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

Role of a Capitated FQHC APM

May 5, 2021

TODAY'S SPEAKERS

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Art Jones, MD

Send your questions to the host
via
the chat window.

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

Follow-up questions?

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DISCLOSURES

Faculty	Nature of Commercial Interest
Caitlin Thomas-Henkel, MSW (Presenter)	Caitlin discloses that she is a Principal with Health Management Associates, a national research and consulting firm providing technical assistance to a diverse group of healthcare clients.
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.

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TODAY'S AGENDA & LEARNING OBJECTIVES

- Review State initiatives to improve population health using value-based payment
- Discuss the limitations of strict Fee-for-Service (FFS) reimbursement to support optimal outcomes and efficiency of new models of care.
- Describe an alternative payment model for primary care and behavioral health services that can be used to improve patient access to care and outcomes.
- Discuss linkages between payment methodologies and expanded use of the primary care workforce.
- Q & A

After this webinar, participants will be able to:

- Place Vermont's payment reform efforts within a context of other State approaches
- Describe how a primary care capitated APM can improve access to care and population health outcomes
- Describe the role a capitated APM can play to address primary care workforce shortages.
- Recognize how primary care capitation can be used as a tool to reduce total cost of care expenditures

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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 PER 2019 UDS REPORT

Reducing barriers to patient self-management and improved outcomes

Hypertension: 35% of FQHC hypertensive patients have a BP of >140/90

Diabetes: 32% of FQHC diabetic patients had no HbA1c or >9.0

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

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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%***

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

PRE-PANDEMIC DECLINING USE OF PRIMARY CARE AMONG ADULTS

- The decline was largest among:
  - The youngest adults (27.6%)
  - Those without chronic conditions (26.4%)
  - Those living in the lowest-income areas (31.4%)
- Out-of-pocket cost per problem-based visit for this commercial population rose from $29.70 to $39.10 (31.5%) for problem-based visits and declined from $20.10 to $4.90 (-75.5%) for preventive visits
- ***Visit rates to specialists remained stable*** (0.08%)
- ***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

STATE ACCOUNTABLE CARE ORGANIZATION ACTIVITY

- **Colorado** Regional Accountable Entities launched 7/1/2018
  - Focus is on integrating primary care and behavioral health services
  - Tie $4 PMPM of the administrative payment to quality-based measures
- **Connecticut** PCMH+ program
  - Two “advanced networks”, ten FQHCs and CBO partnerships were planning to participate in Wave 3 effective 1/1/2020 but on-hold due to the pandemic
  - Shared savings program with a care coordination fee for FQHCs only
  - Wave 2, Year 2: Performance improved on 3 of 6 Quality metrics; $14.6 million in savings; 6 of 14 participating entities earned credible savings

STATE ACCOUNTABLE CARE ORGANIZATION ACTIVITY

- **Delaware**
  - Four ACOs will contracts with the state's two Medicaid managed care organizations beginning in July 2021 under either a shared savings or a shared risk arrangement
- **Idaho**
  - Value Care Organizations (primary care or hospital VCOs) will share savings and losses
  - Postponed start from 7/1/2020 to 7/1/2021 due to the pandemic
- **Iowa**
  - Originally planned to contract directly with ACOs but moved instead in 2016 to a managed care program in which MCOs are required to contract with ACOs in a risk-based agreement
  - MCO low premium rates let to MCO and ACO losses and were recalculated to become more actuarially sound in July 2019

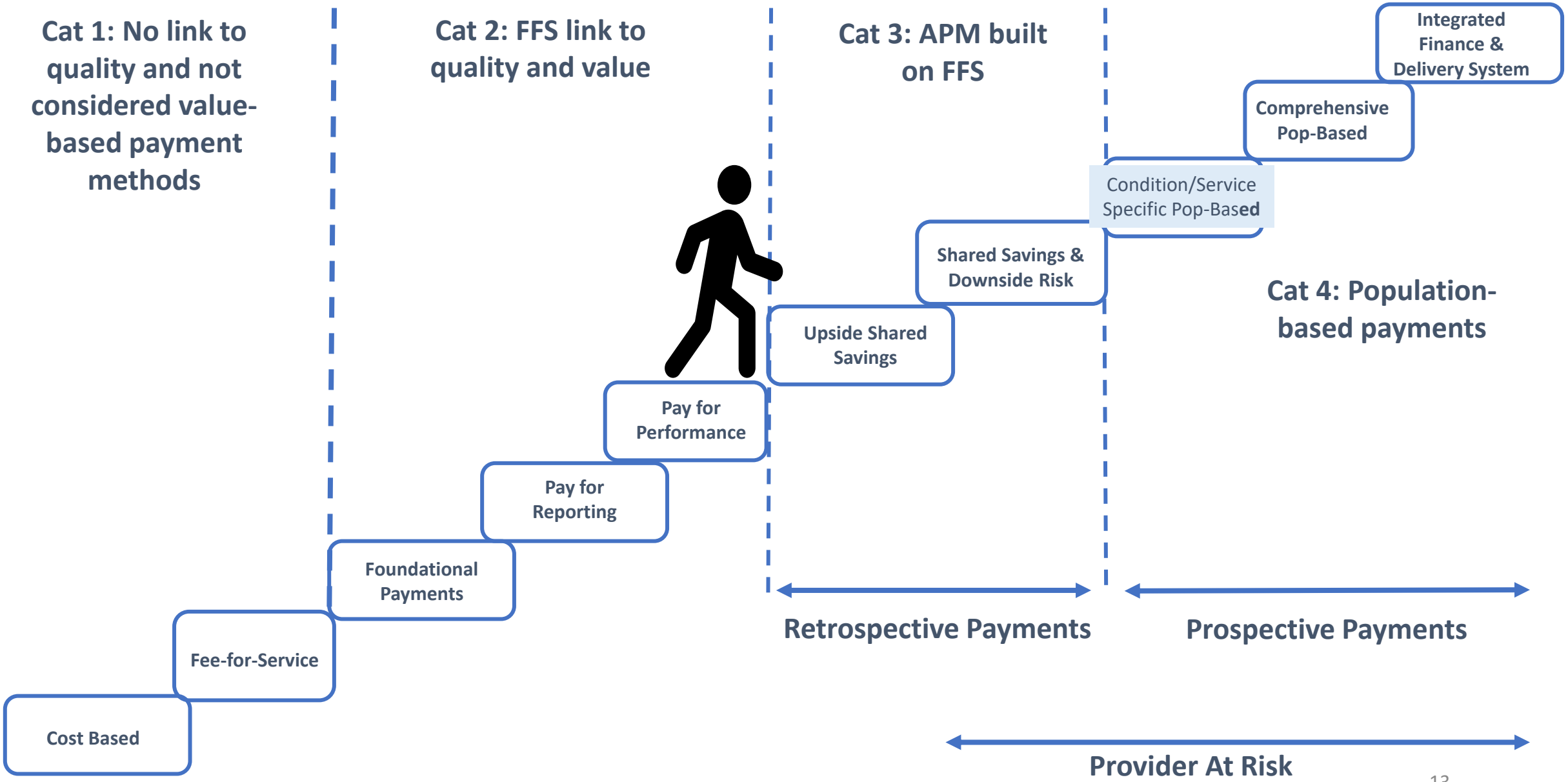
STATE ACCOUNTABLE CARE ORGANIZATION ACTIVITY

- **Maine**
  - Four Accountable Communities (AC) are in a shared savings program
  - Year 4 (8/1/17 - 7/31/18) involving approximately 55,000 Medicaid beneficiaries created $6,753,725 in savings or which $975,510 was shared with ACs.
  - Year 5 and 6 calculations are not yet available
- **Massachusetts** DSRIP Program 2017-22
  - 17 ACOs, 3 models (vary by contracting with MCOs or with MassHealth), involvings >75% of Medicaid Managed Care eligible individuals
  - 27 Community Partner agencies focused on individuals with BH or LTSS services
  - Financial outcomes pending

STATE ACCOUNTABLE CARE ORGANIZATION ACTIVITY

- **Minnesota** Integrated Health Partnerships (IHP) launched in 2013;
  - 26 delivery systems participating in a shared savings program that progresses to shared risk
  - ED visits down 7%, hospitalizations down 14%, $401 million in savings to date
- **Oregon** Coordinated Care Organization (CCO) program launched in 2012 using an 1115 waiver
  - 15 regional CCOs receive per capita payments to cover the cost of their members' physical, behavioral and oral health care.
  - Medicaid global budget capped at 3.4 percent growth per year and a quality pool bonus program

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



PRE-PANDEMIC PATIENT CENTRIC PRIMARY CARE

- Were providers asking patients to come in when a call/patient portal would have sufficed?
- Were providers contributing to no-show rates by how you provide access?
- What is the financial impact on practices when they 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 patients would switch to that model of care?

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.

on is establishing health clinics for warehouse employees around the country. (Amazon Photo)

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.

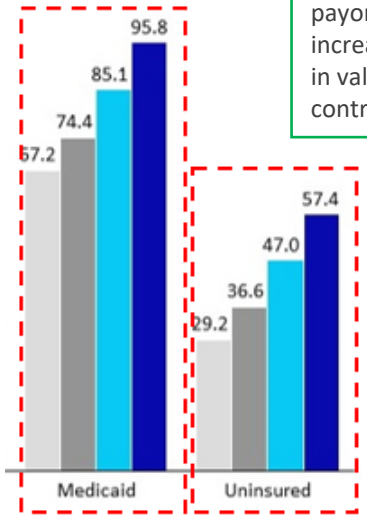
STEPHANIE GOLDBERG

TWEET SHARE SHARE EMAIL REPRINTS PRIN

***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

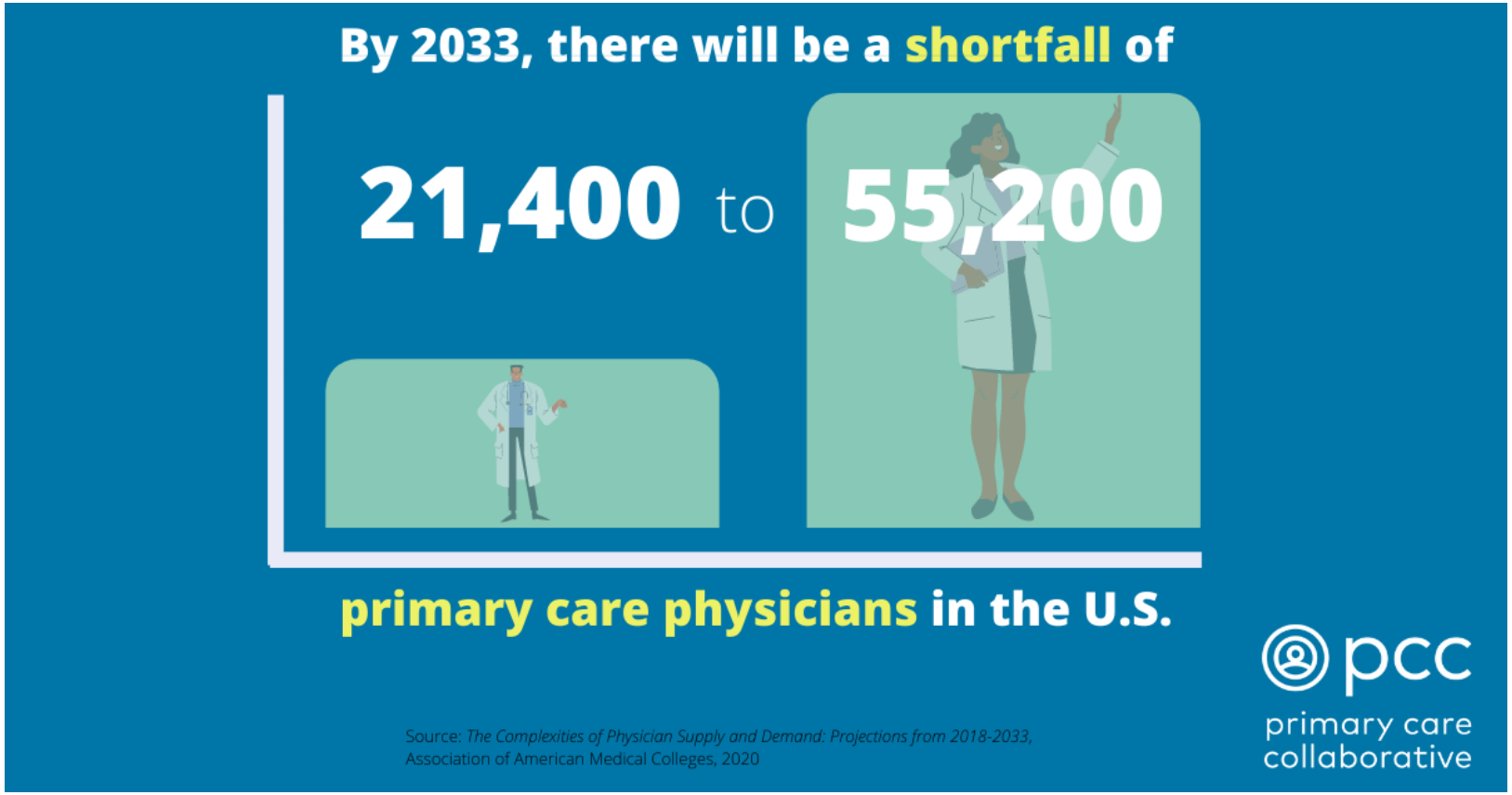


Implications:

- **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



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 IN RURAL SETTINGS & IMPACT OF COVID-19

- In sparsely populated rural regions (fewer than 500 people per square mile) ***more than half of people*** live in an area where there is a shortage of health professionals.
- The ratio of primary care doctors to patients often exceeds 1:3,500, when the national average is around 1:2,300.
- People living in rural **areas suffer higher rates of obesity, diabetes and hypertension,** and are more likely to be smokers — all of which can increase the likelihood of severe illness to COVID-19.
- Rural counties ***suffered significantly higher death rates*** from coronavirus between August through February 2020.

Annals of Family Medicine Estimating a Reasonable Patient Panel Size for Primary Care Physicians with Team Based Task Delegation, 2012.
CDC, 2020.
In rural areas with health care shortages, these doctors are answering the call, PBS April 2021.

PRIMARY CARE CAPITATION AND USE OF THE FULL CARE TEAM

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

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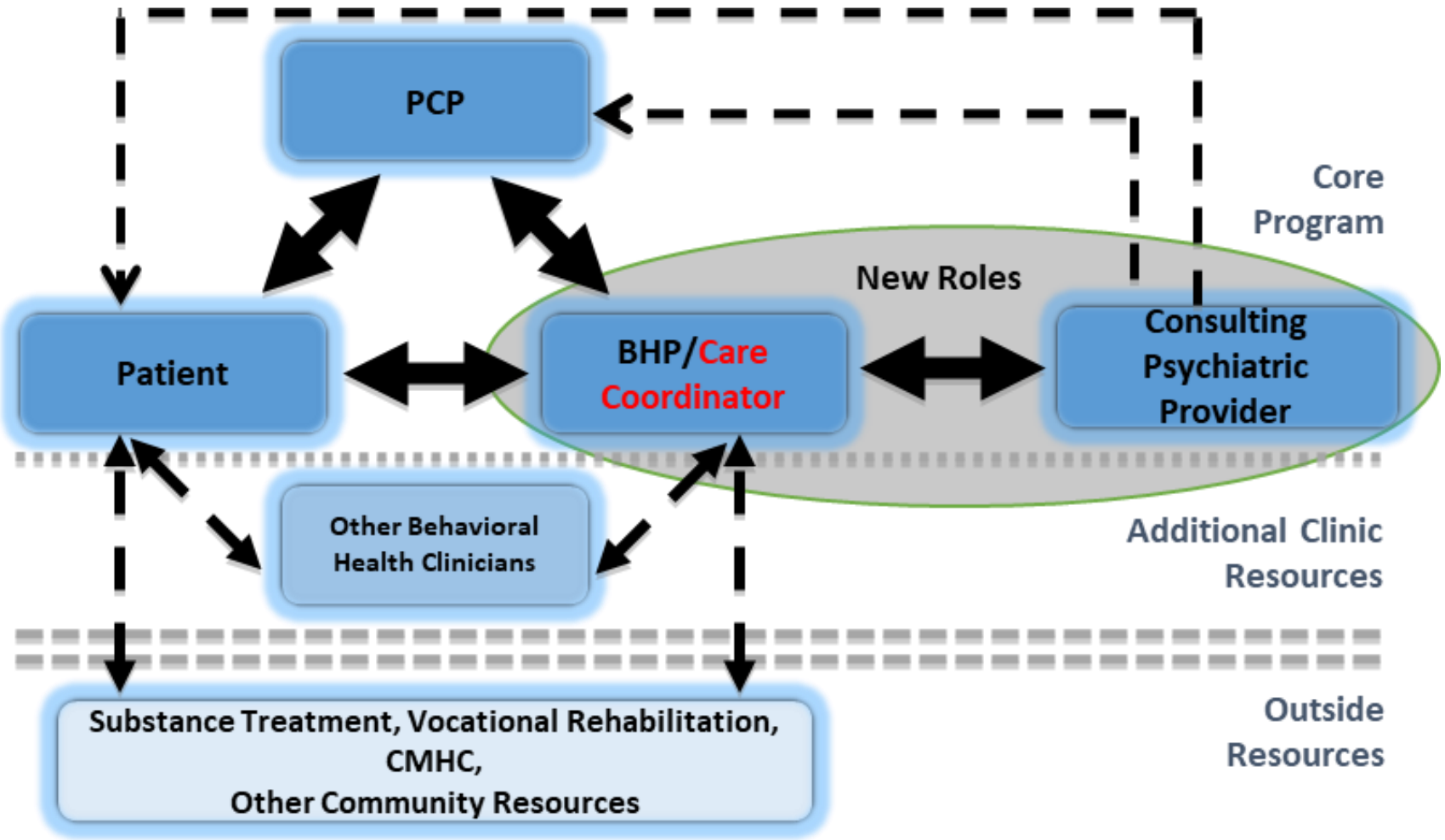
THE COLLABORATIVE CARE MODEL FOR MANAGING CHRONIC CONDITIONS IS NOT REIMBURSABLE



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WHY ADOPT A CAPITATED FQHC ALTERNATIVE PAYMENT MODEL?

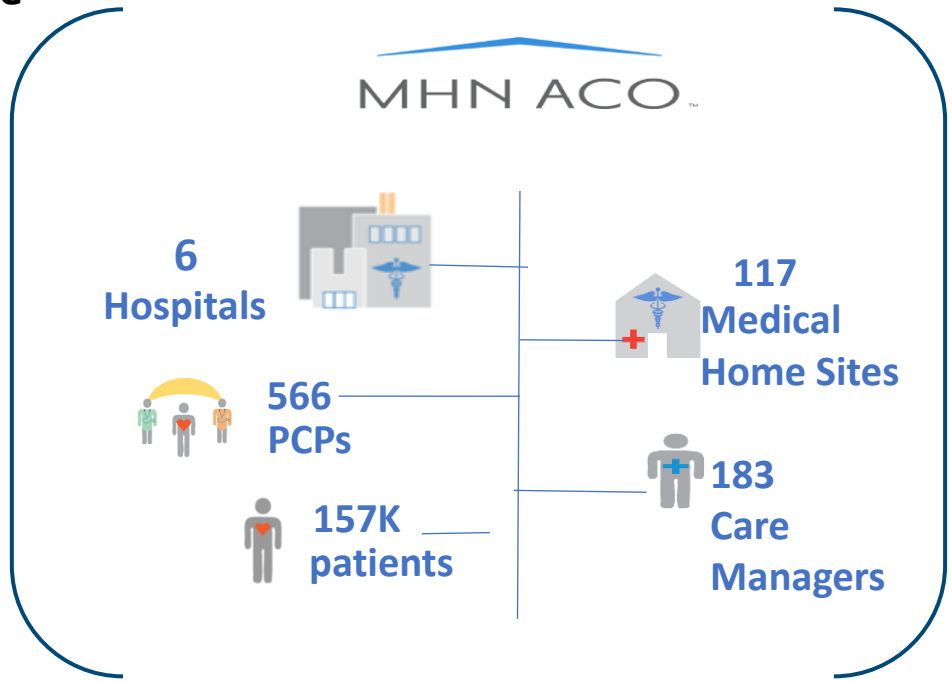
- The current fee-for-service payment system is a barrier to reaching optimal patient outcomes for some conditions.
- It is a barrier to using the full care team in the most efficient manner.
- It hampers provision of the most timely and convenient access to care.
- Competitors are using value-based 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.

POPULATION BASED PAYMENT

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

MHN ACO, LLC established in 2014

- 13 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

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

MCO

MHN ACO

Primary Care Capitation

Delegated Care Management

- Delegated Care Mgt Fees, PMPM basis

Shared Risk

- 50/50 sharing of savings between ACO and Plan
- Transition to Shared Risk over Time
- Stop-loss for high dollar cases from Plan

Pay for Performance Opportunity

- Annual P4P opportunity
- Key Measures associated with HFS Plan Withhold or Quality Goals

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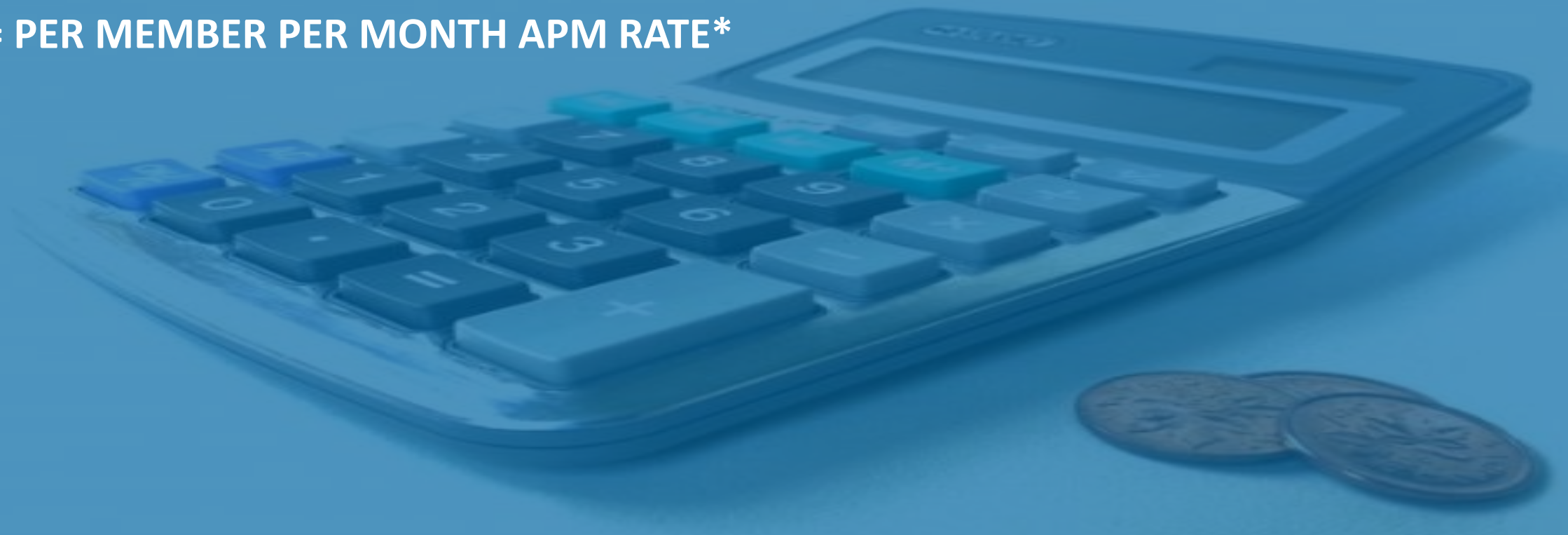
2019 Primary Care Revenue

# of empaneled Medicaid Member Months in 2019

= PER MEMBER PER MONTH APM RATE*



***Rate is inflated annually**

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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	★★★★	★★★★	➢ 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.	★★	★★★★★	➢ **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	★★	★★★★	➢ 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	★★★	★★★★	➢ **Reinvestment** in clinical equipment to screen for diabetic retinopathy ➢ Practice-level, integrated CM helps to **assess and prevent care gaps**
	Diabetics Had Eye Exam	★★	★★★	

MEDICAL HOME NETWORK

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

RISK-ADJUSTED DECREASED UTILIZATION…

- **36%** Inpatient Hospital Days per 1,000
- **27%** Admissions per 1,000
- **12%** Readmissions
- **11%** ER Visits

…AND LOWER COSTS

- **6%** Total Expenditures (Claims and Rx)

$79.3M in savings

PROJECTED OVER 5 YEARS

INCREASED PATIENT ENGAGEMENT

- **86%** Total HRA Completion Rate
- **47%** Post-ER follow-up within 7 days
- **7%** Post-hospitalization follow-up within 7 days
- **10%** Increased PCP Visits

INDUSTRY ACCREDITATIONS

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

ACCREDITED NCQA CASE MANAGEMENT 3 YEARS

HSAG Accredited

Source: Paid claims incurred 1/1/19 – 12/31/19 paid through 9/30/20. Represents composite risk adjusted metrics comparing the ACO to the external network .

MEDICAL HOME NETWORK

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Alternative Payment Models Create Opportunities, Not Results

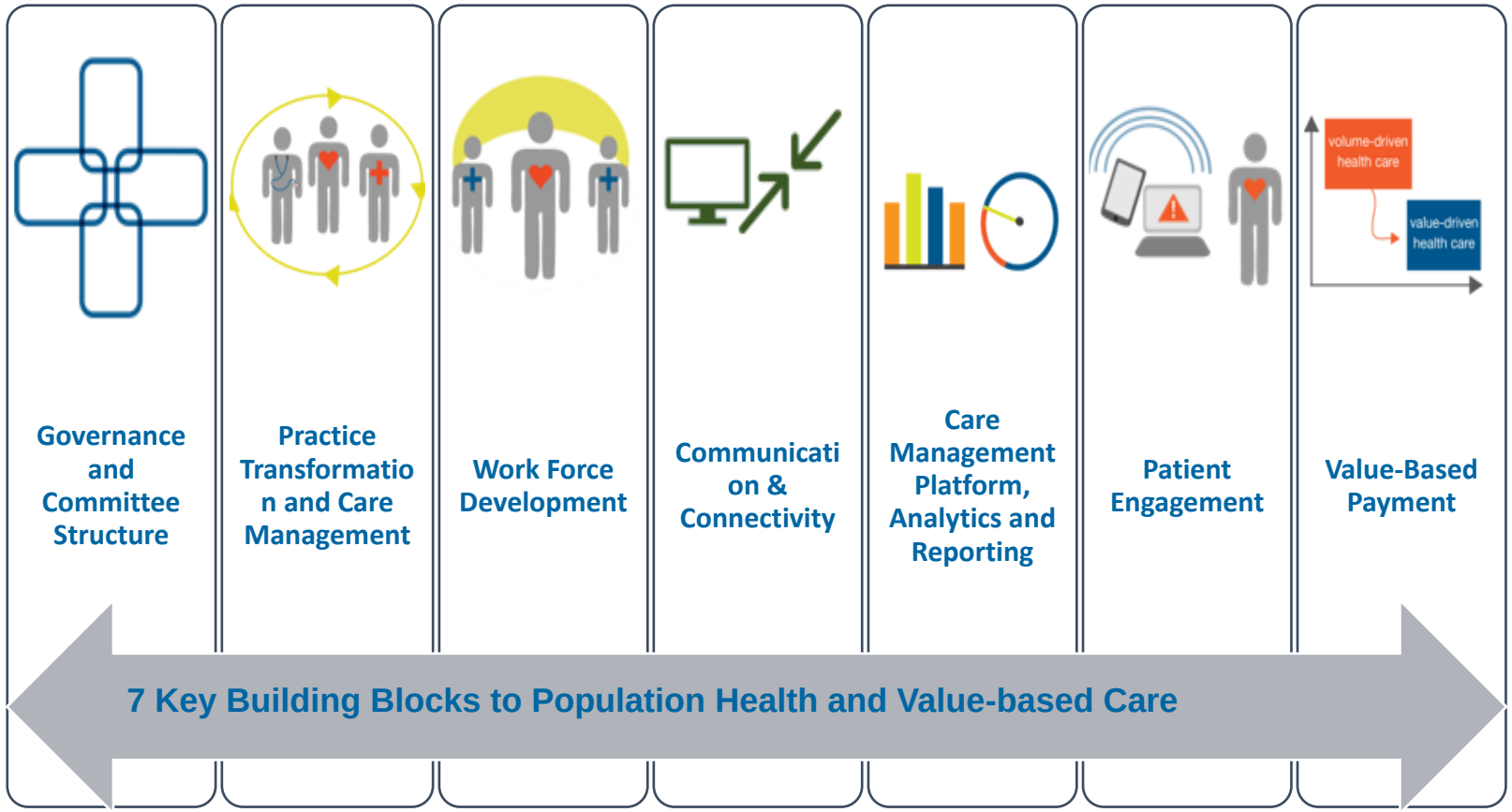
Payment Reform *without*
Practice Transformation
doesn't
change outcomes.

Delivery System Transformation

Payment System Transformation

Practice transformation
without a
financial model
is not
sustainable.

FRAMEWORK FOR CREATING A SUCCESSFUL CLINICALLY INTEGRATED NETWORK



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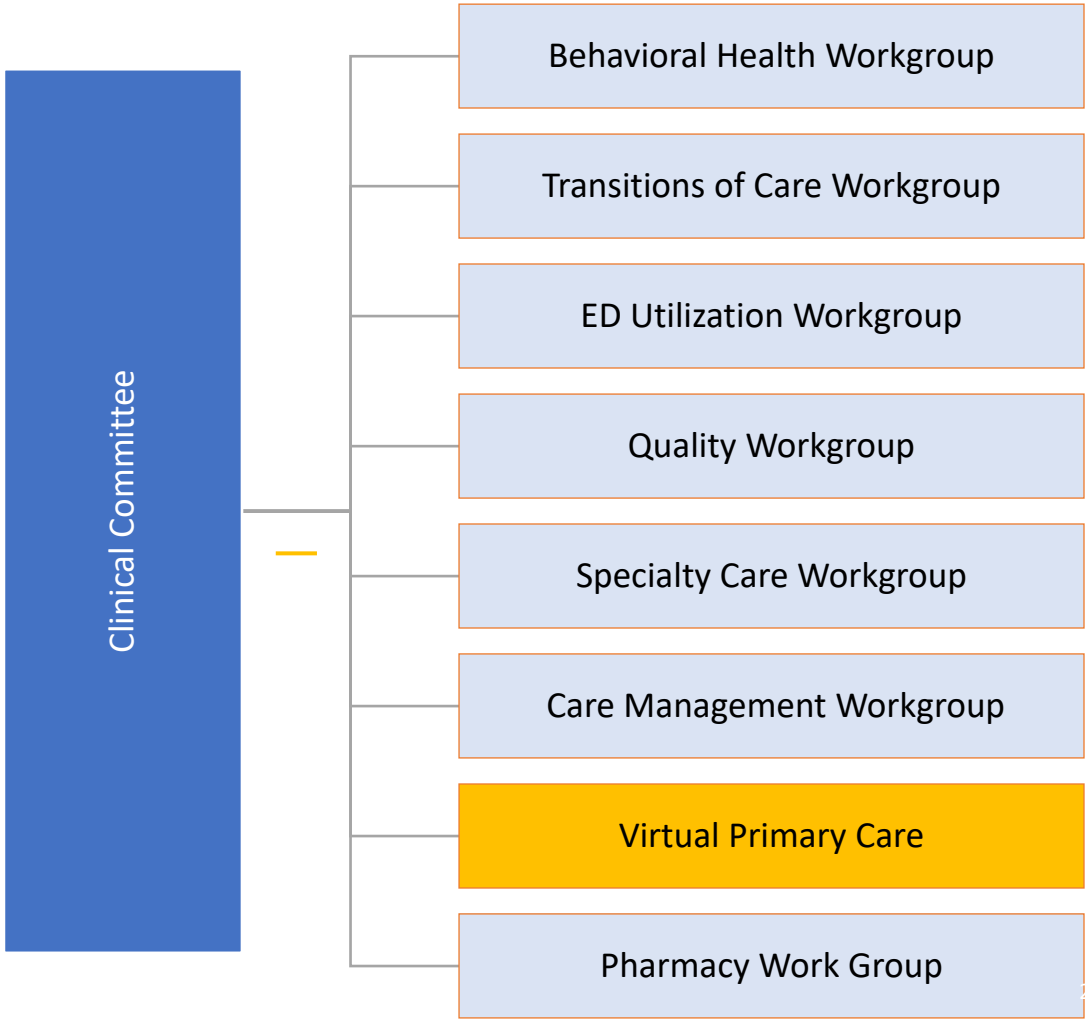
Highly Engaged Clinical Committee and Workgroups



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Q & A

Send your questions to the host via the chat function.

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