

Continuing on the Road to Value

Presented to
ICAHN Annual Conference
Champaign, Illinois
November 14, 2019



Keith J. Mueller, PhD

Gerhard Hartman Professor and Head
Director, Rural Policy Research Institute
University of Iowa

Phases of Transformation



- Squeeze the turnip
- Plant new seeds
- Water and fertilizer – change as needed
- Grow the new crop
- Linear but not mutually exclusive

Squeeze the Turnip: Public Policy Manifestations

- Policy imperative to find “savings” in the Medicare and Medicaid programs
- Consequence: Sequestration, scrutiny of allowable cost, little to no give on expanding the latter
- Tight definitions of budget neutrality affect ability to demonstrate new approaches to sustaining services
- Continuous debates about certain programs, including 340b

Squeeze the Turnip: Management Responses

- Service line expansion
- Network affiliation to share costs and expand service lines
- Addressing total cost of care in preparation for new models

- IS IT ENOUGH/ -- NO



Plant New Seeds: Policy Initiatives

- Perhaps a hybrid seed: Frontier Community Health Integration Program (still fee-for-service; extending cost-based reimbursement)
- New seed with basically untreated soil: Accountable Care Organizations (ACOs) with one-sided risk
- New seed: ACOs with two-sided risk
- New seed: Global budgeting models (MD, PA)
- New seed: Changes in primary care payment – direct contracting, primary care first



Plant New Seeds: Healthcare Organization Actions

- Think bold: Third Generation Hospitals (Paul Keckley report June 6, 2016: *health focused, consumer driven; clinical leadership of clinically integrated networks --- **operating a retail business***
- Hospitals without boundaries (Spectrum Health “Ecosystem of Health” *Hospitals and Health Networks*, Sept 14, 2016)
- Begin to address social determinants of health
- Form and/or participate in community coalitions



Water and Fertilize: Changing the Models as they Grow

- Example of changes to ACO program, including nurturing new plants with demonstrations (water) and capital investments (fertilizer, could be in the same demonstrations)
- Infusions such as changes to wage index
- Evolution of physician payment to include chronic care code, PCP+ and now the new programs
- Inserting new services into Medicare Advantage and ACOs



Water and Fertilize: Changing the Models as they Grow

- Parallel the policy changes with new strategies and efforts locally
- Working through local collaborations
- Working through regional collaborations



Grow the New Crop

- Leverage community resources – Southeastern Hospital in Robeson County NC
- Transitional care team in Granville Medical Center in Oxford NC
- Service line focus in Transylvania Regional Hospital in NC (services for elderly such as ortho and emergency, but not labor and delivery – moms sent to nearby hospital that is affiliated)



Source: Rural Hospitals Embrace Population Health in Quest for Relevance. *North Carolina Health News*. March 4, 2016.

Grow the New Crop

- Partnerships to improve community health
- Tobacco prevention programs
- Wellness initiatives
- Care coordination and medical homes

Source: Population Health Strategies of Critical Access Hospitals. *Briefing Paper #36*. Flex Monitoring Team. August, 2016



Grow the New Crop

- Effective use of community health workers
- Addressing social determinants of health – Accountable Health Communities, projects in State Innovation Models,
- Working with Medicaid programs, managed care organizations



Source: Samantha Artiga and Elizabeth Hinton. Beyond Health Care: The Role of Social Determinants in Promoting Health and Health Equity. *Issue Brief*. Kaiser Family Foundation. May, 2018

Elements of the ACO Model Contribute to Successful Transformation

- Lessons being learned by ICAHN in use of care coordination, use of data analytics, patient engagement
- In Michigan (another rural model) lessons in strong governance, investing the shared savings, data analytics, chronic disease management (participating under the Caravan Health umbrella)

Top resources on the Rural Health Value website:

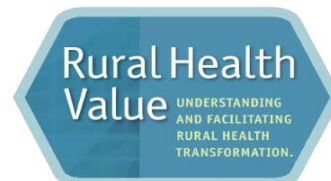
- [Value-Based Care Assessment](#) - Assess capacity and capabilities to deliver value-based care. Receive an eight category readiness report.
- [Physician Engagement](#) - Score current engagement and build effective relationships to create a shared vision for a successful future.
- [Board and Community Engagement](#) - Hold value-based care discussions as part of strategic planning and performance measurement.
- [Social Determinants of Health](#) - Learn and encourage rural leaders/care teams to address issues to improve their community's health.

New Resource from Rural Health Value

The [Rural Health Value](#) team recently released a new resource outlining eight commonly used change management methodologies that are rural-relevant. It is intended as a guide to help rural health care leaders identify which approach(es) might be most useful to them and their organizations.

Please share this resource as makes sense for your networks and stakeholders:

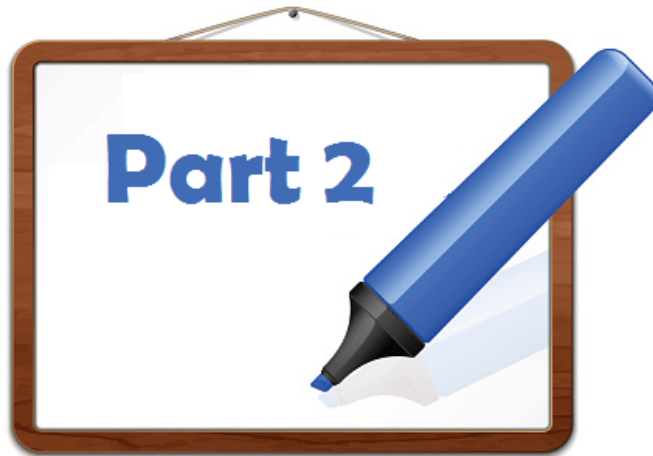
- [Management Methodologies and Value-Based Strategies: An Overview for Rural Health Care Leaders](#) - Offers rural health leaders an overview of eight commonly used management methodologies to help guide change, plus additional resources and references for further exploration. (June 2019)



Rural Health Value Innovation Profiles

- *Predictive Analytics Shape Care Processes:* Identify patients with highest risk and plan interventions to support care management, using predictive analytics software in a health information exchange
- *Rural Health Network Thrives on Innovation in Whole-Person Care:* centralize coordination of efforts to ensure health and social services are available and benefit the public

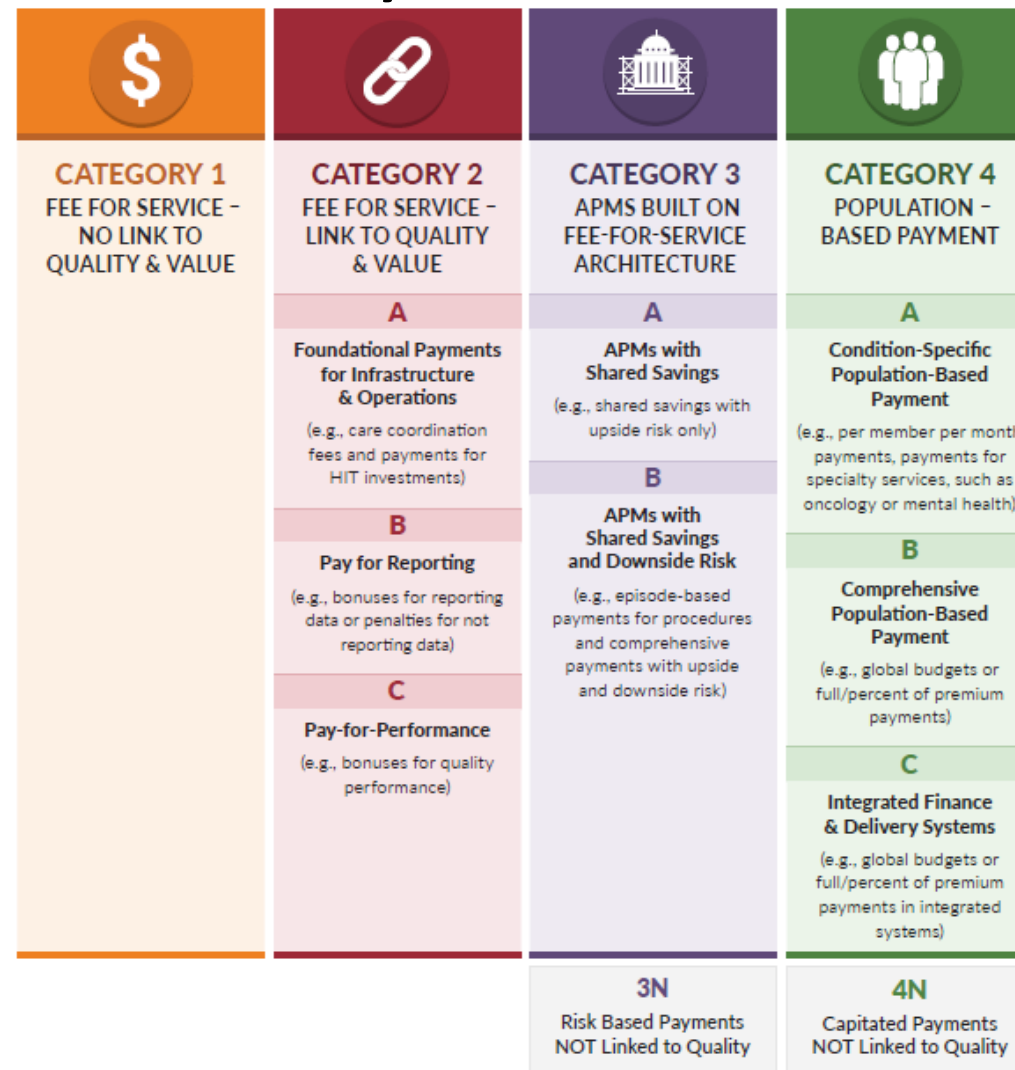
Policy Choices and Recommendations



- From Seema Verma on March 4, 2019
- Rural problem (hospital finance)
“won’t be solved with money alone”
- “our vision is to transform the healthcare system into a patient centered, consumer driven model where providers compete for patients on the basis of lower cost and quality.”
- Three objectives: empowering patients, focusing on results, unleashing innovation
- Final phase of the transition CMS has been advocating, shared by the Learning and Action network

Health Care Payment Learning and Action Network (HCP LAN)

Alternative Payment Model Framework



Bringing the High Performance System to Life

- Considerations from the RUPRI Health Panel after an assessment of the landscape
- Combined with themes related to successful innovation
- And policy considerations put forth by successful innovators

Sources:

1. Taking Stock: Policy Opportunities for Advancing Rural Health. RUPRI Health Panel. January, 2018. <http://www.rupri.org/wp-content/uploads/TAKING-STOCK-2018.pdf>
2. Toward a High Performing Rural Health Care System: Key Issues and Recommendations from Rural Health Care System Innovators. April, 2019. <http://www.rupri.org/areas-of-work/health-policy/>

Quality: Policy Opportunities

- Support development of rural-relevant quality measures
- Develop comprehensive cross-agency approach to rural health care quality improvement and technical assistance
- Offer quality initiatives specifically design to meet rural needs and opportunities

Quality: Pathways to change

- Quality measures which reflect the care and services in rural:
 - Support the work of the NQF rural workgroup regarding the implementation of existing rural-relevant measures and development of new measures
- A comprehensive and aligned program of rural-focused quality improvement TA:
 - Coordinated through contracting, management, and oversight across the multiple agencies of HHS with responsibility for health care and rural health.
- New health care quality pilot programs:
 - Designed specifically to test methods to improve quality and value for the unique rural environment
 - Address the barriers to participation by CAHS and RHCs

Population Health: Policy Opportunities

- Ensure affordability of clinical and community-based preventive services
- Provide stable long-term funding to support locally-appropriate public health prevention programs
- Ensure availability of comprehensive and integrated services through policies that target workforce adequacy development to achieve health equity

Population Health: Policy Opportunities

- Incent integrated preventive and clinical services
- Integrate population health goals into financing strategies and payment policy formulation



CONCLUDING COMMENTS



- Exciting times of transforming finance, delivery organizations
- All the while benefitting from advances in science of medicine
- And benefitting from understanding of social determinants of health and actions to take
- We can move to a system focused on health that draws the best talent from multiple disciplines and perspectives
- Policy actions can facilitate (or inhibit) progress toward a high performance rural health system

For further information

The RUPRI Center for Rural Health Policy Analysis

<http://cph.uiowa.edu/rupri>

The RUPRI Health Panel

<http://www.rupri.org>

Rural Telehealth Research Center

<http://ruraltelehealth.org/>

The Rural Health Value Program

<http://www.ruralhealthvalue.org>



Keith Mueller, PhD

Department of Health Management and Policy

University of Iowa College of Public Health

145 Riverside Drive, N232A, CPHB

Iowa City, IA 52242

319-384-1503

keith-mueller@uiowa.edu





- The Rural Health Research Gateway provides access to all publications and projects from eight different research centers. Visit our website for more information.
- ruralhealthresearch.org
- **Sign up for our email alerts!**
- ruralhealthresearch.org/alerts



Center for Rural Health
University of North Dakota
501 N. Columbia Road Stop 9037
Grand Forks, ND 58202