Beyond the Math of Bundles:

Redesigning Care: Establishing Convention and Consistency
Your Presenters

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Agenda

1. Current market landscape and how we got to where we are today

2. Importance of redesigning care delivery

3. Alignment of economic, clinical quality, and patient experience objectives

4. Balancing what your organization is prepared to take on internally and when to engage a trusted third-party expert
Current Market Landscape

• No turning back on value-based payment
• More providers signing risk-based deals
• More providers accepting reduced payment
• States, as employers and Medicaid plans, leading the way
• Medicare Advantage margins shrinking
• Providers will need to deliver lower cost of care to survive
## Healthcare Market Transformation - Two Major Vectors of Change

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<td><strong>Innovation, prototypes and proof of concept</strong></td>
<td>• Public exchanges open</td>
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<td>• Patient-centered medical homes</td>
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<td>• Bundled payment/(warranty)</td>
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<td>• EHR, HIE, and analytics</td>
<td>• Radical improvement in quality and value</td>
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<td>• P4P, shared savings, shared risk</td>
<td>• Rapid adaptation/maturity of proven models of care delivery</td>
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| **Care Delivery and Reimbursement Transformation** | **Volume to Value** | |
| | • Provider accountability/control (VBR) | |
| | • Provider-driven health management | |
| | • Carve-in/re-aggregation of total costs | |
| | • Rapid adaptation/maturity of proven models of care delivery | |
| | • Emergence of new enablers/intermediaries – data, analytics, services, devices | |
What Is the Plan? A Problem in Need of a Solution

- Current way healthcare is paid for leads to higher cost
- Quality is an afterthought - concept of warranty is foreign
- Transparency regarding quality and total cost of care for an episode is lacking (informed consumer?)
- Today, there is no easy connection between benefit designs and episodic/bundled payment
Age-old Question Is Answered…
How We Got to Where We Are Today…

We are finally in the early stages of a much-needed phase of innovation, learning, and change:

- Medicare Bundled Payment for Care Improvement
- Commercial Bundled Payment demonstrations and pilots
- State Pilots

*The market is primed for bundled payments – now we need to collectively drive (quickly) towards scalable, sustainable models*
Importance of Redesigning Care Delivery

• Redesign care for BPCI
  – Government programs led the way, commercial to follow

• Create reliability, consistency and predictability of costs, outcomes, quality

• Provide integration and accountability across the care continuum

• Realize that care redesign is more than just the episode definitions, math and hand-off coordination

• Real engagement and collaboration with clinicians

• Real engagement of patients and families

• Focus is on outcomes and quality through standardization

• Innovation and rethink on role of stakeholders and new intermediaries in care delivery
ProvenCare® - A Case Study

A case-study in sustainable, scalable care delivery performance improvement:
Geisinger Health System’s ProvenCare® methodology

An approach that is extensible to your delivery system (Transformation)
Workflow Redesign

1. **Eliminate** non-value-added work
2. **Automate** any manual tasks possible
3. **Delegate** office visit-related work to trained non-physician staff
4. **Incorporate** new workflows into provider practice — use hardwired reminders and EHR tools to enhance care reliability and efficiency
5. **Activate** patients and families
Redesigning Through ProvenCare®

- Programs that have proven to facilitate delivery of highly reliable, evidence-based care - every patient, every time
- Current evidence-based best practice elements (BPEs) reduce unwarranted variation in the delivery of care processes
- A multi-disciplinary clinical team can use ProvenCare® to identify, and through consensus, agree on the critical BPEs based on current evidence and then integrate them into practice
- Optimized electronic health record (EHR) workflows ensure reliable delivery of BPEs
ProvenCare® Acute Method
Six Components

• Deliver substantially improved quality and value to patients, families, referring physicians, and payers for a defined set of healthcare services:
  – Document appropriateness of care
  – Establish evidence or consensus-based BPEs
  – Reliably deliver these by redesign of complex clinical systems, embedding them into everyday patient care flow
  – Engage patients and families in the care process
  – Provide a packaged price for the episode of care, with a bundled payment component
  – Transfer risk for financial effects of preventable complications to health system
Another Case Study

- Client (PGP) initial intent was CMMI BPCI initiative
- Socialized the strategy with their clinicians and began working with their acute care partner
  - Acute care partner not as enthusiastic
- Identified specific bundles of interest and provided assistance to their clinicians with clinical redesign
- Decided to pursue commercial bundles
  - analytics were performed
- **Result:** identified an opportunity to move 30% of their current inpatient procedures to their own ASC with corresponding skilled nursing support
Alignment of Economic, Clinical Quality, and Patient Experience Objectives

The Golden Rule of payment innovation:
“First, do no harm”
(It’s hard to be good when you’re encouraged to be bad.)

- Minimizing bad incentives is not the same as maximizing good incentives – the principle is to free up the positive forces of professionalism
  - You’re not minimizing bad incentives when you’re punishing good performance – never, ever, move the goalposts for the duration of the agreement
  - You’re not minimizing bad incentives when you’re encouraging providers to look for “gaming” opportunities
  - You’re not minimizing bad incentives when you fail to hold upstream providers for downstream care
Alignment of Economic, Clinical Quality, and Patient Experience Objectives

When bad incentives are reduced:

• Providers focus intensely on clinical quality feedback
• Providers figure out quickly how to better manage the supply chain
• Providers want to engage directly with employers to contract for episodes of medical care
• The Triple Aim can actually work instead of being a fig leaf justifying massive market consolidation
• Payers can engage and encourage their plan members to shift to higher-value providers, because those providers are eager to get more patients

Here’s the reality from the field of implementation:

• Providers feel in control of their destiny
• Patient experience of care is positive
• Defects are systematically eliminated
Closing Thoughts

• Tsunami of change over the next 5-8 years

• Key to sustainability and realizing the full potential of bundled payment is clinical redesign. Economics drives motivation. The hard work of value re-engineering is going to be a marathon.

• We need to share successes and failures and learn from others
  – Everybody building/designing their own solutions organically is not viable: we need convention for the market to work
  – Leverage evidence based strategies. There is a growing body of proof/knowledge of what works

• More to this than the math and insurance/arbitrage play that many are currently focused on. Caveat Emptor – many Delivery Systems have entered into arrangements with third parties that “give away” the upside

• Incentives matter > unintended consequences from misaligned incentives is inherent in this paradigm shift, e.g. gaming, cherry picking, etc.

• The chicken came first
Want to Continue the Conversation?

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- Click: www.xghealth.com