>
	<p>Home-Based Interventions</p> <p>Home Evaluations #</p> <p>Parent Education Sessions #</p>

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Value: The results we will be accountable for delivering

My Program

High Value Outcome #1:

Increase the percent of children with asthma action plans from 50% to 95%

High Value Outcome #2:

Decrease the number of **pediatric asthma ED visits/year** from 13/1,000 children in our community to 2/1,000 over a 3 year period.

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Program: The efforts we will manage to deliver the results

AAT

AAT will improve asthma control through:

(a)the development of a community registry that gives providers instant access to information on pediatric asthmatics,

(b)a team of nurses (2 FTE) who provide training to providers in best practice,

(c) home environmental assessments (50) for children with ED visits

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Program: The efforts we will manage to deliver the results

My Program

My Program will improve asthma control through:

(a) the development of a community registry that gives providers instant access to information on pediatric asthmatics,

(b) a team of nurses (2 FTE) who provide training to providers in best practice,

(c) home environmental assessments (50) for children with ED visits.

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Cost Structure: The dollars that drive pricing

AAT	
• Management (10%)	\$ 32,000
• Evaluation (10%)	\$ 32,000
• Program Elements (80%)	\$256,000
• Total	\$320,000
My Organization ... My Program	
• Management	• \$32,000
• Evaluation	• \$32,000
• Program Elements	• \$256,000
• Total	• \$320,000

Evaluation: How we manage for results; How we keep our commitments

Asthma Action Team	
• Tracking the number of children with asthma action plans: <i>Registry information system will produce monthly reports of children with asthma action plans and percentages of patients with plans by provider.</i>	
• Decrease the number of pediatric asthma ED visits: <i>Hospitals that serve our target population will produce quarterly ED visit report for children with asthma-related visits.</i>	

Evaluation: How we manage for results; How we keep our commitments

My Organization ... My Program	
• Evaluation Plan for high value outcomes #1: <i>Registry information system will produce monthly reports of children with asthma action plans and percentages of patients with plans by provider.</i>	
• Evaluation Plan for high value outcome #2: <i>Hospitals that serve our target population will produce quarterly ED visit report for children with asthma-related visits.</i>	

You have got it! Now lets use it...Making the Big Deal and a lot of little deals....

Potential Customers

- Insurance Plans
- Medicaid (State legislators)
- Foundations
- Local business
- Local Government
- Primary Care providers
- Hospital CFO's
- Foundations

"Make the case for community action"

convene

**The Big Meeting
The Value Proposition
For the Community**

"Create little deals"

Deal #1

Deal #2

Deal #3

Deal #4

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We want to hear about your value propositions, deals and experiences with your community!



Please visit:

www.asthmacommunitynetwork.org

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Evaluation to Bring It All Together

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High Value Outcomes Encountered

Clinical Outcomes % w/Asthma Action Plan ↑ Use of Controller Meds ↑ Beta-Agonist overuse ↓ Spirometry ↑	Quality Outcomes Lost School Days ↓ Lost Work Days ↓ Quality of Life Scores ↑
Delivery System Outcomes Asthma ED Visits ↓ Asthma Hospitalizations ↓	Provider Readiness Clinics Educated # ED's Educated # Pharmacists Educated #
	Home-Based Interventions Home Evaluations # Parent Education Sessions #

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Insights and Composting

- ***What was easy about this exercise? Where are you feeling strong?***
- ***What was tough? Where could you be stronger?***

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