

# The Value Formula for Population Health



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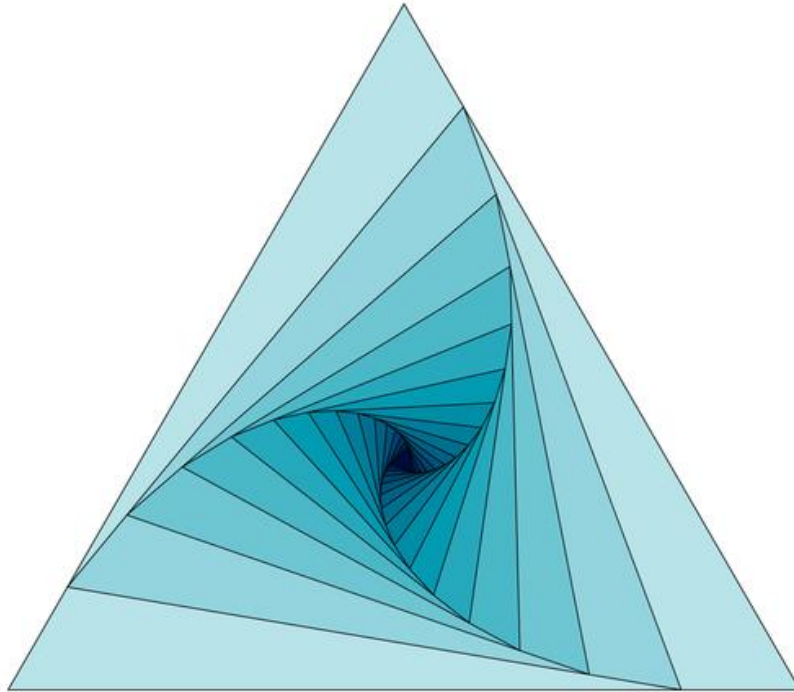
Executive Director, Rural Health Association of Tennessee

# The Center's Purpose

The National Rural Health Resource Center (The Center) is a nonprofit organization dedicated to sustaining and improving health care in rural communities. As the nation's leading technical assistance and knowledge center in rural health, The Center focuses on five areas:

- Transition to Value and Population Health
- Collaboration and Partnership
- Performance Improvement
- Health Information Technology
- Workforce

# The Need to Demonstrate Value



## Triple Aim

- ✓ Better Care
- ✓ Better Health
- ✓ Lower Cost

Better Care + Smarter Spending = Healthier People

# Accountable Care Organizations (ACO's)

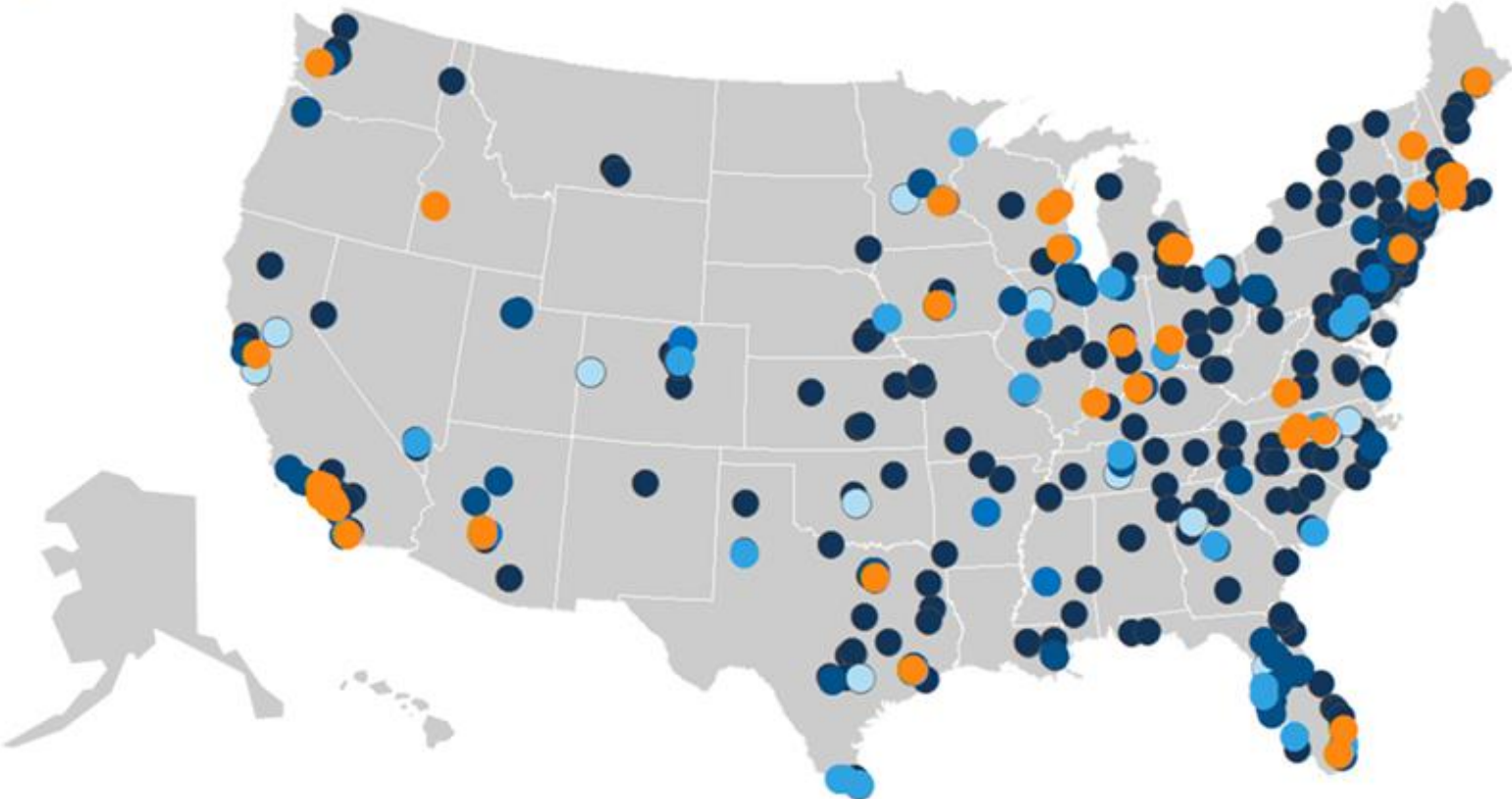
- A mechanism to monetize value by increasing quality and reducing cost
- A group of health care providers that takes responsibility for the cost and quality of care for a group of patients or individuals



# ACO Spread - 2018

## Accountable Care Organization (ACO) Models (2018)

- Medicare Shared Savings Program (MSSP) Track 1
- MSSP Track 1+
- MSSP Track 2
- MSSP Track 3
- ACO Investment Model (MSSP)
- Next Generation ACOs



Source: Map data downloaded January 11, 2018 from CMS, "Where Innovation is Happening," and "Performance Year 2018 Medicare Shared Savings Program Accountable Care Organizations – Map."



# 2018 Facts on ACO Presence

## PROGRAM CHARACTERISTICS

Performance Year	ACOs	Assigned Beneficiaries
2018	561	10.5 million
2017	480	9.0 million
2016	433	7.7 million
2015	404	7.3 million
2014	338	4.9 million
2012/2013	220	3.2 million

## PERFORMANCE YEAR RESULTS

### Performance Year 2016

Total Earned Performance Payments	\$700,607,912
Average Overall Quality Score	94.65%

### Performance Year 2015

Total Earned Performance Payments	\$645,543,866
Average Overall Quality Score	91.44%

### Performance Year 2014

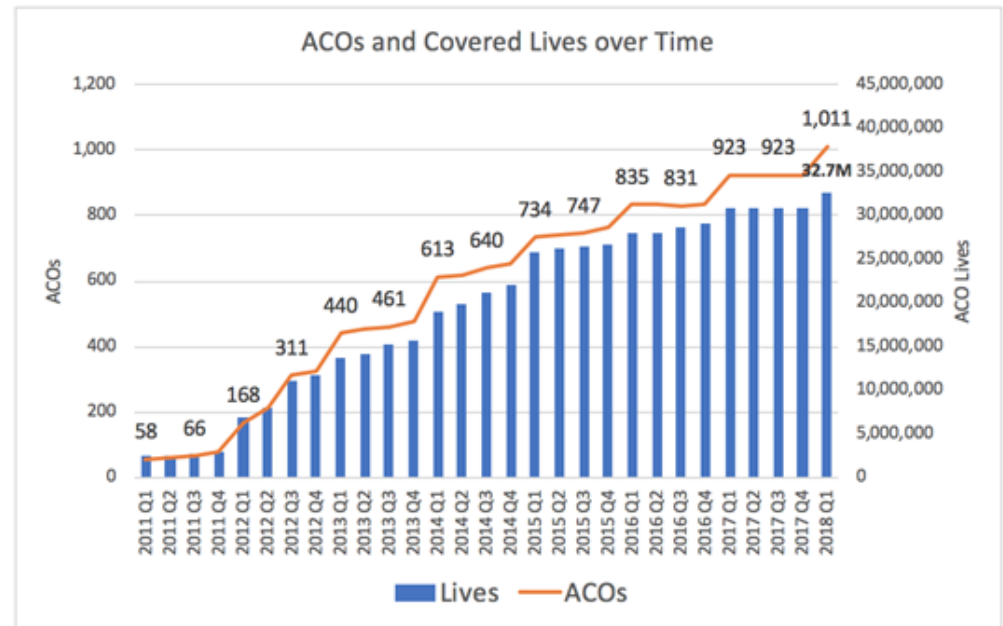
Total Earned Performance Payments	\$341,246,303
Average Overall Quality Score	83.08%

### Performance Year 2012/2013

Total Earned Performance Payments	\$315,908,772
Average Overall Quality Score	95.00%

## ACO COMPOSITION

	ACOs	Percent
Physicians Only	171	30%
Physicians, Hospitals, & Other Facilities	324	58%
FQHCs / RHCs	66	12%



# ACO Top 10 Lessons Learned

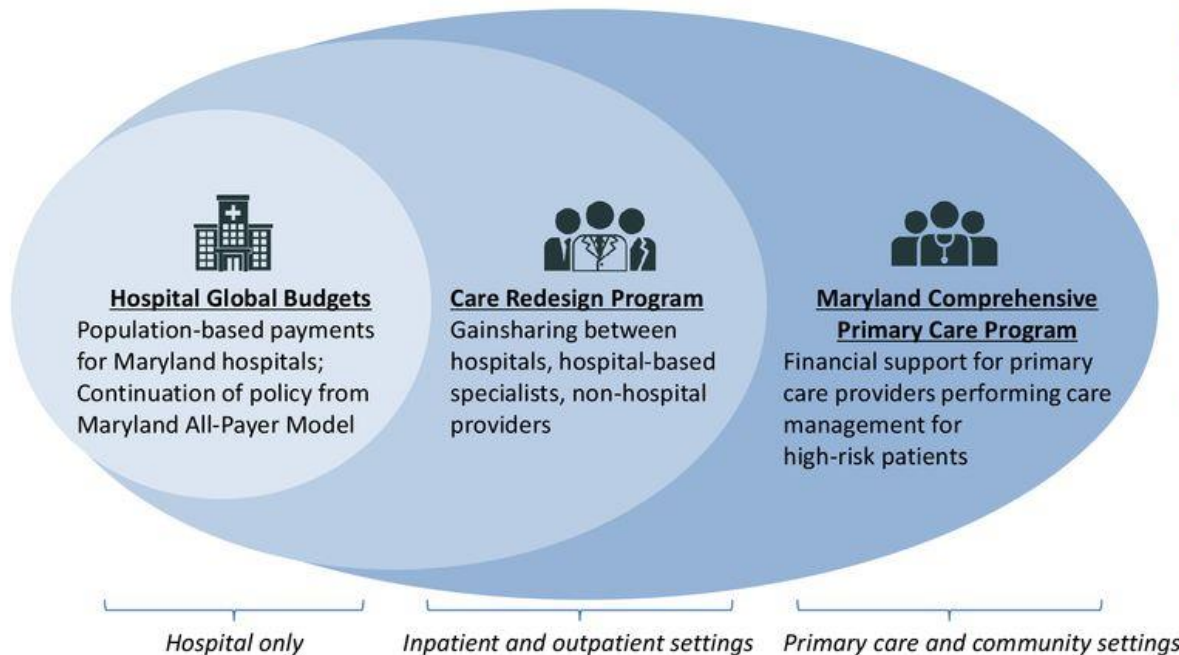
- Set up care coordination programs
- Perform annual wellness visits
- Provide behavioral health support
- Improve Hierarchical Conditioning Coding (HCC)
- Improve quality processes/pre-visit planning
- Provide care in physician-led teams
- Expand use of telehealth and technology
- Take care of health care providers
- Manage patient information & analysis
- Manage downstream costs of patient care

# Maryland Total Cost Model

## Maryland Total Cost of Care Model

### New Model in Maryland Covering Full Continuum of Care

#### Components of Maryland Total Cost of Care Model



#### Benefits of TCOC Model

- ✓ Adds new providers and settings into care transformation effort
- ✓ Links disparate providers to create more patient-centered care
- ✓ Aligns incentives across providers to reduce hospitalizations and total cost of care

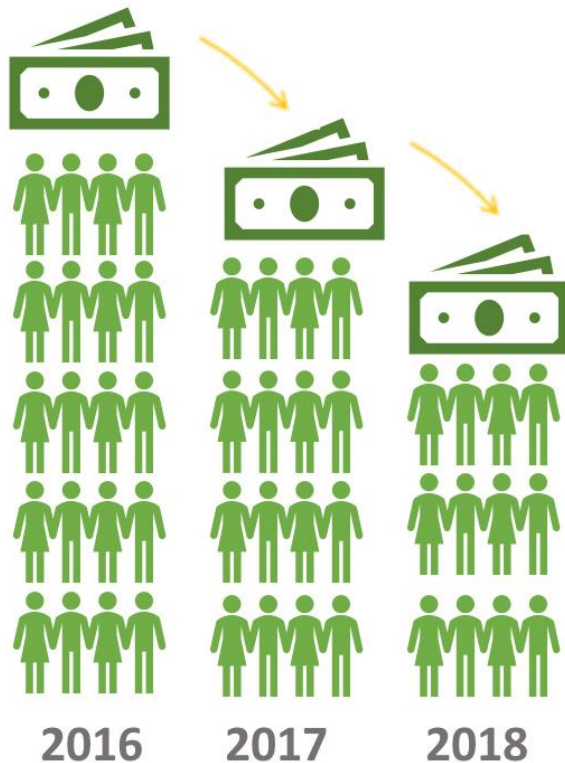
Performance Period begins January 1, 2019 and continues through 2026



# Pennsylvania Rural Health Model

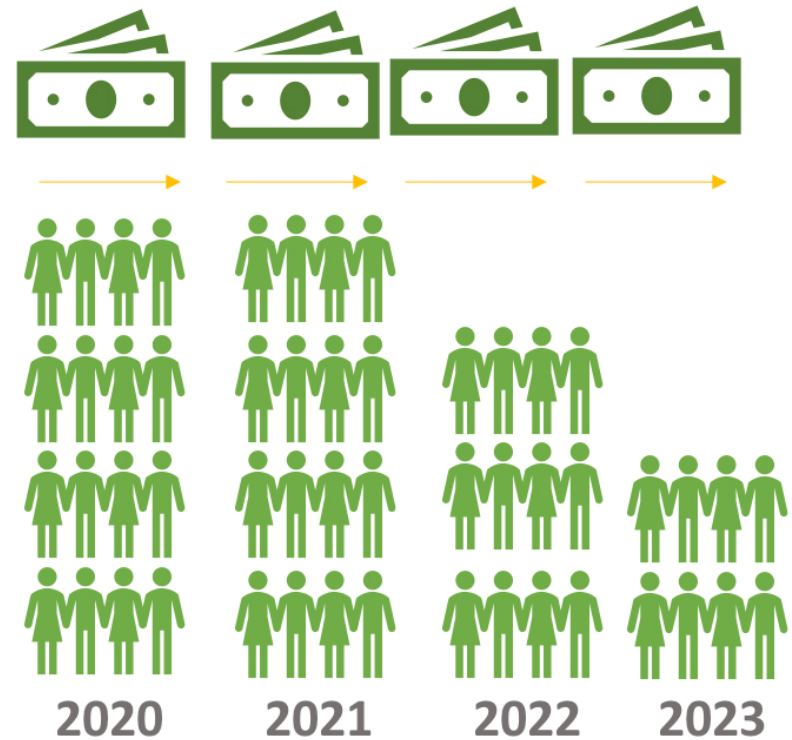
## Fee for Service

*Hospital is paid for the # of healthcare resources consumed by the community, but as the community is getting smaller, so is revenue.*



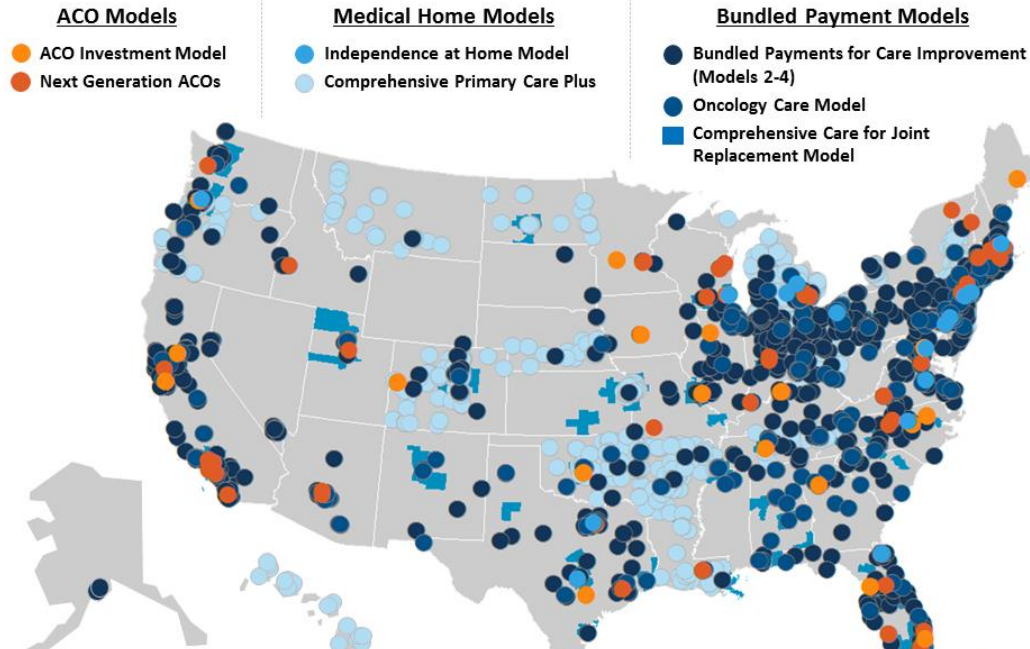
## Global Budget

*Hospital is paid the same amount of money as historic NPR regardless of how many resources are consumed by the community.*

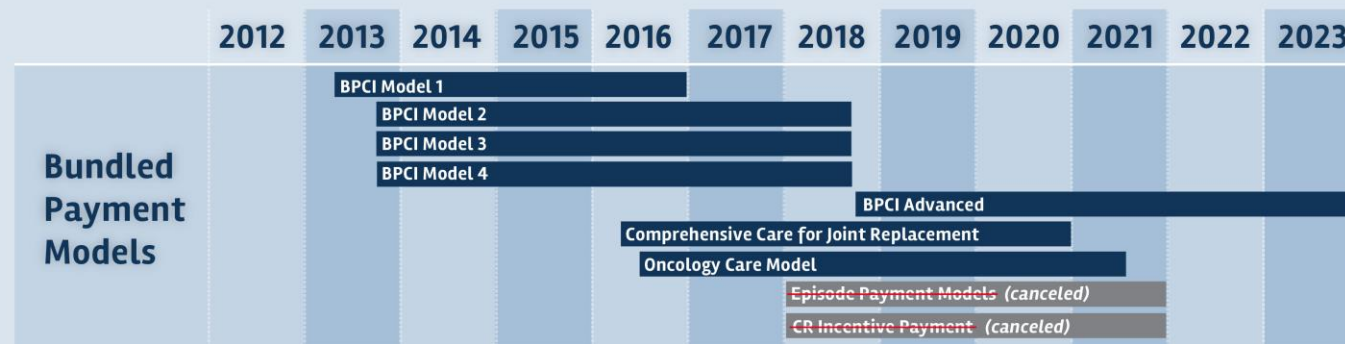


# Bundled Payment for Care Improvement

## CMMI Payment and Delivery System Reform Models (2018)



## Timeline: Bundled Payment Models



# Health Care Accounts for 10% of Your Health

## FIGURE 1: What Determines Your Health?

Combining consumer behavioral data with SDoH data creates a more holistic view of what drives a population's health—creating, in essence, the “socio-behavioral determinants of health (SBDoh).”



**40%**  
Consumer  
Behaviors



TOBACCO  
USE



DIET &  
EXERCISE



ALCOHOL  
USE



SLEEP  
HABITS



SOCIAL  
CONNECT-  
EDNESS

**30%**  
Genomics

**20%**  
Socioeconomic  
& Environmental  
Factors



EDUCATION



JOB  
STATUS



FAMILY/  
SOCIAL  
SUPPORT



INCOME



COMMUNITY  
SAFETY

**10%**  
Health Care

Adapted from: Schroeder, Steven. “We Can Do Better — Improving the Health of the American People.” *N Engl J Med* 2007; 357:1221-1228 DOI: 10.1056/NEJMs073350

# Population Health has Many Partners



# Population Health Essentials

- Component Parts:

Care  
Coordination

Chronic  
Illness Mgt

Information  
Management

Wellness

Community  
Collaboration

Payer  
Alignment

Behavioral  
Health

Telehealth

EMS

Post Acute  
Care

PCP  
Partnerships

Leadership/  
Management

# New Health Care Giants

Amazon, Berkshire Hathaway, JP Morgan Chase

Goal: Improve health for 1 million employees, drive innovation and cut costs



*"This new health care organization represents one of the most promising opportunities to accelerate improvement of U.S. health care delivery. The work will be difficult and take time, but it must be done. And we will have the opportunity to do it together, with many exceptional organizations, including Ariadne Labs. My vision is to develop high-impact collaborations across the health care sector."*

*-Dr. Atul Gawande, CEO, J.P. Morgan-Berkshire Hathaway-Amazon venture*

# CVS Buys Aetna for \$70 Billion

*"will offer better, cheaper, integrated healthcare. CVS walk in clinics will become community healthcare hubs where pharmacists will manage patient care and counsel them between primary care visits."*

(Modern Healthcare, 12/28/18)



**CVS: 94 million Rx customers**  
**Aetna: 23 million insured customers**

*"If you're in healthcare in any way, shape or form, your world is about to change."*

David Friend, MD, CTO of BDO Center for Healthcare Excellence

# Telehealth

- Expanding 45% a year
- Research has shown impressive quality and cost benefits
- Obstacles are being removed
- Key to chronic illness management
- Virtual medicine is increasing rapidly
- New telehealth codes for home monitoring
- New CMS policies to expand telehealth use in Medicare Advantage





# COPD and Rural Health

- Affects 1 in 5 people over 45 (16 M total)
- 8.2 % of rural people; 4.7 % of urban people
- \$32B spent in 2010; \$49B projected for 2020
- New federal Rural COPD Initiative, 2018-2019

# EMS and Population Health

- EMS has historically been disconnected from traditional healthcare systems
- EMS transport is costing a significant % of rural ACO spend
- American EMT Association has created **EMS 3.0**, outlining movement to value strategies



# Housing



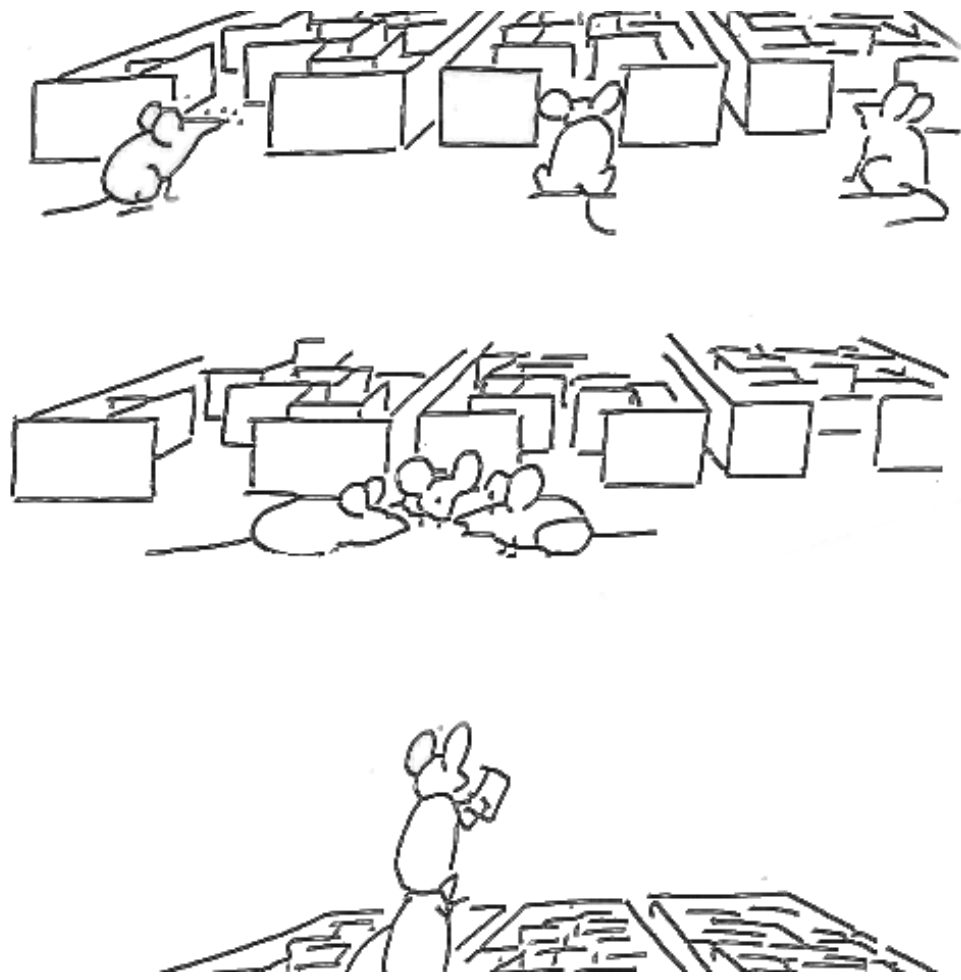
## St. Joseph Health Humboldt County, CA

Care Transitions Program: a medical respite program for chronically homeless individuals

Featured in the AHA Guide, [\*Social Determinants of Health Series: Housing and the Role of Hospitals\*](#)



# A Collaborative Effort



# Rural Care Coordination & Population Health Summit Attendees

- May 2019 – Group of 18 Rural Health Professionals representing the diversity of a nationwide panel gathered in Minnesota
- Summit Participants:
  - Bethany Adams
  - Steve Barnett
  - Sallay Barrie
  - Shannon Calhoun
  - Angie Charlet
  - Rebecca Jolley
  - Alyssa Meller
  - Katie Peterson
  - Adam Strom
  - Rhonda Barcus
  - Larry Baronner
  - Dawn Bendzus
  - Jessica Camacho
  - Terry Hill
  - Jennifer Lundblad
  - Tracy Morton
  - Toniann Richard
  - Cynthia Wicks

# Rural Care Coordination & Population Health Summit Objectives

- Summit Objectives:
  - Examine next steps that leaders and providers should undertake to **support the ongoing development of the local infrastructure** that creates a platform for future care delivery;
  - Explore opportunities for leaders to undertake that **position their hospitals and community partners in managing population health** in the future; and
  - Gain a better understanding of the potential **financial and operational impact** of community care coordination on the hospital and local providers.

# Rural Care Coordination & Population Health Summit

- Barriers to Community Care Coordination:
  - Lack of clarity as to who takes the lead in the community
  - Rural Context – interrelated conditions in which something exists or occurs such as the environment or setting
    - Culture of rural organization or community
    - History of relationships and the ability to develop trust at community level
    - Impact of small populations or low volume
  - Organizational barriers
    - Inability to allocated needed resources toward project execution
    - Turnover in leadership and workforce retention issues

# Rural Care Coordination & Population Health Summit, Continued

- Strengths to Community Care Coordination:
  - Mission alignment – rural health care is mission driven
  - Flexibility of rural hospitals and communities provide opportunities – rural health care is nimble
  - Lean hierarchy allows for rapid decision-making, implementation and course correction
  - Collaboration is a way of life in rural health care
  - Rural Health Care Policy momentum at the federal and often state level that currently exists
  - Community capital through pride in our rural communities reflected in buy-in, support and social capital



# Rural Care Coordination & Population Health Summit, Again

- Step-by-step Initiatives:

1. Perform internal and external readiness assessments
2. Obtain internal buy-in from leadership, management and physicians
3. Optimize processes and resources
4. Begin conversations with payors about meaningful reimbursement strategies to drive health improvement

# Rural Care Coordination & Population Health Summit, Final

- Step-by-step Initiatives Continued:
  5. Maximize quality and availability of primary care
  6. Incentivize physicians and providers
  7. Develop community-based population health management strategies
  8. Develop an internal and external communication strategy
  9. Leverage community assets

# Rural Care Coordination & Population Health Execution Strategies

- Rural Hospitals

- Identify successful leaders that could be mentors to other leaders that are struggling learning new models thus building a collaboration of peer-to-peer education platforms from trusted sources
- Identify successful examples and share your success stories with others
- Ensure consistency in messaging between state partners and successful leaders to build greater trust during this transition to population health

# Rural Care Coordination & Population Health Execution Strategies, Continued

- Rural Health Programs
  - Leverage state partners (e.g. SORH and hospital associations) to assist in disseminating the information
  - Ensure state partners understand the content and how it was developed
  - Break down information into simple steps – clear actions to include suggestions for priority areas

# Rural Care Coordination & Population Health Execution Strategies, Final

- Rural Health Programs
  - Onboard the physician leaders and establish the appropriate messaging – emphasize that this is about quality of care and new opportunity for funding / reimbursement through a value-based model
  - Identify the network champion to lead
  - Understand that leaders may be more willing to try new recommendations as a group as it reduces unknowns and risks

# Population Health Management Summit Findings and Guide

Go to the [Summit Resource Page](#) on the Center website to read the Summit Findings Report and the Rural Hospital Guide to Improving Care Management, and also to watch a short video featuring our Summit Panelists (below).



## Contact Information

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Get to know us better:  
<http://www.ruralcenter.org>

