Organizational Culture and Value

Physician Relations

Eric Rogers, Senior Managing Consultant
STEPS

1. Value-based Landscape
2. Physician Alignment
3. Leveraging Data
Transition from FFS to Value

- Obama’s ACA focused on two key items:
  - **Access** to care which remains politically problematic
  - **Delivery** of care which is making steady progress
- Centers for Medicare and Medicaid Innovation (CMMI)
  - ACO
  - Bundled Payments
  - MACRA
- Despite political uncertainty, CMS presses forward with transitioning from volume to **value** (code word for **RISK**)

Value-based landscape
Remarks on Value-Based Transformation to the Federation of American Hospitals

Alex M. Azar II
Federation of American Hospitals
March 5, 2018 Washington, D.C.

"There is no turning back to an unsustainable system that pays for procedures rather than value. In fact, the only option is to charge forward — for HHS to take bolder action, and for providers and payers to join with us. This administration and this President are not interested in incremental steps. We are unafraid of disrupting existing arrangements simply because they’re backed by powerful special interests."

As Prepared for Delivery

It’s a pleasure to be here with all of you today. I want to thank Chip [Kahn] and all of the members for inviting me to share our vision for HHS and America’s healthcare system. I hope to work with all of you to make it a reality."
Value-based landscape again

Modern Healthcare Feb 2018

Q&A with Dr. Patrick Conway: “I do believe we need more outcome oriented measures”

MH: To what extent did the Trump administration taking over and the future of the Innovation Center drive the decision?

Conway: I worked on value-based care in Republican and Democratic administrations. I believe the Innovation Center and the work on value-based care will continue. It's driven in both the public and private sectors. **Private insurers are driving value-based care models like accountable care organizations and bundled payments.**

*We've got over 80% of payments tied to quality and value in some way* in Blue Cross North Carolina and now it's taking it to the next step of really scaling these ACO models and bundled payments across the state.
Physician Alignment

“Above all, success in business requires two things: a winning competitive strategy, and superb organizational execution. Distrust is the enemy of both. I submit that while high trust won't necessarily rescue a poor strategy, low trust will almost always derail a good one.”

- Trust in process development
- Trust in data
- Trust in feedback
- Trust in the impact on the patient
- Trust in matching the vision of the health system

Transparency is a corollary of trust: 84% of physicians were willing to change if they just understood the need.

Stephen MR Covey, The Speed of Trust
Best practices in engaging physicians

1. One size does not fit all - a customized endeavor
2. Consider group size
3. Consider employment status
4. Administration must define vision and work with physicians to implement
5. Don’t try to accomplish via email
6. It takes time: start now!

439 of top 500 companies in 1950 no longer exist

“If you want to make enemies, try to change something.”
Woodrow Wilson
3 Strategic Considerations

Physician Alignment

- Clinical JV
- Professional Services Agreement
- Medical Director
- Lease Agmt
- Recruitment Assistance
- Call Pay
- Foundation Model / Clinical Lease
- Co-management Arrangements
- Physician Advisory Council
- Employment
- ACO/Bundle

Costs vs. Level of Physician Affiliation
Physician Alignment again

Focus on Quality

Primary Care
- Will evolve into population health
- Engage the patient to manage their own health
- Utilize extenders and enable to work at the top of their license
- Physician expertise for high-risk patients
- Scheduling and availability are critical: 20%-70% of appt. slots available at beginning of the day

Specialists
- Manage episodes of care (bundles)
- Engage in the whole process not just technical side
- Engage with primary care and navigators to prevent readmissions

Imagine if primary care doctors had to purchase specialty care!
Is quality a component of your compensation plan?
- Review medical history
- Utilization management
- HEDIS factors (A1c, BP, LDL, 90 day med refills)
- Admissions per 1000
- High-risk patient management
- Access and wait times

Risk rolls downhill
- Government
- Insurance companies
- Health systems
- Hospitals
- Physicians
Physician Alignment, once more

Engaging Physicians with Data
Physician Alignment, additionally Engaging Physicians with Data

### Hospital Name and Inpatient Volume

<table>
<thead>
<tr>
<th>Provider 1</th>
<th>Provider 2</th>
<th>Provider 3</th>
<th>Provider 4</th>
<th>Provider 5</th>
<th>Provider 6</th>
<th>Provider 7</th>
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<tbody>
<tr>
<td>10,861</td>
<td>10,190</td>
<td>7,442</td>
<td>5,319</td>
<td>2,695</td>
<td>2,632</td>
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### Outpatient Referring Organization and Volume of PCP Visits

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<td>33,672</td>
<td>21,475</td>
<td>19,997</td>
<td>18,254</td>
<td>17,196</td>
<td>16,292</td>
<td>13,204</td>
<td>9,257</td>
<td>5,963</td>
<td>5,768</td>
<td>4,538</td>
<td>4,194</td>
<td>3,106</td>
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### Referring Physician and Volume of PCP Visits

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<tr>
<th>PCP Name</th>
<th>Taxonomy Description</th>
<th>Volume</th>
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<tbody>
<tr>
<td>Physician 1</td>
<td>Physician/Internal Medicine</td>
<td>4,362</td>
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<tr>
<td>Physician 2</td>
<td>Physician/Internal Medicine</td>
<td>4,248</td>
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<td>Physician 3</td>
<td>Physician/Internal Medicine</td>
<td>4,194</td>
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<td>Physician 4</td>
<td>Physician/Internal Medicine</td>
<td>3,833</td>
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<td>Physician 5</td>
<td>Physician/Family Practice</td>
<td>3,693</td>
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<td>Physician 6</td>
<td>Physician/Family Practice</td>
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<td>Physician 7</td>
<td>Physician/Family Practice</td>
<td>2,466</td>
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<td>Physician 8</td>
<td>Physician/Internal Medicine</td>
<td>2,797</td>
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<td>Physician 9</td>
<td>Physician/Family Practice</td>
<td>2,766</td>
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<td>Physician 10</td>
<td>Physician/Family Practice</td>
<td>2,750</td>
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<td>Physician 11</td>
<td>Podiatry</td>
<td>2,743</td>
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<td>Physician 12</td>
<td>General Practice — Dental Providers</td>
<td>2,589</td>
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Alignment of Physicians

Engaging Physicians with Data

First Discharge Locations

Overall Discharge Percentage by DRG/Status

Highlights

Percent of First Discharge by Month

Average Episode Total per Discharge Location
### Alignment of Physicians with dashboard

#### Physician Dashboard

<table>
<thead>
<tr>
<th>Filters</th>
<th>Episode Volume with Discharge Location Detail</th>
<th>Average Episode Total with Composition Detail</th>
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</thead>
<tbody>
<tr>
<td>Year/Quarter</td>
<td>Barry Clark: 123</td>
<td>18,225</td>
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<tr>
<td>DRG/Status</td>
<td>Patrick Denton: 41</td>
<td>16,795</td>
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<tr>
<td>Discharge Location</td>
<td>David Woodbury: 40</td>
<td>16,392</td>
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<tr>
<td>Readmitted?</td>
<td>Nigel Watt: 40</td>
<td>18,953</td>
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<tr>
<td>Highlights</td>
<td>Robert Elvington: 38</td>
<td>17,596</td>
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<tr>
<td>Discharge Location</td>
<td>Rodney Alan: 32</td>
<td>17,149</td>
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<tr>
<td>Payments</td>
<td>Jason O'Dell: 6</td>
<td>25,393</td>
</tr>
<tr>
<td>Avg. Epi Po Anes</td>
<td>Thomas Mezzanotte: 1</td>
<td>14,262</td>
</tr>
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3 Physician Collaborator Strategy

Develop a Physician Collaborator Strategy

- Analyzing data for variation and impact
- Identify high-level systemic care redesign needs
- Identify collaborator quality guidelines
- Integrate leadership physicians in strategy process
- Gauge current level of interest
- Consider how their practice will be affected
- Evaluate potential internal cost savings
- Compliance (FMV, Stark, IRS excess benefit, utilization and billing for NPs)