

A man in a red shirt is sitting on the deck of a sailboat, looking out at the ocean. The boat is on the water, and the sky is clear. The man is wearing a red t-shirt and blue shorts. The sailboat has a red sail and a brown tarp. The ocean is blue and the sky is light blue.

# Pay-for-Performance Clinical and Financial Alignment

Seeing the big picture to solve the biggest problems in health care.

# Introductions

## Matrix Medical Network

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# The Day-to-Day Perspective

- Familiar with our immediate surroundings and the people we work closely with
- Following the policies and procedures that are assigned to our business, our function, our department
- Meeting the demands of the transactional world

In times of significant change we need to step back and reassess the broader picture.



# Significant Change in Health Care is Underway

- **New MLR rules along with fiscal pressure** on governments, payers and providers are causing the health system to reassess how care is delivered and compensated
- **Quality improvement rules** result in moving most care management and delivery costs into the MLR calculation:
  - > Improve health outcomes, including increasing the likelihood of desired outcomes compared to baseline and reducing health disparities among specified populations
  - > Prevent hospital readmissions
  - > Improve safety and reduce medical errors, lower infection and mortality rates
  - > Enhance the use of health care data to improve quality, transparency and outcomes
- **MLR look back rules** will require a higher level of precision year to year; dampening the underwriting cycle.
- **Industry is responding** with increased performance-based compensation models
  - > Looking at care management and delivery from a broad systems perspective
    - “Right care, right time, right place”
  - > Realigning internal and external care activities, measurement and payment to achieve optimal results

# A Broad Systems Perspective



# Agenda

## Clinical and Financial Alignment

**The End:** High quality care, optimized cost and organizational sustainability

**The Means:** Aligned care activities, measurement and payment

**Case Studies:** Evercare  
Matrix Medical Networks  
Park Nicollet Health System



# High Quality Care, Optimized Cost and Organizational Sustainability

Agreement

Individual centric

Holistic

Evidence based

Cost effective

Integrated

Disagreement

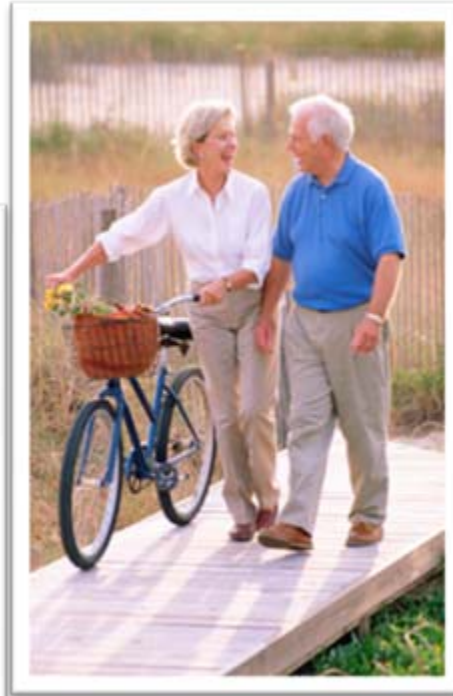
Roles in care delivery

Measurement

Payment

**Conflict = Convergence of Different Purposes**

# Align Care Activities, Measurement and Payment





# Align Care Activities

Combine the Best Theory and Best Practice Methodologies



To Deliver Impact



# Align Care Activities: Programs

Wellness, Prevention, Health Promotion	Disease Management	Complex Care Management	End of Life
Magazines/Newsletters Catalog — health items Home safety Screenings Immunizations Nurse line Wellness coaching Exercise program Weight management Smoke cessation Memory care Healthy pregnancy	Asthma COPD Memory loss Spines and back Oncology Depression/anxiety Diabetes CKD ESRD CAD CHF Arthritis Osteoporosis	High-risk pregnancy Community — Multi-chronic/geriatric syndrome/disabilities Community frail (NHC) LTC services coordination Nursing home residents End-stage renal disease	Advanced care planning Palliative care Hospice

# Align Care Activities: Programs (cont.)

## Utilization Management

- Prior authorization
- Benefit determination
- Behavioral health
- Hospital diversion
- Concurrent review/notification
- Discharge planning
- Retrospective review

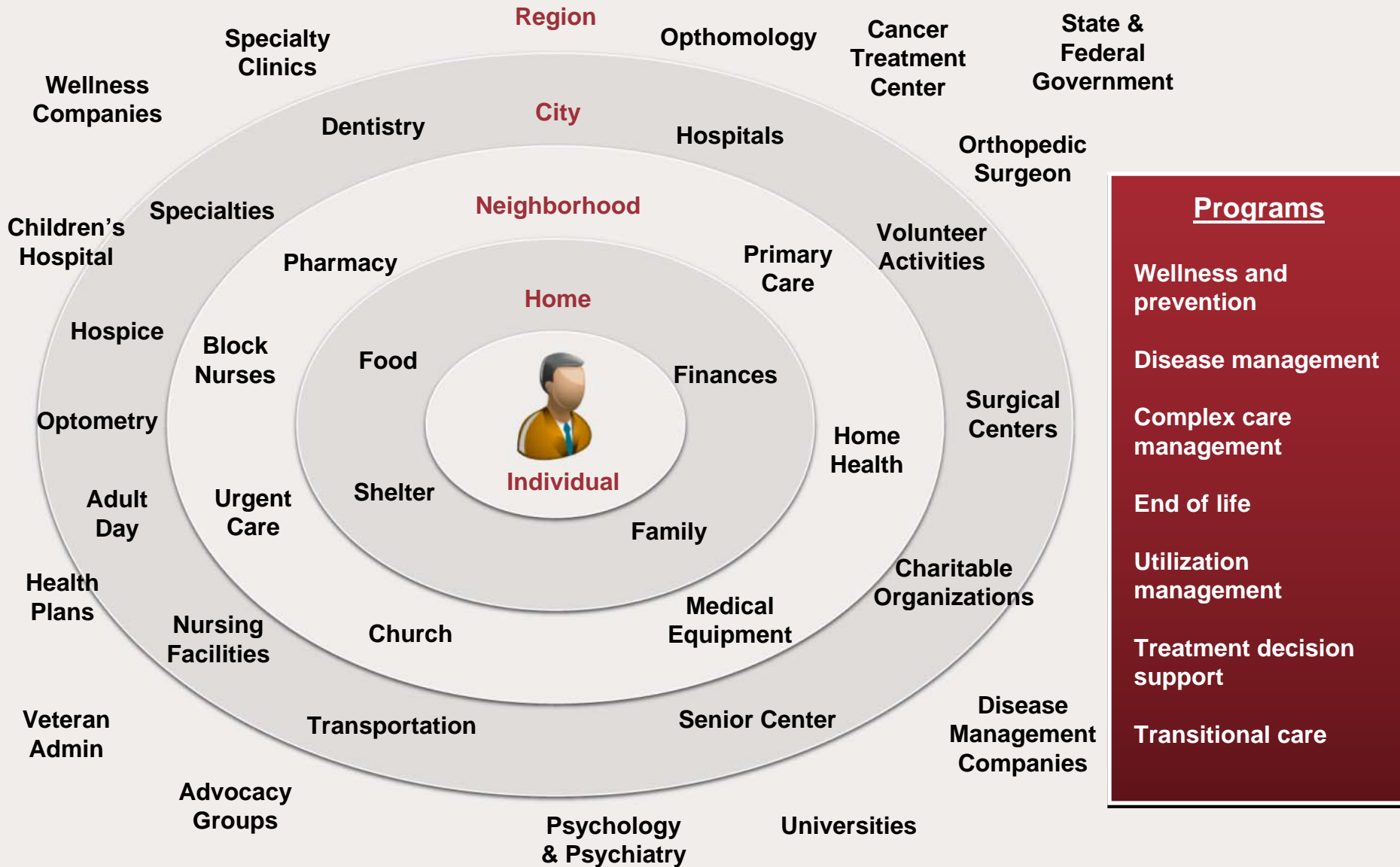
## Treatment Decision Support

- Transplant
- High-risk pregnancy
- Reproductive
- Neonatal intensive care
- Neuroscience
- Orthopedics
- Research and referral — access
- Cardiac
- Cancer
- Bariatric surgery

## Transitional Care

- Hospital to home
- Hospital to skilled nursing facility
- Hospital to long-term acute care
- Skilled nursing facility to home
- Long-term acute care to home
- Provider to provider

# Align Care Activities: Operations



# Align Care Activities, Measurement and Payment

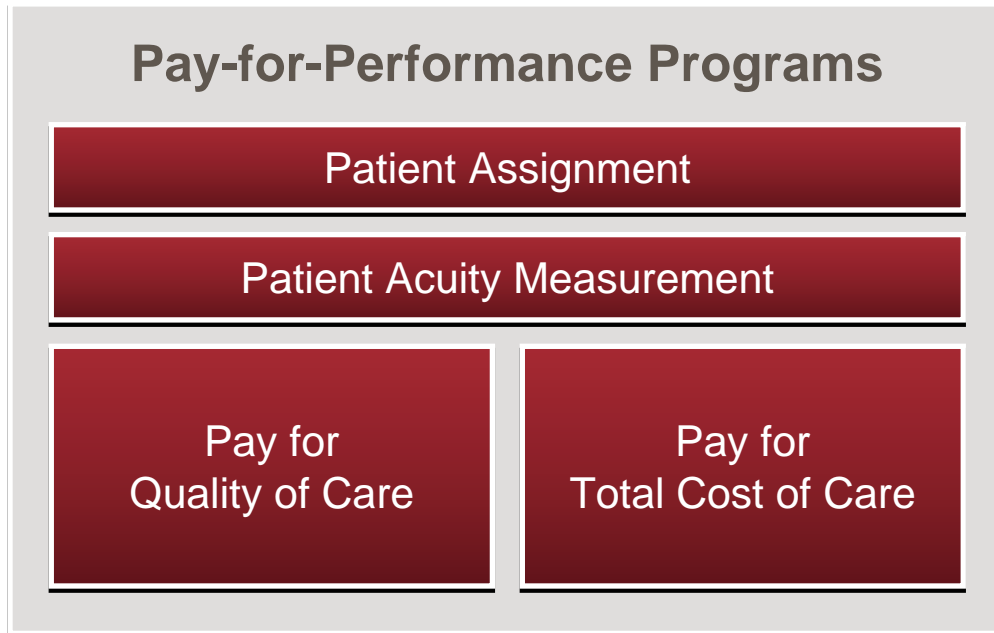


## A Picasso View of Health Care?

# Align Care Activities, Measurement and Payment *(cont.)*

1. What does the research and best practices say is the best approach to caring for individuals with a particular condition, group of conditions, socio-economic status, etc.?
2. How many of these individuals are assigned to us for management?
3. How do we organize and align the care delivery system to accomplish our quality and total cost of care objectives?
4. How do we align the measurement of the participants in the care delivery system to achieve desired behaviors and create sustainability?

# Align Measurement and Payment



## Patient Assignment

- Insurance product type
- Attribution algorithms
- Select populations

## Patient Acuity Measurement

- Disease burden
- Procedure burden
- Pharmacy
- Demographic characteristics
- Level of function

## Pay for Total Cost of Care

- Treatment
- Treatment bundle
- Episode
- Cost category(s)
- Annual cost
- Cost over time

## Pay for Quality of Care

- Gaps in care
- Patient satisfaction
- Advanced care processes
- Advanced care technology

# Matrix Medical Network

**Joseph Villa**  
SVP Product Development



# Matrix Medical Network

## The Value We Deliver

### Financial Alignment

Help our clients achieve most appropriate and defensible reimbursement from CMS for their given population.

### Care Optimization

Help our clients achieve optimal care integration and delivery (outcomes, quality, cost).

# Matrix Medical Network

## Our Services

### Whole Population Health Assessment

- Prospective Health Risk Assessment (Home and Facility)
- Physician Diagnosis and Documentation Bulletins (with Physician Payment Program)
- Medical Record and Chart Extracts

### Care Management

- Skilled Nursing Facility Medical Management
- Transition of Care Program
- Advanced Illness Planning and Coordination
- Integration with Other Care Management Programs and Resources

# Matrix Medical Network

## Case Study #1: Physician Bulletins

### Patient Bulletin Confidential Protected Health Information

Physician Name	Patient Last Name	First Name	MBR ID	DOB	Next Visit
JANE DOE M.D.	SMITH	JOHN	1234567890	1/1/1932	2/10/2011

Office: Astoria

#### Diagnostic Opportunity

	ICD-9	Description	Date Of Reference	Provider	Reviewer Notes
<input type="checkbox"/> Agree <input type="checkbox"/> Disagree	412	OLD MYOCARDIAL INFARCTION	8/15/2009	Dr. Jones	This diagnosis was previously documented on 8/15/2009 by Dr. Jones. Please consider documenting for 2011 if patient meets criteria.

Comment: \_\_\_\_\_

<input type="checkbox"/> Agree <input type="checkbox"/> Disagree	585.3	CHRONIC KIDNEY DISEASE, STAGE III (MODERATE)	9/12/2010		This diabetic patient had decreased GFR noted on 3/29/2010 (44.59) and 9/12/2010 (48.13). Please consider documenting this diagnosis for 2011 if patient meets criteria.
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Comment: \_\_\_\_\_

<input type="checkbox"/> Agree <input type="checkbox"/> Disagree	250.40	DIABETES WITH RENAL MANIFESTATIONS TYPE II OR UNSPECIFIED NOT STATED AS UNCONTROLLED	9/12/2010		If in your clinical judgment the suspected diagnosis of CKD (see note above) is due to diabetes, please consider documenting this diagnosis for 2011.
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Comment: \_\_\_\_\_

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CKD Stage	Glomerular Filtration Rate (GFR)
1	> 90
2	60-89
3	30-59
4	15-29
5	< 15

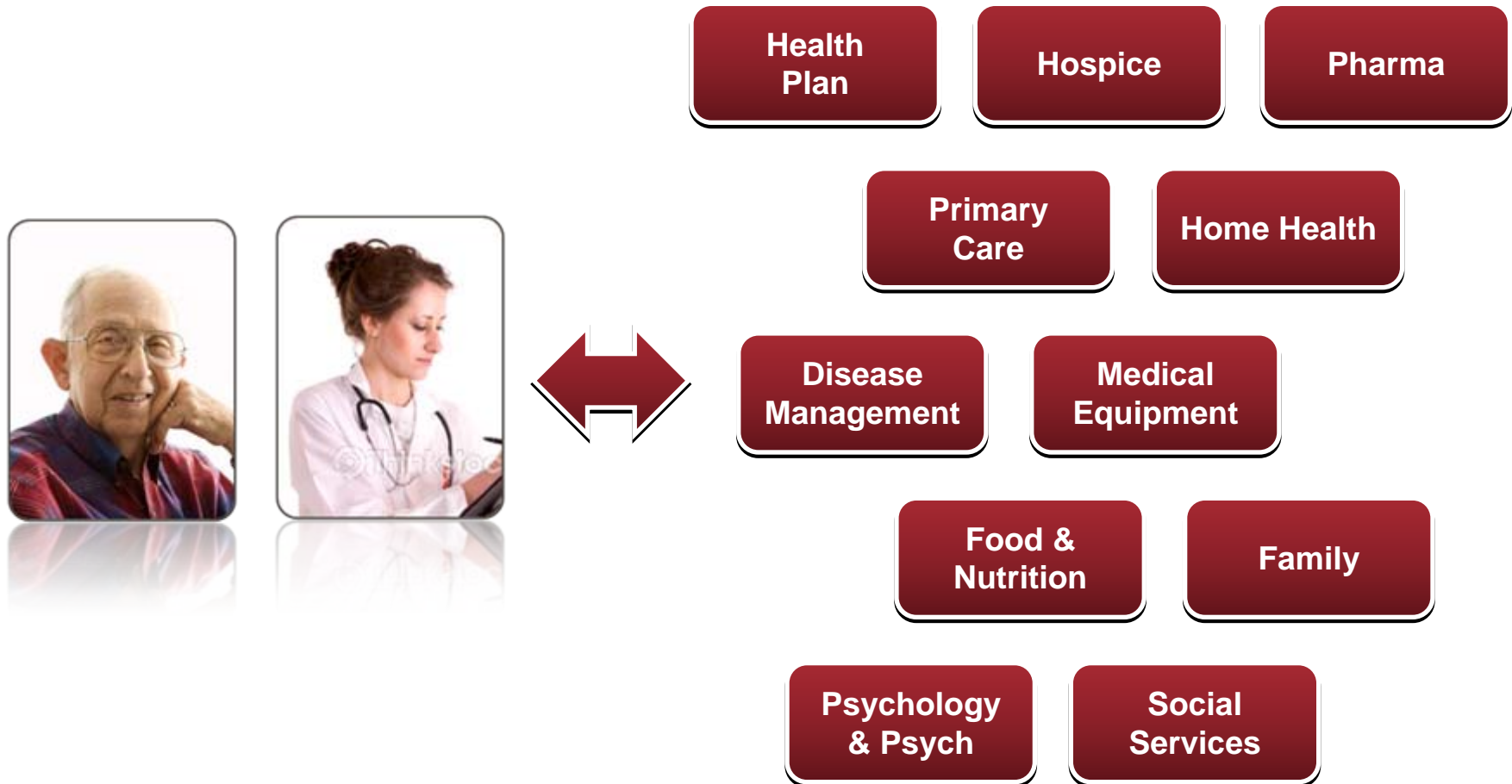
Source: National Kidney Foundation

## Identifies potential opportunities for improved diagnosis documentation

- Includes clinical basis for observations and recommendation
- Provides guidance for accurate documentation
- Includes simple feedback mechanism
- Always with deference to physician's clinical judgment
- Coupled with Pay-for-Participation

# Matrix Medical Network

## Case Study #2: Care Integration



# Ingenix Consulting

**Scott J. Fries**

VP Business Strategy, Development and Analysis

# Case Studies – Special Needs Plans

## Institutional Special Needs Plans

- Improve care and cost of individuals living in nursing homes
  - > The Care: Increased frequency of physician/physician extender visits, increase communication with nursing home staff, family/responsible parties and individual
  - > The Measurement: Targeted SNP Quality of Care Measures, avoidable hospitalizations, advanced care planning, appropriate pharmacy usage
  - > The Pay: Removed three-day stay requirement for skilled day payment. Shared savings payment based on reduction of avoidable hospitalization and quality outcomes
  - > **The Result:**

## Erickson Advantage CCRC Demonstration

- Improve senior care through the integration of housing and medical care
  - > The Care: On campus care providers including primary care, key specialties, home health, nursing facility care, transportation
  - > The Measurement: Targeted SNP Quality of Care Measures, Avoidable hospitalizations,
  - > The Pay: Physician compensation rate schedule include after-hour visits and flat fee for on-site nurses and social workers, insurance company provided insurance and contract services, back of the house transaction processes and data analytics for flat fee. Shared risk on quality and financial outcomes for both parties.
  - > **The Results:**

# Case Studies – Accountable Care Organizations

## Physician Group Practice Demonstration

### ○Background

- Began in 2005 with 10 large group practices; 4 year demonstration
- FFS Medicare beneficiaries assigned (attributed) to the group based on % of care being received from the group
- Quality targets and shared savings targets based on a risk adjusted control group

### ○Outcome

- Quality
  - Year 1: 8 of 10 organizations achieved 85% or higher on quality measures
  - Year 4: 10 of 10 organizations achieved 90% or higher on quality measures
- Financial
  - Year 1: 2 of 10 organizations achieved > 2% savings compared to control group
  - Year 4: 5 of 10 organizations achieved >2% savings compared to control group

### ○Conclusions

- High quality progressive groups stepped forward to participate in the program
- Financial objectives were difficult to achieve for these organizations for various reasons.
  - Identification of beneficiaries assigned to them
  - Adjusting care delivery protocol with reach outside of system walls
  - Appreciating the impact of accurate and complete disease coding

# Questions?

