

# Rural Realities: Value-based payment and accountable care organizations

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# Learning Objectives

PARTICIPANTS WILL WALK AWAY WITH

1. Lessons learned: joining and participating in Value Based Payment models, emphasis on ACO
2. What is the value of participating as a network of rural hospitals?
3. What is the status of the CHART model in Washington State.



# Rural Collaborative Participation in ACO



## Why

- Positive Intent – Do right by the patients
- Willing “first movers”

## Why PSW

- Strong track record
- Strong presence in D.C.
- Local
- Interested in a rural strategy
- Reasonable financial model for rurals

# Eric Moll

CEO, Mason Health



*Mason Health*

*Mason General Hospital • Mason Clinic*

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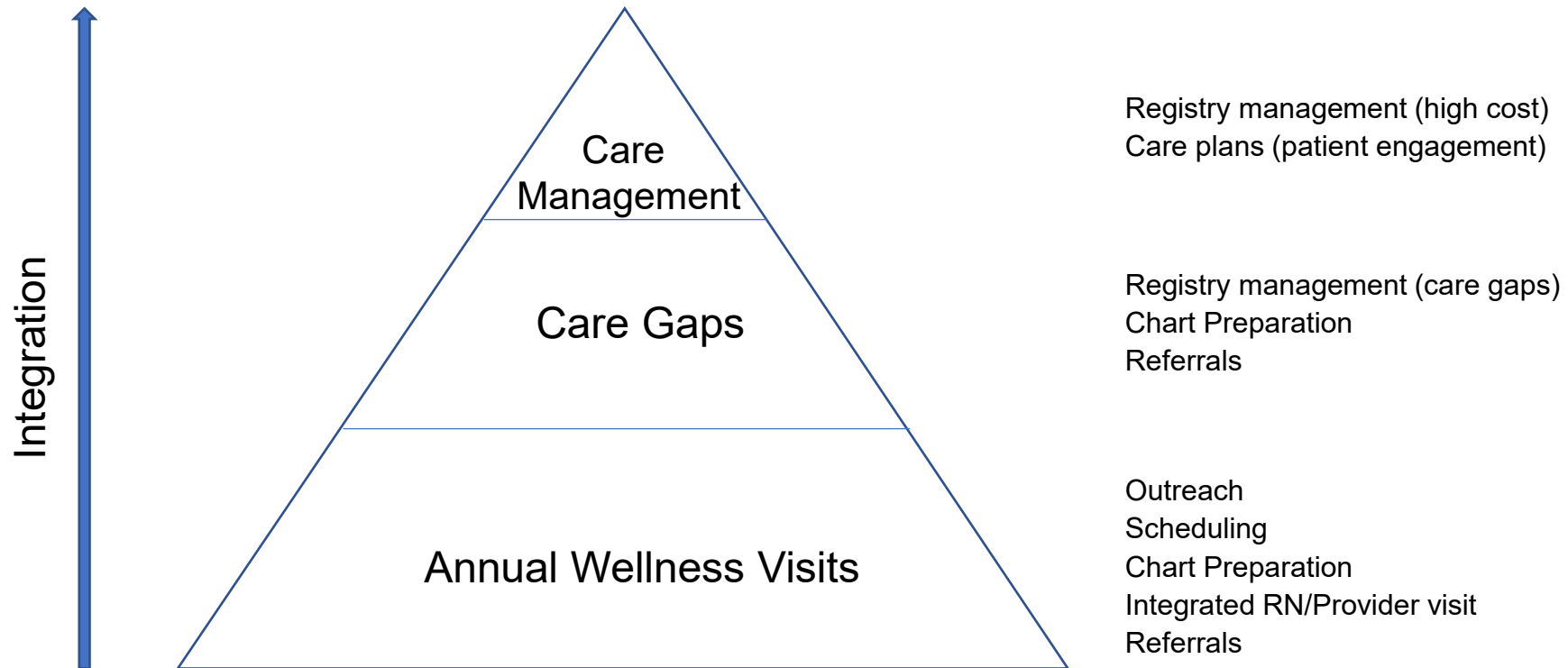
# Sharing insights on ACO considerations

- Lessons learned from three ACO tours of duty
- Top three considerations for joining an ACO
- Mason Health's long-term (ACO) strategy

# Lessons learned from 3 ACO tours

1. Don't do an ACO just for the experience. Too much time and money is required to integrate into operations if it's not part of your strategy.
2. Paying physicians for quality will get the opposite result.
3. New competencies (e.g., care coordination) take years to develop. Unlikely to see material reductions in costs due to care coordination in the first few years.
4. CMS data will arrive too late to be relevant in the first year. Prepare to be frustrated.
5. CMS benchmarks are like playing a football game where the goal posts are constantly moving, the boundaries lines are shifting, and rules are made up while playing the game.

# Lessons learned: rebuilding care coordination



Lesson Learned: Difficult to integrate care coordination if STARTING with care management. Lack of physician “buy-in” equaled no adoption of chronic care plans and RNs functioning as community health workers.



# Lessons learned: VBP is vague and confusing!

- ChatGPT (define VBP): Value-based purchasing (VBP) is a healthcare reimbursement model in which payment is based on the quality and outcomes of care provided, rather than the quantity of services delivered. **The goal of VBP is to incentivize providers to deliver high-quality, efficient care, while also controlling costs.** This can be accomplished through a variety of mechanisms, such as pay-for-performance programs, accountable care organizations, and bundled payment arrangements.
- ChatGPT (define quality): Quality can have **different meanings depending on the context**, but in general, it refers to the degree to which something meets or exceeds expectations or standards. In the context of healthcare, quality can refer to the **effectiveness, safety, and patient-centeredness of the care provided.** Quality can be **measured in various ways**, such as through clinical outcomes, patient satisfaction surveys, and process measures. The goal of quality improvement efforts is to increase the level of quality in healthcare by identifying and addressing areas for improvement.
- ChatGPT (define value): Value, in the context of healthcare, refers to the **relationship between the outcomes achieved and the resources used** to achieve them.
- Mason Health: We focus on specific (measurable) strategic objectives (e.g., improving population health through care delivery transformation). Since value is often shown as an algebraic formula, we avoid subjecting our staff to it (but this is thought-provoking in a conference setting).

# What are the top 3 considerations?

- 1. Cost:** Joining an ACO may require upfront investments of time and money, including the cost of participating in quality improvement initiatives and the cost of implementing new systems and processes.
- 2. Culture:** Joining an ACO requires a strong commitment to teamwork and collaboration among healthcare providers. Rural hospital executives should consider whether their organization's culture is compatible with the collaborative model of an ACO.
- 3. Risk:** ACOs typically involve some level of financial risk, as providers may be required to take on a share of any cost savings or losses that result from their efforts to coordinate and improve care. Executives should carefully consider their organization's risk tolerance and ability to manage this risk.

# Mason Health's long-term strategy

- 1. Improving care coordination** - Bringing together different types of healthcare providers, such as hospitals, primary care doctors, and specialists, to work as a team to coordinate a patient's care. ACO data helps identify partners (e.g., SNFs, specialists).
- 2. Fostering a culture of continuous improvement** - Leveraging the Baldrige framework lean management system to drive transformation. ACO fosters learning environment by sharing best practices (e.g., care coordination) among members.
- 3. Engaging patients and families** - Helping them to understand their health conditions and empowering them to make informed decisions about their care. ACO provides emphasis on annual wellness visits and care management.
- 4. Managing population health** - Focusing on the care delivery (e.g., care gaps) portion of population health. ACOs provide the data for analytics to identify patterns and trends that can inform care delivery.
- 5. Building strong partnerships with payers, community organizations, and other healthcare providers** - Help ensure that our patients receive the best possible care. ACO opens the door to a different kind of conversation.

# Jake Woods

Director of Accountable Care Models, Physicians of SW Washington

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# Insights from the ACO Perspective

- Opportunities for rural organizations to be successful in ACO Models
- Services ACOs provide for partnering organizations
- Considerations for evaluating ACO participation and a long-term Value-Based Care strategy

# About PSW



- An early adopter of value-based care, PSW was founded by independent physicians to ensure the patient-physician relationship remains central.
- Our 28 years of experience built a population health infrastructure to support value-based care models.
- Launched NW Momentum Health Partners (**NWMHP**) Accountable Care Organization (ACO) in 2016.
- Offers a full suite of services, tools, and resources that support population health management and the transition from volume to value.

## *PSW Mission Statement*

*Accelerating the transformation of healthcare from volume to value through innovation and collaboration to achieve outcomes that improve the health of our communities.*

# PSW's Value-Based Continuum

Portfolio Diversification	Expanded payer portfolio to maximize care continuum for patients and providers across populations of covered lives (Commercial - Medicare Advantage - Medicare Advantage)
Physician Alignment	Ability to aggregate a diverse network to leverage model value, build sustainability, mitigate risk and earn financial rewards
Physician Independence	Prioritize physicians' choice to remain independent by creating pathways of opportunity
Policy/Advocacy	Be the voice for those we represent – lead, participate and influence for our partners
Strategic Alignment	Be on the leading edge of healthcare innovation to retain relevance and value

# NWMHP ACO's Performance

2017 - 2021

## AVERAGE QUALITY SCORE



## GROSS SAVINGS TO MEDICARE



## AVERAGE ACO SAVINGS RATE



## ACHIEVEMENTS

- » Ranked top 3 for Post-Acute care & lowest cost of care per beneficiary
- » Reduced ACO spending by an average of 5.7% since 2017

## ACO MODELS

### Participation

- ✓ 2023 – REACH
- ✓ 2022 – Direct Contracting
- ✓ 2017-21 – NGACO
- ✓ 2019-21 – BPCI-A

### TPA Experience

- ✓ MSSP

### Evaluating

- ✓ Enhanced Oncology Model





# Value-Based Care in Rural Areas

## Why did we start this partnership?

- Great opportunity to rapidly change healthcare in rural areas.
  - Connected communities
  - High engagement
  
- Common struggle with access to care and resources
  - Greatest need for coordinated care
  - Bring in additional funding and resources for the community
  
- The Rural Collaborative brings a unique partnership of several organizations to share in risk strategies
  - Strengthen current competencies to optimize performance
  - Build along the path to risk
  - Participate together and jointly thrive in Value-Based Care

# Value of ACOs

**ACO Models are a payment approach that gives added incentive payments to provide high-quality and cost-efficient care. Initiatives apply to a specific clinical condition, a care episode, or a population**

<b>Beneficiary Outreach and Engagement</b>	<b>Provider Benefits</b>	<b>Population Health Management</b>	<b>Care Management Services</b>	<b>Benefit Enhancements</b>
<ul style="list-style-type: none"><li>• Remove barriers of confusion</li><li>• Education and visual information</li><li>• Notification of physician alignment with ACO</li><li>• Engagement of both providers and practices</li></ul>	<ul style="list-style-type: none"><li>• MIPS reporting exclusion</li><li>• Opportunity to achieve Shared Savings</li><li>• Shared learning environment / resources</li><li>• Support with care coordination</li></ul>	<ul style="list-style-type: none"><li>• Data analytics which providers utilize to improve health outcomes of beneficiaries</li><li>• Leverage efficiencies and results across new models AND different payer contracts</li></ul>	<ul style="list-style-type: none"><li>• Coordinated care of beneficiaries, limiting future complications</li><li>• Limiting future complications can relieve economic burden on beneficiaries</li></ul>	<ul style="list-style-type: none"><li>• Social determinants of health assistance, community engagement, and post-acute partnerships</li><li>• SNF 3-Day Rule Waivers</li><li>• Incentives to drive beneficiary self-management</li></ul>

# ACO Considerations

**Rural Organizations must weigh the opportunities and challenges to ACO participation**

## Opportunities

1. Additional benefits for your patients
2. Care Redesign
3. Shared Savings
4. Seat at the table for national policy
5. Prepare for the CMS/CMMI 2030 goal

## Challenges

1. Downside financial risk and escrow
2. Staffing/Resources
3. Cost Reporting & changing rates
4. Post-Acute Care (Swing Beds)
5. Implementing care redesign initiatives



# Suite of ACO Services

## PROGRAM & GOVERNANCE OVERSIGHT

- Contracting and reporting
- Compliance
- Quality Reporting
- Policy & Advocacy
- Administrative Functions

## CARE MANAGEMENT

- Prevention strategies and education
- Transitional Care Management
- Comprehensive Care Management
- Social Determinants of Health
- Remote Patient Monitoring
- Post-Acute Care Management

## BENFICIARY OUTREACH & ENGAGEMENT

- Remove barriers of confusion
- Voluntary alignment
- Engagement of providers and practices
- Education and collateral

## PROVIDER & NETWORK ALIGNMENT

- Communication
- Shared learning opportunities
- Network management
- Secure online Partner Portal
- Education and resources
- Marketing and collateral

## POPULATION HEALTH MANAGEMENT

- Data Analytics + Actionable Data
- Population Health Tech Platform
- Performance Metrics
- Scorecards
- Actuarial Services

## PROGRAM MANAGEMENT & COMMUNICATION

- Executive Joint Operating Committee
- Quarterly Townhall Meetings
- Quarterly Partner Check-ins

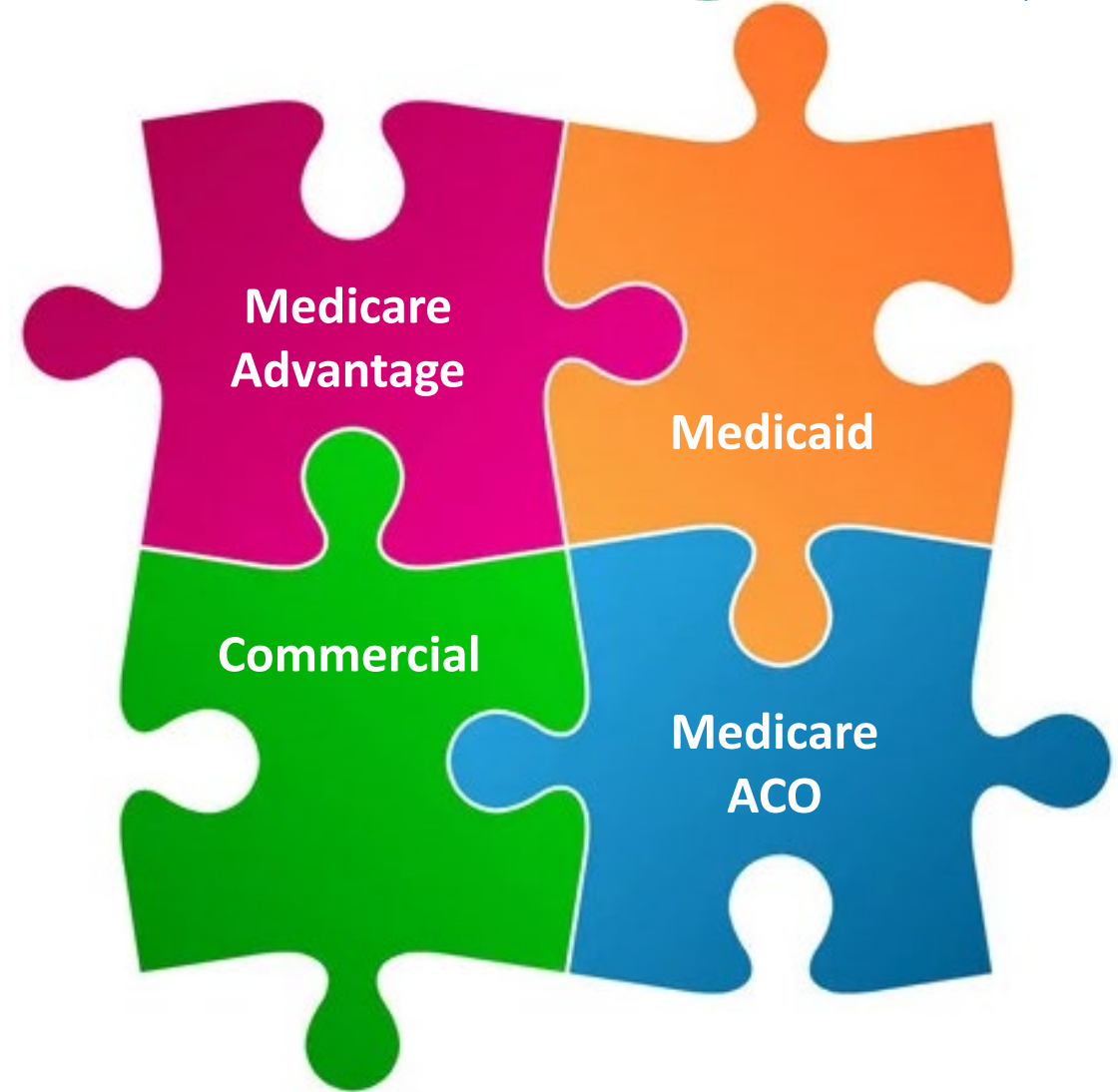
**FOUNDATIONAL POPULATION HEALTH  
PLATFORM BUILT IN PARTNERSHIP WITH:**





# Leverage ACO Experience

- ACOs are one piece of a larger Value-Based Care strategy
- Participation in an ACO provides experience to be leveraged in other contracts
  - Standardize workflows
  - Build a foundational infrastructure
  - Integrate initiatives to produce better outcomes
- Creates pathways for participation
  - A 'meet you where you are' approach
  - Arrangements that eliminate barriers to entry
  - Assisting organizations to share in risk



# Evaluating ACO Participation



Determine if joining an ACO aligns with your organization's goals and priorities



Engage with a trusted ACO to explore options



Evaluate if you will be financially successful – cost projections and performance



Identify areas for improvement and organizations to work with (CBOs, Post-Acute Facilities, etc.)



Decide which model is the best fit (Risk, benefits, flexibilities)

# Jacqueline Barton-True

Vice President, Washington State Hospital Association



Washington State  
Hospital Association

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# Community Health Access and Rural Transformation (CHART) Model

- Alabama\*, South Dakota, Texas and Washington
- 7-year model 2021-2028
- Capitated Payment APM- prospective, bi-weekly payments based on historical expenditures with adjustments
- Goals- stability, improve rural access and quality
- December 2022- no one jumped



# Washington Experience

- Need guarantee CPA will be at least equivalent to fee-for-service (FFS) (or better, CPA+%)
- Need upfront investment for transition to global budget
- More transparency of requirements

**What's Next?**

# Questions and Answers