Connecting the Dots: MACRA and Payment Reform – The Impact on Pediatric Practices
Colorado Children’s Healthcare Access
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Objectives

- MACRA’s impact on value-based payment reform
- Alternative payment models for pediatric outpatient practices
- Define how pediatrics sets the tone for Population Health Management
- How to prepare your practice for alternative-based models of payment
- Identify rural health challenges and value-based payments
- Collecting the data
MACRA’s Impact
VALUE-BASED PAYMENT REFORM
MACRA’s Impact Payment Reform

• Congress intended MACRA to be a transformative law that constructs a new, fast-speed highway to transport the healthcare system from its traditional fee-for-service (FFS) payment model to new risk-bearing, coordinated care models.

• It has the potential to be a game-changer at all levels of our healthcare system and for all stakeholders.

• Already, the law is igniting strategic discussions around new care, payment and delivery models, and creating new sources of risk for healthcare organizations.
Impact Payment Reform - Commercial Plans

- 75% of business in value-based payment arrangements by 2020 – Health Transformation Alliance
- United will double value-based contracts by 2018 — this includes self-funded plans
- Aetna currently has 22% of spend running through contracts with a value-based component
  - In a recent conference, Aetna stated they were following CMS goals for transition to value-based payments
Changing Healthcare Context

- Fee for Service
- Pay for Performance
- Shared Savings
- Shared Risk
- Global Payment

- Focus on Individuals
- Individuals and Populations
- Individuals, Populations and Communities

- Care
- Care and Cost
- The Triple Aim

- Do to
- Do for
- Do WITH
MACRA’s Impact - Payment Reform

• Based on CMS requirements, the roadmap envisions 80-90% of all Medicare traditional payments to providers being value-based by 2020. (CMS met the 2016 goal of 30%, 11 months ahead of schedule.)

• Because services for children make up a small percentage of overall spending, discussion about VBP models has to date primarily addressed the adult population.

• Adult care payment models tend to focus on reducing unnecessary inpatient and emergency department utilization to save costs, and providing more coordinated and integrated care to both improve the quality of care and to help reduce growth in total cost of care.
Alternative Payment Models
FOR PEDIATRICS
Alternative Payment Models for Pediatrics

Four key challenges to a pediatric value-based payment model:

- Most children generate little medical expense.
- Children with high medical needs are a heterogeneous population.
- Present and future health status is largely defined by factors not under the control of clinicians.
- Many pediatric providers are not prepared for value-based payment.
Current Child Healthcare Value-Based Payment Models

- **Supplemental Payment and Pay-for-Performance**
  - Rhode Island

- **Episode-based payments**
  - Arkansas & Massachusetts
    - High-risk Asthma Bundled Payment, which was recently piloted with 200 patients. The Arkansas bundle covers inpatient and outpatient costs for 30 days from the trigger date. Services are paid on a fee-for-service basis with an opportunity for cost savings if costs come in below the 75th percentile of costs.
Current Child Healthcare Value-Based Payment Models

- **Shared savings on total cost of care**
  - Ohio

Example: There are a number of pediatric ACOs in the country that have been formed by children’s hospitals which serve considerable numbers of children covered by Medicaid. Partners for Kids is an ACO in Columbus, OH, organized by Nationwide Children’s Hospital. It operates under contracts with Ohio Medicaid, managed care plans in a large urban and rural region of the state, and is serving 325,000 Medicaid children through its ACO as of 2015.
Recommendation from Research:

• Payers need to design models that recognize savings from pediatric care come principally from preventing adult chronic conditions.
• Concurrently, a payment model must also recognize that there are vulnerable pediatric subpopulations that require higher spending during childhood for medical services.
• Also, payment models need to address mental health conditions, prevention and social determinants.
Recommendation from Research:

- Controlling costs requires the engagement of specialists, as well as a pediatrician.
- Aligning payment incentives around shared accountability for outcome and cost.
- Others have advocated for socioeconomic risk adjustment to ensure adequate payment levels to providers, provision of funding flexibility and incentives for more direct collaboration with social service agencies.
- Parent activation measure scores evaluate for behavioral outcomes impacting wellness and illness.
Recommendation from Research:

• Capitated Primary Care Payment:
  • Covers most child health services

• Care coordination payment
  • Risk-adjusted per-patient-per-month payment to fund care coordination for children within the practice with medical and social risk factors

• Performance Incentive Bonus

• Total cost of care for those caring for the 1-5% of the pediatric population with medical complexity
PEDIATRICS: POPULATION HEALTH MANAGEMENT
Population Health Is an Outcome

Population health is defined as the health outcomes of a group of individuals, including the distribution of such outcomes within the group.

These groups are often geographic populations such as nations or communities, but can also be other groups such as insurance attributions, employees, ethnic groups, disabled persons, prisoners, or any other defined group.

Triple Aim Populations

- **Defined Populations**: A defined population that makes business sense (e.g. who pays, who provides) around the Triple Aim
- **Community-Wide Populations**: Working in a geographic area to accomplish the Triple Aim for the community
Pediatric Population Health

• Populations can be categories of populations such as Asthma population:
  
  o Portland, OR
    
    ➢ Based Children’s Health Alliance (CHA), a not-for-profit association of 100-plus independent primary care pediatricians in Oregon and southwest Washington, the common goal of improving quality in pediatric care.
    
    ➢ Began a quality improvement program for asthma care management improvement, including the development of a pediatric asthma registry.
How to prepare your practice for:

ALTERNATIVE BASED MODELS OF PAYMENT
How to Prepare Your Practice

- **Know your practice:**
  - Who are my patients?
  - What medical conditions do they have?
  - What gaps in care do they have?
  - How can I/the community help them fill those gaps?
How to Prepare Your Practice

• Reconcile your patient’s disease entity
  o Claims data and EHR dX data, problem list
• Service reconciliation
  o Look at patients and what services visits they should have had and if it has been done
• Invest in your staff and educate them in Excel and other applications
• Consider collaborative arrangements with other pediatric groups/hospital
RURAL HEALTH CHALLENGES AND VALUE-BASED PAYMENTS
Rural Health Challenge

- Low Income
- Geographic Isolation
- Low Education Level
Rural Health Challenge

- More Medicaid
- Less Insurance
- Income
- Geographic Isolation
- Education Level
- Health Literacy
- Longer travel to care
- Fewer Physicians
- Shallow labor pool
Rural Health Challenges

- Shallow labor pool
- More Medicaid
- Less insurance
- Fewer practice resources
- Decreased payment
- Decreased Compliance
- Poor access
- Missed appointments
- Poor self-care ability
- Fewer physicians
- Longer travel to medical care
- Low health literacy
VB Models Can Increase Rural Disparity

Cherry picking

Decreased payments

Suppressed Activation Levels

Fewer practice resources

Poor outcome metrics

Fewer in-network providers
Key Points in Rural Health

- Rural health is different
- There is free help and low-cost help available for rural health practice transformation
- Culture change is core
- Data management starts with reconciliation of your data
- Invest in your staff to learn how to use Office Applications
- Collective collaboration with other pediatric groups
DATA CRITICAL FOR BENCHMARKING
MGMA DataDive

IMPERATIVE TO COLLECT THE DATA TO MEASURE IMPACT OF CHANGE
MGMA DataDive provides robust data instantly

- Quickly access data on your phone, tablet or computer
- Access data in just three simple-to-follow steps

![DataDive Interface]

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Compensation Survey Data

MGMA DataDive Provider Compensation includes data on:

- Physicians, nonphysician providers, academic providers
- Providers that take call
- Providers paid for medical directorship duties
- Newly hired providers

Use this data to:

- Evaluate factors that affect compensation to set realistic goals
- Target areas of improvement in provider performance
- Determine the right mix of compensation, benefits, incentives and opportunities to offer new providers
Compensation Survey Data

MGMA DataDive Management and Staff Compensation includes data on:

• Management and staff compensation
• Administrative and clinical staff salaries

Use this data to:

• Understand how different payment methods, experience, education and credentials affect compensation
• Negotiate fair compensation commensurate with individual qualifications and practice goals
• Compare your manager and staff salaries to similar practices in your region to ensure that your compensation is competitive
Cost and Revenue Survey Data

MGMA DataDive Cost and Revenue includes data on:

- Single and multispecialty practices broken out by specialty
- Data filters including organization ownership, geographic region, demographic classification and size of practice
- Data cuts including per FTE physician, as a percentage of total medical revenue, per RVU, per patient

Use this data to:

- Analyze your staffing levels via key performance indicators
- Perform cost-reduction analysis
- Determine how payer mix can affect your organization’s bottom line
- Benchmark accounts receivable to identify areas for improvement
- Recognize practice traits that enhance cost efficiency and profitability

- If not already logged in with your MGMA username and password, log in when prompted.
  - If this is the first time logging in, click “did you forget your password?” and follow prompts to reset the password.
  - MGMA set up accounts using email addresses provided by SIM.
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• We also conduct monthly webinars on using DataDive. Recorded webinars can be found here: http://online.mgma.org/data-dive-monthly-webinars. These are free to view and anyone who wants to receive notifications about upcoming webinars can enter their information on this page.
Collaboration

Coming together is a beginning
Keeping together is progress
Working together is success

- Henry Ford
Discussion Questions