

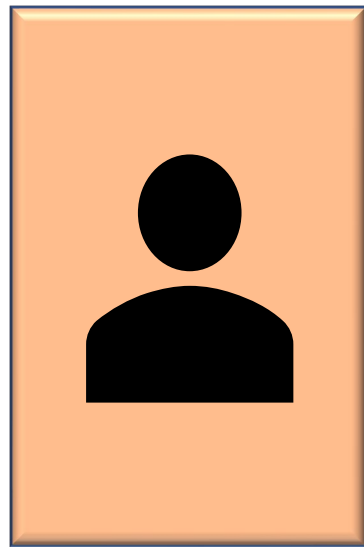
# Health System Support for *Rural* Value-Based Care



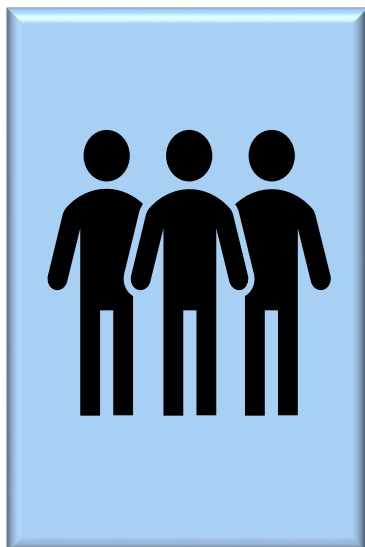
NATIONAL  
RURAL HEALTH  
RESOURCE CENTER

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# Triple Aim and Why It's Important



**Better Care**

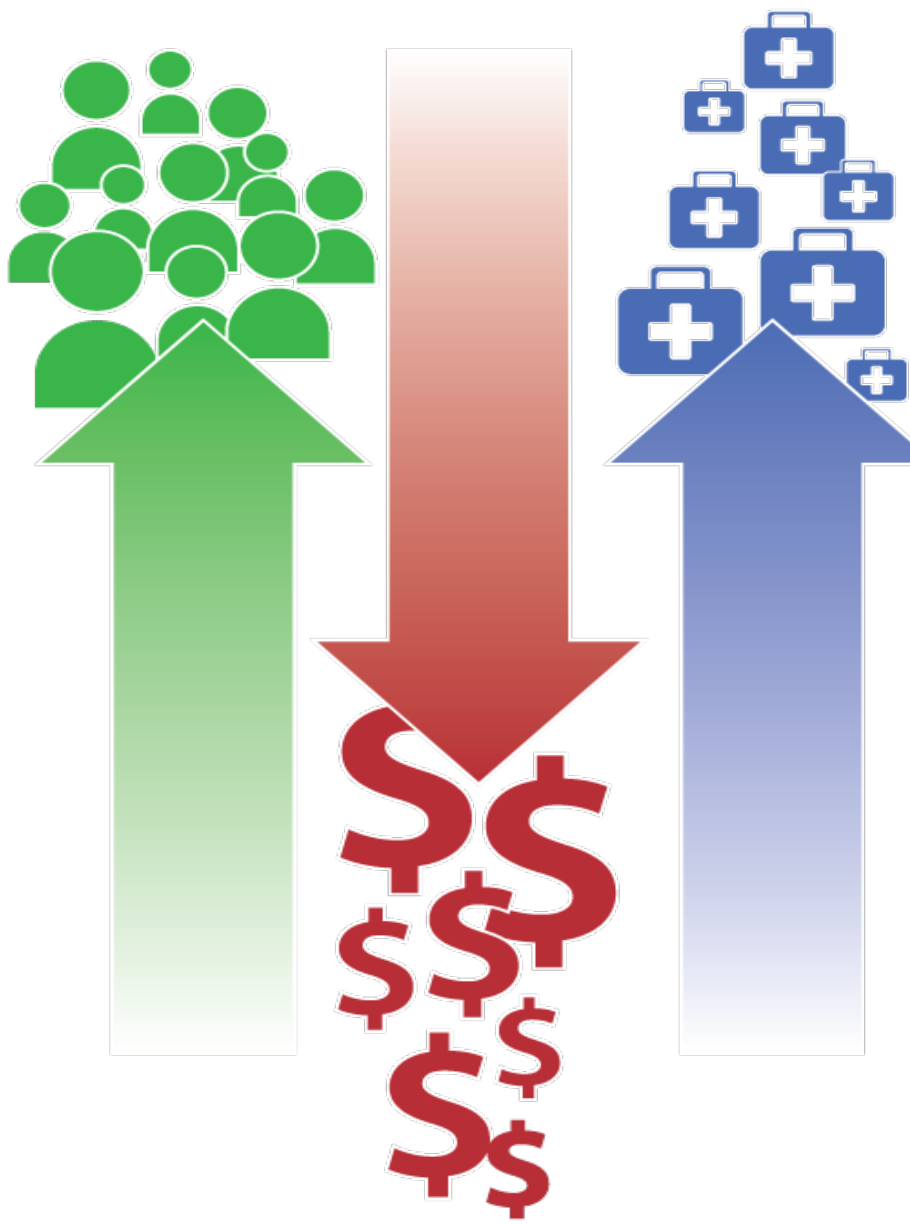


**Improved  
Health**



**Smarter  
Spending**

- What most people expect of the healthcare system!
- Shouldn't we be paid for what our patients and communities deserve?
- That's value-based payment.
- Let's also consider the *Quadruple Aim*.



# Value-Based Payment

**Payment** for one or more parts of the Triple Aim

Not payment for a “service,” that is, NOT fee-for-service.

Better care

Improved health

Smarter spending

# Hospital Affiliations

- Affiliation refers to a spectrum of hospital relationships\*
- Percent of system-affiliated U.S. hospitals in 2020
  - Metro – 78%
  - Non-metro – 51%
  - CAHs – 45%

\* AHA definition of a *system*: “Hospitals belonging to a corporate body that owns and/or manages health provider facilities or health-related subsidiaries.”



# Why Independence?

- Can the organization better fulfill its mission when independent?
- Does affiliation improve clinical quality? (The data are unclear.)
- Do ACOs improve quality? (Yes.)
- Is the organization independent for the sake of independence?
- **Interdependence** (through teamwork) as a strategic goal.



The Gadsden flag – 1775

# Why Affiliation?

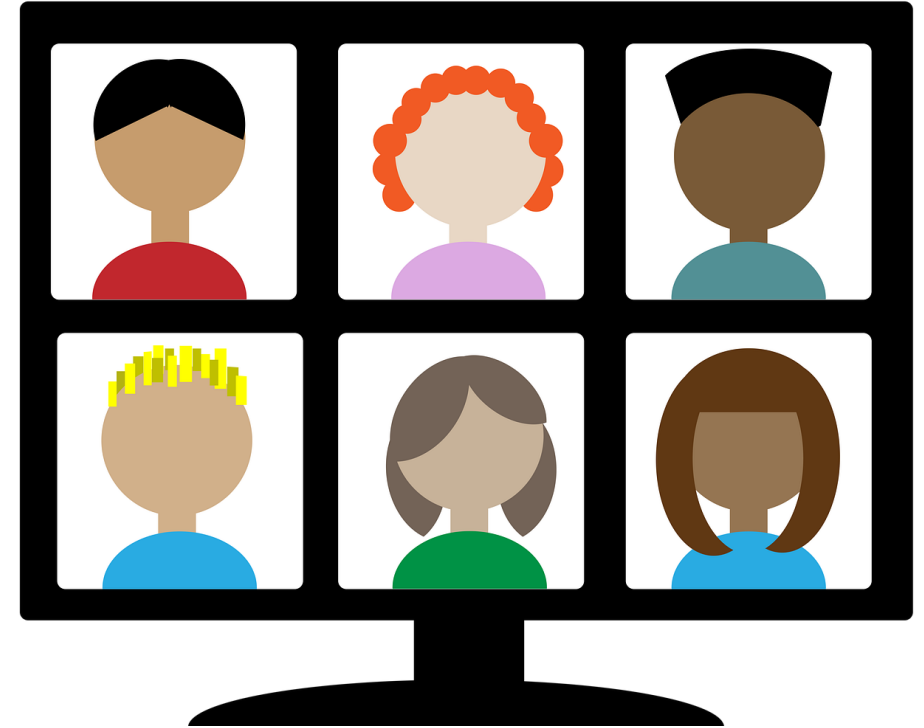
- **Resources** – in an increasingly costly sector
- **Experience** – in an increasingly complex environment
- **Economies of scale** – especially important for rural
- **Intangibles** – mastery, membership, and meaning



# Rural Health Systems and Value-Based Care Project

## Project and Interview Goals

- Understand health system perspectives and experiences related to rural participation in value-based care.
- Translate insights into strategies for other health systems, rural hospitals, and clinics.



# Interview Process

- Zoom interviews with five large rural/ urban health systems.
- We asked, “How do health systems advance value-based care in and for rural affiliates?”
- Topics – affiliation models, decision-making, operations, data, contracts, and SDOH.
- Report to be published online at [www.ruralhealthvalue.org](http://www.ruralhealthvalue.org)





# Initial Overall Impressions

- Significant variation found among the systems in their value-based care and payment approaches.
- Yet common tensions and opportunities exist, appropriate for structured change management.



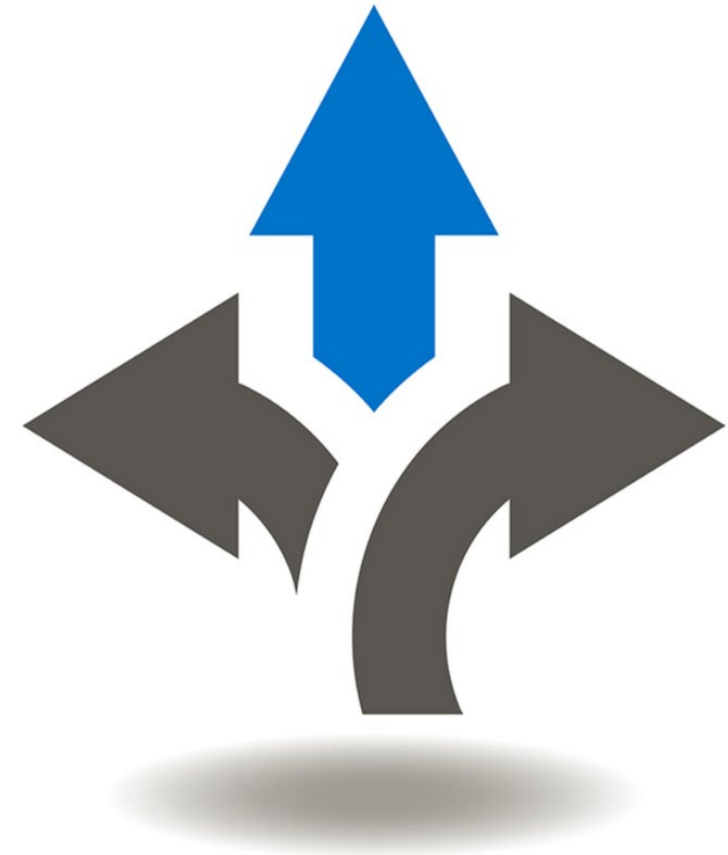
# Critical Insights

- Everything changed when we assumed down-side risk.
- We only accept VBC contracts – no fee-for-service.
- VBC most evident in robust primary care practices.
- Referral management is essential.
- Need actuaries in the Finance Department.



# Critical Insights

- Clinical care variation suggests that VBC is not a race to the bottom.
- Data are central to success (EHR and claims data analyzed to be actionable).
- Hold “value-based opportunity” conversations, supported by data.
- Leaders cannot communicate enough.
- Rural affiliates should be seen as extension of, and a connection to, the system.



# Understanding Tensions

Issues	Tensions	
<b>Investment</b>	Facilities	Primary care
<b>Allocation</b>	Hospitals	Practices
<b>Data</b>	Too little	Too much
<b>Decisions</b>	Central	Local
<b>Payment</b>	Fee-for-service	Value-based
<b>Change</b>	Too fast	Too slow
<b>Communication</b>	Top-down	Shared listening
<b>Geography</b>	Urban	Rural
<b>Leadership</b>	Administrators	Clinicians



# What should you expect?

1. Path to financial success
  - Sophisticated pro forma
  - Investments and savings distribution
2. Actionable data
  - Analytics
  - Conversations
  - Consistency across payers
3. Decision-making input
4. Appropriate pace of change
5. Team-building investment





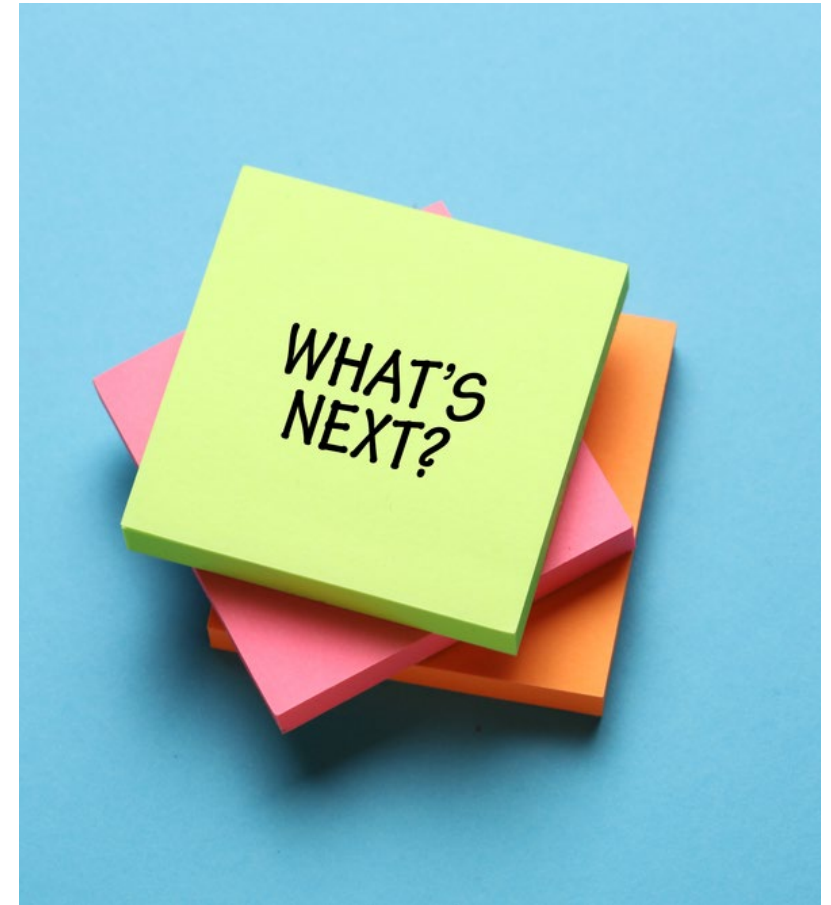
# Getting from Volume to Value

- New organizational skills and resources
- Investment in value-based care capacity
- *Discriminating* approaches
  - Environmental insights
  - Sophisticated projections
  - Thoughtful experiments
  - Learning continuously
- *Balance* optimizing operations and testing new ideas



# To-Do List

1. Establish an R&D budget. (Value-based care is a good R&D investment.)
2. Seek and seize value-based care and payment opportunities.
3. Assess financial risk thoughtfully – the new currency is *enrolled patient lives*.
4. Reward *teams* delivering value-base care – but not all incentives are financial.
5. Keep your North Star – Quadruple Aim.



# Key Rural Health Value Resource

- **Value-Based Care Assessment Tool**
  - Assesses value-based care *capacities* in eight categories
  - May be used for board/ leadership learning and strategic action planning
  - On-line tool that produces a report highlighting strengths, opportunities, and considerations

## Value-Based Health Care Strategic Planning Tool



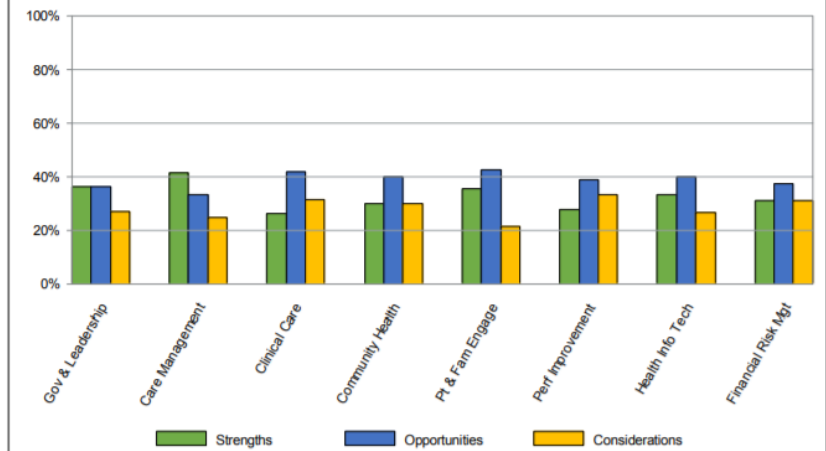
The Strategic Planning Tool will assess your health care organization's (HCO) *capacities* (resources, processes, infrastructure, etc.) to deliver *value-based care* (VBC). Value-based care refers to health care that concurrently improves clinical quality/patient safety, advances community health, and lowers per capita cost.

The Strategic Planning Tool assesses 115 HCO capacities categorized under eight topic headings. The topic headings are interrelated and codependent; thus, capacities may fit under more than one topic heading.

For each capacity, please rate the degree to which the capacity is *developed* and *deployed* in your HCO. Alternately, some capacities may be better assessed by degree of *adoption* (alternate response in parentheses). The five response options are:

- **Fully developed and deployed:** The VBC capacity is fully developed and deployed throughout the HCO. (The HCO has fully adopted this capacity.)
- **Developed, incompletely deployed:** The VBC capacity is developed, but incompletely deployed throughout the HCO. (The HCO has nearly adopted this capacity.)
- **In development:** The VBC capacity is in development, but has not been deployed in the HCO. (The HCO has partially adopted this capacity.)
- **In discussion:** The VBC capacity has been discussed within the last two years, but no development activity is occurring at the HCO. (The HCO is considering adopting this capacity.)

## VBC Capacity Percentages by Category





# Bill Gates, Jr.

*“We always overestimate the change that will occur in the next two years and underestimate the change that will occur in the next ten.”*



# Collaborations to Spread Innovation

- ✓ Rural Health Value Project  
[https:// ruralhealthvalue.org](https://ruralhealthvalue.org)
- ✓ Rural Policy Research Institute  
<https:// www.rupri.org>
- ✓ The National Rural Health Resource Center  
<https:// www.ruralcenter.org/>
- ✓ The Rural Health Information Hub  
<https:// www.ruralhealthinfo.org/>
- ✓ The National Rural Health Association  
<https:// www.ruralhealthweb.org/>
- ✓ The American Hospital Association  
<https:// www.aha.org/ front>



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# Healthy CAHs and Rural Communities



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