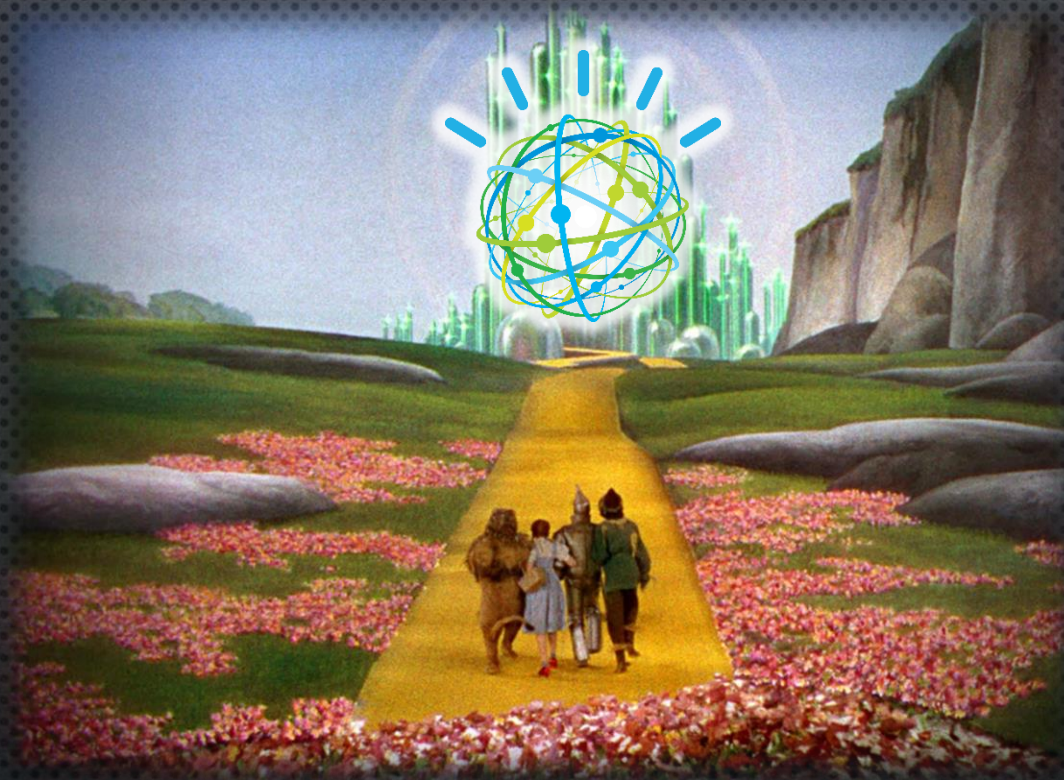


ONWARD TO THE LAND OF VALUE

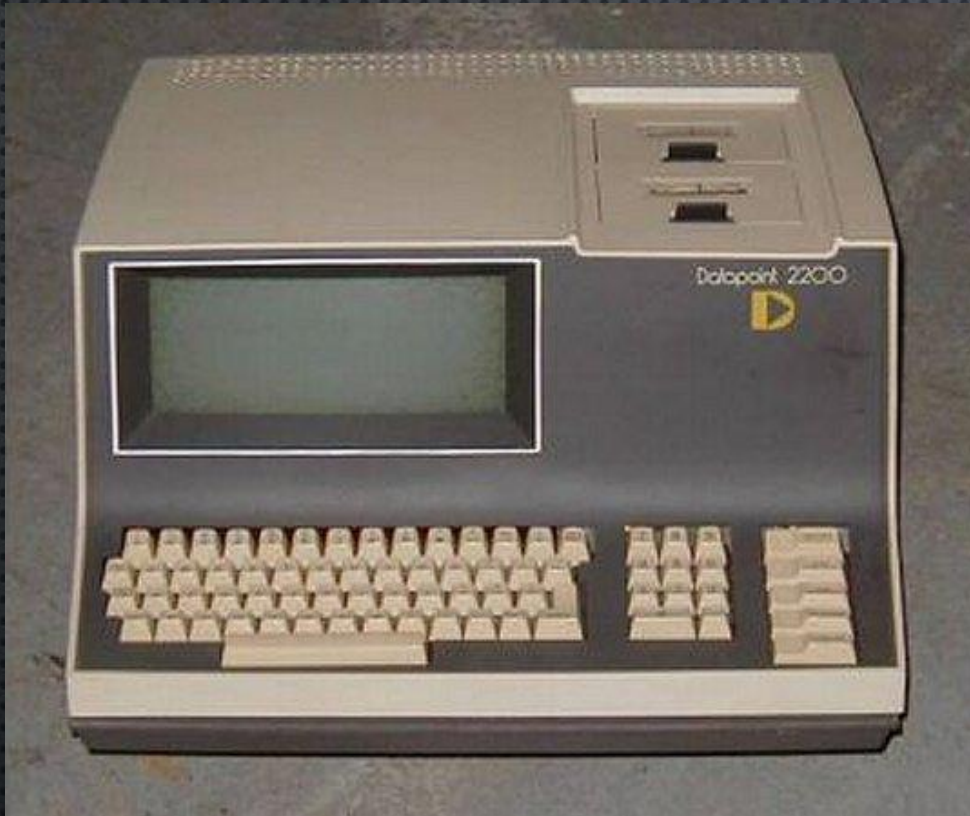


HIMSS Southern California

David Sayen

March 28, 2017

WE'RE NOT IN KANSAS ANYMORE



```
NAME    DIM    40
ADR     DIM    50
YES     INIT    "YES"
ANSWER  DIM     3
        DISPLAY *P1:1,*EF,"CORRECTION PROGRAM"
        REWIND  1
        REWIND  2
LOOP1   TRAP   EOTAPE IF EOT1
        READ   2,NAME,ADR
        GOTO  EOFIL IF OVER
        DISPLAY NAME,ADR
        KEYIN  "DO YOU WANT TO CHANGE IT?";ANSWER
        MATCH ANSWER TO YES
        GOTO  CHANGE IF EQUAL
        WRITE  1,NAME,ADR
        GOTO  LOOP1
CHANGE  CALL   KEY
        WRITE  1,NAME,ADR
        GOTO  LOOP1
EOFIL   KEYIN  "ADD DATA?";ANSWER
        MATCH ANSWER TO YES
        GOTO  ADD IF EQUAL
        WEOF   1
        REWIND 1
        PREPARE 2
LOOP2   READ   1,NAME,ADR
        GOTO  EOLOOP IF OVER
        WRITE  2,NAME,ADR
        GOTO  LOOP2
EOLOOP  WEOF   2
        STOP
ADD     CALL   KEY
        WRITE  1,NAME,ADR
        GOTO  EOFIL
EOTAPE DISPLAY "END OF TAPE--END OF FILE"
```

You're cured!



THE DOCTOR WILL SEE YOU NOW....



We have to change our whole way, our health care system is a disaster. It's going to implode in 2017, just like you're sitting there. It doesn't work. Nothing works in our country. If I'm elected president, we will win again.

— Donald Trump —

AZ QUOTES

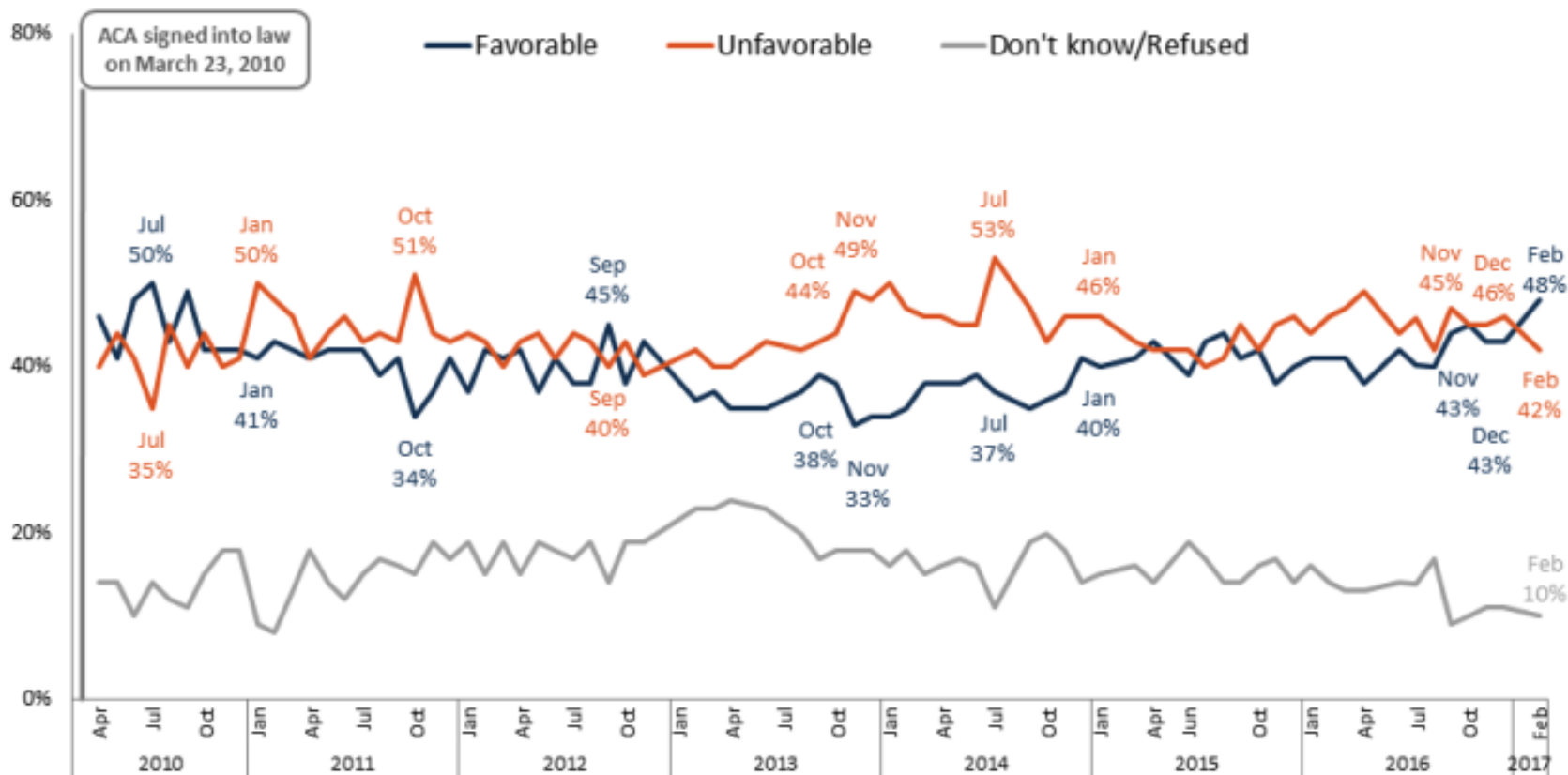


Trump
Taj Mahal
will close on
**Monday,
October 10,
2016
at 5:59am.**

Thank You

More Americans Now Have a Favorable View of the Health Care Law than Have an Unfavorable View

As you may know, a health reform bill was signed into law in 2010. Given what you know about the health reform law, do you have a generally favorable or generally unfavorable opinion of it?

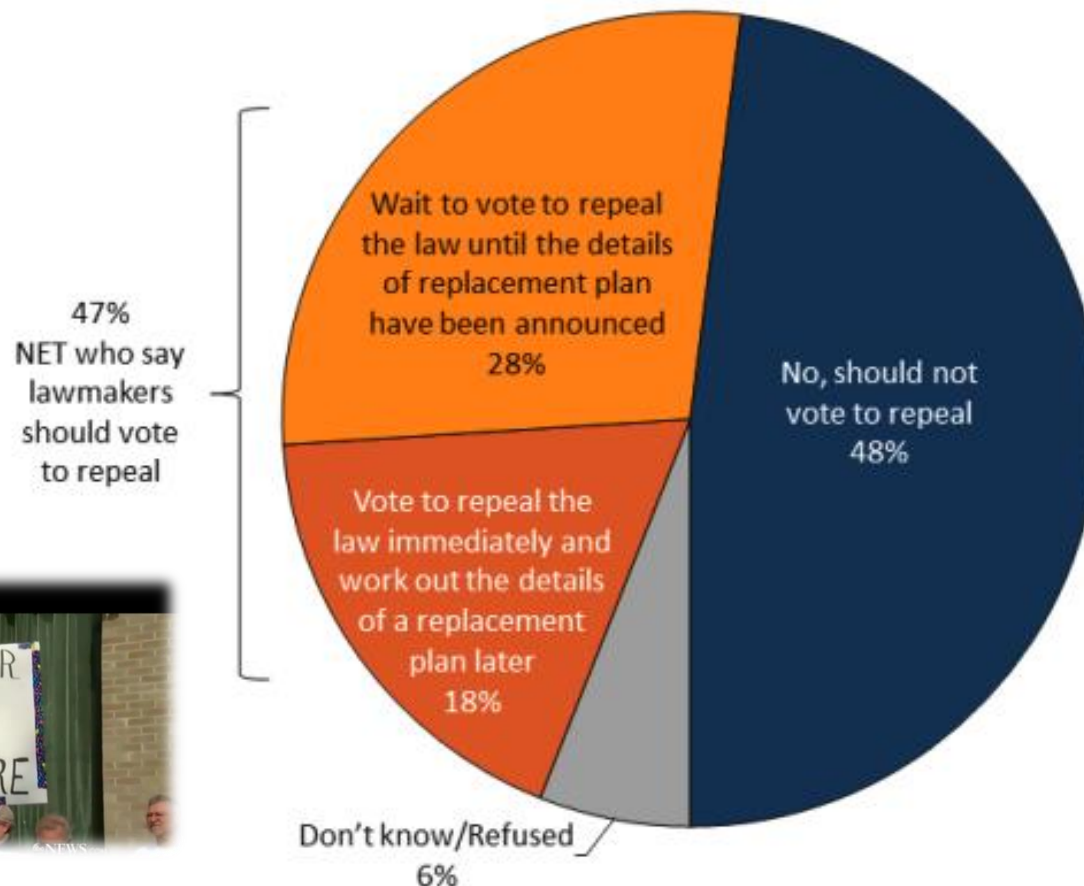


NOTE: Data not collected for Dec 2012, Jan 2013, May 2013, Jul 2013, Aug 2014, Feb 2015, May 2015, Jul 2015, May 2016, and Jan 2017.

SOURCE: Kaiser Family Foundation Health Tracking Polls

Americans Divided on ACA Repeal and Replacement

Percent who say they would like to see lawmakers do each of the following with the 2010 health care law:



SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted February 13-19, 2017)

Figure 10

Two-Thirds of Americans Say Medicaid Should Continue Largely As It Is Today

Which of these two descriptions comes closer to your view of what Medicaid should look like in the future?

■ Medicaid should largely continue as it is today, with the federal government guaranteeing coverage for low-income people, setting standards for who states cover and what benefits people get, and matching states' Medicaid spending as the number of people on the program goes up or down

■ Medicaid should be changed so that instead of matching state Medicaid spending, the federal government limits how much it gives states to help pay for Medicaid coverage...

...on a per person basis but lets states decide which groups of people and what health care services they want to cover



...but lets states decide which groups of people and what health care services they want to cover



COMBINED RESULTS

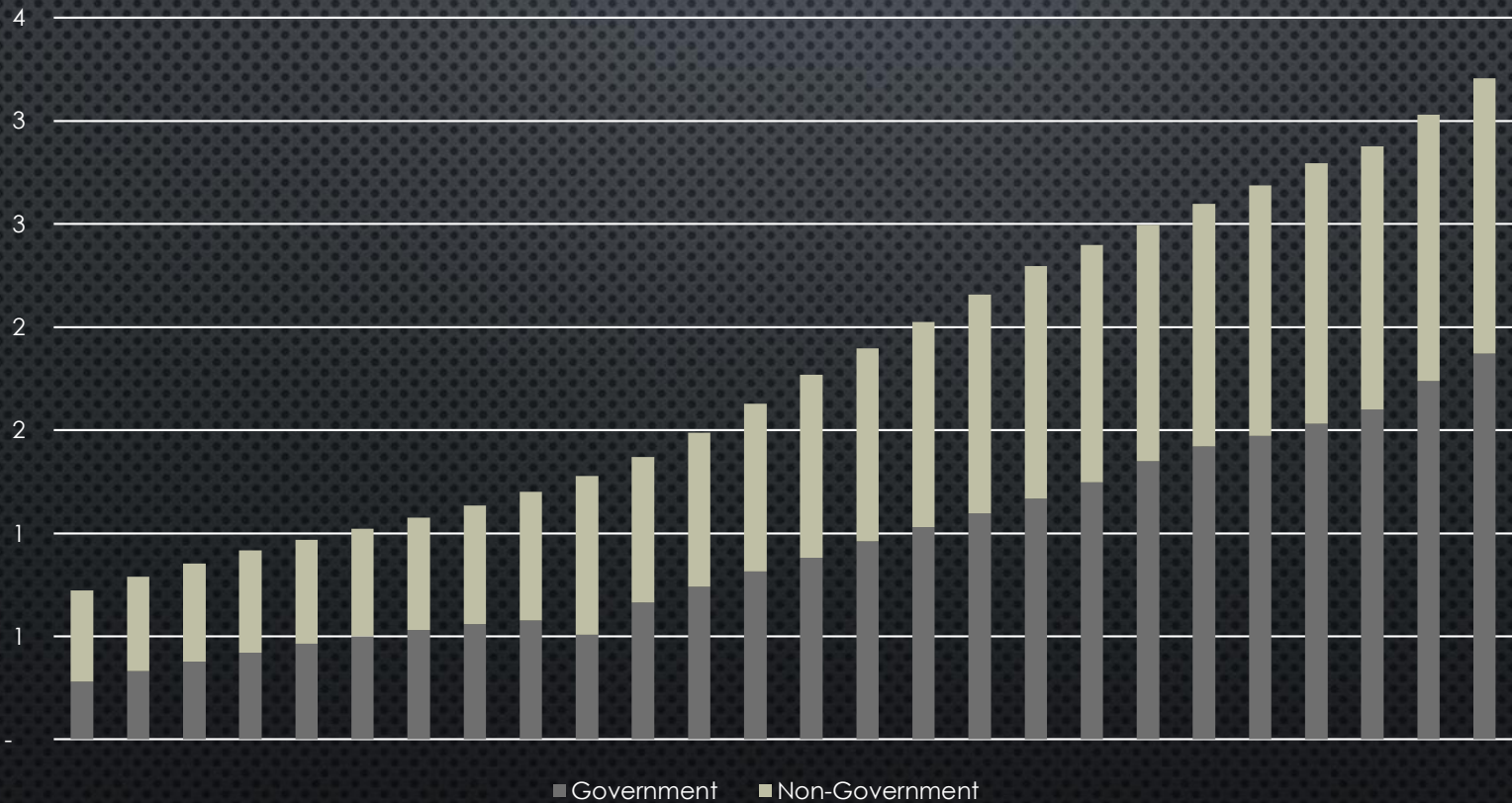


NOTE: Items asked of separate half samples. Other (Vol.) and Don't know/Refused responses not shown.

SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted February 13-19, 2017)

THE SLIPPERY SLOPE

US HEALTH SPENDING IN TRILLIONS 1990-2015



BACK IN 2008

- ✓ **Medicare Group Practice Demo**
- ✓ **Physician Quality Reporting Initiative**
- ✓ **Premier Hospital P4P Demo**
- ✓ **Hospital Acquired Conditions**
- ✓ **Competitive Bidding**

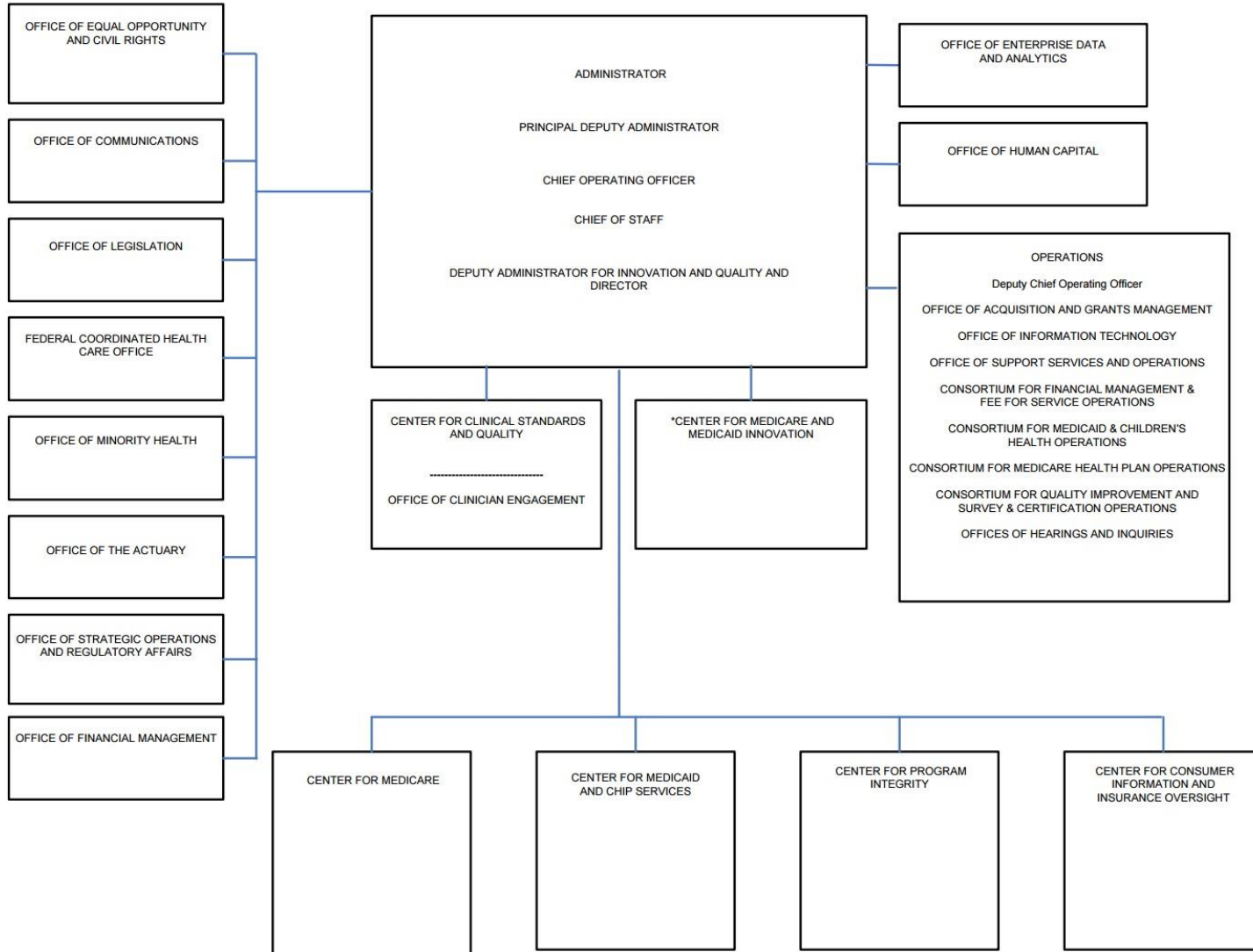


Central Office Org Chart Text Version

Consortia Org Chart Text Version

DEPARTMENT OF HEALTH AND HUMAN SERVICES CENTERS FOR MEDICARE & MEDICAID SERVICES

APPROVED
*Reports to Deputy Admin. for Innovation and Quality



TODAYS VBP PROGRAMS

- Hospital Quality Initiative: Inpatient & Outpatient Pay for Reporting
- Hospital VBP Plan & Report to Congress
- Hospital-Acquired Conditions & Present on Admission Indicator Reporting
- Physician Quality Reporting Initiative
- Physician Resource Use Reporting
- Home Health Care Pay for Reporting
- ESRD Pay for Performance
- Medicaid

Fiscal Year (FY) 2017 Hospital Value-Based Purchasing Program

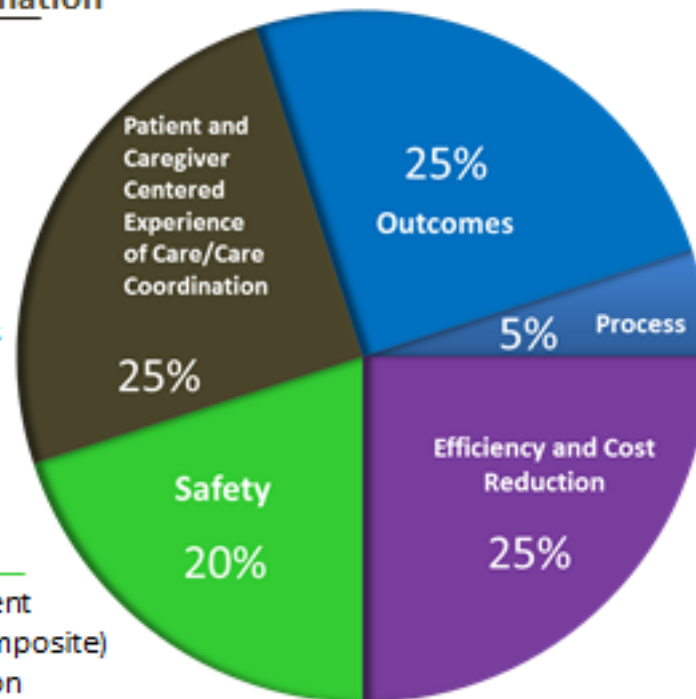
Patient and Caregiver Centered Experience of Care/Care Coordination

Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Survey Dimensions:

1. Communication with Nurses
2. Communication with Doctors
3. Responsiveness of Hospital Staff
4. Pain Management
5. Communication about Medicines
6. Cleanliness and Quietness of Hospital Environment
7. Discharge Information
8. Overall Rating of Hospital

Safety

1. **AHRQ PSI-90:** Complication/patient safety for selected indicators (composite)
2. **CDI*:** Clostridium difficile Infection
3. **CAUTI:** Catheter-Associated Urinary Tract Infection
4. **CLABSI:** Central Line-Associated Blood Stream Infection
5. **MRSA*:** Methicillin-Resistant Staphylococcus aureus Bacteremia
6. **SSI:** Surgical Site Infection Colon Surgery & Abdominal Hysterectomy



An asterisk (*) indicates a newly adopted measure for the Hospital VBP Program.

Clinical Care Outcomes

1. **MORT-30-AMI:** Acute Myocardial Infarction (AMI) 30-Day Mortality Rate
2. **MORT-30-HF:** Heart Failure (HF) 30-Day Mortality Rate
3. **MORT-30-PN:** Pneumonia (PN) 30-Day Mortality Rate

Clinical Care Process

1. **AMI-7a:** Fibrinolytic Therapy Received Within 30 Minutes of Hospital Arrival
2. **PC-01*:** Elective Delivery Prior to 39 Completed Weeks Gestation
3. **IMM-2:** Influenza Immunization

Efficiency and Cost Reduction

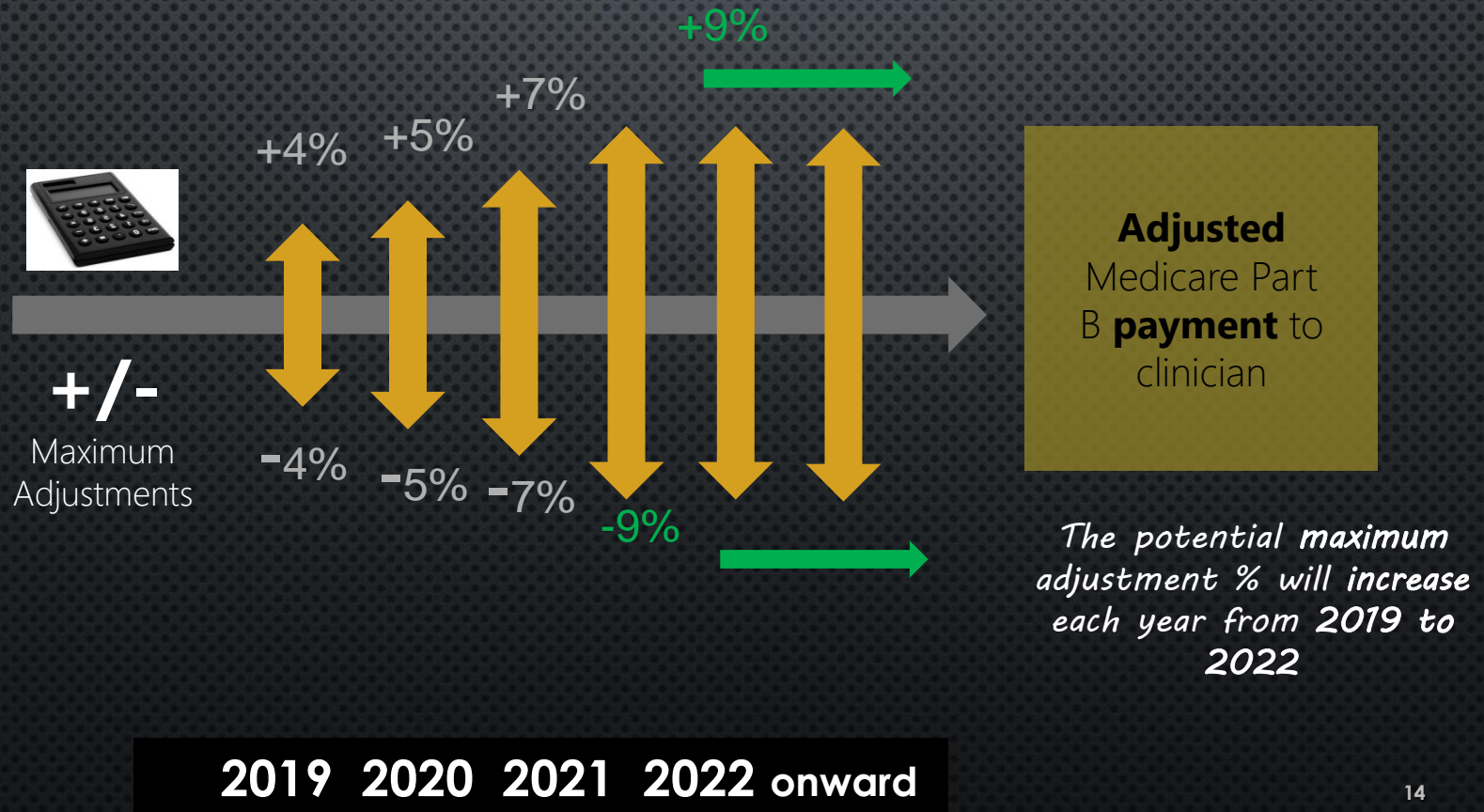
1. **MSPB-1:** Medicare Spending per Beneficiary (MSPB)

BIPARTISAN LOVE: BOEHNER, PELOSI DEAL ON THE 'DOC FIX'

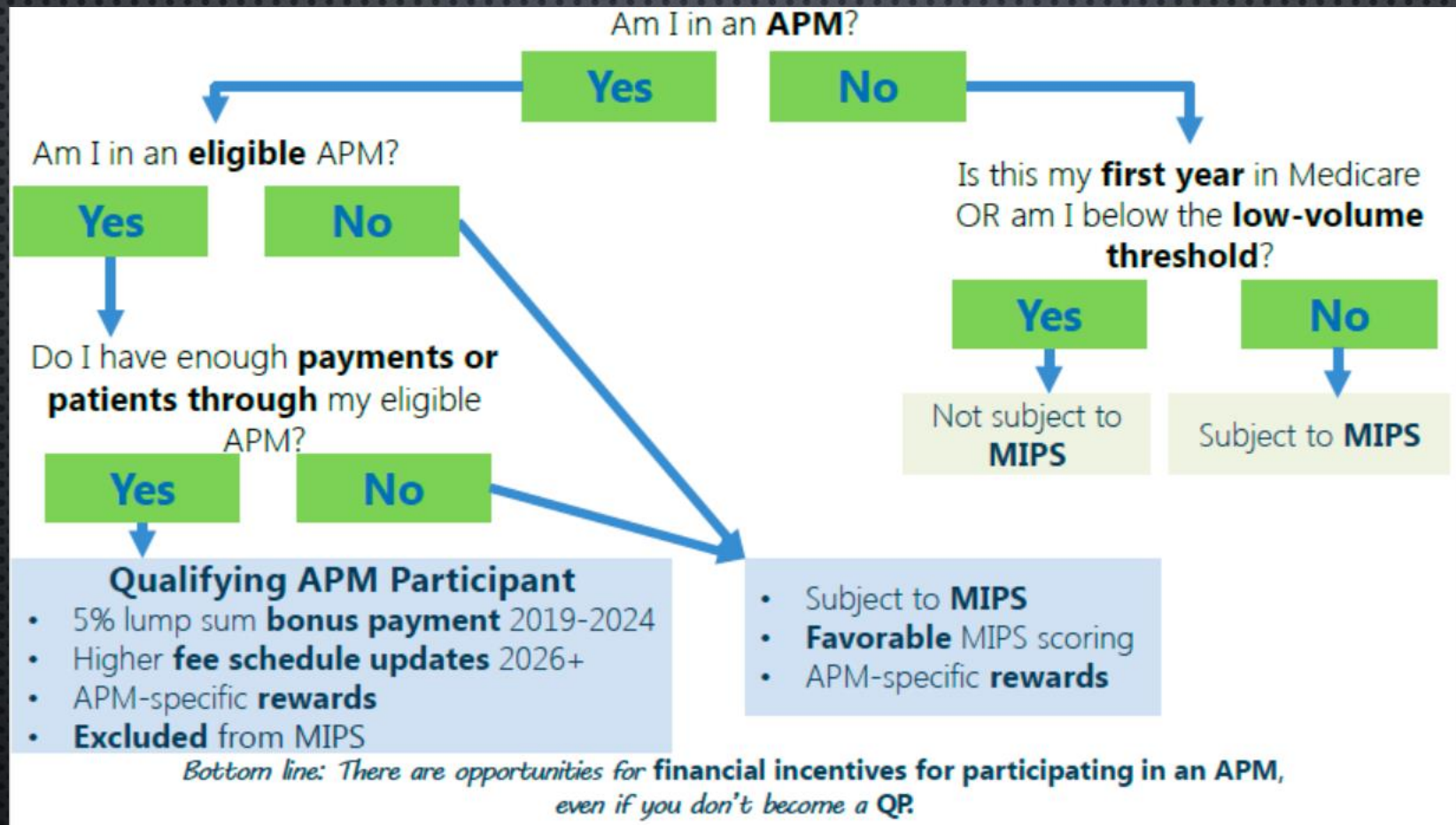


Merit-Based Incentive Payment System

Based on a composite performance score, clinicians will receive **+/- or neutral** adjustments up to the percentages below.



HOW WILL MACRA AFFECT YOU?



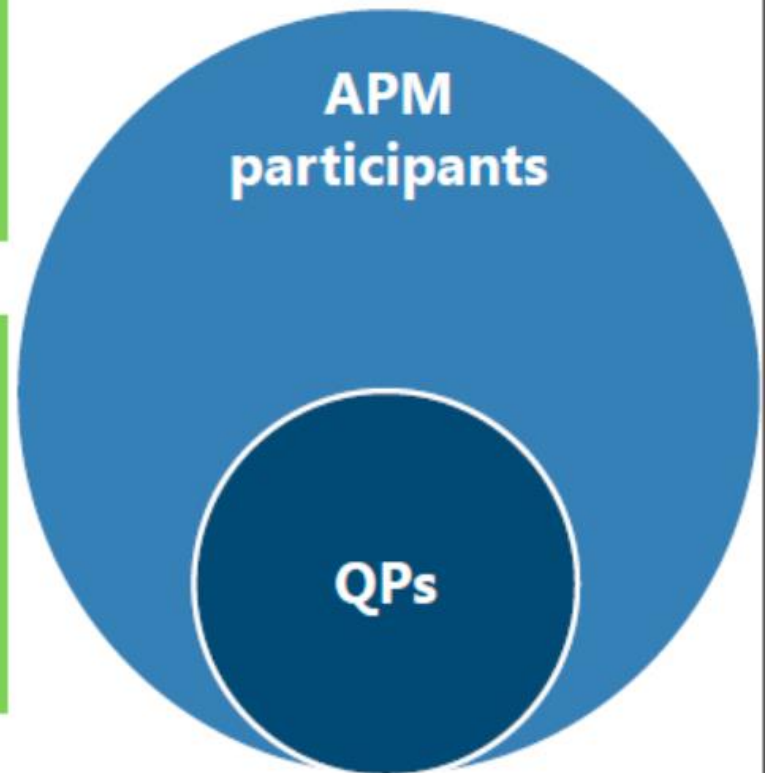
Source: CMS MACRA Path To Value Presentation

WHAT ARE THE BENEFITS OF ALTERNATIVE PAYMENT MODELS (APMs)?

Most physicians and practitioners who participate in APMs will be subject to MIPS and will receive **favorable scoring** under the MIPS clinical practice improvement activities performance category.

Those who participate in **the most advanced** APMs may be determined to be **qualifying APM participants ("QPs")**. As a result, QPs:

1. Are **not subject** to MIPS
2. Receive 5% lump sum **bonus payments** for years 2019-2024
3. Receive a **higher fee schedule update** for 2026 and onward



ACCOUNTABLE CARE ORGANIZATION (ACO)

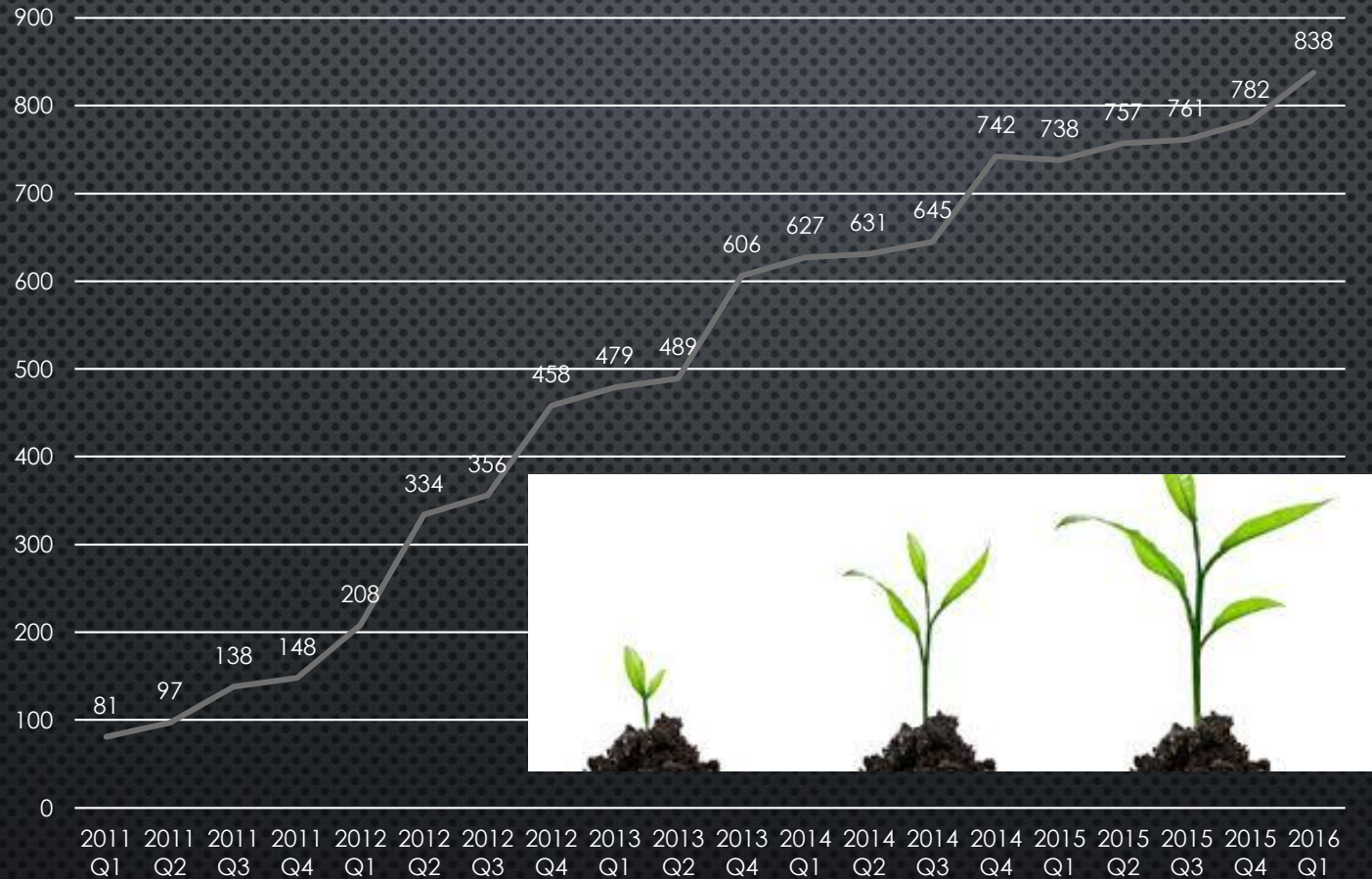


Miller Lite:

GREAT TASTE, LESS FILLING

The Miller Brewing company (now MillerCoors) used great marketing to create demand among consumers who previously assumed light beer could not taste good. They tackled the misconception head-on and dominated a light beer market they essentially created.

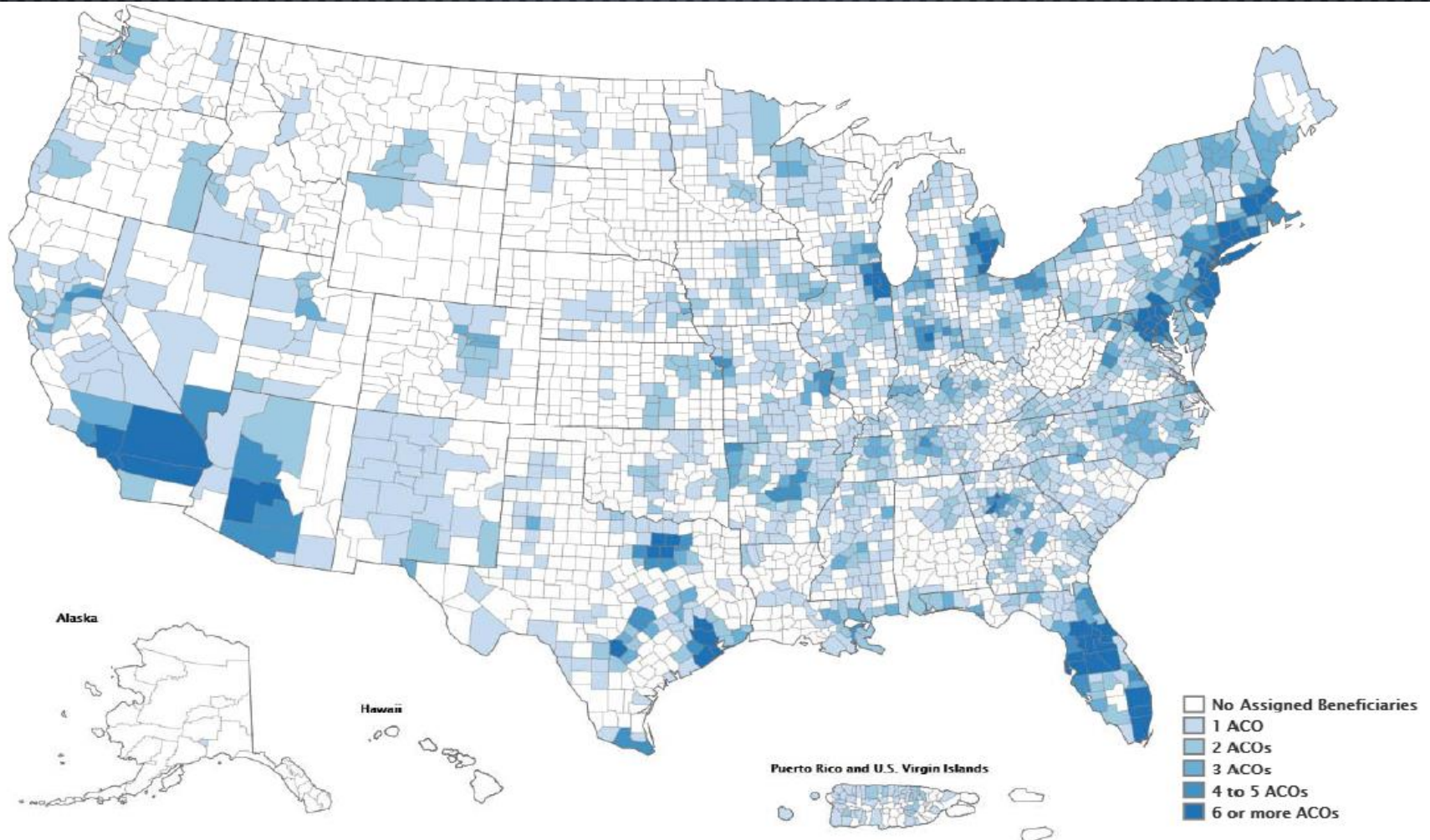
ACO GROWTH CONTINUES



Source: Mulhesen and McClellan in Health Affairs 4/21/16 data from Leavitt partners

ACO PARTICIPATION

ACO-Assigned Beneficiaries by County



NEXT GENERATION ACO

- Designed for ACOs that are experienced in coordinating care for populations of patients
- These ACOs will assume higher levels of financial risk and reward than the Pioneer or MSSP ACOS
- The model will test how strong financial incentives for ACOs can improve health outcomes and reduce expenditures
- Greater opportunities to coordinate care (e.g., telehealth and skilled nursing facilities)
- More predictable financial targets

Model Principles

- Prospective attribution
- Financial model for long-term stability
- Reward quality
- Benefit enhancements that improve patient experience
- Protect freedom of choice
- Allow beneficiaries to choose alignment with ACO
- Smooth ACO cash flow and improved

BUNDLES AND CJR

Episode of care begins with an admission to a participant hospital of a beneficiary who is ultimately discharged under one of two MS-DRGs:

- MS-DRG 469 (Major joint replacement or reattachment of lower extremity with major complications or comorbidities),

- **or**

- MS-DRG 470 (Major joint replacement or reattachment of lower extremity without major complications or comorbidities)

Episode of care ends 90 days post-discharge in order to cover the complete period of recovery for beneficiaries

HOSPITAL READMISSION REDUCTION...WHAT'S THE PROBLEM?

- **HIGH RE-ADMISSION RATES COULD INDICATE BREAKDOWNS IN CARE DELIVERY SYSTEMS**
 - PAYMENT SYSTEMS INCENTIVIZED FRAGMENTATION
 - MORE COMPLICATED CASES = MORE "HANDS IN THE POT"
 - EXPECTATION OF PATIENTS TO SELF-MANAGE IS GREAT

Clinician-patient interaction

- Episodic treatment
- Unmanaged condition worsening
- Use of suboptimal medication regimens
- Lack of primary care or social support

No community infrastructure to achieve common care goals

- Lack of standard communication
- Unreliable information transfer
- Unsupported patient/family engagement during transfers
- Lack of follow-up to address prevention

MA STAR RATINGS DRIVE THE MARKET

Star Rating	Complaints/ 1,000	% Disenroll Annually
★★	0.91	21.5%
★★½	0.55	17.48%
★★★	0.42	14.79%
★★★½	0.33	9.27%
★★★★	0.22	6.92%
★★★★½	0.15	4.89%
★★★★★	0.16	1.91%

- Medicaid QRS follows MA
- MA plans beat commercial in HEDIS
- <4-Star plans “circling the toilet bowl”
- ≤3-Star plans “dead men walking”
- .5 Star = ~ \$15-\$50 PMPM

2017 AVERAGE RATINGS

Reducing the Risk of Falling	2.4	Part C: Foreign Lang./TTY	4.2
MTM Completion Rate for CMR	2.4	Ben. Access & Performance Problems	4.2
SNP Care Management	2.5	Members Choosing to Leave the Plan	4.3
Plan All-Cause Readmissions	2.5	Adult BMI Assessment	4.4
Improving/Maintaining Physical Health	2.6	COA – Medication Review	4.4
Osteo. Mgmt in Women With Fx	2.7	COA-Pain Assessment	4.5
Monitoring Physical Activity	2.9	Complaints about the Health Plan	4.6



STAGNATION: NO GAINS IN NATIONAL AVERAGE (3 CONSECUTIVE YEARS)

Measure	2017 Rating	2016 Rating	2015 Rating
Improving Physical Health	2.6	3.3	4.6
Diabetes Care – Eye Exam	3.4	3.1	3.7
Diabetes Care – Blood Sugar Controlled	3.7	3.9	3.3
Rheumatoid Arthritis Management	3.9	3.2	3.5
Getting Needed Care	3.3	3.5	3.4
Getting Appointments and Care Quickly	3.3	3.4	3.5
Customer Service	3.5	3.5	3.5
Rating of Healthcare Quality	3.4	3.4	3.7
Care Coordination	3.4	3.4	3.4
Members Choosing to Leave the Plan	4.3	4.2	4.3
Plan Makes Timely Decisions About Appeals	3.5	4.1	4.2
Reviewing Appeals Decisions	3.4	3.6	3.7
Rating of the Drug Plan	3.3	3.3	3.5



And...no or negligible change in Average Rating or National Average:

- Annual Flu Vaccine
- Monitoring Physical Activity
- COA-Medication Review
- Plan All-Cause Readmissions
- Getting Needed Drugs

BROADER TRENDS WILL CONTINUE

- SHIFT FROM VOLUME TO VALUE
- PAYMENT REFORM IN PUBLIC AND PRIVATE SECTOR
- MANAGED MEDICAID BUT MORE STATE FLEXIBILITY
- MEDICARE ADVANTAGE GROWTH
- CONSOLIDATION
- POPULATION HEALTH AND CONTINUUM OF CARE



DISCUSSION

THANKS FOR LISTENING!

- HIMSS

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