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Making the promise of value-based care a reality

Strategies for Payer and Provider Partnerships in a
Value-Based Reimbursement Environment



Introductions



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Today's session

- The ongoing challenges of value-based care
- Keys to success in transitioning to a value-based care model
- How ACO Partner enables care model transitions
- Q&A



Value-based care: Still just a promise?

Medical cost increases are unsustainable

- 5.8% annual growth projection through 2025*
- Growth is ticking up from lower inflation years^ (2014-16)
- Demographics and negative health trends are driving volume demands

Stakeholders want value-based care to manage these costs

- CMS wants 50% of costs paid by value-based models by end of 2018
- Employers and other plan sponsors want models to incent better member health while controlling plan costs

Value-based care adoption shows mixed results so far

- CMS value-based care goal may not be reached by end of next year
- Many physicians struggle with resources to execute on a value-based model
- Traditionally siloed approach to care between providers and payers continues to be a challenge

Sources:

* Centers for Medicare & Medicaid Services National Health Expenditure Projections 2015-2025

^ PwC Health Research Institute "Medical Cost Trend – Behind the Numbers"

Payers are driving to a future that is value-based

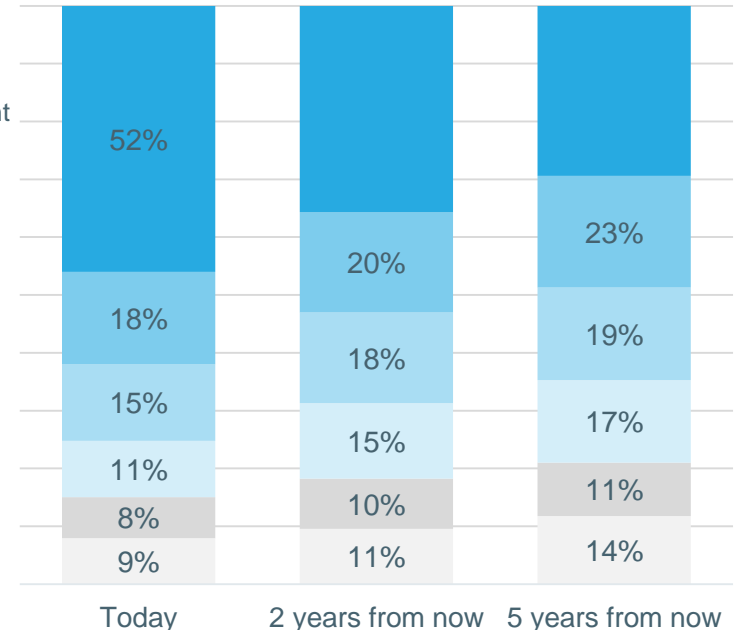
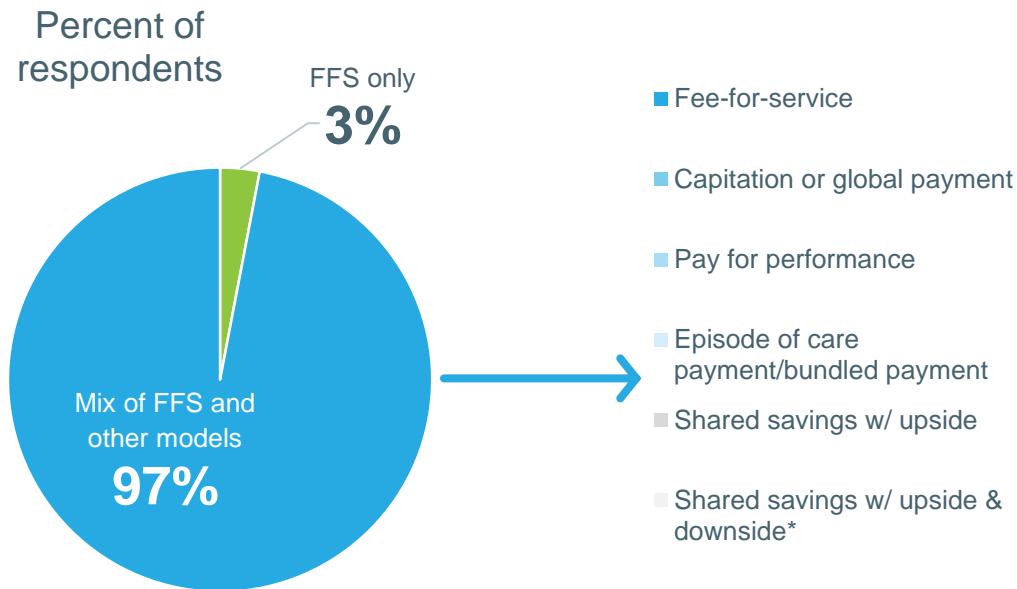
Payer current state

FFS only vs other payment models



Payer future state

Projected mix of payment models within organization among payers who are other than 100% fee for service only



Base: Total payers 2016 (N = 115)

Source: McKesson & ORC International 2016 Study: "JOURNEY TO VALUE: The State of Value-Based Reimbursement in 2016"

Transition mentality is one of resignation despite opportunities ahead

VBC is here to stay

Physicians and health plan executives surveyed:
Source: Quest Diagnostics, June 2017

82% agreed that the transition to VBC will continue
83% agreed that alignment between payers and providers is more important than ever to provide VBC

Transition has only just begun

A majority of hospitals indicated that their **share of risk-based contracts would increase in 2017**
Source: Modern Healthcare, July 2017

15% of surveyed hospitals derived **>10%** their net patient revenue in 2017 from risk-based contracts
75% of surveyed hospitals estimated that risk-based contracts generated **≤ 4%** of their net patient revenue
50%: the share of overall costs that CMS wants paid by VBC contracts by end of 2018

Physicians need to drive

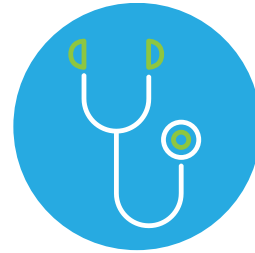
11% of surveyed physicians feel positively about value-based care
Source: MGMA Stat, May 2017

49% → 33%
Estimated share shift of independent physicians in the United States from 2005 to 2016
Source: Accenture, 2015

Value-based care is more than a contract; it is a transformation in care delivery and patient health



Many have signed up to pursue this transformation...



But few have actively transformed despite some early successes...

- Nearly 50% of providers have VBC exposure*
- Increased affiliation of physicians could accelerate VBC adoption
- General agreement amongst payers and providers that collaboration is important

- Positive results have been seen (example: Anthem reduced ER costs by >3% through a value-based program[^])
- Significant capital/technology investment and clinical transformation needed to be successful
- Larger organizations are seeing a greater return on their investments but smaller providers with fewer resources are challenged

Sources:

*McKesson & ORC International 2016 Study: "JOURNEY TO VALUE The State of Value-Based Reimbursement in 2016"

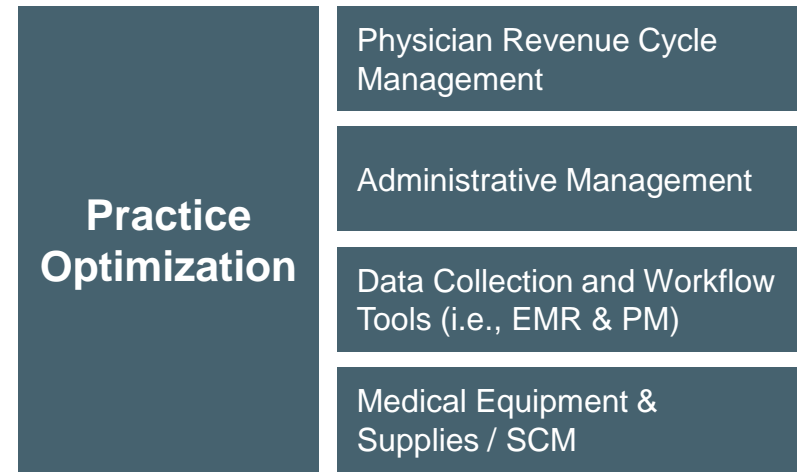
[^] Anthem Public Policy Institute: Early Results from the Enhanced Personal Health Care Program, March 2016

To transform care delivery, clinical optimization should match with practice optimization

Gap to fill for VBC



Sufficient in a FFS world



Payer-provider collaboration is also important to the transformation

Providers



- Financial alignment with payers
- Improved care outcomes and reduced costs of care
- Power to remain independent
- Engagement with common goals
- Access to experienced resources & data

Payers



- Financial alignment with providers
- Improved care outcomes and reduced costs of care
- Expanded Medicare Advantage (MA) product line
- Drive cost savings in both Commercial & MA plans

Patients

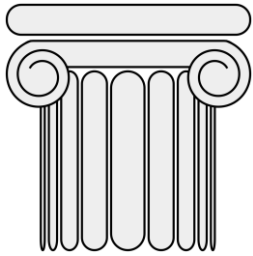


- Improved care access and coordination
- Improved quality of care
- Lower cost of care
- Expanded access to Medicare Advantage product

Provider and Payer partnership can add value and creates better patient outcomes

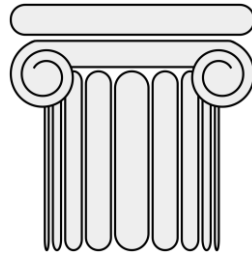
ACO Partner follows four pillars to realize success in value-based care

Planning & Strategy



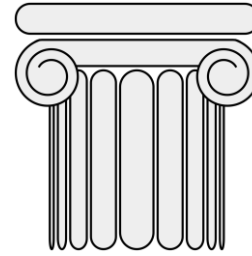
Build the road map required to navigate the local landscape of providers, facilities and payers.

Network Development



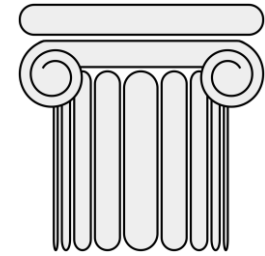
Integrate and develop a clinically connected network of primary care, specialty care, and high-quality, low cost facilities.

Practice Transformation



Transform the practice with hands-on services to support providers in making adjustments in patient flow and care delivery.

Care Coordination



Achieve clinical success by tracking and communicating patient care across the care continuum, including transitions.

Pillars are supported by Population Health Insights

Synthesizing disparate data and turning it into useful information is a critical part of the transformation process

ACO Partner – making the promise a reality



- Joint venture between **BlueCross BlueShield of Arizona and Change Healthcare** – founded 2016, initially focused on the Arizona market
- **Provider-centric** company that operates in a **Payer-neutral** model
- Focused on **achieving the triple aim** by enabling value-based care models
- **Collaborative, primary-care oriented** approach with payers and providers
- **Full spectrum of services and technology tools** to providers in value-based care model

Our payer-provider collaboration model

ACO Partner Platform



**No Provider Cost
Incentivized via Shared Savings**

Implementation Stage

- Payers select products
- Design incentive plan for all stakeholders
- Select quality and efficiency targets
- Providers targeted, reviewed, and recruited

Technology Platforms & Informatics

- Claims-based analytics
- Customized Care Coordination Platform
- Specialist navigation tool
- On-site Clinical Assessments
- HIE Interoperability

Clinical Coordination & Engagement

- Navigation (w/in network)
- Care Coordinators
- Physician Engagement
- Network Developers

Administrative Support

- Value-based contract
- Action-oriented reporting
- Workflow neutrality for participating providers

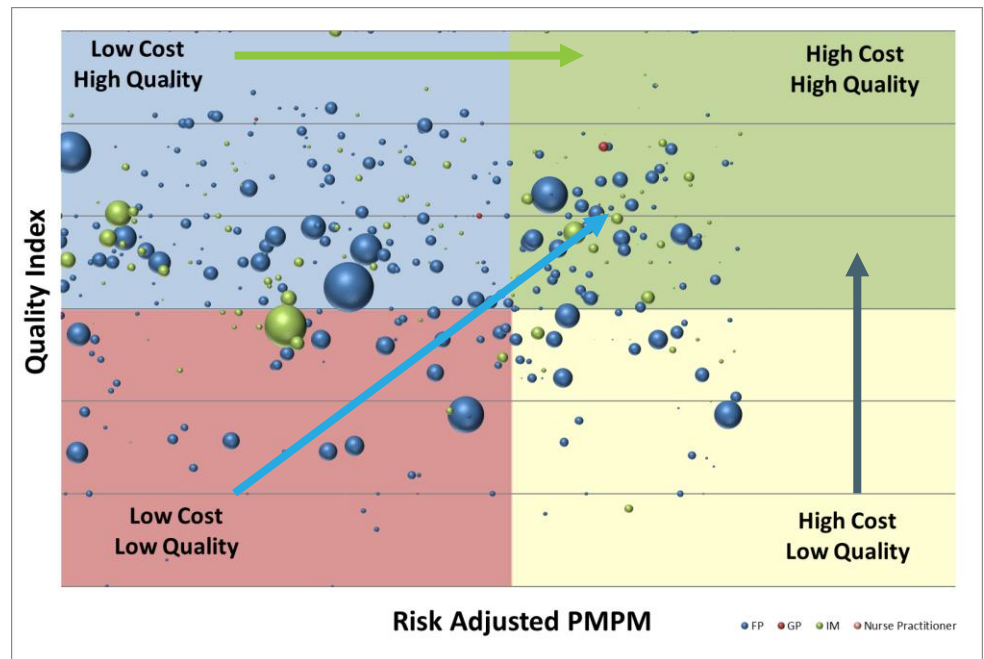
We seek to help our customers achieve the triple aim

	Goal	How we help	Metric
	Improve the patient experience of care	We help providers and payers improve quality of care for patients through successful financial and clinical outcomes.	Improved patient NPS scores
	Improve the health of populations	We help providers and payers use insights and support services to more effectively collaborate across the continuum of care.	Improved scores in at least 9 HEDIS categories
	Improve care efficiency & reduce costs	We help providers and payers participate and succeed in value-based contracts.	Reduce MLR by 5% per year

Data and analytics support care quality and cost

Goal to identify highest risk patient segments within tiers

- Analytics managed by an experienced network development team
- Focus on primary care practices treating targeted payer members
- PCP stratification of patients by cost and quality based on claims data
- Patients in High Cost/Low Quality tier are focus of our Care Coordination program



A care model that goes above and beyond

Four phases of Care Coordination:

1 Welcome call

2 Assess

3 Develop proactive, individualized care plan

4 Monitor & follow-up

Focused on highest-risk patient segment as identified through analytics:

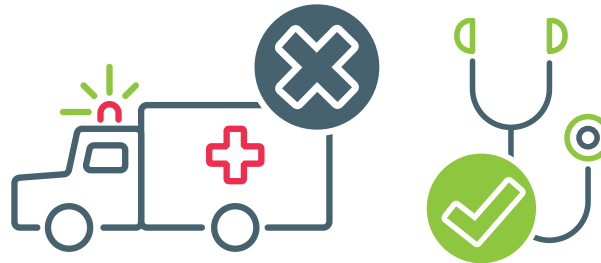
- Led by an **experienced Care Coordinator team** of RNs and MSWs with CMO oversight
- **Patient stratification for outreach** based on claims-based data analytics
- **Comprehensive Patient Onboarding**
 - Welcome call introduces patient to Care Coordinator
 - Care Coordinator leads a comprehensive assessment and develops an individualized, patient-centric care plan
 - HIE participation allows for real-time ADT alerts
- **Personalized ongoing connection** between Care Coordinator and Patient:
 - Care Coordinator monitors patient progress on an ongoing basis and intervenes where needed
 - Option for telephonic or live meetings driven by patient preference
- Program has driven **67% patient engagement** since launch
- Care Coordinators connect back for **PCPs progress reports**:
 - Monthly site reviews with practices to provide updates
 - Monthly Action Reporting – data to improve efficiency and close gaps in care

Care model stories

We empower our Care Coordinators to go above and beyond the typical case management model, increasing patient engagement and enabling them to take control of their health:



Sharing one last meal under the blue roof



“Hold off on the ER; I will make you an appointment for Monday morning.”



Our Care Coordinators do not give up on patients

Lessons learned from our first year:

Communicate	Err on the side of over-communication to customers, partners, and stakeholders
Define Purpose	Create a Purpose Statement with clear goals that all stakeholders can rally behind
Understand and Align	Devote adequate planning time to understand your market and stakeholders and align your organization on drivers of success
People	Hire the best people you can, particularly in clinical leadership
Excellence, Not Perfection	Every day is a learning process in this model so perfection is impossible – fail fast, learn from challenges, and move forward better educated

Where we are and where we're going

Progress in Year 1

- Launched in Arizona with significant uptake
 - More than 600 PCPs statewide
 - More than 40,000 BCBS AZ members
- Consistently surpassed Network Development goals of PCPs and Members in program
- Executed Care Coordination for >50% of Top 200 focus patients (and >33% of Top 1000)

What are our goals for Year 2?

- Continue to advance physician performance and patient engagement
- Grow base of participating PCPs
- Expansion in Arizona
 - Additional customers
 - Additional product lines (Medicare Advantage & Medicaid)
- Grow ACOP into other states
 - Sign on key customers, leveraging statewide strategies
 - Follow PCP recruitment model that was executed in Arizona

Q&A

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