

May 23, 2016

Engaging Your Board and Community in Value-Based Care Conversations

Rural health care leaders report challenges when trying to educate and engage board/community members regarding health care organization (HCO) changes required to succeed during the volume-to-value transition. Yet, value-based care discussions should play a significant role in all HCO strategic planning and should be included in HCO performance measurement. The purpose of this document is to help HCO leaders start value-based care conversations with board and community members. These conversations will lay the groundwork for informed HCO strategic planning and wise operational decision-making.

BACKGROUND

In health care delivery and payment, the volume-to-value transition is underway. As financial risk is transferred from payers (e.g., Medicare and commercial insurers) to providers (e.g., hospitals and physicians), and as payment is linked to performance, providers will be increasingly incentivized for results of work, not volume of work. In other words, to receive value-based payment, providers must deliver value-based health care.

Health care *value* means better patient care, improved community health, and smarter health care spending. Admittedly, the devil is in the details when measuring and reporting value. Yet the transition from volume to value will nonetheless be relentless. Medicare, the largest single payer in U.S. health care, is leading the way with new payment models such as shared savings with accountable care organizations, special payment for care coordination programs, bundled payments, readmission penalties, the Comprehensive Primary Care Plus initiative, and the Merit-Based Incentive Payment System for physicians – all of which will serve as launching pads to new payment models designed to replace fee-for-service. HCOs and their boards must be thoughtfully proactive during these momentous and sweeping health system changes to ensure enduring and accessible health care for rural people and places.

CONVERSATION STARTERS

Choosing from the following questions may help start value-based care conversations at your HCO's next board meeting, strategic planning session, or community gathering. These conversations should develop and expand over time. Therefore, selecting a few questions at a time based on current events or local issues may help energize lively discussion. The questions are divided into four categories: Mission and Community, Health Care Value, Clinician Relationships, and Business Intelligence.

Mission and Community

- How does the Board understand and assess HCO performance related to its mission?
- By what process does the Board develop and invest in strategies that advance the HCO's mission?
- Since many HCOs incorporate community health in their mission, what is the HCO role in community health improvement?
- How should the HCO employ community health needs assessments (required of many tax-exempt hospitals) to drive strategic priorities?
- How should the Board understand, incorporate, and leverage findings from other community health assessments (e.g., public health)?
- What specific actions has the Board implemented or supported to convene/engage local community organizations to improve overall community health?
- How do Board strategic priorities align with, or differ from, other regional health system board priorities?
- How do Board strategic priorities align with, or differ from, other health-related organizations that serve the community?
- What strategies has the HCO implemented to help its own employees stay healthy and use health care resources wisely?

Health Care Value

- What information does the Board need to assess the HCO's capacity to deliver value-based care (i.e., care that advances patient care, improves community health, and lowers per capita cost)?
- How does the board support and encourage HCO leaders to utilize external resources and/or participate in external initiatives to help the HCO drive toward value (e.g., Quality Improvement Network (QIN-QIO) projects, Medicare Beneficiary Quality Improvement Project (MBQIP), Partnership for Patients, Practice Transformation Networks)?
- What measures does the Board review at each meeting to assess the health care value (patient care, community health, and cost to payers) delivered at the HCO and by its providers?
- What are the top causes of readmissions among HCO patients, and what strategies are being deployed to address them?
- What is the admission rate among HCO patients for conditions that could have been prevented with adequate primary care, and why is that important?
- How does the HCO address the needs of patients who over-utilize the emergency department?

- How does the Board proportionally allocate resources (through budget approval and job descriptions) to value-based care delivery strategies compared to volume-based (e.g., cost-based reimbursement or fee-for-service) care?
- What new resources (knowledge, people, and capital) will the HCO need to be successful in a health care system that rewards value, not volume?
- How does the HCO assess and improve the patient experience in its facilities?
- How does the HCO engage Patient and Family Councils (or similar structures) to provide care experience feedback and improvement ideas?
- How does the HCO develop and maintain patient loyalty to the HCO?

Clinician Relationships

- How does Board know that it is knowledgeable about significant impending trends, policies, and programs (federal and state) which will impact health care delivery, revenue, and operations?
- How does the Board develop HCO strategy based on significant impending trends, policies, and programs (federal and state) which will impact health care delivery, revenue, and operations?
- How does the Board assess future HCO scenarios, and anticipate and plan for them, such as shifts in market share due to accountable care organization (ACO) penetration, physician (and non-physician clinician) employment change, or mergers/acquisitions of local or regional competitors?
- How has the Board helped measure and facilitate active physician (and non-physician clinician) involvement and meaningful influence that move the HCO toward a shared vision and a successful future?
- How has the Board helped measure and facilitate physician leadership development?
- How will the Board know if HCO-affiliated clinicians are appropriately engaged in HCO success?
- How are HCO leaders and employed clinicians rewarded for delivering health care of value?

Business Intelligence

- What information does the Board require to assess HCO financial risk from new contracts that reward health care value, not service volumes?
- How should a significant fund balance (e.g., days cash on hand) be strategically deployed to support HCO future success?
- Assuming current reimbursement, volume, and expense trajectories, what is the 5-year forecast for HCO operating margin, cash flow, and fund balance?

- How will the HCO ensure that it is included in narrow insurance networks that are based on high quality and low cost?
- How does the health care value (patient care, community health, and cost to payers) provided by the HCO and its affiliated clinicians compare to regional competitors?
- What are the most important Board considerations and criteria when evaluating offers to join an ACO or other alternative payment arrangements?
- What information, data, and/or analysis would be most useful to the Board regarding joining an ACO and/or competing with an ACO?
- Why should the HCO consider, or not consider, affiliation options?
- What information, data, and/or analysis would be most useful to the Board to evaluate an affiliation opportunity?

For more information about Rural Health Value, contact:

Rural Health Value
University of Iowa | College of Public Health
Department of Health Management and Policy
Web: <http://www.RuralHealthValue.org>
E-mail: cph-rupri-inquiries@uiowa.edu
Phone: (319) 384-3831

Tell RHSATA about your rural health care delivery or financing innovation.
Go to <http://www.RuralHealthValue.org> and click on “Share Your Innovation.”