



A 360° view of value-based care: How to position your facility for success

July 28, 2016

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Today's Speakers



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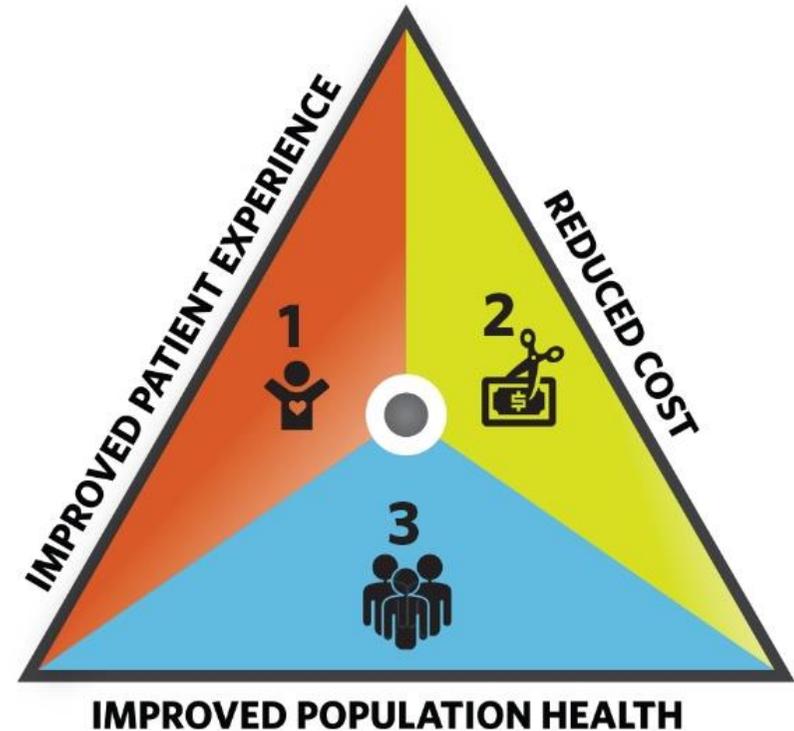
Michael Cipoletti
Product Manager of Analytics, SourceMed

The Move to Value-Based Care

Value-Based Care and the Triple Aim

New care delivery systems and payment models enabled by:

- Convergence of healthcare and technology
- More connected, coordinated care across entire treatment continuum
- Focus on quality and outcomes



Pressure for Change is Accelerating

The 5 Cs!!

“Capitation”



- Shift of risk from payers to providers
- Pay for value, not volume

Consolidation



- Larger provider and payer organizations
- Vertical integration – Insurance through delivery

Coordination



- Focus on transitions and non-hospital sites
- New models of care

Competition



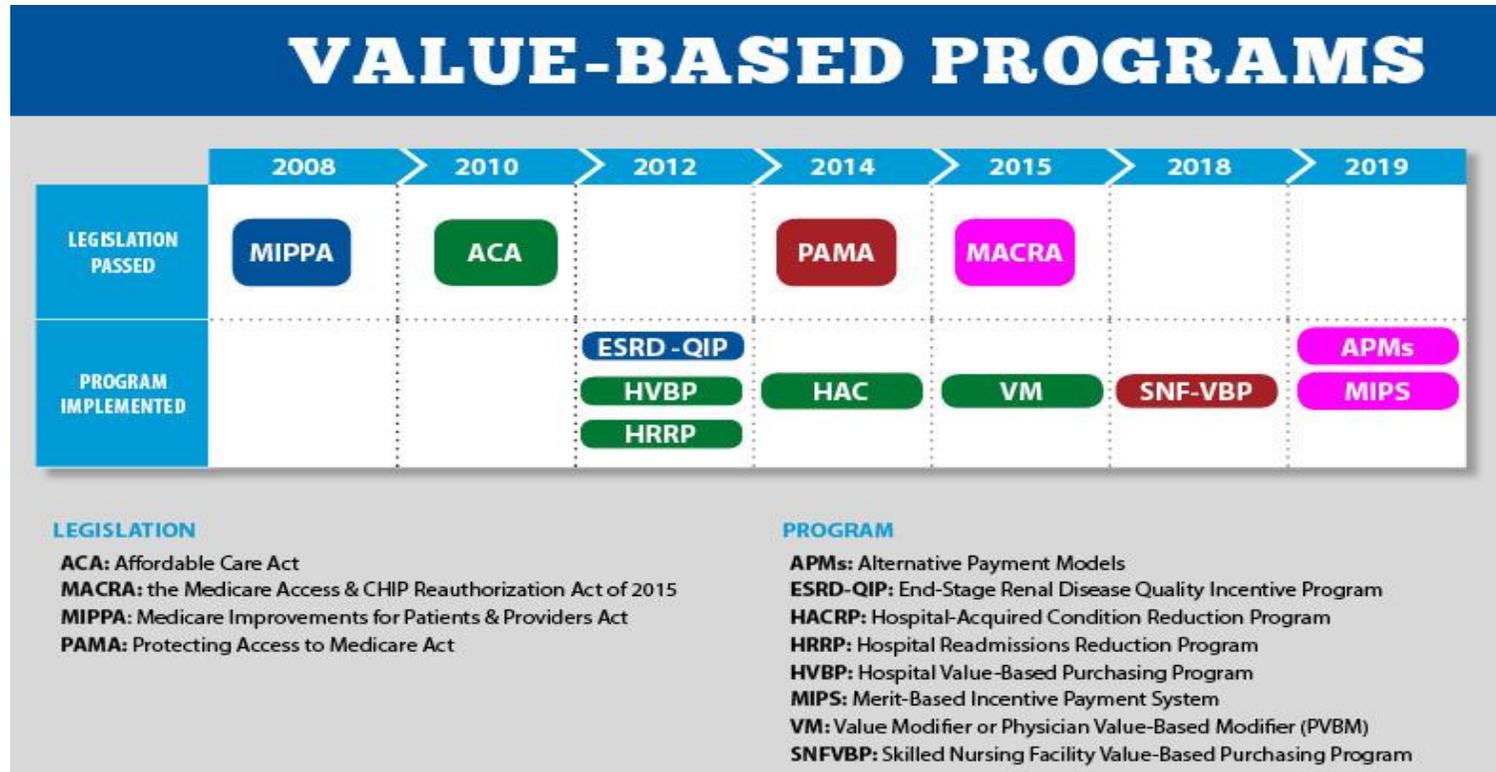
- Increased competition
- Risk based organizations compete on value & customer service

Consumerism



- Patient and personalized medicine
- Population health management

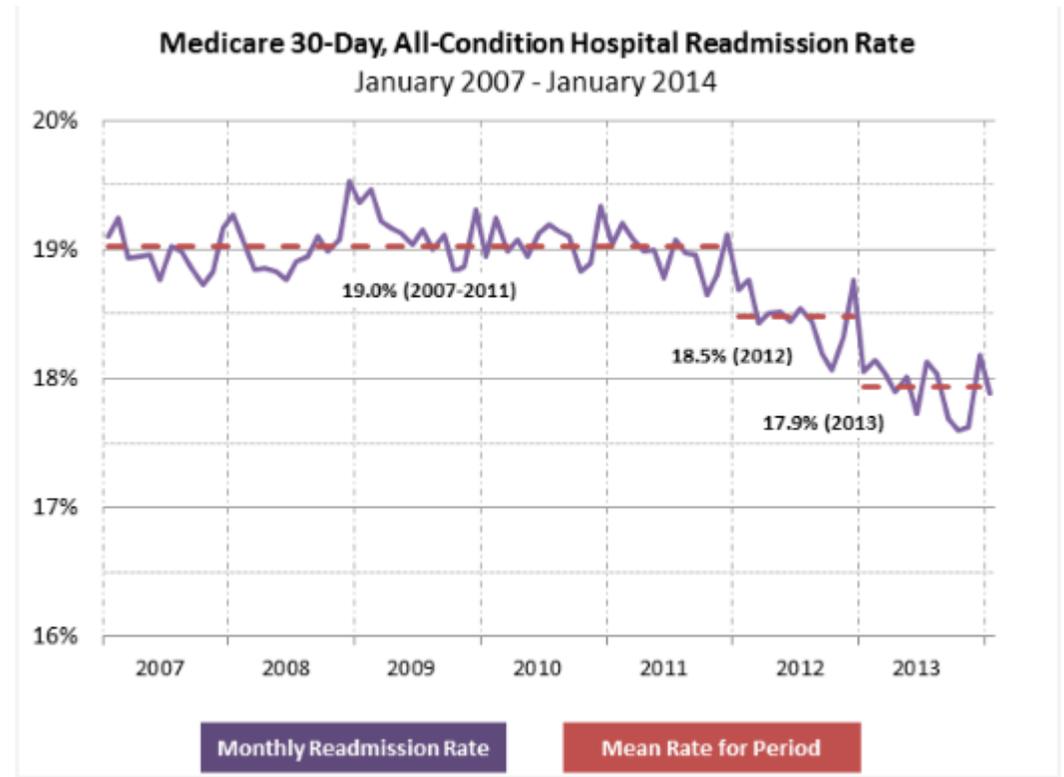
Value-Based Programs - Not New to Healthcare



Early Outcome Initiatives Established Momentum

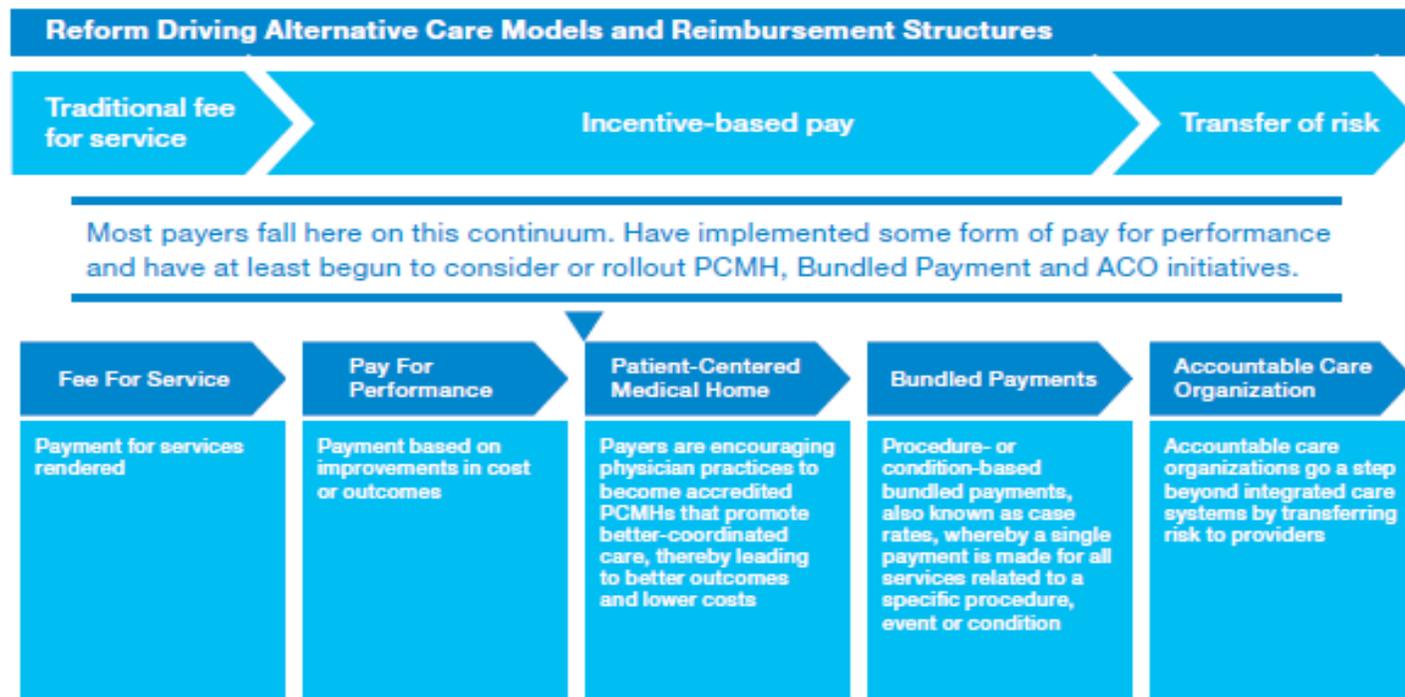
Lower readmission rates demonstrate hospitals' response to incentives and penalties

January 2015: HHS goal to link 85% of all traditional Medicare payments to quality or value by 2016, and then 90% by 2018



<https://www.whitehouse.gov/blog/2014/12/30/getting-higher-quality-lower-costs-biggest-health-story-you-may-have-missed-year>

Spectrum of Emerging Models

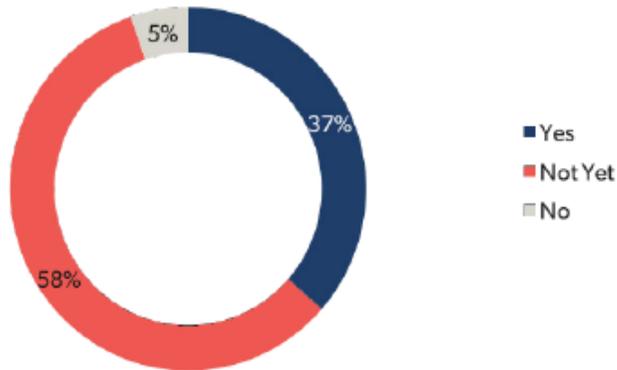


Source: Optum

Figure 1. From volume to value-based healthcare models

Varying Adoption and Buy-in

Will your organization adopt alternative payment models for value-based care?



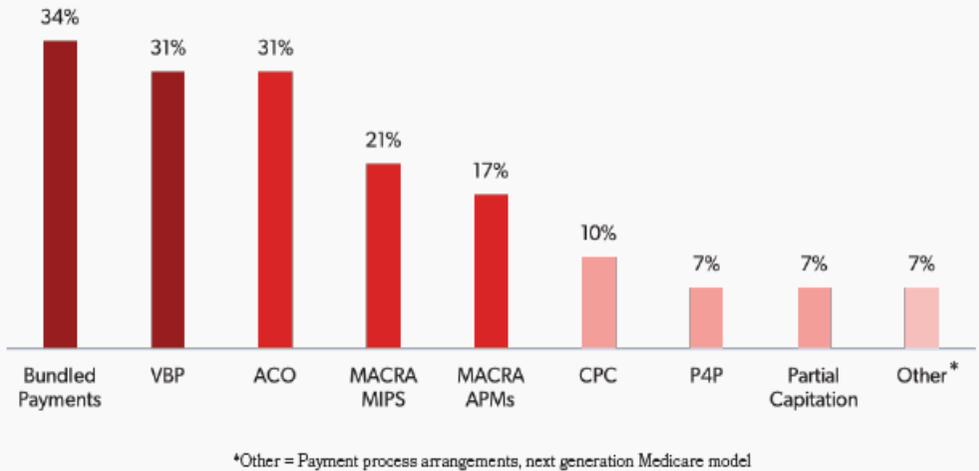
“Nearly ½ of all US Physicians are unfamiliar with MACRA”
Deloitte Survey of 600 Doctors

Forty-five percent of respondents said they expect a drop in profits due to the move to value-based contracts.
KPMG 2016 Survey

“CMS Chief tells Senate panel MACRA delay possible due to rules requiring adjustment and Preparation”

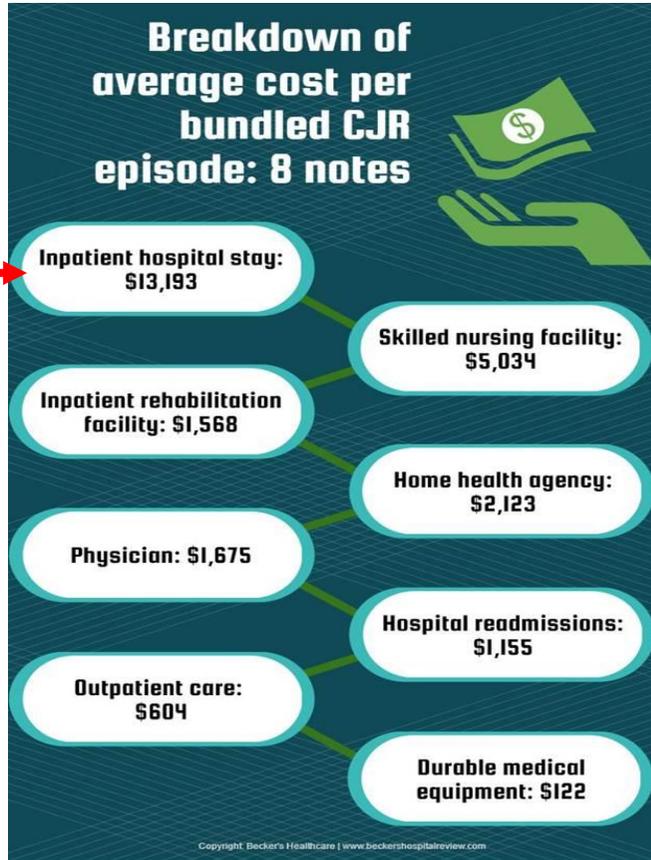
July 2013, Healthcare IT News Alert

What specific payment models have you, or will you, adopt?



peer60 report: 2016 Healthcare Revenue Cycle Management, Trends in Alternative Payment Model Adoption

Comprehensive Care for Joint Replacement (CJR)



ASCs typically reimbursed 53% of hospital

Testing for episodes of care related to total knee and total hip replacements

Payment per 90-day episode capped at \$25K, 39% tied to post-discharge care

Participants penalized for poor cost performance

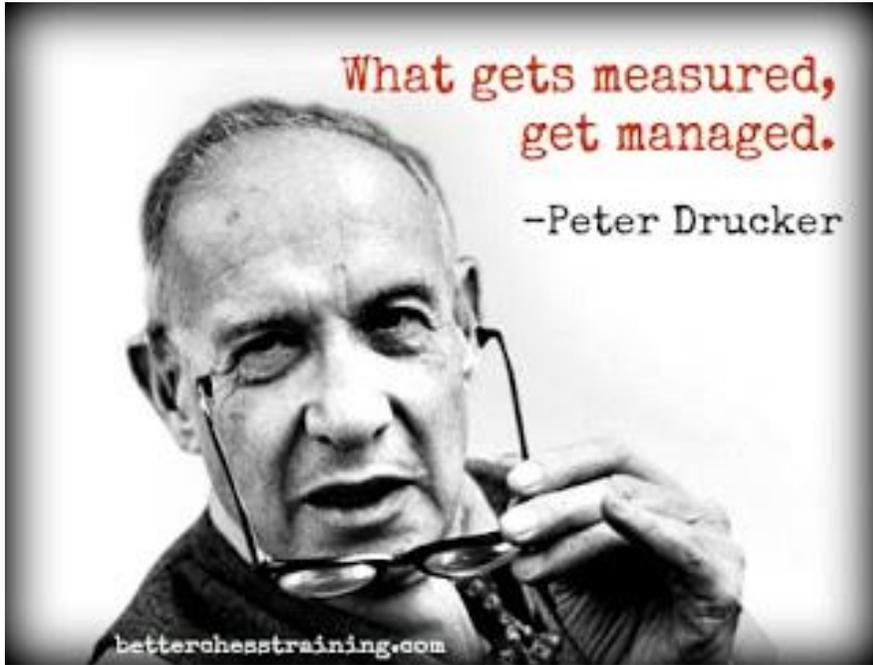
ASCs and outpatient therapy clinics can participate as value chain partners

Impact of Value-Based Models on Revenue Cycle Management

What is Changing: Fee-for-Service vs. Value-Based

| Factors | Fee-for-Service | Value-Based |
|---------------|---|---|
| Payment | Based on volume | Based on results |
| Cash Flow | Multiple checks, at expected timeframes and amounts | One check, disbursed based on available data and subject to change based upon outcomes |
| Team Approach | Assembly line, structured | Cradle-to-grave, flexible, accountable |
| Governance | Top-down, separate doers and thinkers | Results-oriented, tight process to govern payout, team based, highly responsive to change |
| Data | Static, siloed | Dynamic, ecosystem-based |
| Reporting | Delayed, report-driven | Timely, analytics-driven |
| Systems | Disparate, internally-focused | Connected, interoperable |

What Won't Change? Ongoing Focus on KPIs



Key Performance Indicators (KPIs) focus on aspects of the revenue cycle that drive overall success when accomplished

Revenue cycle improvement is dependent upon ongoing monitoring of KPIs and effective management focus on accountability

Keys: timely, accurate, digital data and an information-driven approach (analytics)

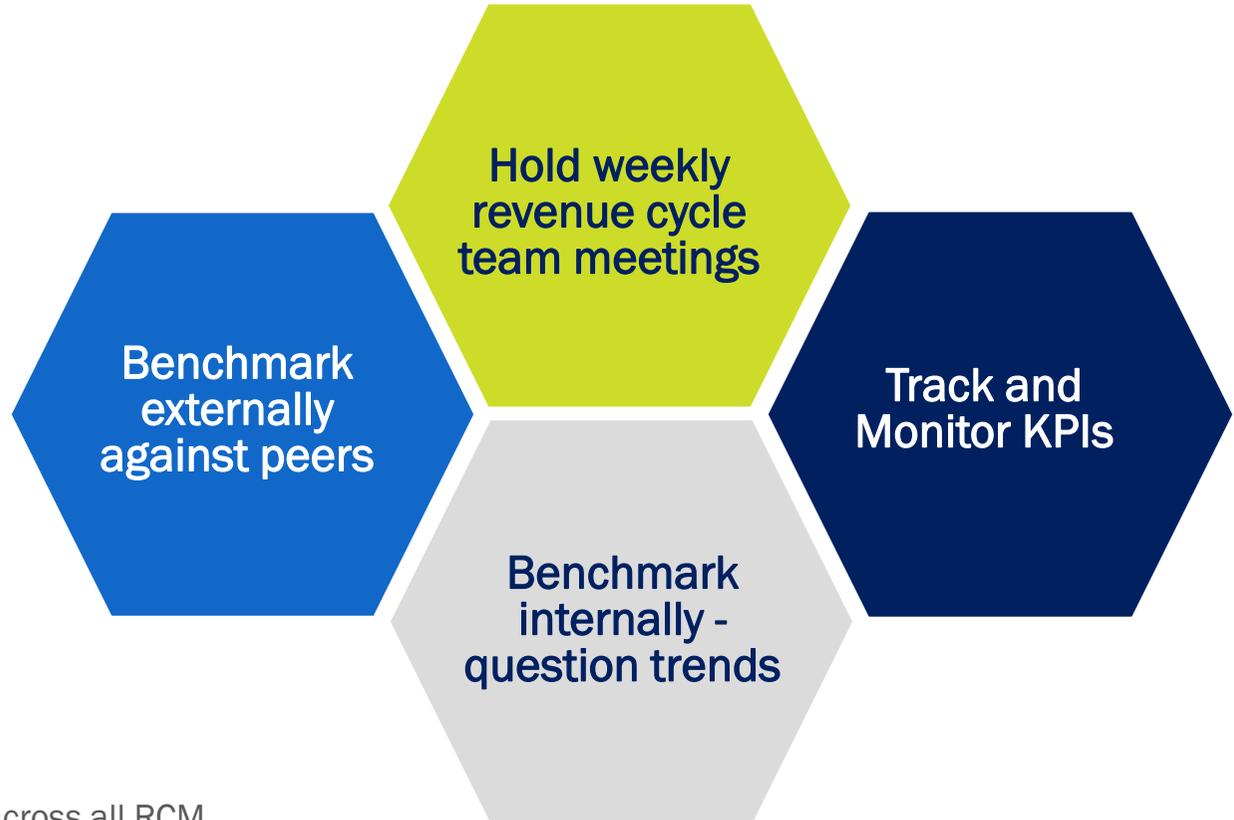
Best Practices: RCM KPIs

Establish KPIs

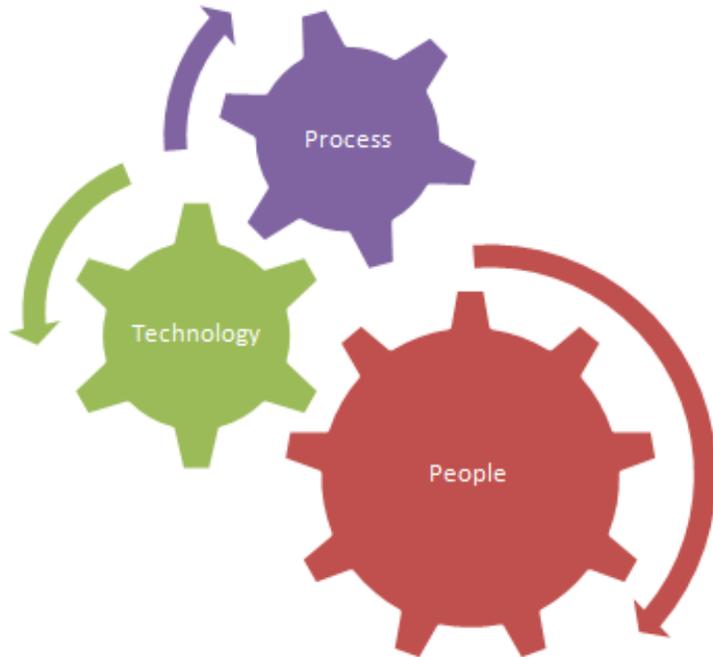
- Claim submission speed
- A/R greater than 90 days
- Cash collected as a % of net revenue
- Overall cost to collect
- Average claims worked per day

Cadence

- End of day report (Daily)
- Weekly soft closes
- Monthly score card
- Structured accountability model across all RCM delivery resources



Where to Focus



Regardless of the payment model, RCM is all about **data** and **people**

Re-engineer your systems, and also the expectations of your team

Cultivating a results-only work environment is KEY

Focus on KPIs and think about ways to impact value-based care with your data

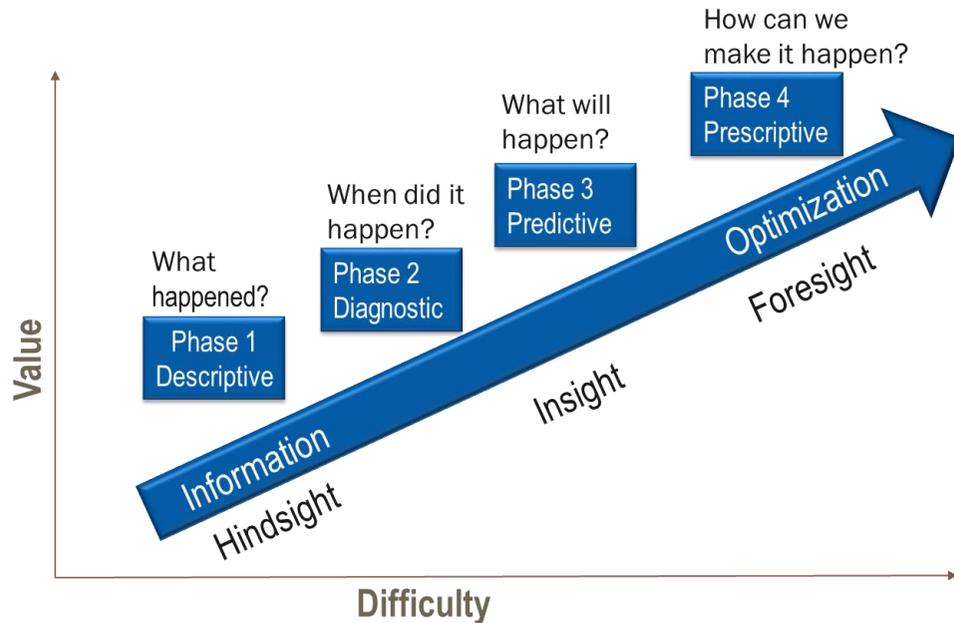
How to Prepare Your Facility for Value-Based Care

Past and Current Factors



Analytics is a Journey

Maturity Model



Source: Gartner

Healthcare IT is just getting started

Which analytics capabilities do you need and how do you get them?

Go Digital

How can outpatient surgical centers take steps toward the future?

- Incremental Approach
- Communicate
- Focus on Interoperability
- Cloud-based Technology



Revenue Cycle Management Analytics

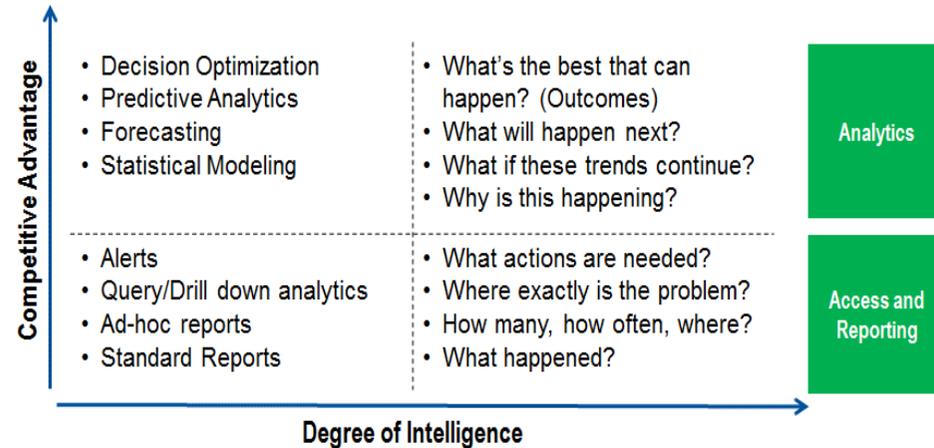
What is the current situation and how can outpatient surgery centers take steps toward the future?

Reporting on quality measures

- Patient burn
- Patient fall in the ASC
- Wrong site, wrong side, wrong patient, wrong procedure, wrong implant
- Hospital transfer/admission
- Rate of surgical site infections (SSIs)

<https://www.medicare.gov/hospitalcompare/asc-ambulatory-surgical-measures.html>

Competitive Positioning



Source: Adapted from Competing on Analytics: The New Science of Winning

Ecosystem Collaboration



Market your facility to help delivery partners and patients understand:

- Which services you specialize in
- Which population you serve best
- How you deliver quality care
- Payer/ Hospital collaboration

Host or participate in local events to showcase services and expertise

Build referral opportunities

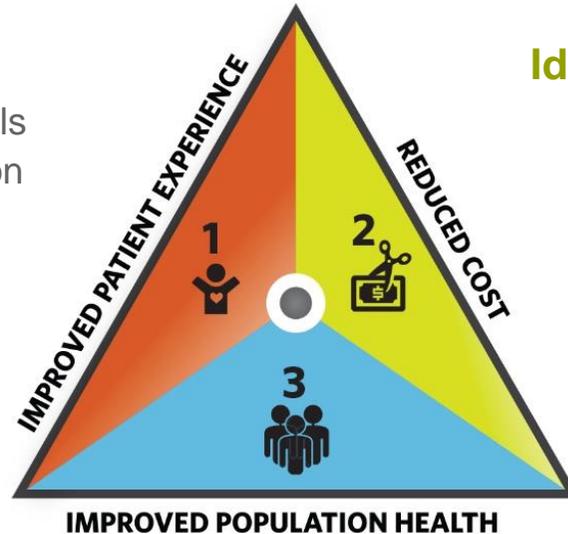
ASCs reduce cost of commercially insured patients by \$38B annually

ASCA News, 2016

Collaboration Drives Achievement of Triple Aim

Engage Patients

- Identify and incorporate patient goals
- Focus on continuity and coordination
- Facilitate communication channels
- Improve access to care



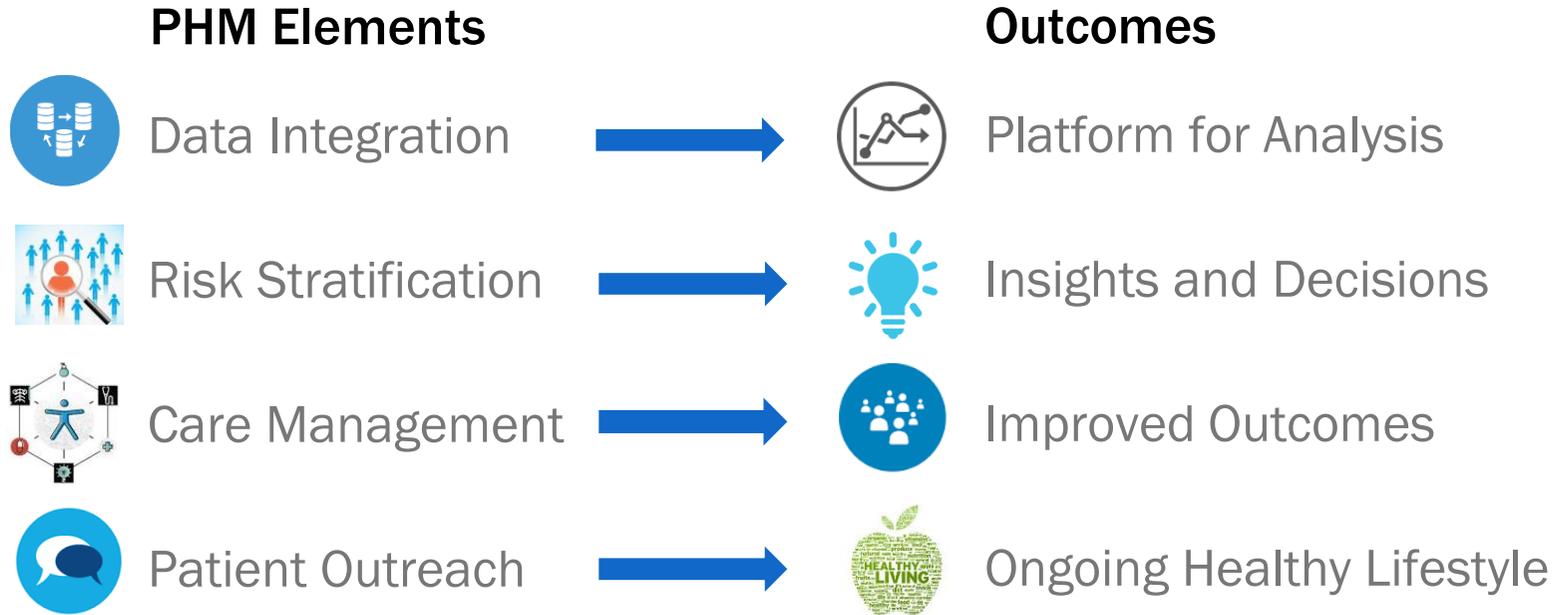
Identify Opportunities to Reduce Waste

- Avoid duplication
- Improve coordination and transitions
- Use automation to reduce resource needs
- Improve screening and prevention
- Align incentives to drive value

Engage Communities

- Identify patients
- Establish proactive care processes
- Focus on wellness
- Implement community resource navigator

Population Health Management: Foundation of Paradigm Shift



- Go Digital – Financial AND Clinical
- Analytics Journey
- Collaboration Strategy
- Community Data Sharing

Patient Engagement in a VBC World Must be Ongoing

HIMSS Patient Engagement Framework



<http://www.himss.org/himss-patient-engagement-framework>

Establish an end-to-end *communication connection* to build confidence, satisfaction and loyalty:

Before Visit

- Informed Consent, HIPAA
- Pre-op instructions
- Financial responsibilities and electronic payments
- Secure Communications

During Visit

- Education
- Payments
- Education and Care Instructions

Post Visit

- On-line Education and instructional videos
- Secure Communications
- Test Results
- Wellness Tracking

Get Creative: Explore Other Service Delivery Models

Offset the impact of value-based models on cash flow, and align with the focus on outcomes:

- Telemedicine
- Virtual visits
- Free health monitoring app
- Instructional videos

Keep in mind that new service models will bring with them new ways of billing – you think we have a lot of codes NOW?!?



Re-imagine Your RCM Team and Processes

Adaptability and scalability are critical to the value-based RCM staffing model

The days of assembly line RCM processes are dead – focus on it as a ‘cradle to grave’ function

How we submit bills changes very little - but how we assemble, interpret and use data produced by the bills changes dramatically

Understand the data collection process and perfect it



Rethink RCM Governance

A results-only work environment is key

Understand expected outcomes and hold the team accountable to them

Because incentive compensation is generally split among providers, have a solid process in place to govern the payout

Be adaptable and responsive to change



Divide and Conquer

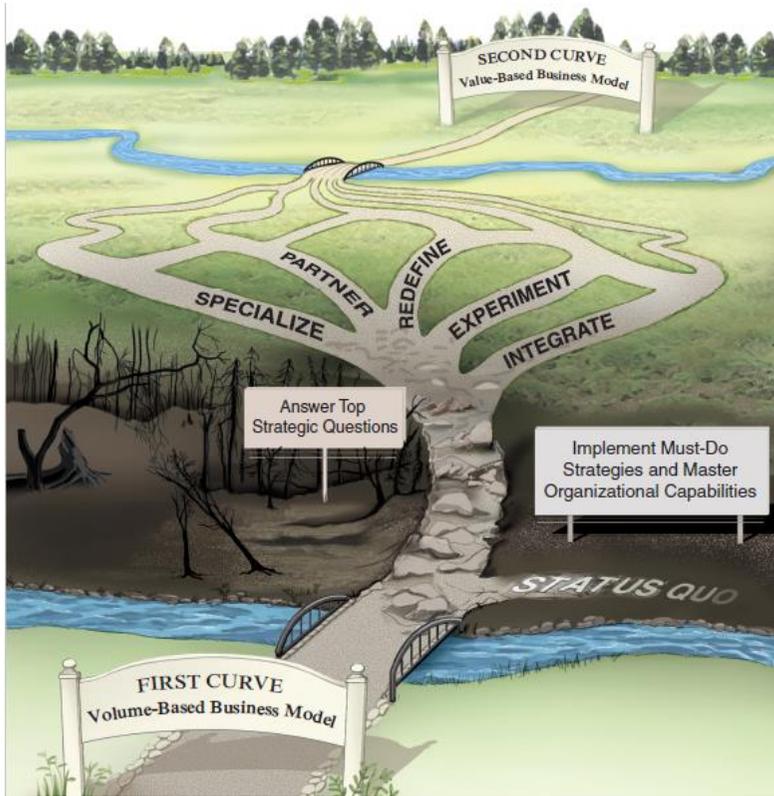
In fee-for-service, the current coding determines future payment

Value based care models punish the universe for only a few mistakes

Teams of best practice entities that coordinate their unique set of services to deliver the best outcomes will succeed



Where do We Go from Here?



Keep a close eye on changing regulations

Identify your sweet spot, build a network and collaborate

Digitize, analyze and share data

Hold teams accountable to measurable results

Deliver a 360° positive patient experience including billing & collections



There is no silver bullet or one-size-fits all answer

Every facility will create its own path to success with value-based models

American Hospital Association, Committee on Research. (2014, January). *Your hospital's path to the second curve: Integration and transformation*. Chicago, IL: Health Research & Educational Trust.

Q&A

Thank you

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