

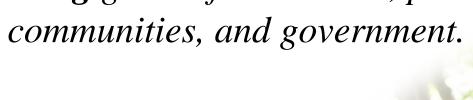
The Journey from Fee-for-service to
Value-based Care: the Health Plan perspective –
A case study with Hawaii Medical Service
Association (HMSA)





HMSA Vision: Māhie 2020

HMSA will serve as a catalyst to create a sustainable community system that advances the health and well-being goals of consumers, providers, employers,

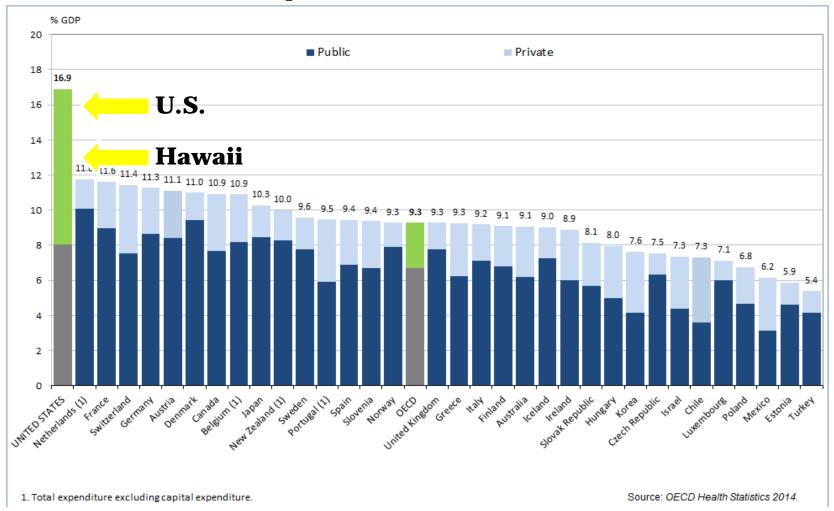




THE CASE FOR CHANGE

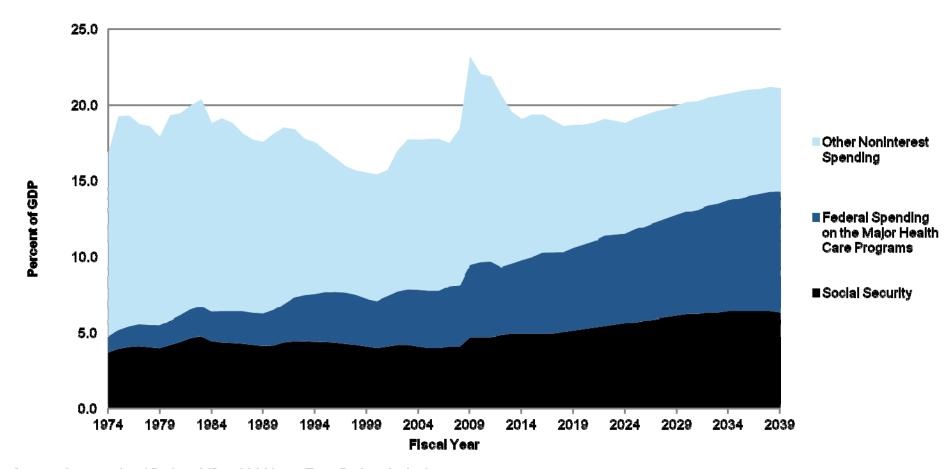
The State of U.S. Healthcare

As a % of GDP, the U.S. spends far more on health care than other nations





Long Term Federal Spending Projections, 1974-2039

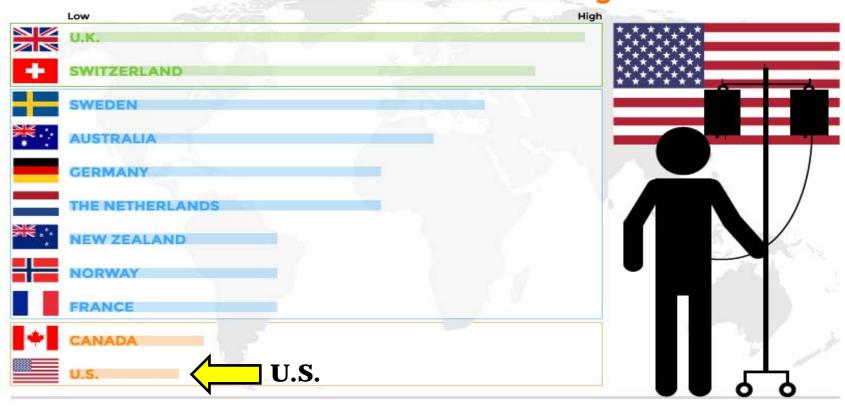


Source: Congressional Budget Office, 2014 Long-Term Budget Outlook.



The State of U.S. Healthcare

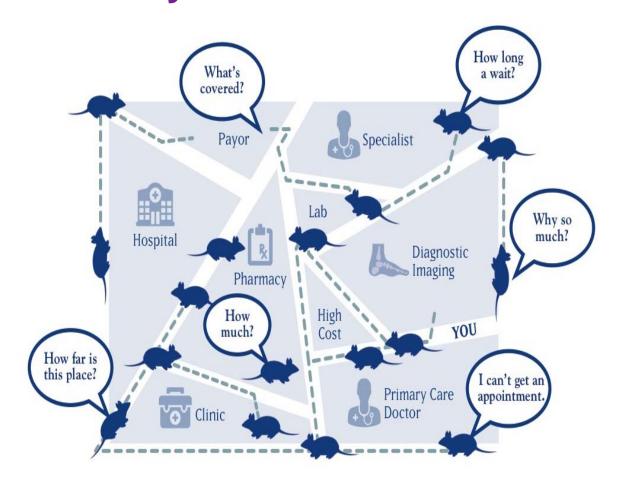
Overall Health Care Ranking



Source: K. Davis, K. Stremikis, D. Squires, and C. Schoen, Mirror, Mirror on the Wall: How the Performance of the U.S. Health Care System Compares Internationally, 2014 Update, The Commonwealth Fund, June 2014.



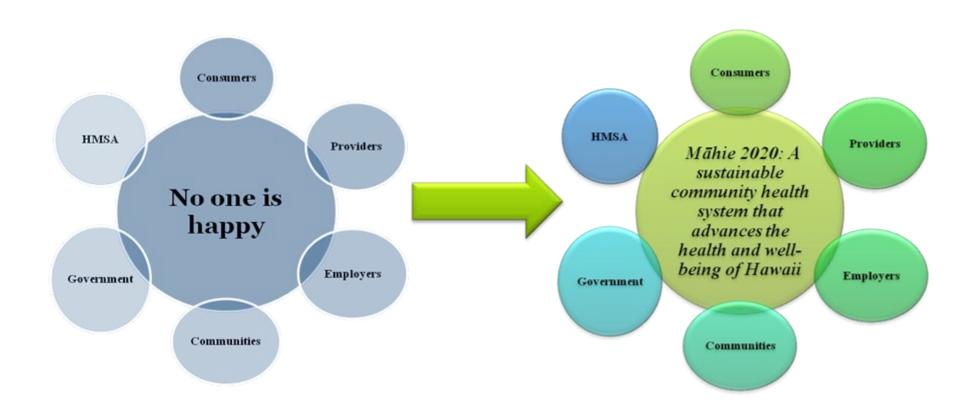
Healthcare Industry - Where We Are Today



Adapted from Aetna – JP Morgan Healthcare Conference Presentations January 2014



HMSA as a catalyst for transformation



HMSA as a catalyst for transformation

HMSA will serve as a catalyst to create a sustainable community system that advances the health and well-being goals of consumers, providers, employers, communities, and government.

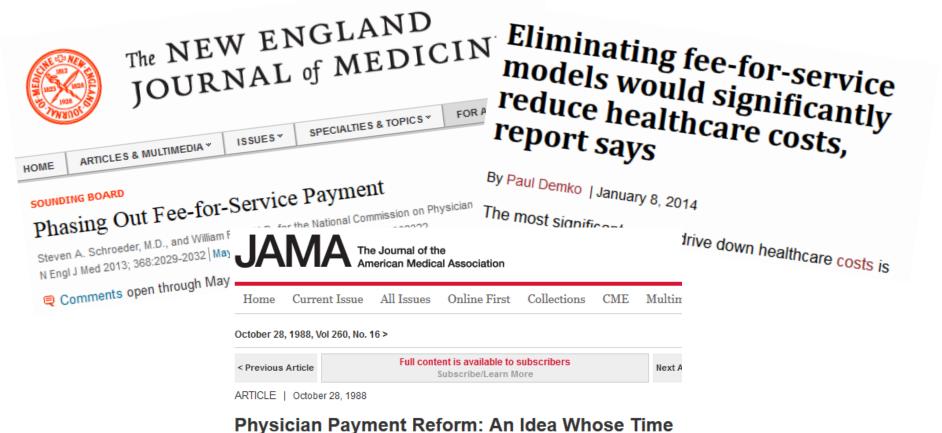
MAJOR OPPORTUNITY FOR US IN OUR ROLE:

Change the payment model to align physician incentives with desired goals.

TRANSFORMING THE PAYMENT MODEL



What's behind our broken healthcare system?





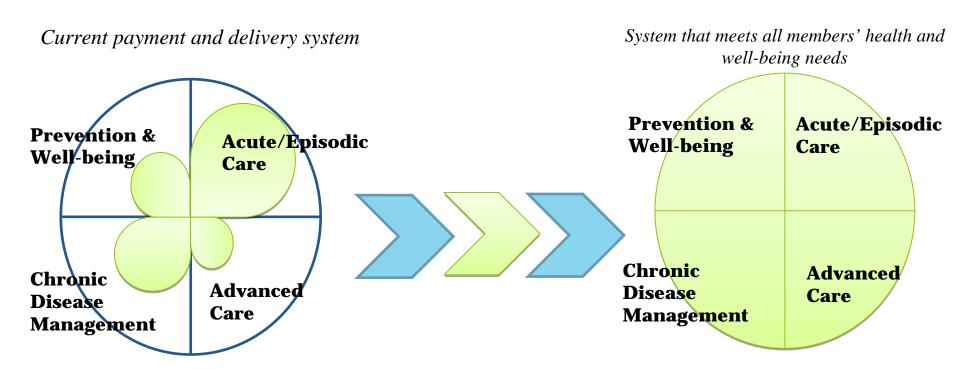
Text Size: A

Has Come

Philip R. Lee, MD; Paul B. Ginsburg, PhD

JAMA. 1988;260(16):2441-2443. doi:10.1001/jama.1988.03410160117015.

Designing a system to meet members' needs



Next Generation Physician Compensation Model



Healthcare Industry **Evolving Payment Models**

Old Model

Doctors Get Paid for Visits and Procedures

Hospitals
Get Paid for
Procedures
and
Admissions

Mid-Term

Doctors Get
Paid for
Access,
Quality and
Cost

Hospitals Get Paid for Safety, Quality and Cost

New Model

Hospitals
and Doctors
Get Paid
Together for
Access,
Quality,
Cost,
Outcomes,
Prevention,
and
Coordinated
Navigation

Payment Transformation

Initial Goal: To design, pilot, and implement a primary care provider compensation and incentive model that aligns compensation with *patient-centered*, *high-value* care.

Subsequent Goals:

- •Incorporate physician organizations (or subsets) and engage them in health and well-being
- •Integrate specialists and support transition away from FFS
- •Rationalize facility payments across lines of business

The new payment model will reward physicians for improvements in patient health and well-being, patient satisfaction and timely access to care, and care efficiencies.

If successful, the new payment model should improve the system for patients, providers, and HMSA.



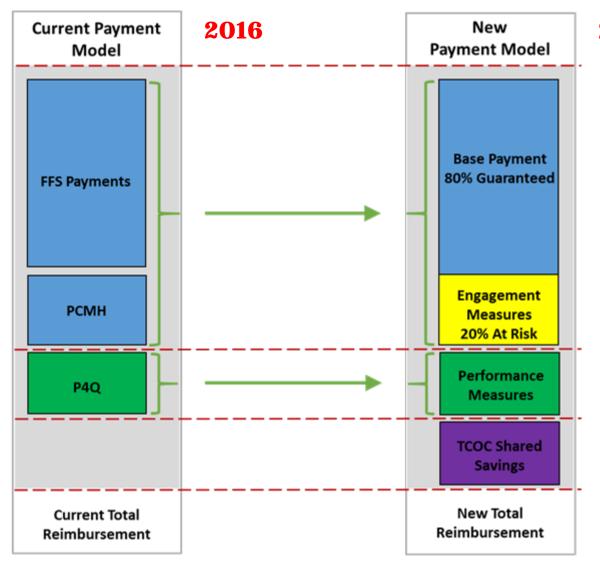
PAYMENT TRANSFORMATION MODEL REVIEW

Scope of New Payment Model

- By 2017, *virtually all* PCPs in HMSA's network paid under payment transformation methodology
 - PCPs must belong to a PO to participate
 - Alternative in 2017: Remain on frozen FFS schedule w/no additional quality dollars
- New payment model applies to all LOBs
 - Exception: Co-piloting alternative incentive model for Medicare (MLR pilots)
- All HMSA member groups included in payment transformation



Transitioning to a New Primary Care Payment Model



2017+

- PMPM base paid in bands, with goal of keeping PCPs close to whole in Y1 (+/-5%)
- PCMH dollars built into base PMPM band for Y1
- Glidepath strategy to move PCPs into fewer bands over time based on value
 Quality, TCOC, panel risk

PMPM Adjustment Strategy

- 1. Y1 Clinical RA built into PMPM payments: No additional clinical risk factor will be applied in year one, since PMPM bands will reflect providers' panels and past utilization.
 - Identify and begin collecting key SDH data from patients
- 2. Y2 PMPMs will be clinically risk-adjusted and modified based on quality scores and TCOC performance
 - Pays for what matters (risk, quality, cost)
 - Creates incentive to submit accurately-coded encounters & to see complex patients
- 3. Long-term goal Risk adjustment methodology will expand to include SDH & WB: PMPMs will be adjusted on both clinical and non-medical determinants of health, such as education, language, housing, and well-being. PMPMs will accurately reflect a providers performance in managing his/her entire panel's needs





MEASURE SET REVIEW & SCORING METHODOLOGY - PCPS



PCP Performance Measures - Adults

Age and gender appropriate cancer screenings:

- 1. Breast cancer screening
- 2. Colorectal cancer screening
- 3. Cervical cancer screening

Diabetes care management:

- 4. HbA1C control
- 5. Eye exam
- 6. Medical attention for nephropathy
- 7. Blood pressure control

Population health management:

- 8. Screening for symptoms of clinical depression & anxiety (PHQ 4)
- 9. Flu vaccination rate
- 10. BMI assessment
- 11. Well-being 5 completion rate
- 12. Tobacco cessation and follow-up

Patient reported feedback:

13. Patient experience (satisfaction w/provider & practice; shared decision making)

Plan-driven measures:

14. CCS measure (Medicare only)



PCP Performance Measures Overview

Goals for Measure Selection:

- ■Make measure sets more clinically meaningful to patients & providers
- Simplify measure sets and scoring to drive desired behavior changes
- ■Use measure set to emphasize importance of well-being prevention, population health, patient engagement

Payment Transformation Measure Set:

- One measure set and thresholds for all LOBs
- 22 measures total
 - 14 measures carried over from HMSA Pay-For- Quality Program
 - 8 new measures
- Measures scored and paid by LOB
- Scored annually; measurement period= calendar year
- **■**Cozeva UI makes data easier to understand, more relevant, actionable



Scoring Methodology Overview

- Performance Component
 - Performance relative to MINIMUM measure threshold
 - Capped at 100%
- Improvement Component
 - Performance relative to BASELINE
 - Greater weight on improvement than in current P4Q
 - Capped at 50% (versus P4Q capped at 25%)
- Bonus Component
 - Rewards PCPs for improvement above the TARGET threshold
 - Capped at 10%



PCP ENGAGEMENT MEASURES



PCP Engagement Measures

1. Access To and Use of Cozeva

Cozeva enables providers to manage their patient panel, monitor care gaps, and displays the PCPs performance and payment potential on PCP Performance Measures. PCP's and their office staffs will have their Cozeva use monitored.

2. Panel Management

PCPs will check on the wellbeing of all individual members in their panel at least once per measurement year. This requirement will be measured using an annual patient survey administered to a sample of each provider's attributed members at the end of the measurement period.

3. Engagement with Ecosystem

PCPs will refer patients to programs in the ecosystem (including but not limited to programs such as HMSA Care Model, HMSA health education workshops, Dr. Dean Ornish Program for Reversing Heart Disease™, etc.).



MEASURE SET REVIEW & SCORING METHODOLOGY – PO



Discussion: Ecosystem Roles and Responsibilities

High-Performing PO Role:

-Patient Access

- All LOBs
- Accepting new patients
- Timely appointment for all patients and after-hours care
- Online care, Email, Phone, Text (drive alternative visits)

-Create and Manage Systems to Ensure High-Value Care (managing TCOC)

- Referral and utilization management (local solutions)
- Care coordination and patient engagement
- Engagement with and contributions to ecosystem of care
- Data analytics and reporting

-Organizational Leadership and Sustainability

- Provider and administrative leadership
- Change management and performance improvement
- Independent funding and sustainability plan
- Provider support/improvement and recruitment
- Strong organizational communication
- Physician recruitment



Discussion: Ecosystem Roles and Responsibilities

HMSA Role:

-State-Wide Health System Fiduciary

- Design, organize, and promote free-choice health system
- Data analytics and reporting
- Patient engagement
- Advocacy

-Ecosystem Investments

- Partnerships with stakeholders
- Well-being improvement and interventions
- Panel management tools
 - Cozeva: population health management tool for scoring and payment on HMSA programs
- Care coordination and management
- Provider support (e.g. leadership initiatives)

-Foundational Health Plan Functionality

- Claims adjudication and processing encounter data
- Sales and marketing
- Regulatory compliance and revenue generation from all LOBs
- Utilization management policies



PO Payment Transformation - Engagement Metrics

Access:

- 1. Facilitating timely access for new patients PO is accepting new patients
- 2. Facilitating timely access for existing patients Routine care <21 days
- 3.Facilitating timely access for existing patients PO accepts patients from all LOBs
- 4.Providing 24/7 coverage for attributed members Access to live provider from PO (can be met via phone, online care, Cozeva personal, HMSA online care)

Collaboration:

5. Participation in HMSA meetings - PO administrator & medical director attend PO leadership meetings

Population health management:

6. Social determinants of health data collection — *Note: this measure will be introduced in 2017*



PO Payment Transformation - Performance Metrics

Access & Utilization:

- **1.Hospitalization for potentially preventable complications** chronic ambulatory caresensitive conditions Rate of discharges for members 65+ with ASCS (*Note: Would like to evolve this measure to include all adult patients in the future*)
 - ACSCs included: Diabetes, asthma, COPD, hypertension, heart failure
- **2.ED Utilization** –Rate of ED utilization for attributed members ages 0+ (all members)

Collaboration:

3. **PO communication with PCPs** - PCP response to annual survey question, "Did your PO provide you with the information, training, and support necessary to understand how to succeed in HMSA's Payment Transformation program?"

Population health management:

- 4. **Children with Special Health Care Needs (CSHCN) screener submission** Percentage of members ages 3-21 screened using the CSHCN tool every 3 years
- 5. **Controlling high blood pressure** Percentage of members 18-85 w/hypertension with adequately controlled BP during measurement year
- 6. **Engagement with ecosystem** PCP response to annual survey question, "Did your PO provide you with the information, training, resources, and support necessary to understand how to effectively utilize ecosystem programs?"
- 7. Cozeva's Sure Metrics Analytics engine provides support to PO's to monitor these activities



TOTAL COST OF CARE METHODOLOGY



Total Cost of Care

- TCOC balances incentives in a PMPM model:
 - Incentive for providers to understand and manage how their care decisions affect patients' health and costs
- TCOC factors into 2 places in the new payment model:
 - Shared savings opportunity at PO level
 - PO level score on TCOC factored into PCP band movement over time
- TCOC based on <u>PO's</u> performance against a budgeted trend
- Must pass Quality Gate to participate
- Real Time Information on TCOC available in Cozeva
- 2 PO measures related to TCOC: ASCS, ED utilization rates



KEY NEXT STEPS AND GOALS



Path to Achieving 2016 Corporate Initiative for PT

Four Arm Pilot Sites:

- *New payment model (Control A)*
- New payment model for PB, QUEST; MLR program for AA (Control B)
- New payment model + social comparison data on New Cozeva UI
- New payment model + SC data + member/provider shared incentive (A1C control)

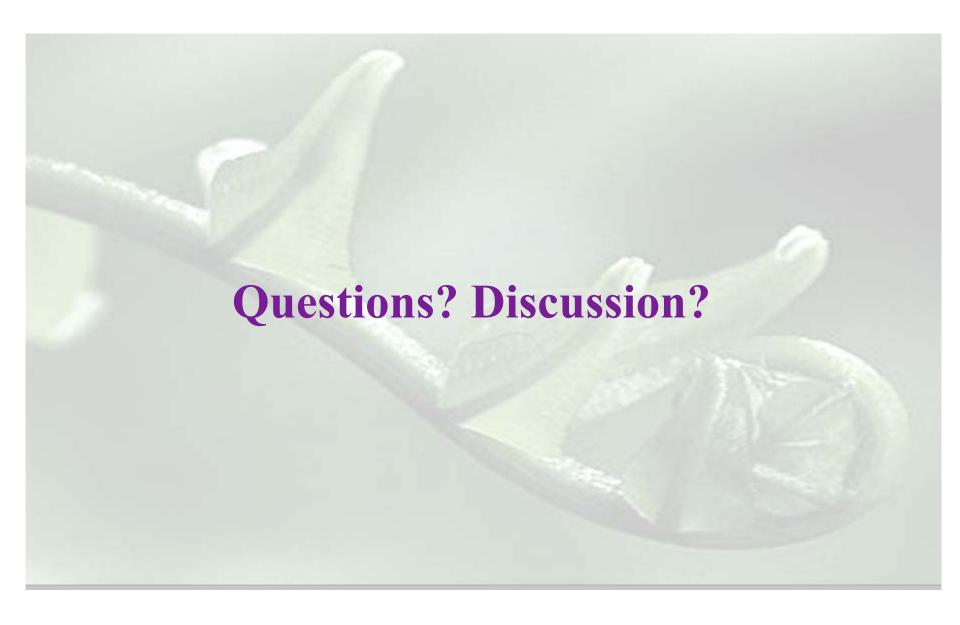
Randomization occurs at practice site level

Rationalize PO structure and Accountable Care Agreements

Pilot ready plan development for specialists

Hospital/Facility Transformation plan begins





an electronic platform supporting payment transformation

wayne pan, md, mba applied research works | palo alto

an electronic platform supporting physician behavior change

wayne pan, md, mba applied research works | palo alto

what do you need to support payment transformation?

who are you working with in **payment transformation**?







so what are physicians going to ask for?





but what kind of Cata?





real-time





real-time accurate





real-time accurate comprehensive

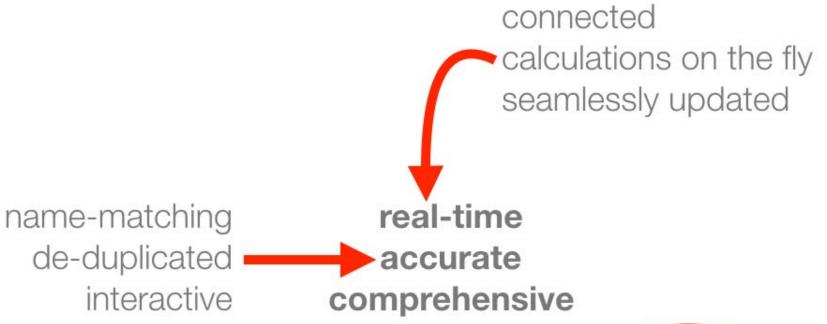




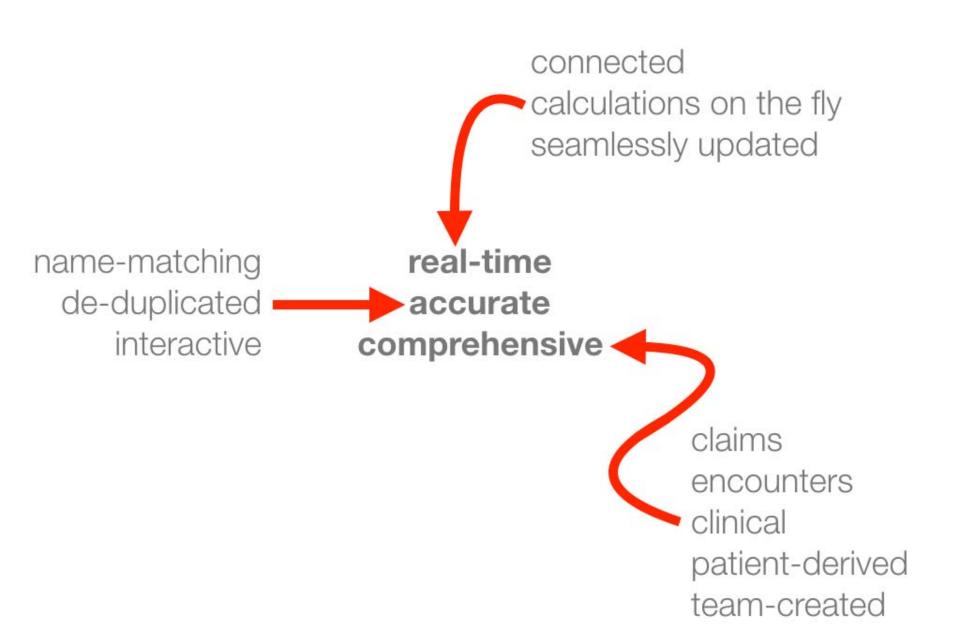
connected calculations on the fly seamlessly updated

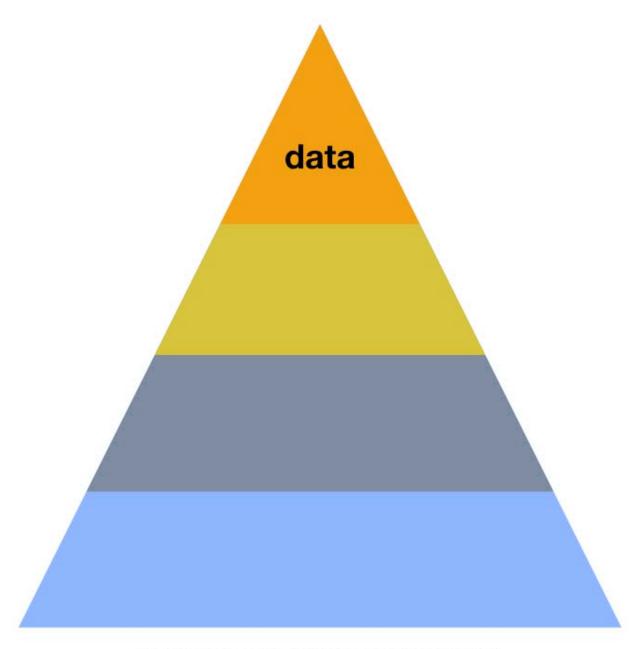
real-time accurate comprehensive



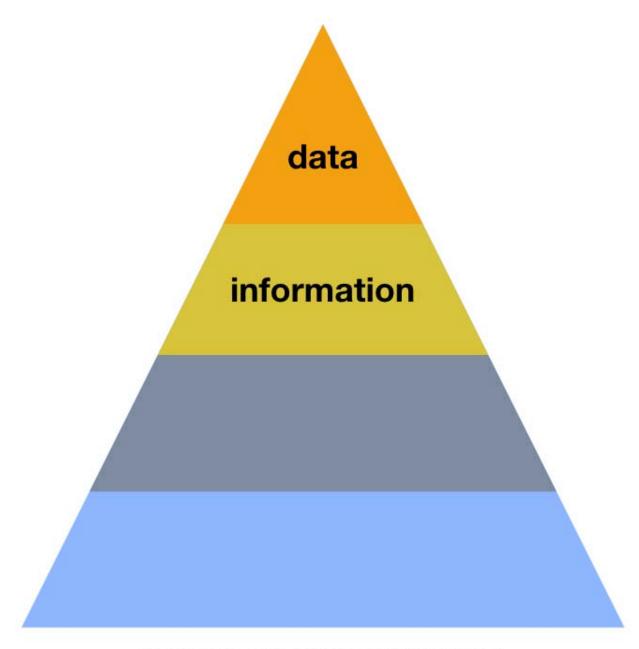


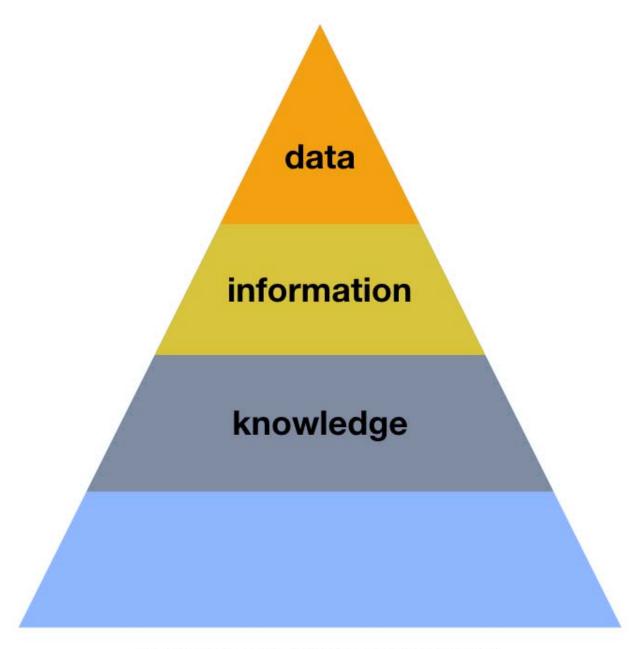


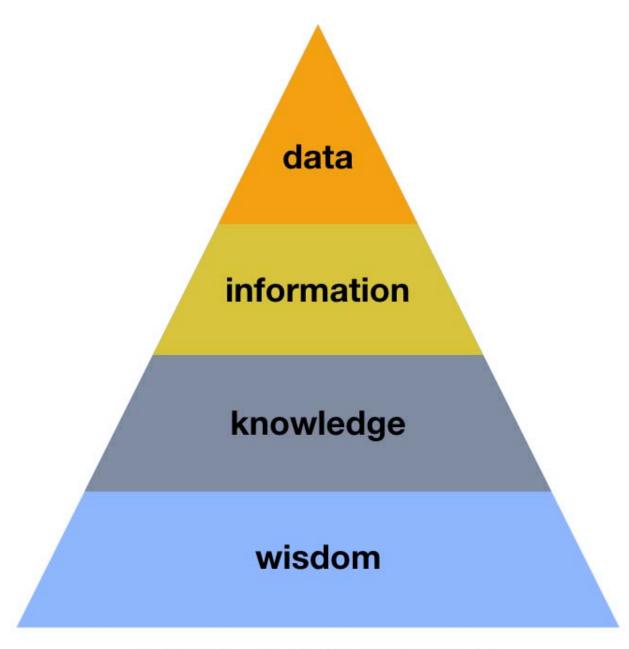




from Robert Logan, What is information? 2010









actionable





actionable proactive outreach



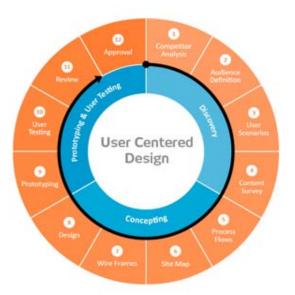


actionable proactive outreach predictive modeling

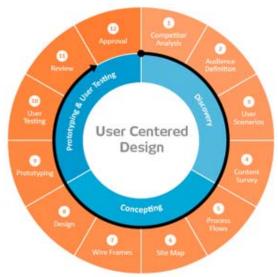


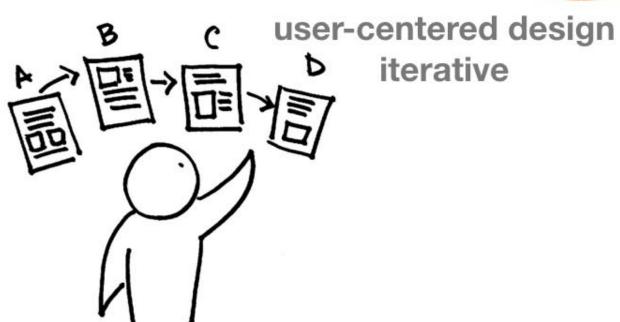
more than just Cata

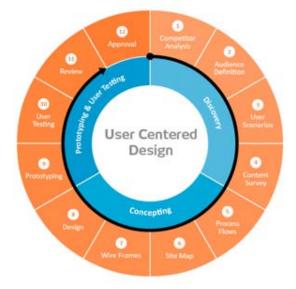
must be embedded into the WORKTOW of the provider office



user-centered design









user-centered design

iterative accessible





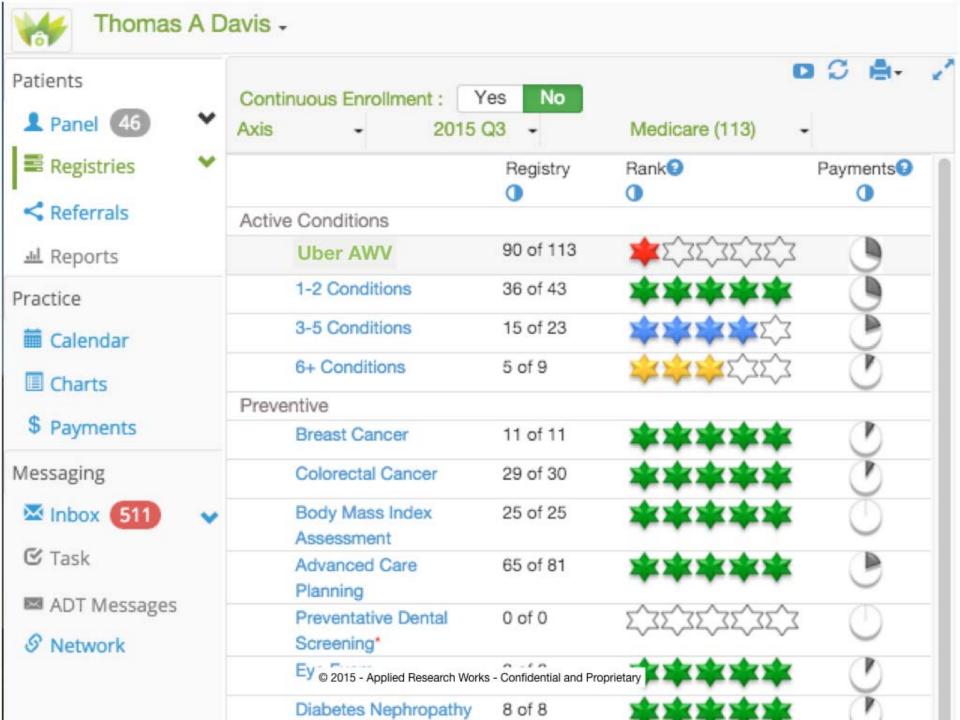


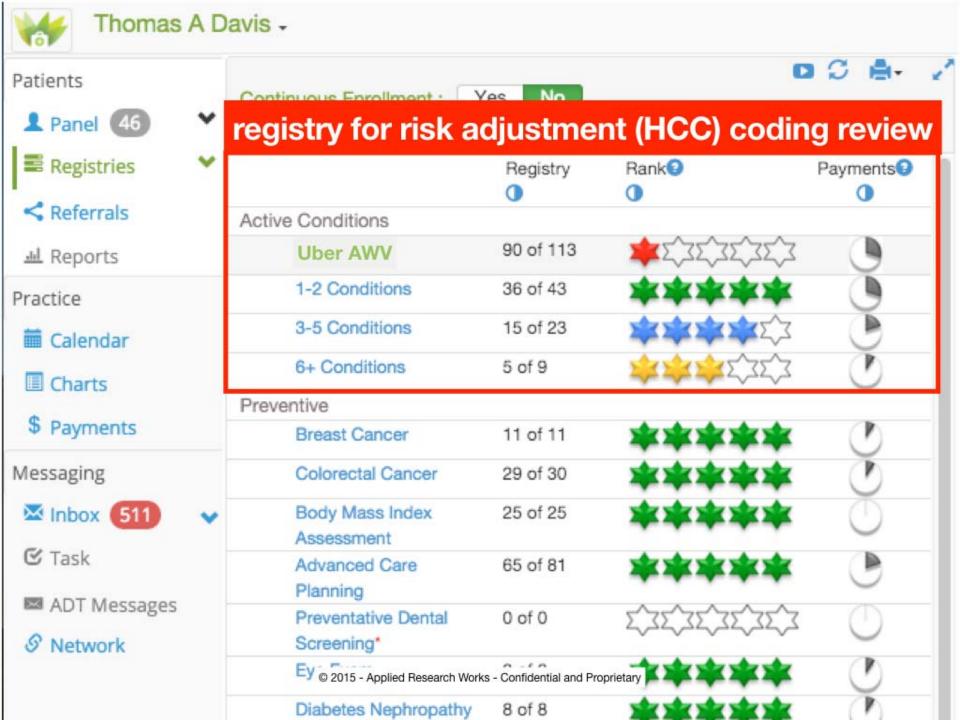
simple

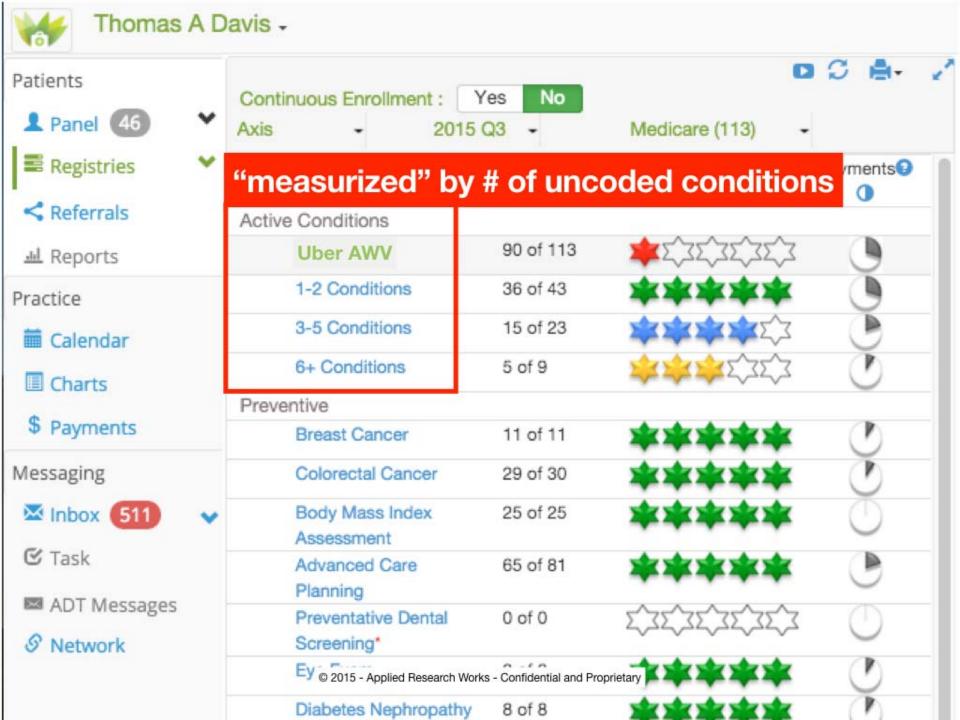
all lines of business task-oriented patient-centered

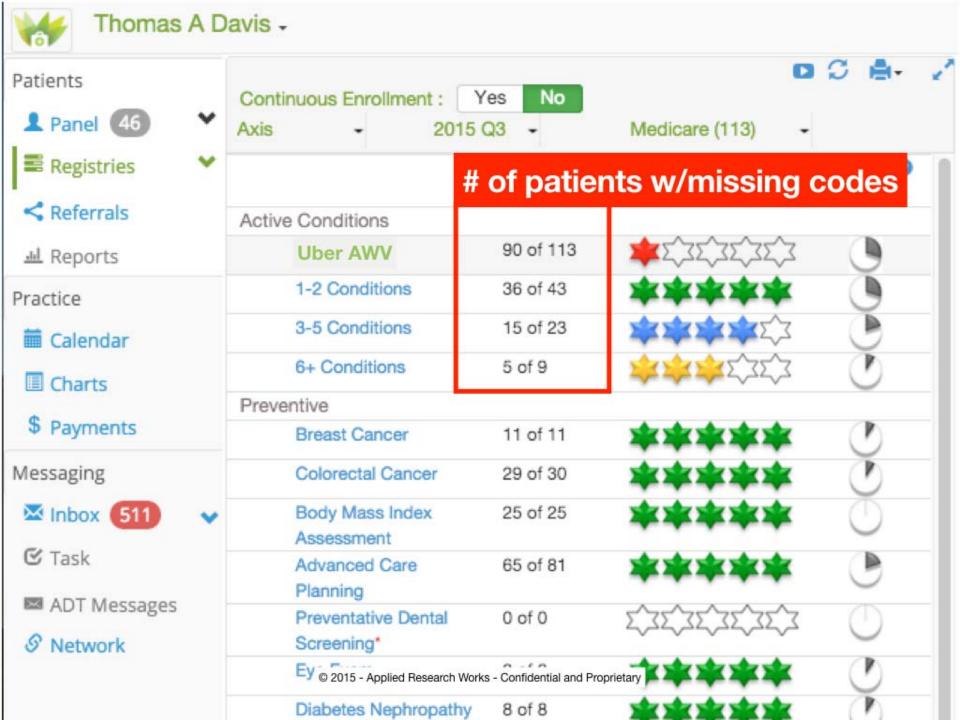
social

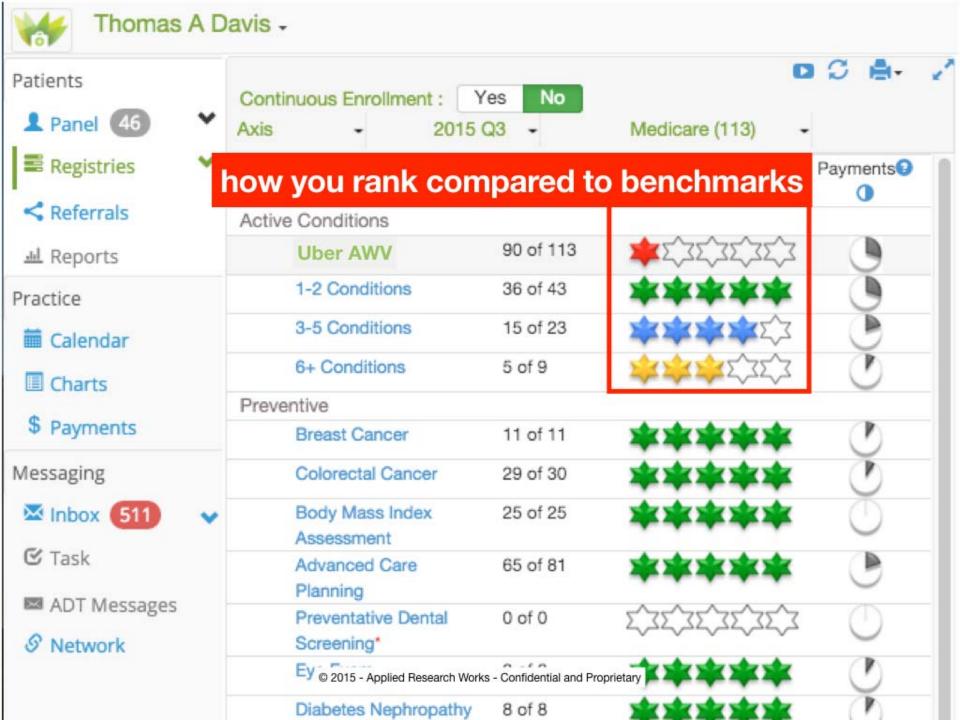
all stakeholders/care team performance relative to peers patient portal

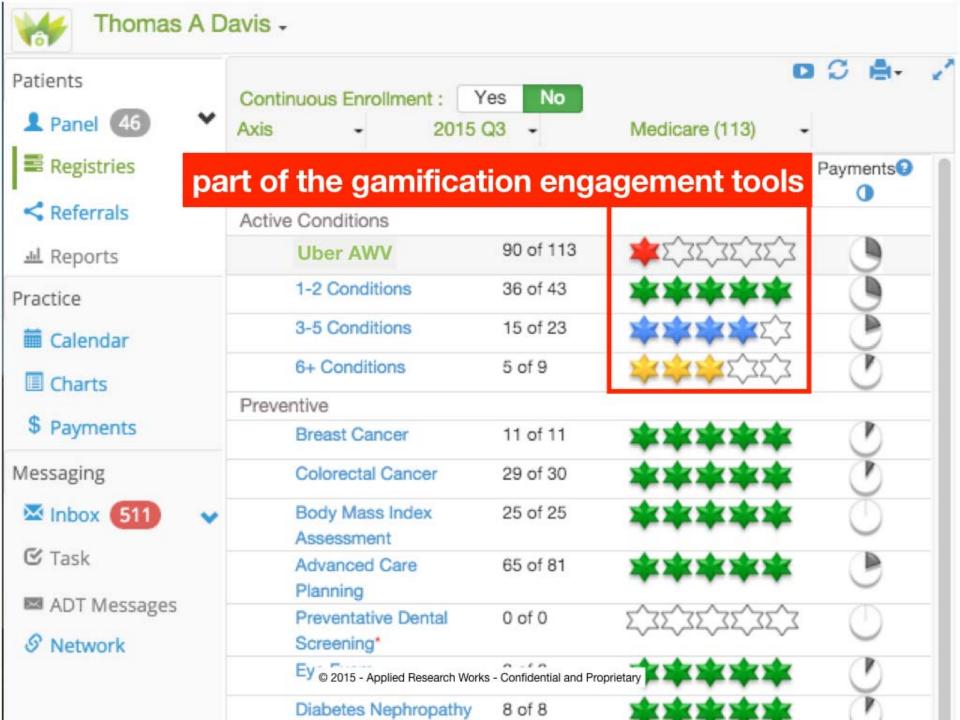


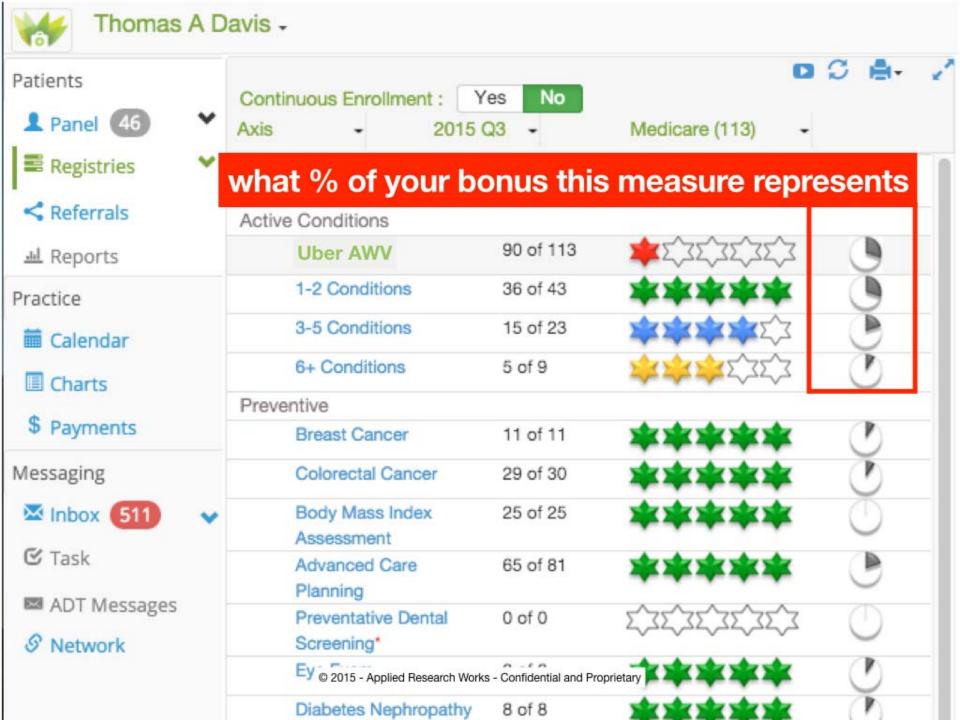


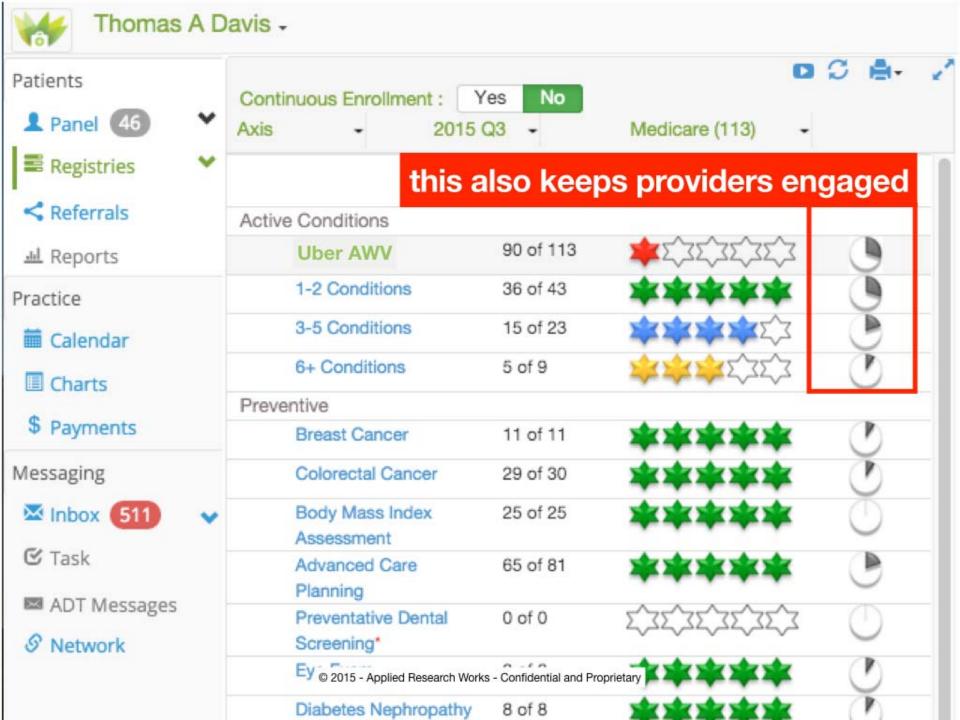


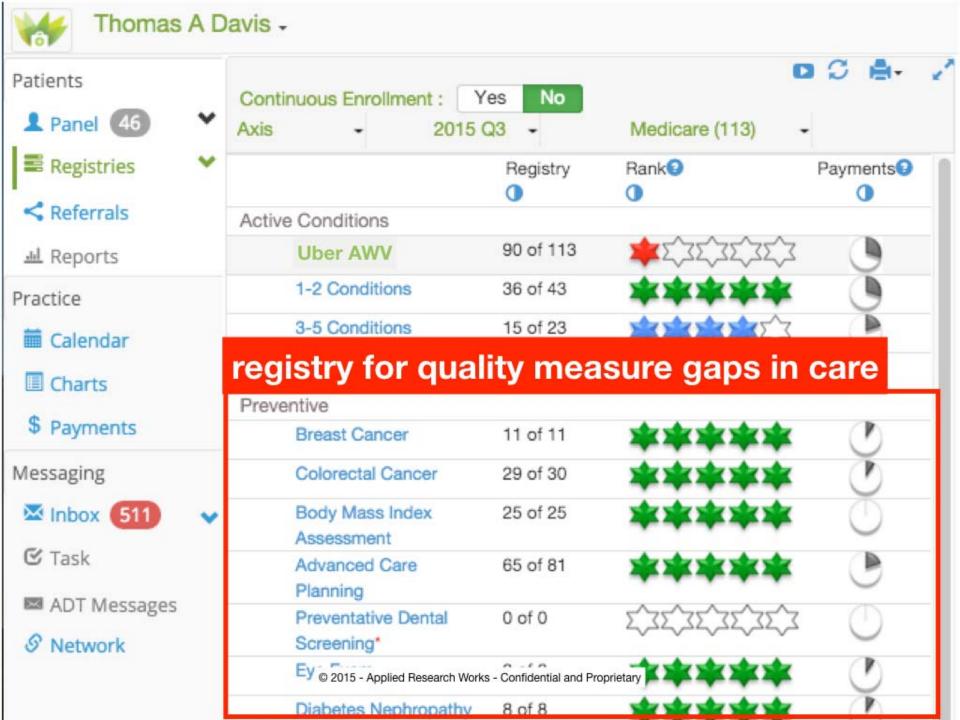


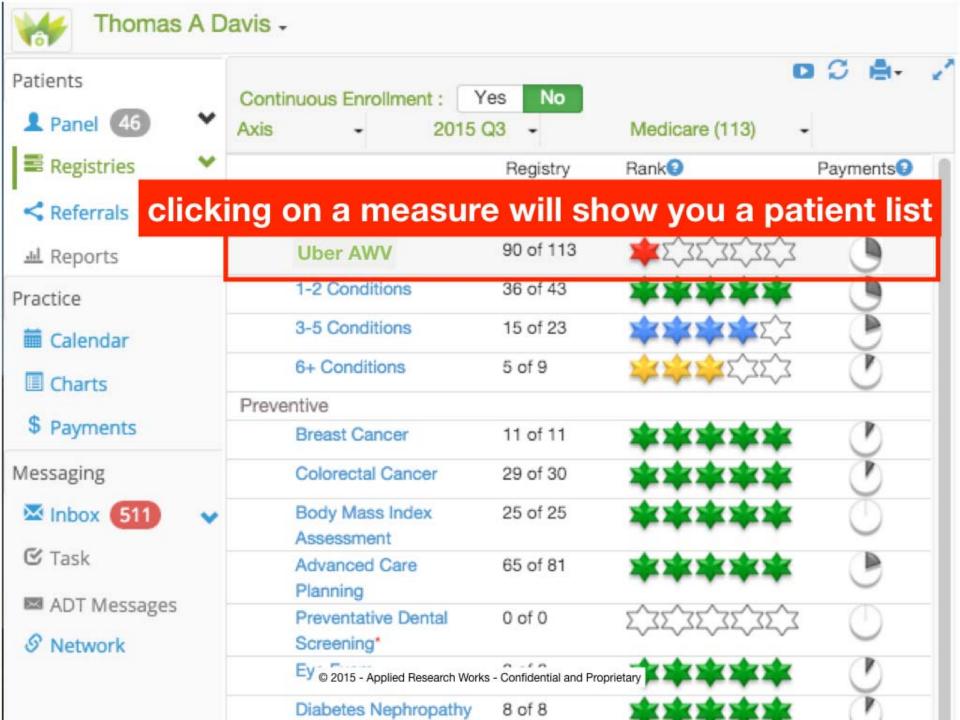












Commercial

Commercial 2015/08/12

Commercial 2015/08/20

22:56:01

06:05:53

PP₀

PP₀

PP0

PPO

© 2015 - Applied Research Works - Confidential and Proprietary VA

NA

NA

NA

NA

NA

NA

0

0

0

0

2.43

2.33

2.26

2.22

ADKINS DEANE

ADLAM BILLY .

ADSIT LEANNA

AGUILAR ASHA

11/07/1922

07/14/1969

02/04/1930

02/20/1941

Current

Declined

Current

Cigna

Cigna

Cigna

@ 2015 - Applied Research Works - Confidential and Proprietary VA

PPO

0

2.22

AGUILAR ASHA

02/20/1941

ABBOTT ISSAC

ABBOTT MERVIN

ABBOTT JAMEL

ABBOTT LAZARO

ADE AMPARO .

ADKINS LON .

ADKINS DEANE

ADLAM BILLY .

ADSIT LEANNA

AGUILAR ASHA

06/06/1966

12/06/1963

08/28/1987

02/14/1993

08/11/1928

10/04/1944

11/07/1922

07/14/1969

02/04/1930

02/20/1941

F

Added

Declined

Declined

Declined

Declined

Current

Current

Declined

Current

Cigna

Cigna

Cigna

Cigna

Cigna

Cigna

Cigna

Cigna

Cigna

0

0

0

0

0



2.97

2.84

2.78

2.60

2.55

2.47

2.43

2.33

2.26

2.22

NA

NA

NA

NA

NA

NA

NA

NA

0

0

0

0

0

0

0



clicking on the nationt name will open up the nationt's chart





CIICKI	ing on	uie	Jau	ient n	lairie	will ope	en up me	; p	aue	III 2	Criart	ı
0 /	Aakre Marnie •	10/18/1957	F	Other	Cigna	Commercial	NA	2	NA	3.04		

	9										31	ıl
0 ()	Aakre Marnie 🔹	10/18/1957	F	Other	Cigna	Commercial	NA	2	NA	3.04		

Commercial 2015/11/03

Commercial 2015/11/01

Commercial 2015/09/24

Commercial 2015/08/06

Commercial 2015/08/12

Commercial 2015/08/20

22:56:01

06:05:53

03:46:43

23:39:55

02:39:54

12:23:26

NA

NA

NA

NA

NA

NA

NA

NA

10/05/2015 NA

		Manager .				Account to the	CORR CORP. SHI SECURES	30 00			SL.
6	Aakre Marnie 🕶	10/18/1957	F	Other	Cigna	Commercial HMO	NA	2	NA	3.04	

PPO

PP0

HMO

PPO

PPO

HMO

PPO

PP₀

PPO

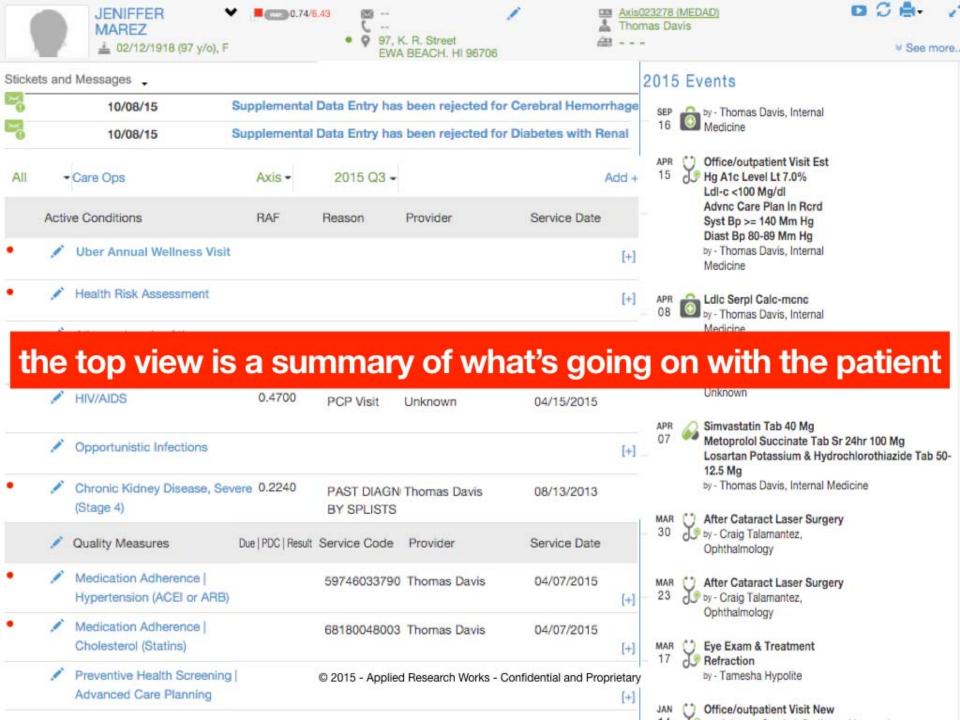
PPO

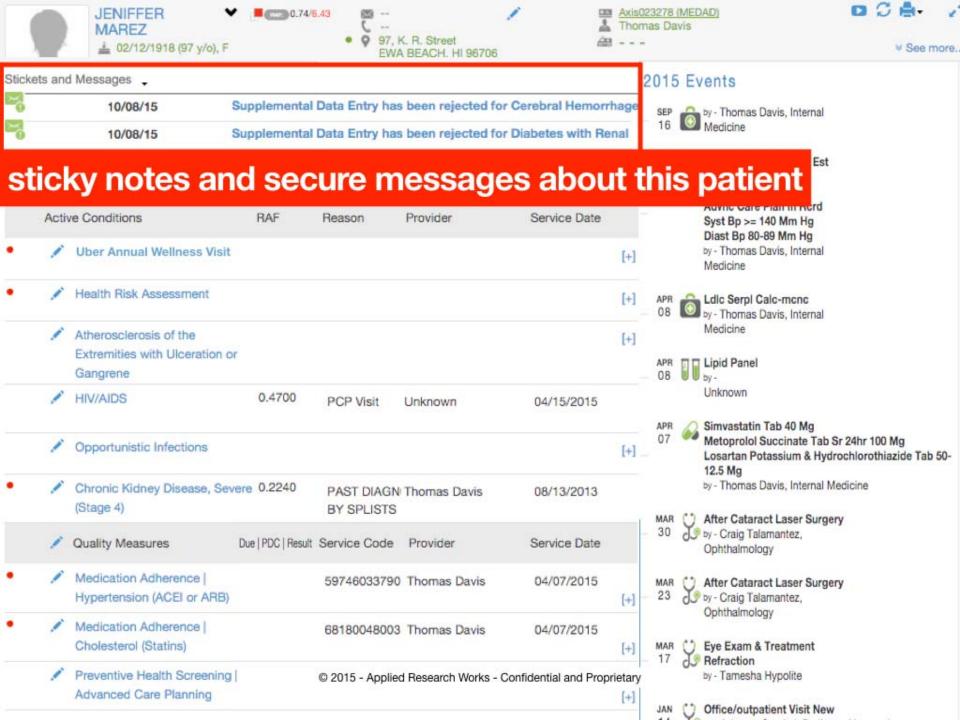
@ 2015 - Applied Research Works - Confidential and Proprietary VA

Commercial

Commercial

Commercial





1	IENIECES							LATINA DI	BC.
_ (JENIFF MAREZ ≜ 02/12 SUMI	mary o	of clini	ical ev	ents fro	m	all	providers	(claims)
Sticke	ets and Messages .					П	2015	Events	
E	10/08/15	Supplementa	Data Entry has	s been rejected	for Cerebral Hemor	rrhage		🚕 by - Thomas Davis, Internal	
	10/08/15	Supplementa	Data Entry has	s been rejected	for Diabetes with R	Renal	16	Medicine	
All	 Care Ops 	Axis -	2015 Q3 -			Add	APR 15	Office/outpatient Visit Est Hg A1c Level Lt 7.0% Ldl-c <100 Mg/dl	
	Active Conditions	RAF	Reason	Provider	Service Date	ri.		Advnc Care Plan In Rcrd Syst Bp >= 140 Mm Hg	
•	✓ Uber Annual Wellness Vision	t				[+		Diast Bp 80-89 Mm Hg by - Thomas Davis, Internal Medicine	
•	Health Risk Assessment					[+	APR 08	Ldlc Serpl Calc-mono	
	Atherosclerosis of the Extremities with Ulceration Gangrene	or				[+	APR 08	Medicine Lipid Panel by -	
	/ HIV/AIDS	0.4700	PCP Visit	Unknown	04/15/2015			Unknown	
						- 1	APR	O Simvastatin Tab 40 Mg	

	Atherosclerosis of the				
	Extremities with Ulceration or				
	Gangrene				
1	HIV/AIDS	0.4700	PCP Visit	Unknown	04/15/2015

a mark	HIV/AIDS	0.4700	PCP Visit	Unknown	04/15/2015
	Opportunistic Infections				
1	Chronic Kidney Disease, Severe (Stage 4)	0.2240	PAST DIAG	N Thomas Davis	08/13/2013

Due | PDC | Result Service Code Provider

•	1	Medication Adherence Hypertension (ACEI or ARB)	59746033790 Thomas Davis	04/07/2015	[+
•		Medication Adherence Cholesterol (Statins)	68180048003 Thomas Davis	04/07/2015	[+

Quality Measures

Preventive Health Screening |

Advanced Care Planning

₹	Office/or	utpatient Visit Est	
	J Hg A1c L	evel Lt 7.0%	
	Ldl-c <10	00 Mg/dl	
	Advnc C	are Plan In Rord	
	Syst Bp :	>= 140 Mm Hg	
	Diast Bp	80-89 Mm Hg	
	by - Thom	as Davis, Internal	
	Medicine		
1	A Ldlc Sen	ol Calc-mono	
		as Davis, Internal	
	Madialas		



	Simvastatin Tab 40 Mg
,	Metoprolol Succinate Tab Sr 24hr 100 Mg
	Losartan Potassium & Hydrochlorothiazide Tab 50-
	12.5 Mg
	by - Thomas Davis, Internal Medicine

		Ophthalmology
MAR 23	y	After Cataract Laser Surgery by - Craig Talamantez, Ophthalmology

After Cataract Laser Surgery
by - Craig Talamantez,

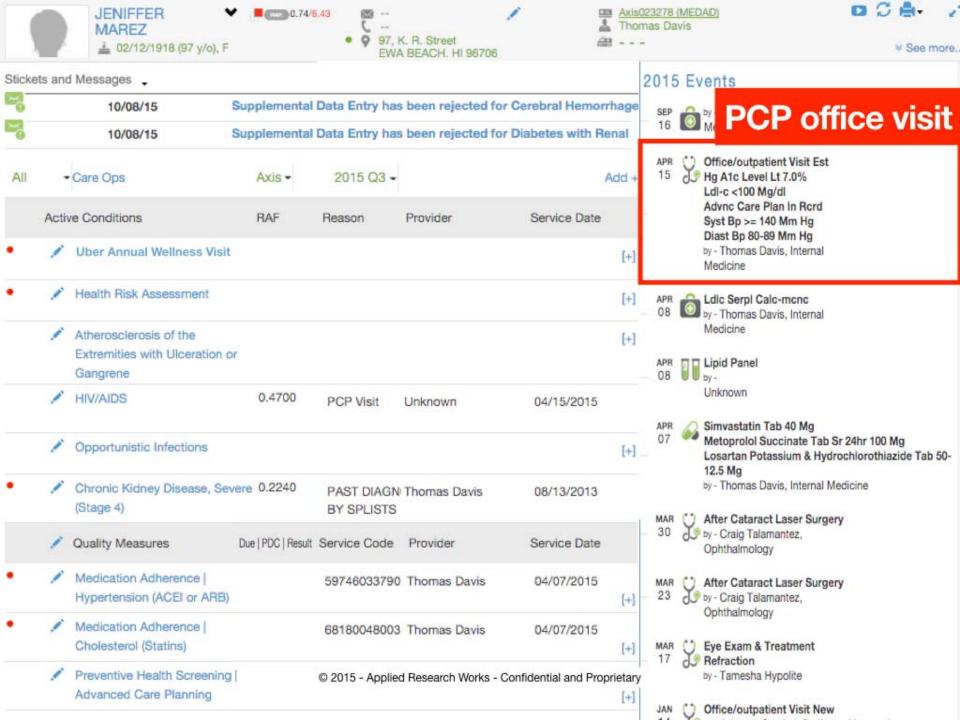
Eye Exam & Refraction Eye Exam & Treatment 17

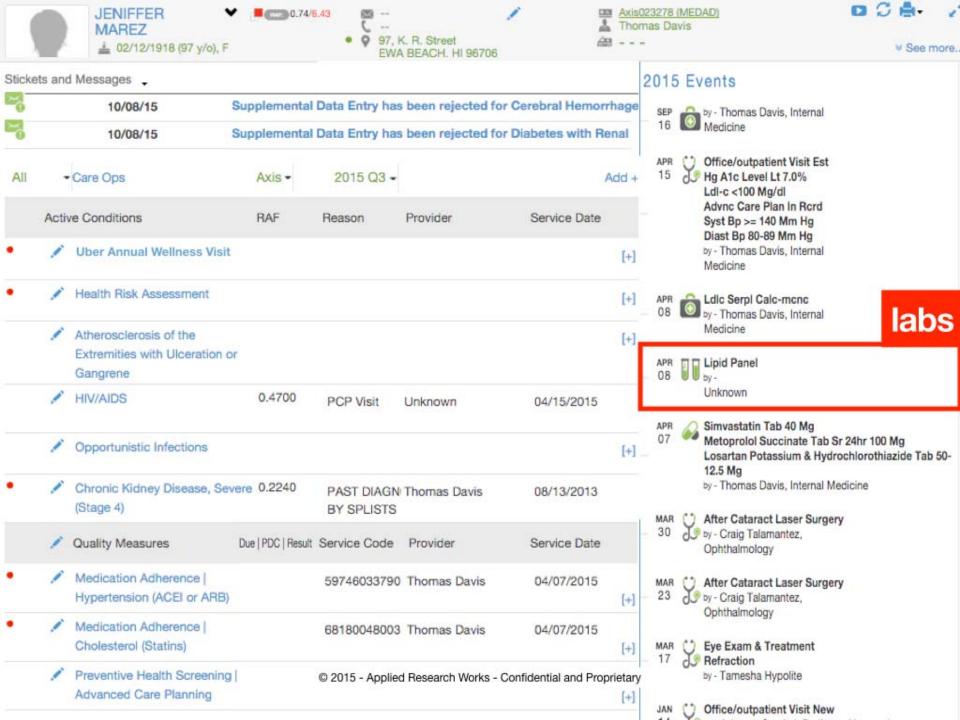
© 2015 - Applied Research Works - Confidential and Proprietaly

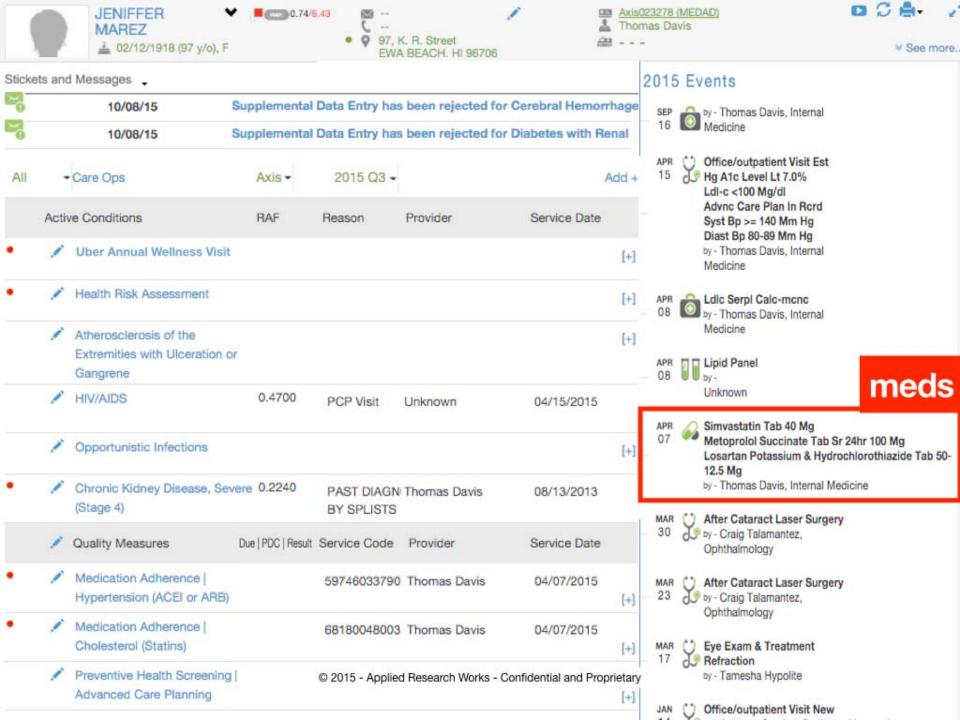
Service Date

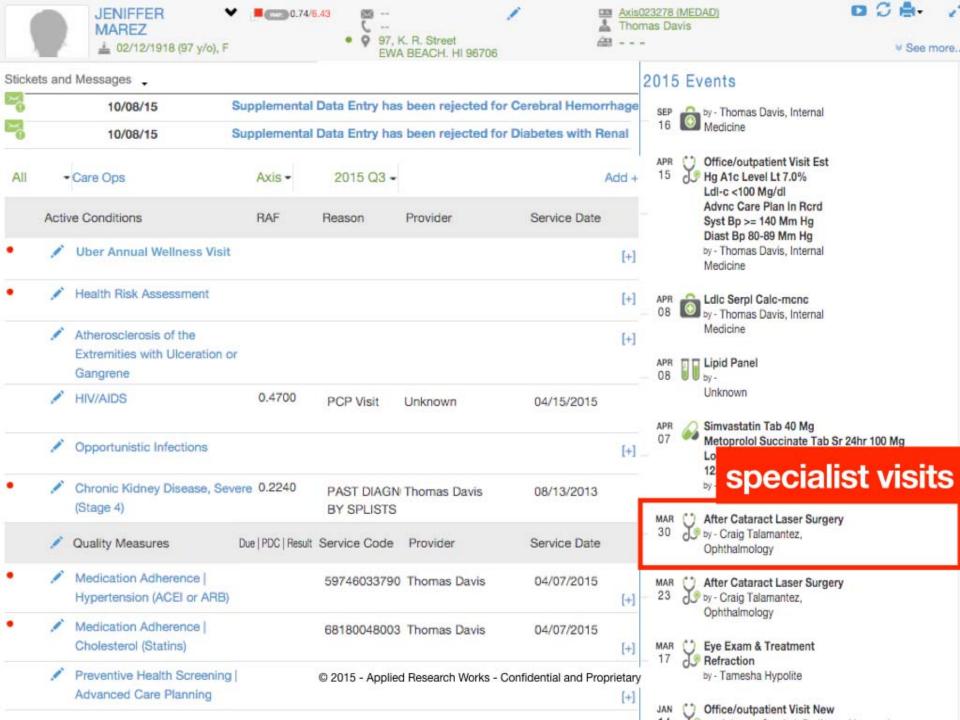
by - Tamesha Hypolite

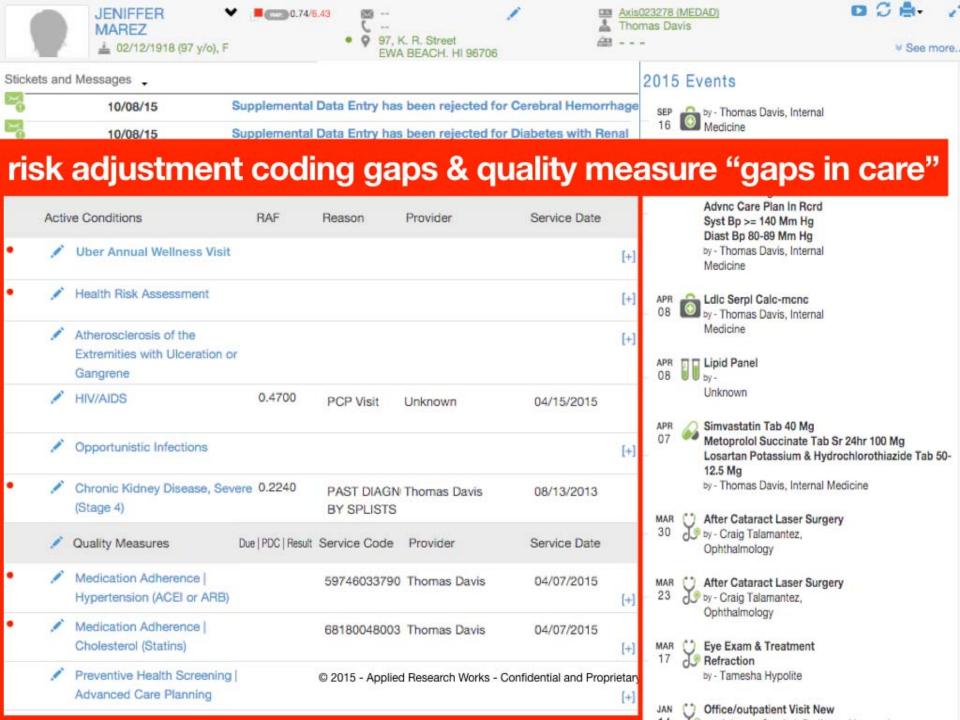
JAN (*) Office/outpatient Visit New

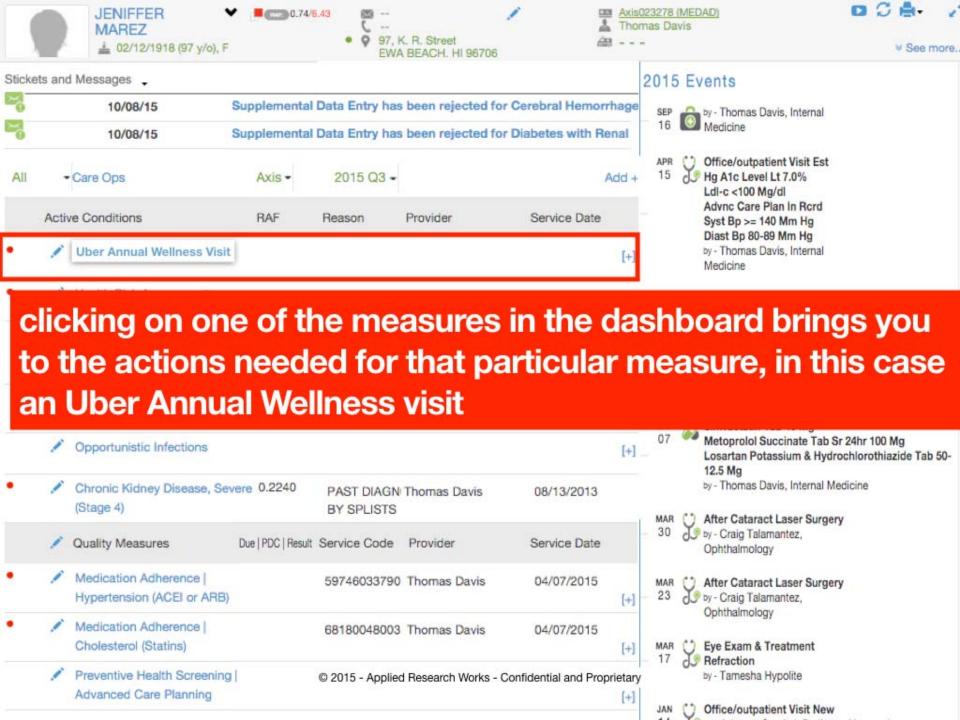


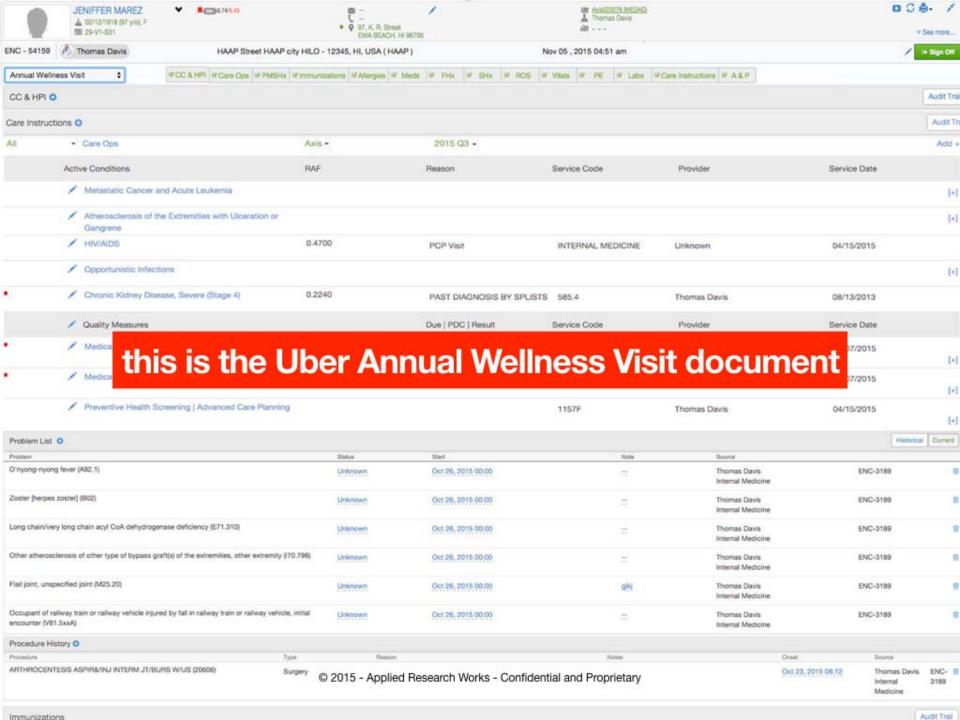


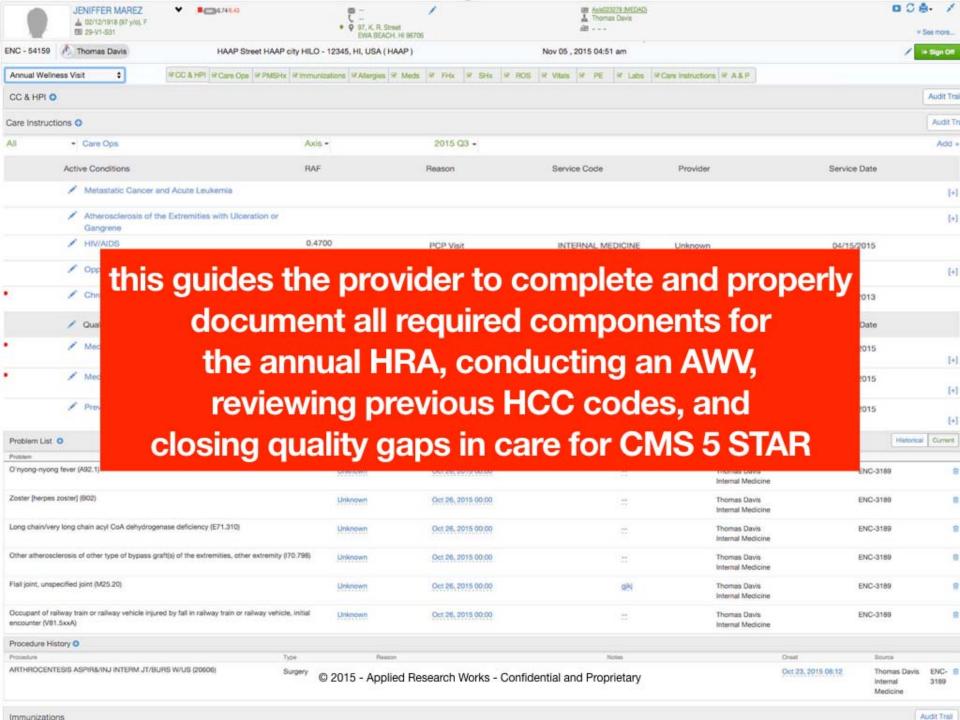












this is an

this is an operating system

this is an operating system for value-based

this is an operating system for value-based healthcare

a single portal for all patients

(one stop shop)

showing quality, risk adjustment, and resource management metrics

(where I am today)

identifying actionable care-related issues that can be addressed now

(what can I do to get to where I want to be tomorrow)

automatically tracked in real-time and seamlessly incorporated into the office workflow

(without disrupting what I'm doing today)

maximizing the value captured with each patient encounter

(without leaving money on the table)

understanding the value of interventions and resource expenditures so as to maximize roi

(knowing how to get the biggest bang for the buck)

supporting payment transformation



thankyou

applied research works 1000 elwell court palo alto, ca 94303

info@cozeva.com

