COVID-19 Pandemic Accelerates the U.S. Transition to Value-Based Care
Moshe Starkman  
Senior Director Value-based Reimbursements

Subject Matter Expert (SME) in the areas of:
• Quality Payment Program: MIPS
• Episode of Care / Bundled Payments
• Value-driven Population Health
• Software Development Lifecycle
• Lean Six Sigma

An accomplished small business owner, team leader and popular public speaker.
Explore recent, irreversible trends in health care

Analyze Medicare updates and performance expectations

Highlight Value-Based Care (VBC) and the imminent evolution of the U.S. health care revenue cycle
Not everyone agrees COVID-19 promotes APMs

How likely is your ACO to leave the Medicare Shared Savings Program in response to concerns about having to potentially repay losses for 2020 affected by COVID-19?

- 21% Very Likely
- 14% Likely
- 21% Somewhat Likely
- 30% Not Likely
- 14% Don’t Know

“When ACOs made a commitment to assume risk, they didn’t expect they’d be handling the risk of a global pandemic.”

–Clif Gaus, NAACOS president and CEO
Medicare’s Response

Quality-measure data furnished during this time of emergency may not be reflective of performance for measures such as cost, readmissions and patient experience.

Therefore CMS will not use any quality data on services performed between January 1 and June 30 in their calculations for quality reporting and value-based purchasing programs.
MIPS-eligible physicians who haven’t submitted any data for the program by April 30 will still qualify for relief and get a “neutral payment adjustment for the 2021 MIPS payment year.”
“Today” in U.S. health care

The current state U.S. health care is not about best practices in population health and planning for the future. Today is about doing everything we can to stabilize our population and minimize preventable, coronavirus-caused mortality.
<table>
<thead>
<tr>
<th>Patient Experience</th>
<th>Traditional</th>
<th>Value-Based Care</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Complicated for consumers</strong> who, in turn, often neglect their own health care and wellness needs.</td>
<td><strong>Complicated for providers</strong> but consumers have more ownership of their health care and wellness experiences through the support of coordinated care teams.</td>
</tr>
<tr>
<td>Care Delivery</td>
<td><strong>Reactive care</strong> delivered in response to an injury or illness. Often delivered as <strong>acute episode or emergency care</strong> for maladies that could have been addressed earlier.</td>
<td><strong>Proactive care</strong> that anticipates care needs based on a myriad of inputs, including the consideration of social, emotional, and financial circumstances facing a patient. Designed to promote <strong>preventive care</strong> and both manage as well as reduce chronic conditions.</td>
</tr>
<tr>
<td>Care Coordination</td>
<td><strong>Care providers lack incentives to coordinate patient care</strong> with other health professionals. Care is often <strong>disjointed</strong> and, at best, frustrating but at worst, detrimental to the health and well being of the patient.</td>
<td><strong>Care providers are incentivized to coordinate care</strong> across the entire health care system both financially as well as socially through greater effort to publicize quality performance rates and practice costs.</td>
</tr>
<tr>
<td>Data and Information</td>
<td><strong>Data remains trapped</strong> and inaccessible inside massive repositories and sites. <strong>Absence of sophisticated data analytics</strong> used across populations.</td>
<td>Data, <strong>Big Data</strong>, Artificial Intelligence, and sophisticated analytics work to identify health risks, improve care coordination and promote the right care at the right time. <strong>Better informed patients</strong> with both greater access and understanding of their health records.</td>
</tr>
<tr>
<td>Costs</td>
<td><strong>#1 cause of bankruptcy in America.</strong> Highest in the world without matching results in life expectancy, general wellness, and infant mortality</td>
<td><strong>Reduced costs to consumers</strong> through greater efficiency and capped reimbursements. Provider compensation is based on quality, outcomes, and <strong>long-term cost management.</strong></td>
</tr>
</tbody>
</table>
100 years since the Spanish flu, our best contemporary response to an anticipated virus was to “imprison” large segments of the U.S. population, cease many commercial and near all social activities, and repeatedly put health care professionals in harm's way.
“If you can’t explain it simply, you don’t understand it well enough.”

–Albert Einstein
Price is greater factor than utilization

Reports of Americans Postponing Medical Care Due to Cost, 2001-2019

Within the last twelve months, have you or a member of your family put off any sort of medical treatment because of the cost you would have to pay? (If yes) When you put off this medical treatment, was it for a condition or illness that was very serious, somewhat serious, not very serious, or not at all serious?

- % Put off treatment for serious condition
- % Put off treatment for any condition

The model of “Sick Care” is not working for us

We knew this was coming, but we weren’t prepared.

It is time to put politics aside to address growing health care costs and high deductible health plans that are placing extraordinary financial burdens on many U.S. households.

Americans are delaying care, skipping prescriptions, and ignoring chronic conditions.

We can do better than this!
2018 study from JAMA reports the U.S.

- Spends about twice what other high-income nations do on health care
- Has lowest life expectancy
- Has highest infant mortality rates

This study also found that Americans use roughly the same amount of health services as people in other affluent nations.

"The system is perfectly designed to make profit"
The continued demand for innovative, higher quality care at lower costs has driven the need for two-sided risk models in payment reform.

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2022</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare Advantage</td>
<td>30%</td>
<td>50%</td>
<td>100%</td>
</tr>
<tr>
<td>&amp; Traditional Medicare</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medicaid</td>
<td>15%</td>
<td>25%</td>
<td>50%</td>
</tr>
<tr>
<td>Commercial</td>
<td>15%</td>
<td>25%</td>
<td>50%</td>
</tr>
</tbody>
</table>
What will tomorrow bring?

Significant changes to Point of Care
• Home-based Health Care (HHC) / PCMH
• Telehealth

Broader understanding of the implications of obesity, diabetes, heart disease and other preventable illnesses.

Greater adoption of managed wellness plans
• People will seek help sooner
• Incentivized wellness promotion
COVID-19 is reshaping opinions

Two-thirds of respondents say that COVID-19 has increased their willingness to try telehealth in the future.

-Sykes survey
The Future

Shifting from hospital-based services and physician offices to in-home care, DIY, retail clinics and digital health (telemedicine and virtual care)

More prominent roles for nurse practitioners and physician assistants, beyond rural markets.

Greater emphasis on convenience-driven experiences and inspire patients everyone to proactively manage their health.

We are ready to take personal ownership of our health through new and emerging technologies.

Expanded social awareness, sensitivity and personal protection.
The transition from fee-for-service to value-based health care essentially repositions health care from a product orientation to a service model. This significantly changes the business metrics of hospital management and practice operations.

**Action:** The transition from fee-for-service to value-based health care essentially repositions health care from a product orientation to a service model. This significantly changes the business metrics of hospital management and practice operations.

**Impact:** Failure to adopt value-based care can potentially lead to clinician and patient attrition and or discourage top professionals from considering employment at a disadvantaged institution.

**Discussion topic:** What role does hospital leadership play in the transition to value-based payment models?
Analysis from FAIR Health estimates the cost for COVID-19 patients requiring inpatient stays to be, on average, $73,300.

That said, the total average allowed amount per commercially insured patient is just $33,221.
Situation
Chronic care, infectious care, and geriatric care are only expected to increase in the foreseeable future.

“We’ve already seen a dramatic shift away from inpatient care to outpatient care where hospitals, which used to control about 90% of the market, now have just 50% but of a much larger pie.”

–Guy David, Wharton School of Business U. Penn

Action: As more care shifts to lower-cost settings, including ambulatory care and telehealth services, organizations must take steps to rebalance or otherwise identify new revenue sources.

Impact: Value-driven health care compels finance leaders to invest in analytics and explore creative, “what would Warren Buffet do?” revenue opportunities.

Discussion topic: Where can hospitals or other high-cost centers find alternative revenue?
Taking U.S. health care to the next level

Our ever-shrinking world compels us to maintain patient data in actionable profiles so care providers can improve clinical interventions and financial outcomes for different patient risk segments with the broadest set of information available.

Coordinating medical needs across a population and across their care continuum will improve quality, lower cost, and enhance the patient experience of care.
"If I were given one hour to save the planet, I would spend 59 minutes defining the problem and one minute resolving it."

– Albert Einstein
Health Care Leadership
Chief Information Officer

**Situation**

Evolved EMRs and the IoT (Internet of Things) has ushered in an era of unparalleled data collection and supplemental patient information.

**Action:** The sophistication of contemporary analytics tools, all the way up to artificial intelligence, drastically increases the need for sound data collection practices and a very strong emphasis on quality control.

**Impact:** Position your health system to see beyond descriptive data through predictive and prescriptive data analytics.

**Discussion topic:** Do you trust your data at face value?
Action: The shift from HIT as a solution to HIT as a service requires technology leaders to go beyond internal staff and begin to consider how best to engage patient populations to create stronger provider-patient relationships. Furthermore, technology is one of the essential components of lowering costs while providing the highest levels of quality care.

Situation
Digital health technology, originally designed to give access to care in areas where there is a shortage of specialty care providers, is now being used much more widely to screen and diagnose patients without risking the spread of disease through personal contact.

Impact: The technology employed by a health system is almost as important as the staff that use it.

Discussion topic: How could technology make you (or has made you) a more proficient and effective provider of health services?
VBC = CFO + CIO + CTO

In addition to data integration, the technology to support Value-Based Care would need to:

- Manage patient engagement in a value-based approach;
- Accurately predict the cost of care per person;
- Model the cost implications of varied care protocols, including non-clinical support;
- Promote consumer health and wellness through greater access to one’s health profile; and
- Introduce non-intrusive behavioral nudges to improve one’s own health.
Digging deeper
Some U.S. states have outcomes on par with other high-income countries. For example, life expectancy in Hawaii, Minnesota and Connecticut were similar to other high-income countries, while life expectancy was much worse in states like Mississippi.

“A tale of two states of health care

“Some states and regions throughout the U.S. serve as excellent laboratories for best practices, these parts of the U.S. system need to be shared with greater equity so that underperforming U.S. regions can and will demand better care”

–Stephen Parente, University of Minnesota
Conclusion

As consumers take greater personal responsibility for their wellness and financial health care decisions, industry leaders are compelled to help consumers make value-based, clinically effective choices.

“An ounce of prevention is worth a pound of cure.”
From Patient to Payment™, nThrive empowers health care for every one in every community.