VALUE-BASED PAYMENT: ROLE OF A CLINICALLY INTEGRATED NETWORK

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DHCF
Department of Health Care Finance

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AGENDA

I. Orientation, development and adoption of value-based payment models
II. Considerations for forming a clinically integrated network
    a) Pros and cons
    b) Role of a CIN
III. Outcomes of clinical integration
IV. Key competencies for success in advanced value-based payment models

Learning Objectives

1. List which types of value-based payment (VBP) models fall into the four Health Care Payment Learning & Action Network (HCPLAN, or LAN) categories
2. Explain the pros and cons of collaborating with other CHCs to form a clinically integrated network
3. Identify how different types of alternative payment models can be used synergistically to improve population outcomes
4. Understand the new competencies that must be mastered to succeed in a total cost of care contract

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ORIENTATION, DEVELOPMENT AND ADOPTION OF VALUE-BASED PAYMENT MODELS

VALUE-BASED PAYMENT MODEL CONTINUUM

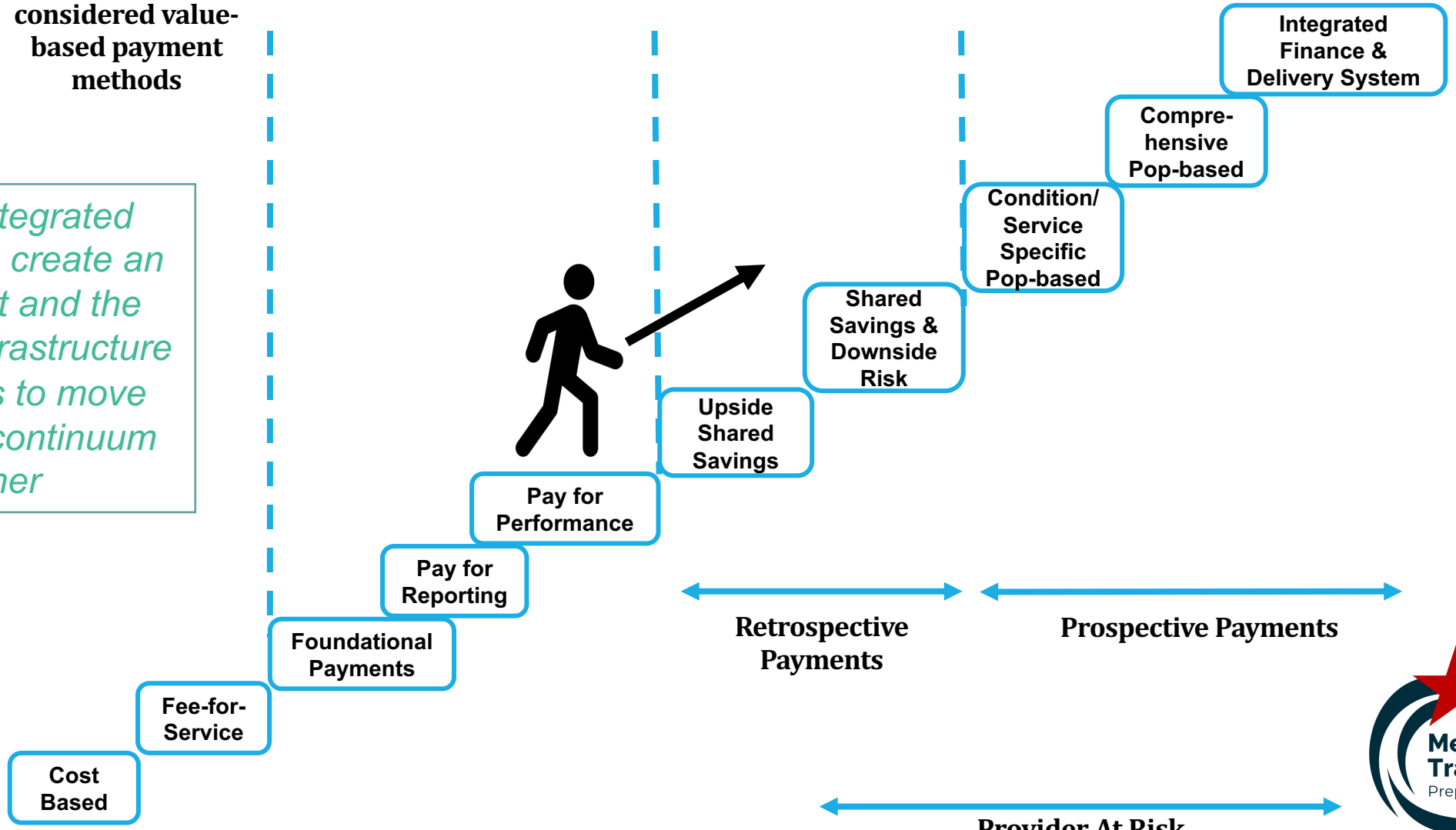
Cat 1: No link to quality and not considered value-based payment methods

Cat 2: FFS link to quality and value

Cat 3: APM built on FFS

Cat 4: Population-based payments

Clinically integrated networks can create an environment and the supporting infrastructure for providers to move through the continuum together



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CMS GOALS FOR VALUE-BASED PAYMENT MODEL ADOPTION

LAN GOAL STATEMENT

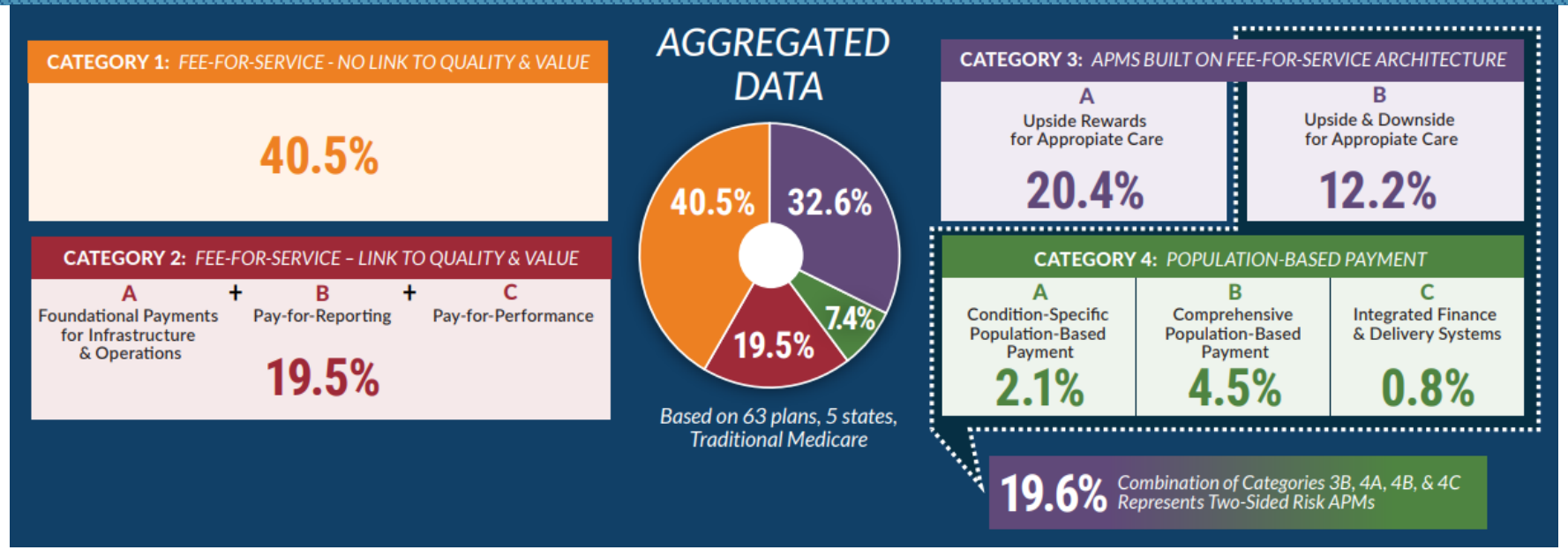
Accelerate the percentage of US health care payments tied to quality and value in each market segment through adoption of two-sided risk alternative payment models.

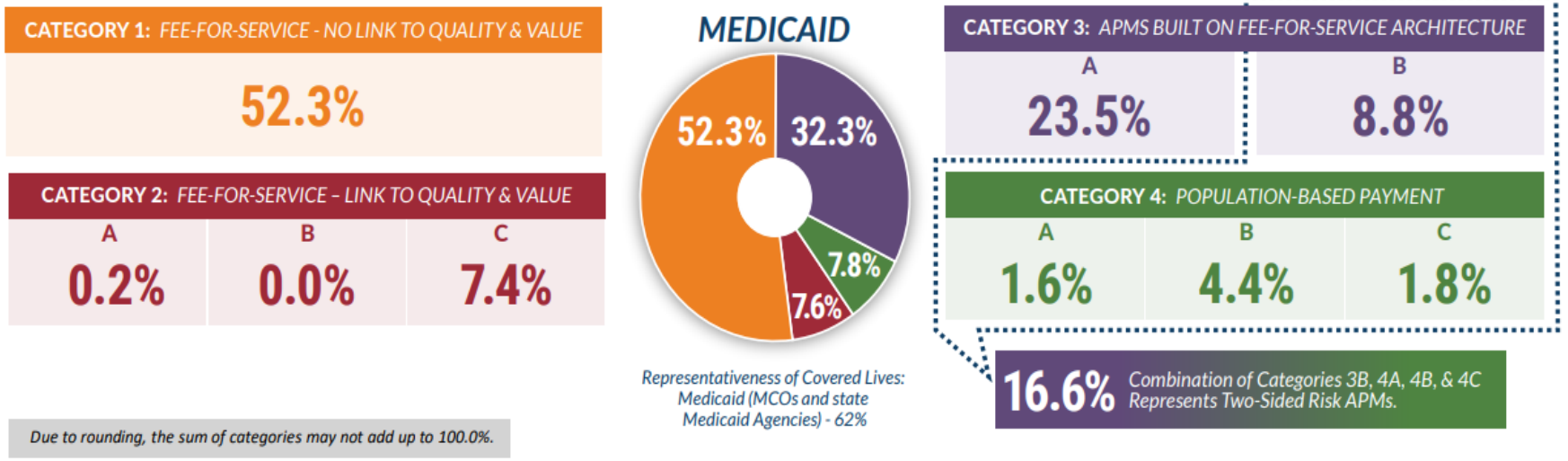
	Medicaid	Commercial	Medicare Advantage	Traditional Medicare
2024	25%	25%	55%	50%
2025	30%	30%	65%	60%
2030	50%	50%	100%	100%

- CMS has aggressive goals of moving providers into value-based payment models.
- Due to unsustainable medical expenditure trends, among other factors, CMS and the HCP LAN set goals to move providers into further risk.
- These goals have influenced policy and model development with aims of increasing provider participation in value-based payment models, especially safety net providers and providers practicing in underserved areas.

Source: https://innovation.cms.gov/innovation-models/health-care-payment-learning-and-action-network

VALUE-BASED PAYMENT MODEL ADOPTION BY LAN CATEGORY

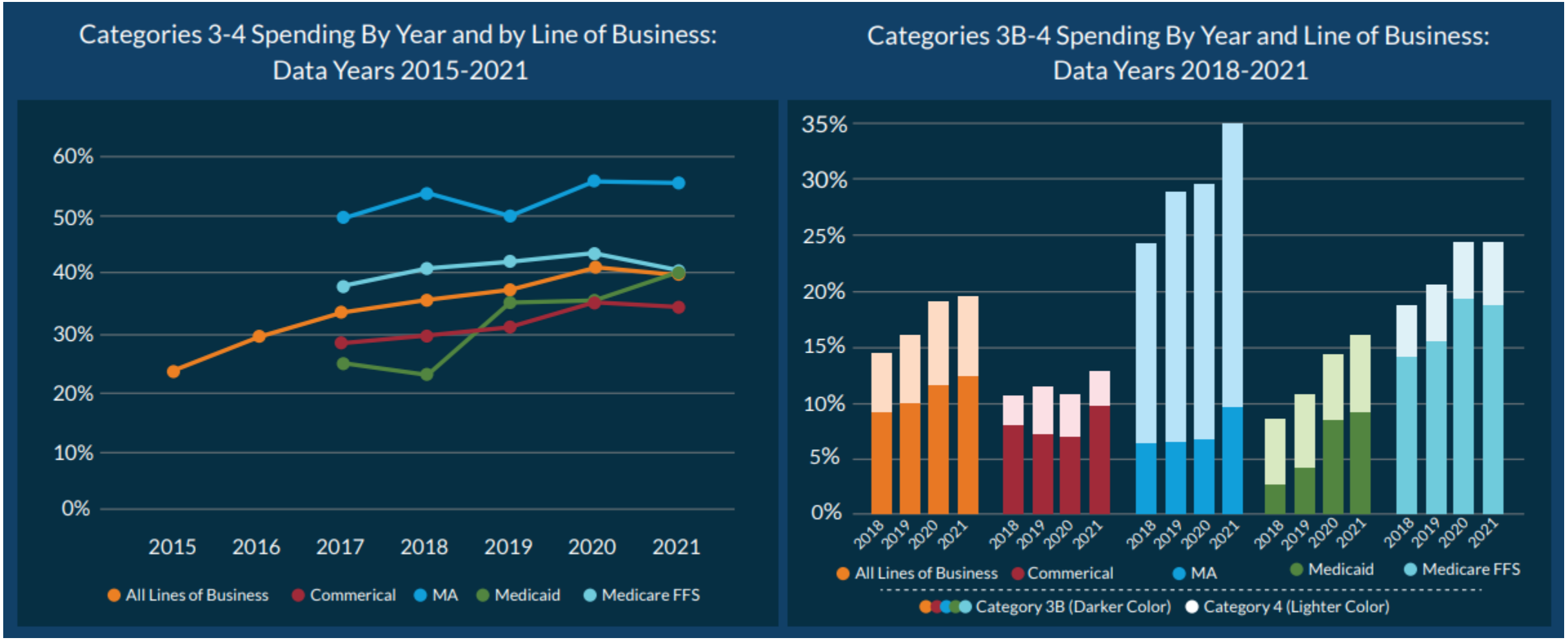




- Over half of all payments, across lines of business are associated with providers in a pay-for-performance or more advanced valued-based models, as of HCP LAN's 2021 industry survey.
- The Medicaid line of business lags the overall trends still having a higher level of payments tied to providers in FFS arrangements.
- However, in the past four years, the Medicaid line of business has been increasing its presence of LAN category 3 and 4 value-based models.

Source: https://hcp-lan.org/apm-measurement-effort/2022-apm/

VALUE-BASED PAYMENT MODEL ADOPTION BY LINE OF BUSINESS



Source: https://hcp-lan.org/apm-measurement-effort/2022-apm/

CONSIDERATIONS FOR FORMING A CLINICALLY INTEGRATED NETWORK

WHAT IS A CLINICALLY INTEGRATED NETWORK (CIN)?

A Clinically Integrated Network (CIN) is a selective partnership of health care providers whose purpose is to deliver evidence-based care, improve quality, efficiency, and coordination of care, and demonstrate value to the market.

WHY PARTICIPATE IN A CLINICALLY INTEGRATED NETWORK?

- Facilitates identification of opportunities to improve population outcomes, share experience and ideas, develop and adopt more effective models of care.
- Creates strength in numbers – Enables providers to participate in sophisticated value-based payment arrangements beyond what they might be able to do on their own.
- Facilitates standardized, high-performing care management services which enhances likelihood to contract for delegated responsibilities.
- Brings membership size and geographic coverage to leverage payer negotiations.
- Secures claims data and the means of analysis to support it. Leads to actionable reporting including benchmarking to facilitating interpretation of results.
- Creates economies of scale – Centralizes infrastructure allowing for joint investment, reducing overhead expenses.
- Insulates health centers from financial risk under VBP arrangements.
- Enables providers to expand their current offerings (care models, tools for self-management, interventions, services to coordinate care outside the walls of the clinic) to their patients and expand their capacity to treat patients in their community.

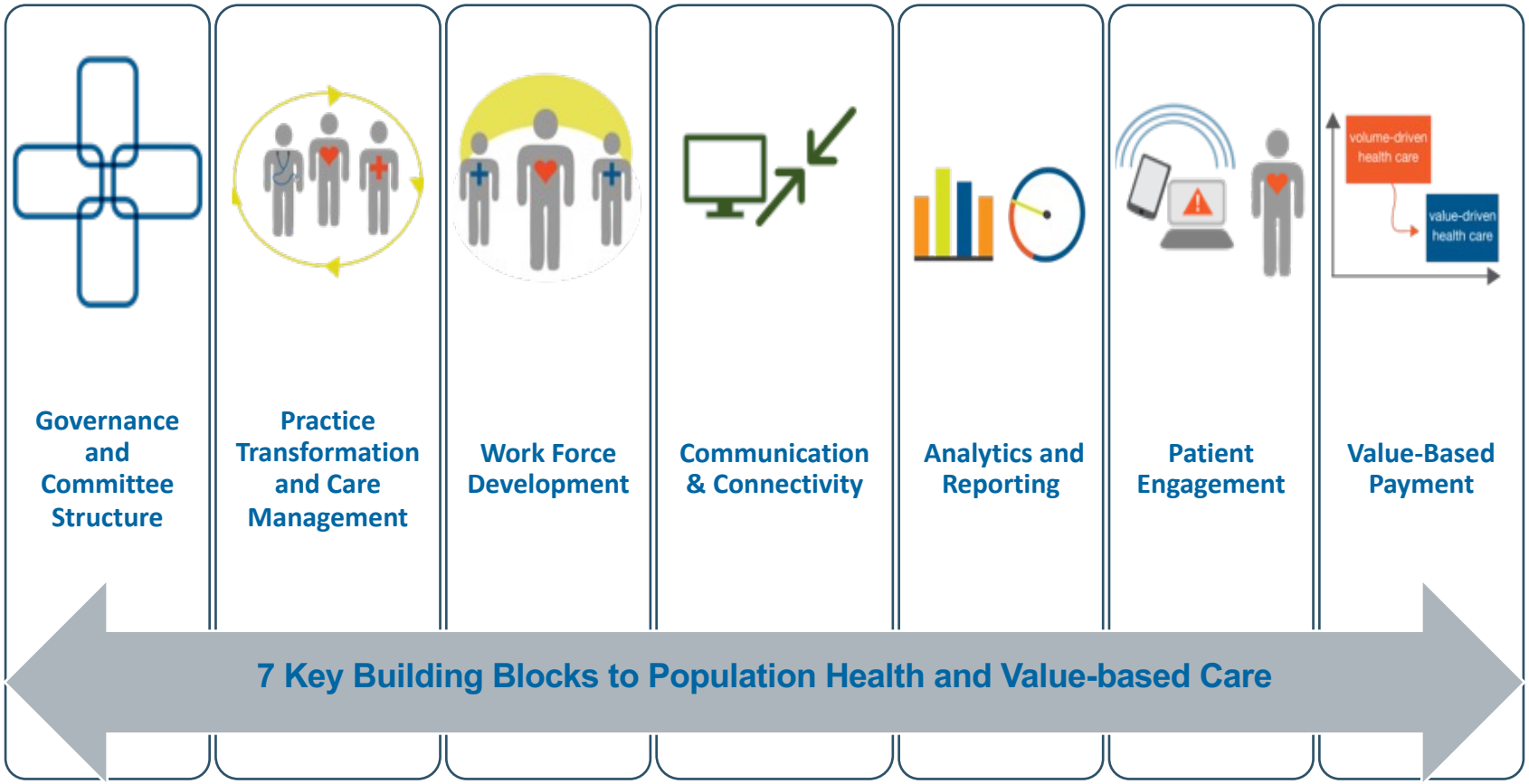
HOW DOES A CIN DEVELOP TRUST AND COMMON PURPOSE?

- It takes time and open dialogue to begin to understand the uniqueness of each FQHC and develop accountability to each other for performance and outcomes.
- It involves understanding of the factors that drive financial success under the negotiated value-based payment agreement with payers.
- It includes sharing your experience and best ideas with each other.
- It includes jointly developed and implemented models of care that improve population outcomes rather than maintaining the status quo.
- It sometimes requires individual sacrifice for the good of the whole.
- It recognizes contribution to achieve joint outcomes.
- It results in joint investment in the future success of the CIN.

WHAT ARE THE CONSIDERATIONS FOR CREATING A CIN?

- Structure, and ownership (see previous webinars on this subject)
- Alignment on a mission and vision
- Outlining appropriate initial and ongoing capital investment
- Committee and workgroup structure
- Clinical and care management strategy
- Staffing
- Infrastructure assessment and build
- MCO contracting strategy
- Budgeting
- Principles for incentive distribution - balancing infrastructure funding, building reserves, and incenting providers

WHAT IS A FRAMEWORK FOR CREATING A CIN?



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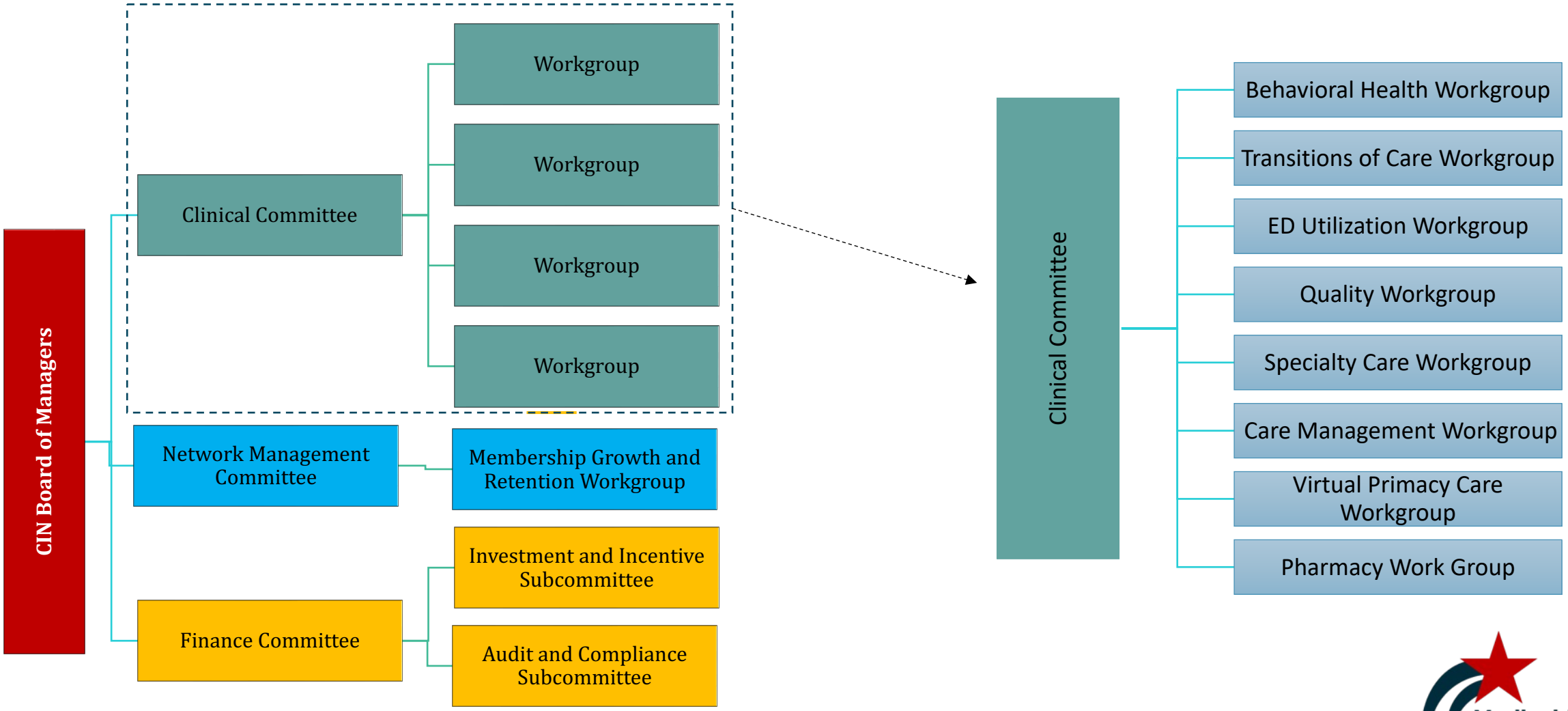
WHAT IS AN EXAMPLE OF A CIN COMMITTEE AND WORKGROUP STRUCTURE?



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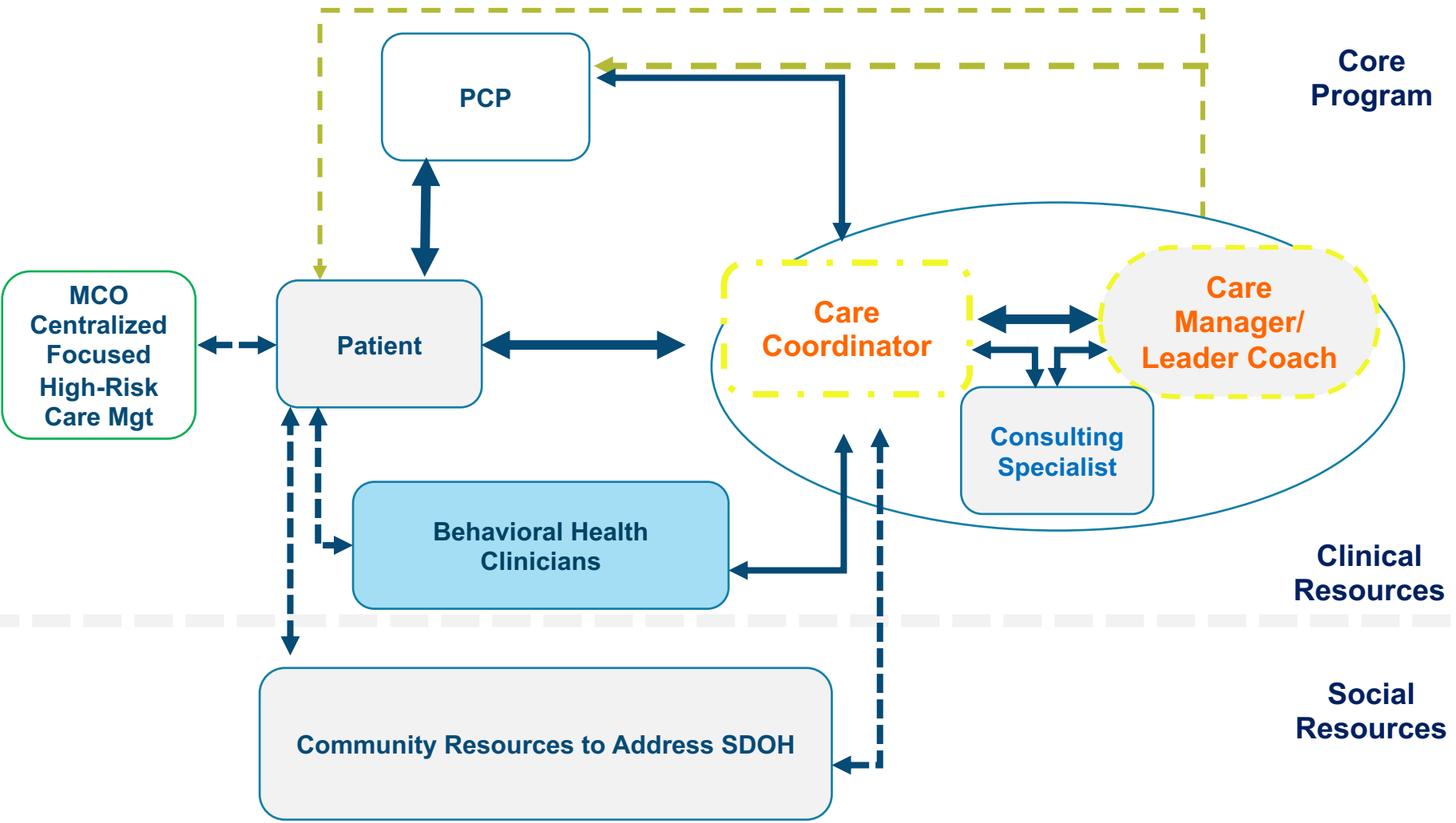
WHAT IS AN EXAMPLE OF A PHYSICAL AND BH INTEGRATED MODEL OF CARE?



Patients

- ✓ Personalized, whole-person care
- ✓ Better navigation to access health care needs
- ✓ Engagement and trust

Providers

- ✓ Build trust with provider
- ✓ Allow care manager to be part of the medical home
- ✓ Facilitate free flow of timely information and warm handoffs

WHAT ROLE DOES THE CIN ANALYTIC TEAM PLAY?

- Importing, integrating and analyzing disparate data sources
- Risk stratifying to guide application of the model of care
- Reporting to guide operations and improvement activities
- Reporting outcomes to demonstrate compliance and effectiveness to payers and other regulatory agencies

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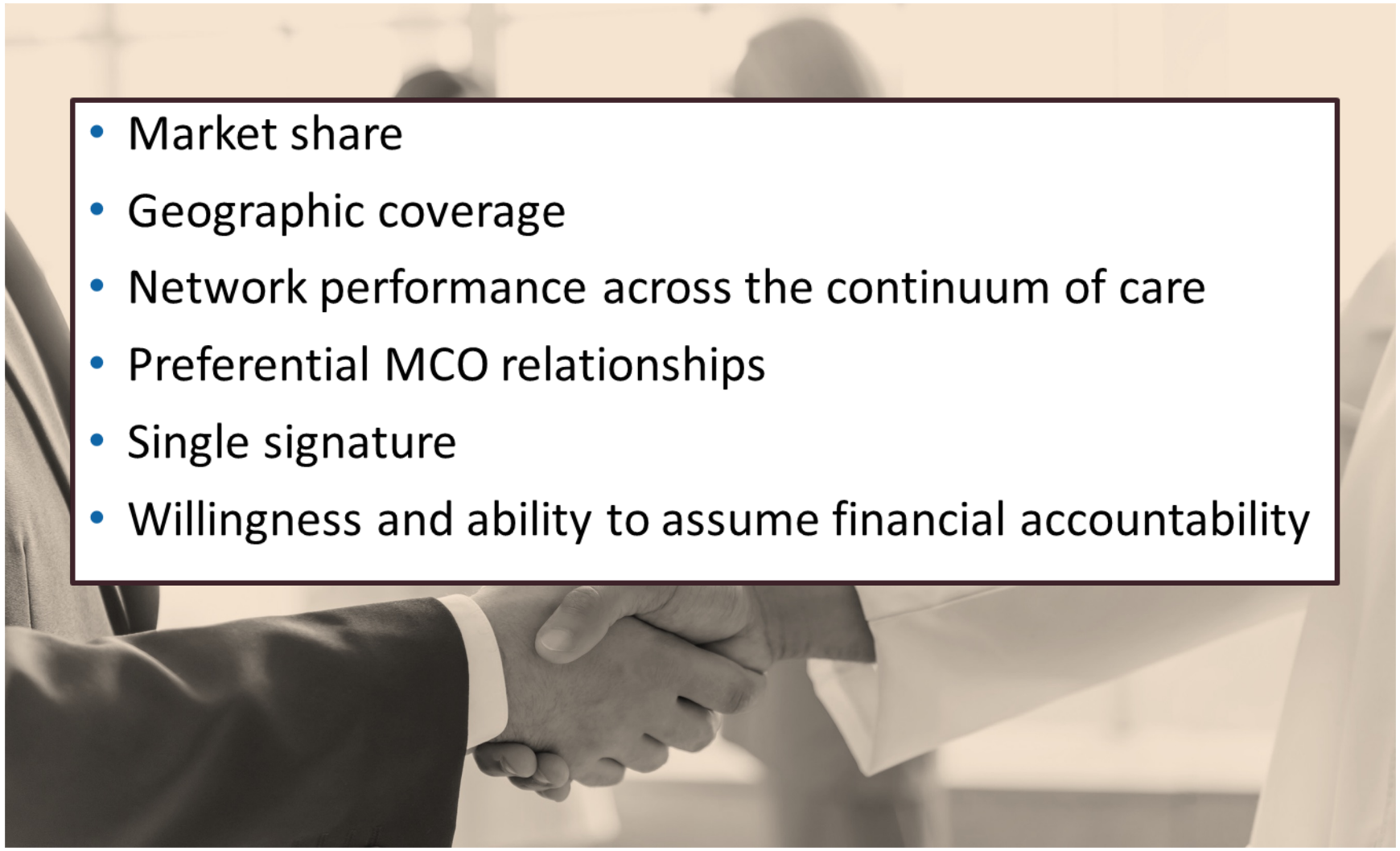
HOW DOES A CIN CREATE CONTRACTING LEVERAGE?



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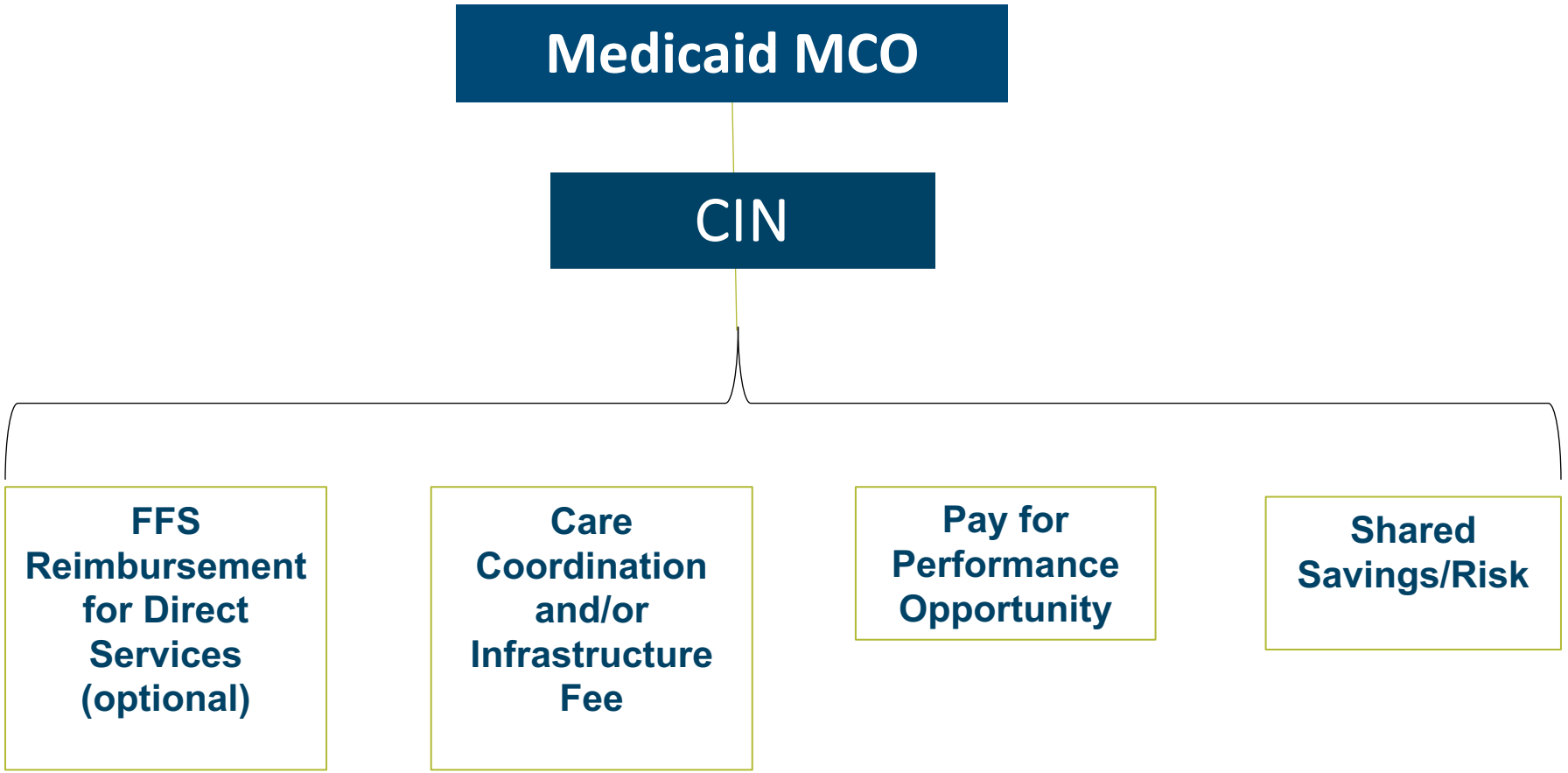
WHAT DOES A CIN CONTRACT FOR?



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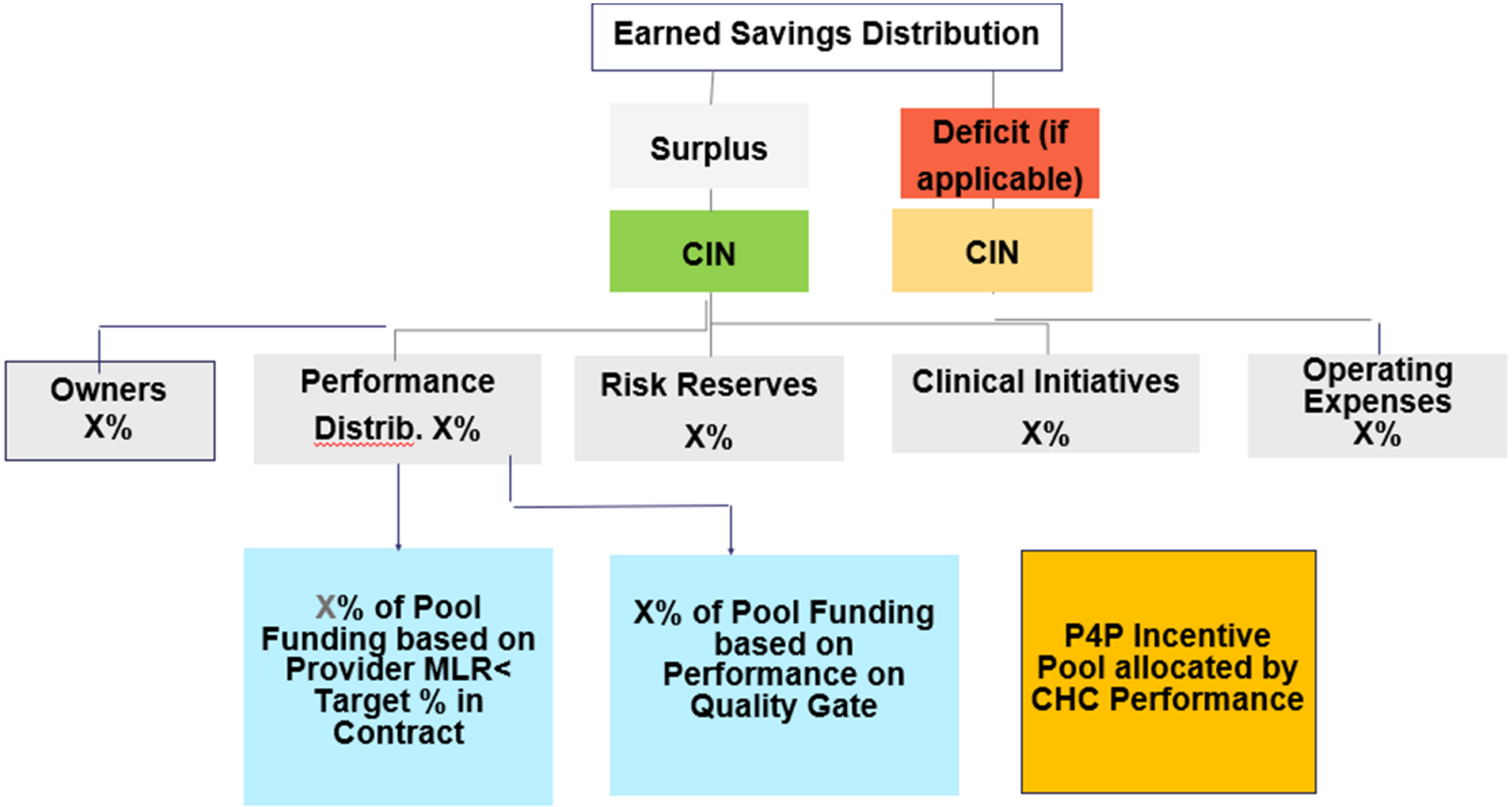
WHAT DOES IT MEAN FOR A CIN TO BE FINANCIALLY INTEGRATED?



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CLINICAL INTEGRATION OUTCOMES AND TRENDS

CLINICAL INTEGRATION TRENDS AND OUTCOMES

Medicare Shared Savings Program (MSSP) Trends and Insights

- Increasing participation and lives covered under the ACO model
- Improved performance
  - Increasing % of ACOs achieving savings relative to benchmark
  - Increasing % of ACOs earning shared savings
- Physician group-led ACOs were more likely than hospital-led or jointly led ACOs to realize savings relative to their benchmark and to receive bonus payments
- Shared savings per capita and the percentage of ACOs achieving shared savings were higher among ACOs that had a high number or density of FQHCs in the network

Historical MSSP Results

Performance Year	Number ACOs Participating	Percent in Upside-Only Risk	Percent Achieving Savings Relative to Benchmark	Percent Receiving Shared Savings Bonus	Net Program Savings Per Capita
2012 - 2013	220	98%	54%	24%	-$21
2014	333	99%	54%	26%	-$9
2015	392	99%	52%	30%	-$30
2016	432	95%	56%	31%	-$5
2017	561	92%	60%	34%	$35
2018	548	83%	66%	37%	$73
2019		67%			
Legacy MSSP Tracks)	475	82%	50%	50%	$88
Pathways Tracks)	205	53%	57%	57%	$85
2020	513	63%	83%	67%	$190
2021	475	59%	81%	58%	$190

2021 MSSP Results by # of FQHCs in Network

FQHCs in ACO Network	Average of Net Savings Per Capita	Percentage of ACOs Achieving Shared Savings	Count of ACO
<1	$183.32	58%	363
1-5	$134.80	41%	32
6-10	$166.35	41%	17
11-16	$201.18	61%	23
>16	$302.34	75%	40

Source: Health Affairs – Performance Results Medicare Shared Savings Program 2021

KEY COMPETENCIES FOR SUCCESS IN ADVANCED VALUE-BASED PAYMENT MODELS

KEY FUNCTIONS OF A HIGH PERFORMING CIN

Clinically integrated networks bring together providers with the aims of:

- Sharing clinical and outcomes data
- Developing and committing to evidence-based clinical guidelines
- Coordinating care across a continuum

Key Functions:

- Contract across lines of business for value-based payment models, yielding economies of scale and "physician mind share"
- Develop governance and clinical integration committees and workgroups to solve complex patient challenges and coordination of care issues
- Enhance data aggregation and integration for risk stratification
  - Claims and attribution/eligibility
  - EMR data
  - Health Information Exchanges (HIEs)
  - Admission/Discharge/Transfer (ADT) data from hospitals
  - Health risk assessment data
- Provide advanced data analytics to identify opportunities and monitor effectiveness of clinical initiatives
- Implement standardized care management and care coordination models
- Develop value-based contract performance monitoring
  - Provider engagement and performance monitoring
- Effectively manage incentive distribution to participating providers

WRAP-UP/NEXT STEPS

BRIEF EVALUATION

1. Overall rating:

1. Poor 2. Fair 3. Average 4. Good 5. Excellent

2. Content Level:

1. Too Easy 2. Just Right 3. Too Advanced

3. Which TA modalities are you interested in for additional TA? *(Select all that apply)*

1. Webinars 2. Individual Coaching 3. Group Coaching

4. Which domains are you interested in receiving additional TA in? *(Select all that apply)*

1. Financial 2. Clinical 3. Legal 4. Business

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UPCOMING SESSIONS & MORE INFORMATION

Upcoming Cohort Sessions:

- Managing High-Cost High Need Individuals – *Thursday, Sept. 14 (12-1 PM ET)*
- Key Considerations for Value Based Payment Arrangements – *Tuesday, Sept. 19 (12-1 PM ET)*

Visit the Medicaid Business Transformation DC web page for more information and upcoming events:

www.integratedcaredc.com/medicaid-business-transformation-dc/

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September 21st

VBP Virtual Learning Collaborative

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