Risk-Ready Primary Care: The Next Wave in Practice Transformation for a Value-Based Future

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October 21, 2015
What is “Risk-ready” primary care?

• Primary care that is ready to have a larger and larger part of their revenue at risk for meeting aims of larger system:
  – Quality (ultimately population health)
  – Cost
  – Patient experience

• Being at risk, with the right capabilities and framework, enhances accountability and provides increasing value over time
The train is out of the station ....

- Pace of primary care transformation is accelerating
  - As of March 2015, 46 states and the District of Columbia have adopted policies and programs to advance patient-centered medical homes (PCMH) in their Medicaid and/or CHIP programs. (NASHP)

- Opportunity for PCMH transformation to be supported by payment incentives has increased dramatically
  - From 26 initiatives serving 5 million patients in 2009 to 114 initiatives serving almost 21 million in 2013 (PCPCC)

- Primary care practices are critical to success of accountable care, but skills and infrastructure are needed to fully participate
... and gaining speed!

• Triple Aim has moved from concept to expectation
  – Requires more advanced models of care and more accountability for outcomes
  – PCMH becoming the floor not the ceiling
• Feds sending a clear signal about shift toward value-based payment
  – SGR fix (MACRA)
  – Multiple CMMI initiatives with Value-Based Payment (VBP) at core
  – Practice Transformation Networks
  – DSRIP
FQHC’s need to be Risk-Ready

- The future of the PPS rate and operating grants is uncertain
- More payers “discovering” Medicaid
- Value-based payment spreading to all payers
- Exchanges are giving people increased choice of providers
Practice Transformation or Payment Reform?

Chicken or Egg?
Primary care practice transformation without a financial model is not sustainable.
A financial model
without a
high value, population management
model of care
is not
sellable.
Risk-ready primary care practices with payment models: they work!

• If well designed (risk-ready!), PCMHs, Advanced Primary Care, Health Homes, and other innovative methods to deliver care have the potential to advance the Triple Aim
  – Improve the patient experience of care
  – Improve population health outcomes
  – Reduce the cost of care

• Key design elements are financial and payment models that move past fee-for-service reimbursement by rewarding value over volume
Primary Care: Levels of Risk

Financial and reimbursement strategies that transition from volume-based reimbursement to value-based payment models. These may include:

- **FFS with care coordination fees** (could be single provider)
- **Performance-based bonuses and incentive payments** (needs to be a group of providers, though can be loosely affiliated)
- **Risk-adjusted monthly payments for primary care services** (group)
- **Gain-sharing through shared savings, without financial risk** (needs to be a group of providers, can be affiliated through ACO participation)
- **Shared savings, up and down** (organization/institution)
- **Capitation payments** (larger institution)
Continuum of Risk-Based Primary Care Models

Financial Risk

Fee-for-service
Care Coordination Fee
Pay-for-performance
Shared Savings up only
Shared Savings
Partial Capitation
Global Capitation

Low Accountability
Moderate Accountability
High Accountability
Preparing Primary Care Practices for Payment Reform

Core set of capabilities necessary to succeed under value based reimbursement models

• Leadership committed to practice transformation
• Data analytics and connectivity
• Clinical integration
• Targeted and innovative model of care
• Patient engagement/wellness programs
Risk Ready Primary Care Framework

Build your foundation

Patient-Centered Medical Home

Access
Team-Based Care/Continuity
Population Health Management
Care Management
Care Coord/Transitions
Performance Improvement

Fee-for-service
Care coordination fee up to primary care cap
P4P
Shared savings, upside only
Shared savings, up and down
Capitation on more than primary care
Global cap (as part of system)

Financial Risk as capability and capacity to be accountable for high risk and/or high volume patients is built
Risk Ready Primary Care Framework

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- **Capitation on more than primary care**: Global cap (as part of system)

Financial Risk as capability and capacity to be accountable for high risk and/or high volume patients is built.
The Risk-Ready Primary Care approach includes core building blocks that enable primary care practices to participate in value based reimbursement models.

- **Build a Foundation**: Patient-centered, continuous, team-based, comprehensive, coordinated, accessible, and committed to quality and safety.

- **Capture Sure Wins**: Identify targeted interventions highly likely to have a positive return. Start with your easiest wins.

- **Focus on Right Population(s)**: Certain populations provide the greatest opportunities for improving health outcomes and saving costs.

- **Make It all Work**: Monitor and affect financial performance of the organization (utilization management, analytic capacity, contracting for risk).
Multiple initiatives to support delivery system and payment system transformation of a large, multi-site Federally Qualified Health Center.

- Transitioned to a PCMH model of care in a pilot health center and achieved PCMH recognition.

- Developed leadership and organizational capacity to spread PCMH practice to the remaining five health centers.

- Opened behavioral health home with fully integrated primary care and behavioral health.
Case Study: Lake County cont...

- Building linkages with other key health systems and developed strategic partnership with area hospitals.

- Identified a technology solution to ensure real time alerts to the FQHC for empaneled patients that have been admitted to any of the area hospitals or emergency departments so that the FQHC will be able to conduct timely transition care to meet the partnership goals.

- Hired a Director of Managed care; built capacity to strategically negotiate managed care contracts with incentive sand shared savings.

- Joined Accountable Care Entity with NorthShore University HealthSystem, Vista Health System and Erie Family Health Center.