Volume 3, Issue 9 September 2016

Population Health NEWS

Five Changes in Mindset Are Essential for Population Health Management Success

by Bryan Wellens

The move to value-based care (VBC) is indicative of the industry's realization that it cannot continue to approach healthcare in the same way it has over the past 30 years. As providers turn to VBC initiatives, it's clear that simply purchasing a population health management (PHM) solution doesn't check the box for success; the shift from volume to value requires a new way of working and thinking.

Here are five essential changes in mindset resulting in a successful PHM initiative:

1. **Data patterns are important, but PHM is about the outliers.** Differentiating between the true signals in data versus unimportant or misleading information is critical for success—especially when factoring in the opportunity cost associated with limited time and resources. Subsequently, it is important to develop strategies within the context of "actionable" data points and navigate resources appropriately.

   For example, while Centers for Medicare & Medicaid Services' (CMS) recently released 2015 data show some promising progress for accountable care organizations (ACOs), still only 125 of the 400 Medicare ACOs (approximately 31%) have reported success.[1] Executives responsible for managing these ACOS have been left scratching their heads when, for example, the data show that strategies they deployed were successful in decreasing hospital inpatient and emergency department (ED) utilization, yet the cost of care went up.

   Consider a scenario where inpatient utilization and ED visits decreased 6% and 3%, respectively, but the per member per year cost increased by 5%. Leadership may have invested $1 million in resources and operational costs, but there is zero return on that investment. There are a few reasons why this could have occurred. It could be an issue of outlier data, a result of variables that were not accounted for or data that might have been misleading and incorrectly interpreted as a meaningful data point. For example, inpatient utilization could decrease due to an increase in the use of the observation status code by hospitals indicating that a reduction in inpatient utilization alone does not result in a cost of care reduction. Simply, the scenario could be due to attribution mismanagement, where a few outliers that weren't managed well could spell doom for total cost of care performance.

   The key takeaway is to look at data thoroughly, understand the high-level focus points and then drill down into the details to develop the right strategy. Even though there might be a decrease in utilization, costs could increase or stay the same because something else is actually the issue.

2. **Interoperability means more than data aggregation.** With the dawn of the technology age and an industry-wide adoption of value-based payment (VBP) models, there is an abundance of technology solutions available. Many of these tools are not much more than bright shiny boxes, but a few of them have proved to be of industry-wide value, specifically through seamless integration with other technology initiatives.

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3. **Social determinants must be taken into account.** Behavioral health is a critical part of a holistic approach to health; however, it's an area that is often overlooked due to stigma, underfunding, a misunderstanding over how to treat patients or an insufficient supply of behavioral health providers. There are several agencies and providers in the marketplace that can support behavioral health and knowing how to leverage these providers to create mutually meaningful partnerships is critical. While there has been an abundance of data shared by payors and other entities, behavioral health-related data are highly protected and not always accessible. This in turn affects the ability to develop analytical insights, develop a health risk profile and proactively engage this population.

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An example of behavioral health-related opportunities has been found in frequent ED users, such as patients with more than 40 visits in a 12-month period. An understanding of the social and behavioral determinants causing these frequent admissions can significantly reduce the problem by finding a root cause. A comprehensive understanding and evaluation of such patients and a proactive patient engagement strategy could result in a win for all stakeholders—payors and providers could reduce the cost of care, while patients receive better quality of care.

4. **Payer mindset is key.** The healthcare industry is primed for the creation of partnerships that were previously considered off the table. This is already visible across the country through the development of clinically integrated networks (CINs) and payer/provider relationships. In a sense, the ACA acted as a reset button for the industry, with an attempt to align collective interests.

   With the shift to VBP, there is an alignment in objectives between payors, providers and patients who now have more at stake through benefit design changes, such as incentives to use more efficient providers and the adoption of high-deductible health plans (HDHPs).The Center for Medicare & Medicaid Innovation bundled payment models are prime examples of experimental, voluntary initiatives that train providers to think like payors. This year, CMS launched two new programs: the Oncology Care Model and the Million Hearts Model.

5. **You can't succeed without a can-do attitude.** Finally, nothing will ever change if after identifying an issue from available data, executive leadership believes it cannot do anything. Success takes many different forms, and physician or executive leaders must be willing to initiate change. In this shifting healthcare environment, success can be defined in several different ways, such as market share, shared savings in payer programs, a move to VBP as an on-ramp for assuming shared risk and alignment of interests between payer, provider and patient.

   First and foremost, executive leadership needs to create consensus on how short-term and long-term success is defined and then work with decision makers to set objectives and develop a strategic plan.

A forward-thinking approach will enable practice transformation. Without changes in mindset, it will be difficult for providers to successfully act on the demands of a PHM initiative that can drive value-based care for patients. An understanding of these new ways of thinking will be critical to driving population health management as part of a broader VBC initiative, sustaining independent physicians and other provider organizations as the industry rapidly evolves. The next-generation physician enterprise will be defined by its ability to break from today's status quo and take advantage of the rewards that come with practice transformation.

[1] "Medicare Accountable Care Organizations 2015 Performance Year Quality and Financial Results." Centers for Medicare & Medicaid Services. CMS.gov. Aug. 25, 2016.

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[2] Gesensway D. "Surgicalists: Why Aren't They in Your Hospital?" *Today's Hospitalist*. January 2015.
[3] O'Mara MS. "Sustainability and Success of the Acute Care Surgery Model in the Nontrauma Setting." *Journal of the American College of Surgeons*. July 2014; 219(1):90-98.

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