Health Care Reform is Here - Will Independent GI Practice Survive?

John I Allen, MD, MBA, AGAF
Clinical Chief of Digestive Disease - Yale University School of Medicine
President Elect – American Gastroenterological Association
Allina Health Board of Directors
Past Chief Medical Director – Minnesota Gastroenterology

Disclosure

In the past 12 months, I have had no relevant financial relationships with the manufacturer(s) of any commercial product(s) and/or provider(s) of commercial services discussed in this CME activity.

5 Realities of US Health Care

1. Federal and State Governments Set Regulations
2. Employer Groups Will Transform Health Care Delivery
3. Care will be delivered Through Large Integrated Delivery Networks
4. IDN's will be Judged by Their Success in Meeting the "Triple Aim"
   • High Value Individual Experience
   • Improved Population Health
   • Reduced Cost
5. Cost Containment is "Job # 1"
   • 2014 – Exchanges
   • 2018 – Excise Tax on high cost plans
Is This Model is Over?

United States Health Care Delivery 2020

2012 Election Results
Implications for Health Care

• PPACA Fully Implemented
• Exchanges – 2014
• State Budgets Under Pressure
• New Payment Models – Value-Based Reimbursement
• Expansion of Coverage – Medicaid
  – Newly Insured will present for care (IBD, Hepatitis C)
• Increasing Limits on New Technology and Therapies
• New Taxes – 2018 Excise Tax on High Cost Health Plans
WHO WILL REGULATE HEALTH CARE DELIVERY?

CMS

How does the future look?

- Multi-specialty physician group, possibly associate with a hospital
- Participates in Accountable Care Organization program
- Group is measuring patient outcomes via their EHR
- Fully utilizing clinical decision support and population management tools to improve the care and health of their patient population at lower costs
- Measuring across all six national quality strategy priorities
- Uses an intermediary to help with data management and feedback to clinicians
- Reports once to CMS to “receive credit” for their ACO quality measures, meaningful use, PQRS, and physician VBM and aligns with private payer reporting
- We are on a path to have this future example become a reality

CMS framework for measurement maps to the six National Quality Strategy priorities

- Measures should be patient-centered and outcome-oriented whenever possible
- Measure concepts in each of the six domains that are common across providers and settings can form a core set of measures
WHO IS DRIVING DELIVERY TRANSFORMATION?

Employers

No confidence in delivery system, health plans, current “patches”

- P4P
- Quality measurement
- Managed care
- Integration/consolidation (?monopolistic)

An “Accountable Care Plan”

- A Health Plan Sponsored System that drives market share to High Performing Provider Organizations
- Competition at care system level based on
  - Risk Adjusted Total Cost of Care
  - Quality of Care
  - Patient Experience
- Provider systems Negotiations Based on objective measures of value (Quality/Cost)
- Target 3-4 Provider Networks/Systems in each region
- Defined Contribution tied to price of highest value system.

HOW SERIOUS ARE THEY?
PBGH Members

National Bundled Payment

Free Cardiac And Spine Surgery For Walmart Employees At Six Hospitals

Safeway: applying the concept to lower cost services

Colonoscopy Cost Per Procedure – Greater SF Bay Area
RETAIL BUSINESS VIEWPOINT

FOCUS ON REDUCTION IN UNIT COST

WORLD'S EXPERT? WALMART
– FASTEST GROWING DEVELOPER OF PRIMARY CARE IN THE UNITED STATES

What is an Exchange?
“Expedia” for Health Insurance

- Core function of exchanges in Section 1311(d)
  - Certifying, Recertifying, Decertifying Health Plans
    - “Metal Tier” (platinum, gold, silver or bronze)
  - Provide Standardized Information about benefits and costs
    - Coupled with Public Web Sites Focused on Provider and Hospital Quality
- Aid enforcement of mandates (with IRS)
- Eligibility of individuals for Federal or State Subsidies
- Information in multiple modalities
- Facilitates Enrollment in Selected Plan

There is now an extensive history for Private Exchanges – Public Exchanges will Follow
Trends That Will Alter Your Practice

- Performance Measurement
- Massive Consolidation
- Cost Containment
- Accountability
- Population Management

You Will Be Paid Under Different Rules

- Fee For Service
  - Patient with Health Condition → PCP → Specialist → Patient Outcome

- Value-Based Reimbursement
  - Episode of Care
  - Patient with Health Condition → Hospital, PCP and Specialist → Patient Outcome

Consolidation
Recent Mergers

- For Profit Hospital Companies (5 Left)
  - Tenet – Vanguard
    - 77 Hospitals in 30 markets
  - Community Health – Health Management
    - 206 Hospitals in 29 States
- Not For Profit Health Systems
  - Catholic Health East – Trinity ($12.8 B)

Connecticut?
The Cost of Independent Practice will drive most physicians out of an ownership position.

We are seeing the emergence of large integrated delivery networks that demand true clinical coordination and are measured by their success achieving the triple aim.
**THE CRITICAL QUESTION**

Market Options for IDN's

- Closed or Restricted Network
  - Business + Clinical Integration
  - Employed Providers
  - Tightly Controlled HIT

- Affiliated Model
  - Wider Network
  - Clinical Integration but Looser Business Relationships
  - Some Employed Providers (PCP)
  - Affiliated Specialists
  - Controlled HIT within core but interface with others

- Academic Center
  - Teaching and Research Mission
  - Cumbersome patient experience
  - Safety Net
  - Reduced high margin work
  - Department silos sometimes reduce clinical integration efforts

Today

- GI Endoscopy
  - GI Surgery
  - Clinic-Based Care
    - GI Consult
  - In Patient Care
    - ED Visits
    - Nursing Homes
    - Home Care
  - Ambulatory Endoscopy (Screening Colonoscopy)
    - Professional Fee
    - Facility Fee
    - Pathology
    - Anesthesia

Tomorrow

- Minimally Invasive GI Specialists
  - Coordinated Care
    - Clinical Service Lines
    - Advanced Electronic Medical Record
    - Episode of Care Payment
    - Predictive Modeling
    - Outcome-Based Payment
    - Medical Homes
  - CRC Prevention
    - Options for Screening
    - Bundled Payments
    - "Value" Measures
    - Risk Stratification
    - High-Value Colonoscopy
Components of AGA’s Clinical Service Lines
Tools for Practice

1. Guidelines and Key References
2. Clinical Algorithms
3. Performance Measures
4. Registry and Recognition Programs
5. Reimbursement Guides including new “Bundles”
6. Patient Focused Tools
7. Definitions for EMR Data
8. Professional Education and Recertification
**AGA Task Force on Colonoscopy Bundle**

- Definition of Population
- Pre-Operative Services
- Colonoscopy – all aspects
- Post Procedure 10 Day Interval
- Reporting Services
- ICD, CPT and Exclusions
- Link to Outcome Measures and Public Reporting

Allows a sophisticated, integrated practice to negotiate favorable rates with self insured companies, ACO’s and IDN’s

**Adenoma Detection Rates From Screening Exams in Men Age 50 and Older**

Minnesota Gastroenterology

Each bar represents one Endoscopist’s Results: % of Screening Colonoscopies where a precancerous polyp was found. Data from 2004 (left) and 2010 (right) – after multiple interventions to increase rates. Average number of Exams per partner = 210 (range 76-467)

**IBD Care Today and Tomorrow**

- 8,876 IBD Patients of Minnesota Gastroenterology
- Your 9:30 AM Patient with Moderately Active Crohn’s

- Sonic

- Combination Therapy

- CDS Tools Queries EMR
- Preventive Care
- Lab Monitoring
- Clinical Status (Active Disease, Hgb)
- Patient Engagement Surveys, SD Tools
- Red Flag Alert for Medical Assistant
- Clinical and Research Issues
- Clinical Algorithms and Standard Order Sets
- After Visit Data sent to Outcome Registry
- Performance Measure – Incentive Payment
**Chronic Care Model**

- Healthy
- Worried Well
- Impending Illness
- Chronic Illness

**Components**
- Care Algorithms
- Treatment Guidelines
- Boundary Definition
- Price Analysis with actuarial analysis
- Key Performance Indicators
- Outcome Measures

**Proactive Preventive Care**
- Evidence-Based Treatment
- Team Management
- Same Day Appt

**Predictive Modeling Urgent Care**
- Multi-Specialty Clinics

**Chronic Care Model**
- Medication Management
- Urgent care

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**IF YOU WANT TO STAY IN BUSINESS YOU WILL NEED TO DEMONSTRATE HIGH QUALITY AND LOW COST**

**10-STEP ROADMAP TO BECOMING A VALUE-BASED PRACTICE**

1. Get Organized (Big is good) and Clinically Integrated
2. Strong, Fair, Knowledgeable Governance
3. Culture of Quality with Committed Leadership
4. Business/Comp Structure that = Cooperation and Measurement
5. Internal Process Improvement (Standardize)
6. Know Federal, State, Commercial and Regional Initiatives
7. HIT that supports dynamic, point of care feedback and robust population management
8. Aggressively pursue "Populations" of Complex Patients
9. Build Capability to Assume Risk (Financial, Performance)
10. Total Cost of Care – Shared Risk

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**Change is inevitable... Survival is Optional**