

**Value-Based Payment: Is it Disrupting
Health Care for the Better?**

**Role of a Capitated APM From a
Clinician's Perspective**

TODAY'S SPEAKER



Art Jones, MD

April 16, 2021

Send your questions to the host
via
the chat window.

Q+A will open at the end of the presentation.

Follow-up questions?



Contact

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DISCLOSURES

Faculty	Nature of Commercial Interest
Art Jones, MD (Presenter)	Art discloses that he is a Principal with Health Management Associates. He is also employed as Chief Medical Officer of Medical Home Network, a non-profit that supports Medical Home Network ACO and other safety net clinically integrated networks to transform care are under advanced alternative payment models.

TODAY'S AGENDA & LEARNING OBJECTIVES

- Review the limitations of strict Fee-for-Service (FFS) reimbursement to support optimal outcomes and efficiency of new models of care.
- Review alternative payment models that can be used to improve patient access to care and outcomes.
- Discuss linkages between payment reform and expanded use of the primary care workforce.
- Outline the clinician role in the adoption of alternative payment models
- Q & A

After this webinar, participants will be able to:

- Describe the linkages between payment methodology and health outcomes.
- Understand how a capitated APM facilitates more patient-centric models of care
- Identify at least 2 models of care made uniquely feasible under a capitated APM.
- Describe the role a capitated can play to address primary care workforce shortages.
- Recognize how a capitated APM facilitates savings in total cost of care APMs

PRIMARY CARE HAS NOT LIVED UP TO EXPECTATIONS

- + Primary care is ideally conceptualized as accessible, timely, first-contact, coordinated, long-term, and holistic ambulatory care for most common conditions and most people.
- + Accessible: Minimal obstacles to obtaining primary care.

INSTITUTE OF MEDICINE COMMITTEE ON THE FUTURE OF PRIMARY CARE
(1996)

PRIMARY CARE HAS NOT LIVED UP TO EXPECTATIONS

Reducing barriers to patient self-management and improved outcomes

Hypertension: 28% of RI FQHC hypertensive patients have a BP of >140/90

Diabetes: 22% of RI FQHC diabetic patients have no HbA1c or >9.0

Depression: until recently, FQHCs have not tracked PHQ-9 improvement

■ CURRENT MANAGEMENT OF HYPERTENSION

- + Nearly half of American adults have high blood pressure.
- + About 11 million of them do not know their blood pressure is too high and are not receiving treatment.
- + Only about 1 in 4 adults with hypertension have their condition under control (below 130/80 mm Hg).
- + Depending solely on office BP readings leads to treatment errors due to white coat effect and masked hypertension.
- + Strong scientific evidence shows that self-measured blood pressure monitoring (SMBP) plus clinical support helps people with hypertension lower their BP and is recommended by the AHA.

■ CURRENT MANAGEMENT OF DEPRESSION

- + During 2013–2016, 8.1% of American adults aged 20 and over had depression in any given 2-week period.
- + Major depression was most prevalent among Hispanics (10.8%), followed by African Americans (8.9%) and Whites (7.8%).
- + The medical cost of treating several common medical conditions increases between 40% to more than double when there is superimposed anxiety and/or depression.
- + Research evidence from over 80 randomized controlled trials have consistently shown that the collaborative care model is more effective than usual care.
- + VBPs usually measure screening, not outcomes.

PRE-PANDEMIC: DECLINING USE OF PRIMARY CARE AMONG ADULTS

- 142 million primary care visits among 94 million member-years were examined
- **Visits to PCPs declined by 24.2%**, from 169.5 to 134.3 visits per 100 member-years
- *PCP preventive visits increased by 40.6% from 15.1 to 21.5 visits per 100 member-years but still only 1 in 5*
- *Problem-based visits declined by 30.5% from 154.5 to 112.8 visits per 100 member-years*
- The proportion of *adults with no PCP visits in a given year rose from 38.1% to 46.4%*
- Rates of *visits addressing low-acuity conditions decreased by 47.7%*
- **Visits to alternative venues, such as urgent care clinics, increased by 46.9%**

Ishani Ganguli, MD, MPH; Declining Use of Primary Care Among Commercially Insured Adults in the United States, 2008–2016. Ann Intern Med Feb 2020

WHAT DO WE KNOW ABOUT THE ATTRIBUTED NOT YET SEEN MEDICAID INSURED ASSIGNED POPULATION

- What do they want?
 - Interest in after-hours availability greater than for clinic user population
 - 75%-my own PCP
 - 69%-dental care
 - 41%-eye doctor
 - 36%-urgent care
 - 24%-mental health services
 - 22%-wellness services
 - 19%-foot doctor

Source: Survey by Care Message; used by permission

PRE-PANDEMIC PATIENT CENTRIC PRIMARY CARE

- + Were you asking patients to come in when a call/patient portal would have sufficed?
- + Were you contributing to your no-show rate by how you provide access?
- + What was the financial impact on your practice when you improve patients' ability to self-manage?
- + Think Kaiser! More than a third of encounters are virtual. If Kaiser ran a clinic down the street, how many of your patients would switch?
- + If you offered the Kaiser model, how many patients would switch to you?

■ THE PANDEMIC HAS CHANGED PATIENT EXPECTATIONS

Medicare members using telehealth grew 120 times in early weeks of COVID-19 as regulations eased:

Week ending 3/7/20:
11,000 Members

Week ending 4/18/20:
1.3M Members

Source: healthcarediver.com/news/Medicare-seniors-telehealth-covid-coronavirus-cms-trump/578685/



PRE-PANDEMIC 2020 HEALTHCARE KEY TRENDS

- 
- **Patients want convenient and timely access to care, coordinated care, high quality and affordability**
 - **Payers want value and provider accountability for population outcomes, not just quality of care for those engaged in primary care**
 - **Retailers and technology companies are entering the health care market because they feel they can be more responsive to customers and create margin by reducing waste**
 - **Outside capital is investing in disruptive care models that provide care outside of traditional health care settings**
 - **Health systems continue to focus on vertical as well as horizontal integration**
 - **Aggregation and analytics of multiple sources of timely data will increasingly inform provider decisions at the point of care**
 - **Make providers financially accountable**

INDUSTRY DISRUPTERS ARE CHANGING HEALTHCARE



- Now familiar, these disrupters were successful because they recognized and responded to what consumers wanted and they completely changed their respective industries.
- Healthcare disruptors are shifting the healthcare industry by making big changes that significantly redefine the way care is delivered.
- That means integrating new technologies, streamlining processes, and simply refusing to do things the way they've always been done.
- CVS acquired Aetna last year for \$69 billion, vowing to shift the consumer healthcare experience and ensure people rely less on hospitals and emergency health services.

Market Events: **Disruptive Primary Care and Retail Moves**



OAK STREET HEALTH

Oak Street Health Announces Filing of Registration Statement for Proposed Initial Public Offering

GeekWire

Amazon plans 20 healthcare clinics across U.S. for warehouse employees and their families

Monica Nickelsburg · 22 hrs ago

Amazon plans to establish healthcare facilities for its warehouse workers and their families across the country. The company unveiled the plan Tuesday, starting with a clinic in the Dallas-Fort Worth region.



July 08, 2020 07:42 AM

Walgreens plans hundreds of in-store doctor offices

The chain is investing \$1 billion in Chicago-based primary care startup VillageMD, expanding their existing partnership.

STEPHANIE GOLDBERG

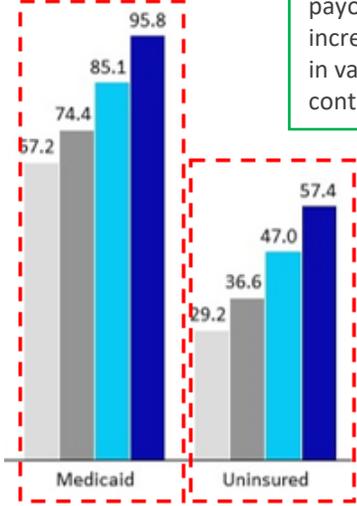
TWEET SHARE SHARE EMAIL REPRINTS PRINT



Walgreens and Village MD – Primary Care delivery innovation in response to consumer demands for Access, Location, Convenience

COVID-19 Unemployment Tipping Point Puts Medicaid on the Radar New Competitors

As Medicaid numbers grow, payors likely to increase interest in value-based contracting



Category	Value 1	Value 2	Value 3
Medicaid	57.2	74.4	95.8
Uninsured	29.2	36.6	47.0

Implications:

- ❑ **Competition** will grow in the Safety Net
- ❑ **Network linkage & clinical asset differentiators** key
- ❑ **Total Cost of Care and true risk assumption critical** – not just care coordination and shared savings
- ❑ **Data liquidity and interoperability** an imperative
- ❑ Developing **member loyalty and consumerism focus** is table stakes

PRIMARY CARE WORKFORCE – FACING SHORTAGES

NATIONALLY

By 2033, there will be a **shortfall** of

21,400 to **55,200**



primary care physicians in the U.S.

Source: *The Complexities of Physician Supply and Demand: Projections from 2018-2033*,
Association of American Medical Colleges, 2020



The ability of current primary care providers to meet demand is lowest in rural and frontier areas compared with urban areas.

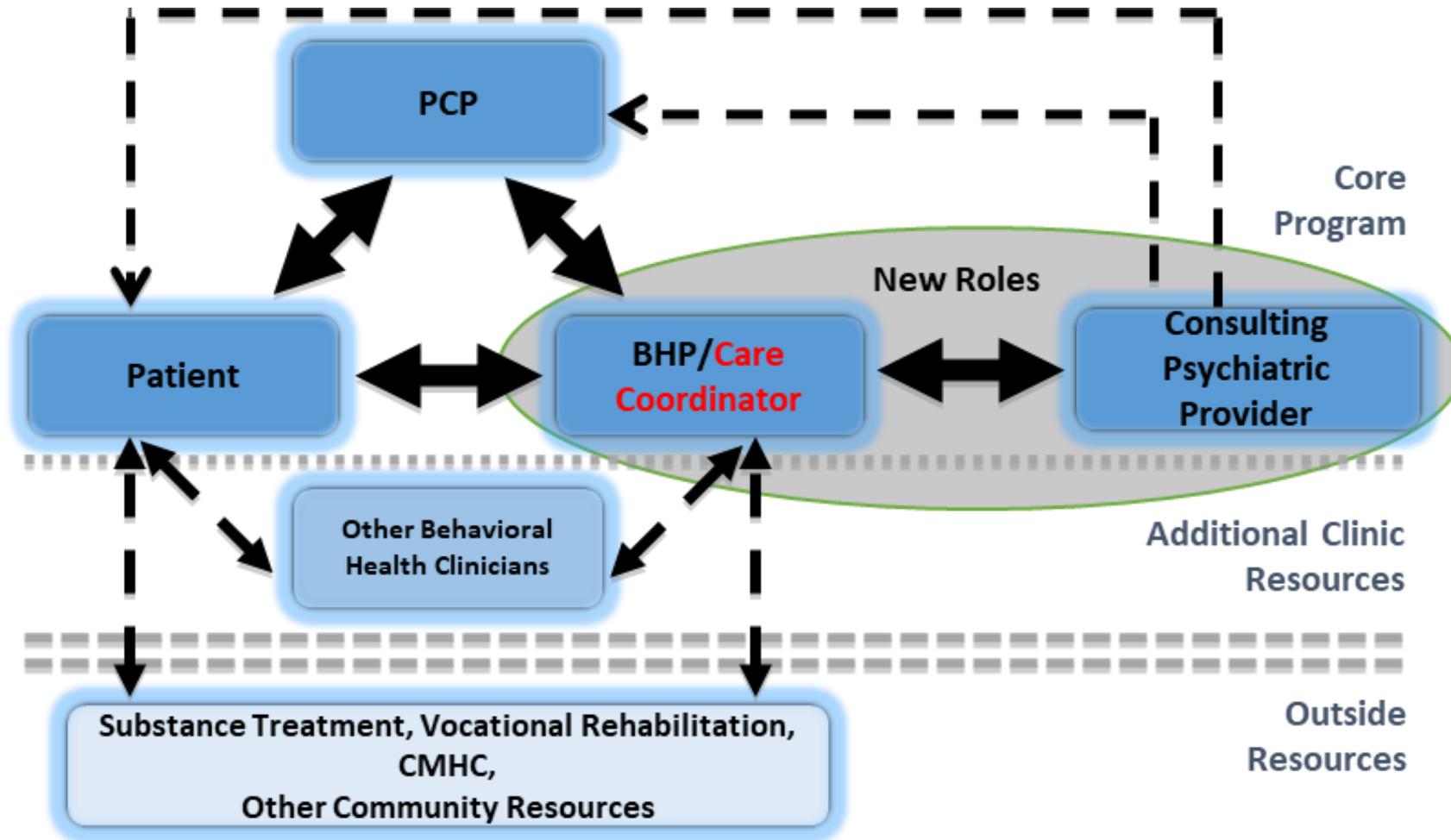
Plus, in the first months of the pandemic, the number of health care visits fell, which resulted in financial losses for many providers, causing layoffs and furloughs within the health care workforce.

PRIMARY CARE CAPITATION AND USE OF THE FULL CARE TEAM

- + Have you lost team members because they felt their talents were being under-utilized?
- + Do your clinicians feel they are doing work that only they can do?
- + What is the number one metric provider performance in your practice?
- + What is the hardest position to recruit and retain in your practice?
- + Do your care teams get excited about a new way to improve patients' health only to be told that it's not financially feasible?



COLLABORATIVE CARE MODEL FOR MANAGING CHRONIC CONDITIONS IS NOT REIMBURSABLE



MHN's Hypertension Management Program: *Self Monitored Blood Pressure & Resources*

Medical Home Network has created a hypertension management program (HMP) to support identified and at-risk members by using a dynamic and personalized approach.

The program has several offerings including:

- Utilization of risk screens for proactive member identification
- Machines for home Self-monitored Blood Pressure (SMBP) at no cost to the member
- Infrastructure for data collection
- Established care team relationships for outreach and a key factor for success; Provider and care team engagement

The Script Includes:

SMBP



Outreach



Toolkit



Scheduling
Follow-Up



Ongoing
Monitoring

MHNconnect

The MHNConnect System by Medical Home Network & Safety Net Connect

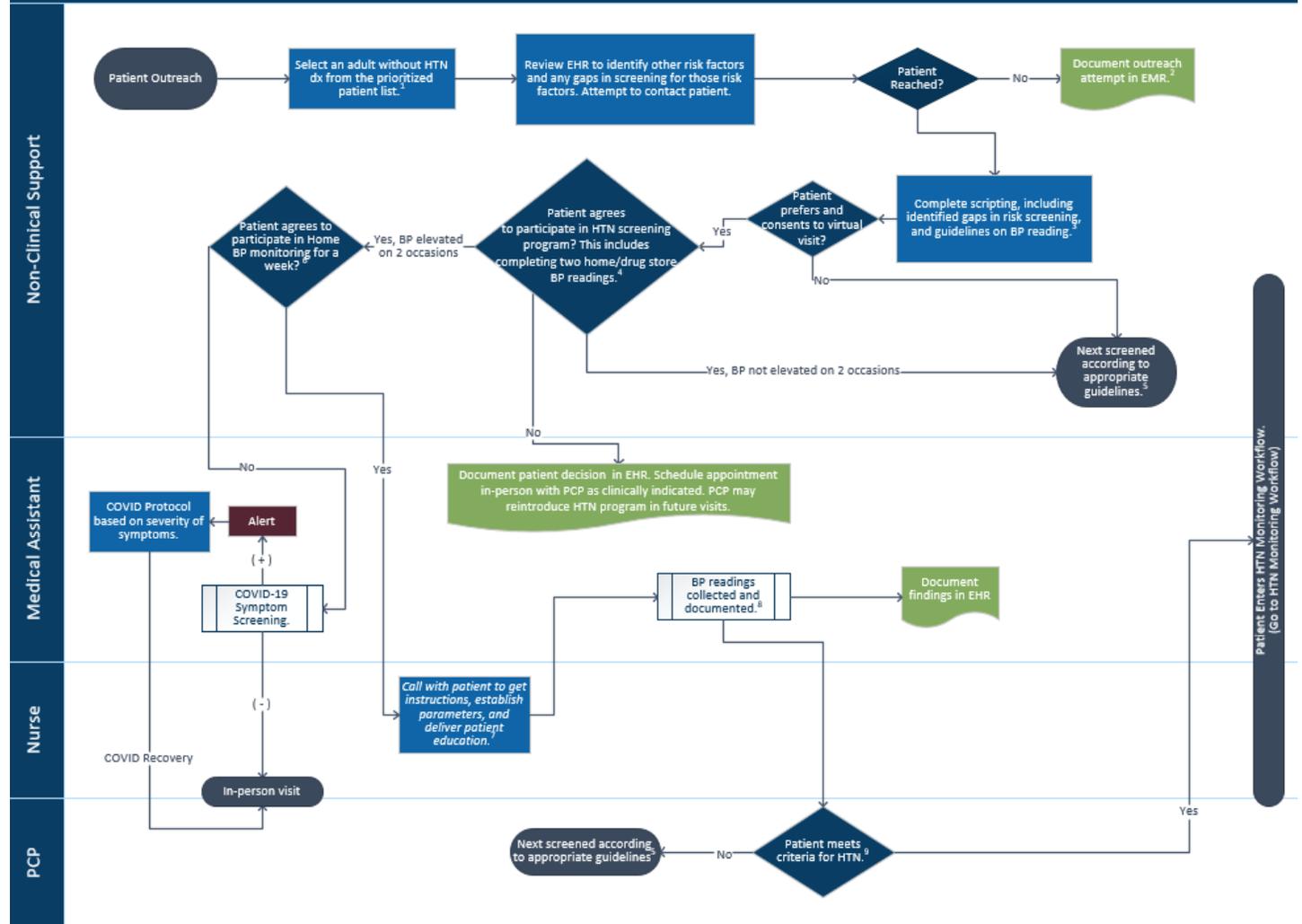
EXAMPLES OF VIRTUAL HYPERTENSION WORKFLOWS

Primary workflows supplemented by secondary workflows

Screening of adults without a diagnosis of hypertension

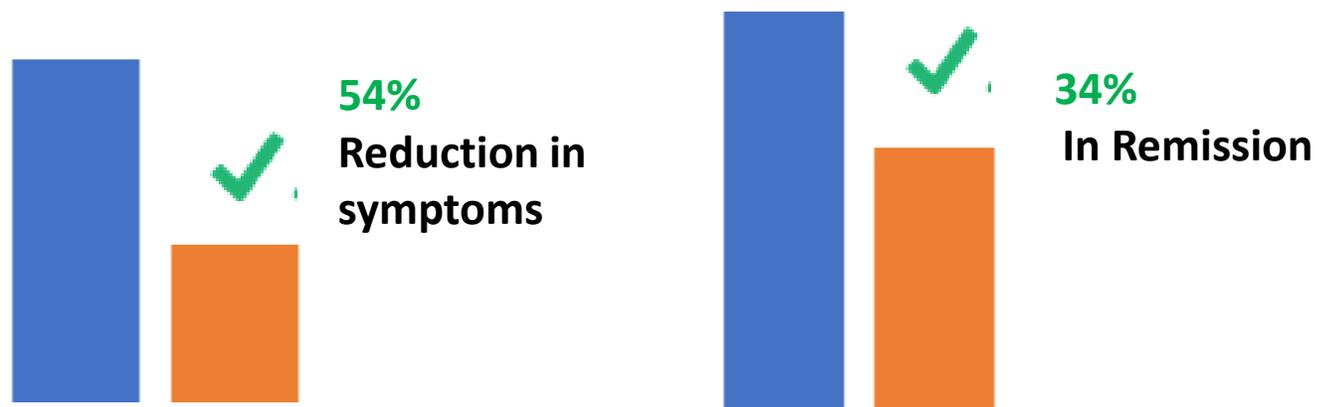
- Prioritizing patients to be screened
- Screening protocol
- Verification of those suspected of having hypertension
- Enrollment of newly diagnosed patients into ongoing self-management

Hypertension Virtual Model Tool Kit Swim Lanes: Screening Workflow for Those with no HTN Diagnosis



COLLABORATIVE CARE MODEL – INTEGRATING PRIMARY CARE AND BEHAVIORAL HEALTH

- MHN recognized the need to integrate physical and behavioral health in the primary care setting, while also reducing strain on, and improving access to, psychiatry services.
- MHN self-funded a roll out of an evidence-based approach to enhancing behavioral health access for our population.
- 3,659 patients have been enrolled in the Collaborative Care Program. **54%** of patients actively engaged in the program demonstrated a **50% reduction** in depression symptoms and **34% reached full remission from depression.**



WHY ADOPT A CAPITATED ALTERNATIVE PAYMENT MODEL?



- + The current fee-for-service payment system is a barrier to reaching optimal patient outcomes for some conditions.
- + It is a barrier to using the full care team in the most efficient manner.
- + It hampers provision of the most timely and convenient access to care.
- + Competitors are using value-based payment as a tool to compete with the existing delivery system and disrupt the market.
- + I can use this APM to enhance patient satisfaction, garner more market share and enhance my profitability.

■ VALUE-BASED PAYMENTS SUPPORT VALUE-BASED CARE

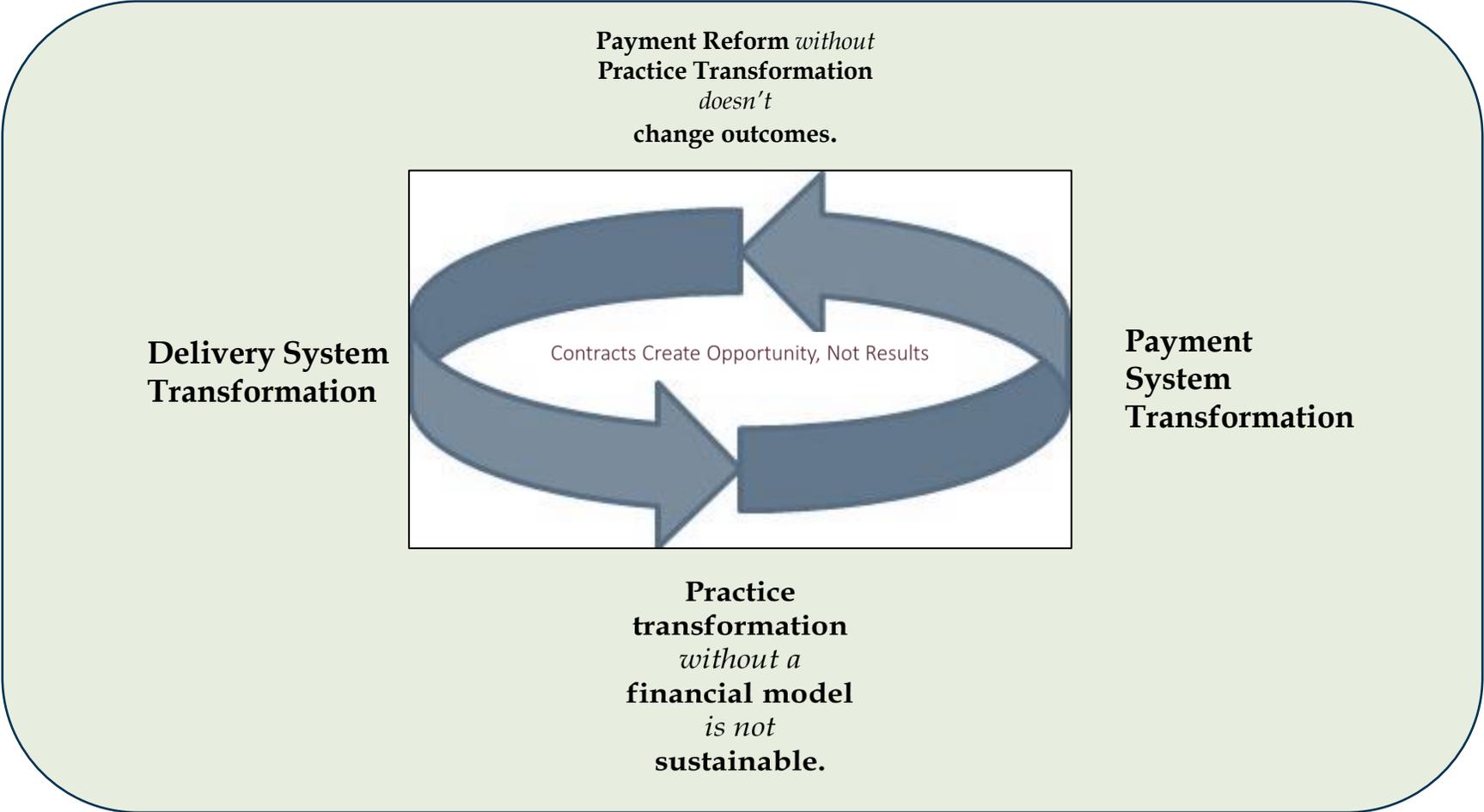
- + Value-based healthcare is a delivery model in which providers, including hospitals and providers, are paid based on health outcomes.*
- + Value-based payments are intended to support the delivery of evidence-based, person-centered, efficient care that contributes to improved quality and positive health outcomes at an appropriate cost.**

The future of health care will be determined by payers and patients looking for the best value and rewarding providers who can deliver better outcomes

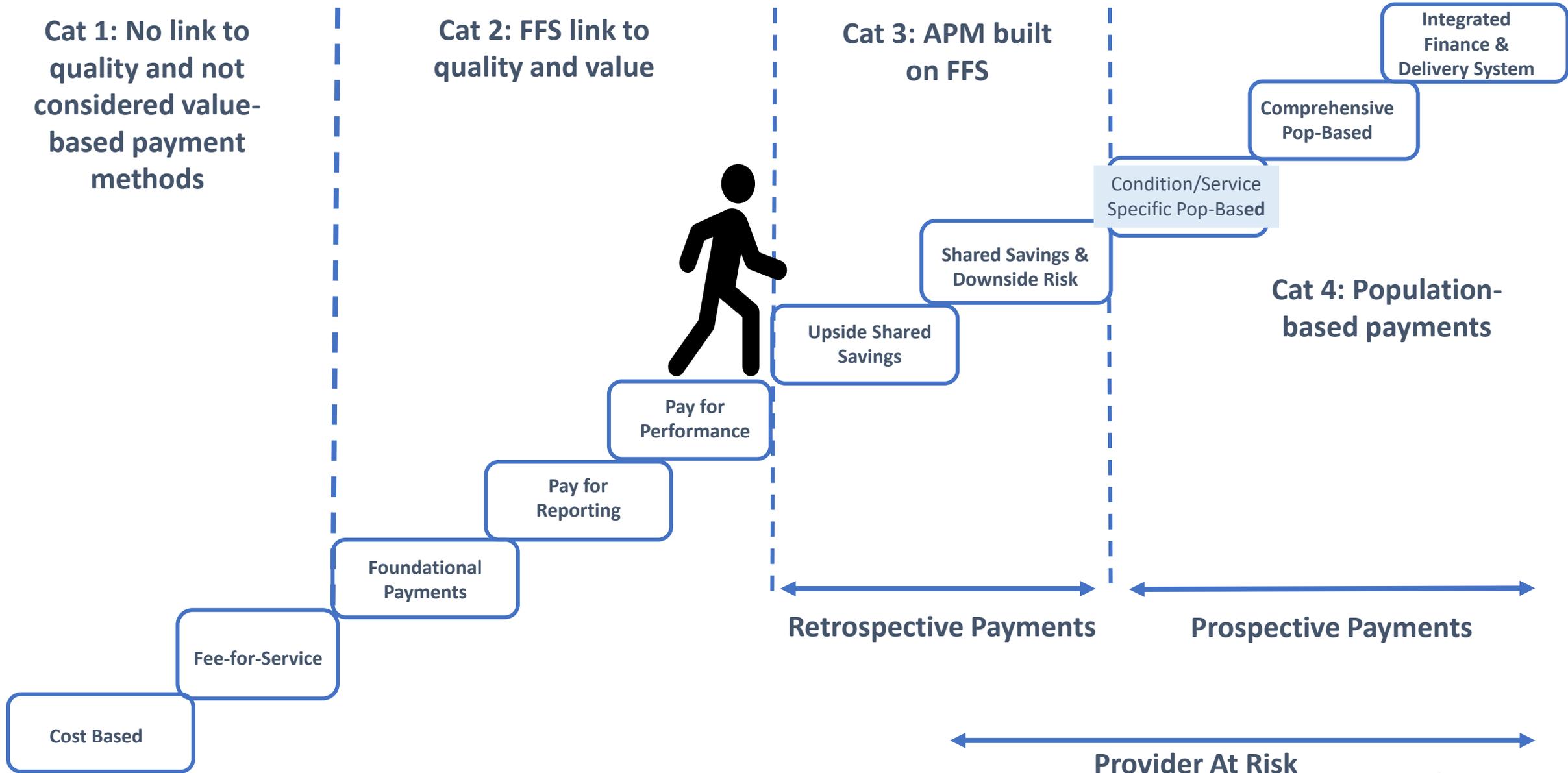
*NEJM Catalyst-Innovations in Health Care Delivery Jan 2017 “What is Value-Based Healthcare?” available at <https://catalyst.nejm.org/doi/full/10.1056/CAT.17.0558>

**OHA-CCO VBP Roadmap September 2019 available at: <https://www.oregon.gov/oha/HPA/dsi-tc/Documents/OHA-CCO-VBP-Roadmap.pdf>

Alternative Payment Models Create Opportunities, Not Results



PROGRESS IN PURSUIT OF VALUE-BASED PAYMENT: ARE THE STEPS OUT OF ORDER?



FQHC DIRECT PAYMENT APMs

1. CHC still receiving cost-based reimbursement (Missouri)
2. Periodic rebasing of the encounter rate (Delaware)
3. Enhanced rates for high-cost services (Michigan)
4. Combination of periodic rebasing and a pay-for-performance APM (DC)
5. **Capitated FQHC APMs (Oregon, Washington State with pursuit by Michigan, Delaware, Illinois, Iowa and Ohio)**

PRIMARY CARE CAPITATION ALTERNATIVE PAYMENT METHODOLOGY

2019 Primary Care Revenue

of empaneled Medicaid Member Months in 2019

= PER MEMBER PER MONTH APM RATE*



***Rate is inflated annually
Assumes average member risk unchanged**

ASSUMPTIONS FOR ILLUSTRATION PURPOSES

- Blended PCP visit rate \$135/visit
- PCP productivity 3500 visits/yr.
- PCP panel size 946
- % Medicaid 57%
- Medicaid panel size 539
- Total PCP visits 3.7—3.5—3.3
- Demand for PCPs willing to serve Medicaid recipients allows panel expansion to fill resultant capacity at same payer mix

- PPS FFS equivalent revenue \$269,325
- (\$135/visit X 3.7 average annual visits X 539 Medicaid member panel size)

EXAMPLE: NON-PREVENTIVE PCP VISITS PROGRESSIVELY DECREASE

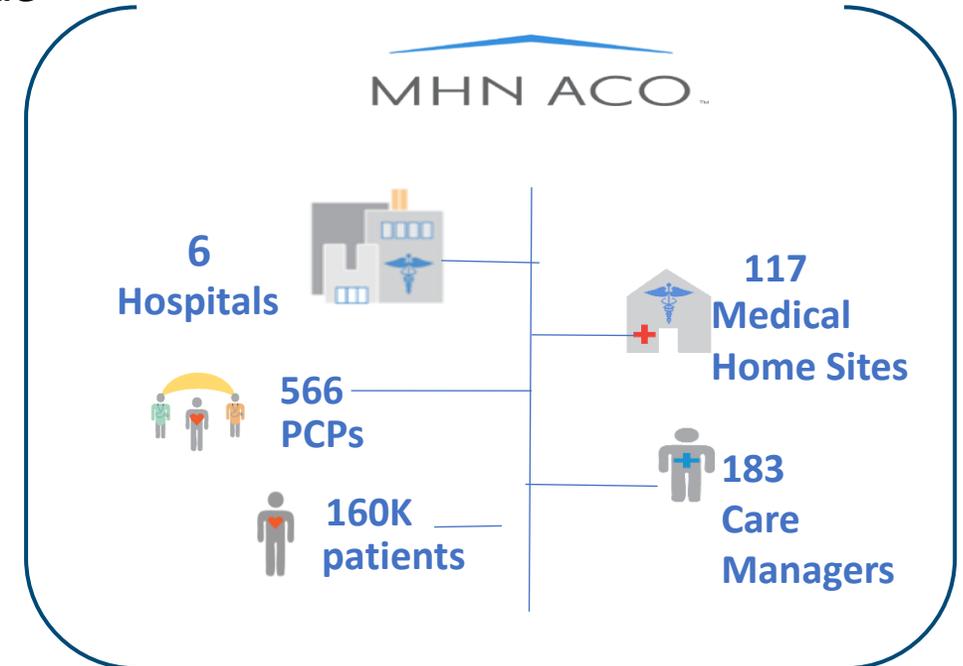
Per FTE PCP	Baseline Year	Year One	Year Two
PCP Visits PMPY	3.7	3.5	3.3
PCP Panel Size	946	1000	1061
% Medicaid	57%	57%	57%
PCP Medicaid Panel Size	539	570	605
Medicaid Payment Equivalent PMPM	\$ 41.63	\$ 39.38 PPS \$ 41.63 APM	\$ 37.13 PPS \$ 41.63 APM
PCP Panel Medicaid Revenue per FTE	\$269,325	\$269,325 PPS \$284,715 APM	\$269,325 PPS \$301,970 APM
Increase PCP Panel Revenue per FTE		\$ 0 current \$ 15,390 APM	\$ 0 current \$ 32,645 APM

LAN VBP CATEGORIES 2-4: POPULATION BASED PAYMENT

Medical Home Network ACO: Enhancing Patient Care, Driving Value & Improving Outcomes

MHN ACO, LLC established in 2014

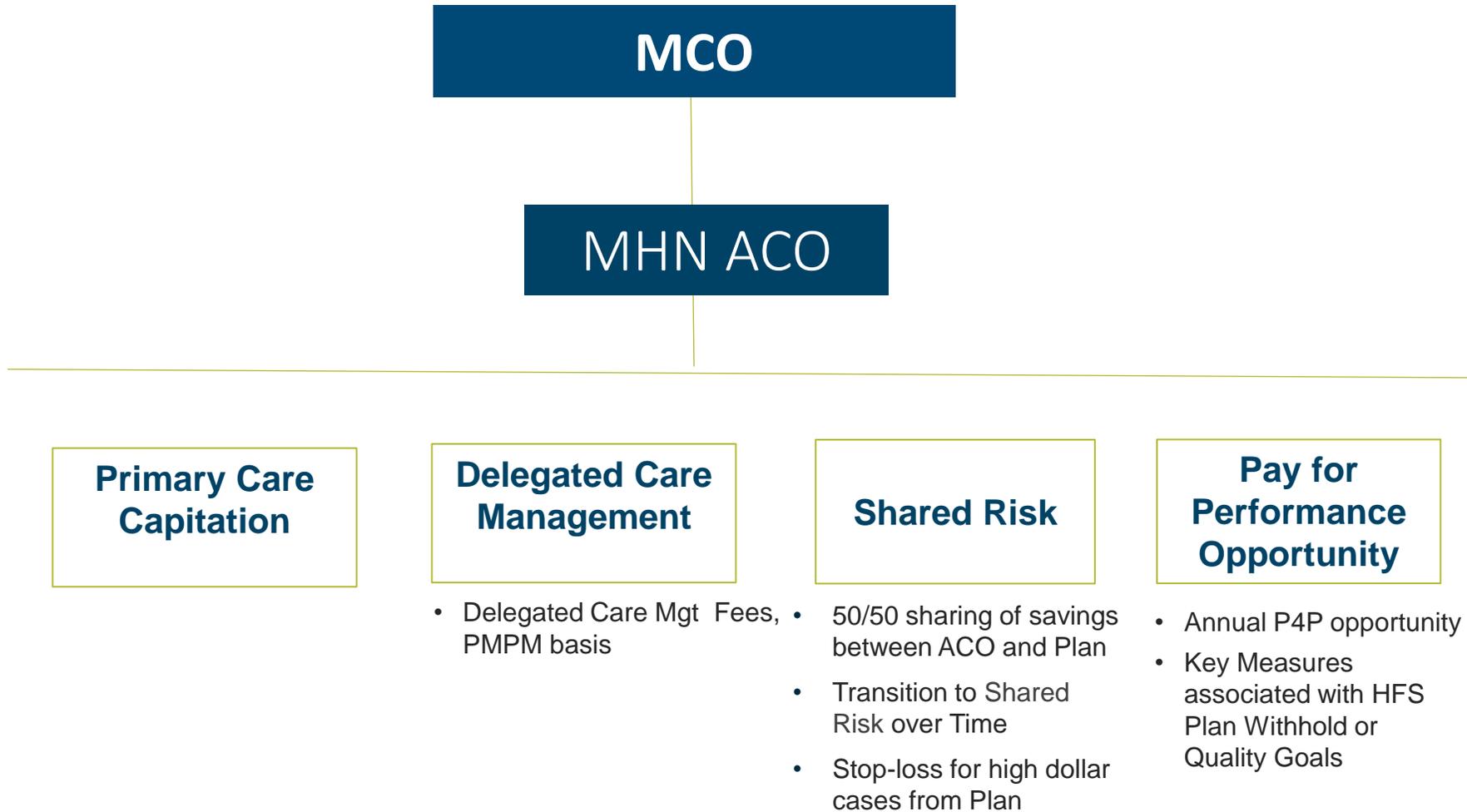
- 12 FQHCs
- 3 Hospital systems
- Wholly provider-owned entity
- Unique egalitarian governance model
- Delegated for Care Management
- At Risk for Total Cost of Care



Enables members to drive cultural transformation & advance an integrated, practice-level model of care



MHN ACO: Contracting Construct for Delegated CM & Value-based Partnership



MHN: ACO Bolsters CountyCare's Performance on Key HFS Quality Metrics

CountyCare is the top-performing MCO on HFS Metrics, earning 50% of Auto Assignment

MHN ACO is a pivotal contributor to CountyCare's Success

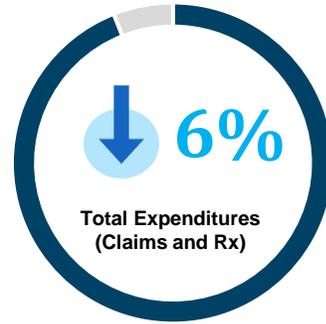
	Measure	CountyCare	MHN ACO	MHN ACO Differentiators
Women's Health	Breast Cancer Screening	★ ★ ★ ★	★ ★ ★ ★	<ul style="list-style-type: none"> ➤ Screenings: Lead all MCOs on Cervical Cancer, a top performer for Breast Cancer Care Management focus on preventative screening to address historically poor outcomes in our population
	Cervical Cancer Screening	★ ★ ★	★ ★ ★ ★ ★	
Keeping Kids Healthy	Doctor Visits for Kids Younger than 15mo.	★ ★	★ ★ ★ ★ ★	<ul style="list-style-type: none"> ➤ Lead MCOs in each of 4 metrics ➤ Performance greatly contributes to CountyCare's success on this key domain ➤ Child health is a core component of ACO model: driving population health outcomes, engaging whole families in care, and combating systemic inequities in care
	Doctor Visits for Kids Ages 3 to 6 Year	★ ★ ★ ★	★ ★ ★ ★ ★	
	Kids Received Immunization Combo 3	★ ★ ★	★ ★ ★ ★ ★	
	BMI Percentile for Kids Teenagers	★ ★ ★	★ ★ ★ ★ ★	
Access to Care	Outpatient or Preventative Care Visit	★ ★	★ ★ ★ ★	<ul style="list-style-type: none"> ➤ Primary-care focused model has increased outreach, better access ➤ Practice-level, integrated CM engages patients in their health
	Adult BMI	★ ★	★ ★ ★	
Living with Illness	Diabetics had HbA1c Testing	★ ★ ★	★ ★ ★ ★	<ul style="list-style-type: none"> ➤ Reinvestment in clinical equipment to screen for diabetic retinopathy ➤ Practice-level, integrated CM helps to assess and prevent care gaps
	Diabetics Had Eye Exam	★ ★	★ ★ ★	

MHN: Proven care model driving lower utilization & cost in Medicaid

RISK-ADJUSTED
DECREASED
UTILIZATION...



...AND
LOWER COSTS



\$79.3M in savings

PROJECTED OVER 5 YEARS

INCREASED
PATIENT
ENGAGEMENT



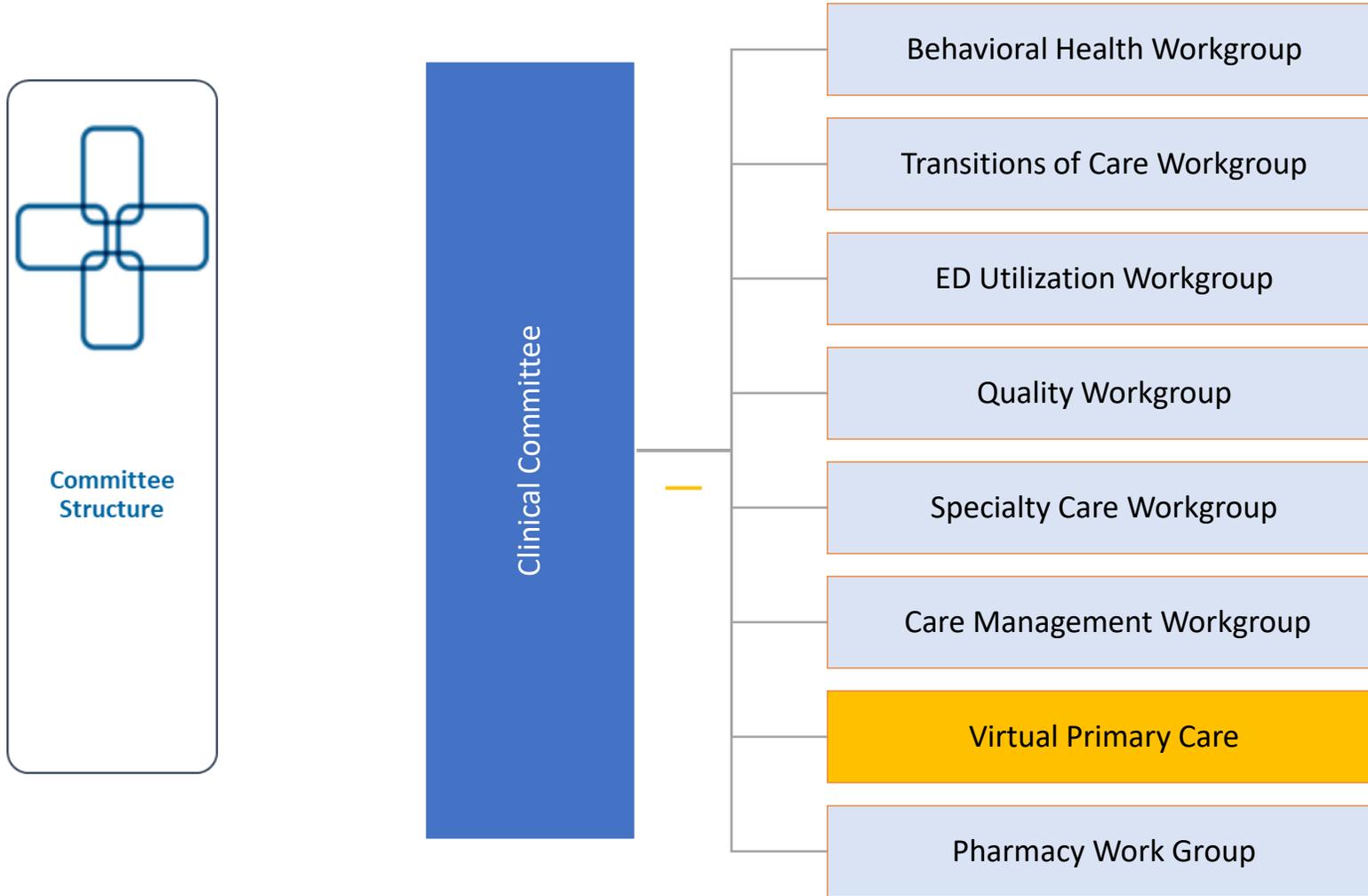
INDUSTRY
ACCREDITATIONS

MHN ACO is NCQA Accredited for
Case Management with a passing
score of **99.6**



HSAG Accredited

Highly Engaged Clinical Committee and Workgroups



Q & A

Send your questions to the host
via the chat function.