Ambulatory Care Revolution – Value Based Purchasing Across the Continuum

Jonathon Truwit, MD, MBA
Enterprise Chief Medical Officer and Sr. Admin Dean
Froedtert & Medical College of Wisconsin
Milwaukee, WI

Objectives

- Discuss the revolution occurring with acquisitions and new businesses established to meet payer demands for performance and shared risk in health care costs.
- Discuss the perspectives of the C-suite on ambulatory care needs in infrastructure, management of work force, and revenue management to ensure sustainability and success.
- Describe implications of technology and personalized medicine for health systems.
- Identify areas of opportunity for pharmacy leaders preparing for success in the changing health care environment.

The American population over age 65 will double in size by 2035

The number of workers per Medicare beneficiary is falling

Workers per Medicare Beneficiary

...And the Federal Government has a Math Problem

...And the Federal Government has a Math Problem
Bundled Payments for Care Improvement (BPCI)

Source: Centers for Medicare & Medicaid Services

Shared Savings Models (ACOs)

Source: Leavitt Partners Center for Accountable Care Intelligence

Shared Savings Models (ACOs)

Source: Leavitt Partners Center for Accountable Care Intelligence

Full / Partial Risk Capitation


Multispecialty group practices as compared to primary care practices or specialty only practices provide

A. Higher quality but higher costs
B. Higher quality and lower costs
C. Lower quality at lower costs
D. Lower quality at higher costs
E. Same quality at same costs

Source:
- Aggregation Index: http://www.thechartistsgroup.com
- The Chartis Group: http://www.thechartistsgroup.com

© 2015 American Society of Health-System Pharmacists
Value = (Quality + Service + Access)/Cost

Better Value in Multi-Spec Group Practices

- Multispecialty group practices provide higher quality of care on selected preventive and process measures involving recommended screening tests and diabetes and asthma management...than smaller, looser forms of practice”
  - Stephen M. Shortell 2008

- Standardized physician spending was $239 (8.0 percent) lower; standardized hospital spending was $235 (9.7 percent) lower; and total standardized Medicare payments were $540 (7.1 percent) lower for such patients.”
  - Elliott Fisher 2010

Why push for PCPs?

- Increase patient population footprint
- Diversification of disease burden
- Create footprint for multispecialty systems
- Limited resource
  - Strike now or be left behind

A primary care physician panel size is typically

A. 600-1000 patients
B. 1000-1400 patients
C. 1400-1800 patients
D. 1800-2200 patients
E. 2300-2700 patients
20th Annual ASHP Conference for Pharmacy Leaders
Ambulatory Care Revolution – Value Based Purchasing Across the Continuum

Leverage the Team
- PCPs not enough in population health
  - Advanced Practice Practitioners
  - Nurses
  - Pharmacy
  - Case managers
  - Medical Assistants
- Population per unit team
  - Target 3k-5k patients per team – general medical patients
  - Target 300-500 patients per team – high utilizer clinic, patients with multiple chronic diseases

Bigger is Better
- Bigger Pie
- Greater Access
- Rationalization of Care

Mergers, Acquisitions Territorial Control
- Pros
  - Control, Integration, and Alignment
- Cons
  - Capital expensive
  - Resentment and Mutiny
  - Conflict with academic mission

Collaborative Network of Independent Organizations with Common Shared Risk
- Pros
  - Less capital resources
  - Rationalization of care
- Cons
  - Competition of collaboration over clinical and finances
    - Coopetition
    - Governance

What will the Alliance lead to?
- Rationalization of Care
  - Utilization
  - Location
- Care delivery models that meet the patient where they are
  - Traditional and digital
  - Physicians and non-physicians

Kurt Salmon Review

© 2015 American Society of Health-System Pharmacists
Taking Sides in Wisconsin
Integrated Health Network

Strategic Intent
- Create a broad based regional network of providers through clinical integration that has single-signature authority to contract on a non-exclusive basis with employers and other payers
- To respond to new payment methods by creating an integrated approach to care management
- Maximize opportunities to achieve scale, distributed geographic presence, and enhanced market coverage

Linking with Other Providers

Population Health Management

IHN Care Programs
Care programs are actions/processes aimed at specific patient groups to meet a financial and/or quality outcome.

The Journey from FFS to Risk
ACOs compete on price and utilization. They should accept risk contracts when their

A. Price is high and utilization is high
B. Price is low and utilization is high
C. Price is high and utilization is low
D. Price is low and utilization is high

Timing is Critical - If assuming full risk, when do we make the jump?

Value Proposition Breakout

What type of value is expected from these teams and healthcare?

Different Payment Systems Solve Different Cost/Quality Problems

Modified from Miller HD. Creating Payment Systems to Accelerate Value-Driven Health Care – September 2007
Payment Taxonomy Framework

<table>
<thead>
<tr>
<th>Category 1</th>
<th>Category 2</th>
<th>Category 3</th>
<th>Category 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee for Service (FFS)</td>
<td>Fee for Service with link to Quality</td>
<td>Alternative Payment Model built on Fee for Service Platform</td>
<td>Population Based Payment</td>
</tr>
<tr>
<td>Paid for:</td>
<td>Volume</td>
<td>For effective management of a population or episode of care</td>
<td>Up front for population</td>
</tr>
</tbody>
</table>

Medicare Program:
- FFS
- Most linked to quality
- Value Based Purchasing
- MD Value Modifier
- Readmissions
- HACs
- ACO
- Medical Homes
- Bundled payments
- ESRD
- Dual Eligible
- Pioneer ACOs in future

Where is CMS going?

Target percentage of Medicare FFS payments linked to quality and alternative payment models in 2016 and 2018:
- 2016: 30%
- 2018: 60%

IT Support Breakout

What resources from IT are needed to enable teams to provide value?

Report out from Breakouts
Waves of Change within F&MCW

Organizational EXPLOITATION Of Technology

Activator
- Consumerism
  - Provide technology for convenient access to on-demand clinicians and tools for consumer self-management (Health & Wellness)

Coordinator/Collaborator
- Care Management
  - Leverage F&MCW clinical (brand) and technology infrastructure to decrease utilization of services and improve health of population

Controller
- Value Delivery
  - Provide infrastructure for convenient and cost effective access, and access to specialty care in capital and labor constrained environment

Digital Health Breakout
What digital opportunities are available to promote value?

Report out from Breakouts
And Beyond

Froedtert & Medical College of Wisconsin

- F&M CW is developing and implementing a new paradigm to healthcare
  - Needs to be patient/consumer centered
  - Needs to reduce costs and utilization and improve quality and service
  - Needs to be work for different payment models
  - Needs to leverage our academic – community partnership, our growth and our multi-system ACO
- VIDEO

Pharmacy Breakout

Given your findings during this session what role can pharmacy play to promote value?

Report out from Breakouts

PCCPS: Drug-Related Consults by Volume

PCCPS: Consults by Drug Cost Avoidance

PCCPS Population Health Initiatives

- Patient Safety
  - Eliminated “as needed” on long-acting opioid scripts
  - Reduced NSAIAs in Chronic Kidney Disease patients
  - Decreased use of diazepam for patients ≥65 years
  - Reviewed long-acting β-agonists w/o inhaled corticosteroids in patients with asthma


PCCPS Moves the Needle in Osteoporosis

- CHF 12 RCTs (n = 2,060)
  - CHF hospitalizations: OR 0.69 (95% CI: 0.51 to 0.94)
  - Hyperlipidemia 7 RCTs (n = 924)
  - LDL reduced by -13.4% (95% CI: -23.0% to -3.8%)
  - Hypertension 19 RCTs (n = 10,479)
  - SBP reduced by -8.1 mm Hg (95% CI: -10.2 to -5.9)
  - Diabetes 14 RCTs (n = 2,073)
  - HgA1C reduced by -0.76% (95% CI: -1.06 to -0.47)
  - CKD 8 RCTs (n = 688)
  - ESRD/Death in DM Nephro: 14.8 v 28.2/100 patient-years


Team Based Care: PCMH and MTM

- CHF 12 RCTs (n = 2,060)
  - CHF hospitalizations: OR 0.69 (95% CI: 0.51 to 0.94)
  - Hyperlipidemia 7 RCTs (n = 924)
  - LDL reduced by -13.4% (95% CI: -23.0% to -3.8%)
  - Hypertension 19 RCTs (n = 10,479)
  - SBP reduced by -8.1 mm Hg (95% CI: -10.2 to -5.9)
  - Diabetes 14 RCTs (n = 2,073)
  - HgA1C reduced by -0.76% (95% CI: -1.06 to -0.47)
  - CKD 8 RCTs (n = 688)
  - ESRD/Death in DM Nephro: 14.8 v 28.2/100 patient-years

Advocate Physician Partners

- CHF 12 RCTs (n = 2,060)
  - CHF hospitalizations: OR 0.69 (95% CI: 0.51 to 0.94)
  - Hyperlipidemia 7 RCTs (n = 924)
  - LDL reduced by -13.4% (95% CI: -23.0% to -3.8%)
  - Hypertension 19 RCTs (n = 10,479)
  - SBP reduced by -8.1 mm Hg (95% CI: -10.2 to -5.9)
  - Diabetes 14 RCTs (n = 2,073)
  - HgA1C reduced by -0.76% (95% CI: -1.06 to -0.47)
  - CKD 8 RCTs (n = 688)
  - ESRD/Death in DM Nephro: 14.8 v 28.2/100 patient-years


Oncology Clinical Pharmacist

Value Added Services Provided in FY12

<table>
<thead>
<tr>
<th>Services Provided</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claims Denial and approval consultations</td>
<td>7</td>
</tr>
<tr>
<td>Drug information questions answered</td>
<td>23</td>
</tr>
<tr>
<td>Drug summaries sent to providers</td>
<td>6</td>
</tr>
<tr>
<td>Educational presentations</td>
<td>11</td>
</tr>
<tr>
<td>Newsletter publications</td>
<td>12</td>
</tr>
<tr>
<td>In-office physicians visits</td>
<td>19</td>
</tr>
<tr>
<td>Pharmacy and Therapeutics presentations provided</td>
<td>31</td>
</tr>
</tbody>
</table>

Unplanned Readmissions in Older Patients?

- When led by hospital pharmacists
  - Risk Ratio 0.97 (0.88-1.07) NS
- When led by community pharmacists
  - Risk Ratio 1.07 (0.96-1.20) NS
- However
  - 3 RCTs for older patients with CHF show a 25% reduction in unplanned readmissions

Objectives

- Discuss the revolution occurring with acquisitions and new businesses established to meet payer demands for performance and shared risk in health care costs.
- Discuss the perspectives of the C-suite on ambulatory care needs in infrastructure, management of work force, and revenue management to ensure sustainability and success.
- Describe implications of technology and personalized medicine for health systems.
- Identify areas of opportunity for pharmacy leaders preparing for success in the changing health care environment.