

PRISMA HEALTH®

62nd Annual Greenville Postgraduate Seminar

Spotlight: Primary Care

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Value-based care and population health

What a primary care physician should know

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About the speaker

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- Assistant Professor, Tufts Family Medicine Residency
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Agenda

- 01 | Pretest: What do you know about value-based care?
- 02 | Patient case: Meet Joe
- 03 | What is insurance?
- 04 | The need for VBC
- 05 | What is VBC?
- 06 | Patient case: What's best for Joe?
- 07 | Wrap up: Q&A

Pretest: What do you know about value-based care?

What is
value-based
care?

- A. Reimbursement model designed to increase the services provided to patients
- B. Reimbursement model designed to increase quality of healthcare and decrease costs
- C. Not sure

Pretest: What do you know about value-based care?

Value-based care
includes:

- A. Fee-for-service + bonuses
- B. Shared savings
- C. Upside risk
- D. Capitation
- E. Bundled payments
- F. All of the above

Pretest: What do you know about value-based care?

Value-based care
doesn't apply
to me

- A. True
- B. False

Pretest: What do you know about value-based care?

Whose idea was
VBC?

- A. Private insurance
- B. Physicians
- C. Federal government
- D. Not sure

Pretest: What do you know about value-based care?

Value-based care
is the best
reimbursement
model for patients

- A. True
- B. False
- C. Too soon to tell

Meet Joe: A patient case

HPI

Joe is a 72-year-old white male with diabetes, hyperlipidemia, hypertension, osteoarthritis and obesity presenting to clinic for his annual physical. He reports a recent ED visit for chest pain while mowing the lawn, discharged with angina diagnosis and instructions to follow up with our clinic.

Medications

Aspirin, Losartan, Metformin, Pravastatin, Naproxen

Allergies

Cough with Lisinopril, no other known allergies

Surgical Hx

Inguinal hernia repair 2017, L total hip 2015, R total hip 2014

Family Hx

Father STEMI at 70, died of complications from CHF; Mother died of pneumonia during hospitalization for hip fracture.

Social Hx

Smokes 1ppd, some alcohol use (1 beer/day), denies other substances. Wife died January 2017, now lives alone. One adult son living out of state with his family. Retired school bus driver, struggling to afford medications.



Let's discuss Joe

- Thinking about the best possible care for Joe, what resources would you need?
- Who is responsible for coordinating Joe's care?
- What are the barriers to that type of care?



How insurance plans work in general

Pooling of losses

Spreading the costs of a few over a large group

Financial restoration

Insured person is restored to their financial position prior to the event

Risk transfer

Insurance company is now responsible for the cost of an event

Payment of claims

Pay costs attributed to the insured person or group

What insurance companies do



Assess a population

How likely is it that something will go wrong?

How often will it go wrong?

How severe will it be when it goes wrong?



Price premiums

What will the likely cost be of an event?

What does the premium need to be to cover those costs?

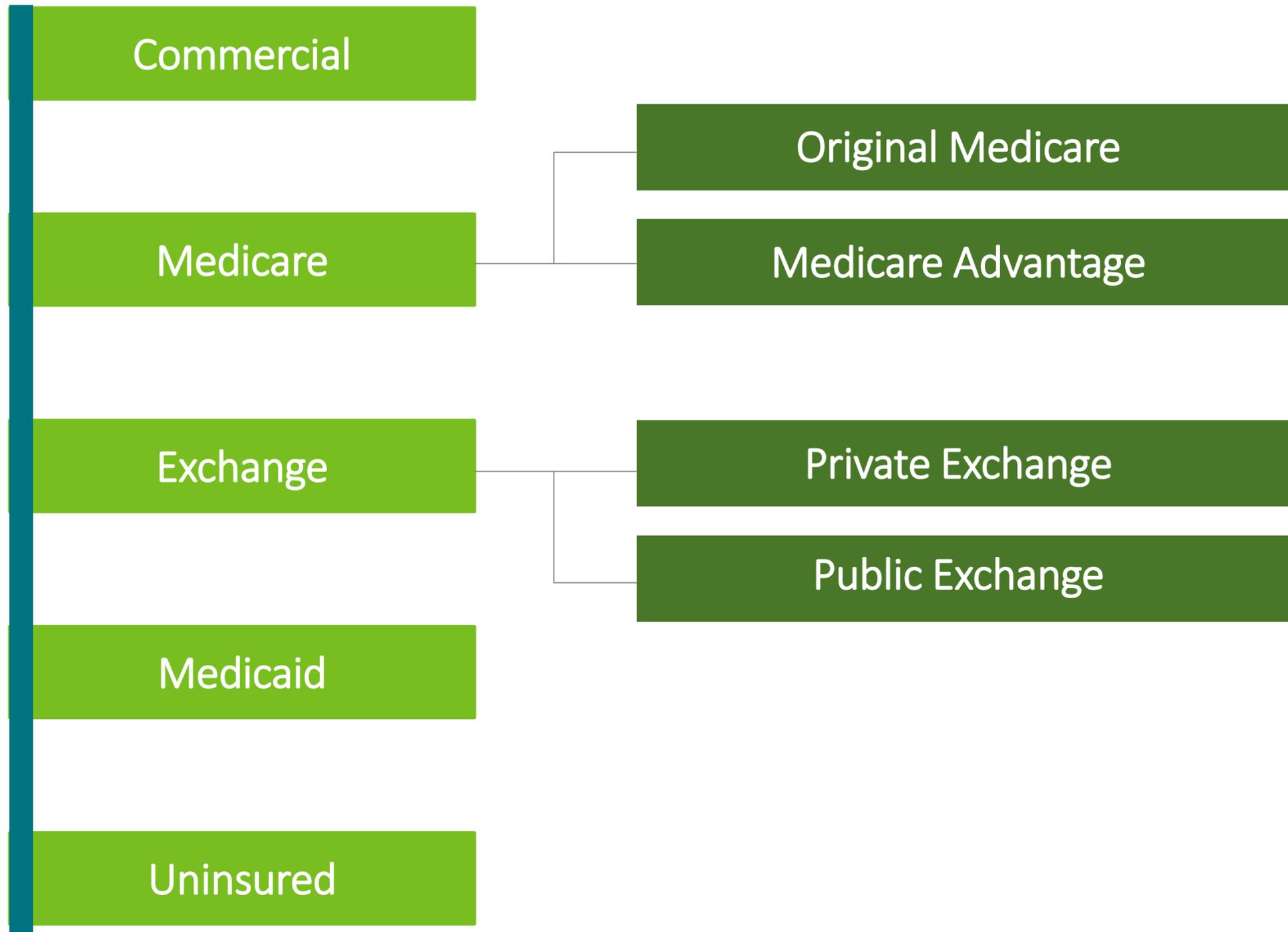


Work to reduce chance of loss

What programs can reduce the likelihood of something going wrong?

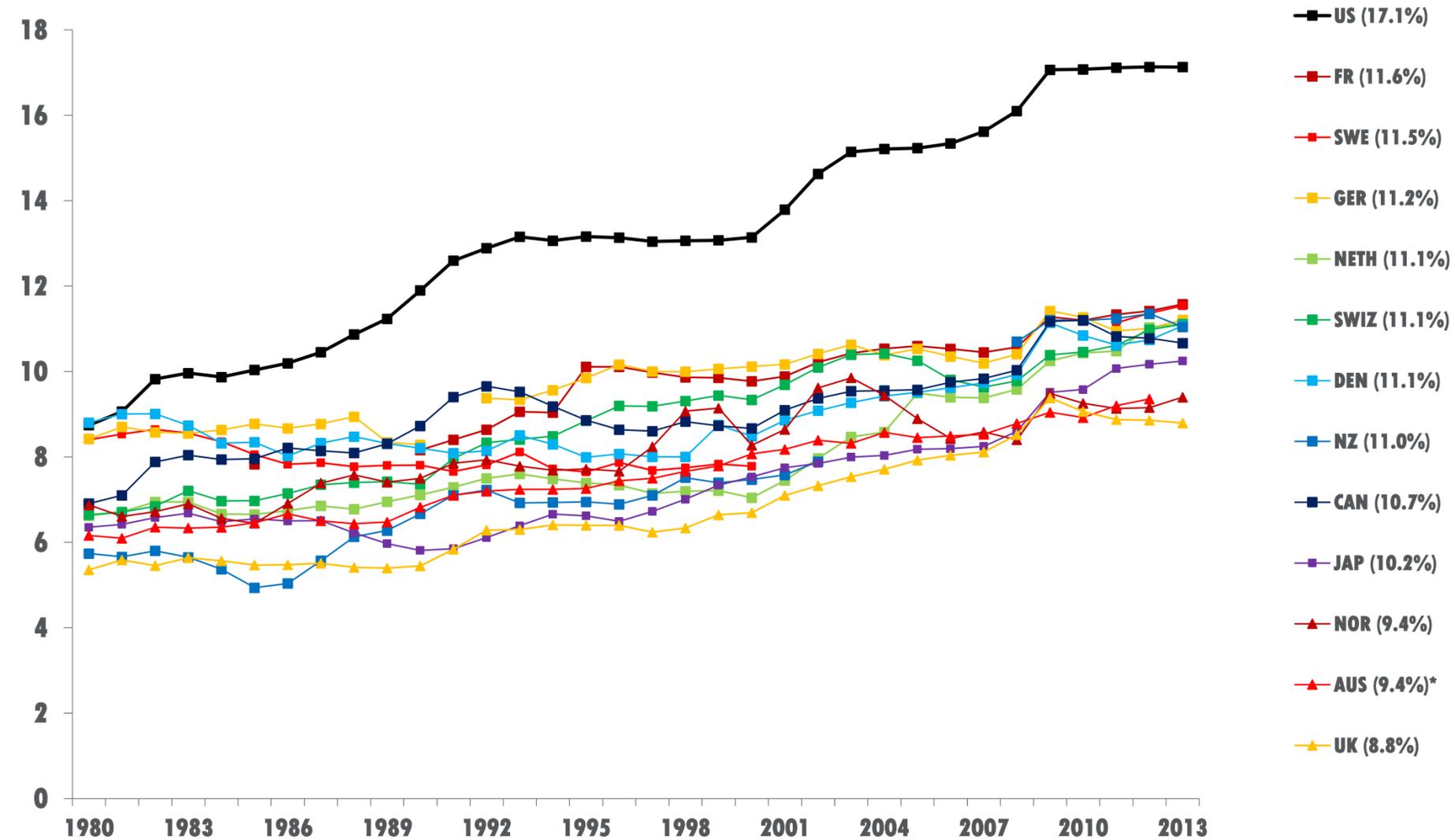
How can contracts be negotiated to lower the cost when an event occurs?

Health insurance plans of today



Healthcare spending as a percentage of GDP, 1980 - 2013

Percent



We are spending 2X more than any other country with no better outcomes

- Lowest life expectancy
- Highest obesity rate
- Highest % 65+ with 2+ chronic conditions

* 2012.

Notes: GDP refers to gross domestic product. Dutch and Swiss data are for current spending only, and exclude spending on capital formation of health care providers.

Source: OECD Health Data 2015.

The government's policy response: MACRA



HHS and CMS focus on 'value'

HHS strategic goal D: "Reduce the growth of health care costs while promoting high-value, effective care."

Medicare payments tied to quality:

- March 2016: 30%
- Goal for 2018: 50%



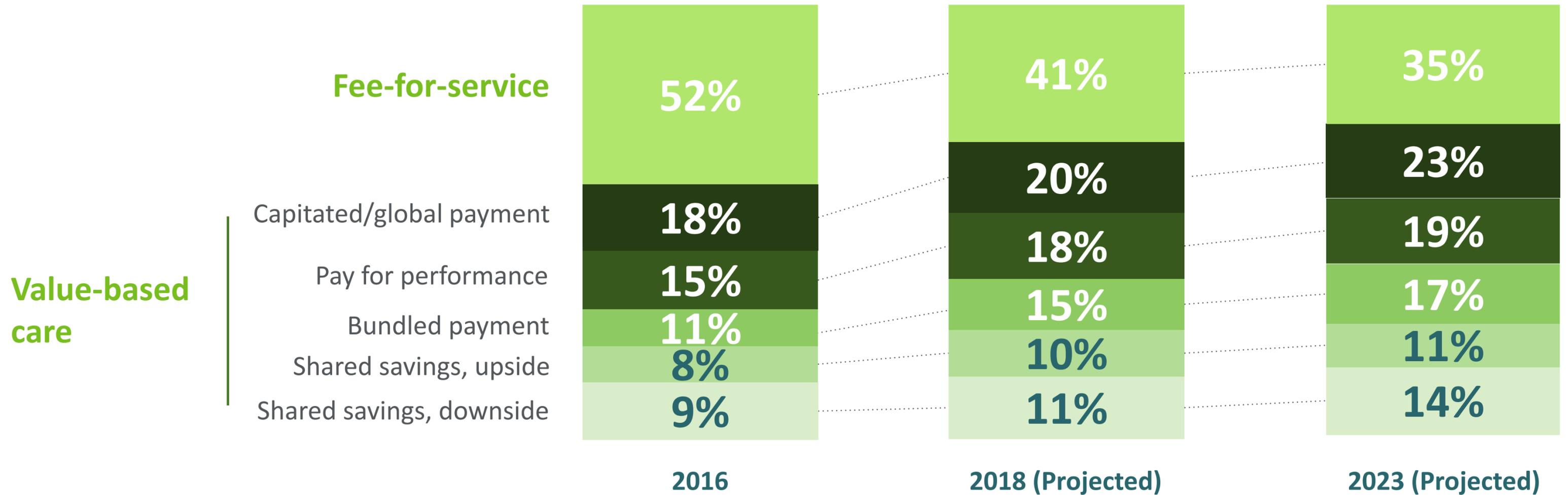
MACRA is here to stay

Medicare Access and CHIP Reauthorization Act (MACRA) passed in April 2015.

- Changes the way Medicare rewards clinicians for value over volume
- Streamlines multiple quality programs under the new Merit-Based Incentive Payments System (MIPS)
- Provides bonus payments for participation in eligible Alternative Payment Models (APMs)

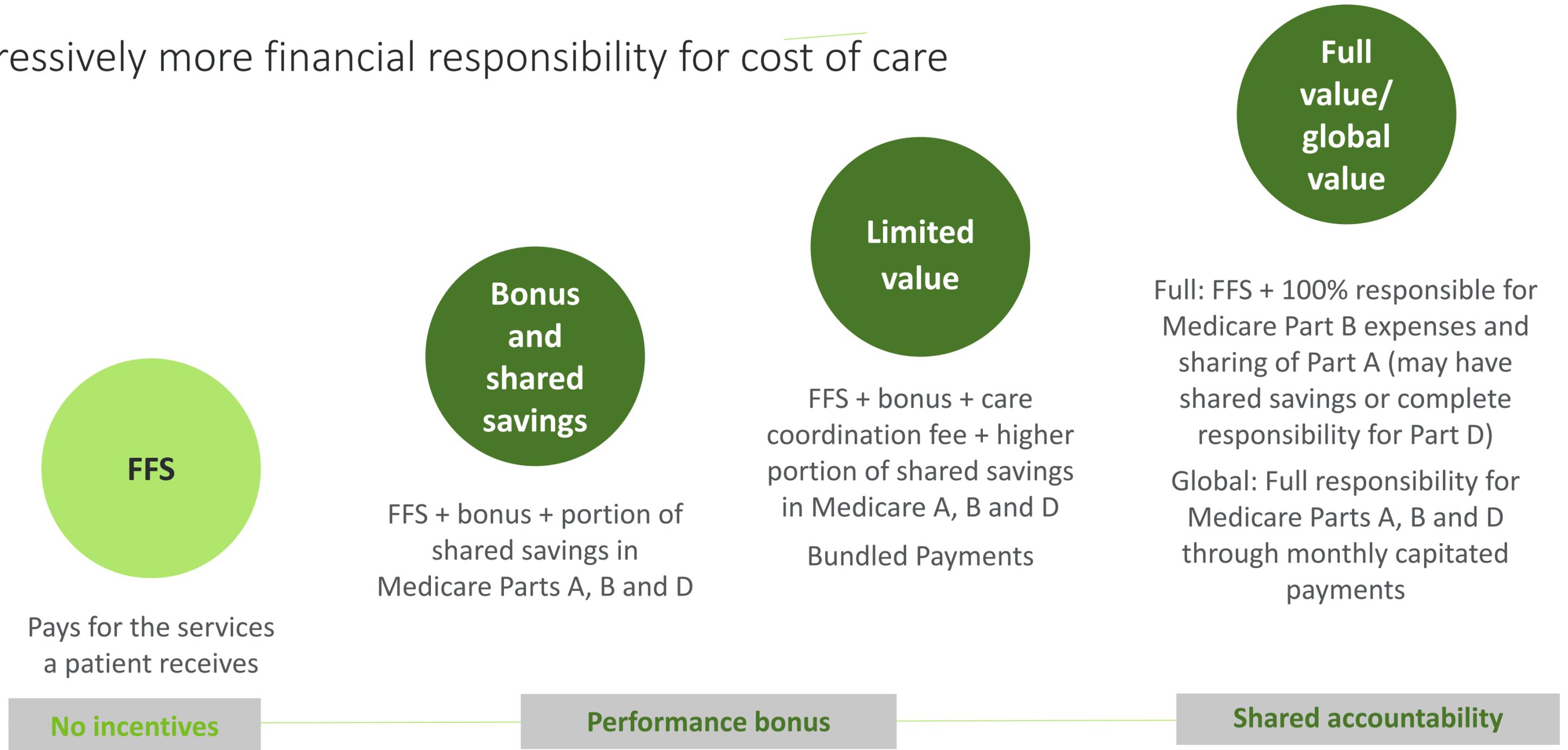
Private payers are shifting reimbursement models

Projected payment model mix



Value-based care models

Progressively more financial responsibility for cost of care



Value-based care or fee-for-service?

Patients are treated for illness or disease

Value-based care

and

Fee-for-service

Value-based care or fee-for-service?

Physicians are paid for providing health care

Value-based care

and

Fee-for-service

Value-based care or fee-for-service?

Physicians are paid for the quality of patients' outcomes

Value-based care

or

Fee-for-service

Value-based care or fee-for-service?

Physicians are incentivized to increase their volume of patients

Value-based care

or

Fee-for-service

Value-based care or fee-for-service?

Care coordination and care management are emphasized

Value-based care

or

Fee-for-service

Value-based care or fee-for-service?

System of health financing in which doctors are paid a fee for each particular service rendered

Value-based care

or

Fee-for-service

Value-based care or fee-for-service?

Incentivizes overutilization. Has been proven to increase procedures

Value-based care

or

Fee-for-service

Value-based care or fee-for-service?

Incentives for better care at lower cost; focus on quality and efficiency; coordinated and integrated care

Value-based care

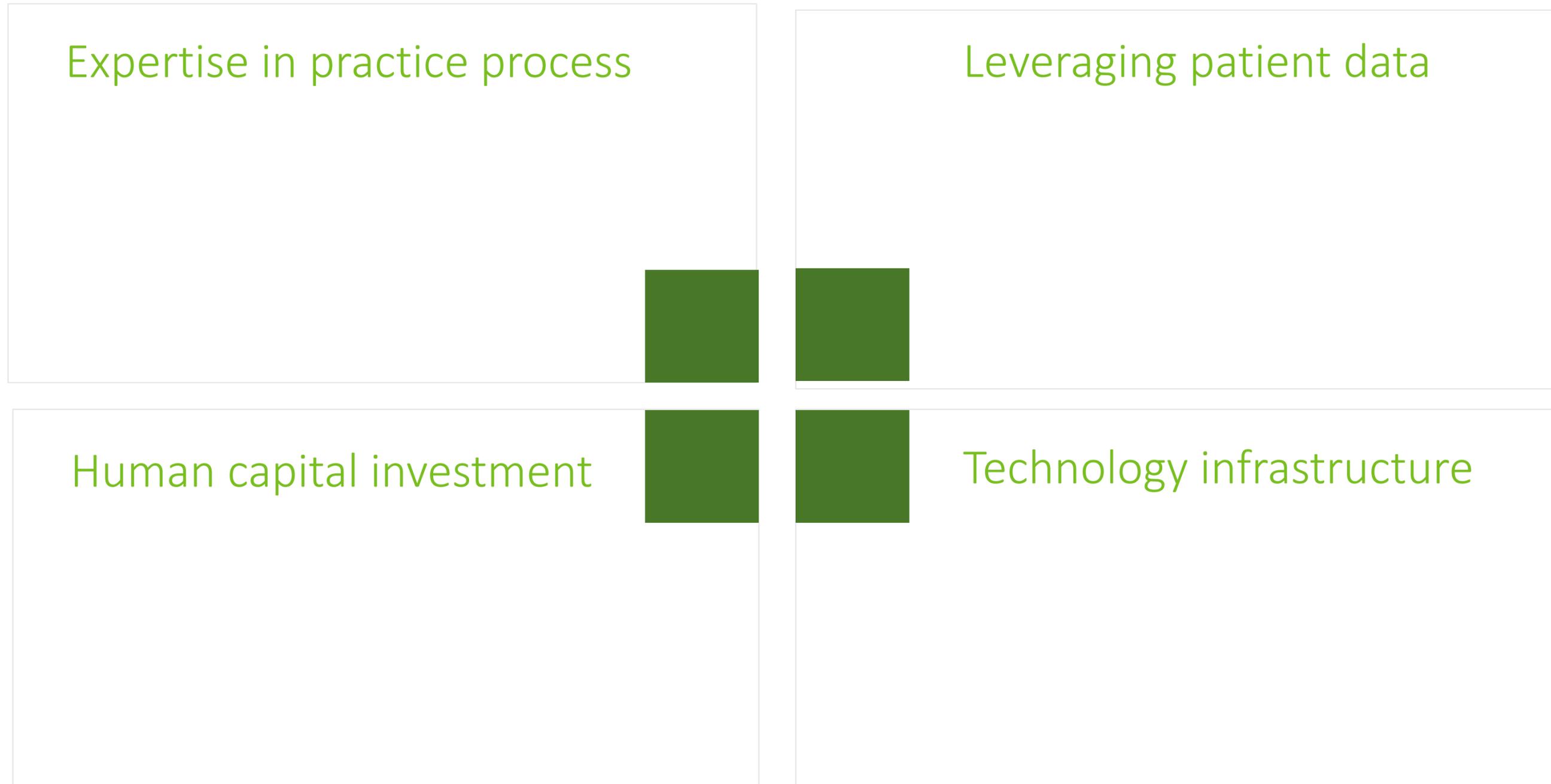
or

Fee-for-service

This changes the way physicians practice

Fee-for-service	Value-based care
Based on volume of care	Based on quality of care
Focused on sickness episodes	Focused on prevention and long-term wellness
Can result in fragmented care	Centered on coordinated care
Focus on individual utilization and cost	Focus on population utilization and cost
Care mostly provided by physician	Care provided by team
Health care providers have no financial accountability for care	Health care providers are partially to fully responsible for the cost of care delivered

Capabilities needed by a practice to successfully take care of Joe



Capabilities needed by a practice to successfully take care of Joe

Expertise in practice process

- Quality improvement strategies: quality measures, root cause analysis, Lean Six Sigma
- Clinical protocols, supported by evidence-based medicine

Leveraging patient data

Human capital investment

Technology infrastructure



Capabilities needed by a practice to successfully take care of Joe

Expertise in practice process

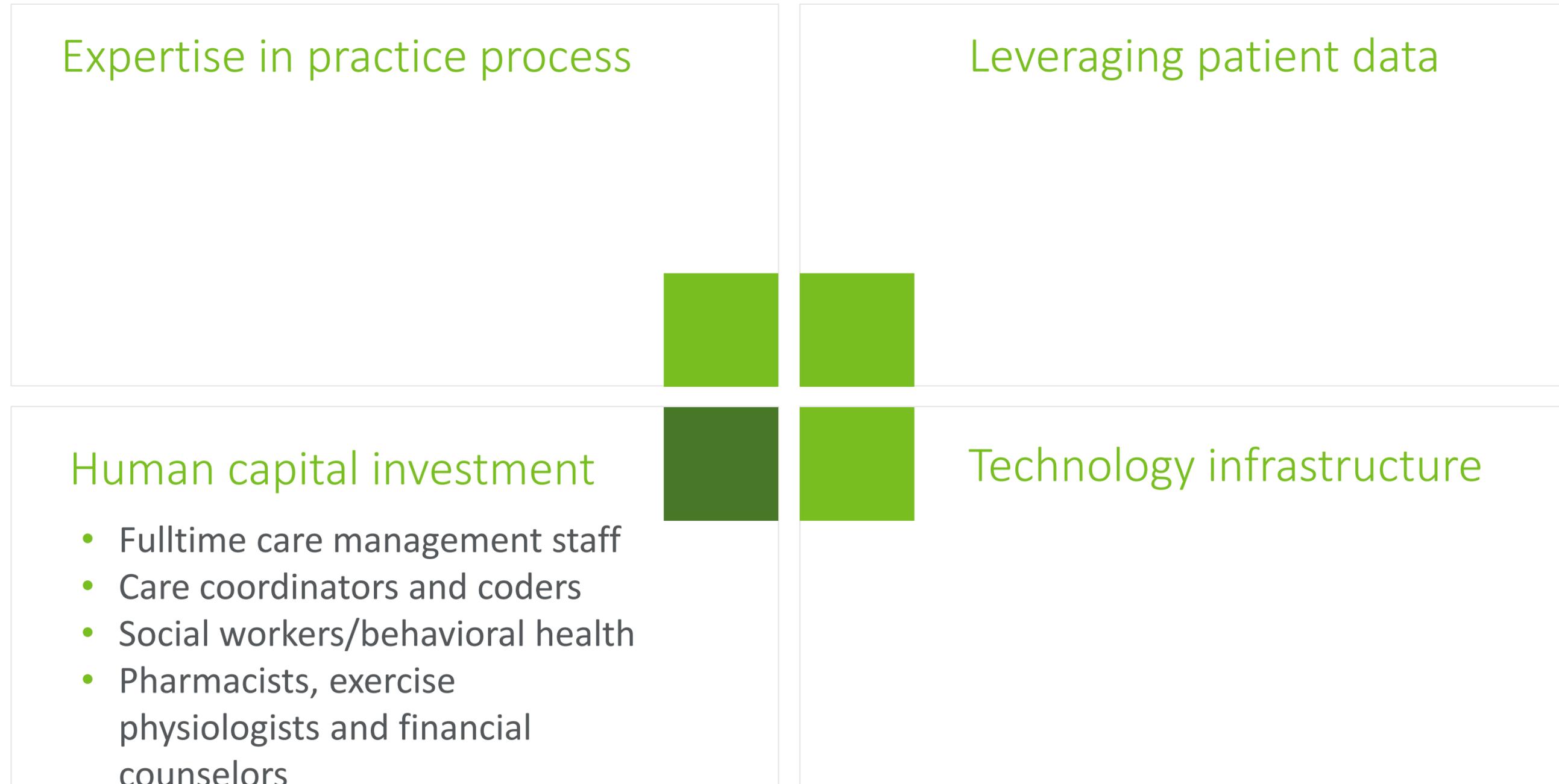
Leveraging patient data

- Minimum number of patients needed
- Accurate documentation
- Comprehensive knowledge of patients
- Identification of high-risk patients

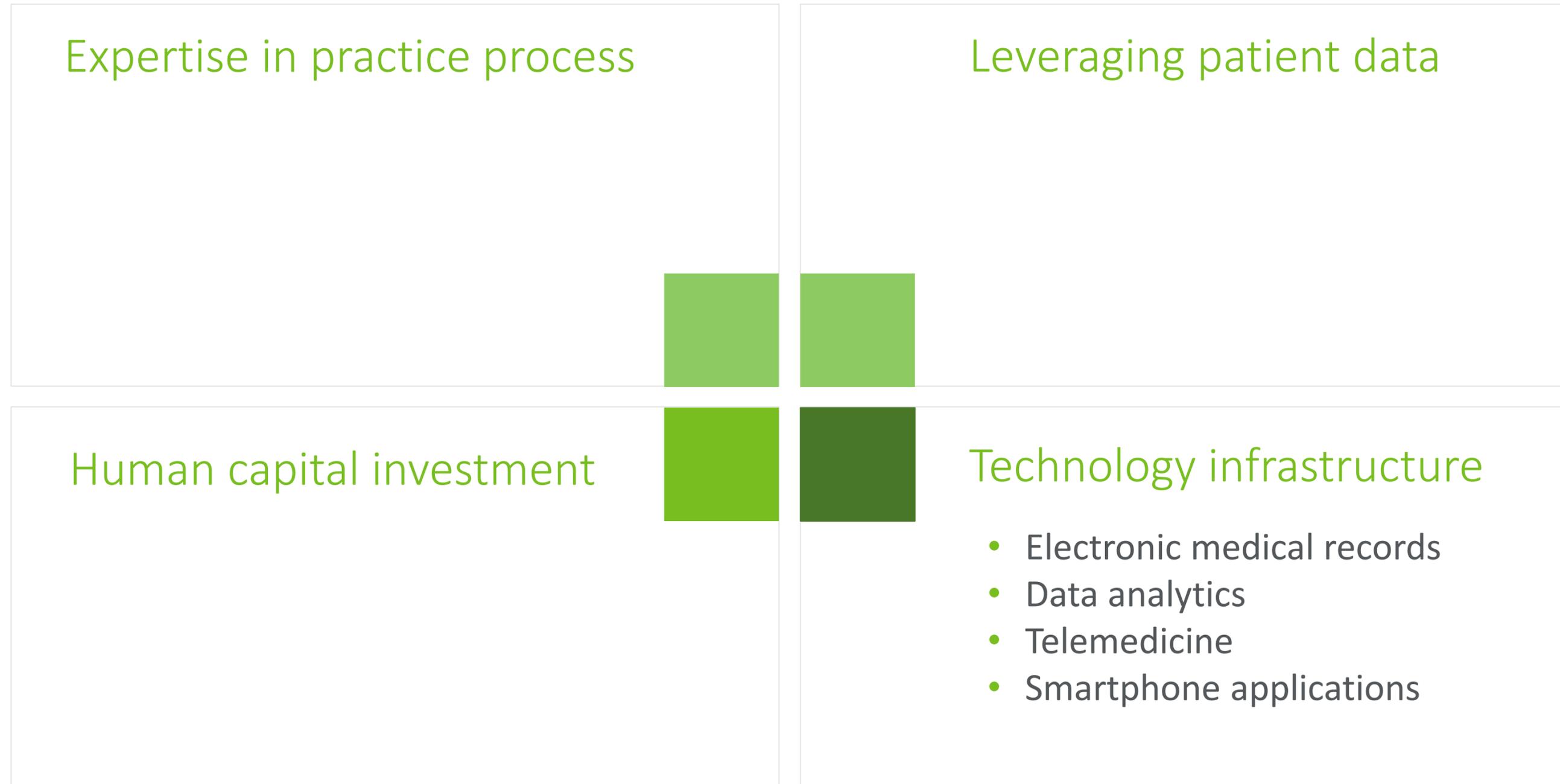
Human capital investment

Technology infrastructure

Capabilities needed by a practice to successfully take care of Joe



Capabilities needed by a practice to successfully take care of Joe



AAFP – Humana study

Family physician responses

Barriers to value-based care	Percent agreeing in 2017
Lack of staff time to implement care functions that support VBC	90%
Ability to understand the complexity of financial risk	75%
Substantial investment in health IT	86%
VBC will increase work for physicians without a benefit to the patient	58%
Quality expectations are easy to meet	8%
Value-based care models are easy to execute	4%

“

Change is possible, change is necessary, and change is coming.... There is no turning back to an unsustainable system that pays for procedures rather than value. In fact, the only option is to charge forward – for HHS to take bolder action, and for providers and payers to join with us.

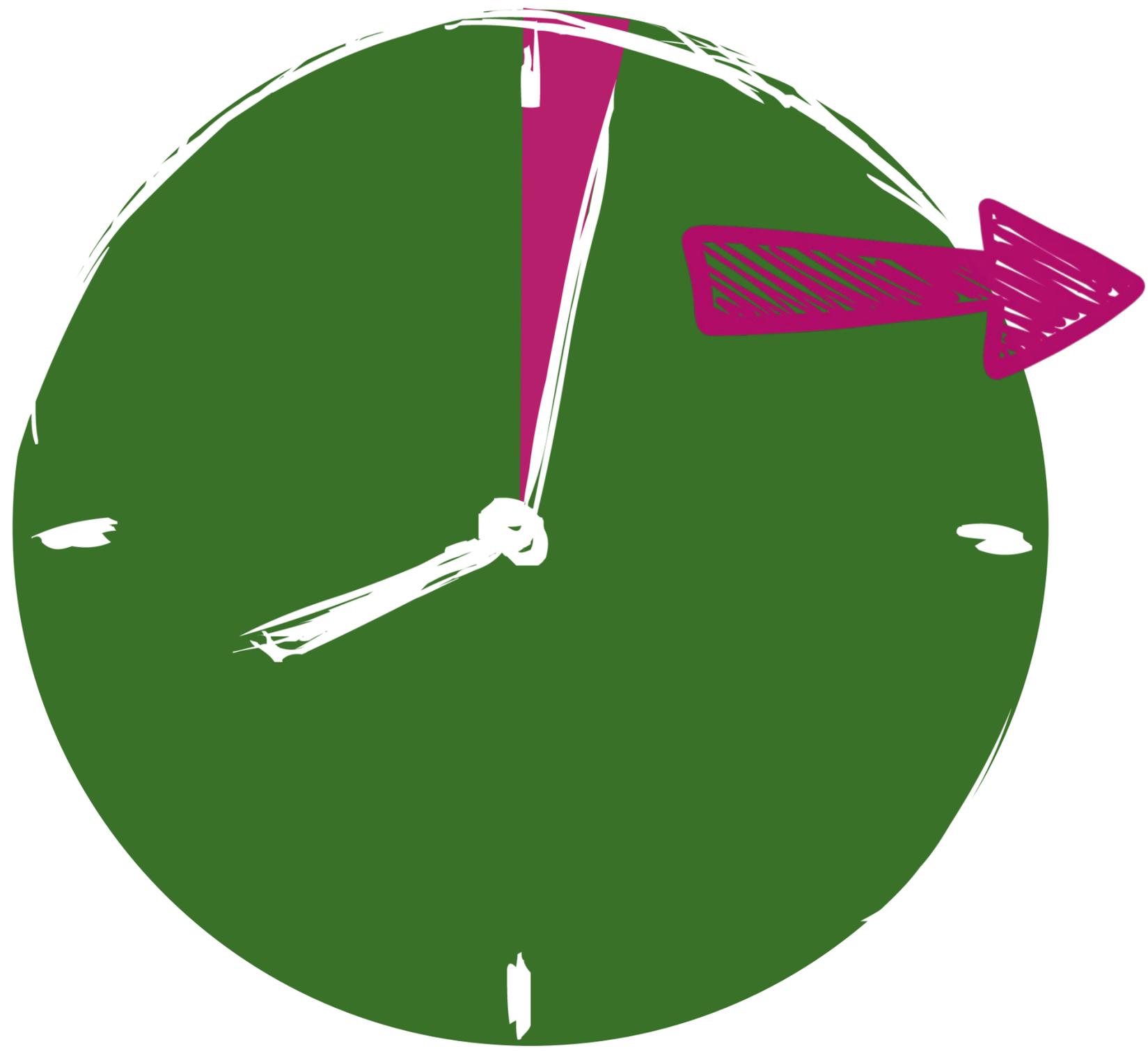
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HHS Secretary Alex Azar



Social determinants and population health





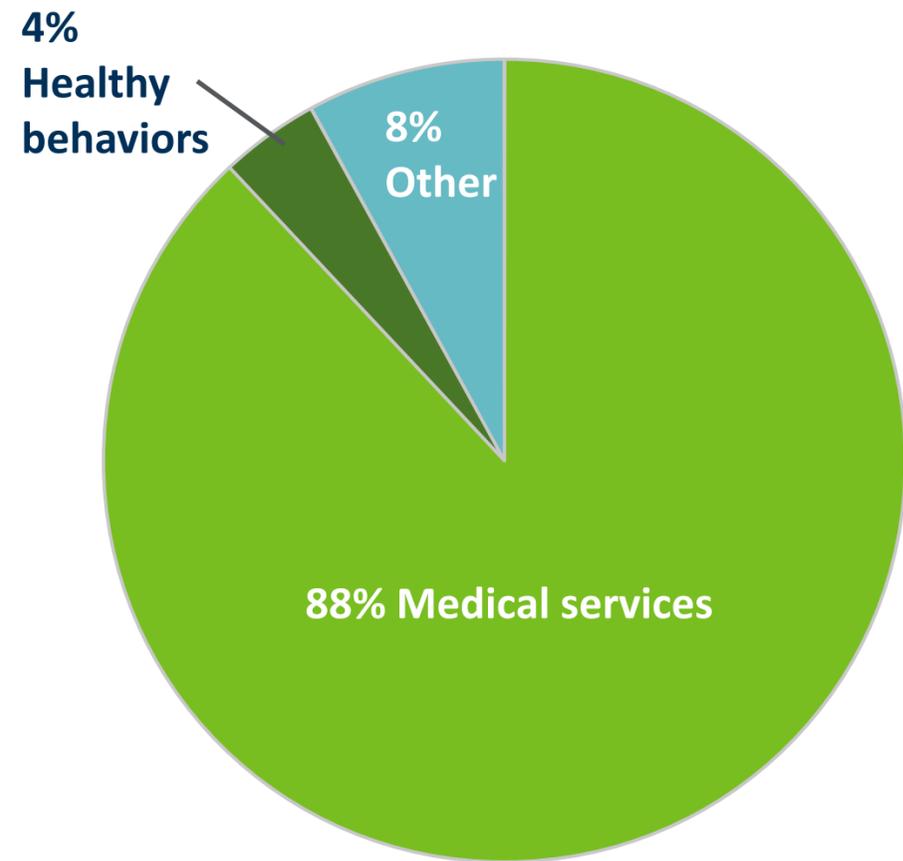
5 hours

out of 8,760 hours
are spent in a doctor's office

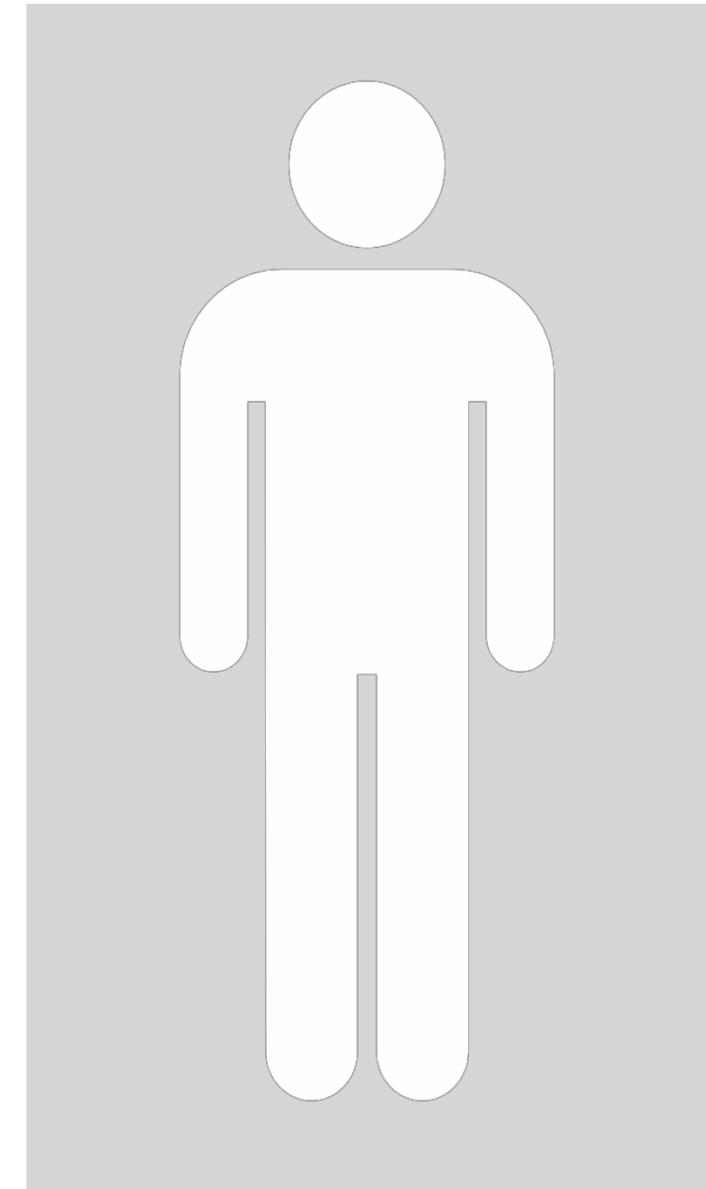
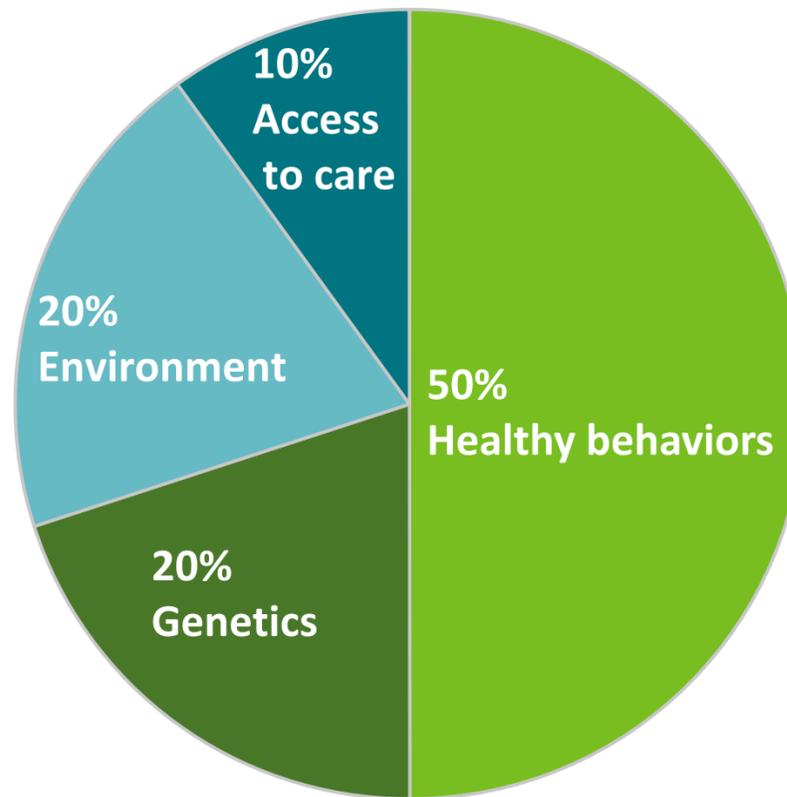
What about the other
8,755 hours?

We need to invest in the whole person

What the U.S. spends



What actually makes people healthy



What are social determinants of health?

Social determinants of health are the conditions in the environments in which people live, learn, work, play, worship and age that affect a wide range of health, functioning and quality-of-life outcomes and risks.

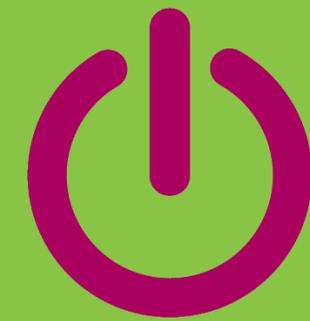
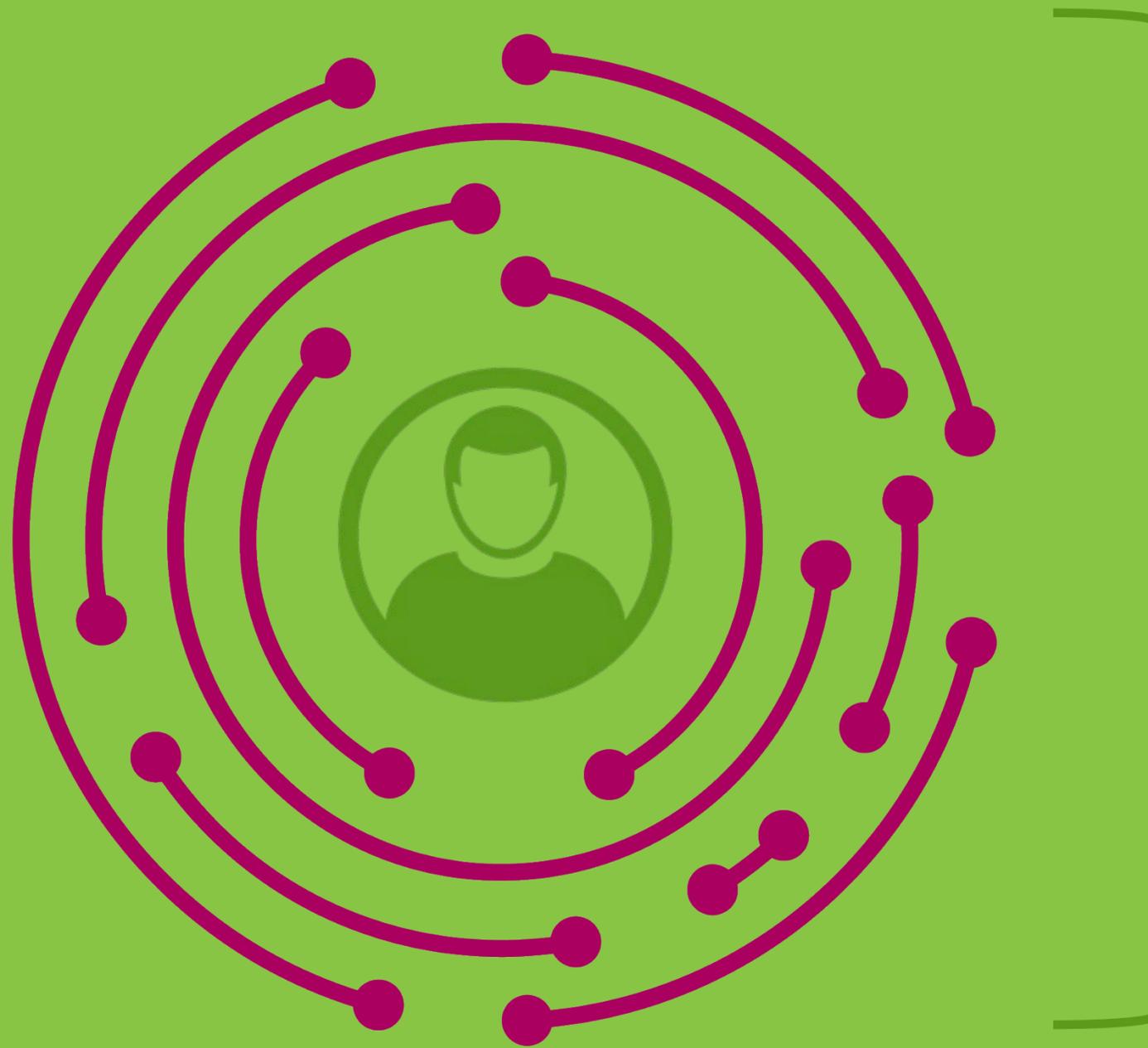


Social
determinants
of health
have a high
impact on health

**We must address clinical and non-clinical
needs
to improve health**

- Food insecurity
- Transportation
- Housing
- Loneliness and social isolation
- Unemployment

'Always on methodology'



Always on

Thank you

Humana



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