Orthopedics in the Value-Based Environment

ACOs and Beyond

October 9, 2015

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QUALITY ALLIANCE

Financiers of Health Care are Becoming More Active
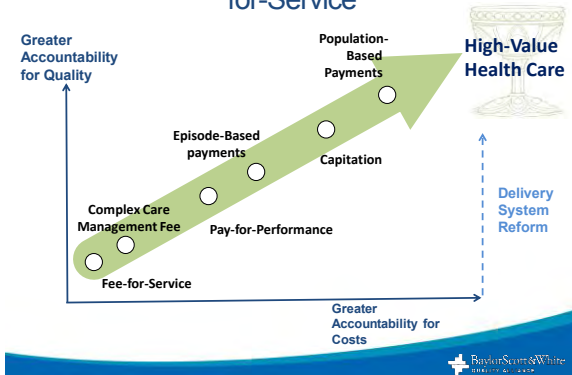
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*"Instead of payment that asks "How **much** did you do?", the Affordable Care Act clearly moves us toward payment that asks "How **well** did you do?", and more importantly, "**How well did the patient do?**"*
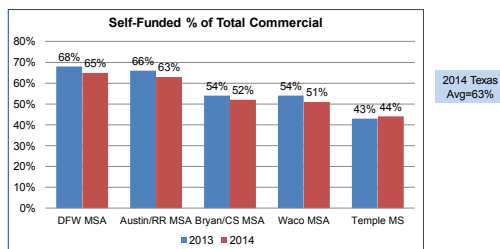
Dr. Donald Berwick
Centers for Medicare & Medicaid Services (CMS) Administrator
April 11, 2011

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Payment Reform: Moving Beyond Fee-for-Service

Greater Accountability for Quality

Population-Based Payments

High-Value Health Care

Episode-Based payments

Capitation

Delivery System Reform

Complex Care Management Fee

Pay-for-Performance

Fee-for-Service

Greater Accountability for Costs

Texas is a Self-Funded State

Self-Funded % of Total Commercial

	DFW MSA	Austin/RR MSA	Bryan/CS MSA	Waco MSA	Temple MS
2013	68%	66%	54%	54%	43%
2014	65%	63%	52%	51%	44%

2014 Texas Avg=63%

- *The decrease in 2014 due to inclusion of HIX enrollment (individual, FI members) in Commercial total*

Source: HealthLeaders Interstudy – July 2013, 2014

Payor Consolidation is Underway and Creating more Pricing Pressure

Aetna

Anthem. Health. Join In.

Humana

UnitedHealthcare

Cigna

Baylor Scott & White Quality Alliance as the Population Health Engine

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BSWQA: An Important *Play* in the BSWH Playbook

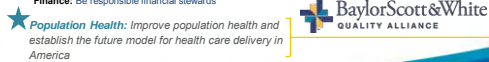**Circle of Care**   **Circle of Innovation**   **Vision 2020**
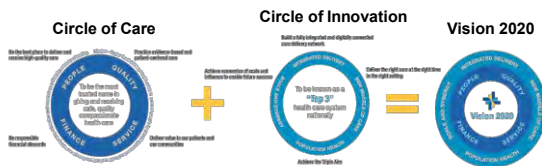
FY15 System Goals

People: Be the best place to deliver and receive high-quality care

Quality: Practice evidence-based and patient-centered care

Service: Deliver value to our patients and our communities

Finance: Be responsible financial stewards

Population Health: Improve population health and establish the future model for health care delivery in America

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BSWQA Network

Category	Total
Physician Members	4,601
NTX Division: 3,041	(PCP 1,052) 23%
CTX Division: 1,050	(SCP 3,549) 77%
ACO Partners: 510	

NCQA ACO Accreditation

Becker's Top 100

SK&A Top 30 ACO

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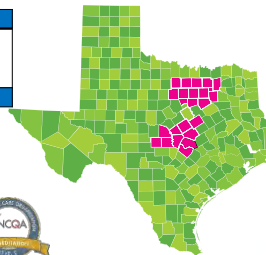
Population Health Management
Six Initiatives

① Enable physician office directed intervention
Patient-Centered Medical Home

② RN Care Managers for high-risk members
Comprehensive Care Management Coordination

③ 100+ Protocols
Evidence-Based Protocols

Care Plan Integration Wellness
Integrate care, starting with Wellness
④

Behavioral Health
Address depression and comorbid Mental issues
⑤

Analytic Capability
Make clinical and claims data available to those who need it
⑥

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Finance/Delivery Model
(Payor/BSWQA Collaboration)

Our Aim: **A model of care** that delivers on *convenient access* to services • *high-value episodes of care* through standardized, coordinated care • *in-network retention* across sites and services

SCOTT&WHITE HEALTH PLAN — Aetna Humana — BaylorScott&White QUALITY ALLIANCE

Financing mechanism
- Claims management
- Member customer service/Digital portal
- PBM
- Utilization Management
- Benefit design encouraging
  - ✓ Patient loyalty to the system
  - ✓ Provider alignment

Comprehensive, Coordinated, Care Delivery
- Primary/Specialty care providers
- Hospitals/Post-Acute care facilities
- Preventive Health/Disease Management
- Care Coordination
- Risk stratification/predictive modeling
- Health Information Exchange
- Performance accountability

■ Proposed Value-based Payment Models
- ✓ Shared savings – initially and then evolving to…
- ✓ PCP cap or glide to risk

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Projected Covered Life Growth

Existing and Newly Signed Contracts	# of Covered Lives			
	January 1, 2015	May 1, 2015	January 1, 2016	January 1, 2017
Baylor Scott & White North Texas EEs	33,000	33,000	33,000	33,000
Baylor Scott & White Central Texas EEs	24,000	24,000	24,000	24,000
Humana Medicare Advantage	4,700	5,000	8,000	10,000
Aetna Medicare Advantage	6,700	7,000	8,000	10,000
Scott & White Medicare Advantage	2,100	2,500	5,000	7,500
Aetna Commercial – Attribution Model	12,000	12,000	12,000	12,000
Aetna Commercial – Product Model	23,000	25,000	60,000	100,000
Medicare Shared Savings Program	63,000	63,000	60,000	55,000
United Health Care – Attribution Model	--	62,000	75,000	100,000
Total Expected Lives	**168,500**	**233,500**	**285,000**	**341,500**
New Potential Contracts	**January 1 2015**	**May 1, 2015**	**January 1, 2016**	**January 1, 2017**
Cigna – ACO Model	--	--	10,000	20,000
Scott & White Health Plan – ACO Model	--	--	118,000	140,000
Total Potential New Lives			**128,000**	**160,000**
Total Projected Lives	**168,500**	**233,500**	**413,000**	**501,500**

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Redefining Physician Engagement

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*"Our philosophy is that the **primary-care physician** and patient **should become the hub** of the entire health-care-delivery system…"*

Dr. Carlos Hernandez
President, WellMed
Overkill – An Avalanche of Unnecessary Medical Care Is Harming Patients Physically and Financially. What can we Do About it?
The New Yorker, May 11, 2015

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Incentivizing PCPs
Shifting the Risk

Case in Brief: Iora Health
- Progressive medical group based in Cambridge, Massachusetts with 12 clinics throughout the U.S.
- Refers selectively to high-quality, cost-effective specialty partners

"In our initial arrangements, we were creating a lot of value, but not always sharing in it. Now, with broader shared risk, the incentives are more aligned."

Zander Packard
COO, Iora Health

Giving PCPs Control of the Budget
From Primary Care Capitation to Global Risk

Under original model, Iora receives PMPM[1] fee for primary care services

New contracts with insurers include shared risk based on total cost

Identifying High-Value Partners

① *Eliminating High Spenders*
Use payer claims data to eliminate physicians who are drumming up volumes

② *Finding a Cultural Fit*
Identify most collaborative partners (e.g., those willing to commit to curbside consults)

Per Member Per Month.   [1]Source: Iora, available at www.iora.com, accessed April 17,
© 2015 The Advisory Board Comp   2015; Medical Group Strategy Council interviews and
                                  analysis.

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Data Driven Network Performance
Analytics to Bedside (A2B)

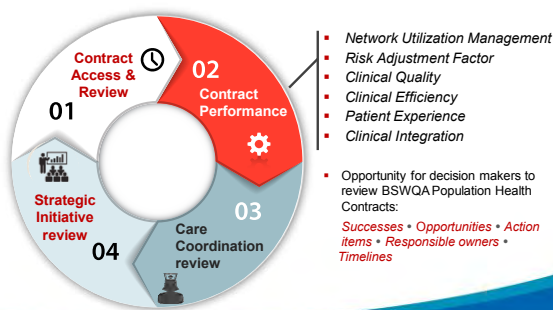*Transparency • Engagement • Consistency • Optimization • Variation Reduction*

Data: You don't know what you don't know

Outcome: If you keep doing what you've always done, you'll get the same outcome you've always gotten

Data Driven Performance

- Evaluate Goals
- Develop Best Care Guidelines
- Determine Actionable Data
- Measure Performance Against Goals
- Operationalize Resource Allocation
- Build Data Collection Routines
- Apply Analytics

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Network Performance
Joint Operations Council

01 Contract Access & Review

02 Contract Performance

03 Care Coordination review

04 Strategic Initiative review

- Network Utilization Management
- Risk Adjustment Factor
- Clinical Quality
- Clinical Efficiency
- Patient Experience
- Clinical Integration

- Opportunity for decision makers to review BSWQA Population Health Contracts:

Successes • Opportunities • Action items • Responsible owners • Timelines

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Physicians in the ACO Environment

Comprehensivist "The New PCP"

Episodic "Specialists"

- Accountable and aware of the total cost
- Refer when essential
- Increasing access and practicing at the "top of the license"
- Integrating the care across the continuum

- Perform the right amount of care in the right setting
- Participate actively in the efficiency dialogue
- Accept and adhere to evidenced-based care

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Transitioning the Relationship with the Orthopedic Surgeon

Transactional Role

- *Participate in Medical Staff Activities*
- *Case Volume*
  - Continue to grow volume
  - Drive the bottom line
- *Focus on quality as a member of the medical staff*
  - Quality committee
- *Accept Referrals*
  - Be available
- *Loyalty*
  - Keep the volume

Value-Based Role

- *Engage in the relevant ACO activities*
  - Development and adherence to protocols
  - Bundled Payments
  - THA/THKA readmission work
  - Patient satisfaction
- *In-Network Utilization*
- *Only do what is necessary*
  - Focus on utilization (rates /1,000)
  - Site of Service
- *Align with PCPs and transfer the care*
- *Participation must be earned*

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QUESTIONS AND OPEN DISCUSSION

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