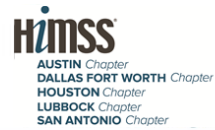


2017 State of the Union

Texas Regional HIMSS Conference
2017 San Antonio, Texas

Movement from FFS reimbursement to Value-based Reimbursement (VBR)

Mark R. Anderson, FHIMSS, CPHIMS
COO, East TX ACO, IPA, MSO and
CEO of AC Group, Inc.



DISCLAIMER: The views and opinions expressed in this presentation are those of the author and do not represent official policy or position of HIMSS

Disclosure

No Specific Products will be discussed

Besides serving at the Chief Operating Officer (COO) of East Texas Accountable Care Organization, the COO of the East Texas Independent Physician Organization (IPA), and the Corporate Operating Officer of the East Texas Management Service Organization (MSO), Mr. Anderson is also the CEO of AC Group, Inc.

The Majority of the work for AC Group relates to Expert Witness services for legal cases between healthcare organizations and technology vendors.

Mr. Anderson has also consulted for numerous IDNs, physician groups, and ACOs in the past 17 Years.

Mr. Anderson has nothing else to disclose at this time.



Mark Anderson, FHIMSS, CPHIMS



- Member of HIMSS before the “I” was in HIMSS
- Prior President of 4-State HIMSS Chapters
- 47+ Years In Healthcare IT
- CIO role at 5 IDNs
- Consultant to over 25,000 physicians, over 200 hospitals and 28 ACOs
- COO of East Texas ACO/IPA/MSO
- Attended HIMSS for the 38th time this year
- Spent over \$2B in HCIT
- National Speaker > 1,000 sessions since 2001
- Advisor to the numerous Medical Societies
- Annual survey of top Hospital and Physician-based EHR products by function, size, end-user satisfaction, price, ability to effect change.
- **Developed the 7 Stages of VBR Road Map – our session today**



www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

Learning Objectives

- **Learn about the Movement from Fee-for-Service to Value Based Reimbursement.**
- **Learn why the healthcare Industry is moving to a new reimbursement model**
- **Learn about the 7 Stages of VBR**
- **Learn not to thrive in the VBR financial market by reviewing four case studies.**



www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

Today's Agenda:

- Healthcare Industry Overview – a short refresh
- Healthcare moving to “Accountable” Care – What does that mean?
- 7 Stages of Value Based Reimbursement Functionality
- Four (4) case Studies

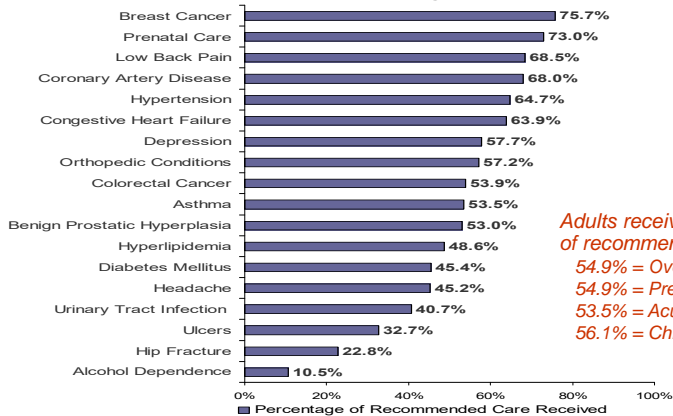


Healthcare Industry Overview: United States Trends



The System Too Often Fails to Provide Higher Quality Care

Adherence to Quality Indicators



Adults receive about half of recommended care:
 54.9% = Overall care
 54.9% = Preventive care
 53.5% = Acute care
 56.1% = Chronic care

Avoidable harm: 99,000 deaths in hospitals from health care acquired infection

Overuse: 13 million unneeded antibiotic RX



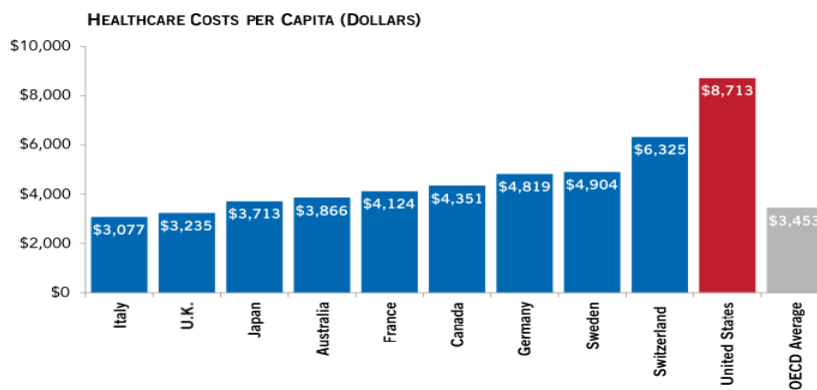
www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

Average cost per person by year



United States per capita healthcare spending is more than twice the average of other developed countries



SOURCE: Organization for Economic Cooperation and Development, *OECD Health Statistics 2015*, November 2015. Compiled by PGPF.
 NOTE: Data are for 2013 or latest available. Chart uses purchasing power parities to convert data into U.S. dollars.

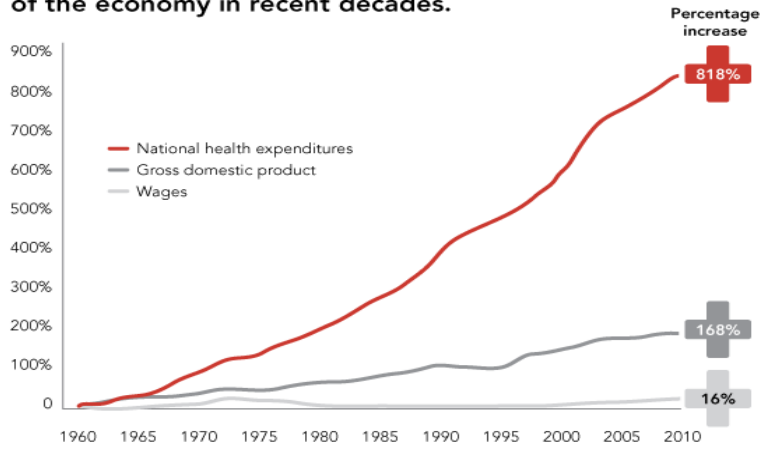


www.HIMSSRegional.com

PGPF.ORG

© 2014 HIMSS. All Rights Reserved

Health care spending has grown much faster than the rest of the economy in recent decades.



Sources: McKinsey, "Accounting for the Cost of U.S. Health Care" (2011), Center for American Progress

THE HUFFINGTON POST



ALBANY Chapter
DALLAS FORT WORTH Chapter
HOUSTON Chapter
LUBBOCK Chapter
SAN ANTONIO Chapter

www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

Industry Overview:

Healthcare is moving to Accountable Care for Patients with Chronic Diseases



ALBANY Chapter
DALLAS FORT WORTH Chapter
HOUSTON Chapter
LUBBOCK Chapter
SAN ANTONIO Chapter

www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

Progression of Payment Reform in US

- 1990s — All-at-once shift to full provider capitation
- 1998 — Physician Profiling (used for public reporting and contract rates)
- 2000 — Leading California effort for third party to collect and calculate quality-based payment
- 2001 — Provider owned insurance companies
- 2003 — Bonus payment for submitting quality data
- 2004 — Bonus payment based on quality
- 2009 — Payment based on episode of care
- 2011 — Shared Savings based on total cost of care
- 2015 — New forms of partial capitation



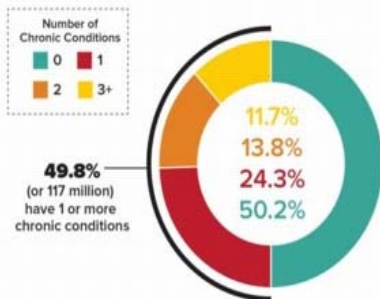
www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

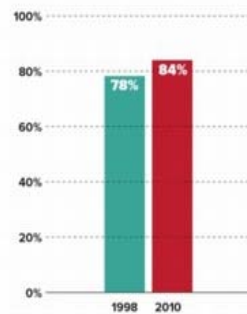
Chronic Diseases

CHRONIC DISEASE IN THE UNITED STATES

ADULTS WITH CHRONIC CONDITIONS



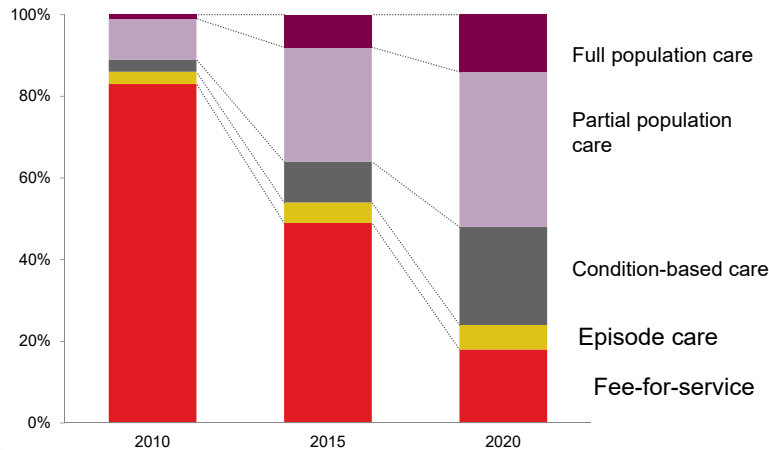
PERCENTAGE OF HEALTHCARE BUDGET SPENT ON CHRONIC DISEASES



www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

The changing market – moving to VBR



HIMSS

AUSTIN Chapter
DALLAS FORT WORTH Chapter
HOUSTON Chapter
LUBBOCK Chapter
SAN ANTONIO Chapter

Source: "The View from Healthcare's Front Lines: An Oliver Wyman CEO Survey"

www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

Value Based Reimbursement Road Map

- Need to move from the EHR **Data Age**,
- to **Information Age** based on Analytics,
- then to the **Knowledge Age** based on predictive modeling and identifying Gaps in care to improve overall quality and outcomes while reducing costs
- But how and where do we start?

HIMSS

AUSTIN Chapter
DALLAS FORT WORTH Chapter
HOUSTON Chapter
LUBBOCK Chapter
SAN ANTONIO Chapter

www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

VBR Software Needs

- Single Clinical and Financial database
- Care Coordination software and Services
- Population Health Management (PHM)
- Patient Engagement software and Services
- Best Practice Clinical Guidelines
- Exception reporting of Clinical Alerts
- Point of Care Knowledge-Base Provider Alerts
- Financial Modeling and Risk Stratification
- We need a clearly defined VBR Roadmap to thrive in a new Value and Outcomes based reimbursement system



Industry Overview:

7 Stages of Value and Outcomes Based Reimbursement (VBR) Roadmap



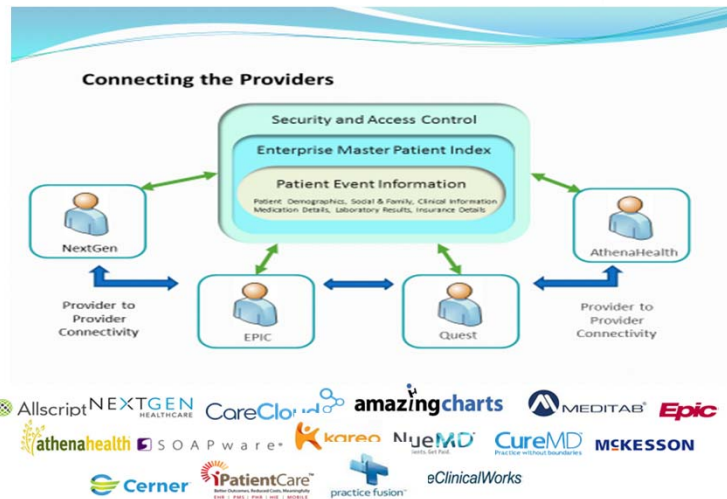
Stage	Description
Stage 7	Stage 6 VBR plus the ability to automatically send secured messages to physician EHR applications
Stage 6	Stage 5 VBR plus Advanced Remote Patient Engagement
Stage 5	Stage 4 VBR plus a system for encouraging Patient Engagement through the Care Coordination system.
Stage 4	Stage 3 VBR plus the ability to Identify potential Gaps in Care for each patient based on best practice guidelines with high risk clinical alerts
Stage 3	Stage 2 VBR plus the ability to monitor and capture all clinical data for advanced Chronic care management.
Stage 2	Stage 1 EHR integrated with patient related cost data with advanced Analytics
Stage 1	Stage 0 EHR for all Patient encounters no matter which EHR the physicians or hospitals' are using.
Stage 0	EHR application used by all physicians for documenting patient encounters including Vitals, Social, Medical, and Family History; ROS; HPI, PE, Assessment, and Orders

HIMSS
 AUSTIN Chapter
 DALLAS FORT WORTH Chapter
 HOUSTON Chapter
 LUBBOCK Chapter
 SAN ANTONIO Chapter

www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

Stage 1 - Rapid Integration of community EHRs with our pre-built connections to 45+ EHRs



HIMSS
 AUSTIN Chapter
 DALLAS FORT WORTH Chapter
 HOUSTON Chapter
 LUBBOCK Chapter
 SAN ANTONIO Chapter

17

www.HIMSSRegional.com

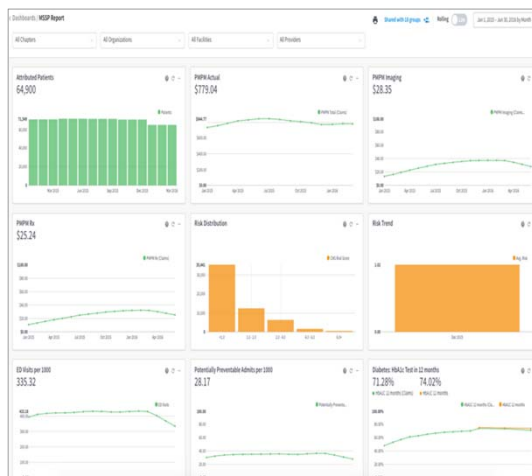
© 2014 HIMSS. All Rights Reserved

Stage 2 - Value Based Performance Analytics

Dashboard for every payer
Create multiple dashboards per payer or even the whole population and it computes financial, clinical, or operational measures on the fly by attaching attribution to it.

Track every contract clause
Customize every card with clinical, operational, or financial measure to keep track on every clause in payer contracts.

Drill Down to provider level
Drill down on the fly in real-time to region, organization, facility, or provider level in hierarchical manner.



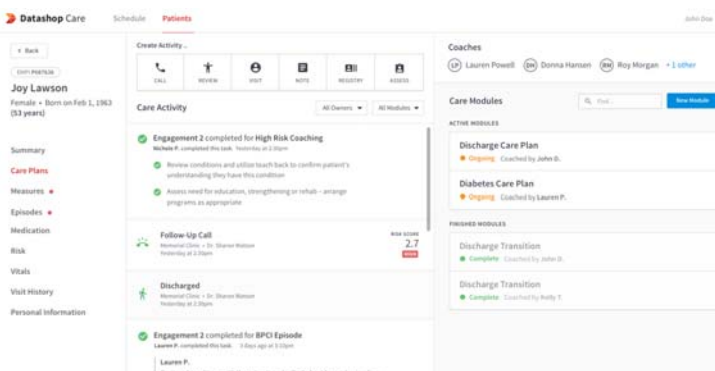
www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

Stage 3 - Advanced Care Coordination

Comprehensive visibility

The unified patient care view gives everyone a comprehensive view of all the activities with a patient on a timeline that makes it easily accessible, and allows health coaches to reach them with the right plan.



www.HIMSSRegional.com

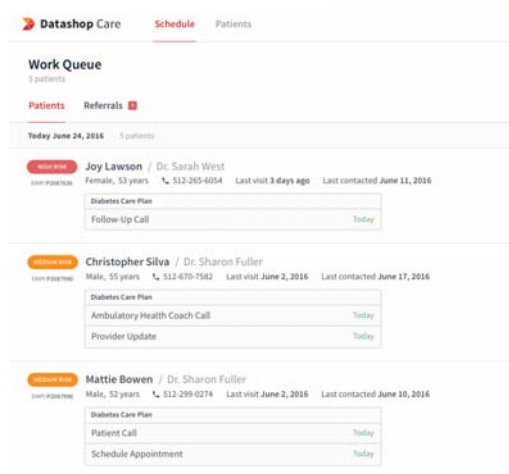
© 2014 HIMSS. All Rights Reserved

Stage 3 - Advanced Care Coordination

Integrated Care Coordination Platform allows easy to coordinate care by removing manual processes, automatically managing patient lists, and the ability to track and monitor outcomes seamlessly.

Automated Work Queue Generation

The platform automatically identifies patients through pre-defined triggers for health coaches and assigns them the right care plan so that health coaches know who they should be working with and what the right approach to care is.



www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

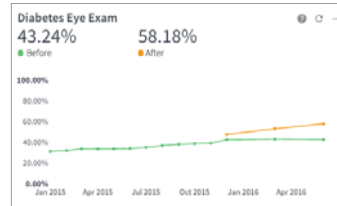
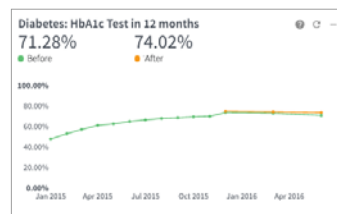
Stage 4 - Advanced Predictive Analytics & Network Utilization By Health Plan requirements

Facility Addition Profitability Analysis

Before enrolling a facility in your network, analyze its impact on your measures and overall profitability

Track 3 Evaluation Analysis

Are you planning to take Track 3? Enroll all facilities in it? Wait, let's analyze which facilities are stable to handle additional risk using sensitivity analysis



www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

Stage 5 - Advanced Patient Engagement

- Provides a framework for bi-directional communication with the patient through channels such as secure messages, mobile apps, portal logins etc.
- Solution drives patient engagement through the Care Coordination system, including reminders for medications and prescription refill requests and medical adherence
- Pushes down care plan content, diet and exercise reminders, Health Reminders, Medication Adherence, Appointment Reminders
- Solution helps patient with disease management, giving timely and crucial education & information to the patient
- Solution drives Provider Marketing and Surveys through an intelligent framework for pushing the right content to the right patient.
- Provider incentives can be designed by volume, performance, improvement in quality and cost outcomes, patient engagement and risk scores.



www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

Stage 6 - Patient Engagement Channels

- Advanced Remote Patient Engagement through smart devices.
- Facilitates telemedicine visits
- Ability to capture patient clinical results through Intelligent Phone communication, Bluetooth remote capture of device results, or devices attached to the patient, wearables, etc.
- Remote data capture from medical devices such as for Cardiology, EKG, etc.
- Automatically update Care Plans, risk scores, patient 360 in real-time based on this additional data, and push real-time alerts and notifications
- In this stage, provider incentives can be designed by volume, performance, improvement, risk scores, and additionally based on predictive models built on additional data captured.



www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

Stage 7 - Robust Bi-directional Exchange Capabilities

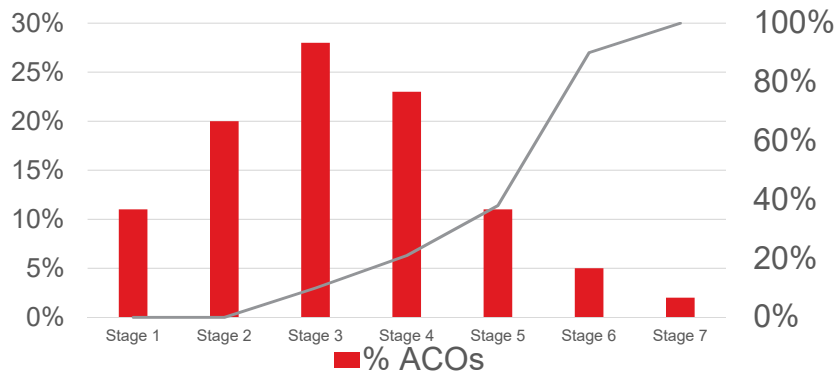
- Ability to track provider response to secured messages sent to their EHRs, and provides escalation frameworks (e.g. calling provider's office), if no response is seen by the system.
- 2-way Integration with every EHR in the community, along with the ability to send a secure clinical alert to the appropriate care provider based on automatic defined business rules.
- The platform enables an ACO, payer, or health system to push gaps in care, care plan content, requests for information, and HCC coding gaps to providers while they're with patients, driving significant quality improvements.
- Physicians can make informed decisions in real-time and ensure that their patients are receiving the proper care throughout the continuum of their care.
- This stage provides flexible models for physician compensation - flexibility of physician compensation program to accommodate both fee-for-service and value-based models, incorporating such models at an individual patient level.



www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

% of ACOs by VBR Technology Stage and Profitability levels

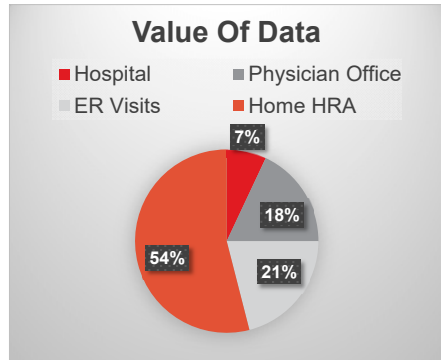
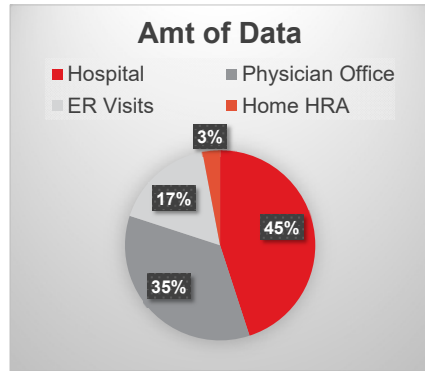


Based on 398 ACOs – Indicates that Profitability increases based on the level of technology integration

www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

Amount of Data Compared to Value of Data in a Care Management VBR relationship

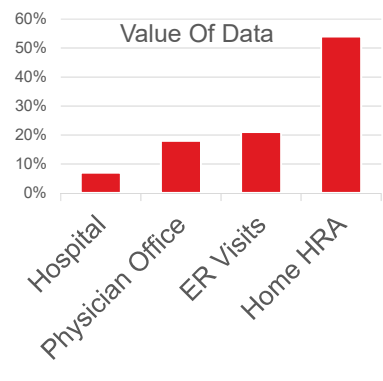
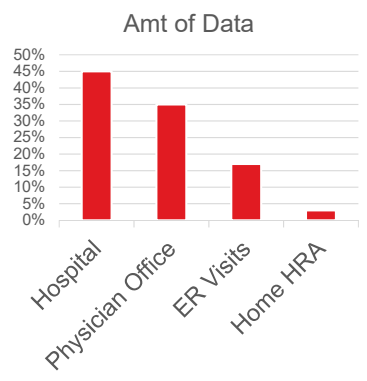


HIMSS
ALBANY Chapter
 DALLAS FORT WORTH Chapter
 HOUSTON Chapter
 LUBBOCK Chapter
 SAN ANTONIO Chapter

www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

Amount of Data Systems have Today Compared to Value of Data in a Care Management VBR relationship



HIMSS
ALBANY Chapter
 DALLAS FORT WORTH Chapter
 HOUSTON Chapter
 LUBBOCK Chapter
 SAN ANTONIO Chapter

www.HIMSSRegional.com

IDNs have a lot of hospital data and physician office data, but to improve health and to lower costs, we need detailed Patient Health Risk Assessments

© 2014 HIMSS. All Rights Reserved

Industry Overview: Case Studies



www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

Case Study 1

Care Coordination for patients discharged from the Emergency Room

Problem

The ACO needed to track all patients that were recently discharged from any Emergency Room and to enter each of these patients into their Care Coordination Program

Customer Attributes

One of the largest Physician owned IPAs with several ACO Contracts with over 2,100 physicians, managing 500,000+ patients

Solution

- Data integration from 10 hospitals Emergency Rooms
- Mater Patient Index to insure patient chart matching
- Secured network for exchanging data
- Identification of High Risk ER Patients
- Customized Care Plan to insure all High Risk ER patients are Tracked
- Customized by Health Care Plan with clinical and operational rules
- Automated worklist with customized surveys and care coordination plans
- Recalculation of "risk" after each interaction

Benefits to Customer

Ability to track all ER patients, 43% improvement in scheduling first follow-up appointment, 65% improvement in Medication compliance, and 65% reduction in patients returning to the ER within 3 days.

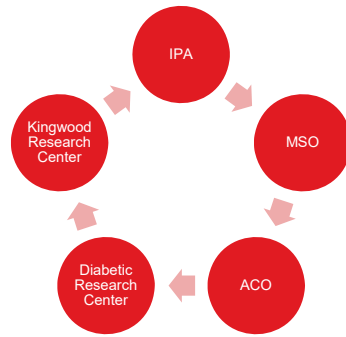


www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

Case Study 2

Coordination of Care for patients with Diabetes



Problem

- Need to track outcomes, Quality, and costs for 5,000 patients with Diabetes
- Once Identified, improve outcomes through Diabetic Care Coordination program

Customer Attributes

IPA and MSO with Risk Sharing ACO contract for 5,000 patients with Type 2 Diabetes

Solution

- Secured Data integration from 10 Practices on different EHRs
- Master Patient Index to insure patient chart matching
- Identification of Patients with Diabetes and Risk Stratification
- Customized Diabetic Care Plan by Health Care Plan
- Automated worklist with customized surveys and care coordination plans
- Recalculation of "risk" after each interaction

Benefits to Customer

- Consolidated patient data within 3 months
- Reduced non-controlled A1C values by 38% within 6 Months
- Increased annual foot exam and eye exam compliance by 75% in 12 months
- Reduced monthly costs by 16.5% in 9 months
- Improved performance incentives by 15% in 9 Months



ALBANY Chapter
DALLAS FORT WORTH Chapter
HOUSTON Chapter
LUBBOCK Chapter
SAN ANTONIO Chapter

www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

Case Study 2 - Results

1. Through the HRA, we were able to identify 1,242 high risk patients that required extended Care Coordination.
2. Via the HRA, a 5-year clinical plan was established for each patient based on their social, medical, behavior, and socioeconomic gaps in care.
3. Via the HRA assessment, patients were placed in a Care coordination program.
4. Program reduced monthly cost from \$1,150 down to \$943, saving the ACO over \$3M per year just on the 1,242 identified patients



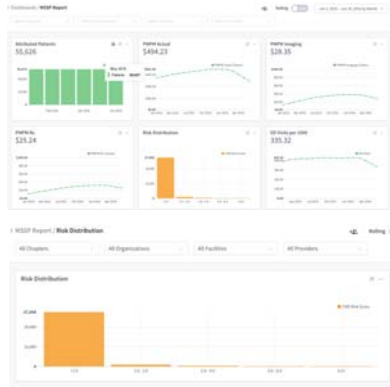
ALBANY Chapter
DALLAS FORT WORTH Chapter
HOUSTON Chapter
LUBBOCK Chapter
SAN ANTONIO Chapter

www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

Case Study 3

Technology Partners with One of the Largest Accountable Care Organization (ACO) in Mid-West



Problem

- Existing Vendor Not capable of Integrating Practices
- Population Health and Risk Management Not Connected
- Revenue Loss; No Clarity on Shared Savings

Customer Attributes

Largest State ACO out of Mid-West
150,000 Attributed Lives

Solution

Integrated Population Management
Automated Intervention List for a staff of 120 Care Coordinators
Predictive Contract Performance (reconciliation with Claims data)

Benefits to Customer

- Identified Financial Lab Test Discrepancies worth \$500,000, Real-time Shared Savings Tracker
- Huge Competitive Advantage - Go Live in 5 months; Previous Vendor did 60% of the work in 2 years



ALBANY Chapter
DALLAS FORT WORTH Chapter
HOUSTON Chapter
LUBBOCK Chapter
SAN ANTONIO Chapter

www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

Case Study # 4

- Dr. Jones examined his patient "Mary" and has determined that Mary needs to see a Cardiologist.
- But which Cardiologist?
- Dr. Jones personal knows Dr. Adams, so Dr. Jones writes a referral for Mary to go see Dr. Jones.
- When Mary shows up for her appointment at Dr. Adam's office his office and clinical staff have no information regarding Mary's condition.
- Dr. Adam's office staff ask Mary for the same information she already provided to Dr. Jones' office and becomes frustrated that she has to repeat everything all over again.
- After about 30 minutes of waiting Mary is told by Dr. Adam's staff that Dr. Adam's cannot see her because Dr. Adam's is not approved by Mary's Health Insurance plan – making Mary very upset.
- Three weeks later when Dr. Jones is scheduled to see Mary again and asks about the clinical findings from Dr. Adam's he finds out that Mary never saw the specialist, and Yesterday – Mary died of a heart attack – one that could have been prevented if Mary could have been seen by Dr. Adams in a timing manner.



ALBANY Chapter
DALLAS FORT WORTH Chapter
HOUSTON Chapter
LUBBOCK Chapter
SAN ANTONIO Chapter

www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

New Referral Case Study # 4

- Dr. Jones examined his patient "Mary" and has determined that Mary needs to see a Cardiologist.
- But which Cardiologist?
- An electronic referral security message is automatically sent from the practice EHR to the Health Systems Care Coordination team. Additionally, a summary C-CDA clinical record is also sent along with the referral including all pertinent clinical information about Mary.
- A Care Coordinator receives the referral and has access to a 360-View of all of the patient's financial, demographics, social, and clinical information.
- The Care Coordination software automatically matches "Mary" with the pre-approved Cardiologist based on the health requirements, the Cardiologist's admitting privileges, and geographic locations to where Mary wants to go for services.
- With this information, the Care Coordinator calls Mary and while on the phone with Mary also calls Dr. Smith's office to set up an appointment for Mary.



AUSTIN Chapter
DALLAS-FORT WORTH Chapter
HOUSTON Chapter
LUBBOCK Chapter
SAN ANTONIO Chapter

www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

New Referral Case Study # 4

The appointment is confirmed, the insurance is validated, and Dr. Smith's office receives a pre-authorization number for treatment.

Once the appointment is set, all of Mary's pertinent clinical information is automatically set to Dr. Smith's EHR, even though Dr. Smith and Dr. Jones have different EHR applications

When Mary shows up for her appointment at Dr. Smith's office the staff greet Mary and they ask Mary if anything has changed since she last saw Dr. Jones. When Mary states that "nothing has changed" Mary is brought right back to the exam room.

Mary is happy that no one asked her for insurance cards and Mary did not have to repeat any of her clinical information.

Within 5 minutes, Dr. Smith walks in with his laptop with all of Mary's demographic information already pre-loaded in his EHR. And because Mary's social, family, and prior Medical conditions are also pre-loaded, along with Mary's ROS and HPI data plus all of Mary's active Medications and lab results, Dr. Jones has determined that Mary needs to have a Heart Cath within 2 days.

While talking to Mary, Dr. Smith checks the Cardiac Cath schedule with his schedule and set the appointment up for Mary.

Mary arrives at the Cardiac Cath location and is happy to learn that no additional information is needed because all of Mary's information has automatically been inserted into the Cardiac Cath EHR form Dr. Jones' and Dr. Smith's EHR through the community 360-view of the patient.

Mary has her Heart Cath and within two hours, Mary goes home to live another 20 years.

Think about the difference process. Referral Management with Care coordination and an integrated way of sharing Mary's data saved her life. How much is that worth to Mary and her family?



AUSTIN Chapter
DALLAS-FORT WORTH Chapter
HOUSTON Chapter
LUBBOCK Chapter
SAN ANTONIO Chapter

www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved

Conclusion

- The Change from Fee-for-Service (FFS) reimbursement to Value-Based Reimbursement (VBR) is right around the corner
- The Healthcare Industry needs a roadmap to determine what they need under a new VBR financial program.
- Our ACO has mapped 40 specific software and services functions required to Thrive in a VBR environment.
- Healthcare Organizations can review the VBR roadmap on-line or just pick up a 7-Stages of VBR document
- Map your current and future needs to the 7 Stage Roadmap
- Map your potential vendors to the same roadmap



www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved



Questions?



www.HIMSSRegional.com

© 2014 HIMSS. All Rights Reserved