Value-Based Care Strategic Planning Tool

Rural Health Value Webinar
August 27, 2015

A. Clinton MacKinney, MD, MS
Clinical Associate Professor and Deputy Director
RUPRI Center for Rural Health Policy Analysis
University of Iowa | College of Public Health
clint-mackinney@uiowa.edu
Four Converging Forces

- Price reduction threats and volume reduction pressures
- Expanding insurance coverage, but narrower networks
- Increasing quality of care measures and accountabilities
- Widespread healthcare provider affiliations
The healthcare value equation (2006)

\[ \text{Value} = \frac{\text{Quality} + \text{Experience}}{\text{Cost}} \]

- And healthcare payment is changing to reward value
Clint MacKinney, MD, MS

**Value-Based Payment Landscape**

- 40% in-network private plan payments linked to **value**
  - (11% in 2013)

- 700+ public/private shared savings plans (ACOs)
  - 20+ million patients

- 400+ Medicare ACOs
  - 6+ million beneficiaries
  - Operating in 48 states

- Value-based payment has legs!
  - Programs will change however

Sources: [www.catalyzepaymentreform.org](http://www.catalyzepaymentreform.org), [www.hhs.gov](http://www.hhs.gov), and RUPRI Center for Rural Health Policy Analysis
Alternative Payment Models

- Shared savings plans
  - (accountable care organizations)
- Bundled payments
  - Single payment per care episode
- Patient-centered medical homes (health homes)
  - Robust primary care
- APMs pay for **value**
  - That is, value-based payment
  - Fee-for-service and cost-based reimbursement pay for **volume**
Alternative Payment Models
- Shared savings program (ACOs)
- Patient-centered medical homes
- Bundled payments

Remaining fee-for-service payment linked to quality/value

Aggressive timeline - favors
- Population health management and
- Financial risk management experience

APMs represent forays into value-based payment that, consequently, requires value-based care

Percent of Medicare Payment Goals

- 2014: 20%
- 2016: 30%
- 2018: 50%

Alternative payment models
Fee-for-service linked to value
Value-Based Care

- **Value-based care (VBC)**
  - Health care that improves clinical quality, increases community health, and uses resources wisely

- **Value-based care capacity**
  - Resources, processes, policies, infrastructure, etc. required to deliver VBC

- **VBC Tool**
  - The online tool developed by the Rural Health Value Team to assess VBC readiness
Rural Health Value Project

- **Vision**
  - To build a knowledge base through research, practice, and collaboration that helps create high performance rural health systems

- **Partners**
  - 3-year FORHP Cooperative Agreement
  - RUPRI Center and Stratis Health
  - Support from Stroudwater Associates, WIPFLI, and Premier

- **Activities**
  - Tool & Resource development, compilation, and dissemination
  - Technical assistance
  - Research
Developed by the Rural Health Value Team with input from Oregon Association of Hospitals and Health Systems (OAHHS)

Development supported by
- OAHHS
- Oregon Office of Rural Health
- Federal Office of Rural Health Policy (FORHP)
VBC Tool Purpose

- Assist rural healthcare organizations develop *value-based care* capacity
- **Educate** leaders, directors, stakeholders
- **Prioritize** action as part of strategic planning
- **Identify** tools and resources to benefit rural healthcare people, places, and providers
An online assessment tool

Designed to assess 121 value-based care capacities grouped in 8 categories

- Governance and Leadership
- Care Management
- Clinical Care
- Community Health
- Patient and Family Engagement
- Performance Improvement
- Health Information Technology
- Financial Risk Management
VBC Tool Capacities

- Value-based care *capacities* are healthcare organization resources, processes, infrastructure (etc.) to deliver value-based care

- VBC Tool Capacity Examples
  - HCO assesses and identifies patients at high risk for poor outcomes or high resource utilization, and assigns care managers to them.
  - For non-urgent clinic visits, pre-visit planning occurs for complex patients.
  - HCO strategic planning incorporates measurable population health goals that reflect health needs of the community.
VBC Tool Assessments

- Possible *responses* for each value-based care capacity
  1. Fully developed and deployed
  2. Developed, incompletely deployed
  3. In development
  4. In discussion
  5. Not applicable
  6. Not considered
Assemble leadership team in a meeting room with internet access and screen

Access the VBC Tool at www.ruralhealthvalue.org

Complete the VBC tool together, as a team

We anticipate about 1½ to 2 hours to complete

An important part of strategic planning!
The VBC Readiness Report

- Summary
- Strengths
- Opportunities
- Considerations
- Next Steps

We anticipate that the VBC Readiness Report will be prepared and emailed to you within two weeks of VBC Tool completion.
Strengths

1. Fully developed and deployed, or
2. Developed, incompletely deployed

- Measure progress and celebrate fully developed and deployed value-based care capacities.
- Maintain momentum of fully developed, incompletely deployed value-based care capacities.
3. In development

- Consider prioritizing these value-based care capacities for action.
- Only reasonable effort and/or resources may be required to fully develop and deploy the capacity.
- Concentrate leadership attention here!
Considerations

4. In discussion,
5. Not applicable,
6. Not considered, or
   • Assessment left blank
     ▪ May be very good reasons for less leadership attention!
     ▪ Yet, these capacities will remain important to the delivery of value-based care.
     ▪ Periodically consider these value-based care capacities.
Next Steps

1. **Review Value-Based Care Tool results** with governing body and leadership team.
2. **List opportunities to develop** value-based care capacities.
3. **List opportunities to deploy** already developed value-based care capacities.
4. **Prioritize value-based care development opportunities** based on:
   a. Leadership commitment to *strategic* value-based care capacity development
   b. Resources (staff time and financing) available for value-based care capacity development
   c. Organizational interest in value-based care capacity development
5. **Design, implement, and manage action plans** to develop and deploy individual value-based care capacities.
6. **Design action plans** (see sample next page) that include:
   a. Measureable objectives
   b. Single person accountabilities
   c. Resource commitment
   d. Timelines/due dates
7. **Remain involved** with strategic action plans to facilitate progress, allocate resources, and demonstrate commitment.
VBC Tool Caveats

- The VBC Tool is **not** designed for inter-hospital comparisons
  - However, we plan a comparison report if a sufficient number of VBC Tools completed

- The VBC Tool has not been validated
  - VBC Tool results may not predict contract negotiation success, organizational profitability, managerial effectiveness, etc.

- However, the VBC Tool can:
  - **Assist** rural healthcare organizations develop *value-based care* capacity
  - **Educate** leaders, directors, stakeholders
  - **Prioritize** action as part of strategic planning
Rural Health Value Project

- Check out [www.RuralHealthValue.org](http://www.RuralHealthValue.org)
  - Tools and resources
  - Profiles in innovation
  - Guide to value-based rural grants
  - White papers and pertinent articles
  - Presentations and more!

- New 2015 Tools & Resources
  - Value-Based Care Strategic Planning Tool (August)
  - Physician engagement resources (August)
  - CAH FFS/CBR Financial Pro Forma (September)
  - Shared Savings Contract Pro Forma (late 2015)
  - And more to come!