The Value Formula for Population Health

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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 areas:

• Transition to Value and Population Health
• Collaboration and Partnership
• Performance Improvement
• Health Information Technology
• Workforce
The Need to Demonstrate Value

Triple Aim
✓ Better Care
✓ Better Health
✓ Lower Cost

Better Care + Smarter Spending = Healthier People
Accountable Care Organizations (ACO’s)

- 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
Accountable Care Organization (ACO) Models (2018)

- Medicare Shared Savings Program (MSSP) Track 1
- MSSP Track 1+
- MSSP Track 2
- MSSP Track 3
- ACO Investment Model (MSSP)
- Next Generation ACOs

Source: Map data downloaded January 11, 2018 from CMS, “Where Innovation is Happening,” and “Performance Year 2018 Medicare Shared Savings Program Accountable Care Organizations – Map.”
## 2018 Facts on ACO Presence

### Program Characteristics

<table>
<thead>
<tr>
<th>Performance Year</th>
<th>ACOs</th>
<th>Assigned Beneficiaries</th>
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<tbody>
<tr>
<td>2018</td>
<td>561</td>
<td>10.5 million</td>
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<tr>
<td>2017</td>
<td>480</td>
<td>9.0 million</td>
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<tr>
<td>2016</td>
<td>433</td>
<td>7.7 million</td>
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<tr>
<td>2015</td>
<td>404</td>
<td>7.3 million</td>
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<tr>
<td>2014</td>
<td>338</td>
<td>4.9 million</td>
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<tr>
<td>2012/2013</td>
<td>220</td>
<td>3.2 million</td>
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### Performance Year Results

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<tr>
<th>Performance Year</th>
<th>Total Earned Performance Payments</th>
<th>Average Overall Quality Score</th>
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<tbody>
<tr>
<td>2016</td>
<td>$700,607,912</td>
<td>94.65%</td>
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<tr>
<td>2015</td>
<td>$645,543,866</td>
<td>91.44%</td>
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<tr>
<td>2014</td>
<td>$341,246,303</td>
<td>83.08%</td>
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<tr>
<td>2012/2013</td>
<td>$315,908,772</td>
<td>95.00%</td>
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### ACO Composition

<table>
<thead>
<tr>
<th>ACOs</th>
<th>Percent</th>
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<tr>
<td>171</td>
<td>30%</td>
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<tr>
<td>324</td>
<td>58%</td>
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<td>66</td>
<td>12%</td>
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[Diagram showing ACOs and Covered Lives over Time]

ACO Top 10 Lessons Learned

• Set up care coordination programs
• Perform annual wellness visits
• Provide behavioral health support
• Improve Hierarchical Conditioning Coding (HCC)
• Improve quality processes/pre-visit planning
• Provide care in physician-led teams
• Expand use of telehealth and technology
• Take care of health care providers
• Manage patient information & analysis
• Manage downstream costs of patient care
Maryland Total Cost of Care Model

New Model in Maryland Covering Full Continuum of Care

Components of Maryland Total Cost of Care Model

- **Hospital Global Budgets**: Population-based payments for Maryland hospitals; Continuation of policy from Maryland All-Payer Model

- **Care Redesign Program**: Gainsharing between hospitals, hospital-based specialists, non-hospital providers

- **Maryland Comprehensive Primary Care Program**: Financial support for primary care providers performing care management for high-risk patients

**Benefits of TCOC Model**

- Adds new providers and settings into care transformation effort
- Links disparate providers to create more patient-centered care
- Aligns incentives across providers to reduce hospitalizations and total cost of care

Performance Period begins January 1, 2019 and continues through 2026
Pennsylvania Rural Health Model

Fee for Service
Hospital is paid for the # of healthcare resources consumed by the community, but as the community is getting smaller, so is revenue.

Global Budget
Hospital is paid the same amount of money as historic NPR regardless of how many resources are consumed by the community.
Bundled Payment for Care Improvement

CMMI Payment and Delivery System Reform Models (2018)

ACO Models
- ACO Investment Model
- Next Generation ACOs

Medical Home Models
- Independence at Home Model
- Comprehensive Primary Care Plus

Bundled Payment Models
- Bundled Payments for Care Improvement (Models 2-4)
- Oncology Care Model
- Comprehensive Care for Joint Replacement Model

Timeline: Bundled Payment Models

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<td>Comprehensive Care for Joint Replacement</td>
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<td>Oncology Care Model</td>
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<td>Episode Payment Models (canceled)</td>
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<td>CR Incentive Payment (canceled)</td>
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Updated January 11, 2018
Health Care Accounts for 10% of Your Health

FIGURE 1: What Determines Your Health?
Combining consumer behavioral data with SDoH data creates a more holistic view of what drives a population’s health—creating, in essence, the “socio-behavioral determinants of health (SBDDoH).”

Population Health has Many Partners

- Hospitals
- Clinics
- Mental Health
- Schools
- Government
- Businesses
- Long-Term Care
- Housing
- Public Health
- Faith-based Organizations
## Population Health Essentials

### Component Parts:

<table>
<thead>
<tr>
<th>Care Coordination</th>
<th>Chronic Illness Mgt</th>
<th>Information Management</th>
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<td>Wellness</td>
<td>Community Collaboration</td>
<td>Payer Alignment</td>
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<td>Behavioral Health</td>
<td>Telehealth</td>
<td>EMS</td>
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<td>Post Acute Care</td>
<td>PCP Partnerships</td>
<td>Leadership/Management</td>
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New Health Care Giants

Amazon, Berkshire Hathaway, JP Morgan Chase

Goal: Improve health for 1 million employees, drive innovation and cut costs

“This new health care organization represents one of the most promising opportunities to accelerate improvement of U.S. health care delivery. The work will be difficult and take time, but it must be done. And we will have the opportunity to do it together, with many exceptional organizations, including Ariadne Labs. My vision is to develop high-impact collaborations across the health care sector.”

-Dr. Atul Gawande, CEO, J.P. Morgan-Berkshire Hathaway-Amazon venture
CVS Buys Aetna for $70 Billion

“will offer better, cheaper, integrated healthcare. CVS walk in clinics will become community healthcare hubs where pharmacists will manage patient care and counsel them between primary care visits.”

(Modern Healthcare, 12/28/18)

CVS: 94 million Rx customers
Aetna: 23 million insured customers

“If you’re in healthcare in any way, shape or form, your world is about to change.”

David Friend, MD, CTO of BDO Center for Healthcare Excellence
Telehealth

- Expanding 45% a year
- Research has shown impressive quality and cost benefits
- Obstacles are being removed
- Key to chronic illness management
- Virtual medicine is increasing rapidly
- New telehealth codes for home monitoring
- New CMS policies to expand telehealth use in Medicare Advantage
COPD and Rural Health

• Affects 1 in 5 people over 45 (16 M total)

• 8.2 % of rural people; 4.7 % of urban people

• $32B spent in 2010; $49B projected for 2020

• New federal Rural COPD Initiative, 2018-2019
EMS and Population Health

- EMS has historically been disconnected from traditional healthcare systems
- EMS transport is costing a significant % of rural ACO spend
- American EMT Association has created **EMS 3.0**, outlining movement to value strategies
St. Joseph Health
Humboldt County, CA

Care Transitions Program: a medical respite program for chronically homeless individuals

Featured in the AHA Guide, *Social Determinants of Health Series: Housing and the Role of Hospitals*
A Collaborative Effort
Rural Care Coordination & Population Health Summit Attendees

• May 2019 – Group of 18 Rural Health Professionals representing the diversity of a nationwide panel gathered in Minnesota

• Summit Participants:
  - Bethany Adams
  - Steve Barnett
  - Sallay Barrie
  - Shannon Calhoun
  - Angie Charlet
  - Rebecca Jolley
  - Alyssa Meller
  - Katie Peterson
  - Adam Strom
  - Rhonda Barcus
  - Larry Baronner
  - Dawn Bendzus
  - Jessica Camacho
  - Terry Hill
  - Jennifer Lundblad
  - Tracy Morton
  - Toniann Richard
  - Cynthia Wicks
• Summit Objectives:

• Examine next steps that leaders and providers should undertake to **support the ongoing development of the local infrastructure** that creates a platform for future care delivery;

• Explore opportunities for leaders to undertake that **position their hospitals and community partners in managing population health** in the future; and

• Gain a better understanding of the potential **financial and operational impact** of community care coordination on the hospital and local providers.
Barriers to Community Care Coordination:

- Lack of clarity as to who takes the lead in the community
- Rural Context – interrelated conditions in which something exists or occurs such as the environment or setting
  - Culture of rural organization or community
  - History of relationships and the ability to develop trust at community level
  - Impact of small populations or low volume
- Organizational barriers
  - Inability to allocated needed resources toward project execution
  - Turnover in leadership and workforce retention issues
• Strengths to Community Care Coordination:

  • Mission alignment – rural health care is mission driven
  • Flexibility of rural hospitals and communities provide opportunities – rural health care is nimble
  • Lean hierarchy allows for rapid decision-making, implementation and course correction
  • Collaboration is a way of life in rural health care
  • Rural Health Care Policy momentum at the federal and often state level that currently exists
  • Community capital through pride in our rural communities reflected in buy-in, support and social capital
• Step-by-step Initiatives:

1. Perform internal and external readiness assessments

2. Obtain internal buy-in from leadership, management and physicians

3. Optimize processes and resources

4. Begin conversations with payors about meaningful reimbursement strategies to drive health improvement
• Step-by-step Initiatives Continued:

5. Maximize quality and availability of primary care

6. Incentivize physicians and providers

7. Develop community-based population health management strategies

8. Develop an internal and external communication strategy

9. Leverage community assets
Rural Care Coordination & Population Health Execution Strategies

• Rural Hospitals

  • Identify successful leaders that could be mentors to other leaders that are struggling learning new models thus building a collaboration of peer-to-peer education platforms from trusted sources

  • Identify successful examples and share your success stories with others

  • Ensure consistency in messaging between state partners and successful leaders to build greater trust during this transition to population health
• Rural Health Programs

• Leverage state partners (e.g. SORH and hospital associations) to assist in disseminating the information

• Ensure state partners understand the content and how it was developed

• Break down information into simple steps – clear actions to include suggestions for priority areas
• Rural Health Programs

• Onboard the physician leaders and establish the appropriate messaging – emphasize that this is about quality of care and new opportunity for funding / reimbursement through a value-based model

• Identify the network champion to lead

• Understand that leaders may be more willing to try new recommendations as a group as it reduces unknowns and risks
Go to the **Summit Resource Page** on the Center website to read the Summit Findings Report and the Rural Hospital Guide to Improving Care Management, and also to watch a short video featuring our Summit Panelists (below).

https://youtu.be/fOQ3rtSHaNw
Contact Information

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Get to know us better:
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