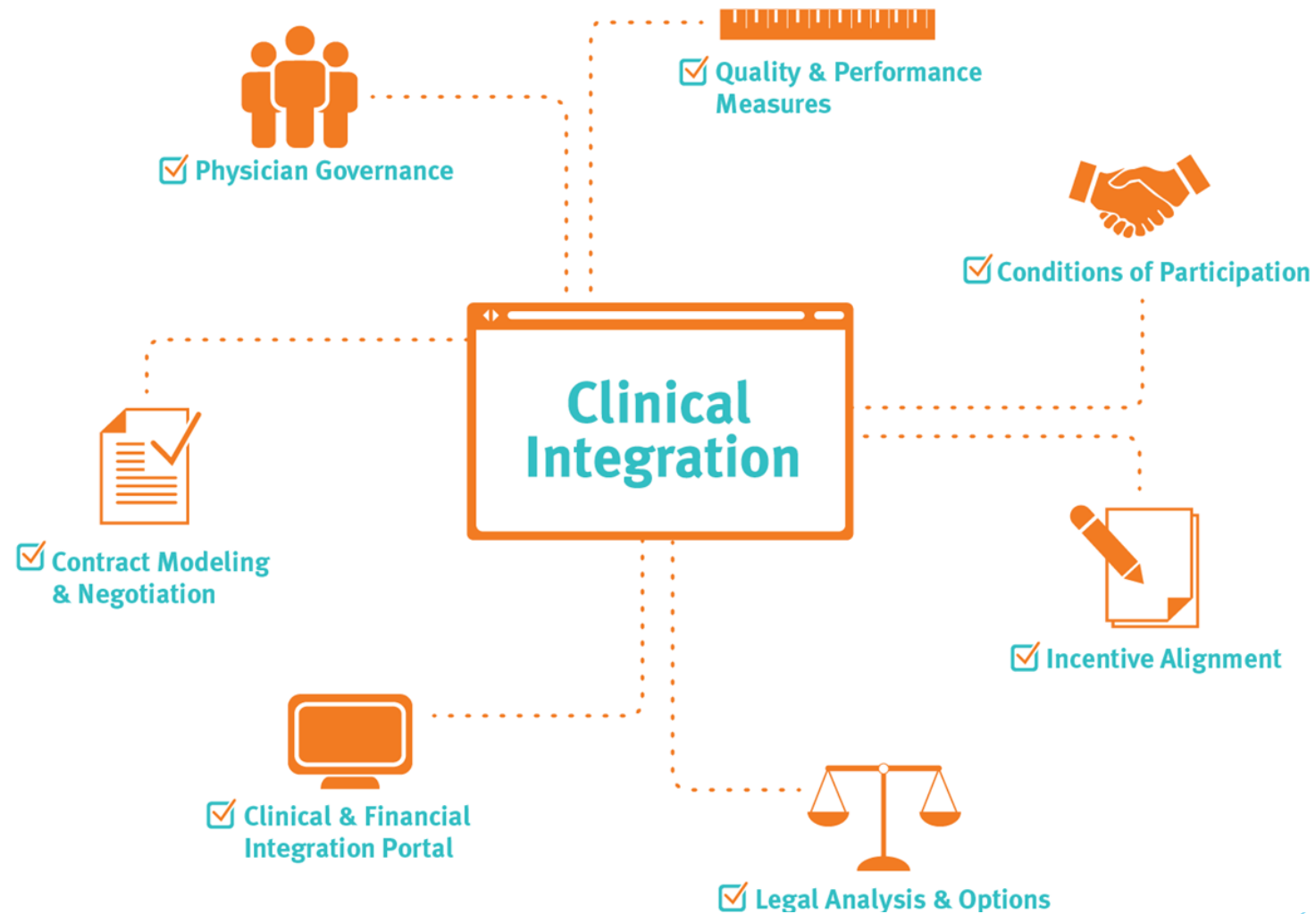


BECKER'S

ASC REVIEW



CLINICALLY INTEGRATED NETWORK - CIN



INDUSTRY OVERVIEW

- ▶ Various Forces Moving the Industry Toward Value-based Reimbursements and Care Delivery
- ▶ Accelerated Migration from Strict Fee-For-Service to Fee-For-Performance Reimbursement
- ▶ Providers Are Incentivized to Establish Care Delivery Models that Promote High Quality, Efficient Care
- ▶ Major Payers Committed to Support this Movement, with CMS Leading the Charge:
 - ▶ Introduction of MACRA (MIPS / APMs) Indicative of this Goal
 - ▶ Bundled Payment Programs (BPCI, CJR) Currently On Hold but Likely to Proceed
- ▶ Large, self-insured employers likely to emerge as a new market for healthcare services

PRIVATE ENTITY RESPONSES TO SHIFTING LANDSCAPE

- ▶ Many Provider Groups Desiring to Remain Independent Yet Successfully Compete with Hospital Counterparts are Considering Clinically Integrated Network ("CIN") Development
- ▶ CIN Development Creates Opportunity for ASCs to Capitalize on Benefits of Integration – Joint Contracting, Group Purchasing, Shared Marketing and Expanded Market Access
- ▶ Further Opportunities in Ophthalmology Arena Present:
 - ▶ Sharing of best practices – clinical / financial
 - ▶ First to market for anticipated VBRs, such as cataract bundles
 - ▶ Shared costs for IT infrastructure – EMR, data reporting , cost accounting

EXECUTIVE SUMMARY

- ▶ The Vision Center Network of America, LLC (VCNA)
- ▶ The First Clinically Integrated ASC Network (CIN) in the US
- ▶ Operationalized in March 2016
- ▶ Nine (9) Founding Members
- ▶ GOALS:
 - ▶ Reduce ASC Expenses
 - ▶ Create Negotiating Advantages with Payors
 - ▶ Advance Quality of Services

BACKGROUND AND OVERVIEW

CHRONOLOGY OF CREATION

- ▶ Concept Creation of ASC CIN, November 2013
- ▶ Retention of Coker Group to Assess Feasibility, September 2014
- ▶ Legal Consideration of Anti-Trust and Regulatory Issues
- ▶ Pro-Competitive Nature
- ▶ Assessment of Potential ASC Members' Operational and Economic Factors
- ▶ Coker Conclusions and Business Plan: CIN Approach Would Significantly Benefit Patients and ASCs
- ▶ Unanimous Approval to Operationalize, September 2015

BACKGROUND AND OVERVIEW

- ▶ Five Major Purchasers of VCNA's Services:
 - Government Payers
 - Self-Insured Employers
 - Other ACOs/CINs/IPAs
 - Commercial Health Plans
 - Hospitals and Hospital Centers

- ▶ Clinical Integration Enhances Efforts to Deliver Consistent/Excellent Care with Reduced Costs Capturing the Efficiencies and Economies of Scale

VCNA ACCOMPLISHMENTS

- ▶ Created Corporate Infrastructure of Operating Agreement, Surgery Center Participation Agreement and Clinical and Administrative Management Leaders
- ▶ Adopted Detailed Business Plan for Growth and Development of Ophthalmic Clinically Integrated Network
- ▶ Created Uniform Policies and Procedures for Day-to-Day Operations of Members
- ▶ Created IT Database for the purpose of tracking (i) actual cost of supplies and other expenses used during surgery, (ii) post-operative results and (iii) patient satisfaction
- ▶ Established VCNA Purchasing Group- Obtained Highly Competitive Rates for ASC Supplies & Products (ex. Premium Lenses, EMR and Inventory Control Software and Disposables)
- ▶ Provide Other Member Benefits (ex. OOSS Dues, Health Insurance Captive)

GOVERNANCE AND OPERATIONS

- ▶ Board of Managers: Two Representatives from Each ASC Member
- ▶ Executive Committee ("EC"): Management Control-7 Individuals Representing each of our Members
- ▶ Subject-Specific Subcommittees: Implement Strategy and Operations: Report to EC

CLINICAL AND FINANCIAL OPERATIONS

- ▶ Identify and Eradicate Waste and Inefficiency in Member Health Care Services
- ▶ Apply Time-Driven, Activity-Based, Cost Accounting & LEAN Process Mapping Tools, Focusing on Financial and Employee Efficiency and the Delivery of Value to Patients
- ▶ Clinicians Become Decision-Makers But With Benchmarking Within and Among ASC Members
- ▶ Reporting of Meaningful Outcomes and Process Metrics at Three Levels:
 - ▶ 1) VCNA
 - ▶ 2) ASC
 - ▶ 3) Surgeon/Provider

LEGAL COMPLIANCE

- ▶ Retention of Outside Counsel, Preferably a Healthcare Law Firm
- ▶ Absolutely Necessary to Ensure Compliance with Anti-Trust, Stark, Anti-Kickback and Other Statutes and Regulations
- ▶ A CIN Must Be Pro-Competitive
- ▶ FTC Safe Harbor Requirements for Joint Fee Negotiations:
 - ▶ Providers Either 1) Share Significant Financial Risks or (2) Clinically Integrate

INFORMATION TECHNOLOGY & CLINICAL INFORMATICS

- ▶ Qualify as a Legal CIN
 - ▶ Dedicated Electronic Platform
 - ▶ Analyze Per Case Expenses
 - ▶ Track Quality Measures
 - ▶ Report Those Measures Back to Members and Benchmark Against Other Surgeons and Centers
- ▶ Support Care Process Design System (CPDS)
 - ▶ Systematic *Approach* to Re-Tool Care Delivery Process
 - ▶ Application of Reliable Tools and Techniques to Drive Continuous Improvement
 - ▶ Multi-Disciplinary Team-Based Approach to Advance Value Proposition

INFORMATION TECHNOLOGY –

Procedure Cost Analysis Report

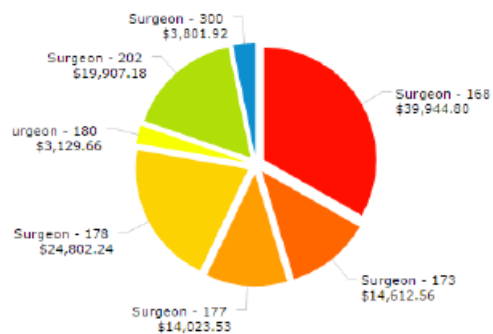
[Export CSV](#)
[Print](#)

Selected Procedures
Multiple

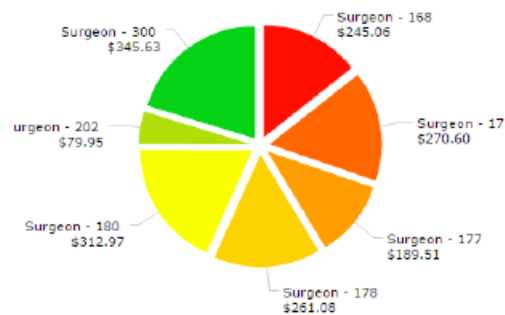
Selected Surgeons
All

Date Range
07-01-2016 To 09-13-2016

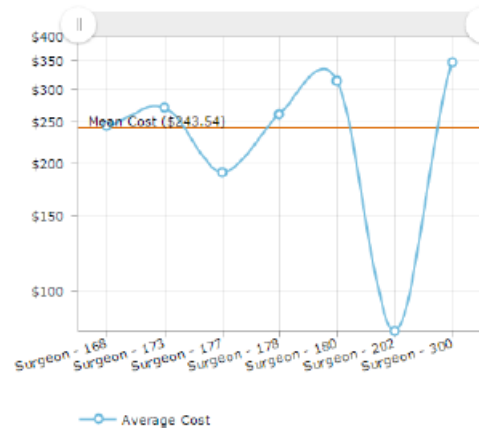
Total Procedure Cost Per Surgeon



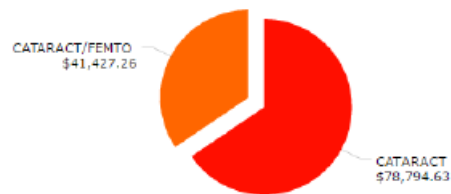
Average Procedure Cost Per Surgeon



Mean Cost and Comparison



Total Cost Per Procedure



Average Cost Per Procedure



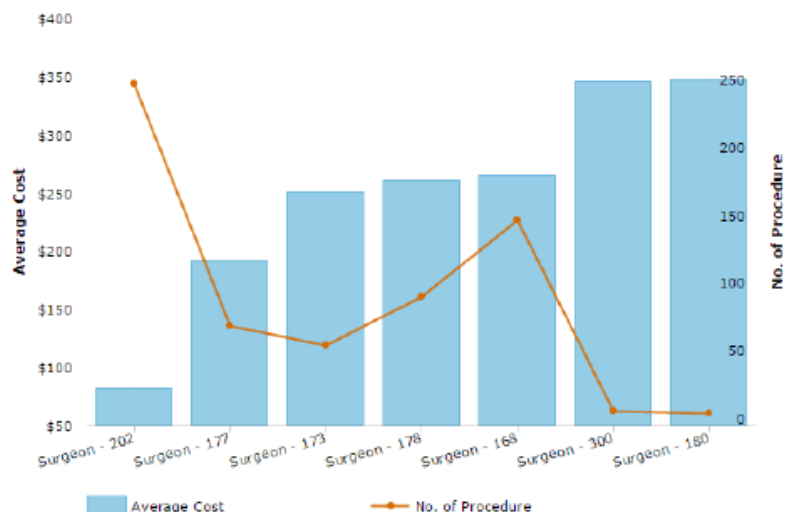
No Time Recorded

Sr.	Surgeon	Total Records
1	Surgeon - 168	18
2	Surgeon - 177	1
3	Surgeon - 180	1
4	Surgeon - 202	6
5	Surgeon - 278	1
6	Surgeon - 322	4

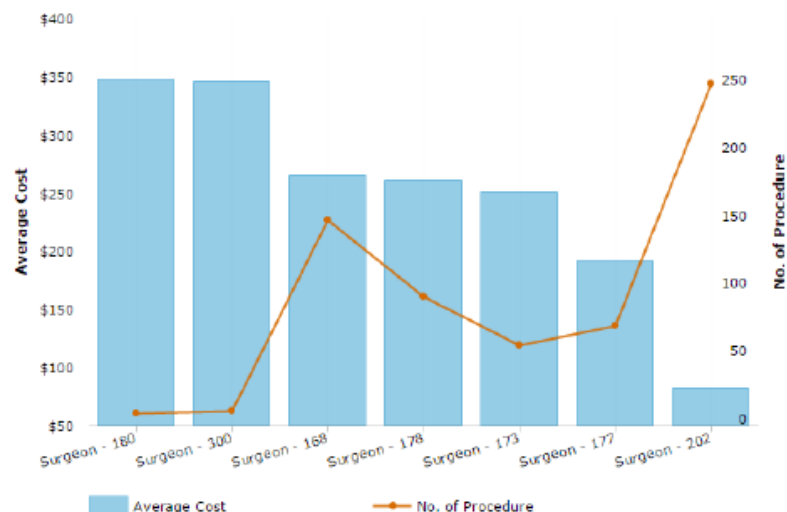
INFORMATION TECHNOLOGY –

Top Ten Surgeon By Procedure Cost

Top Ten Surgeon By Procedure Average Cost (lowest to highest)



Top Ten Surgeon By Procedure Average Cost (highest to lowest)



Surgeon Data

Surgeon	Total Procedure	Total Cost	Average Cost	Surgeon	Total Procedure	Total Cost	Average Cost
Surgeon - 168	163	\$39,944.80	\$245.06	Surgeon - 173	54	\$14,612.56	\$270.60
Surgeon - 177	74	\$14,023.53	\$189.51	Surgeon - 178	95	\$24,802.24	\$261.08
Surgeon - 180	10	\$3,129.66	\$312.97	Surgeon - 202	249	\$19,907.18	\$79.95
Surgeon - 278	1	\$0.00	\$0.00	Surgeon - 300	11	\$3,801.92	\$345.63
Surgeon - 322	4	\$0.00	\$0.00				

“Those who cannot remember the past, are condemned to repeat it.”

– George Santayana

- ▶ A bundled cataract surgery contract was awarded by Oxford Health in 1996
 - ▶ Oxford Health Bundled Cataract Surgery Contract
 - ▶ Global Rate Included Surgeon, Facility & Anesthesia Fee
 - ▶ Global Rate Included 10 Cataract Sx Related Retina Complications
- ▶ Bundling these components, produced savings for the insurance companies and their subscribers



For More Information About VCNA, Please Contact Us At:

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