accenture

INSIGHT DRIVEN HEALTH

Provider Perspectives on Alternative Payment Models

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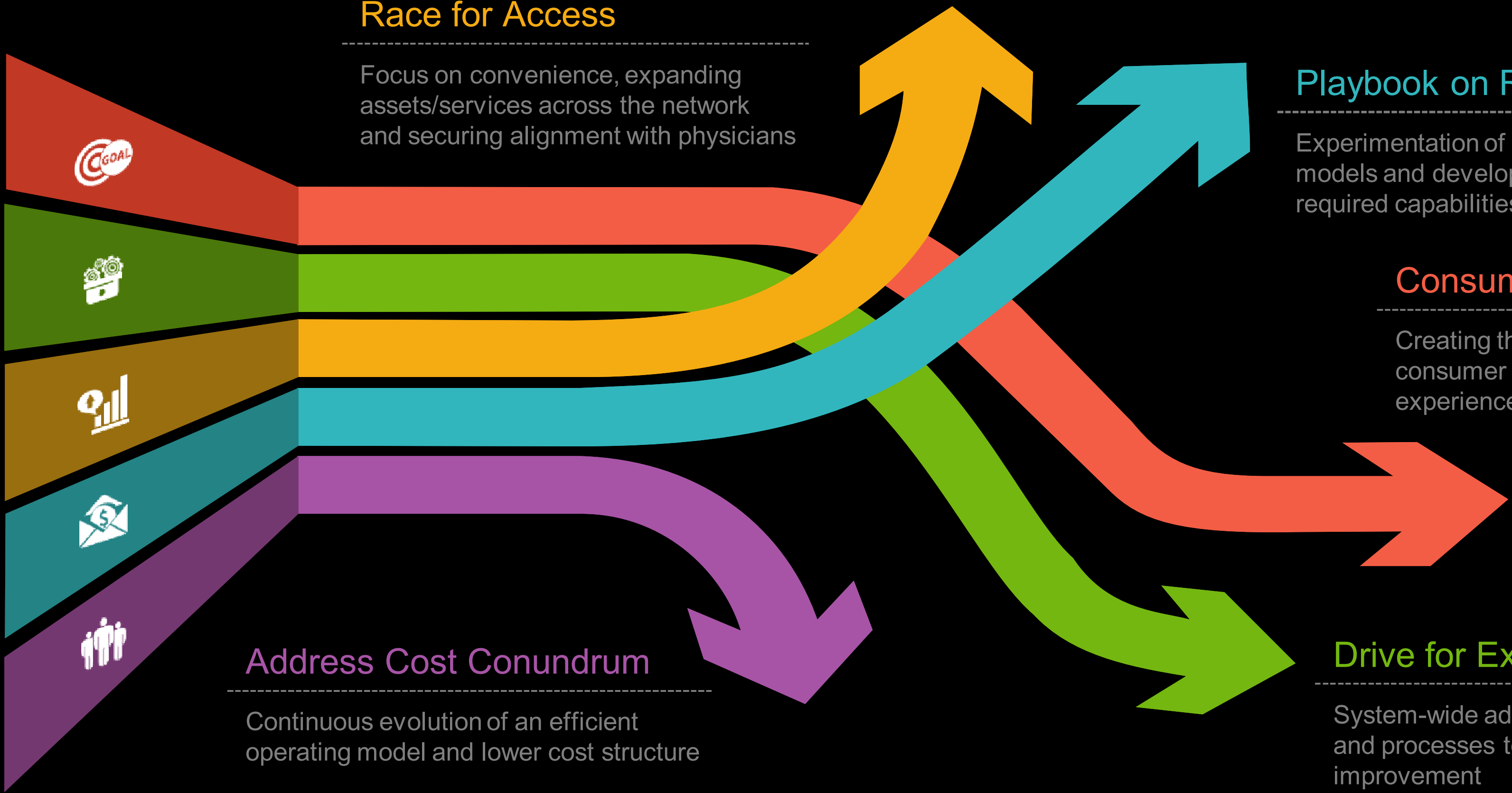
The Leaders of Healthcare see a very new future emerging – Accenture 2016 CEO Survey

“We are the corner bookstore of 50 years ago.”
– Leading Health System CEO

Transformational CEO Survey

Accenture Strategy interviewed leaders of 51 major health systems, who described their vision for the future of healthcare and how their systems are responding.



Race for Access

Focus on convenience, expanding assets/services across the network and securing alignment with physicians

Playbook on Risk

Experimentation of various risk models and development of required capabilities

Consumer in the Center

Creating the next generation of consumer engagement and experience

Address Cost Conundrum

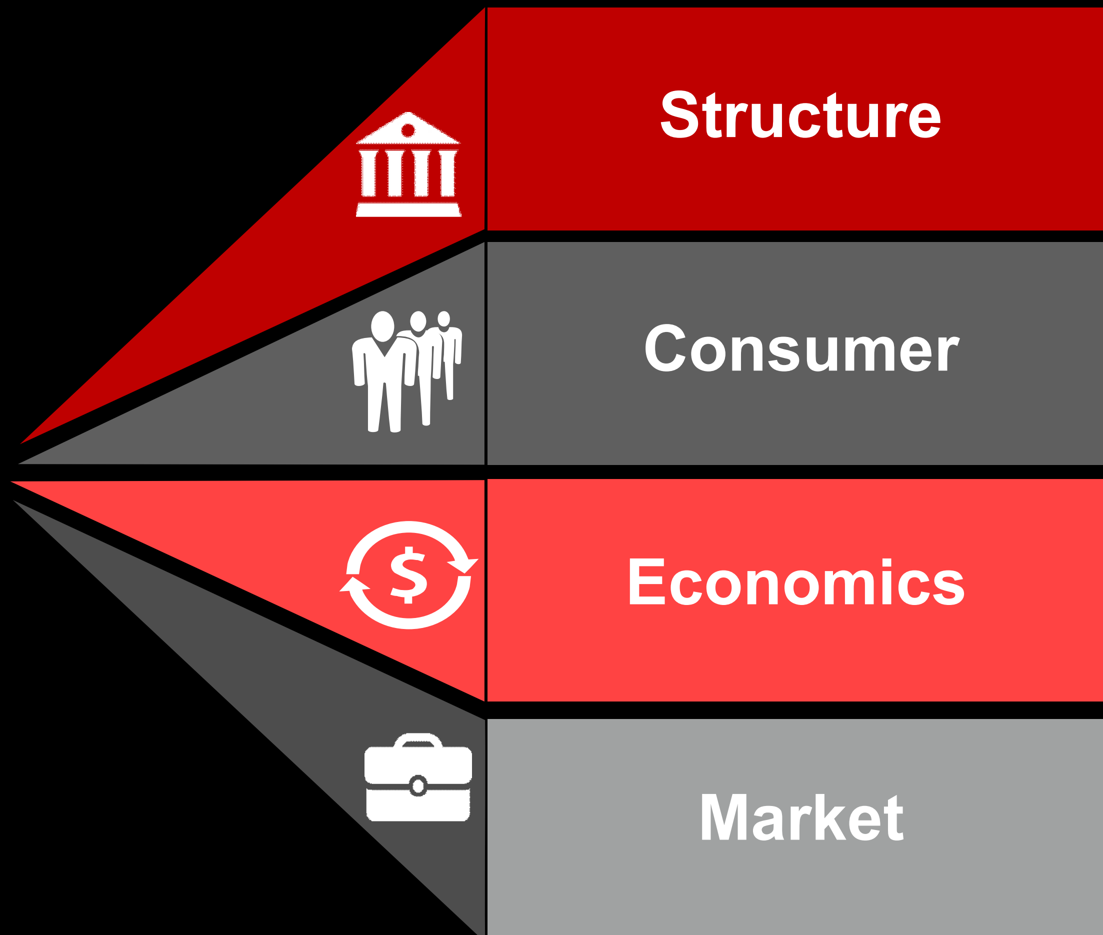
Continuous evolution of an efficient operating model and lower cost structure

Drive for Excellence

System-wide adoption of discipline and processes to drive improvement

Healthcare Disrupted & Redefined

"We are the corner bookstore of 50 years ago." – Leading Health System CEO



The Future of Healthcare

STRUCTURE

Health systems, their business model, boundaries and place along the continuum of care "will be 100% different than today"

Only 1-2 systems per market will survive

100 hospital systems total

100

Fewer PCPs needed in the future

Niche providers proliferate

Catchment areas become virtual

Old guard leadership replaced

The Future of Healthcare

CONSUMER

Health systems will be "consumer service companies" and manage members throughout the healthcare ecosystem

Continued upstream treatment of consumer

System organized around consumer, not physician

Consumers own their own healthcare data

Consumers control all
(full transparency, appointment scheduling, etc.)

Merge consumer, clinical, claims, and wearable data

Consumers segmented to N=1

The Future of Healthcare

ECONOMICS

Health systems will be unchained from the dependence on volume and waste

70-80% government funding

Systems manage population end-to-end

Nearly 100% value-based payments

Lean operations amid increased capital investment in innovation

Radically changed health plan role

Commoditization of services and care

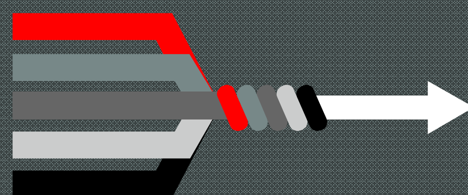
The Future of Healthcare

MARKET

Health systems will consolidate to offer more services and control networks

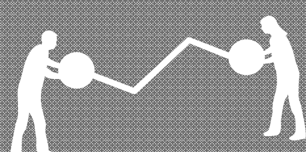
Precision Medicine will guide care

Everything is interoperable

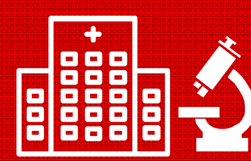


Regulatory reform will drive and thwart innovation

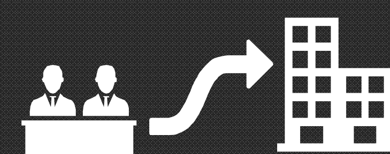
Power structure will shift



Community hospitals and labs will be net market losers



Employers will direct contract with risk bearing systems



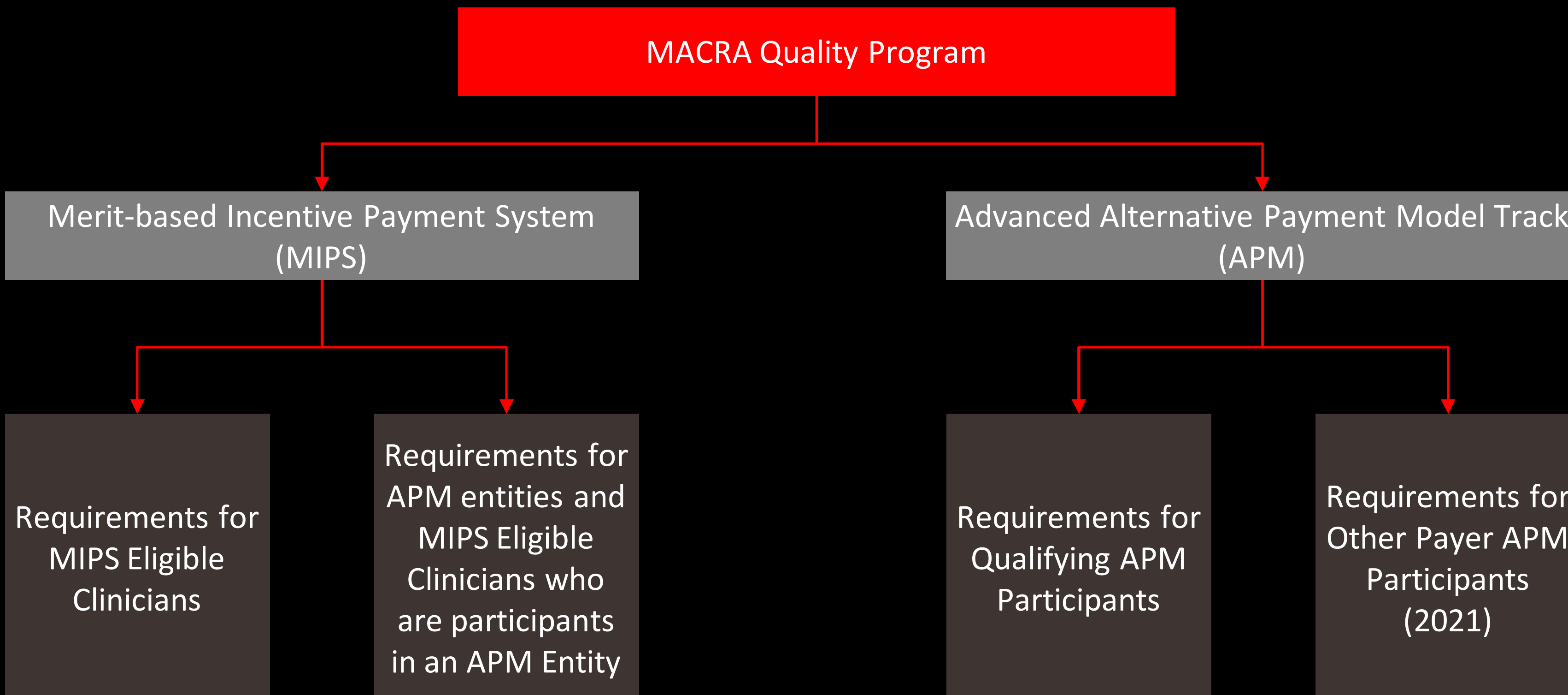
Overview of Alternative Payment Models

Increasing Level of Risk

Type
Pay for Performance
Patient Centered Medical Home/CPC+
Acute-Care Specialized Programs
Bundled/Episodic Payments
Shared Savings, One-Sided Risk
Shared Savings, Two-Sided Risk
Capitation
Provider Sponsored Health Plan

Sources: Harvard Business Review, Health Affairs

MACRA Options – Two paths of the Quality Payment Program



MIPS Performance Categories and Requirements

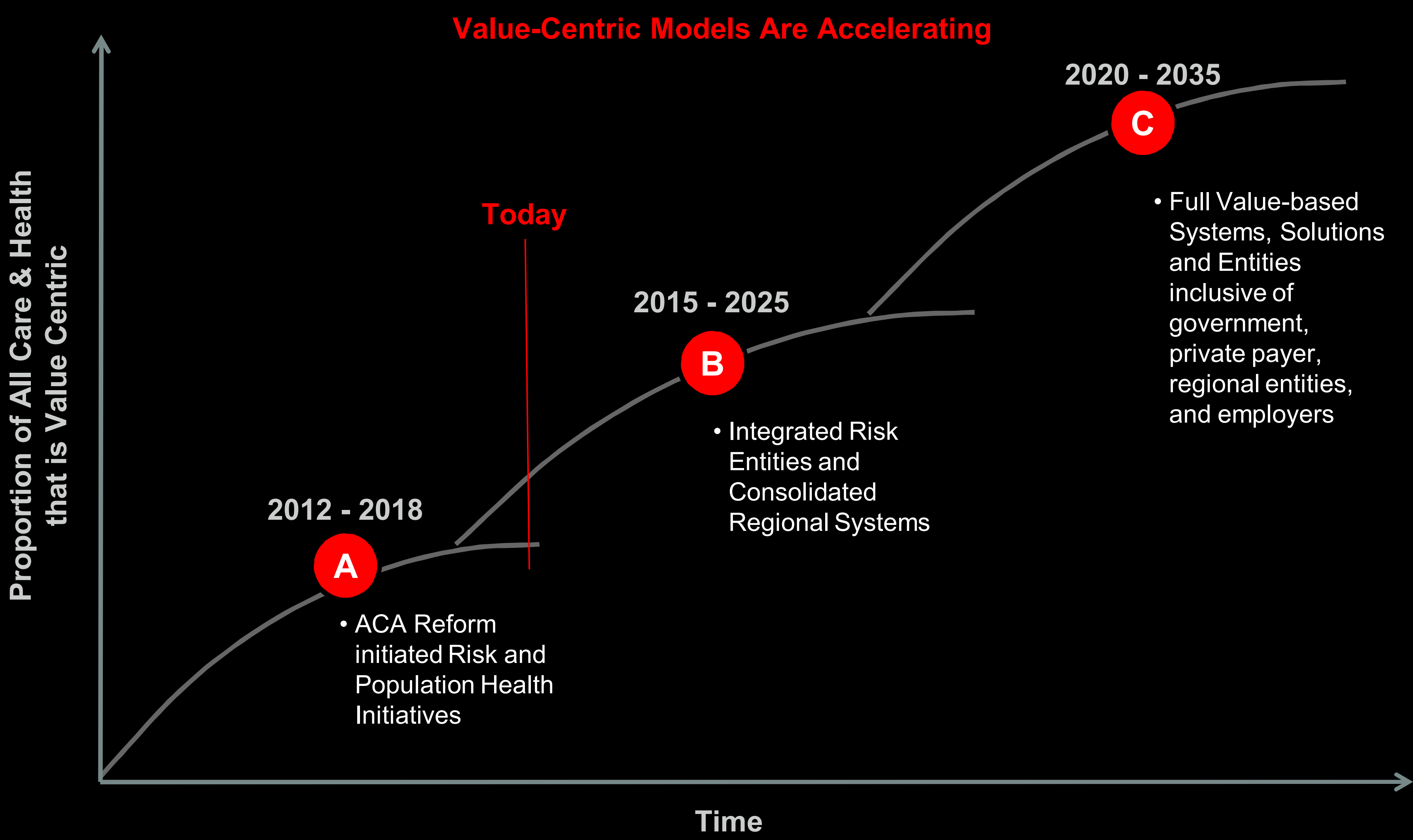
Quality

Resource Use

Clinical practice improvement activities (CPIA)

Advancing Care Information (ACI)

Key Message from the Market, Payer, Employer and Provider Reviews: The shift to value is Inevitable and Irreversible



Provider Attitudes Towards Alternative Payment Models- a Sponsored Study

Physician Burnout Manifests in Reduced cFTE

MAYO CLINIC
MAYO CLINIC PROCEEDINGS

Longitudinal Study Evaluating the Association Between Physician Burnout and Changes in Professional Work Effort

Conclusion

Among physicians in a large health care organization, burnout and declining satisfaction were strongly associated with actual reductions in professional work effort over the following 24 months.

The Importance of Physician Engagement

ENGAGING WITH COMMUNITY PHYSICIANS THROUGH A CLINICALLY INTEGRATED STRUCTURE.

INDEPENDENT & EMPLOYED PHYSICIANS → ← **HEALTH SYSTEM**

Physician Led, Physician Governed Clinically Integrated Organization

Selective physician partnerships:
a network of physicians opting to collaborate with hospitals to deliver evidence-based care and improve quality, efficency and coordination of care.

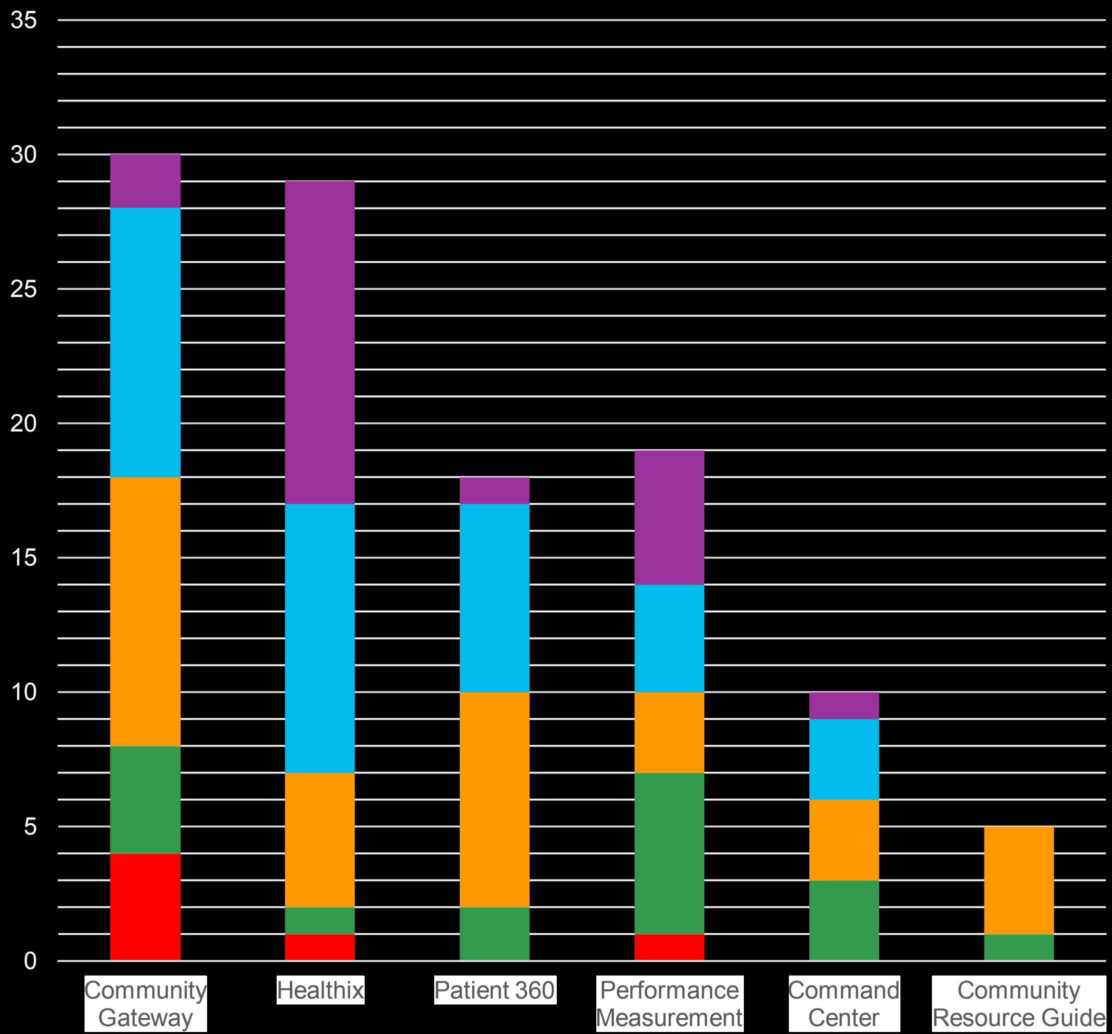
Comprehension Improvement Initiatives:
Identified and evolving metrics and targets designed to meaningfully impact the clinical practice of all physicians in the network to improve value across the full continuum of care.

Performance Improvement Architecture:
Data Driven mechanisms and processes to monitor and manage utilization of health care services, designed to control costs and ensure quality of care.

CARE COORDINATION, OTHER PAYER APM MODEL, MIPS SHARED SERVICES MODEL ↑↓ **JOINT NEGOTIATION (WITHIN PARAMETERS)**

PAYERS & GOVERNMENT → ← **EMPLOYERS**

Alternative Payment Models' Adoption Barriers



Data & Technical Issues	• *Technical/access issues* • *Interoperability challenges* • *Difficulty obtaining complete, meaningful, accurate data*
Functional Concerns	• *Disrupts existing workflows or operations* • *Concerns about usability of tool*
Limited Awareness	• *Limited knowledge or skills to use tool* • *Unaware or little familiarity with the functionalities of tool*
Low Utility	• *Duplication with existing systems* • *Partner does not have a need for the tool*
Resource Constraints	• *Requires more human resources than available to support implementation* • *Funding limitations*

The Path Forward to Increased Adoption

IDENTIFIED NEED	OPPORTUNITIES
Reliable & Useful Data	Interoperability and timely data exchange are keys to obtaining complete and clinically useful data.
Easily Accessible Applications	Applications must be easily accessed, removing the need for multiple systems/interfaces and addressing any access or infrastructure issues prior to implementation.
Clear Added Value	Solutions should add value to the organization without significant workflow disruption or adding duplicative services/tools already in place.
Adequate Resource Support	Recognize and, when possible, support human resource needs and financial constraints for implementation.
Partner-driven Solutions	Involve end-users during solution planning & design and ensure continuous communication & engagement with partners across PPS, eliminating functional silos .
Applicable to all Patients	Integrate standards of care for full populations

The Story of Augmedix

AUGMEDIX

Augmedix provides remote scribes to assist with EMR documentation and information retrieval during an encounter, using Google Glass technology.

Reported benefits:

- Up to 25% more patients seen
- 15 hours per week freed up
- Notes done in real time
- Detailed patient summary available at time of visit

FAST COMPANY

February 16, 2016

Augmedix Named The Number One Most Innovative Healthcare Company of 2016 by Fast Company

Source: Augmedix website: https://www.augmedix.com

Digital Technologies Are Changing All Aspects Of Our Lives

…and healthcare will be no different, if we integrate technology into our workflows and design from the user forward