Impact on Health System Market
Changes on Rural Health: ACO, PCMH, VBP Consolidation

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Importance of Transitions to Optimize Opportunities

- Changes are coming, under auspices of reform or otherwise
- Implement the changes in the context of what is desirable for rural communities
- How do we pull that off?

The Changing Landscape

- $ must be squeezed out of current health care expenditures: 20% of GDP by 2020 is not acceptable
- Both price and quantity of services must be reduced
- Changes will happen in the delivery system, fundamental not cosmetic
- For health systems, PRESSURE TO GROW AND SUSTAIN PATIENT VOLUME
Coincidental Presence of Models for Change (old and new)

- Prevention and population health
- Community well-being
- Patient-Centered Medical Home
- Bundled payment
- Value based purchasing
- Managed care organizations
- Accountable care organizations

Demands for service will shift

- Expansion of Medicaid enrollment with some federal help in paying providers, but limited
- Expansion of enrollment in the individual and small group markets
- CAN’T EXPECT CURRENT / HISTORIC APPROACHES TO DELIVERING AND FINANCING CARE TO RESPOND TO THIS SHIFT

Future Should be: RUPRI Health Panel Vision

The RUPRI Health Panel envisions rural health care that is affordable and accessible for rural residents through a sustainable health system that delivers high quality, high value services. A high performance rural health care system informed by the needs of each unique rural community will lead to greater community health and well-being.
Should be: Foundations for Rural Health

- **Better Care**: Improve the overall quality, by making health care more patient-centered, reliable, accessible, and safe.
- **Healthy People/Healthy Communities**: Improve the health of the U.S. population by supporting proven interventions to address behavioral, social, and, environmental determinants of health in addition to delivering higher-quality care.
- **Affordable Care**: Reduce the cost of quality health care for individuals, families, employers, and government.


Why is Rural Different?

- Same Triple Aim goals same as everywhere:
  - Better care
  - Better health
  - Lower cost
- But there are persistent rural priorities
  - Access to services (includes how to finance)
  - Community focus (IOM report of 2005)
  - Innovative use of personnel and facilities

A High Performance Rural Health Care System Is

- **Affordable**: costs equitably shared
- **Accessible**: primary care readily accessible
- **Community-focused**: priority on wellness, personal responsibility, and public health
- **High-quality**: quality improvement a central focus
- **Patient-centered**: partnership between patient and health team
Central points from RUPRI Health Panel regarding change

- Preserve rural health system design flexibility: local access to public health, emergency medical, and primary care services
- Expand and transform primary care: PCMH as organizing framework, use of all primary care professionals in most efficient manner possible

Continue

- Use health information to manage and coordinate care: records, registries
- Deliver value in measurable way that can be basis for payment
- Collaborate to integrate services
- Strive for healthy communities

Innovate to accelerate pace of change

- In health care work force: community paramedics, community health workers, optimal use of all professionals, which requires rethinking delivery and payment models – implications for regulatory policy including conditions of participation
- In use of technology: providing clinical services through local providers linked by telehealth to providers in other places – E-emergency care, E-pharmacy, E-consult
- In use of technology: providing services directly to patients where they live
The future can be healthy people in healthy communities

- Through local providers linked to integrated systems of care
- Who, together with their patients, manage health conditions
- Not the same design everywhere, but the high quality, patient-centered everywhere

Health Care Organizations of the Future

- Accepting insurance risk
- Focus on population health
- Trimming organization costs
- Using the data being captured (e.g., electronic health records)
- Health care as retail business

Considerations

- Evolving service system (e.g., telehealth)
- Workforce: challenges to fill vacancies, and shifts to new uses of new categories
- Best use of local assets; including physical plant (the hospital)
Local Assets to Consider

- Raw material
- Data and information
- Connectivity
- Core capabilities, e.g., primary care
- Leadership

Elements of a Successful System Redesign

- Clear Vision
- Principles for redesign (reliability, customization, access, coordination)
- Teamwork
- Leadership
- Customer focus
- Data analysis and action plans
- Inclusive beyond health care system


Changes in delivery system: Patient-Centered Medical Homes (PCMH)

- Not your father’s “medical home”
- Potential future of primary care
- Emphasis on integrated services, management of chronic conditions, team-based, patient-centered care
Core Features of PCMH

- Personal physician (some believe APNs)
- Physician-directed medical practice (ditto)
- Whole person orientation
- Care coordination and/or integration
- Quality and safety
- Enhanced access (timely and convenient)
- Payment for the value added


PCMH Readiness

- From 2008 data: 41% of all primary care practices offer minimal or no PCMH services
- Large practices do better; in non-metro areas, 18.8% meet 7 “must pass” elements vs. 4.5% of small practices – metro is 17.4% vs. 9.6%


Bundled Payment in Rural Places?

- May improve quality of care but impact likely to be unevenly distributed (geography and care systems)
- May lead to provider consolidation
- Incorporating CAHs challenging and may not work
- May need safeguards to protect rural consumer choice and patient/provider relationships

Bundled Payment Models

- Model 1: Discount on Part A payment for inpatient hospitalization
- Model 2: Inpatient and all related services plus 30, 60, or 90 days after discharge
- Model 3: Retrospective Post-Acute Care Only; begin within 30 days and end up to 90 days; 48 clinical condition episodes
- Model 4: Prospective bundle for inpatient only to include Part B

Model 2 Participants Include

- Catholic Health Initiatives in CO, KY, NE, TN, AR
- Health Choice Utah Accountable Care LLC
- Maine Heart Center in Portland, ME
- WY Medical Center in Casper
- Geisinger Clinic in Danville, PA

Model 3 Participants Include

- Remedy Partners, Inc with facilities in 11 states
- Amedisys Holdings with facilities in 7 states
- Evangelical Lutheran Good Samaritan Society in Sioux Falls, SD with facilities in SD and MN
Model 4 Sites Include

- St Rose Dominican Hospitals in Henderson, NV
- Health Quest Systems, Inc. in LeGrangeville, NY
- Sisters of Charity of Leavenworth Health System/Exempla, Inc in Denver with facilities in CO, KS, MT

Changes in the delivery system: Accountable Care Organizations (ACO)

- Including Medicare Shared Savings Program (MSSP)
- Including Pioneer Demonstration from Centers for Medicare and Medicaid Innovation (CMMI)
- CMMI anticipates doubling in 2013
- And much more.....

Tally Sheet

- 32 Pioneer ACOs (now 23)
- 220 MSSP ACOs (will grow by 6)
- 32 are Advanced Payment
- more than 400 total ACOs; in 48 states

Source: MedPAC presentation by David Glotz and Jeff Stensland. April 4, 2013
Medicare ACOs in Rural Places

- Medicare ACO presence in 17% of nonmetropolitan counties
- 88 Medicare ACOs with beneficiaries assigned to them from 343 nonmetropolitan counties in 38 states

Source: RUPRI Center for Rural Health Policy Analysis estimates based on data collected from Medicare ACOs

Core Components of An ACO

- People-centered foundation
- Health home
- High-value provider network
- Population health and data management
- ACO leadership
- Payer partnership

Parallel Developments in Medicaid

- States implementing care coordination models include: CO, OR, NC, ME
- 25 states implemented new payment systems so providers function as PCMHs

Health Affairs, November 2012 article by Takach

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The World According to Payers, 2016 and Beyond

- Revenue reduced for readmissions
- Must prove quality and cost to be part of network
- More patient shopping, even across rural hospitals
- By 2020 6% of Medicare payment tied to risk incentives: VBP, readmissions, hospital-acquired conditions

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Continued

- From clinical care to health and health promotion
- From discharges to people enrolled in system and interactions with people
- Managing patients according to patient need across illness spectrum and continuum of care
Transition Thinking

- Volume to value
- Group contract to patient service
- Care coordination across the continuum
- Patient centered care
- Lower costs

Actions to Consider

- Measure organizational performance
- Inform key stakeholders regarding performance
- Consider employees for care management
- Negotiate payment for measurable quality and patient satisfaction
- Collaborate with health care and human services providers
- Strategic focus on patients/community

Considerations

- Using population data
- Evolving service system (e.g., telehealth)
- Workforce: challenges to fill vacancies, and shifts to new uses of new categories
- Best use of local assets; including physical plant (the hospital)

Source: The U.S. Census Bureau
Financial Risk and Total Cost of Care (TOCC)

- Roll out Minnesota Institute for Clinical Systems Improvement
- Recognize role of social determinants of health: socio-economic factors contribute 40% of different to population health, health behaviors 30% (calculations for MN)
- Importance of community collaborations

Concluding with reminders of reality

- Payment per event will moderate
- Tolerance for services of questionable use will diminish
- Systems will form and spread
- Multiple payers moving in similar directions, opportunities to influence should be captured and exploited

Pursuing the possible

- When community objectives and payment and other policy align
- Community action is where policy and program streams can merge
- Community leadership a critical linchpin
- Pursuing a vision
Role for State Offices of Rural Health

- Community focus will require convening stakeholders that may not have done so
- Providing and brokering technical assistance
- Full utilization of available demonstration and pilot project support
- Helping understand influence of payment and regulatory policies
- Other?

What is RHSATA?

- Rural Health System Analysis and Technical Assistance
  - Funded by HRSA Office of Rural Health Policy (ORHP)
  - Led by University of Iowa RUPRI Center for Rural Health Policy
    Analysis, in partnership with Stratis Health and Washington University
- The RHSATA team will analyze rural implications of changes in the organization, finance, and delivery of health care services and will assist rural communities and providers transition to a high performance rural health system.

RHSATA Aims

- Assess rural implications of policies and demonstrations
- Develop tools and resources
- Inform and disseminate
Process for Change

- **Inform**: Create awareness of the need for change
- **Assess**: Understand strengths, needs, and capacity to build value
- **Prepare**: Identify action based on organizational and community needs
- **Action**: Change to create value

What Next?

- There is help!
  - www.RuralHealthValue.org (RHSATA) –
  - www.raonline.org (Rural Assistance Center)
  - www.ruralcenter.org/tasc (National Rural Health Resource Center)
  - www.flexmonitoring.org (Flex Monitoring Team)
  - www.hrsa.gov/ruralhealth (Office of Rural Health)

For Further Information

The RUPRI Center for Rural Health Policy Analysis
http://cph.uiowa.edu/rupri

The RUPRI Health Panel
http://www.rupri.org
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