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The Role of Networks in the Transition Toward Value and Population Health

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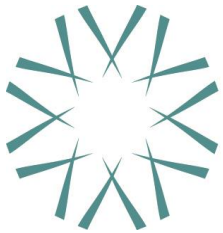
Rural Health Innovations (RHI), LLC, is a subsidiary of the National Rural Health Resource Center (The Center), a non-profit organization. Together, RHI and The Center are the nation's leading technical assistance and knowledge centers in rural health. In partnership with The Center, RHI connects rural health organizations with innovations that enhance the health of rural communities.



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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 core areas:

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

Current Health System Results

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

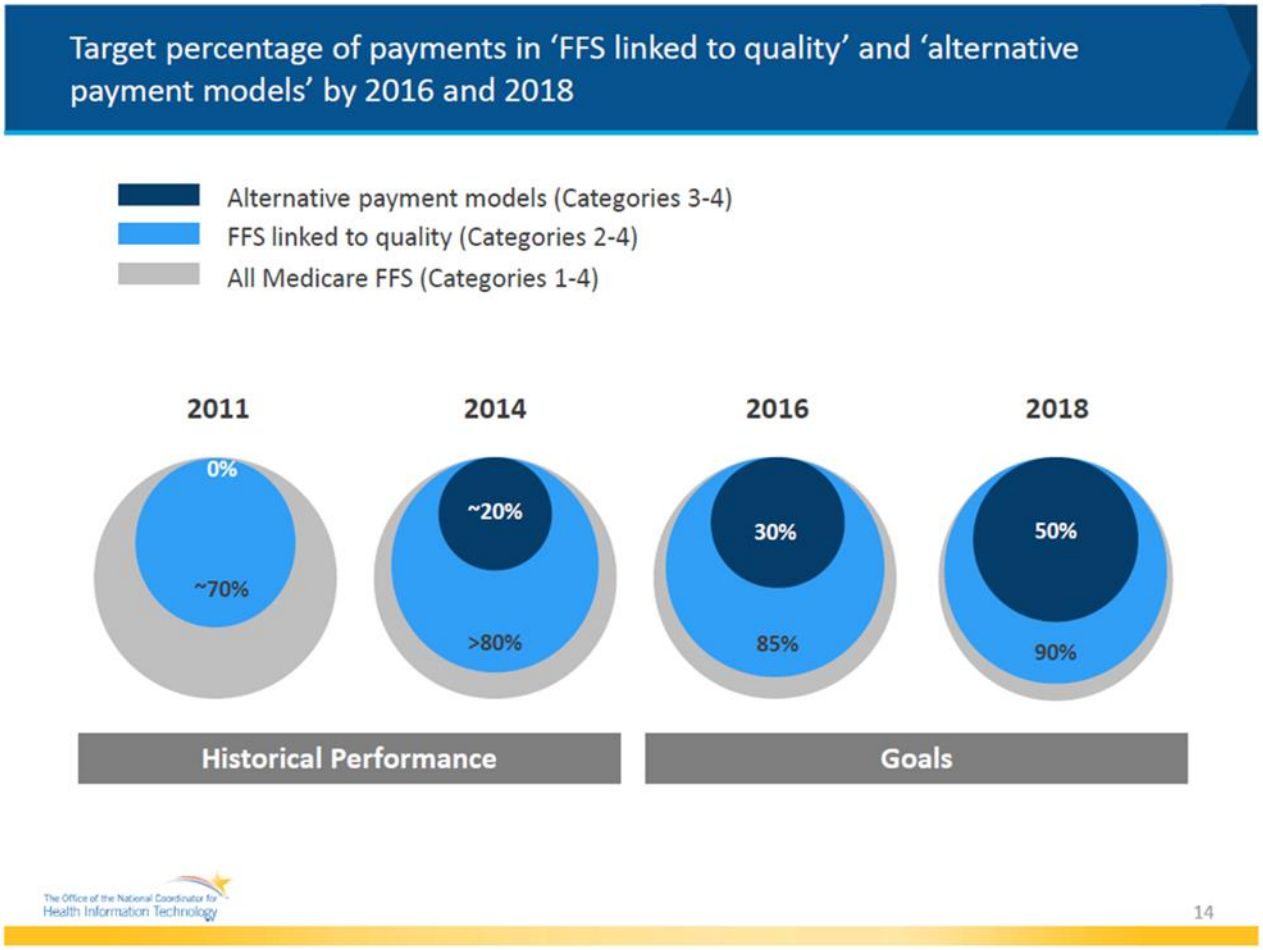
It's Changing!

Triple Aim

- Better Health
- Better Care
- Lower Cost

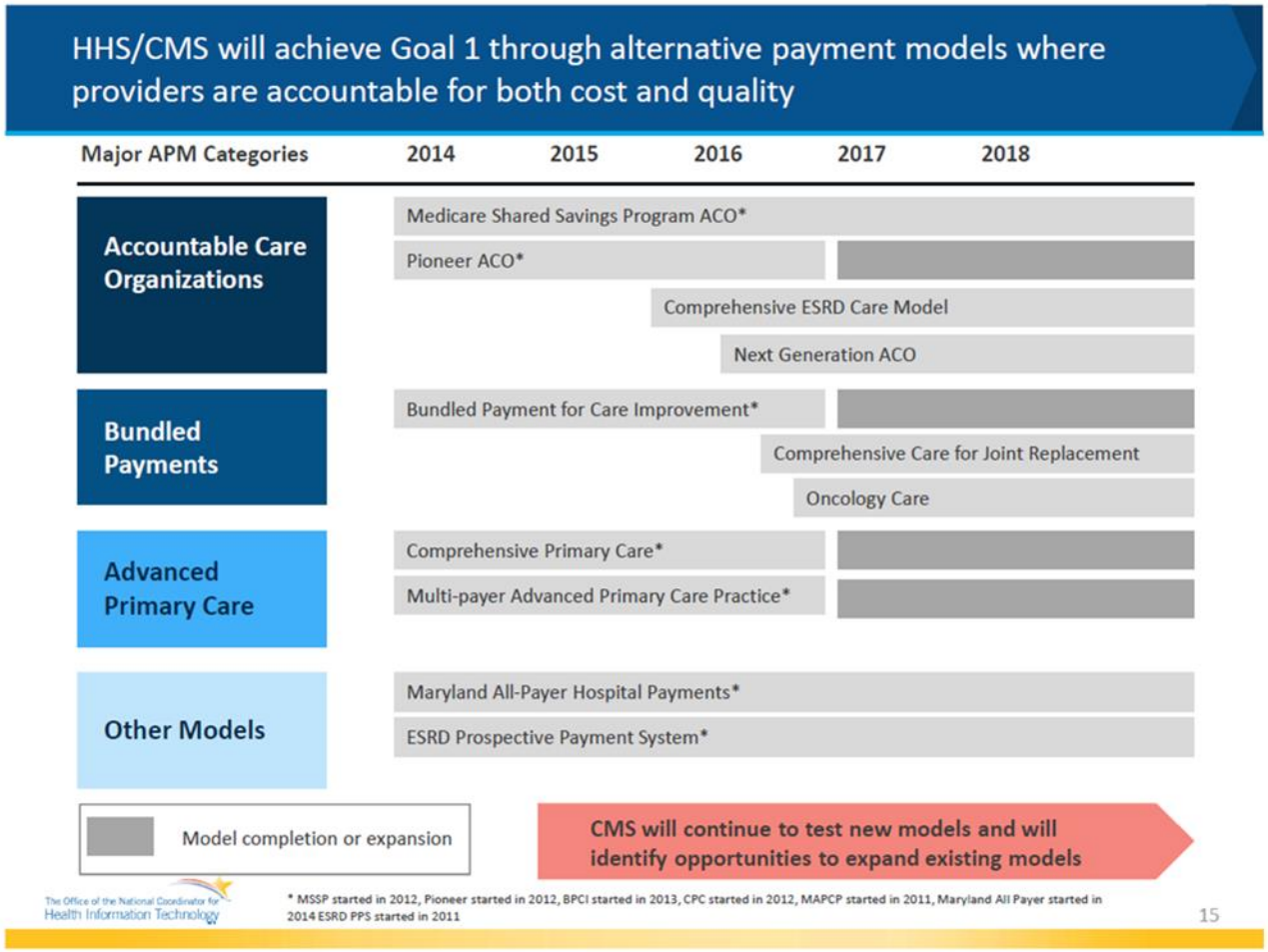
- Better Care
- Smarter Spending
- Healthier People

Alternative Payment Models are Taking Shape



Alternative Payment Models and Sustainability, Advance Interoperable HIE Program Senior Leader Call, February 24, 2016, John Rancourt, Deputy Director, Office of Care Transformation,

Timeline of Progress



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Accountable Care Organizations (ACO's)

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

Update on ACO's Presence

- Rapid growth
  - August 2012: 154
  - January 2015: 747
  - January 2016: 1,000+ (41 new in rural)
- Both hospital and physician led
- Medicare and private insurance models

Medicare ACO 2014

In August 2015, CMS issued 2014 quality and financial performance results showing that Medicare Accountable Care Organizations (ACOs) continue to improve the quality of care for Medicare beneficiaries, while generating financial savings, suggesting that **ACOs are delivering higher quality care to more and more Medicare beneficiaries each year.**

Adapted from Stroudwater
Source: https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2015-Fact-sheets-items/2015-08-25.html

Medicare ACO 2014 Results

- **Pioneer ACOs generated total model savings of $120 million** during Performance Year 3, an increase of 24% from Performance Year 2 ($96 million).
- **Total model savings per ACO increased** from $2.7 million per ACO in Performance Year 1 to $6.0 million per ACO in Performance Year 3.
- The mean **quality score among Pioneer ACOs increased** to 87.2 percent in Performance Year 3, compared to 85.2 percent in Performance Year 2 and 71.8 percent in Performance Year 1.
- The organizations showed **improvements in 28 of 33 quality measures** and experienced average improvements of 3.6% across all quality measures compared to Performance Year 2.
- Ninety-two Shared Savings Program ACOs **held spending $806 million below their targets** and earned performance payments of more than $341 million as their share of program savings.
- Shared Savings Program ACOs that reported in both 2013 and 2014 **improved on 27 of 33 quality measures**.

Adapted from Stroudwater
Source: https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2015-Fact-sheets-items/2015-08-25.html

What is Health?

"Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity."

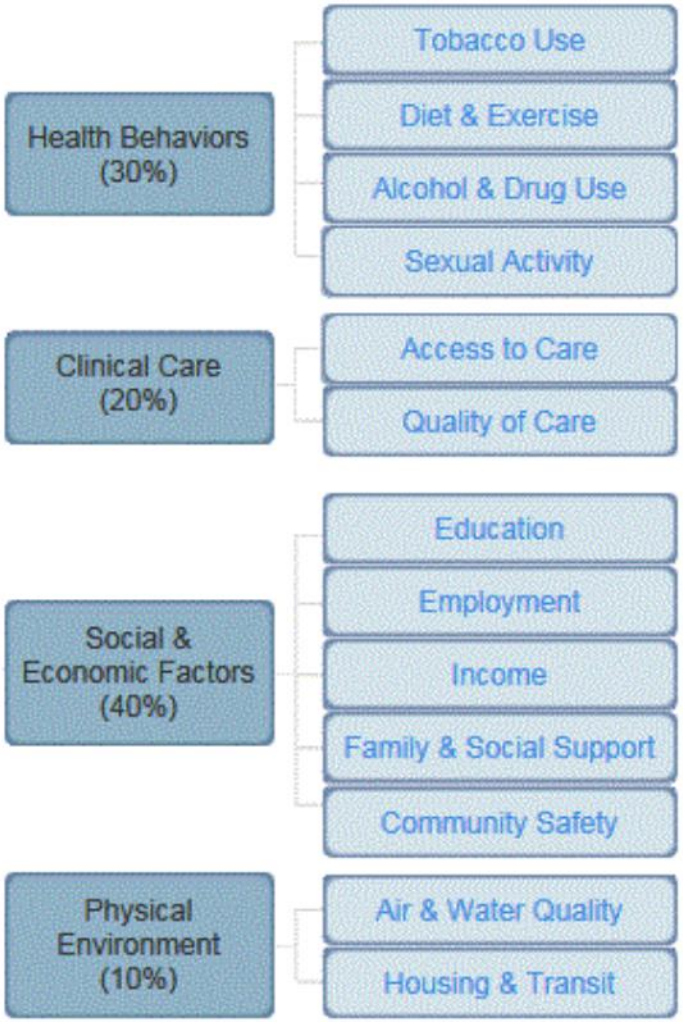
Source: Preamble to the Constitution of the World Health Organization as adopted by the International Health Conference, New York, 19-22 June, 1946: signed on22 July 1946 by the representatives of 61 States (Official Records of the World Health Organization, no. 2, p. 100) and entered into force on7 April 1948.

Social Determinants of Health

The conditions and circumstances in which people are born, grow, live, work, and age. These circumstances are **shaped by** a set of forces beyond the control of the individual: economics and the **distribution of money, power, social policies, and politics** at the global, national, state, and local levels.

WHO and CDC (adapted)

Population Health has Many Determinants



Rural Health Value, "Understanding the Social Determinants of Health: A Self-Guided Learning Module for Rural Health Care Teams.", RUPRI, Stratus Health

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Tip of the Societal Disparities Iceberg

From Assistant Commissioner, MN Dept of Health, Jeanne Ayers speech to the MN Community Health Workers Alliance Meeting, May 23, 2016

Population Health has Many Partners

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Conversation Question

- Where do you see evidence or demonstration of your network programs addressing population health and social determinants of health?

Networks' Role in Health Reform

- Rural leadership
- Health information technology (HIT)
- Quality reporting
- Patient and community engagement
- Workforce shortages
- Value-based models

MACRA: Modernizing Payment for Quality

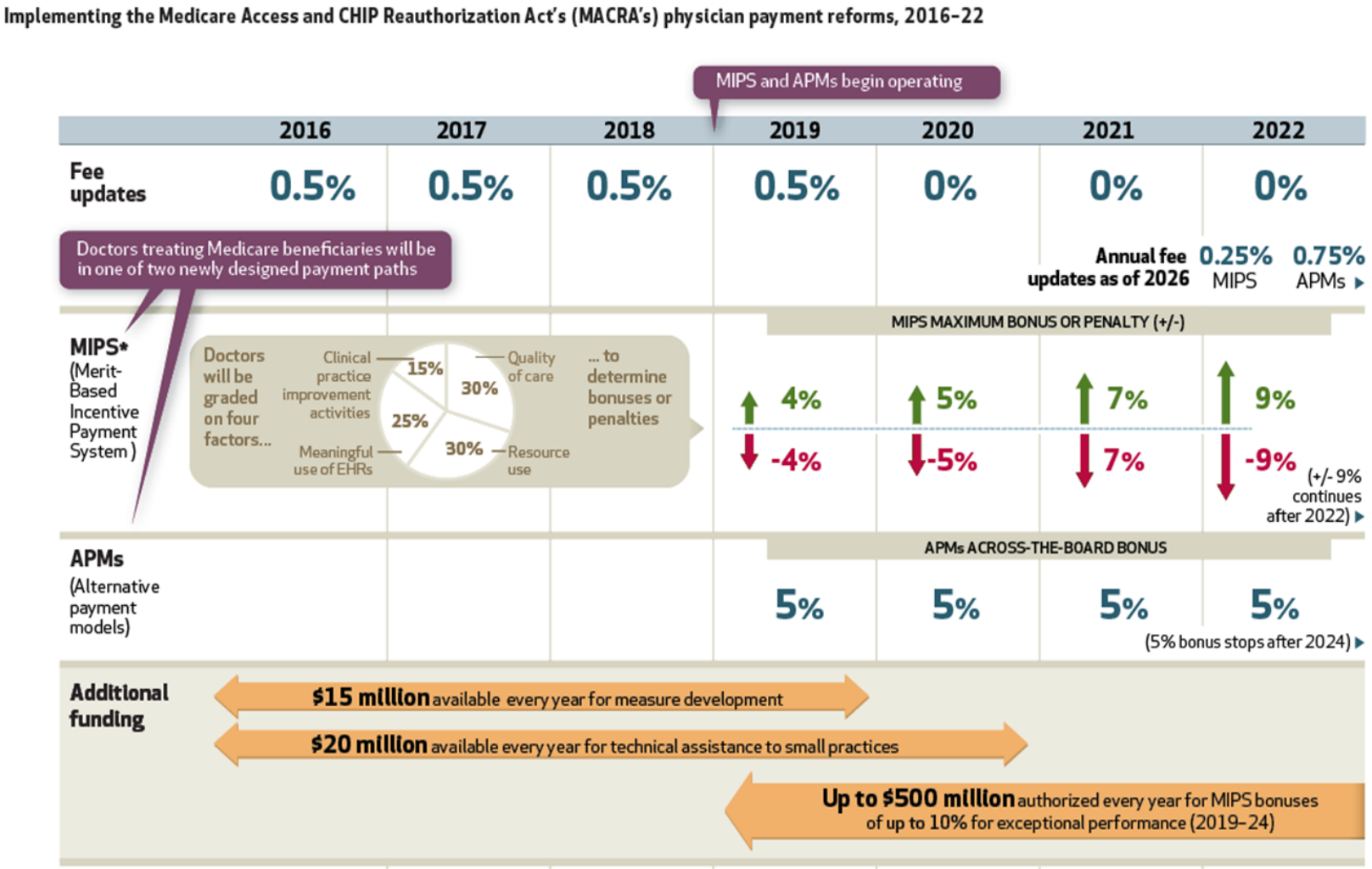
Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)

First step of implementation is a proposed rule:

- On April 27, 2016, the DHHS issued a proposal to align and modernize how Medicare payments
- Quality Payment Program ties payments to the cost and quality of patient care
- Impacts hundreds of thousands of doctors and other clinicians

Source: CMS Press Office press release 4/27/16
http://www.hhs.gov/about/news/2016/04/27/administration-takes-first-step-implement-legislation-modernizing-how-medicare-pays-physicians.html

Proposed Rule: Quality Payment Program



Source: "Health Policy Brief: Medicare's New Physician Payment System," Health Affairs, April 21, 2016. http://www.healthaffairs.org/healthpolicybriefs/

The Merit-based Incentive Payment System (MIPS)

Most Medicare clinicians will participate in the Quality Payment Program through MIPS

Performance Category	% of Score in Years 1 - 5	Details
Quality	50% → 30%	Clinicians choose to report six measures from a range of options that accommodate differences among specialties and practices
Advancing Care Information	25% → 25%	Clinicians choose to report customizable measures that reflect how they use technology in their day-to-day practice
Clinical Practice Improvement Activities	15% → 15%	Rewards clinical practice improvements, such as activities focused on care coordination, beneficiary engagement, and patient safety
Cost	10% → 30%	Score based on Medicare claims using 40 episode-specific measures, meaning no reporting requirements for clinicians

Conversation question

What infrastructures may be needed to make the connections between the social determinants of health and the new financial payment models?

Networks

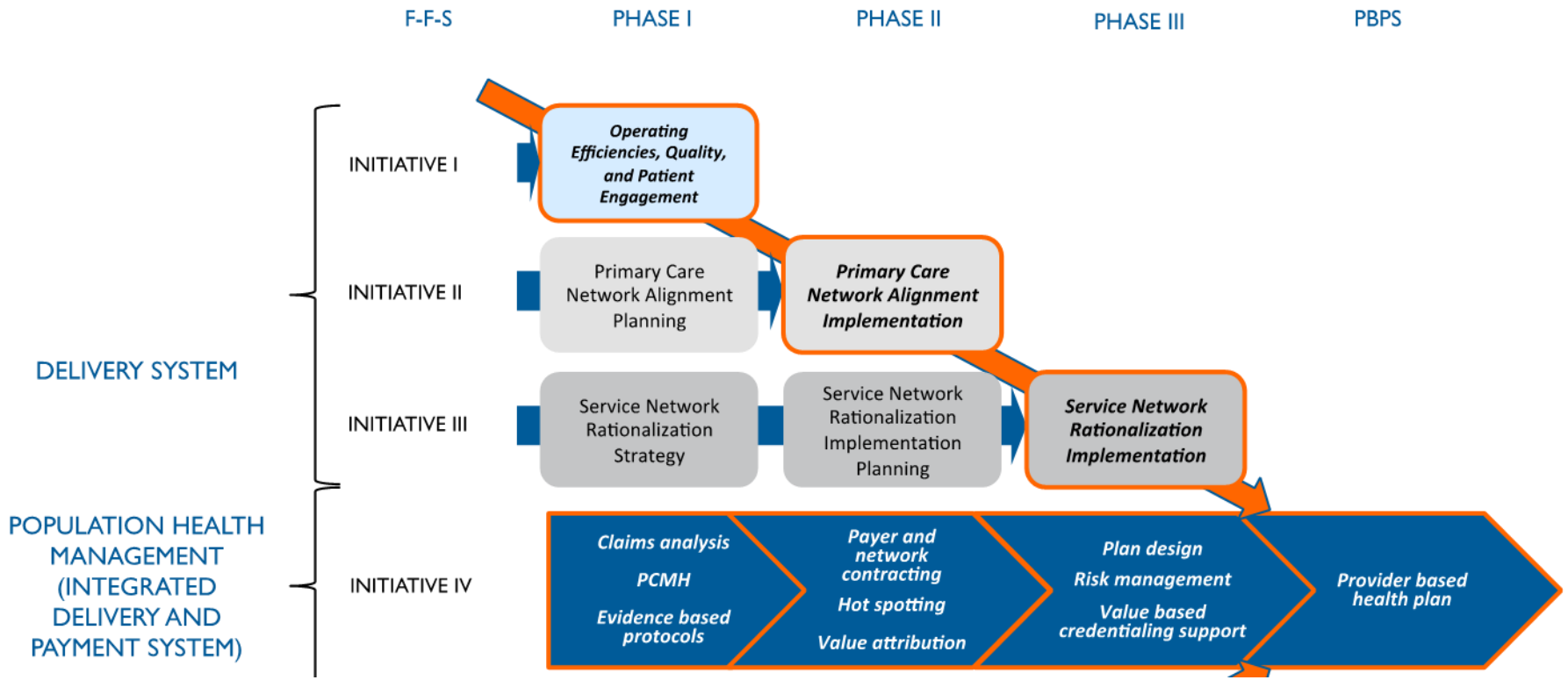
Networks make these payment models work

- Create infrastructure
- Build trust and collaboration
- Share and analyze information
- Creating collective volume
- Creating economies of scale

How Networks Can Help

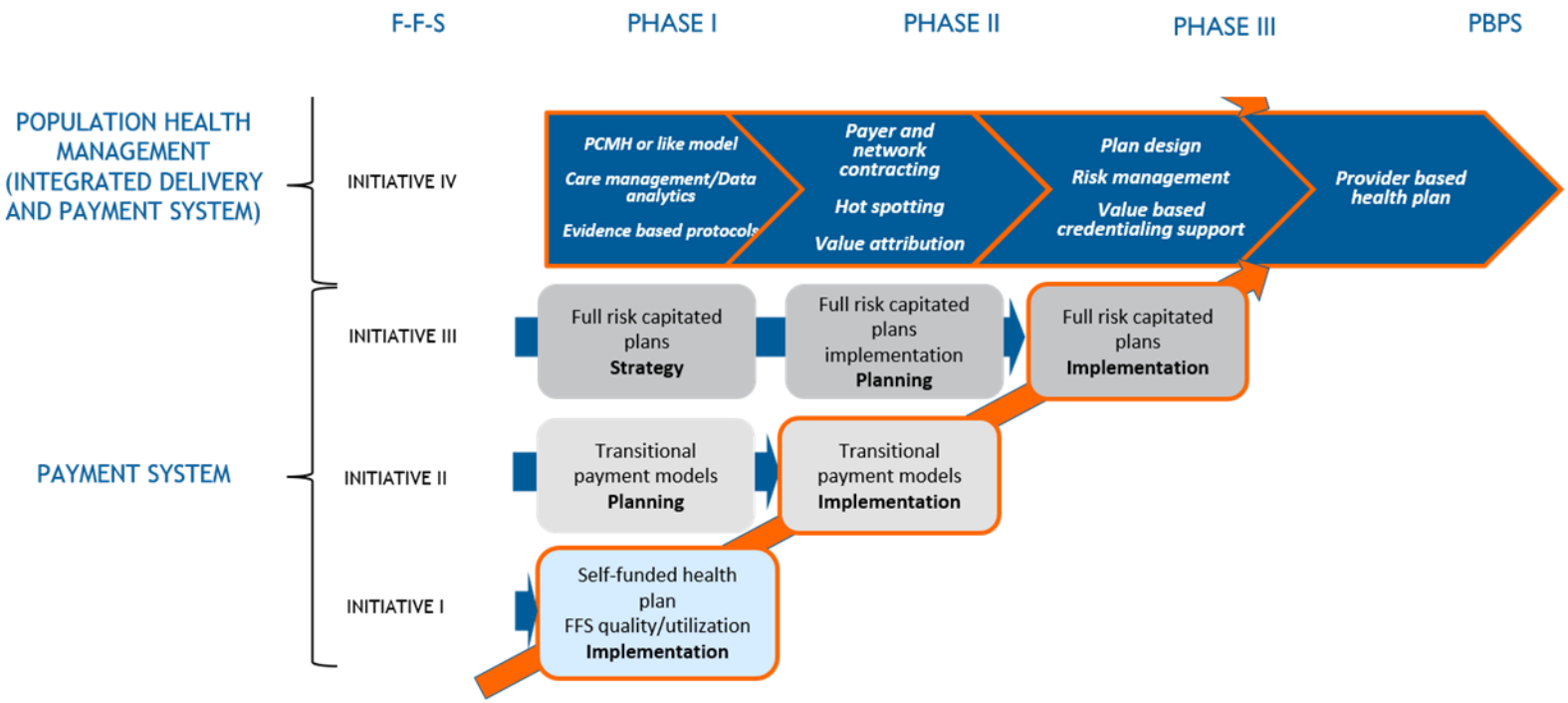
- Convene
- Facilitate
- Educate
- Manage change
- Manage care

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

Payment System Path



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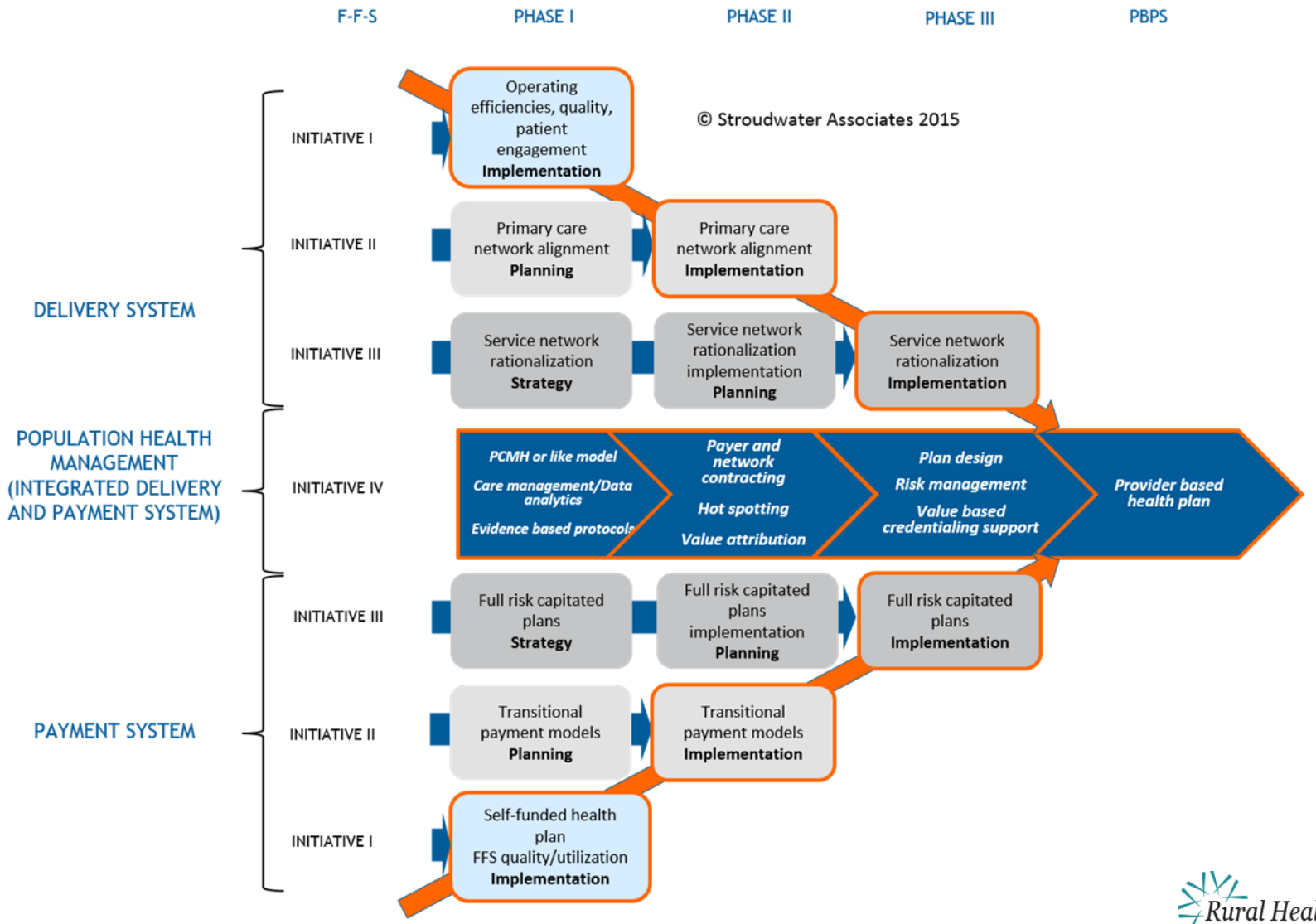
Delivery + Payment Paths



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Rural Reasons for Optimism

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

What Rural Providers Can Do Now

- Determine where health providers are now in preparation for value --readiness
- Develop strategies to bridge the gap between current and future payment systems
- Work together in networks to maximize efficiency, shared volume and needed resources

The Challenge: Crossing the Shaky Bridge

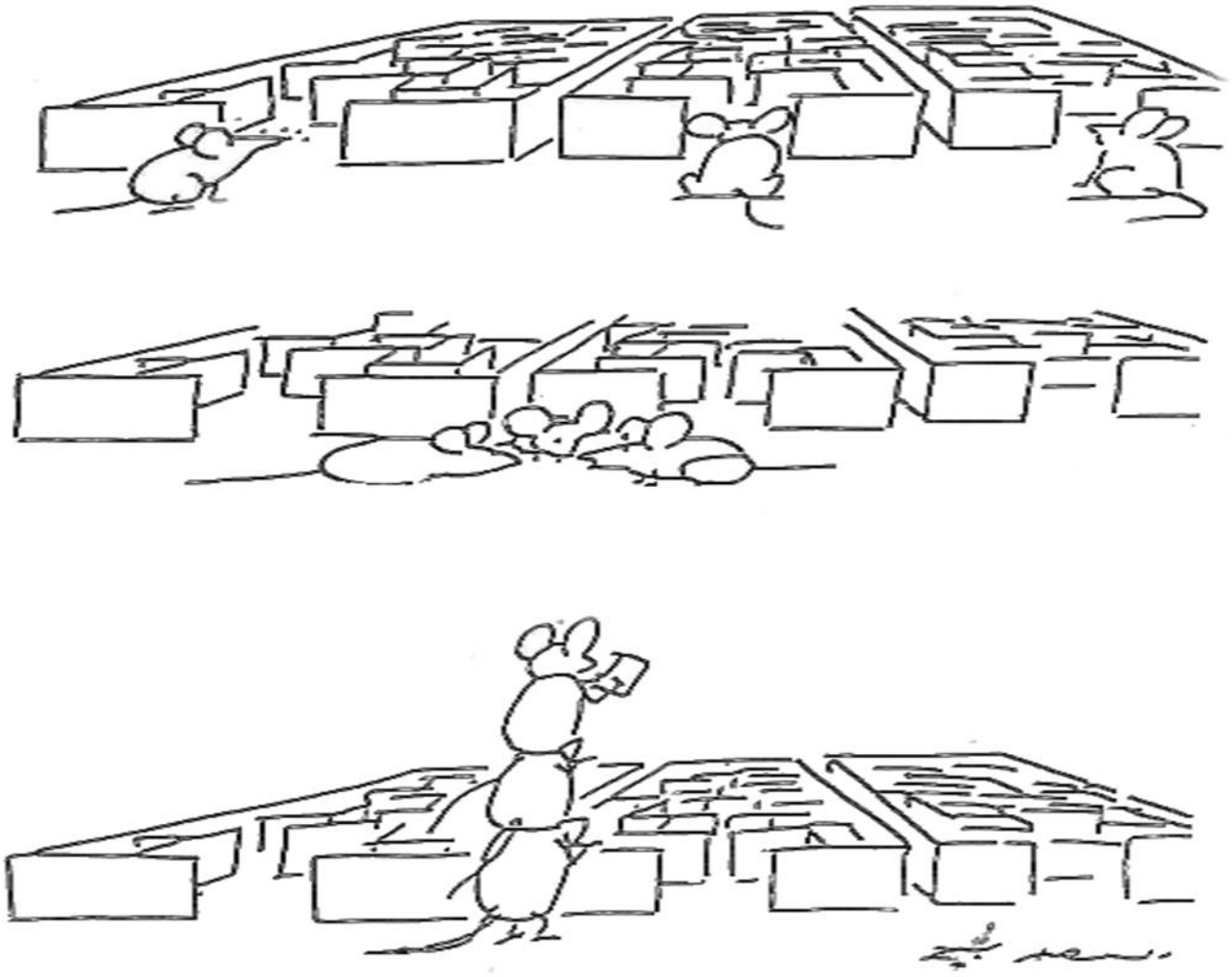
Source: http://www.flickr.com/photos/67759198@N00/2974261334/sizes/o/in/photostream/

- Educate & Align Key Leaders:
  - Boards
  - Providers
  - CEO/CFO/CNO/Managers
- Develop a compelling strategic plan to achieve value

Collaboration/ Partnerships

- Partner with:
  - Primary care providers
  - Other/community services
  - Businesses
  - Payers?
- Join Networks/Systems
- Engage Community and Patients

A Collaborative Effort



Maximize Finances/Quality

- Maximize Financial and Quality Performance
  - Optimize revenue cycle management and cost accounting
  - Improve customer satisfaction and quality
  - Develop LEAN processes

Care Management

- Develop care coordination capabilities
- Redesign care processes
- Focus on high cost patients
- Focus on chronic illness management

Information Management

- Develop access to shared patient databases
- Gain access to in-depth data analysis
- Use information to improve value of services
- Use information to improve patient outcomes

- Develop effective:
  - Telehealth applications
  - Websites and social media
  - Handheld technology applications
  - Educational technology

Workforce Preparation

- Help staff understand the “why” of change
- Develop a culture of continuous improvement
- Teach staff new value-based and population health skills and knowledge
- Maximize teamwork and customer focused services

Population Health Management

- Develop new wellness and disease prevention services
- Engage and enlist partnerships with patients and their families
- Lead/join initiatives to address community health needs and issues

The Destination…

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

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

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