APRIL 25 26, 2016 SHERATON TYSONS HOTEL TYSONS CORNER, VA

Innovative Payment for Care Coordination for High-Need, High-Cost Patients

A Perspective from the Health Care Transformation Task Force

April 25, 2016

Panelists

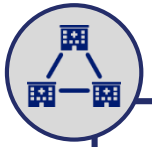
- Diane Stewart, Senior Director, Pacific Business Group on Health
- Greg Jones, Government Affairs, Aetna
- Hope Glassberg, VP, Strategic Initiatives & Policy, Hudson River Healthcare, Inc.
- Jeff Micklos, Executive Director, Health Care Transformation Task Force (moderator)

HEALTH CARE TRANSFORMATION TASK FORCE
Committed to 75% of all business activity in value-based contracts by 2020

The Task Force's guiding principles outline a financially and operationally viable and sustainable approach

- **Shift 75% of our respective businesses to be under value-based care contracts by 2020**
- Design programs that provide reasonable returns to deliver the triple aim of better health, better care and reduced total cost of care at or below GDP growth
- Equip market players with all tools necessary to compete in new market focused on people-centered primary care
- Encourage multi-payer participation and alignment to create common targets, metrics, and incentives
- Share cost savings with patients, payers, and providers to ensure adequate investment in new care models
- Foster transparency of quality and cost metrics in a manner that is accessible to, and easily understood by, consumers
- Support the needs of disadvantaged populations and help strengthen the safety net providers who serve them

TF Work Groups are driving rapid-cycle product development, starting with improving the ACO model and transforming payment models for caring for high-cost patients



Improve the ACO Model

Develop aligned public-private action-steps and recommendations to improve the design and implementation of the ACO model

Develop Common Bundled Payment Framework

Create detailed principles and tools to align and evaluate episode definitions/pricing for public/private payer bundled payment programs.

New Model Development - Improving Care for High-cost Patients

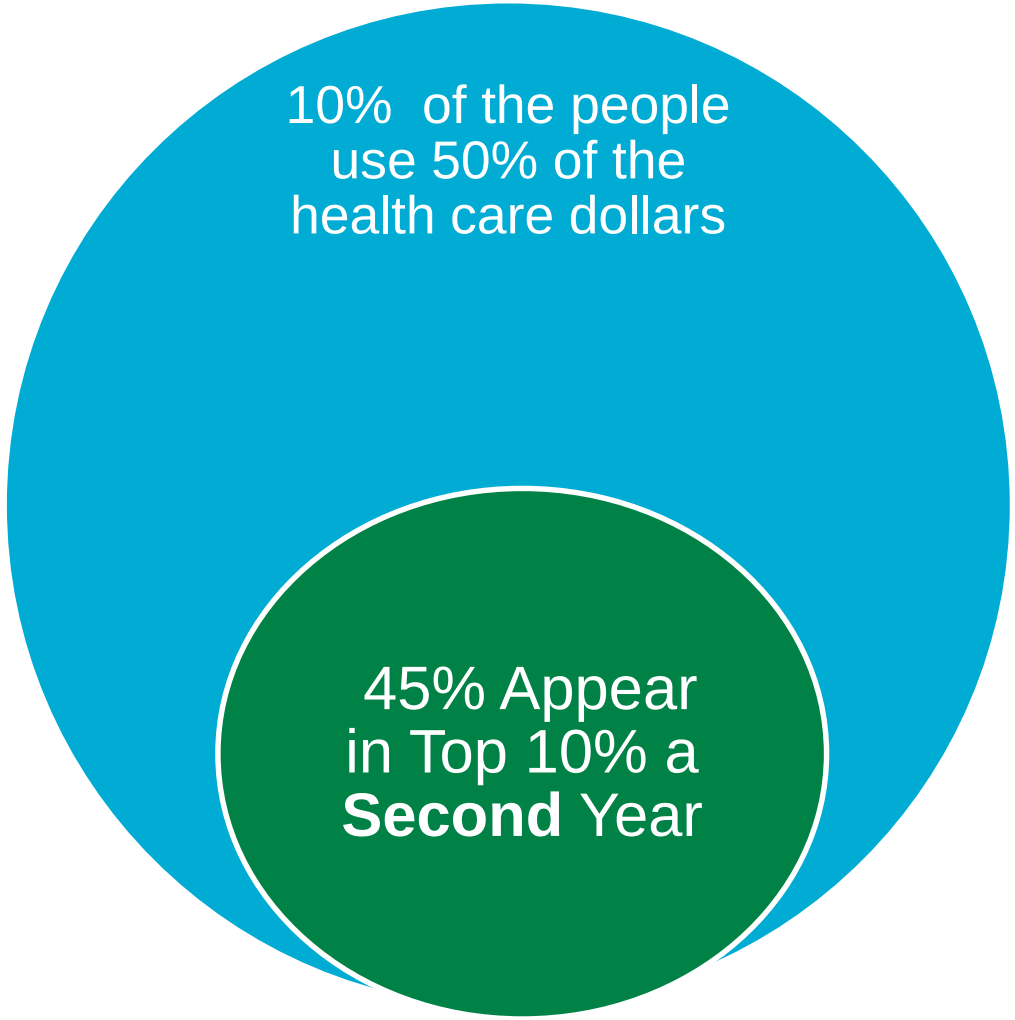
Create, test and recommend a delivery/payment model that allows a wide range of provider organizations, including in rural areas with little to no current MA/ACO penetration, to engage in population health by starting with highest-cost patients (top 5%).

PBGH
PACIFIC BUSINESS GROUP ON HEALTH

Payment to Support High Need, High-Cost Patient Care Models

Diane Stewart, Sr. Director
Pacific Business Group on Health
dstewart@pbgh.org

Who Are We Talking About?



Signals of Unmet Needs:

45% of patients appear in top spending tier over 2 years

- 67% are under age 65

28% of Medicare Spending occurs in last 6 months of life

- **Identifying the high need, high cost patient population**
  - *Proactively Identifying the High Cost Population* (July 2015)
- **Common care model elements**
  - *Developing Care Management Programs to Serve High-Need, High-Cost Populations* (February 2016)
- **Supportive payer-provider relationships**
  - *Payment to Promote Sustainability of Care Models for High-Need, High-Cost Patients* (May 2016)

Paper 1: Identifying the High Cost Patient Population

Targeting the right patients for care management:

1. Persons with Advanced Illness
2. Persons with persistent high spending patterns
   - Medicaid – 60% in Top 10% in one year are Top 10% in the next
   - Medicare – 40% in Top 10% in one year are Top 10% in the next
3. Patients with episodic needs

Methods used to predict individuals in Group 1 and 2

- Data analysis **with** clinical judgment

Paper 2: Common Care Model Elements

Building Blocks of Care Management	Montefiore s Care Management	Aetna s Compassionate Care Program for Advanced Illness	WakeMed Key Community Care s Complex Care Program	BSCA s Innovative Care Model	PBGH's Intensive Outpatient Care Programs	Greenville Health System Care Coordination Program
Identifying the Target Population	X	X	X	X	X	X
Patient & Family Caregiver Engagement	X	X	X	X	X	X
Team Based Care	X	X	X	X	X	X
Care Coordination and Infrastructure	X	X	X	X	X	X
Patient Centered Care	X	X	X	X	X	X
Health Assessments and Screening Tools	X	X			X	X
Health and Disease Management Programs	X			X		X
Transitional Care	X	X	X	X	X	X
Quality Measurement and Evaluation Framework			X		X	

Paper 3: Sustainable Payment Models for High Need, High Cost Patients

- Goal:
  - Synthesize recommendations for supportive payment models by interviewing organizations providing services for high need, high cost patients

- Methods:
  - Qualitative interviews with provider organizations and health plans
  - Review published case studies
  - Synthesize findings with Health Care Transformation Task Force members

PBGH
PACIFIC BUSINESS GROUP ON HEALTH

Payer View:
Payment Models offered in every business line

	Category 1	Category 2	Category 3	Category 4
Medicare		**CMS CPT 99490** **BCBS-MI Provider Care Management**	**3A. CMS MSSP Track 1 ACO** **3B. CMS MSSP Track 2ACO**	4A. **CMS NextGen ACO, PACE** 4B. **BCBS-MI** Medicare Advantage
Commercial		**BCBS-MI**	**Anthem**	4A. **Optum** 4B. **BCBS MN and ND** 4C. **BCBS-MA AQC**
Medicaid		**Vermont PCMH**	**Oregon CCOs**	4A. **Arkansas Health Homes** 4B. **Minnesota Accountable Care Communities**

Provider View:
Patchwork of Payment Models

Payment Type:	Category 1	Category 2	Category 3	Category 4
St. Joseph Health		Commercial: Anthem PPO monthly payment with shared savings	Commercial: ACO with upside and downside risk	Medicare Advantage Health Plan: Full Capitation
Providence Health and Services		Medicare: Shared Savings ACO	Commercial: Direct-to-Employer Contract	Medicare Advantage: Risk sharing arrangement

Sustainable Payment Models: Observations

Models exist across all business lines

Health Plans don’t make them available to all providers in their network

Providers patch together funding from multiple streams to offer right services for right patients