



NATIONAL
RURAL HEALTH
RESOURCE CENTER

The Rural Road to Value and Population Health

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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:

- Performance Improvement
- Health Information Technology
- Recruitment & Retention
- Community Health Assessments
- Networking



Main Points

- US health system is changing from volume to value
- Population health is the vision described by the Triple Aim
- Care coordination is at the core of value and population health
- Rural health networks can play a critical role in the new health systems

One death is a tragedy; one
million deaths is a statistic.
- Joseph Stalin



My Mom & Grandson



Current Health Care Business Model

Based on volume,
the more you do, the
more \$ you make



- Result: More than one million people are seriously hurt or killed every year.



Results of Current Business Model



- High cost
- Low quality
- High chronic illness
- Low access



It's Changing!

Triple Aim

- Better health
- Better care
- Lower cost



A Healthy Population is Our Aim

$$\begin{array}{rcl} \text{Better Health (Quality)} & & \\ + \text{ Better Care (Satisfaction)} & & \\ \hline & & = \text{VALUE} \\ \text{Cost of Care} & & \\ \text{(Affordable \& Accessible)} & & \end{array}$$

Basic Assumptions about the Future



- Payment rates: decline overall
- Quality and efficiency: rewarded
- Readmissions and low quality: penalized
- Population health: factored into reimbursement formulas



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Predictors of Health Status

- 20% Clinical Care
- 40% Social and Economic
- 30% Behavioral
- 10% Environmental

Therefore: Health care providers can't change the U.S. health outcomes alone.



Market Overview

- Medicaid expansion
- State budget deficits
- Lower inpatient volumes
- High deductible plans (Bronze)
- Medicare reduced payment
- Accountable Care Organizations (ACOs)



ACOs

Accountable Care Organizations:

- A mechanism to monetize value by increasing quality and reducing cost
- A group of health care providers that takes responsibility for the cost and quality of care for a group of patients or individuals



ACOs

- Rapid growth
 - August 2012: 154
 - January 2015: 747
- Both hospital and physician led
- Medicare and private insurance models
- A growing number based in rural



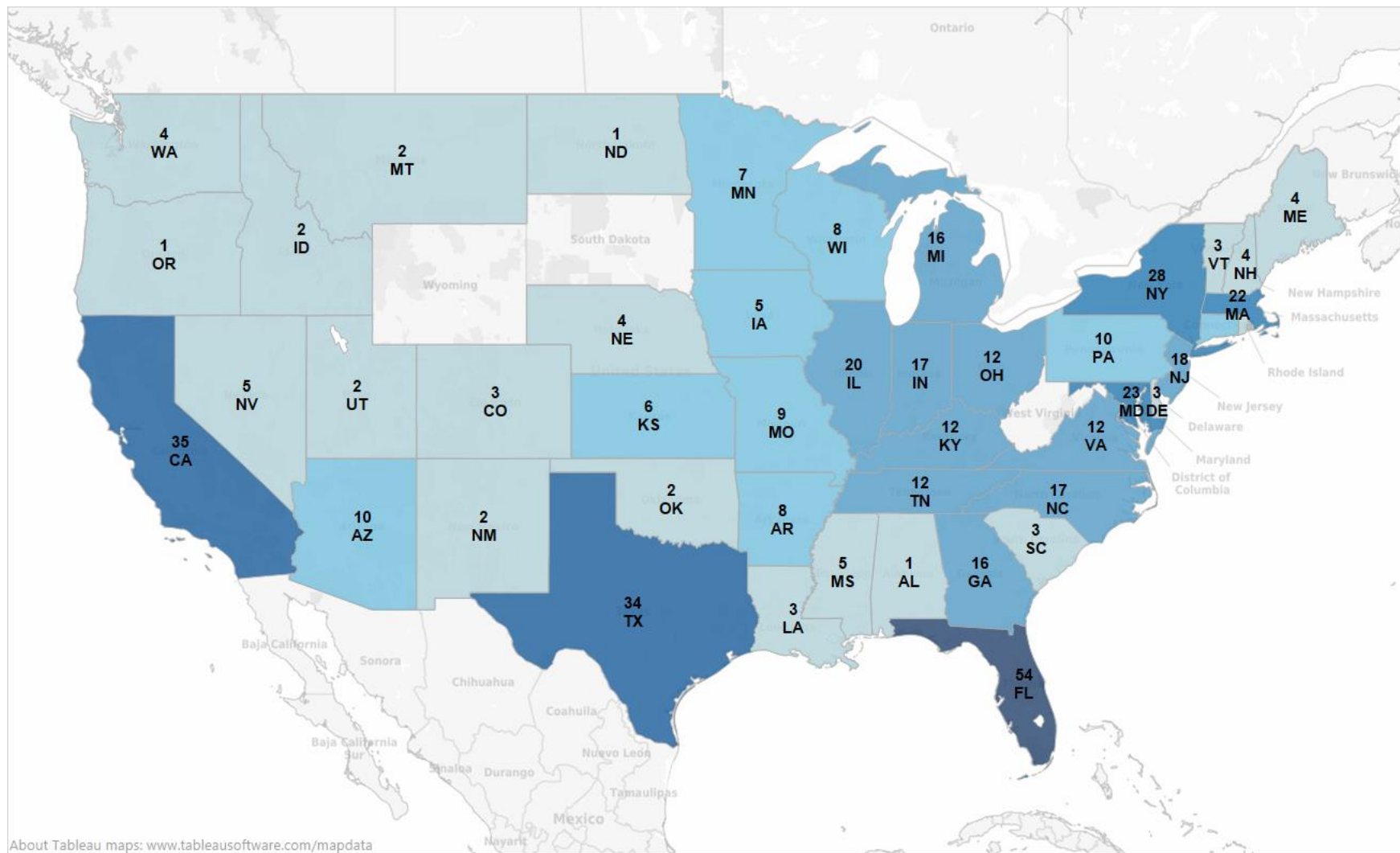
ACOs

In 2014, ACOs reported the need for:

- Organizational transformation
- New electronic & social technologies
- Data warehouses & analytics
- Chronic illness management
- Care coordination
- Provider/patient collaboration



Where are ACOs Forming?



Source: CMS 1/20/15- **Mapped from address of parent ACO**

ACO Results

According to a 2014 Leavitt Partners survey for Modern Healthcare magazine:

- \$417 million in savings
- 19% improvement in quality
- 2013 growth in health spending lowest since 1960



Community Care Organizations

- Develop case management building blocks
- Develop strategies for population health management
- Implement plan for risk-based population contracts
- Implement an integrated payment and delivery system



Reasons for Optimism

- Revenue streams of the future are tied to primary care providers
- Lower beneficiary costs in rural
- Critical access hospitals (CAHs), rural health clinics (RHCs), and federally qualified health centers (FQHCs) reimbursement advantages
- Rural can change more quickly
- Rural is more community-based



The Challenge: Crossing the Shaky Bridge

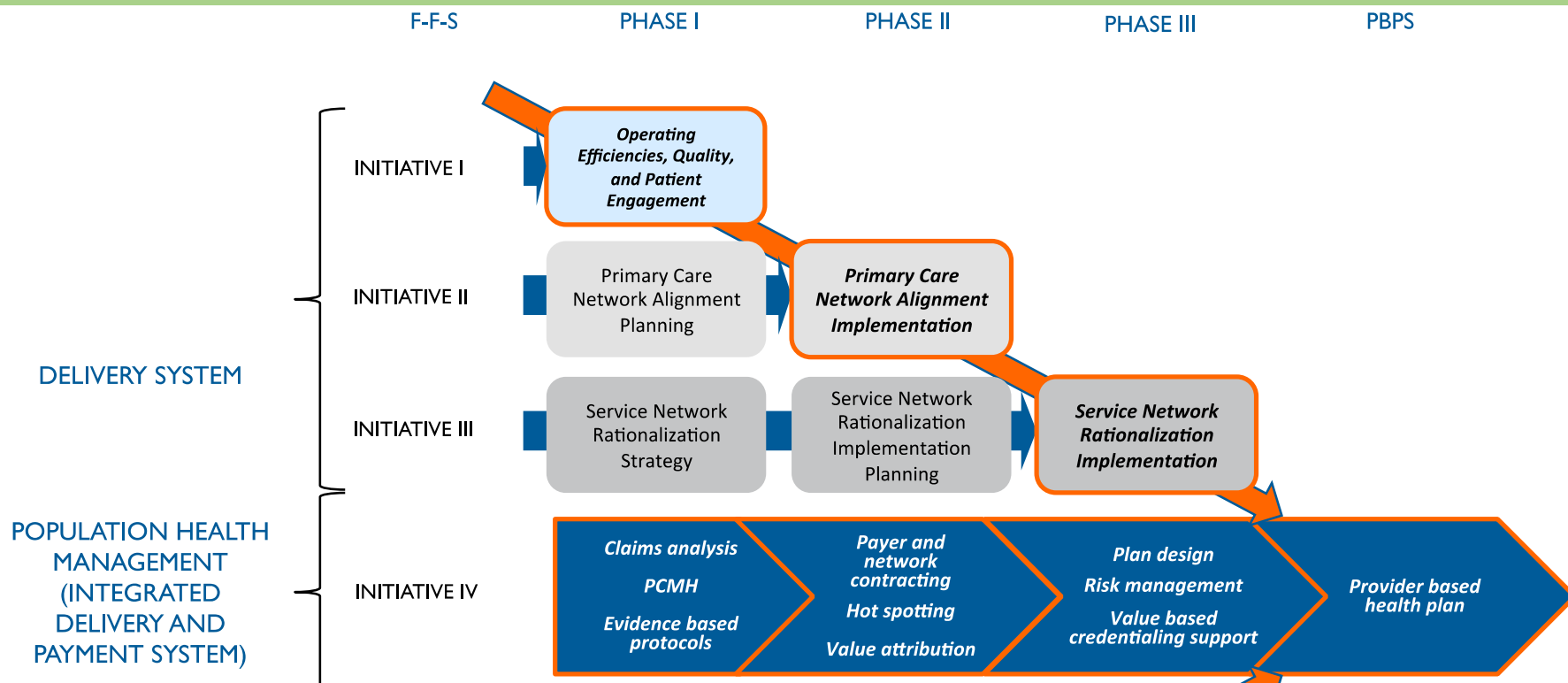


Source: <http://www.flickr.com/photos/67759198@N00/2974261334/sizes/o/in/photostream/>



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Delivery System Path



- Delivery system must respond at a similar pace to changing payment models in order to maintain financial viability
- Getting too far ahead or lagging behind will be hazardous to their health



What Rural Providers Can Do Now

- Determine the most important things to do now to prepare for ACOs, other value models and population health
- Determine where they are now in their preparation for value and population health--readiness
- Develop strategies to bridge the gap between where providers are now and where they want to be in the future



The Bridge to Value and Population Health



The Present

- Fee for service, volume-based health system



Photo: Annabel Candy, 2012

"Looking down on Miles Canyon from the suspension bridge on the Yukon River Loop Hike"



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Framework for the Bridge to Value



If You Don't Build A Bridge...

- Some of your members may start to swim across the water



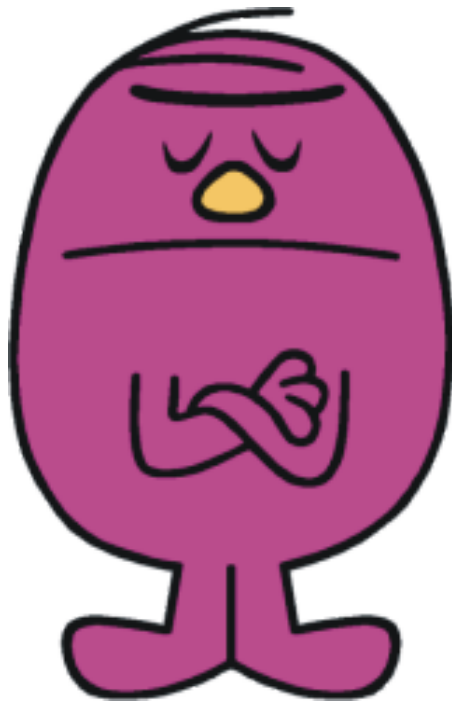
If You Don't Build A Bridge...

- Some of your members may try boating across the water



If You Don't Build A Bridge...

- Some of your members may not cross the water at all



Leadership

- Board of directors and senior leadership understanding and buy-in
- Providers understanding, buy-in and partnership
- Compelling organizational vision and strategies
- Education and engagement of the network board



Leadership

Leadership is critical in helping organizations understand the "WHY" of needed change.

Attention is the currency of leadership.



Resilience among rural providers is critical. Leadership is the foundation of resilience.



Partnerships

- Partnerships with primary care physicians
- Partnerships with other key providers in the service area (e.g. mental health, long-term care, public health and social services)
- Partnerships with other rural networks
- Partnerships with large health care systems
- Partnerships with local businesses



Customers, Partners & Communities

We need to engage the community in a way that they truly feel they add value.

It is easy to get feedback from our patients, we need input from our *community*.

Start small – focus on hospital employee health improvement, or address a single primary care problem in your community.

We need to turn stakeholders into partners.



Quality and Operational Efficiency

- Customer service excellence
- Clinical quality excellence
- Lean culture of continuous improvement
- Waste reduction maximized
- Revenue cycle optimized



Efficient Processes & Operations



Unless we refine and execute our internal processes, our survival is in jeopardy.

If it was easy, all organizations would be lean and trim.

Pick one process improvement strategy and do it *well*. Don't dabble and keep changing.



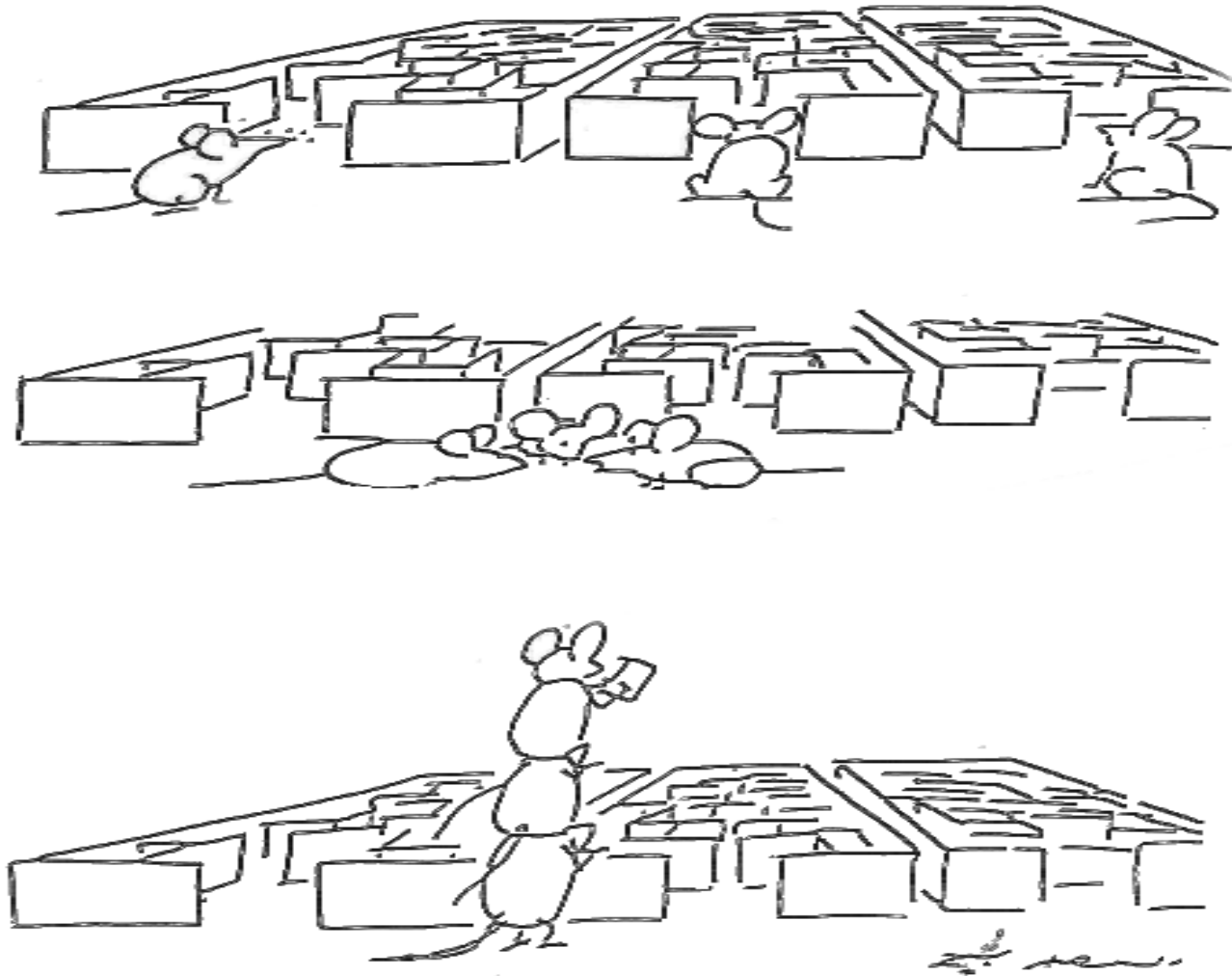
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Care Management

- Effective multi-disciplinary care coordination teams working to the top of their licenses
- Care coordination of both internally within the organization and externally with other community services
- Seamless patient flow across different health, social and community services



A Collaborative Effort



Information Management

- Access to knowledgeable actuarial expertise
- Effective knowledgeable and information management
- Access to effective data analysis expertise
- Ability to use information to improve patient care and efficiency



Information & Knowledge

Many CAHs are overwhelmed with reporting requirements, it is hard to address *internal* data gathering that supports your goals and operations.

Measurement takes the politics out of management and drives performance.



If you don't have data, mythology wins.



Progress...

Leadership

Partnerships

Quality & Operational Efficiency

Care Management

Information Management



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Mobile and Telehealth Technology

- Access to appropriate telehealth services
- Patient portals to health records and information
- Compatible electronic health records
- Effective websites, social technology and apps
- Ongoing access to distance and online education



Workforce Preparation

- Staff understands the “why” of change
- Staff acquires new value-based and population health skills and knowledge
- Staff exhibits positive health behaviors
- Staff is customer focused and team oriented



Staff & Culture

We are currently focused on personal accountability as a first step.

Until we have supportive personnel systems that allow us to embrace and support change, it is not going to happen.

Don't create panic, but you must create a sense of urgency.

Storytelling and mythologies cause people to become more engaged with the organization, and it becomes the glue.



Community and Population Health Management

- Effective wellness and prevention services
- Ongoing patient education and support
- Provider organizations self-insure and manage the health of their employees
- Community-wide and worksite wellness programs



Payer Relationships

- Pay for care coordination services
- Pay for performance and quality
- Shared information between payers and providers
- Shared savings arrangements



Shared Savings Models

- Accountable Care Organizations (ACOs)
- Medicaid shared savings/capitation
- Private payer contracts with shared savings features



Options for Emerging Provider Payment

- Fee for Service
- Pay for Performance
- Shared Savings
- Full Capitation
- Private Label Partnership
- Provider Sponsored Health Plan with Outsource
- Provider Sponsored Health Plan

Source: American College of Healthcare Executives



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The Destination...

A health system that links health care with community stakeholders to create a network of organizations working together to improve population health



How Networks Can Help

- Educate leadership
- Facilitate new partnerships
- Manage and analyze information
- Educate and motivate staff
- Facilitate peer mentoring and sharing



How Networks Can Help

- Develop care coordination capacity
- Ensure members understand the health needs of their community
- Help improve member efficiency, quality, and financial performance





“Even if you’re on the right track,
you’ll get run over if you just sit there.”
-Will Rogers



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We are in this Together!





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