On Shifting Ground

Group/Payer Match Shows Impressive Gains

BY JOHN M. TEDESCHI, M.D., AND BRYAN WELLENS, M.B.A.

Most physicians know more changes are coming. Our country simply cannot sustain increasing healthcare costs. But that doesn't mean doctors should sacrifice patient care or their own economic well-being.

In fact, medical practices can improve patient health and satisfaction, lower overall costs, and earn significant financial rewards by creating strategic partnerships with commercial insurers.

Medical practices can improve patient health and satisfaction, lower costs, and earn rewards by creating strategic partnerships with commercial insurers.

Our company, Continuum Health Alliance, is facilitating one such program for Advocare—one of New Jersey's largest physician groups—and a large commercial payer.

As the ground shifts from a fee-for-service to a value-based model,[1] this type of partnership will help medical practices meet new clinical and lowered cost of-care requirements while maintaining financial health. With the payer's shared savings program, for example, cost savings are divided between the payer and the provider. Our value-based healthcare program produced impressive benefits in its first two years, including:

- Care quality in the 90th percentile, as ranked by the National Center for Quality Assurance.
- 17% lower overall cost of care
- 11% fewer hospital admissions
- 30-day hospital readmissions reduced to 12% versus 18%, the national industry average
- 5.8% fewer emergency department visits
- Value-based rewards resulting in a 5%–10% increase in revenue

The program pays dividends in efficiency and productivity. "It's helped our office work as a team," notes Charles Choe, D.O., a participating provider. He calls the Continuum-enabled program "innovative" and "best for the patient and the doctor."

How It Works

Launched in July 2012, the program is a quality, metrics-driven framework. Using claims data from the payer, Continuum applies its technology, data management, clinical quality improvement, practice transformation, and business expertise that enables providers to meet program goals. The program currently encompasses 20,000 adult members served by 23 primary care practices with 27 offices across the state. Here are the key components:

Enhanced Technology Training. At Continuum, we teach each practice to use its electronic health record (EHR) system effectively to extract a wealth of

information. We integrate the EHR with a "clinical intelligence platform," which provides evidence-based guidelines at the point of care. In addition to showing a patient's chart, this EHR platform offers multiple dashboards—indicating gaps in the patient's care, for instance, and providing disease registries of all patients with a particular condition. A practice-level dashboard displays overall progress toward goals. Thorough training in the use of these tools is vital.

"There was a learning curve initially," notes Dr. Choe. "Now, patient visits are less time-consuming; the technology really helps us."

Insurance Claims Data. This platform reflects claims information, provided by the payer, to give a full picture of each patient's diagnoses and care. Everything from lab results to prescriptions to specialist visit records is now front and center for the primary care provider (PCP). The insurer notifies us regarding patient emergency department (ED) visits so that care coordinators can follow up with the PCP and schedule an appointment with the patient within 48 hours of discharge.

Improved Patient Attribution. Our technology identifies all patients who haven't visited in recent years. Staff members then call those patients, determine if they're still with the practice, and initiate care as appropriate. Practices update inaccurate attributions with payers, thus avoiding errors that hamper cost savings.

New Staff Roles. We work with each Advocare office to rethink staff members' duties. In many cases, employees assume a wide range of responsibilities, giving providers more time to practice medicine. Nurses give immunizations, for instance. And nonclinical staff monitor patients, making sure they're scheduling and keeping appointments. All staff members work at the top of their credentials to ensure maximum efficiency. Everyone is focused on ensuring that the patient receives the right care at the right location at the right time.

We also created the role of "local care director" (LCD) within practices—an individual who contacts patients flagged for various health and usage issues. For instance, one practice found several patients visited the ED for seemingly minor issues that could have been addressed at the PCP's office. The LCD determined some patients had no transportation to get to the practice, so they took an ambulance to the ED. The LCD then arranged for local senior services to transport the patients to office visits.

Care Coordinators. In typical practices, 5 percent of patients drive about 50 percent of healthcare costs.[2] We provide centralized care coordinators, nurses who work with clinically at-risk patients, to curb costs and improve care. This includes helping patients better manage their health, navigate the healthcare system, and avoid hospitalizations. For instance, a care coordinator will help a patient obtain required blood work *before* visiting the doctor, eliminating the need for a second appointment.

Population Health Campaigns. We proactively address the health needs of specific populations. For instance, we identified a group of 2,300 Advocare patients over age 50 who were due for a colonoscopy. We mailed them fecal immunochemical test kits on behalf of the patient's physician at a cost of $7 each. Eleven percent—263 patients—returned the kits to the lab via mail, and 10 were ultimately diagnosed and treated for precancer or cancer. This highly rewarding campaign saved both lives and money.

Measurement. Numbers don't lie. Practitioners' performance is measured by nine clinical Healthcare Effectiveness Data and Information Set (HEDIS) metrics, such as the number of patients who received a needed pneumonia vaccine, and how many diabetic patients had appropriate HbA1c levels. Patient satisfaction is measured by a brief Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey, using questions such as "Do you like your doctor?" and "Do you have access to care when you need it?"

On a color-coded report card, green boxes signify that a doctor completed the measured tasks. Yellow and red boxes indicate items are incomplete or were not performed, respectively. Providers received their first report cards during a practice-wide meeting four months into the program. The doctors immediately began comparing their "grades," spurring some healthy competition. More importantly, they now had objective confirmation of their efforts and a roadmap for improvement.

Compensation. At a later meeting, doctors received a second report, which got an even bigger reaction. This document showed the quality improvement and overall cost savings each physician achieved relative to a comparison population—and the doctor's rewards from the payer. (This is on top of their normal fee-for-service compensation.)

Depending on the number of participating patients, incentive reimbursements typically averaged a 5 to 10 percent increase in revenue for top-performing practices in all three Institute for Healthcare Improvement (IHI) "Triple Aim" categories—quality improvement, lower overall cost of care, and patient satisfaction. But providers with red boxes on their report cards were penalized, receiving far less than doctors who embraced the changes. This is a powerful moment of transformation for the providers. They realize value-based care

is not only better for patients—it's a viable model for improving physician compensation.

Some practices, like Dr. Choe's, share the monetary rewards with their staff. "Everyone has stepped up," observes the physician from Advocare Family Health at Mount Olive. "They were thankful and felt included in the greater goals we're trying to achieve."

Of course, a program like this requires a financial investment. The payer invests in the process by providing a per-member-per-month fee for participating program physicians.

Culture Shift

Achieving the Triple Aim requires a significant shift in a practice's culture—and the biggest rewards via shared savings and other value-based programs go to those who understand this principle.

Triple Aim practices adjust workflows, and their providers give up some control. They embrace technology, learning to leverage data within a patient's EHR and not just file it away. They make sure to document services provided; otherwise, they know the claim won't get paid. And, they're evolving into patient-centered medical homes, serving as the hub of their patients' health care.

These culture shifts aren't easy, but they're necessary to survive and thrive as our healthcare system moves from volume to value.

Patients notice the changes. Their doctor now covers a wide range of issues during an office visit. For instance, if a patient sprains an ankle, the doctor discusses his diabetes and any gaps in care identified through the enhanced EHR. In this way, providers are not just treating patients episodically; they're improving holistic, preventive care.

What It Takes

To succeed with this type of program, you must have sufficient resources. This favors a multi-practice group or one backed by a large health system. Indeed, small practices may have to join large, clinically integrated groups to cope with the changing healthcare environment.

Your leadership must be committed, motivated, and passionate about the initiative, which will require comprehensive transformations. At the same time, staff members must understand why the group is doing this and how they will benefit. Before launching the payer's shared savings program, we held face-to-face meetings with the practices' leadership to educate them and win their buy-in.

Because most practices lack the time and expertise to implement a value-based reimbursement program, an experienced partner is essential. Continuum serves as a facilitator between Advocare and the payer. We analyze the data, help implement it at the practice and care level, and report the required payer data. We're in constant communication with the payer and hold quarterly meetings to discuss strategies and refine and improve the program. In short, we enable providers to meet the quality improvement, patient satisfaction, and cost saving goals outlined by the payer.

Finally, understand that this will be difficult, but it gets easier over time.

The 60% Reason

The Continuum/Advocare/Payer collaboration has been a terrific experience. Advocare is now expanding the program to a pilot group of its pediatric practices. Continuum is starting similar programs with other commercial payers, while the original payer is pursuing similar contracts with other providers.

As value-based health care grows, performance data becomes available to the public, enabling patients to choose providers based on outcomes. Our programs help our providers enhance performance, making them attractive to patients. Moreover, practices grow capacity to expand their patient panels thanks to improved efficiency and oversight.

Ultimately, we don't believe fee-for-service will disappear completely. But, if 60 percent of your income will eventually come from value-based programs, you must be ready for this revolution.

References

1. Managed Care Outlook: research shows transition from volume to value. July 2014. *Managed Care,* 23(7): 48.
2. S. Cohen and W. Yu. 2012. *The Concentration and Persistence in the Level of Health Expenditures over Time: Estimates for the U.S. Population, 2008-2009.* Medical Expenditure Panel Survey; Statistical Brief #354. Agency for Healthcare Research and Quality. Accessed on January 14, 2015 at http://meps.ahrq.gov/mepsweb/data_files/publications/st354/stat354.pdf.

John M. Tedeschi, M.D., is former chairman of the board and CEO of Continuum Health Alliance in Marlton, New Jersey, and Bryan Wellens, M.B.A., is senior director of clinical informatics for Continuum, a healthcare managed services organization providing practice management and population health management.