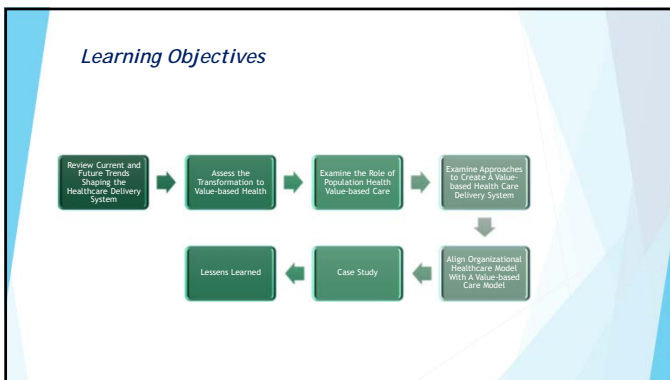


THE STRATEGIC CASE FOR PROMOTING VALUE BASED MEDICAL CARE

MOUNTASSER KADRIE, PhD., FACHE., FACMPE., BPE

4/23/2018



REVIEW CURRENT AND FUTURE TRENDS SHAPING THE HEALTHCARE DELIVERY SYSTEM

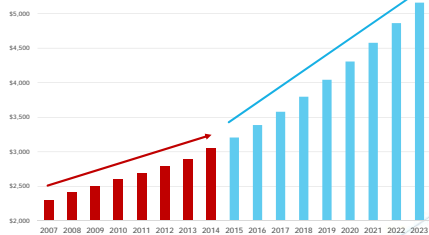
6 Remarkable Facts About the Future of Health Care

- 01
Preventive Medicine & Population Health Will Soar
- 02
Aging Population and Proliferation of Chronic Diseases
- 03
Transition to Value Based-care, Analytics & Predictive Medicine Will Transform Healthcare
- 04
Medical Providers Will Have Access to More Data
- 05
Innovation, Consolidation, and Collaboration Will Destroy Silos
- 06
U.S. Healthcare Spending to Reach Nearly 20% of GDP by 2025

Healthcare Spending Continues to Grow

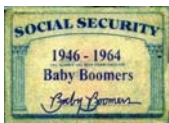
Recent Moderation in Trend Is Promising, But Not Clear Yet Whether Structural

National Health Care Expenditures Forecast



Source: CMS, (2017)

UNSUSTAINABLE SPENDING GROWTH



The Impact of BABY BOOMERS on Healthcare

78 million "Baby Boomers" were born in the U.S. from 1946 to 1964.

Over 3 million Baby Boomers will be reaching age 65 every year until 2016. By 2020, **70 million people** - the U.S. will be over 65, over 20% of the total population.

Chronic disease is increasing as Baby Boomers age.

By 2020:

- 80% of Baby Boomers will be living with diabetes.
- 85% of Baby Boomers will be obese.
- 80% of Baby Boomers will suffer with arthritis.
- 80% of Baby Boomers will require treatment for multiple chronic conditions.

The lack of income, education, medical background, and caregiver for Baby Boomers, as they enter a market of medical personnel in shortage.

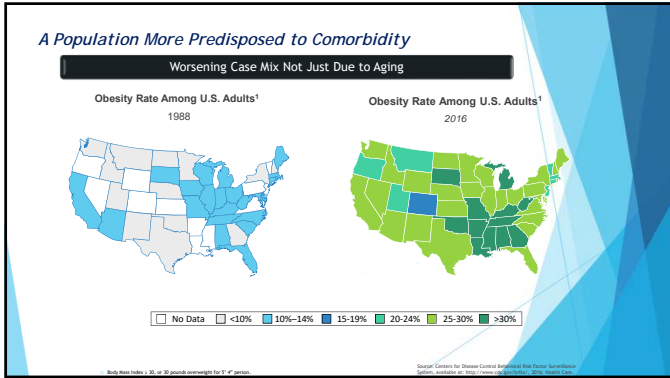
At current rates, U.S. health care demand will be valued over **\$,000,000** annually by 2020.

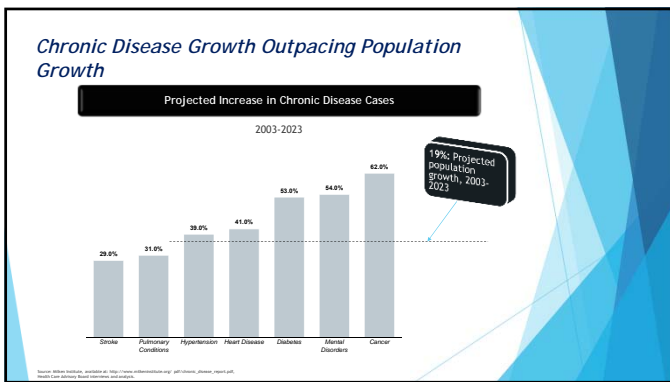
A shortage of **5,000,000** additional health care workers is required by 2020.

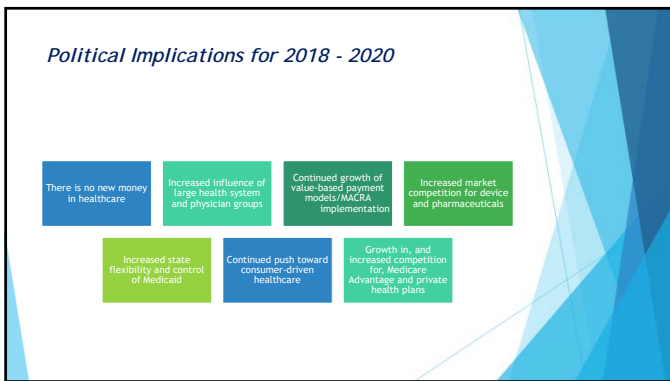
U.S. health care currently has only **6,000** geriatric physicians. **35,000** will be needed by 2020.

In 2010, the population in the U.S. was 47. In 2020, the population is 50. In 2030, the population will be 52. Baby Boomers are the largest age group in the U.S.

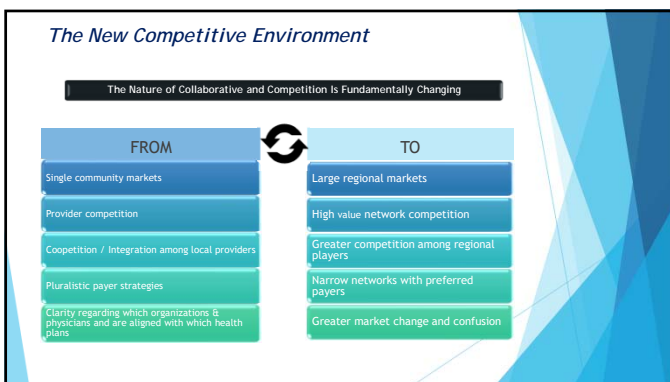












Benefits of CVS-Aetna Merger

- Growth in Health Care Expenditures**
 - integrating medical and pharmacy services with consumer health plans to improve outcomes and lower costs
- Aging U.S. Population**
 - More comprehensive network leverage and high-quality care and complementary services
- Increased Health Care Consumption**
 - Broad medical access
 - strong customer loyalty
 - digital tools to drive patient engagement
- Movement to Value-Based Care**
 - Combined teams, shared best practices, and enhanced clinical care programs

CVS Health + Aetna will result in significant benefits to stakeholders

Hospitals Fear Threat From Potential Walmart-Humana Deal

Early merger deal talks between Walmart and Humana are disrupting anxiety in the hospital sector, which is already grappling with sluggish growth and competition from cheaper health-care options.

The Transformation To Value-based Health

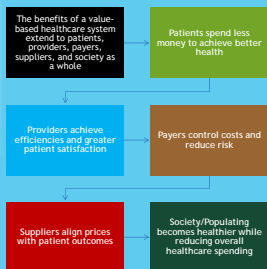
- ▶ The transformation to value-based health care is *well under way*. Some organizations are still at the stage of pilots and initiatives in individual practice areas. Other organizations, such as the Cleveland Clinic and Germany's Schön Klinik, have undertaken large-scale changes involving multiple components of the value agenda. The result has been striking improvements in outcomes and efficiency, and growth in market share (Michael E. Porter & Thomas H. Lee, MD, 2013, HBR)



Transition To Value-based Payment

PAY FOR VOLUME	PAY FOR VALUE
Fragmented care	Accountable care
Fee-for-Service	Coordinated care across the continuum
Treating sickness	Global payment
Adversarial payers and no transparency	Right care, right setting, right time
Limited HIT role	Triple-Aim metrics
Lack of outcome based metrics	Fostering wellness
Duplication and waste	Payer and providers partners using transparency
	Data Analytics is the name of the game

What Are the Benefits of Value-Based Healthcare Delivery?



CMS Value-based Programs

Value-based programs reward health care providers with incentive payments for the quality of care they give to people with Medicare. These programs are part of larger quality strategy to reform how health care is delivered and paid for. Value-based programs also support our three-part aim:

- Better care for individuals
- Better health for populations
- Lower cost



What are CMS' original Value-based Programs?

There are four original value-based programs; their goal is to link provider performance of quality measures to provider payment:

- Hospital Value-Based Purchasing (HVBP) Program
- Hospital Readmission Reduction (HRR) Program
- Value Modifier (VM) Program (also called the Physician Value-Based Modifier or PVBM)
- Hospital Acquired Conditions (HAC) Program

There are several other value-based programs:

- End-Stage Renal Disease (ESRD) Quality Initiative Program
- Skilled Nursing Facility Value-Based Program (SNFVBP)
- Home Health Value Based Program (HHVBP)

VALUE-BASED PROGRAMS

	2008	2010	2013	2014	2015	2016	2019
LEGISLATION	HR1090	ACA		PAMA			
PROGRAMS			ESRD-QIP	HAC	VM	SNF-VBP	HHVBP

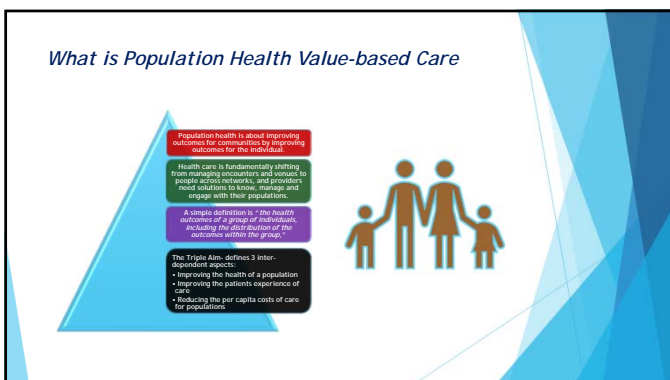
LEGISLATION

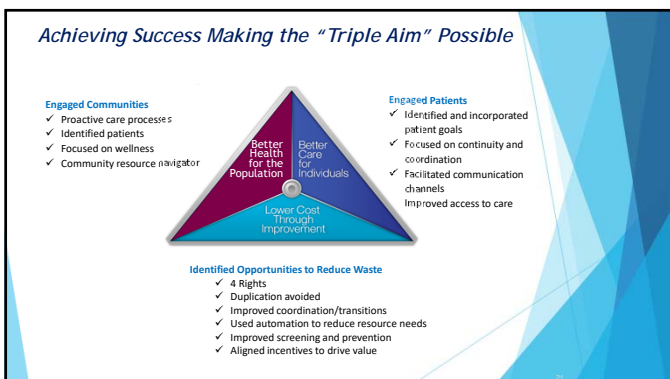
- ACA: Affordable Care Act
- HR1090: The Medicare Access & CHIP Reauthorization Act of 2015
- HR1090: Medicare Improvements for Patients & Providers Act
- PAMA: Promoting Access to Medicare Act

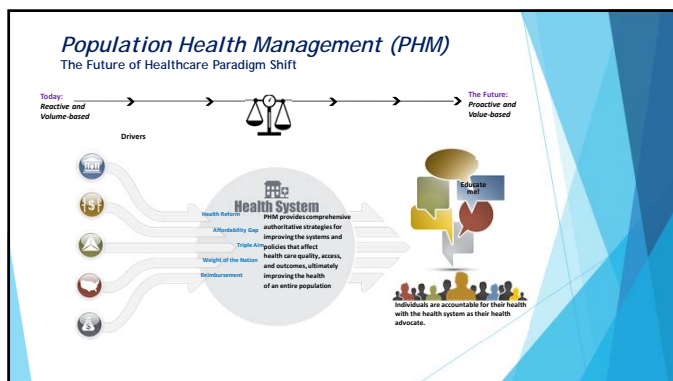
PROGRAMS

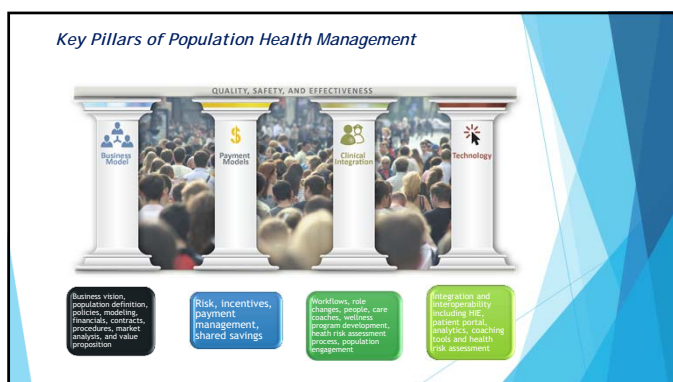
- ESRD-QIP: End-Stage Renal Disease Quality Initiative Program
- HAC: Hospital Acquired Conditions Reduction Program
- VM: Value Modifier (Physician Value-Based Modifier)
- SNF-VBP: Skilled Nursing Facility Value-Based Purchasing Program
- HHVBP: Home Health Value-Based Program

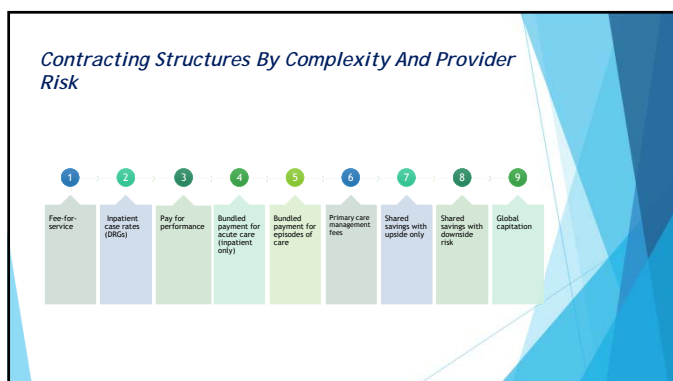


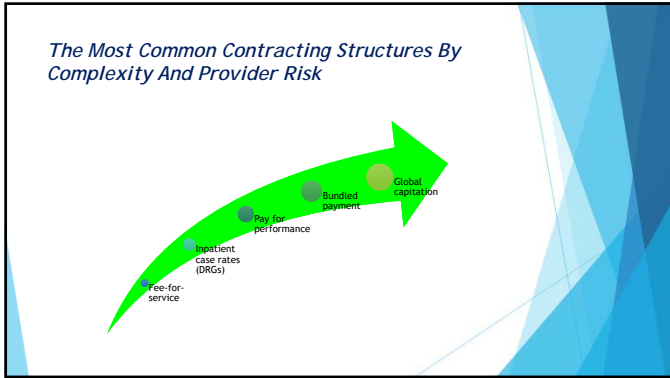


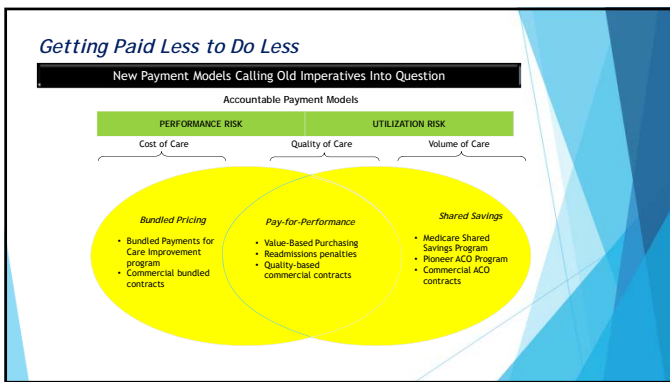




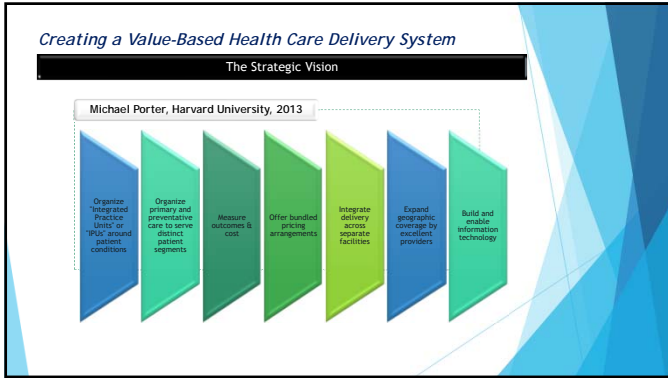




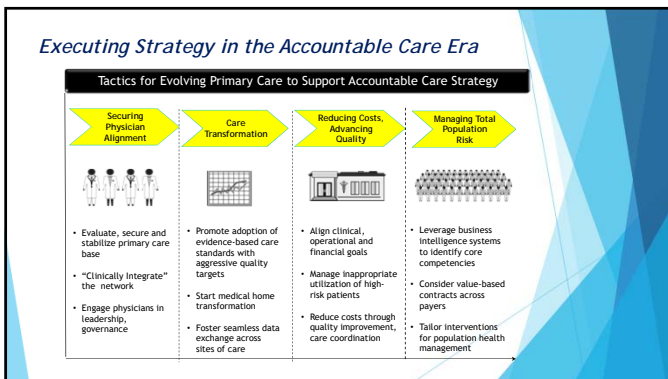




EXAMINE APPROACHES TO CREATE A VALUE-BASED HEALTH CARE DELIVERY SYSTEM







Physicians the Key Player

Physicians Essential to Generating Value from System

Value-Added Processes

- Care Delivery
- Care Planning
- Care Coordination

Hospitals Integrating Physicians

Payers Integrating Physicians

Three Fundamental Principles

Recalling the Tenets of True Population Health Value Based Care

An End to Factionalism

Hospital leaders, physicians must move beyond "us vs. them" mentality to one of system unity, shared purpose

Physician-Oriented Leadership

System leaders need not be physicians, but must have collegial, productive relationships with physician partners

Patients at the Center

All stakeholders must understand that system value derives from serving patient needs through high-quality, cost-effective care

The New Hospital-Physician Compact

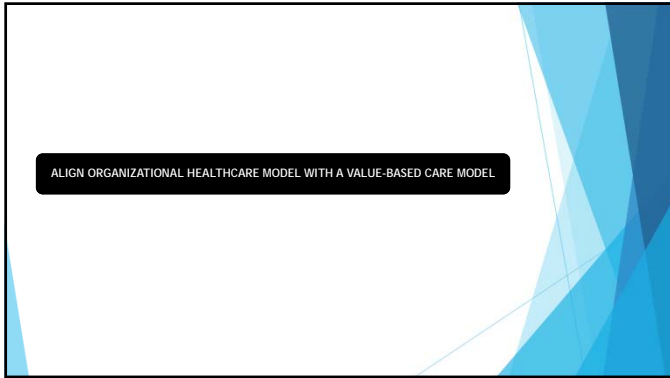
Collaborating to Deliver Value to Patients

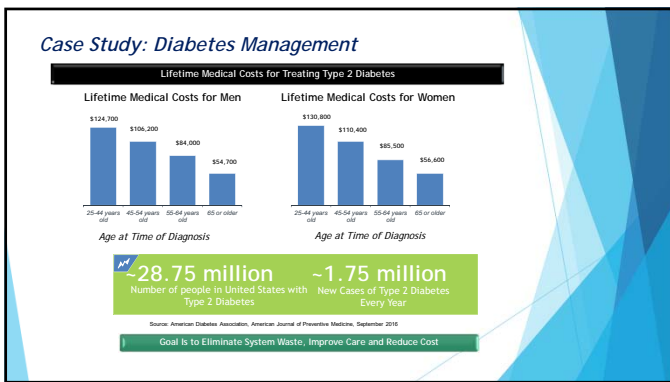
Patient Demands

- Timely Access**
 - Physicians build schedules around patient needs, connect to other providers to expand options
 - System invests in alternative access points and needed capacity
- Cost-Effective Care**
 - Physicians actively work to reduce cost, unnecessary utilization
 - System encourages use of low-cost care pathways
- Principled Referrals**
 - Referral decisions based on quality and cost, not habit
 - Physicians coordinate with peers to ensure safe and effective transitions

System Responsibilities

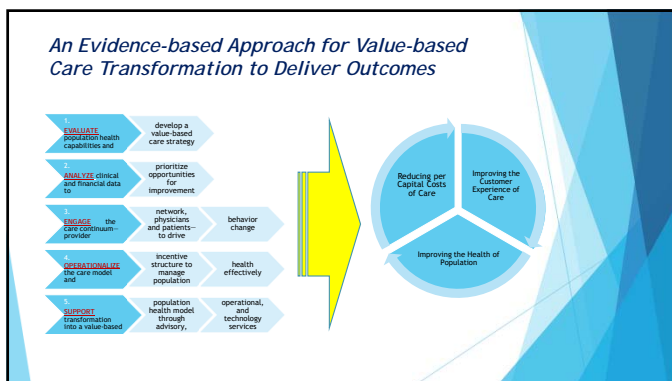
- Top-Quality Care**
 - Physicians build and utilize evidence-based care standards
 - Clinical decisions prioritize quality
 - All providers accept, respond to transparent performance data
- Open Communication**
 - Physicians, care teams respond promptly to patient inquiries
 - Providers proactively engage patients in care management
- Unified Care Experience**
 - Care transitions appear seamless to patients
 - Information is a system asset, updated and utilized by all to streamline care experience

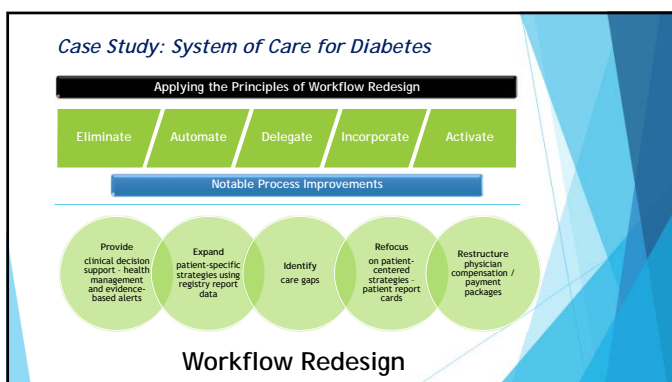


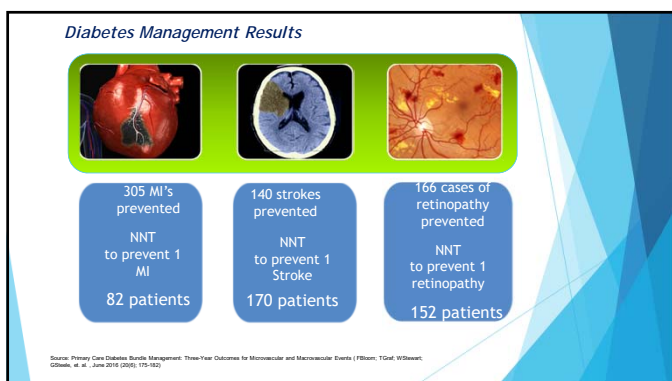


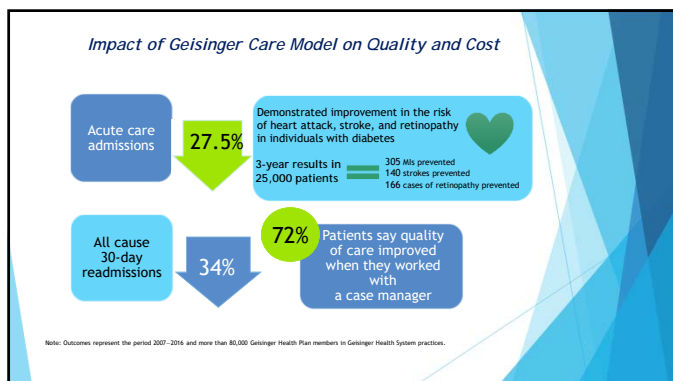
Case Study: Diabetes Performance Measure Set

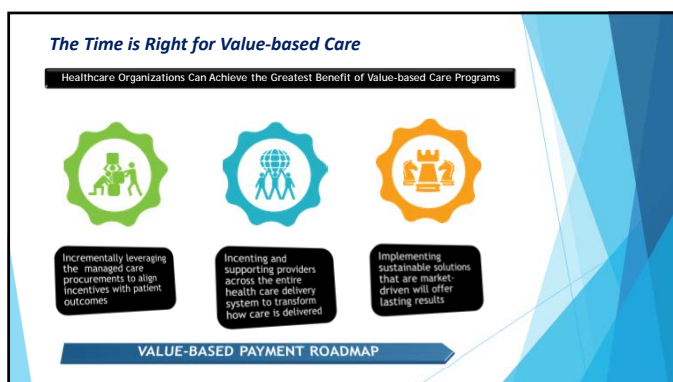
Measures	Quality Standard
HgbA1C - patient specific goal	Meets patient goal on problem list
LDL - patient specific goal	Meets goal or on high-intensity statin
Blood pressure goal	Meets patient goal on problem list
Urine protein testing	Yearly
Pneumococcal immunization	Once <65, Once >65 (at least 5 yrs. after 1 st test)
Smoking Status	Non-smoker
Patients who achieve ALL of the above standards	Diabetes Management Bundle Percentage

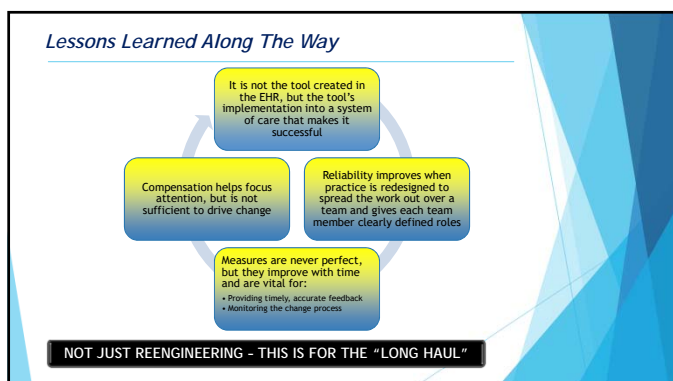


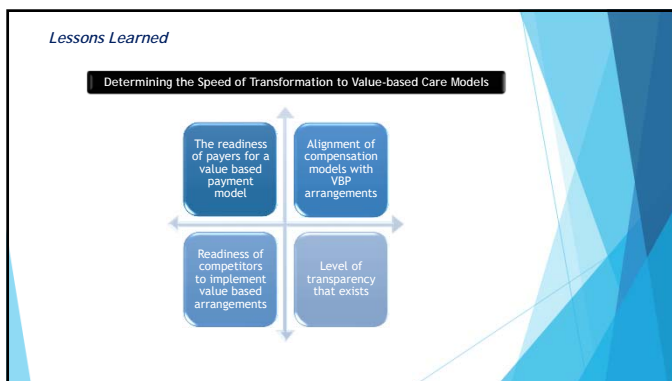


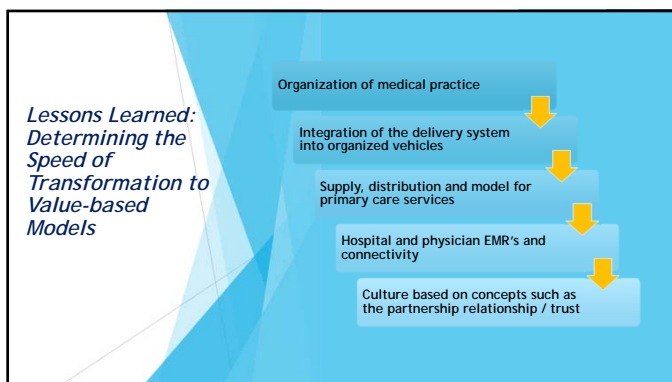




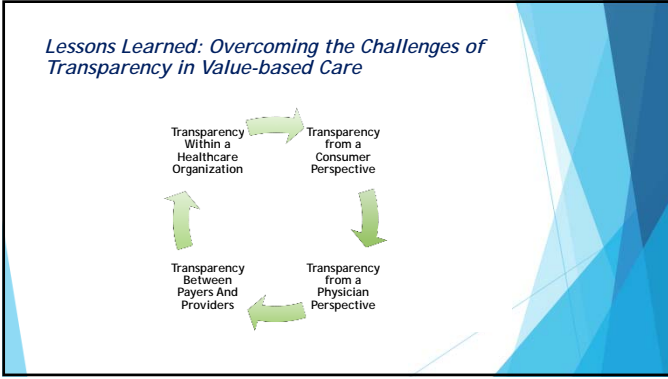


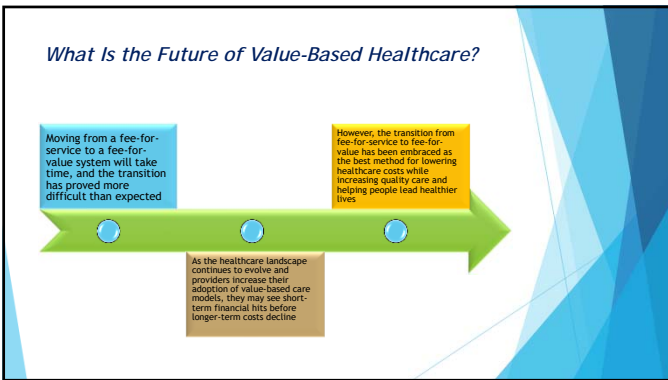












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