Navigating Alternative Payment Models

A Guide for Independent Practices
Thanks. I’ll use the stars are aligning pitch but it will need to be updated. Can you help me with that? I think that we can also leverage some of the new materials we’ve done for CCM and MIPs to make sure its up-to-date. I’d also like to have more information about the success of our MSSP ACOs in reducing readmissions/hospital stays and the work that we are now doing with commercial payers. We can leverage some of the materials that we’ve recently done for KS because given geography they are a great group for us to reference. I don’t think we used that deck last year when Scott presented (I’m cc-ing him to make sure) but if we did we may need come up with a new presentation.

Take care,

Mat

Tucker Plunkett, 6/6/2017

In addition to the CCM/MIPs, we should leverage the new CPC+ one pager for this market as well. - Scott

Tucker Plunkett, 6/6/2017
Learning Objectives

1. Evaluating the Value-Based Care Landscape
2. Examining Opportunities for Independent Practices
3. Understanding the Future: How to Move Forward

Agenda

1. Introduction – Evaluating a Shifting Landscape
2. Opportunities for Independent Providers
3. Medicare Shared Savings Program and MACRA
4. The Future – Value Based Models Evolve Beyond Medicare
5. Conclusion – How Independent Providers Can Navigate (and Thrive) in a Value Based Health Care System
Health Care Spending in Fee-for-Service System

Long-Term Federal Spending Projections, 1974-2039

- Other Noninterest Spending
- Federal Spending on the Major Health Care Programs
- Social Security

Source: Congressional Budget Office, 2015 Long-Term Budget Outlook.

The Three Goals of Value-Based Care

- Control Costs for High Value Care
- Improve the health of patient populations
- Improve individual patient experience
The Triple Aim

Good for Doctors

Good for Society

Good for Patients

Value-Aligned Incentives

Value-Based Care

Coordinated Care

Reduce Waste

The Shift to Value-Based Care Isn’t Just Here to Stay; It’s Accelerating

Hospitals Give Health Law Real-World Test
Accountable-Care Organizations Are Among the Health Act’s Main Cost-Cutting Efforts

Medicare Payment Reform: Aligning Incentives for Better Care

This small, wonky Obamacare program saved $384 million over 2 years

Where healthcare is now on march to value-based pay

Gov’t to Overhaul Medicare Payments to Doctors, Hospitals
The Result: Providers Are Overwhelmed with Details

The Value-Based Sky Can Look Unconnected…
…But Constellations Are There…

…And the Stars Can Be Aligned…
Your poll will show here

1
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2
Make sure you are in Slide Show mode

Still not working? Get help at pollev.com/app/help or Open poll in your web browser
Introducing… Independent Primary Care, LLC.

**Independent Primary Care, LLC. Anywhere, USA**
- 2 Primary Care Physicians
- Leading practice in the community
- High quality patient care
- Meaningful EHR User

<table>
<thead>
<tr>
<th></th>
<th># Patients</th>
<th>Avg. Annual Visits</th>
<th>Total practice visits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Medicare</strong></td>
<td>30%</td>
<td>600</td>
<td>3.96</td>
</tr>
<tr>
<td><strong>Commercial</strong></td>
<td>60%</td>
<td>1200</td>
<td>1</td>
</tr>
<tr>
<td><strong>Medicaid</strong></td>
<td>10%</td>
<td>200</td>
<td>2</td>
</tr>
<tr>
<td><strong>Practice Total</strong></td>
<td>100%</td>
<td>2000</td>
<td>1.988</td>
</tr>
</tbody>
</table>

**Transitions of Care/Hospital Readmission**

**TRANSITIONS OF CARE**

<table>
<thead>
<tr>
<th>PROBLEM</th>
<th>15% of discharged hospital patients readmitted within 30 days.</th>
</tr>
</thead>
</table>
| OPPORTUNITY | • Patient Contact within 48 hours reduces readmission.  
|           | • $250 for post-discharge patient follow-up. |
| IMPACT | • Fewer hospital days.  
|        | • Reduce chances of hospital-acquired infections. |
| REVENUE POTENTIAL | $15,075 |
MLK19 We need to start writing notes, with at least the mathing that gets us to the potential revenue.
Mat Kendall, 7/26/2015
### Chronic Care Management

<table>
<thead>
<tr>
<th>CHRONIC CARE MANAGEMENT</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROBLEM</strong></td>
<td>Patients with chronic conditions have costs 2x higher than average.</td>
</tr>
<tr>
<td><strong>OPPORTUNITY</strong></td>
<td>Monthly $40 payment to provide care management to patients with 2+ chronic conditions.</td>
</tr>
</tbody>
</table>
| **IMPACT**              | • Support for patients and families  
                          • Reduced duplicative testing  
                          • Greater medication adherence |
| **REVENUE POTENTIAL**   | $52,800 |

### Value-based Modifier

<table>
<thead>
<tr>
<th>VALUE-BASED MODIFIER</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROBLEM</strong></td>
<td>Beginning in 2016, CMS will reward providers for quality of care.</td>
</tr>
<tr>
<td><strong>OPPORTUNITY</strong></td>
<td>±4% payment adjustment to providers based on risk adjusted cost and quality.</td>
</tr>
<tr>
<td><strong>IMPACT</strong></td>
<td>Financial incentive to deliver high-quality care.</td>
</tr>
<tr>
<td><strong>REVENUE POTENTIAL</strong></td>
<td>±$6,653</td>
</tr>
</tbody>
</table>
Agenda

Introduction – Evaluating a Shifting Landscape
Opportunities for Independent Providers

Medicare Shared Savings Program and MACRA

The Future – Value Based Models Evolve Beyond Medicare

Conclusion – How Independent Providers Can Navigate (and Thrive) in a Value Based Health Care System

About Medicare Shared Savings Program

- Launched April 2012
- 433 MSSP ACOs total with 7.7 million beneficiaries
- Minimum 5,000 Medicare FFS Beneficiaries
- 3-year contract
- Track 1: Shared Savings
- Track 3: Shared Risk Options
- Over $429 million paid to 119 ACOs in Sept. 2015 ($3.6 million per)
## Medicare Shared Savings Plan – Track 1

<table>
<thead>
<tr>
<th>MSSP TRACK 1</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROBLEM</strong></td>
<td>Providers are not rewarded for lowering costs while improving quality</td>
</tr>
<tr>
<td><strong>OPPORTUNITY</strong></td>
<td></td>
</tr>
<tr>
<td>• Decrease unnecessary ED visits</td>
<td></td>
</tr>
<tr>
<td>• Ensure patients get preventative care</td>
<td></td>
</tr>
<tr>
<td>• Manage TOCs</td>
<td></td>
</tr>
<tr>
<td>• Ensure appropriate use of procedures &amp; tests</td>
<td></td>
</tr>
<tr>
<td><strong>IMPACT</strong></td>
<td></td>
</tr>
<tr>
<td>• 121 hours of saved ED time</td>
<td></td>
</tr>
<tr>
<td>• $6,000 in savings to patients</td>
<td></td>
</tr>
<tr>
<td><strong>REVENUE POTENTIAL</strong></td>
<td>$159,234.60</td>
</tr>
</tbody>
</table>

### Benchmark (Per Patient):
- $9,700

### Total:
- $5,820,000

### Total savings:
- $318,469.20

### Savings %:
- 5.47%

### Medicare share in Track 1:
- 50%

### Savings to ACO:
- $159,234.60

### Taking an after-hours call: MSSP ACO

**Patient with chest pain avoids ED Visit, duplicate test and overnight hospital stay**

- **Total Savings for Medicare:** $6,748
- **Relief for patient and family:** priceless

**ACO Successfully Participates in Medicare Shared Savings Program**

- **Medicare Savings:** $3,374
- **ACO Shared Savings:** $3,374
**Data-Driven Referral Management**

**460 Park Avenue**
Dr Freund - 389 Eye Injections in 2012
$4,930,730 from Medicare
$12,675 each

**550 Park Avenue**
Dr Fromer - 103 Eye Injections in 2012
$47,581 from Medicare
$462 each

---

**Medicare Shared-Savings Plan – Track 3**

<table>
<thead>
<tr>
<th>MEDICARE SHARED-SAVINGS PROGRAM TRACK 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROBLEM</strong></td>
</tr>
<tr>
<td><strong>OPPORTUNITY</strong></td>
</tr>
<tr>
<td><strong>IMPACT</strong></td>
</tr>
<tr>
<td><strong>REVENUE POTENTIAL</strong></td>
</tr>
</tbody>
</table>
Introduction to MACRA

Definition:
The Medicare Access and Reauthorization Act of 2015 (MACRA) is a law that reforms the Medicare payment system for physicians. MACRA shifts Medicare to a value based system, tying your Medicare payments to cost and quality performance.

MACRA changes Medicare payments in 4 ways:

- Repeals the current, flawed sustainable growth rate (SGR) methodology or “the doc fix”
- Sets extremely modest baseline increases to your Medicare payments over 10+ years
- Consolidates current fee-for-service programs (Meaningful Use, Physician Quality Reporting System, and Value-Based Payment Modifier) into a single, fee-for-service based value program (MIPS)
- Creates a new, completely separate alternative payment track for physicians participating in Advanced Alternative Payment Models (AAPMs)
MIPS – Replaces 3 Current Medicare Reporting and Incentive Programs

1. Meaningful Use (MU)
2. Physician Quality Reporting System (PQRS)
3. Value Based Payment Modifier (VM)

### MIPS Score (0-100)

<table>
<thead>
<tr>
<th>MIPS Composite Performance Score Category</th>
<th>Score Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality (PQRS Style Measures)</td>
<td>60% 50%</td>
</tr>
<tr>
<td>Clinical Practice Improvement Activities (Practice Processes)</td>
<td>15% 20%</td>
</tr>
<tr>
<td>Advancing Care Information (Rebranded Meaningful Use)</td>
<td>25% 30%</td>
</tr>
<tr>
<td>Resource Use (Total Patient Costs)</td>
<td>0% N/A*</td>
</tr>
</tbody>
</table>

Example: Projected Medicare Payments on $100K Business Today

- with Exceptional Performance Bonus
- with maximum MIPS incentives
- with FFS schedule increases with maximum MIPS penalties

**MACRA**

**MACRA and MIPS**

<table>
<thead>
<tr>
<th>PROBLEM</th>
<th>FFS Medicare no long economically viable</th>
</tr>
</thead>
</table>
| OPPORTUNITY | • Providers who participate in advanced payment programs will get a temporary 5% increase in FFS payments  
• Those who don’t will see virtually no increase. |
| IMPACT | Control Medicare costs |
| REVENUE POTENTIAL | $8,316 |

**Advanced Alternative Payment Models**

- Cutting-edge models that require taking on some risk
- Practices are exempt from MIPS
- Practices receive a 5% increase in their Part B FFS Payments
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ACO Model Growing in Public and Private Sector

Growth of ACOs Over Time: Medicare vs. Non-Medicare
ACO Model Growing in Public and Private Sector

Covered ACO Lives—Medicare and Commercial

Source: Accountable Care Organizations in 2016, Health Affairs Blog; 2016

ACO Model Growing in Public and Private Sector

Estimated Percent of Population Covered by an ACO, by State, April 2016

Source: Accountable Care Organizations In 2016, Health Affairs Blog; 2016
### Commercial ACOs

**COMMERCIAL ACOs**

**PROBLEM**
Health care delivery is uncoordinated and inefficient. Health plans want to ensure that $ is spent on high quality care.

**OPPORTUNITY**
- Acceleration of risk-based contracts which provide additional $ and resources to providers.
- Programs will vary by payer.

**IMPACT**
- Better, higher value insurance product for consumers/employers
- Increased resources to providers

**REVENUE POTENTIAL** ±5%

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### Comprehensive Primary Care Plus

**COMPREHENSIVE PRIMARY CARE Plus**

**PROBLEM**
Designed to strengthen primary care through a regionally-based multi-payer payment reform and care delivery transformation.

**OPPORTUNITY**
- 5 year, multi-payer initiative that provides population-based care management fees & shared savings opportunities to up to 5,000 practice sites
- 3 payment elements Care Management Fee, Performance-based incentive payment, Payment under the Medicare Physician Fee Schedule (determined by track).

**IMPACT**
Strengthen infrastructure to deliver better primary care!

**REVENUE POTENTIAL** $108,000
How Will Aledade Help with CPC+?

- Practice Care Delivery Requirements support
- ACO GPRO reporting
- Technology support to comply with CPC+ Track 2 and assist Track 1
- Care management training, resources, and support

Medicaid PCMH

<table>
<thead>
<tr>
<th>PROBLEM</th>
<th>MEDICAID PCMH</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>State budgets strained by escalating health care costs largely generated by fragmentation and inefficient care delivery for vulnerable patients.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPPORTUNITY</th>
<th>PROVIDERS TEAM UP TO COORDINATE CARE.</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMPACT</td>
<td>Improved patient care, improved resource use</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REVENUE POTENTIAL</th>
<th>$9,600</th>
</tr>
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### Bundled Payments

<table>
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### State Innovation Models

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<td><strong>IMPACT</strong></td>
</tr>
<tr>
<td><strong>REVENUE POTENTIAL</strong></td>
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</table>
Aligning the Stars….

Moving Forward

1. **Compile** Your Data (QRUR Report)
2. **Identify Opportunities** for Value-Based Care Arrangements
3. **Complete** the online contact form at https://www.aledade.com/contact-us/#connect
4. Find your Navigational **Partner**
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Available Resources

- Web based resources and customized value reports to identify practice-specific opportunities (Online at www.aledade.com/resource-center)
- Transforming Clinical Practices Initiative (TPCI) – Provider assistance to build ACO capabilities
- Regional Extension Centers (RECs) and Local Support

Start your journey
Questions?

Mat Kendall
Executive Vice President for Provider Networks | Co-Founder

7315 Wisconsin Ave, Suite 1000E
Bethesda, MD 20814

Mat@Aledade.com
www.aledade.com
@aledadeACO