

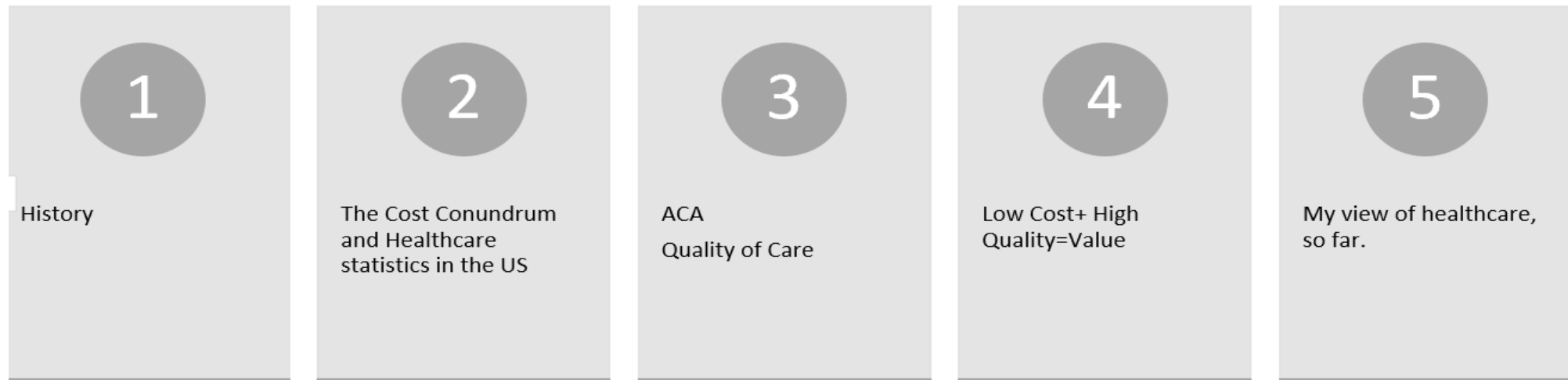


Healthcare Evolution in the World of Quality

RAHUL BHATIA MD, FCCM, CHCQM, CHFP

HimSS
ARIZONA Chapter

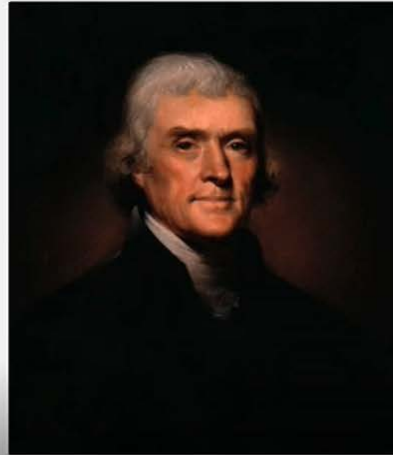
Outline of our conversation



The Great American Ideological Divide

Thomas Jefferson

States' rights
Private sector
Individual liberty



Alexander Hamilton

Federalism
Proactive government
Collective power

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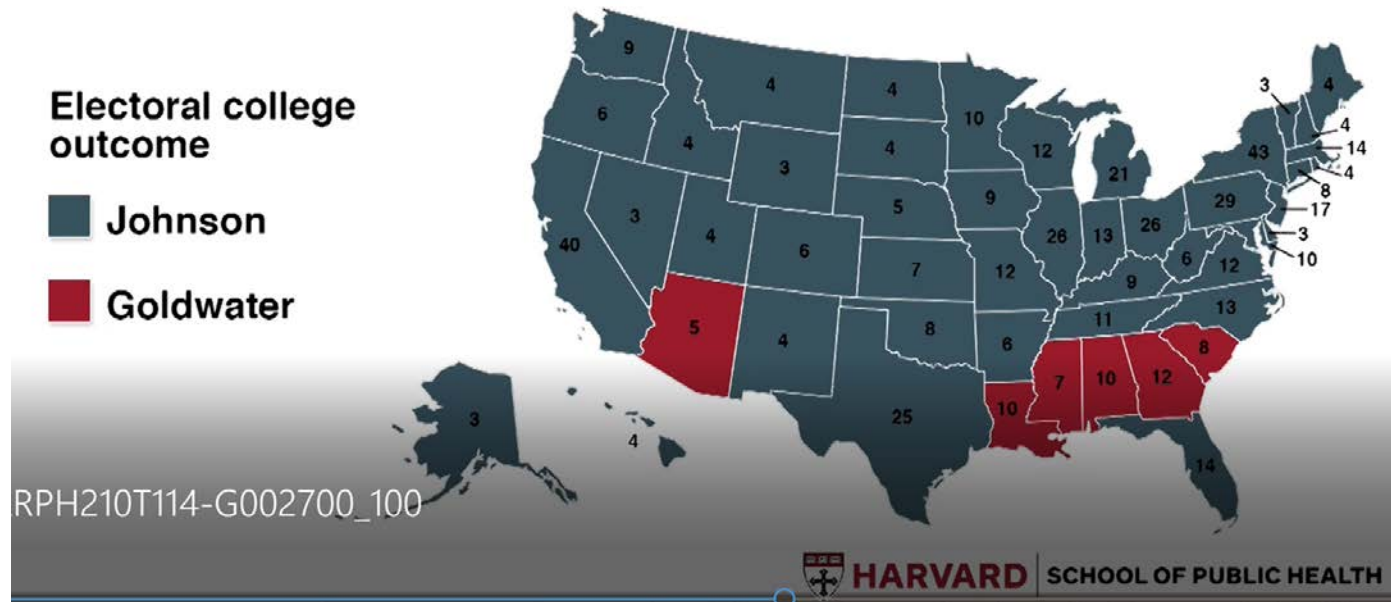
Source:
http://en.wikipedia.org/wiki/File:Thomas_Jefferson_by_Rembrandt_Peale,_1800.jpg
http://en.wikipedia.org/wiki/File:Alexander_Hamilton_portrait_by_John_Trumbull_1806.jpg

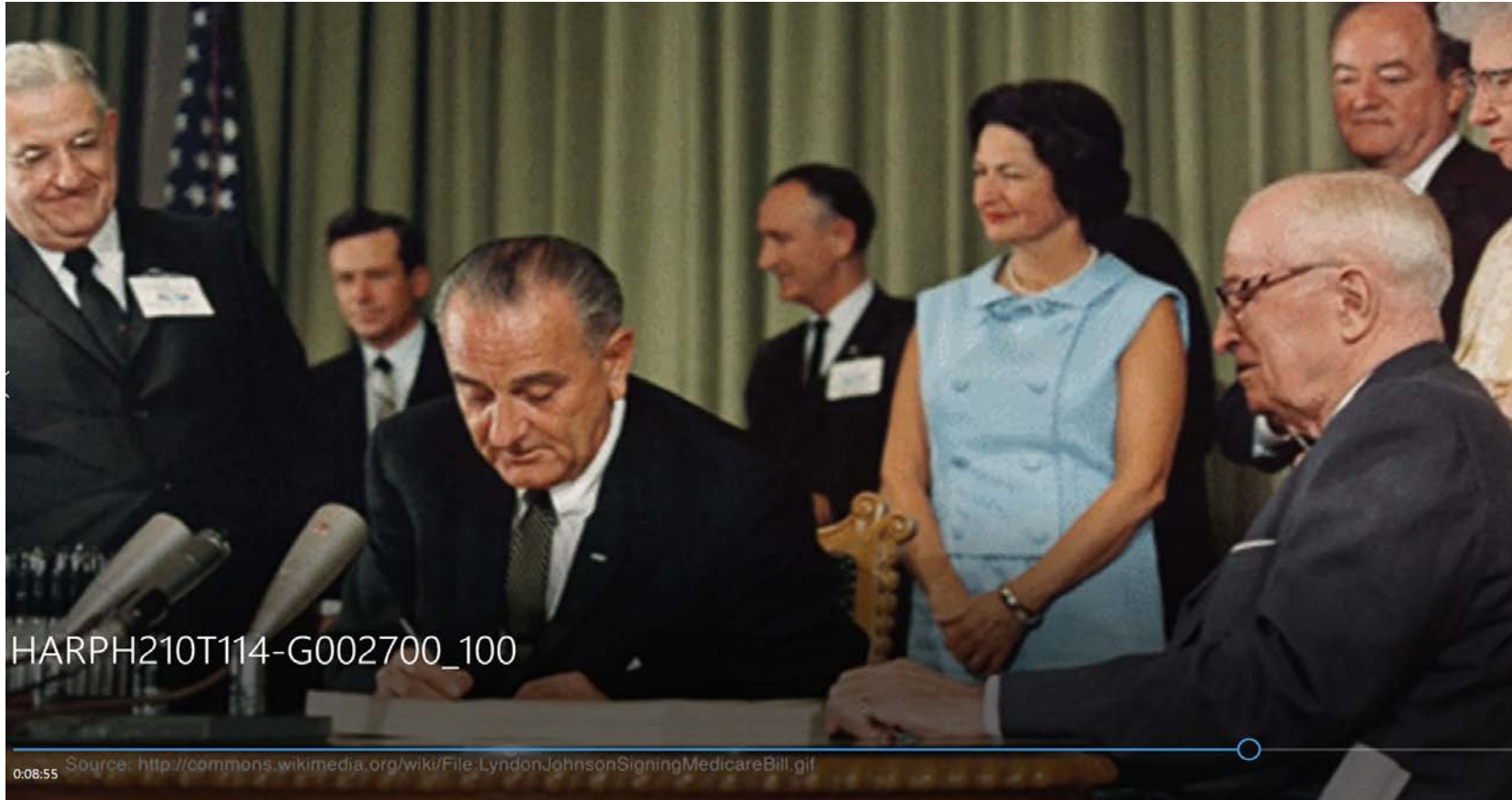


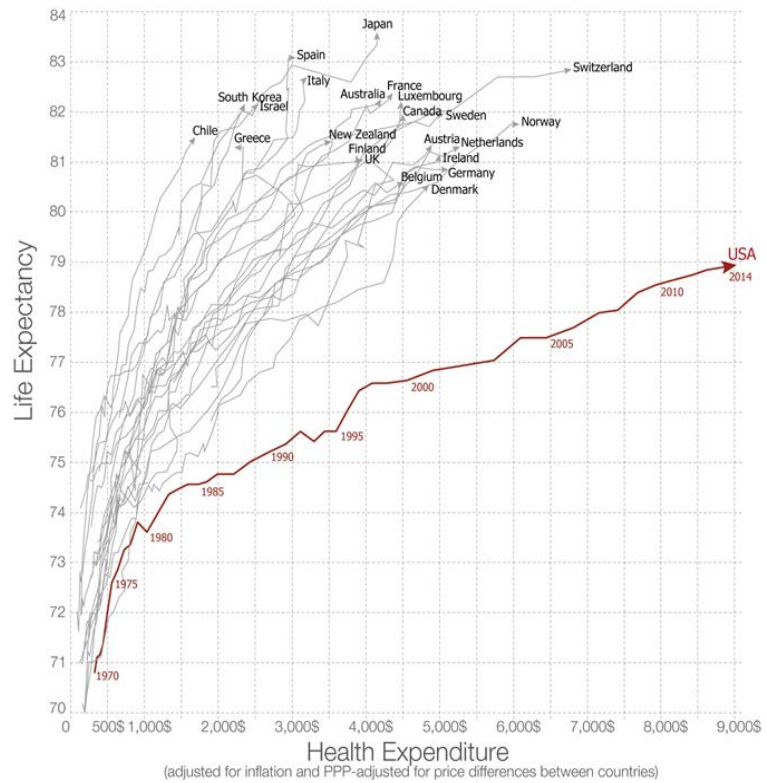
HARVARD

SCHOOL OF PUBLIC HEALTH

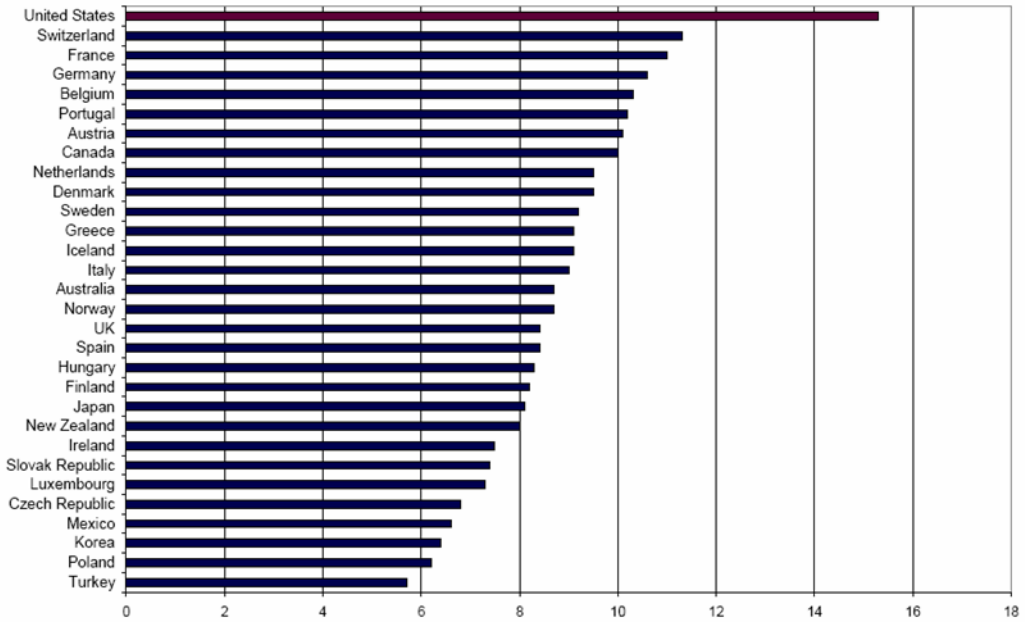
The Presidential Election of 1964







Healthcare Spending as % GDP



Source: Organization for Economic Cooperation and Development, OECD Health Data, 2008 (Paris: OECD, 2008).
 Note: For countries not reporting 2006 data, data from previous years is substituted.

ACA Coverage & Financing

ACA Title	Covered (#M)	\$ Spent (\$B)	\$ Raised / Saved (\$B)
1. Private Sector Coverage	16	\$509	\$80.6
2. Medicaid / CHIP	16	\$458.8	\$52.7
3. Medicare / Delivery Reform		\$54	\$449.9
4. Prevention / Public Health		\$18	\$0.8
5. Workforce		\$18.2	--
6. M&M Fraud & Abuse		\$2.8	\$7
7. Biologic Similar		--	\$7
8. CLASS		--	\$70.2
9. Revenues		--	\$437.8
(Other, etc.)		\$14.8	\$92.8

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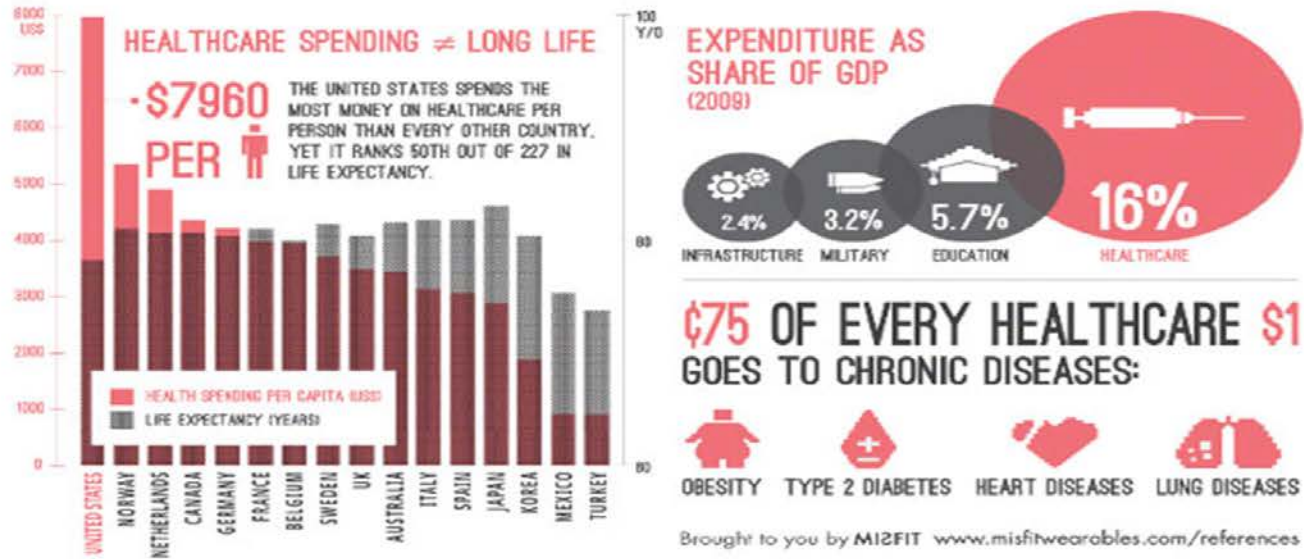
Professional Budget Office estimates for 2010-2019



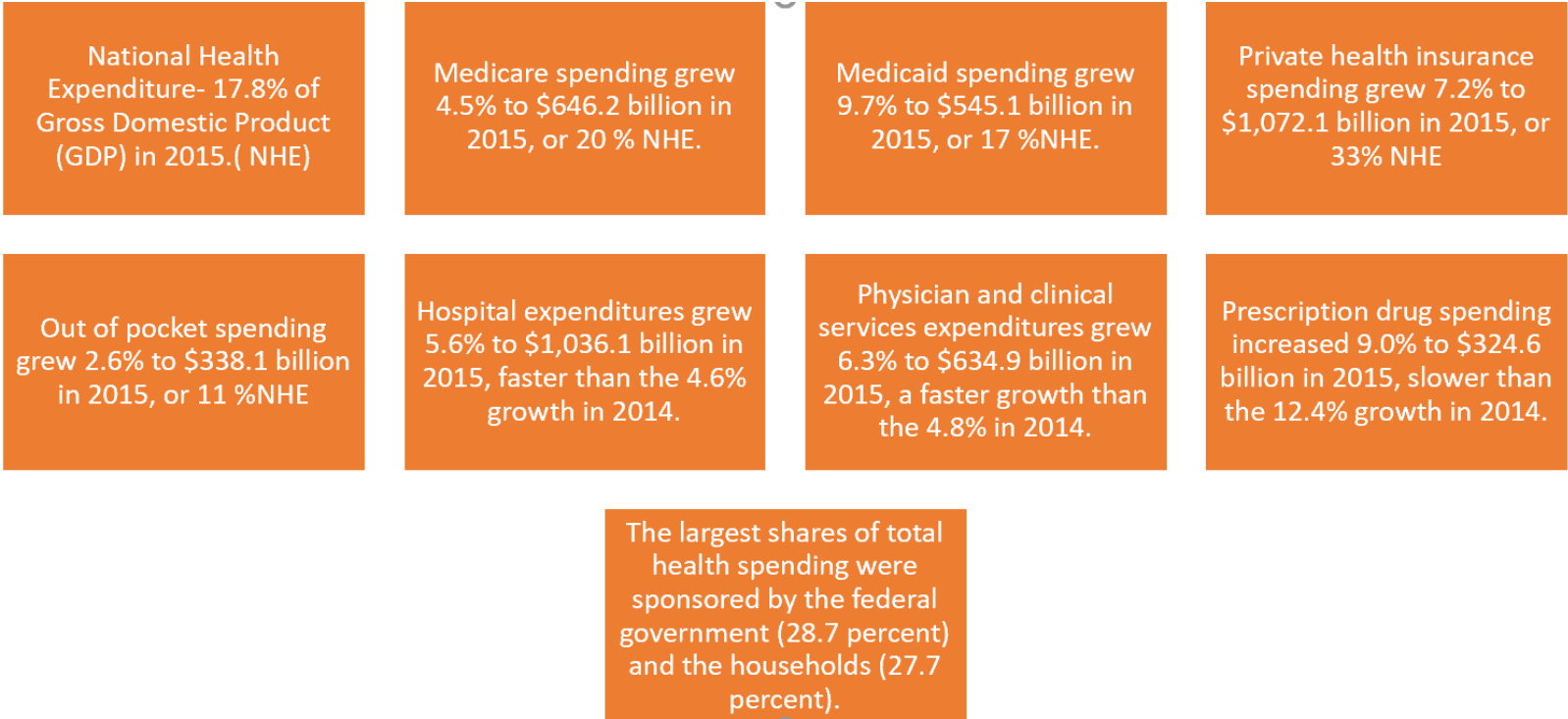
Patient Protection and Affordable Care Act viz. Obamacare/ PPACA(Patient Protection and Affordable Care Act)/ ACA-2010



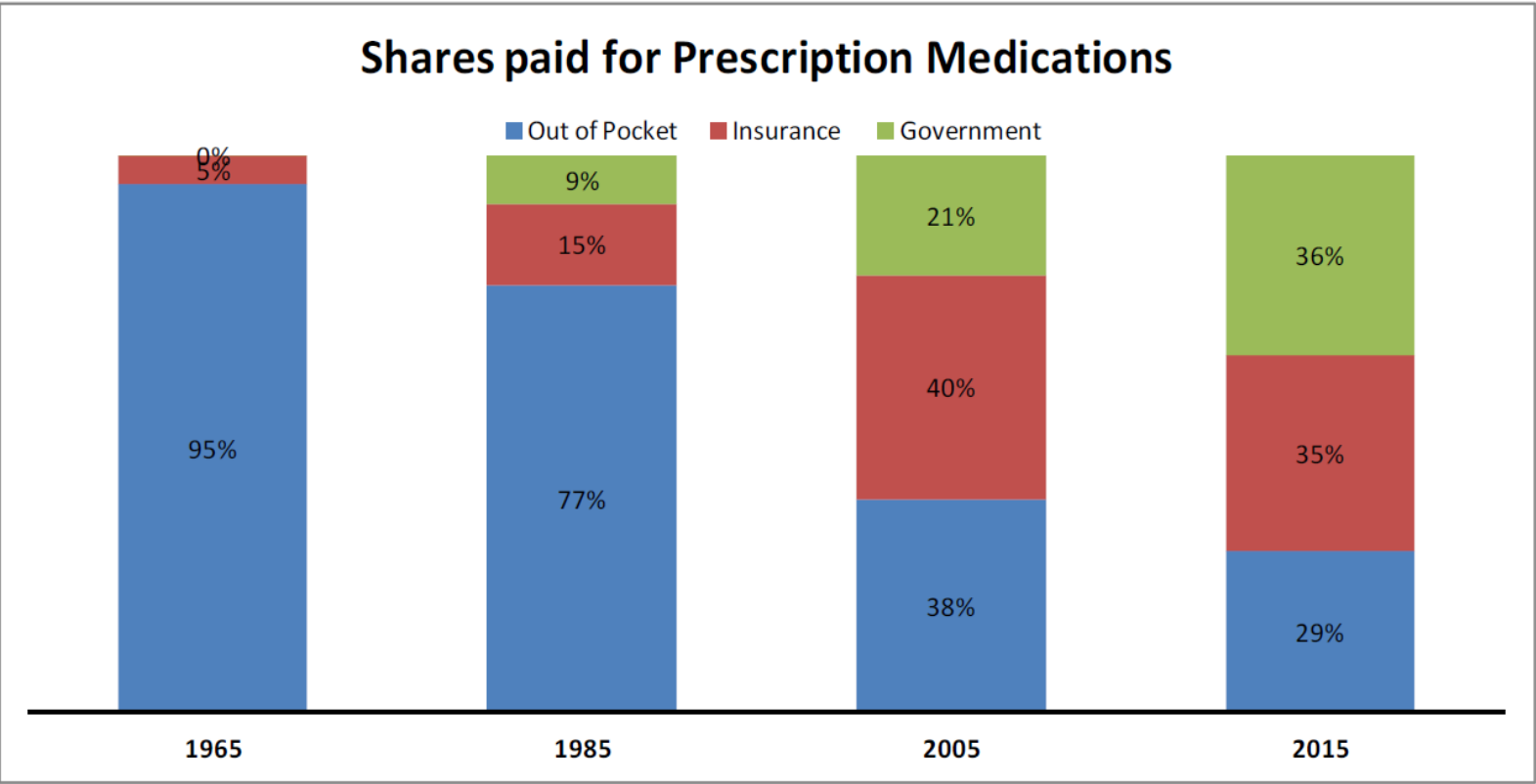
U.S. HEALTHCARE SPENDING



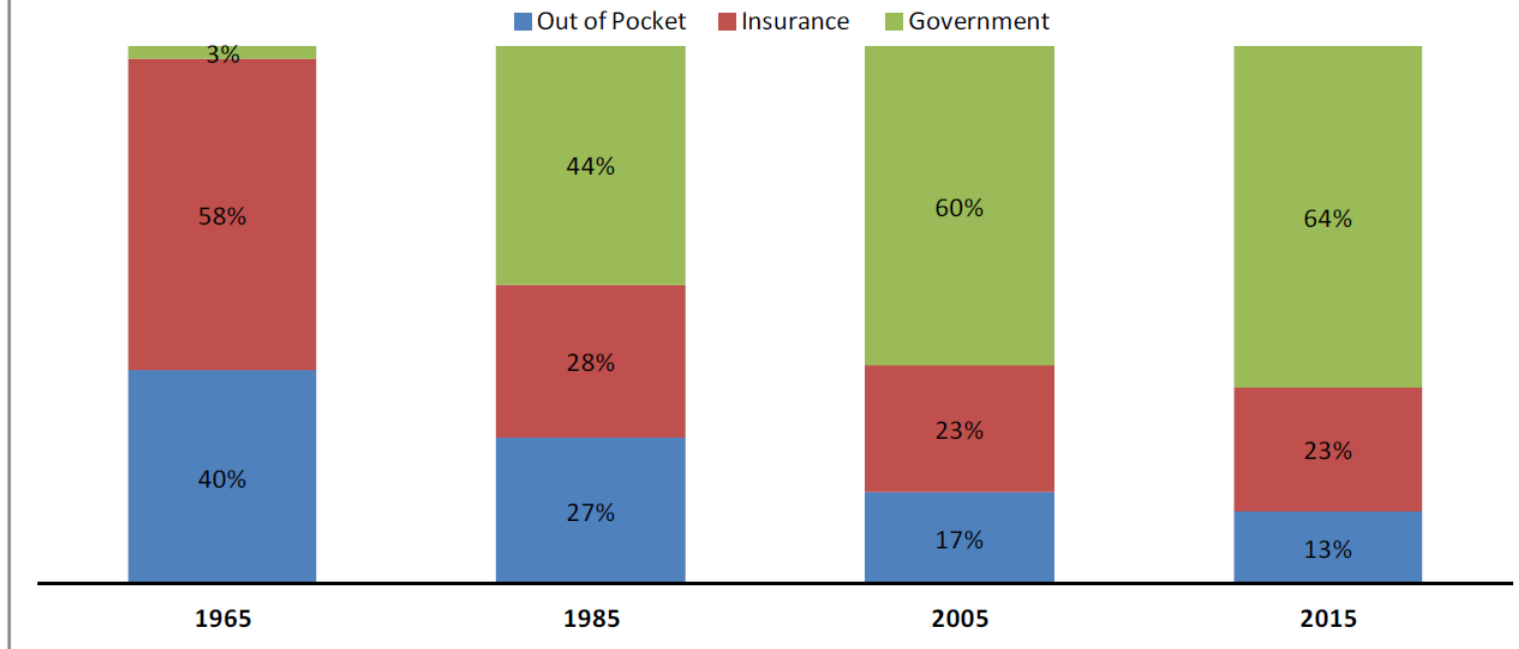
Current State of Expenditures



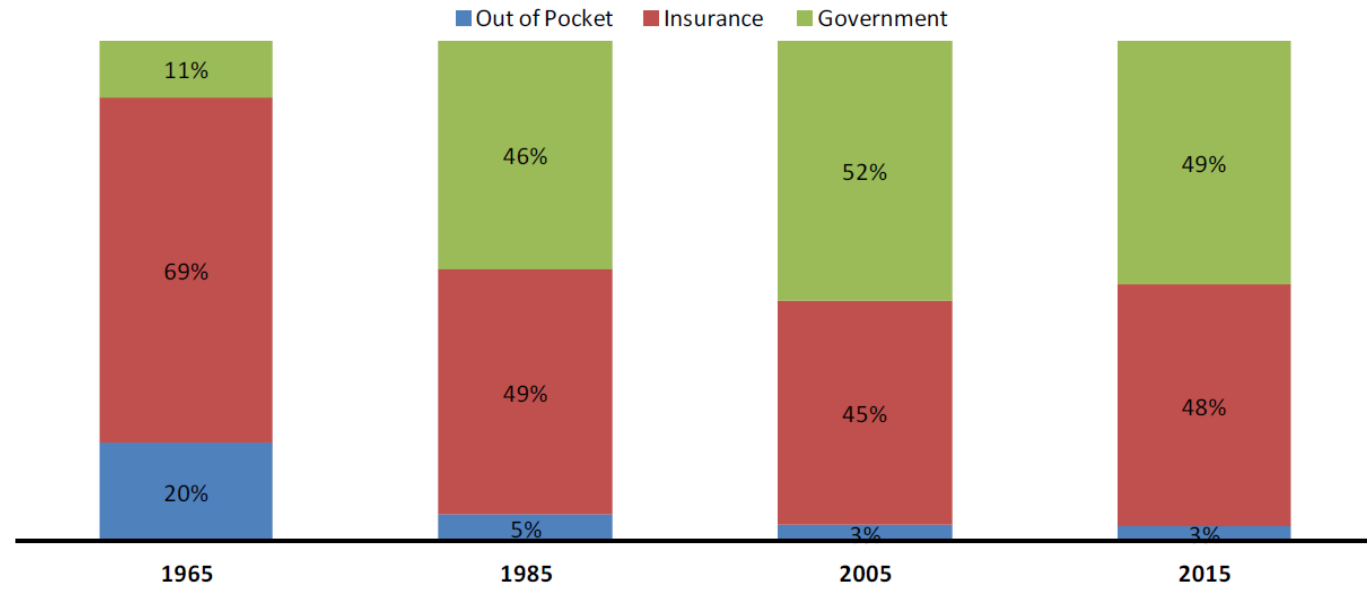
Shares paid for Prescription Medications



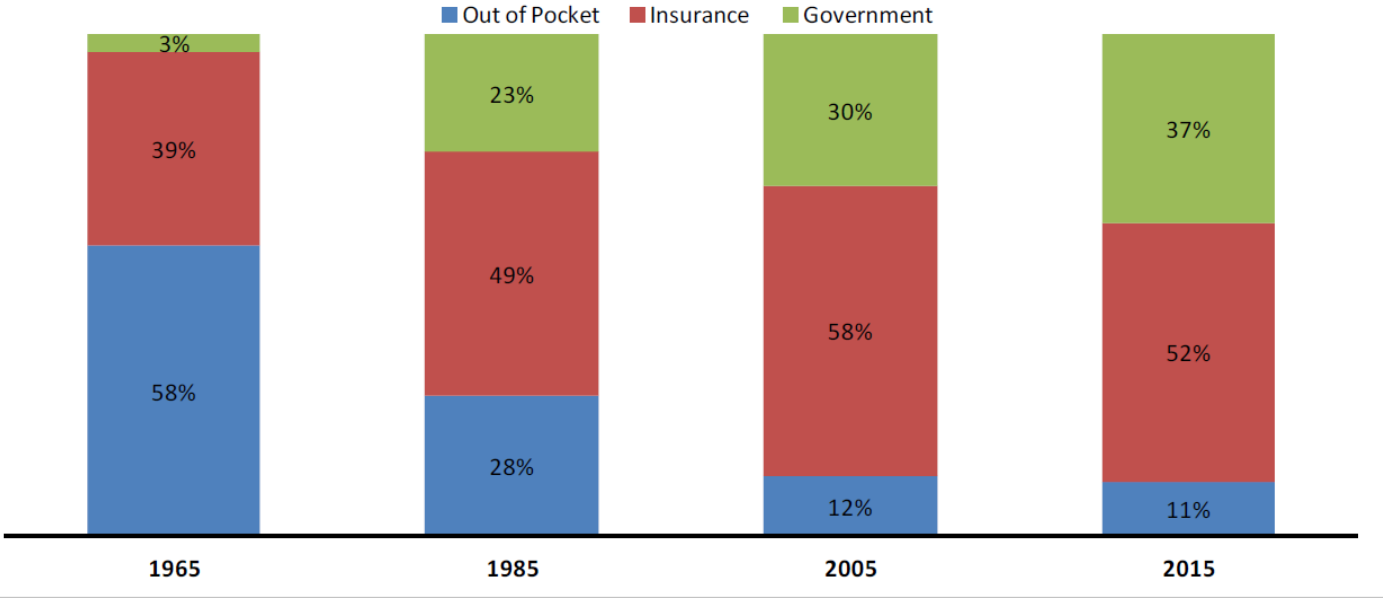
Shares paid for Home and Long Term Care



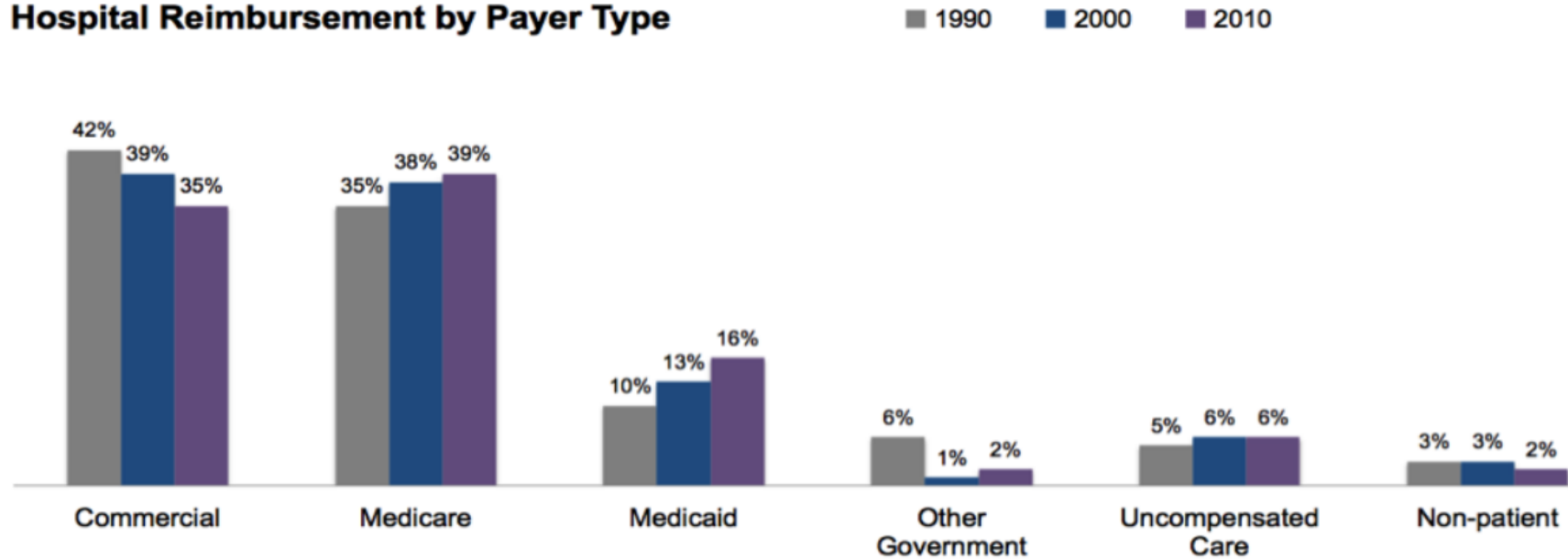
Shares paid for hospital expenses



Shares paid for Physician expenses



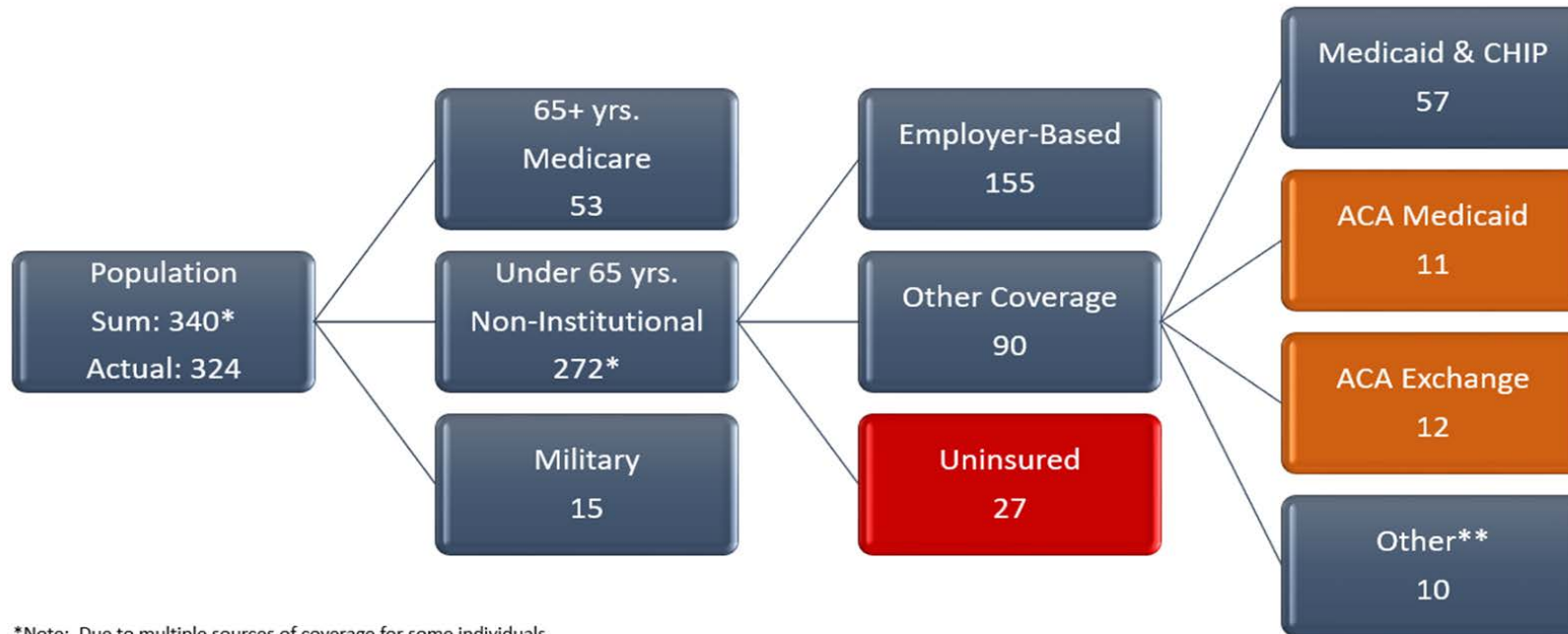
Hospital Reimbursement by Payer Type



Source: American Hospital Association Annual Survey Data, 2013

The shifting revenue mix from commercial to government payers means tighter hospital margins.

Sources of Health Insurance Coverage in 2016 (Millions of Persons)



*Note: Due to multiple sources of coverage for some individuals, there is some double-counting in the components. The actual U.S. population in December 2016 was approximately 324m.

**Other: The 10m was reduced to tie to the total for "Other Coverage" of 90m. "Other" includes 23m persons (9m non-ACA marketplaces, 9m disabled in Medicare, 5m other).

Source data:
CBO "Federal Subsidies for Health Insurance Coverage for People Under Age 65: 2016 to 2026" (March 2016)
Census Bureau "Health Insurance Coverage in the United States: 2015 (September 2016)"

At A Glance Confusion Explained



Quality Payment Program: MIPS vs APMs

MIPS

- Adjusts payments up or down based on new reporting system
- Consolidates PQRS, MU, and value-based modifier

The MIPS Score will account for performance in 4 weighted performance categories:



Based on the MIPS composite score, clinicians will receive positive, negative, or neutral adjustments starting in 2019.



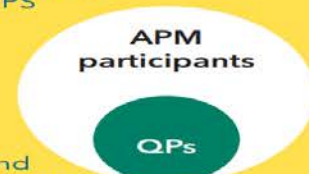
Those who score in the top 25% are eligible for an additional annual adjustment of up to 10%.

APM

Initial definitions from MACRA law for APMs include:

- CMS Innovation Center models that are not Health Care Innovation Award recipients
- MSSP—Medicare Shared Savings Program
- Medicare Health Care Quality Demonstration Program
- Demonstration program required by Federal Law

Most clinicians who participate in APMs will be subject to MIPS and will receive a favorable performance score under the MIPS Clinical Practice Improvement Activities category.



Qualifying APM Participants

(QPs) are clinicians who participate in Advanced APMs and meet a volume threshold of Medicare payments or beneficiaries paid through the APM. QPs are not subject to MIPS and will receive 5% lump sum bonus payments for years 2019-2024.

Advanced Alternative Payment Models include:

- Comprehensive Primary Care Plus (CPC+)
- Medicare Shared Savings Program Tracks 2 & 3
- Next Gen Accountable Care Organization
- Oncology Care Model (2-sided risk)
- Comprehensive End-Stage Renal Disease Care (CEC) Model (Large Dialysis Organization arrangement)
- Potential expansion of Comprehensive Primary Care Initiative (CPCI) Patient-Centered Medical Home (PCMH)



MACRA Is Here to Stay

Partisan battles continue to be fought over many aspects of health policy. But unlike the individual mandate and high-risk pools, MACRA legislation enjoys broad support from both sides of the aisle.

Congress Passed the Act with Overwhelming Bipartisan Support





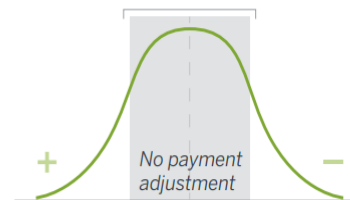
MIPS Ups the Ante on Pay for Performance

Prior to MACRA, group performance standards under the Value-Based Payment Modifier were fairly forgiving. Average performance resulted in no payment adjustment. However, under MIPS, a single point above or below the mean or median composite score will result in a payment adjustment. By 2022, nine percent of clinicians' Medicare payment will be at risk.

Average Performance No Longer Enough

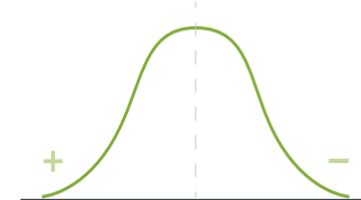
Group Performance Under VBPM

87% of groups that met reporting requirements held harmless in 2015



Group Performance Under MIPS

All groups subject to payment adjustment





Population Health Is No Longer Optional

In the past, only providers participating in risk-based payment models faced meaningful incentives tied to cost and quality outcomes. In the new MIPS track, outcome metrics—many of which extend beyond discrete patient encounters—will increasingly factor in to clinicians' pay. While the advanced APM track may encourage more providers to join downside risk programs, MIPS makes population health a reality for everyone.

MIPS Tracking Quality and Cost Closely

MIPS Performance Category

Top Reporting Takeaways for 2017



Quality
(replaces PQRS, VBPM)

- ▶ ~300 measures to choose from
- ▶ 80% of measures tailored to specialists
- ▶ Eligible Clinicians only required to report 6 measures; in addition, all-cause readmissions will be calculated based on claims



Cost
(expands VBPM cost metrics)

- ▶ Total percapita costs for all attributed beneficiaries and Medicare spending per beneficiary
- ▶ Adds 10 episode-based measures, rather than 41
- ▶ While not factored in to overall MIPS performance in 2017, the weighting rises quickly to 10% in 2018, 30% in 2019

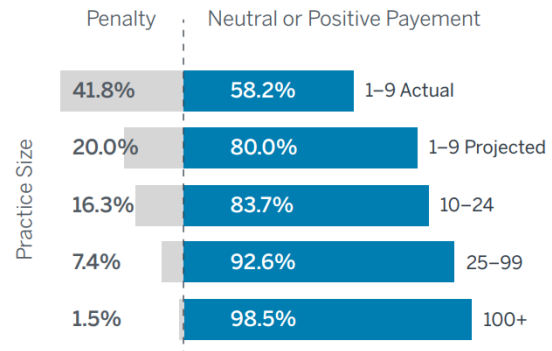


You Succeed or Fail as a Team

We anticipate most clinicians will report as a group under MIPS. Hence, scores for all providers in the group will be pulled down by low performers or pulled up by high performers, increasing the incentives for providers and other internal stakeholders to work as a team to achieve ongoing performance improvement.

Larger Practices Will Fare Better

Percentage of Eligible Clinicians¹ Projected to Receive MIPS Penalties, Bonuses





Practice Like Everyone Is Watching

The data reported under MIPS eventually will be available to the public on the Physician Compare website. With the rise of consumerism, you can expect patients to use these standardized quality metrics to choose their physicians. This level of transparency will also affect partnerships as hospitals seek out physicians with demonstrated success in MIPS.

The Future of Physician Compare

MIPS Score



Quality



Improvement
Activities



Cost



Advancing Care
Information

Potential Impacts of Transparency

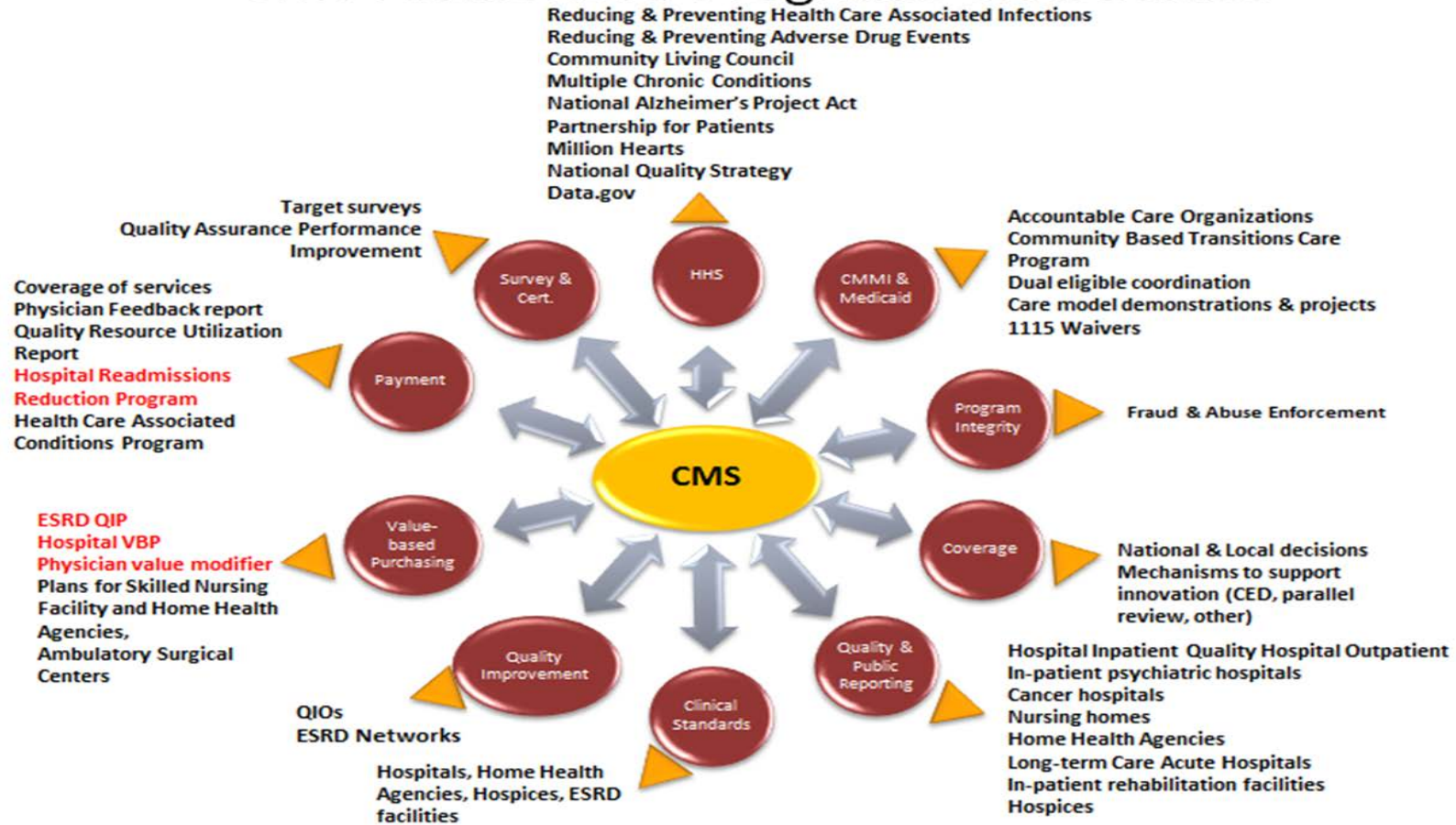
Health System Scrutiny

Hospitals on the hook for group physician performance will **only partner with physicians demonstrating success in MIPS.**

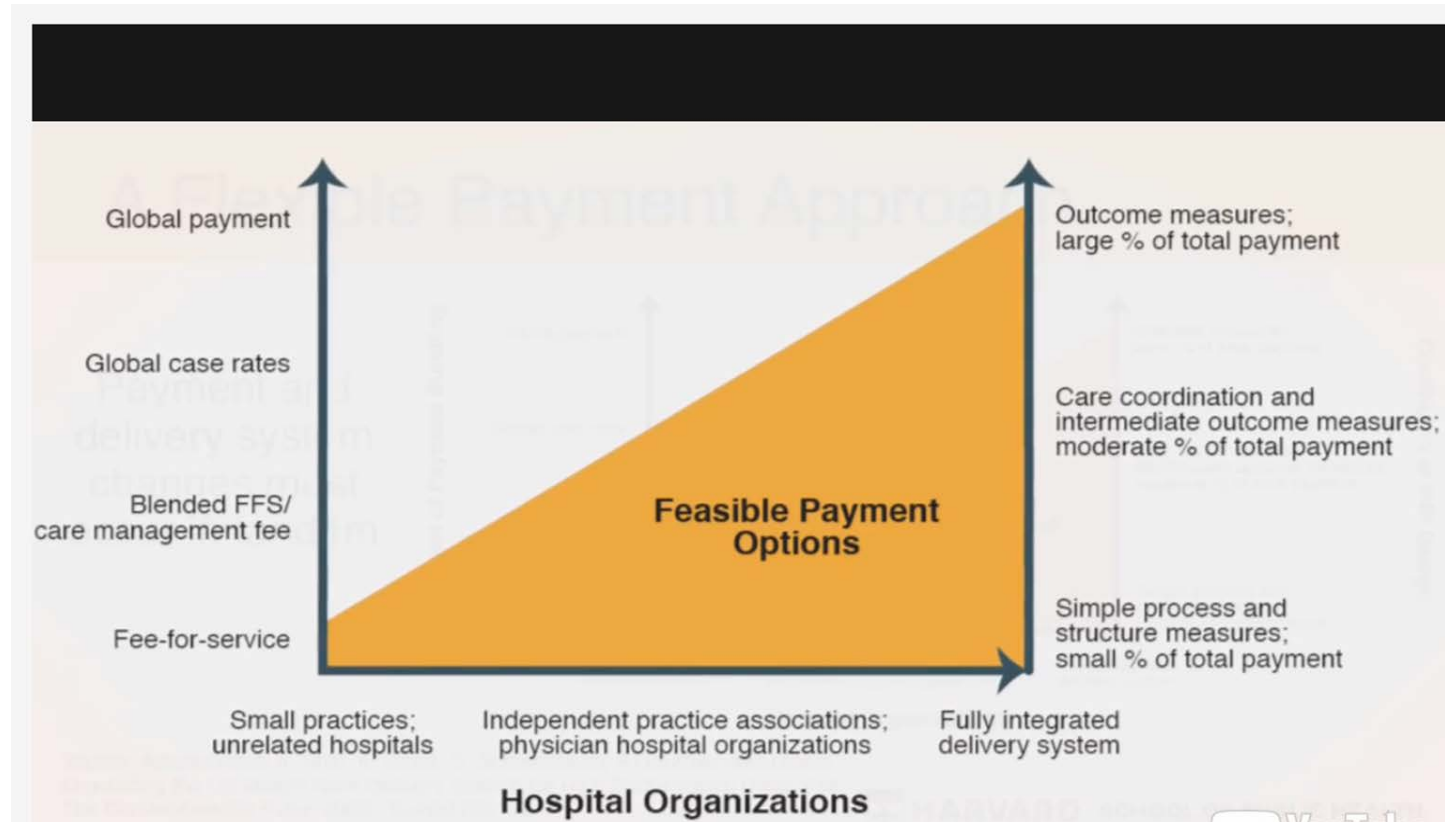
Customer Shopping

Patients able to compare standardized quality metrics will **select highest performing physicians.**

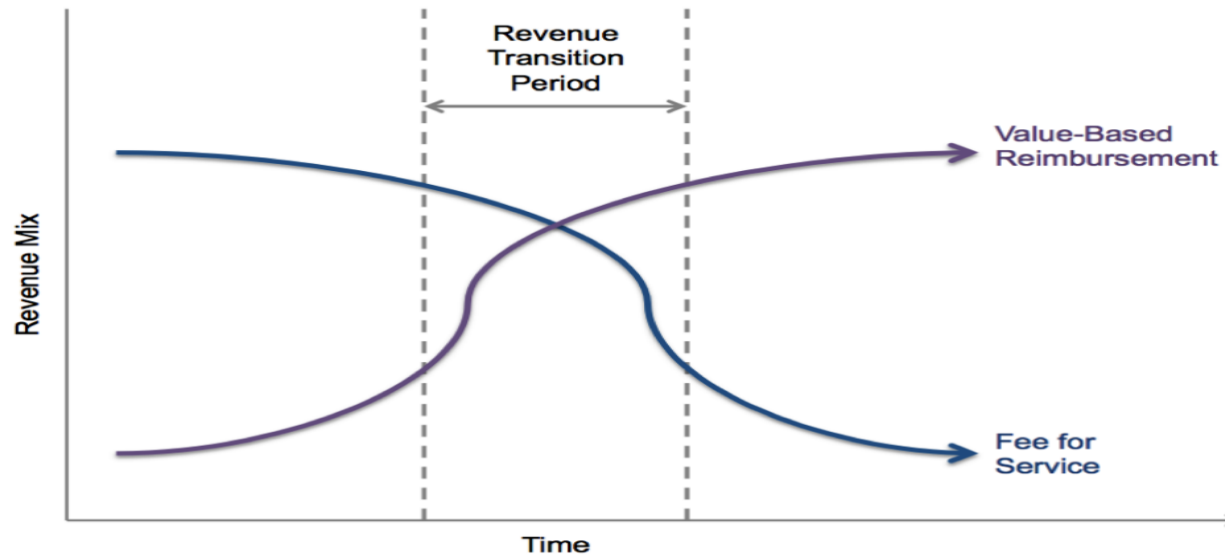
CMS Authorized Programs & Activities



Ideal state



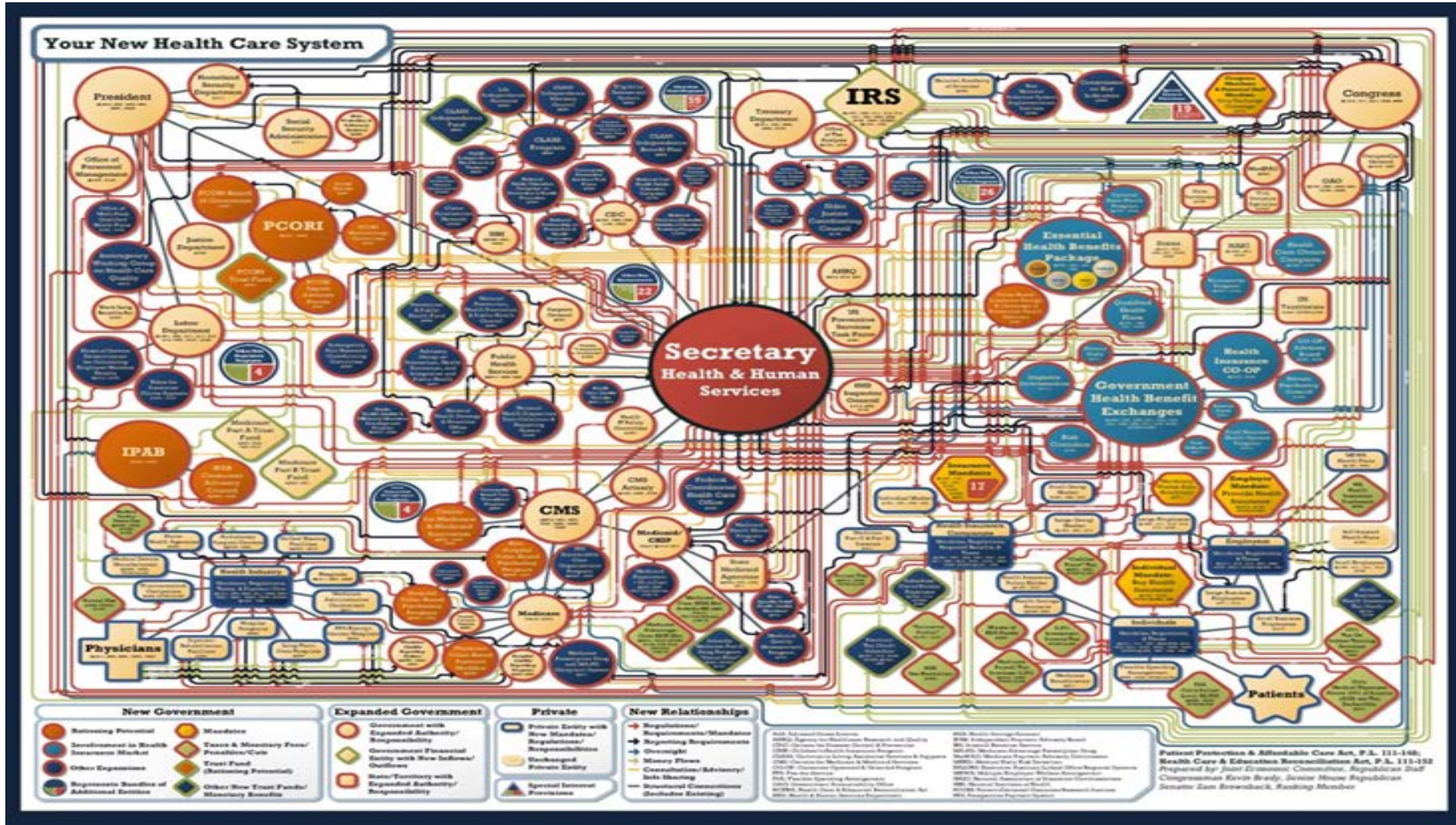
Transitioning from Fee-for-service to Value-based Reimbursements



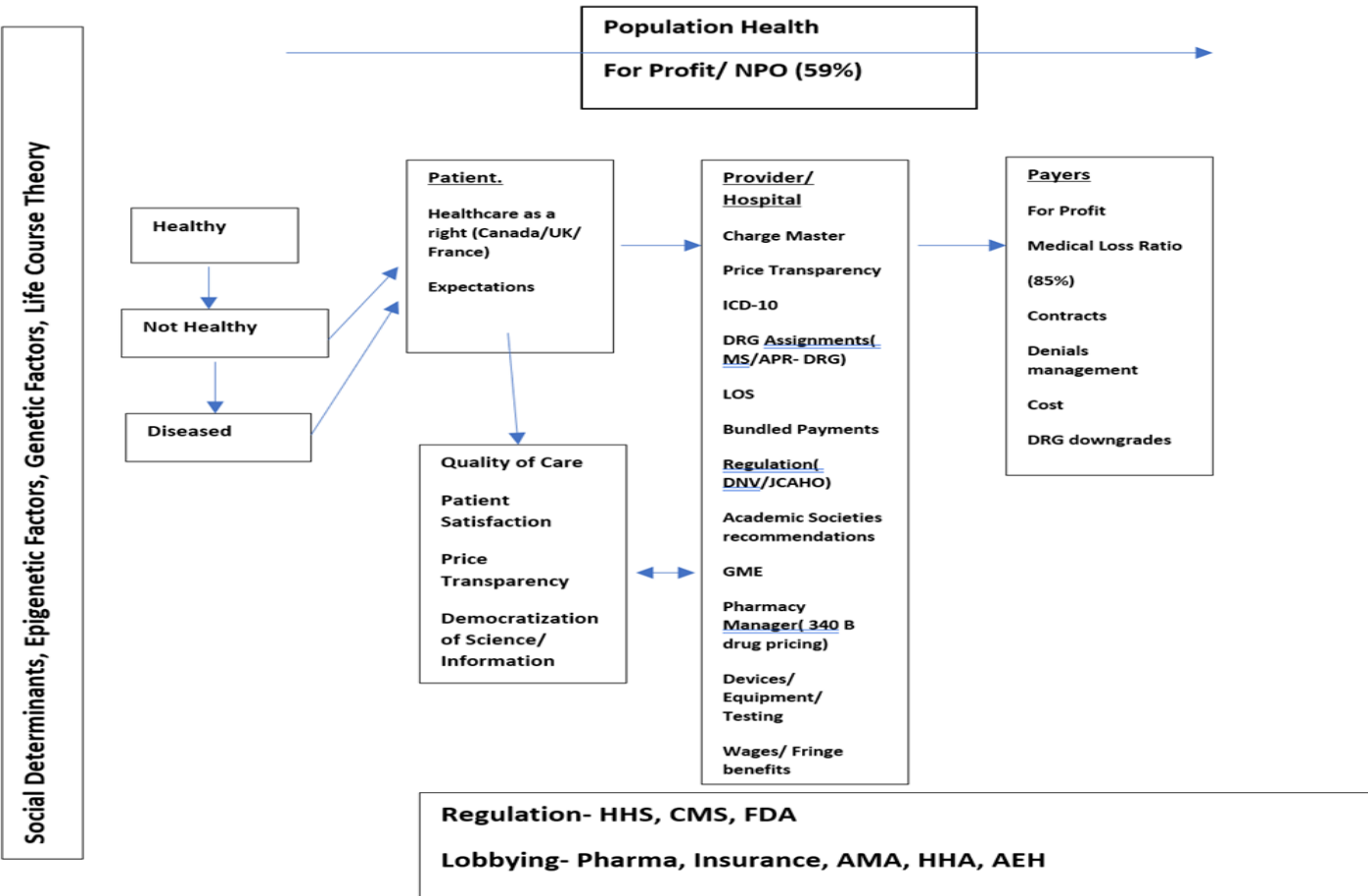
Notice how's there's no specific unit of time to mark the transition from fee-for-service to value-based reimbursement. Nobody knows yet how long this process will take.

My lessons.. So far

- Understand the why, what will come
- Train, get new skills, never stop learning
- Emotional intelligence
- Situational awareness
- Embrace failures
- Have mentors, choose them carefully!
- Create an inner circle of confidants
- Allow yourself to be vulnerable
- Active listening
- Listen to opposing viewpoints
- People skills
- Never forget why you went into medicine
- Don't be harsh on yourself



The complexities



**If not us, who? If not now, when?
- Ronald Reagan**