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Flex Coordinator
Learning Collaborative 201
Week 4

Clinically Integrated Networks
Opportunities and Barriers for Rural Providers

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The Center's Purpose

The National Rural Health Resource Center
(The Center) is a nonprofit organization dedicated to sustaining and improving health care in rural communities. As the nation's leading technical assistance and knowledge center in rural health, The Center focuses on five core areas:

- Transition to Value and Population Health
- Collaboration and Partnership
- Performance Improvement
- Health Information Technology
- Workforce

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Context

- What to expect over the course of the webinar series
  - Understanding components of healthcare transformation
  - How transformation affects CAHs and RHCs
  - Tools and resources for providers to engage in transformation

Webinar Series

1. ***CMS is leading healthcare Transformation***
   - Understanding Payment and Delivery Reform

2. ***The Paradigm Shift***
   - Transformation from Volume to Value

3. ***Accountable Care Organizations and other pay for value programs***
   - Opportunities, Barriers for Rural providers

4. ***Clinically Integrated Networks***
   - Opportunities, Barriers for Rural Providers

5. ***How to win with the Tyranny of Small Numbers***
   - Collaborations, Coalitions and Networks

6. ***The Big Picture—Results Matter***

   Demonstrate worth, value and quality

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Today’s Agenda

Clinically Integrated Networks

- Definition
- Components
- Value
- Obstacles

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Clinically Integrated Networks

History

The clinical integration model in health care has been around since the industry undertook widespread efforts to control costs in the 1980s and 1990s. The Federal Trade Commission (FTC) first defined clinical integration in 1996, and some physician organizations have considered themselves clinically integrated for decades.

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Clinical Integration By Definition

"the means to facilitate the coordination of patient care across conditions, providers, settings, and time in order to achieve care that is safe, timely, effective, efficient, equitable, and patient-focused."

-- The American Medical Association

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CINs

Clinical integration is achieved through ***clinically integrated networks or CINs***.

CINs share similar goals with other entities such as:

Accountable Care Organizations (ACOs)	Patient Centered Medical Homes (PCMHs)	Physician Hospital Organizations (PHOs)	Independent Practice Associations (IPAs)

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Differences

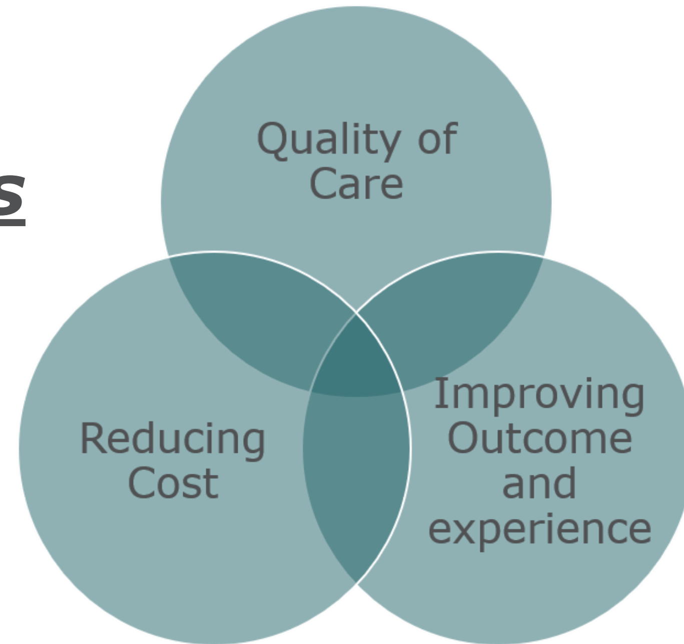
There are differences from a CIN:

ACOs	PCMH	IPA	PHO
focus on care improvement for an entire patient population through various health care delivery systems	focus on care improvement for primary care services	generally engage in financial integration through risk-sharing	generally engage in financial integration through risk-sharing

What it is and isn't

Clinical integration tends to have many definitions and *is not a firm set of principles or practices.* It does not require a "closed" system of information, where one hospital or health care organization monitors and influences patient care within that system.

Clinical integration is a continuous process of alignment across the care continuum that supports the triple aim of health care:



Important!

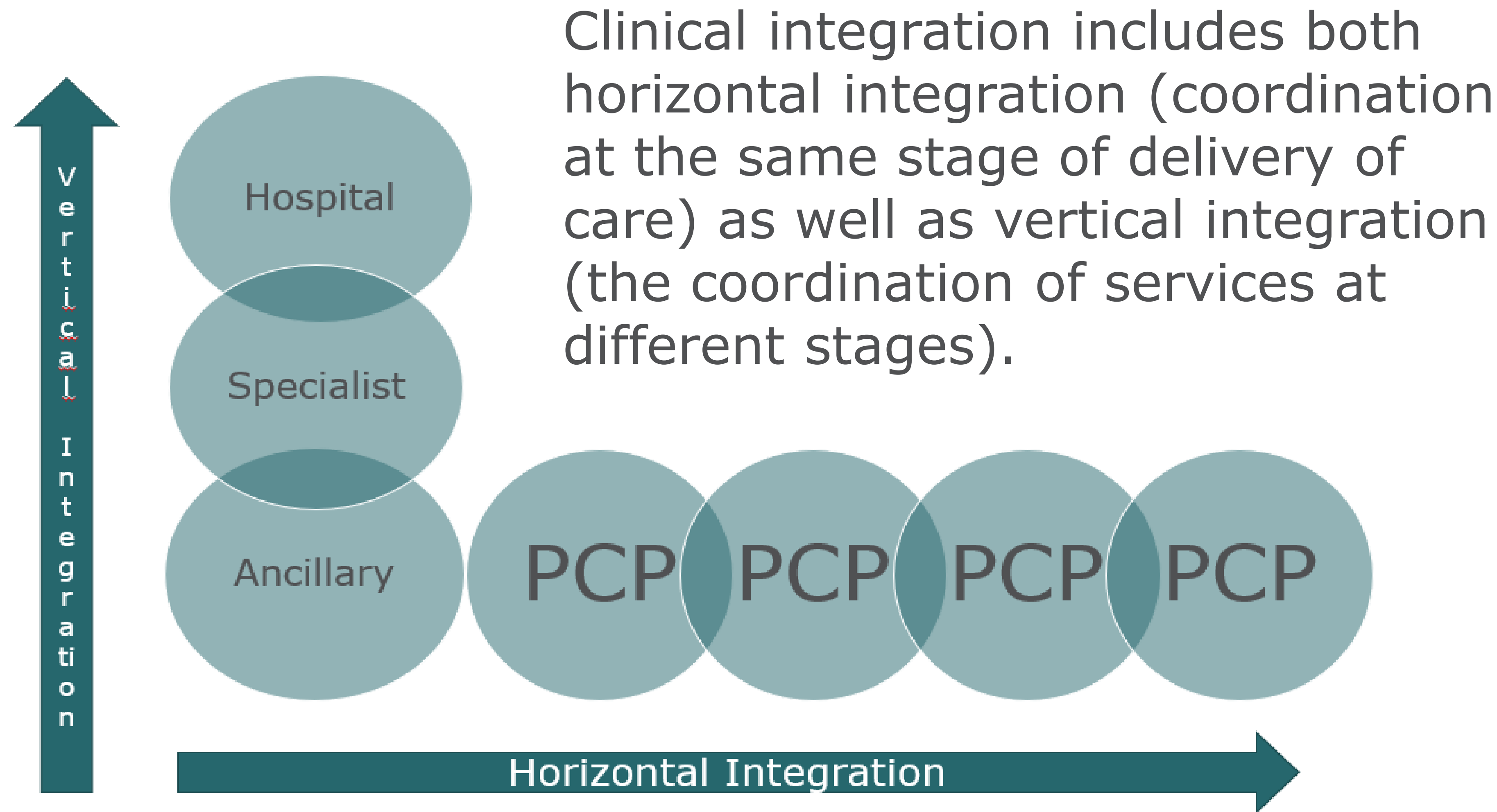
It is important note that

CINs are a legal structure !

CINs are not a payment model?

Vertical and Horizontal Integration

Clinical integration includes both horizontal integration (coordination at the same stage of delivery of care) as well as vertical integration (the coordination of services at different stages).



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Components of a CIN

Component	Description
Legal Options	• Selecting the best organizational structure and operational approach
Physician Leadership	• Maintaining a robust physician leadership and permitting them to integrate clinical expertise into the CIN's governance structure
Participation Criteria	• Clarifying expectations through participation agreements with participating providers and groups
Performance Improvement	• Establishing the baseline performance of the CIN and selecting realistic performance improvement metrics
Information Technology	• Using electronic health records, patient registries or health information exchanges to measure performance objectively
Contracting Options	• Creating a compliant and effective approach to negotiate with actors inside and outside the network
Flow of Funds	• Incentivizing members through transparent, understandable performance-based compensation

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Legal Considerations

There may not be a firm definition for clinical integration among caregivers and health care leaders, but it has been officially defined by the Federal Trade Commission (FTC) and the U.S. Department of Justice.

Clinical integration raises concerns with fraud and abuse statutes such as the Physician Self-Referral (Stark) Law, the Anti-kickback Statute and the Civil Monetary Penalties Law, as well as federal and state antitrust laws.

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Legal Considerations continued

While any group should obtain legal advice during the process of integration, the FTC has indicated that clinical integration is acceptable as long as a group comes together with the goal of ***improving care***—and ***not simply to bargain for better rates***.

If a group meets Federal Trade Commission compliance requirements to be considered a clinically integrated network, the government will provide a safe harbor from antitrust scrutiny.

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Opportunities

An infrastructure to share information and create revenue

A platform for virtual integration and collaboration

A vehicle to create a volume of data and of attributed lives for empirical evidence

A way to maintain financial autonomy but act with enterprise strength

A vehicle to successfully engage in value-based payment programs and alternative payment models

A vehicle to share in the cost of infrastructure for transformation.

Physicians work in a more united way to ensure the delivery of optimal, efficient care

A strong foundation for moving toward new payment models that reward providers for high-quality, high-value care

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ACO VS CIN

An ***Alternative Payment Model*** (APM) is a payment approach that gives <u>*added incentive payments*</u> to provide <u>***high-quality***</u> and <u>***cost-efficient***</u> care. APMs can apply to a specific clinical condition, a care episode, or a population.

An ACO is an APM and a form of a CIN.

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Components of an Alternative Payment Model

1. **Payments for Services**. The APM needs to pay healthcare providers in a way that reduces or eliminates any barriers in the current payment system that impede delivering high-value services to the eligible patients;
2. **Accountability for Spending**. The APM needs a mechanism for assuring patients and payers that avoidable spending will decrease (if the goal of the APM is to achieve savings), or that spending will not increase (if the goal of the APM is to improve quality);
3. **Accountability for Quality**. The APM also needs a mechanism for assuring that patients will receive equal or better quality of care and outcomes as they would with the kind of care they receive under the current payment system; and
4. **Patient Eligibility**. The APM needs a mechanism for determining which patients will be eligible for the services supported by the APM

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Virtual Integrated Delivery System

"In virtual integration, each of the major segments of the health care system—the physicians, the institutional providers, the payors/MCOs, and the ancillary providers (e.g. pharmacy) ***act in concert for a common cause, but none is an employee or subdivision or another.*** This allows each party to manage its own affairs and meet its own financial goals without being managed by another segment of the industry."

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Obstacles

Barriers for rural providers	Legal
	Collaboration
	Volume
	Infrastructure Cost
	Its not a payment model

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Legal Obstacles

- Certain components to a successful clinical integration strategy may appear to conflict with key laws affecting the healthcare industry.
- Compensation arrangements tied to outcome based financial incentives may risk violating fraud and abuse laws (Stark, the AKS and the CMP).
- Developing a joint contract negotiation strategy among otherwise competing providers risks an enforcement action by state and federal antitrust regulators.
- Compliance with the fraud and abuse and antitrust laws is heavily fact-intensive

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Collaboration Obstacles

- Clinical Integration involves collaboration among physicians and other health care providers to help ensure higher quality, better coordinated and more efficient services for patients.
- Collaboration with possible competitors and mixed types of providers with different goals and agendas requires due diligence and trust to create alignment.
- Agreement of governance, leadership and transparancy

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Infrastructure Cost

Infrastructure cost includes:

- Formation of an entity/ TIN
- Technology to receive data
- Analytics
- Administration/Management
  - Finance, Governance and Leadership
- Legal
- Network development/management
- Payment models/cost and quality measurement

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What
is the
Rural Option?

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Reflect

data

MUST

reflect your story

in order to demonstrate

value

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