

## Reinventing a health system for success: Bassett Healthcare Network and Optum partnership

Founded nearly 100 years ago, Bassett Healthcare Network maintains a strong commitment to improving population and community health. This is accomplished with an innovative and unique health care system that connects comprehensive care and services to people living throughout central New York.

When Dr. Tommy Ibrahim became CEO in 2020, identifying solutions for addressing operational and financial sustainability that would enable Bassett's growth objectives became an early priority.

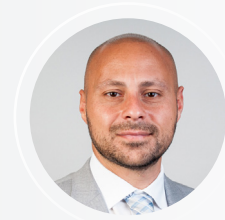
The organization's leadership also wanted Bassett to remain an independent and transformative organization where the careers of the employees who had a deep relationship with the Cooperstown community continued. There was no interest in being acquired by a larger health care system.

A Market Performance Partnership with Optum was the solution to advancing quality care and improving the patient experience. The relationship comprised a range of services, including revenue cycle management, advanced data and analytic capabilities, and information technology.

We sat down with Dr. Ibrahim to discuss his experience guiding Bassett into a partnership with Optum and learn more about the journey.

**Bassett has a long history of delivering care and services to people living in central New York. Can you tell us a little bit about the background, services and the needs of the community in that area?**

**Ibrahim:** We actually have five hospitals across this particular region, two nursing homes and a medical group that employs upwards of 700 or so practitioners across this area. We're responsible for the health and well-being of eight separate counties and about 5,600 square miles, which, if you look at the geographic reach, is the size of Connecticut. So very widespread, a very rural demographic that's largely an aging population — and the organization has really prided itself on serving this community. We're about a billion or so in that revenue. So, we're a mid-sized health care organization truly committed to our mission. We're unique in the fact that given the demographic and the dispersed assets of the organization, we have a really strong footprint in academics as well as research. We have a nearly a 100-year relationship with Columbia University and administer a medical school program right here in Cooperstown, New York.



**Tommy Ibrahim, MD**  
CEO, Bassett Healthcare Network

**You were named president and CEO of Bassett in May of 2020. Tell us a little bit about your background and what drew you to this role.**

**Ibrahim:** I graduated medical school in 2000 and did my residency after that. So, I'm an internist by background and a trained hospitalist, practicing for several years up until I took this role. Over the course of that time frame, I've been really blessed and honored to go into successively larger leadership roles where I was drawn into ways to make an impact in patient care and be able to serve larger geographies, larger populations and in a bigger way — and have a hand in shaping health care and driving the mission of health care institutions across large communities.

Over the course of that time period, my career has actually taken me across the country. I spent a bit of time in Springfield, Illinois, at Hospital Sisters Health System. I spent some time in Des Moines, Iowa, at Mercy Medical Center. I also spent some time at Integris as the chief physician executive and, really, throughout that time, I've been blessed to work with wonderful leaders and mentors who have helped me grow into my current position today.

**When you came into the role a year ago, what was your initial impression of Bassett and some of the opportunities?**

**Ibrahim:** One of the main drivers in coming to Bassett was the opportunity to shape an integrated health care delivery system. There was a significant emphasis by the board and other leaders to begin an integration process where we migrated from what was operating much like a holding company structure to really more of an integrated operating company model — and to create a system backbone, really a drive toward integration and systemness — and that was very attractive.

Other opportunities really focus on putting in unique interventions to support this entire community and this entire region, which is challenging in respects. The widespread distribution, as I describe the largely rural nature of the communities that we serve, is an aging demographic and aging population. That requires a targeted approach and key interventions adjusted for the community's social determinants of health.

**To touch on that a little bit more and dive in on the local care delivery aspect, what are some of those specific goals around expanding care into the underserved communities in your market?**

**Ibrahim:** It's important to understand the current setup for Bassett Healthcare Network. Our flagship hospital is in Cooperstown, New York. That's where we administer many of our advanced clinical services. The remaining infrastructure supports a care delivery model where, if higher levels of care are required, there is a process to make sure that that care is provided and available in Cooperstown New York.



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We want to try to unwind that somewhat and be able to bring care locally to the community and extend our services outward. We want to bring care to the patients instead of vice versa — and we're going through that process and that strategy evaluation right now to cultivate a more dispersed care delivery model. We definitely want to open up access with various different modalities. So, we're looking at having a physical presence for both primary as well as specialty care, but also looking at how do we extend digital virtual capabilities to those communities, to those regions and streamline the accessibility of our services to the patients who depend on us.

I think that's particularly important in this region, given some of the challenges that I described — transportation being an issue, broadband clearly is a concern in rural America, not just in this region. We're working with our advocacy officials to help support improvements and enhancements in that space so that we can extend ourselves even more to the community. We're actively exploring various strategies to bring care to patients.

### **What are some of the strategies you've put in place for reducing the cost of care overall while still delivering great value?**

**Ibrahim:** I think we're really set up quite nicely in this region to advance population health strategies and initiatives. We're working actively right now to develop an infrastructure, to develop a population health services organization. At the heart of that, obviously, is having the appropriate analytics and insights to be able to create targeted interventions to support some of those population health capabilities.

We're also actively investing in primary care and trying to extend it across this region. As we implement more analytic capabilities to truly understand the total cost of care, we intend very deliberately to play in the value and risk-based space — where we're already in the Medicare shared savings arena — and we want to continue to advance that work.

We're also looking at Medicare advantage opportunities, working very closely with local and regional payers, to drive that risk-based agenda but building the capabilities early on. Having that infrastructure will obviously be very important to help advance population health-based initiatives.

### **As you came into the organization and were establishing a footprint and figuring out the needs of the organizational role, how did you ultimately get to the relationship with Optum — and what does that look like today?**

**Ibrahim:** It became quite apparent that we would have to really look outside of the organization to develop some core capabilities. As part of my early learning and listening tour, coming in as the new leader for the organization, it was really important for us to decide as an organization the core competencies that we're going to focus on and invest in, and the other competencies we need to develop and potentially partner for.

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Some of the challenge in other parts of the country serving a similar demographic is the ability to recruit and really invest in core capabilities for the future. With the challenges that Bassett has had over the years, particularly from a financial and recruitment perspective, looking outwardly to a partner like Optum became really important to consider. So that's what we did.

We embarked on a large process to look at what I would describe as administrative capabilities for functions that we believe we could be stronger in — and assess whether or not we want to build toward the future in those areas. And it became quite clear that areas like analytics, revenue cycle management and information technology were core elements that we had to absolutely be able to do.

### **How would you say that this relationship is different from prior vendor relationships that either Bassett had, or you've experienced in the past?**

**Ibrahim:** We certainly had explored the opportunity of looking outward and bringing in multiple vendors to create what would have been a similar sort of arrangement. Having said that, though, to find a single solution in an organization with as much depth and experience, with an advanced and very good reputation in each of these capabilities, is quite hard to find.

As we saw the value proposition of having an organization that can bring so much innovation and technology and support and expertise in one partner, it was really important for us to explore.

### **Your employees are obviously a big central focus of the relationship and more than 95% of them are moving over to Optum as part of this relationship. How big of a driver of the relationship was that for you and for the Bassett organization?**

**Ibrahim:** I can't underscore how important that was going into this, particularly in an environment like ours and the small communities that we serve. The question of how our people were going to be impacted was central to all of this. I think as we went through this process very collaboratively through the due diligence, that was a question that was appropriately positioned by our board, corporately positioned by our leadership team, and one that we continually dwelled on. We invested a ton of time to ensure that we were doing this the right way for our people.



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**What do you expect to accomplish with the relationship over the first year, year two, year three and beyond? What does that look like for you and what are the determinants of success for the relationship?**

**Ibrahim:** I think we're off to a really good start. A lot of the people who were in place before are still the same leadership, which, for our organization, not only does it send a powerful message, but in terms of continuity, helps propel this partnership forward.

In terms of early wins, in year one, we're looking at obviously revamping our patient access initiatives and building a lot of capabilities to support a seamless patient experience on the front end of interactions within our health system. That's looking at call center optimization and operations. We're looking at centralizing a lot of those capabilities, looking at scheduling and registration functions. We're trying to implement a digital front door and making that as technology-driven, seamless and convenient as possible for our patients. And I know that we're already aligned to enhancing revenue cycle work streams and keeping the patient in mind as well.

As we go through that process, we'll obviously dovetail off of our patient access functions, investing in analytics and building that infrastructure up front to support a lot of our quality-based initiatives. We talked a little bit about population health so having that analytics and insight infrastructure to help us improve operational performance, quality performance and other administrative functions across the organization is going to be critical.

Also investing in other technologies and innovations to support Bassett's long-term goals. Making sure that we make the appropriate investments in cyber security and those technologies that are required to support everything that's happening across the industry.

**Talk to us a little bit about the timeline and just how that transpires from your initial interest in doing something like this to where we are today.**

**Ibrahim:** I think the entire due diligence process, as well as our negotiations, took about nine or 10 months. But it felt comfortable throughout the entire time. I think the best advice I would give to anyone exploring this is to engage very early with your board and make sure you pull in the appropriate representation from that perspective.

I think one of the best things we did that helped accelerate the timeline was to pull in our leadership early on. And I'm talking about the leaders who were overseeing these key functions on the Bassett side prior to their transition. Their buy-in, expertise and support for this conversation was critical. Without question, there were some early concerns and reservations, but as we continued cultivating the relationship and as we continued the diligence process, Optum being open and available to us to answer a lot of questions we had really accelerated the conversation.



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**Just to touch on some of the internal concerns, can you give any examples of initial concerns and how those were either collectively or individually worked through?**

**Ibrahim:** Again, thinking back on the notion of how this was going to impact our people was very much at the top of our mind. The other big thing was how is this going to impact culture? Bassett has a very proud culture, deservedly, being here for more than 100 years. So, how would it be, bringing in an organization like Optum, which is a for-profit company — very large, very different from what we are? How's that going to change the footprint of Bassett and what does this mean? Those are all questions that we had to go through.

I think we answered those questions for people — that this was not some sort of takeover, that this was actually a method and a mechanism to sustain Bassett's independence as a health care system, and that these capabilities were going to help propel us forward to realize and capitalize not only on our vision, but the mission we're here to serve. We're going to make sure that our two cultures, across both organizations, are aligned. Once we started to talk about that with our leadership, with our board members, with our people, it became quite clear that this really could work.

**On the employee side, I think it's obviously collaborative across both organizations on that transition and change management aspect. What do you think the experience has been like for the employees?**

**Ibrahim:** Early on, our employees had a lot of questions. These employees have been with Bassett five, 10, 20, 30 years in some circumstances. So, it was initially a little bit of a shock that we were contemplating doing something like this. Everyone was focused internally — what does this mean for me? How does this play out for my compensation? What does this mean for my benefits? What about long-term retirement plans?

All of those questions obviously were very, very important for us to address head on. Thankfully, through the due diligence process, we had spent a lot of time with Optum thinking through in advance of some of those questions. We were trying to build in similar or even enhanced packages for our employees. So that was really well received early on. And once people digested that and understood it, they were a little bit more relieved.

As we continued our discussions and continued to clarify a lot of the open questions, most of our employee base could certainly see the benefits of this and bought in. I think that really is a testament to our leadership as well — they saw the benefit of doing this transition for themselves, and for the mission and the organization.

People definitely connected with preservation of our mission and preservation of our independence. They could see that this was truly in the best interest of the organization and that they could continue serving the Bassett community just as they had been before.

**What is Bassett really getting as part of this partnership on the value side or the savings side?**

**Ibrahim:** The financial benefits are significant and I'll reference that, but you know the driving factor really wasn't the finances. It was preservation of our mission and independence. We were very concerned about having to explore the need to be acquired or merge with another health care system. And we think that that would have been counter to our previous position of really serving the community the way that we want to serve them — that's what we were leading with.

Certainly, as we build out some of these capabilities, we're going to see improvements in the patient experience, which is very important to us. We want to improve access to care. We want to continue to enhance quality and support value-based and population health-based initiatives. The way that we're going to do that is really leveraging all of these capabilities that Optum can bring to our organization. That's what we're most excited about. As we enhance revenue cycle and as we gain efficiencies, we'll see a financial upside over the term of the agreement.

**I'm sure there are a lot of executives who a year ago, maybe two years ago, with COVID-19 introducing capital challenges and increasing costs, are probably in your shoes and thinking about their options. What advice would you give to them?**

**Ibrahim:** I would say, continue to explore your options, look outward into the industry to identify other solutions. I think with side-by-side analysis, it will become apparent to each executive what's best for their unique situation and organizations.

I would say, engage your board early, quickly and definitely have conversations with leadership. Engage those expert leaders to really help you get good intelligence and do the appropriate due diligence up front. Then, think through all of the potential unintended consequences of any outsourced or any vendor partnership relationship.



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