A BestPractice Engagement Seminar

Optimum Physician Alliance (OPA)

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Millard Fillmore Suburban Hospital

Kofi A. Cash, MS, CPHQ, CPHRM
Director of Provider Engagement and Integration

BlueCross BlueShield of Western New York
Welcome and Good Evening OPA Practitioners!
Help yourself to food and beverage. We will get started at 6:30pm
Engagement Outline

• Welcome and Team Introductions
• Level Set; Meeting Objectives
• Walk Through Folder Content & Materials
  – How do you get paid
• How Did We Get to BestPractice
  – BCBS WNY is not alone
• How is BestPractice defined
• Review of Submitted Questions...
• Sample Financial Impact Statement
Let's Walk Through Your Folder Content and Materials

Best Practice
Advancing primary care.
Transforming care through the payment model

**FEE-FOR-SERVICE**

- Drivers of cost:
  - Rewards volume, not value
  - Lack of accountability and coordination
  - Focused on sick care
  - System is challenging for individuals to navigate

**VALUE-BASED**

- Bending the trend:
  - Aligned reimbursement
  - Providers empowered with data
  - Focused on overall health
  - Shared decision-making between patients and their physicians
  - Investments in practice transformation
BCBSWNY and CMS are aligned

During January 2015, HHS announced goals for value-based payments within the Medicare FFS system

**Medicare Fee-for-Service**

**GOAL 1:**
Medicare payments are tied to quality or value through alternative payment models (categories 3-4) by the end of 2016, and 50% by the end of 2018

30%

**GOAL 2:**
Medicare fee-for-service payments are tied to quality or value (categories 2-4) by the end of 2016, and 90% by the end of 2018

85%

**NEXT STEPS:**
Testing of new models and expansion of existing models will be critical to reaching incentive goals

Creation of a Health Care Payment Learning and Action Network to align incentives for payers

**STAKEHOLDERS:**
- Consumers
- Businesses
- Payers
- Providers
- State Partners

- Set internal goals for HHS
- Invite private sector payers to match or exceed HHS goals
MACRA

- Medicare Access and CHIP Reauthorization Act (MACRA); impact begins 2019-2020
- Providers will be paid based on the quality and effectiveness of the care they provide. High value care will be defined by measures of **quality** and **efficiency** and providers will earn more or less depending on their performance against those measures.
BCBSWNY BestPractice Program

• Takes into account quality, efficiency, and complexity of services for patients who require more care.
• Facilitates reimbursement that is no longer tied solely to in-office visits.
• Creates a predictable monthly payment.
What Remains Fee-For-Service

• Fee-for-service payment for certain preventive services such as annual physicals, well visits, and immunizations, which will continue to be paid as they are today.
The Pendulum Shift

<table>
<thead>
<tr>
<th>Understanding the Shift from</th>
<th>Fee-for-Volume (Old World)</th>
<th>Fee-for-Value (New World)</th>
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<tbody>
<tr>
<td>Fee-for-Volume</td>
<td>Providers make money by negotiating higher rates and performing as many services as possible</td>
<td>Providers make money by not only providing services, but other results valued by the industry, such as quality, efficiency, wellness, care coordination, and prevention</td>
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<td>to</td>
<td>Payers see providers as vendors</td>
<td>Payers begin to see providers as partners</td>
</tr>
<tr>
<td>Fee-for-Value</td>
<td>Providers see every touch as revenue</td>
<td>Providers see every touch as an expense to be managed</td>
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<td></td>
<td>Most providers have little regard for evidence-based medicine.</td>
<td>Providers care a great deal about evidence based medicine.</td>
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<tr>
<td></td>
<td>Payers primarily pay providers based on claims</td>
<td>Payers pay providers based on claims plus many other inputs (few of which are automated)</td>
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A Review of Submitted Questions

BlueCross BlueShield of Western New York
Submitted Questions...

Why did BCBSWNY decide to place this type of compensation model into the market place?

- After a careful and deliberate scan of environmental and national trends involving value-based care
Submitted Questions...

Why now? Why couldn’t BCBSWNY hold off on this initiative?

• We felt the pendulum has swung and will continue to affirmatively swing toward value based reimbursement (VBR).
• Creates opportunities to work on specialty medical quality and costs
Submitted Questions...

What is the rationale behind the $0.24?

- For commercial members with a risk score less than 0.05, the average historical spend based on 2 years of claims experience (minus member share) is 24 cents.
- We wanted to be transparent across the entire range of patients in the package.
Submitted Questions...

How does BestPractice account for Telehealth?

- Base rates were increased by 2% to account for unit cost trends and increased services that were not previously paid for under traditional FFS.
Submitted Questions...

Why did BCBSWNY decide not to pursue the specialists, out of the gate? PCPs do not cost the health care system the most.

- **BestPractice** model does not take from primary care, rather it reimburses PCPs for effective population health management. Specialists manage episodes of care and procedures rather than attributed member populations. Primary care has leverage over specialty care.
Submitted Questions...

*How can a practice improve their performance adjustment factor and therefore increase their revenue under *BestPractice*?*

- Improve HEDIS compliance
- Effectively manage patient panel’s total cost of care
- Improve the accuracy and thoroughness of coding; which in turn increases risk scores
Submitted Questions...

If I direct my patient to urgent care or the emergency room, will it impact my efficiency score?

• Yes. It will impact your score unfavorably.
Submitted Questions...

*What is the performance period for the Quality adjustment factor (PAF)?*

- 2015 performance impacts 2017 payment

*What is the performance period for the Efficiency adjustment factor (PAF)?*

- 2016 performance impacts 2018 payment
- Lag time is caused by the need to have a full claims run
Submitted Questions...

*Is there a limit to how much capitation can change year-over-year?*

- Base rates will not decrease in the upcoming years. The performance adjustment factor (PAF) magnitude is:
  - 2017: +/- 10% Quality only
  - 2018: +/- 20% Efficiency and Quality
Submitted Questions...

How do you adjust for practice location (i.e. urban vs rural care)?

• Our actuarial evaluation reveals no significant difference in the cost of care for the designated capitated code set; based on locality. It is something we continue to monitor.
Submitted Questions...

Is a new patient for a practice under FFS or BestPractice capitation?

- A new patient E&M visits remain FFS, e.g. 99201
Submitted Questions...

Does the **BestPractice** model account for patients with behavioral and mental health needs? I have a large panel already and growing?

- We have recognized the clinical reality and have designated codes to be used which will be paid FFS.
Submitted Questions...

Wouldn’t I be better off if BCBS WNY never decided to place this compensation model into the market place? No one else in the market is pursuing such an initiative.

- **BestPractice** is aligned with national trends and the pendulum swing toward value-based care. CMS and NYS DOH will be making increased efforts to introduce value based reimbursement (VBR) over the next several years. It is highly likely that our competitors will introduce their version of VBR during the same time period.

As a PCP, how is **BestPractice** designed to benefit my practice year-over year?

- Consistent, predictable revenue stream that financially rewards your administrative and clinical efforts to provide high-quality, efficient care. Decoupling from the fee schedule.
Submitted Questions...

Who provides oversight and on-going due diligence over the BestPractice program?

• Cohesive and multi-disciplinary team:
  – Network Management
  – Healthcare Services
  – Actuarial Services
Submitted Questions...

How does **BestPractice** adjust for size of patient panel? One non-compliant patient skews the numbers.

- Quality/HEDIS compliance does not account for panel size, however, efficiency calculations do adjust for outliers.
Submitted Questions...

Are there any “carve outs/clinical consideration inclusions” within the BestPractice program?

Yes.

- Pharmacy has been removed from the medical efficiency formula calculation
- Primary care costs have been removed from the efficiency formula calculation
- Mental health and behavioral codes have been included, paid FFS
A Review of a Sample Financial Impact Statement

Best Practice
Advancing primary care.
Better control of chronic conditions  

Higher quality, more efficient care

What success looks like

Fewer ER visits  
Lower rate of hospital admissions  
Improved community health
Thank you for making the time