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Partner, DHG Healthcare
2015-16 Chair, HFMA

2016 Healthcare Landscapes
January 29, 2016
Objectives of Today’s Presentation

- Identify areas where finance professionals are being called to go beyond in an evolving healthcare environment.
- Discuss what that means for you as individuals and for your organizations.
- Describe resources that can help you meet the challenges of the current environment.
Go Beyond the Status Quo
Reform Across the Continuum

Advanced Payment Models: Commercial/Medicare/State

- Larger share of $ Transparency
- Ability to shop
- Skilled Nursing VBP
- Star Rating
- Hi End of Spend Continuum

Value Based Purchasing (VBP)
Meaningful Use
Comp Care For Total Joints
Star Rating Roll out

Home Health VBP
Star Rating
Low End of Spend
Dependency & Convergence

There is crossover in:

- Metrics
- Spend
- Models
- Care Management
What is Driving the Pace?

- Commercial Activity
- State Efforts
- Center for Medicare & Medicaid Innovation
- Facility
Medicaid Expansion in the U.S.

Other State Reform Efforts

- Mandated Bundles
- DSRIP
- ACO/MCO Models
## Summary of Innovation Models

<table>
<thead>
<tr>
<th>Accountable Care</th>
<th>Episode Based Payment Initiatives</th>
<th>Primary Care Transformation</th>
<th>Medicaid &amp; CHIP Population</th>
<th>To Accelerate Testing of New Models</th>
<th>Speed Adoption of Best Practices</th>
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<tbody>
<tr>
<td>ACOs</td>
<td>BPCI Models 1-4</td>
<td>Advanced Primary Care Initiatives</td>
<td>Reduce Avoidable Hospitalizations for NF residents</td>
<td>State Innovation Models: Round 1 &amp; 2</td>
<td>Beneficiary Engagement Model</td>
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<tr>
<td>Advanced Payment ACO</td>
<td>ACE Demonstration</td>
<td>Comprehensive Primary Care Initiative</td>
<td>Financial Alignment Incentive for Medicare &amp; Medicaid</td>
<td>Frontier Community Health Integration</td>
<td>Community Based Care Transitions</td>
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<td>Comprehensive ESRD Care Initiative</td>
<td>Oncology Care Model</td>
<td>FQHC Advanced Primary Care Practice</td>
<td>Strong Start for Mothers &amp; Newborns</td>
<td>Maryland All Payer</td>
<td>Health Care Action and Learning Network</td>
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<td>ACO Investment Model</td>
<td>Specialty Practitioner Payment Model</td>
<td>Graduate Nurse Education</td>
<td>Medicaid Innovation Accelerator Program</td>
<td>Health Care Innovation Round 1 &amp; 2</td>
<td>Innovation Advisors Program</td>
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<td>Next Generation ACO Model</td>
<td>Comprehensive Care for Joint Replacement (CJR)</td>
<td>Independence at Home</td>
<td>Medicaid Prevention of Chronic Diseases</td>
<td>Health Plan Innovation Initiatives</td>
<td>Million Hearts</td>
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<td>Pioneer ACO</td>
<td>Multi Payer Advanced Primary Care Practice</td>
<td>Medicaid Emergency Psychiatric Demonstration</td>
<td>Medicare Care Choices Award</td>
<td>Partnership for Patients</td>
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<td>Rural Community Hospital Demonstration</td>
<td>Transforming Clinical Practice</td>
<td></td>
<td>Medicare IVIG Demonstration</td>
<td>Cardiovascular Disease Risk Reduction</td>
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<td>PACE</td>
<td></td>
<td></td>
<td>Home Health Value Based Purchasing</td>
<td>Medicare Adv Value Based Ins Design</td>
<td>Enhanced Medication Therapy Management</td>
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</table>
ACOs by State: 2015

Source: Healthaffairs.org
Bundled Payments are Spreading
# BPCI Initiative Statistics (As of October)

<table>
<thead>
<tr>
<th>Type</th>
<th>MODEL 2</th>
<th>MODEL 3</th>
<th>MODEL 4</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td></td>
<td>Unique IDs</td>
<td>Episodes</td>
<td>Unique IDs</td>
<td>Episodes</td>
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<tr>
<td>STAC</td>
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<td>2,542</td>
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<td>SNF</td>
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<tr>
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<td>7</td>
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<tr>
<td>IRF</td>
<td>9</td>
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<tr>
<td>HHA</td>
<td>101</td>
<td>517</td>
<td>101</td>
<td>517</td>
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<td><strong>Total</strong></td>
<td><strong>631</strong></td>
<td><strong>4,588</strong></td>
<td><strong>871</strong></td>
<td><strong>9,515</strong></td>
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</table>

![Participants](chart1.png)

![Episodes](chart2.png)
Phase II Episodes by Group

Episode Frequency

- Major joint replacement of the lower extremity
- Simple pneumonia and respiratory infections
- Congestive heart failure
- Chronic obstructive pulmonary disease, bronchitis, asthma
- Hip & femur procedures except major joint
- Sepsis
- Urinary tract infection
- Acute myocardial infarction
- Medical non-infectious orthopedic
- Other respiratory
- Cellulitis
- Stroke
- Fractures of the femur and hip or pelvis
- Renal failure
- Esophagitis, gastroenteritis and other digestive disorders
- Cardiac arrhythmia
- Gastrointestinal hemorrhage
- Nutritional and metabolic disorders
- Lower extremity and humerus procedure except hip, foot, femur
- Gastrointestinal obstruction
- Diabetes
- Revision of the hip or knee
- Syncope & collapse
- Major bowel procedure
- Transient ischemia
- Medical peripheral vascular disorders

Legend:
- Model 2
- Model 3
- Model 4
Phase II Episodes by Episode Length

Post Acute Episode Length Selections

Model 2

Model 2 & 3

Model 3

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

100% 90% 80% 70% 60% 50% 40% 30% 20% 10% 0%

STAC PGP SNF LTAC IRF HHA

30 Day 60 Day 90 Day

HFMA healthcare financial management association
BPCI Activity: Texas
BPCI Activity: Texas

Texas ranks 4th in the country in BPCI participants and 9th in the country in number of phase II episodes being tested in the program.
BPCI Activity: Texas

Episode Frequency

- Major joint replacement of the lower extremity
- Simple pneumonia and respiratory infections
- Sepsis
- Congestive heart failure
- Urinary tract infection
- Chronic obstructive pulmonary disease, bronchitis, asthma
- Stroke
- Hip & femur procedures except major joint
- Gastrointestinal hemorrhage
- Other respiratory
- Medical non-infectious orthopedic
- Acute myocardial infarction
- Revision of the hip or knee
- Renal failure
- Cardiac arrhythmia
- Nutritional and metabolic disorders
- Esophagitis, gastroenteritis and other digestive disorders
- Cellulitis
- Syncope & collapse
- Spinal fusion (non-cervical)
- Fractures of the femur and hip or pelvis
- Major bowel procedure
- Coronary artery bypass graft
- Other vascular surgery
- Diabetes
- Chest pain

Model 2  Model 3  Model 4
BPCI Activity: Texas

Post Acute Episode Length Selections

Model 2 & 4

Model 3

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

STAC PGP SNF HHA IRF

30 Day 60 Day 90 Day
“For the hospital CEO or CFO out there who says, ‘I’m doing really well in fee-for-service so I’m just going to stick with it and it’s going to be OK,’ eventually it will not be OK, and I actually predict it will not be OK in a much shorter time frame than they might imagine.”

Patrick Conway, MD,
Deputy Administrator and Leader of the Center for Medicare and Medicaid Innovation
Centers for Medicare & Medicaid Services
Your Comprehensive Value Resource

hfma.org/valueproject
Go Beyond Traditional Roles
HFMA Is Reaching Out

Physician Practice Resources

Financial expertise has never been more important to physicians and other professionals who manage physician practices. Whether it’s preparing for new payment models, managing rising operating costs, or engaging with your patients as consumers, an understanding of healthcare finance is key to success. HFMA has long been a trusted source of information on healthcare finance. In these pages, HFMA offers a collection of resources expressly designed to help physician practice managers navigate challenges and opportunities in this new era of health care.

Featured Content

Getting Physicians to Follow the Metrics

UCSF’s Gurpreet Dhillon, MD, illustrates how healthcare organizations can engage physicians in performance improvement by giving them a say in how they are measured.

Top News Stories

Medicare Is Stingy in First Year Of Doctor Bonuses

From Kaiser Health News (KHN)

Physician Leadership Key to Productivity

Lessons from the Field

Physician Finances Benefit from Rural Setting

Ebook: Elevating Physician Practice Performance

Resources for Health Plans

Health plan leaders today are increasingly challenged to innovate, collaborate with other key stakeholders, and engage with their members as healthcare consumers. HFMA has long been a trusted resource for healthcare leaders. In these pages, HFMA offers a collection of resources expressly designed to help health plan leaders navigate challenges and opportunities in this new era of health care.

Featured Content

Sharing Stories of Healthcare Transformation

As the spirit of collaboration grows throughout the industry, traditional boundaries between providers and health plans are being erased. See how your colleagues are working together to transform health care.

Top News Stories

Large Insurers Lead Administration’s Learning Network

New Medicare ACO Option Offered

CDIO Forecasts Last Use of Narrow Networks, Lower Payments

Lessons from the Field

The Next Generation ACO Model: CMS’s Living Lab for Accountable Care Evolution

Aetna’s Accountable Care Approach

Interview: Blue Cross Prepares for Coverage Expansion

hfma.org/physician

hfma.org/healthplan
Go Beyond Comfort Zones

“Once we accept our limits, we can begin to go beyond them.”
~Albert Einstein
Centralized care facilities increase costs exponentially. Digital health enables the hospital of the future: in the home.

Evolution of the Hospital

Phase I (Past) Centralized
$ $ $

Phase II (Present) Hub & Spoke
$ $

Phase III (Future) Patient Centered Medical Home
$
Major delivery shifts are in process, and more are on the way.

Industry Value Chain - How Care is Delivered - The Clinical Process

Industry Shifts that impact how care is delivered

1. New and Disruptive Technologies
2. Shift to Health Maintenance from Sick Care
3. Increased Social Care and Population Management
4. Affiliations and the Need for Data Sharing
5. Consumerism, Value Purchasing and Data Democratization

The future vision of a healthcare system is cemented with connectivity as the foundation.
The Digital Health Journey

From Healthcare “Sickcare” to Patient Centric Integrated Care & Wellness

- Preventive & predictive wellness – mobile medical apps & wearables
- Personalized, evidenced base medicine, advanced decision support
- Extended collaboration with industry & academia

- Patient Centered Information sharing and care coordination at
  Community level incl. social care
- Patient & Providers eHealth portals
- Telehealth & home care

Clinical Outcomes | Patient & Staff Experience | Hospital Efficiency

Transform to a hybrid infrastructure
Protect your digital enterprise
Empower the data-driven organization
Enable workplace productivity
On a scale of 1 to 5, how well has your organization addressed price transparency (defined as patients’ out of pocket financial responsibility)?

a) 1 – not well at all
b) 2
c) 3
d) 4
e) 5 – very well
## Transparency

<table>
<thead>
<tr>
<th>Hospital Name</th>
<th>Smart Rating</th>
<th>% of Patients Who Rated Hospital 9 or 10</th>
<th>Overall Patient Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIX Health Care System</td>
<td>83</td>
<td>64%</td>
<td>2</td>
</tr>
<tr>
<td>Baptist Medical Center</td>
<td>89</td>
<td>70%</td>
<td>3</td>
</tr>
<tr>
<td>Southwest General Hospital</td>
<td>78</td>
<td>57%</td>
<td>2</td>
</tr>
</tbody>
</table>
Setting the Foundation for a Better Patient Experience

HEALTHCARE DOLLARS & SENSE™

Price Transparency
Patient Financial Communications
Medical Account Resolution

hfma.org/dollars
Connect with HFMA and Each Other

facebook

LinkedIn

#hfmagobeyond

DHG Healthcare @DHGHealthcare · Jul 2
The new HFMA Chair will be traveling the nation helping healthcare financial leaders ‘Go Beyond’ ow.ly/P5F4g. #hfmagobeyond

Melinda Hancock, 2015-16 HFMA Chair – full presentation from ANI 2015
In Conclusion…

FAITH is daring the soul beyond what the eyes can see