Financial Incentives to Improve Community Health

Presentation to the National Organization of State Offices of Rural Health

Annual Meeting

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Platform of the Patient Protection and Affordable Care Act of 2010

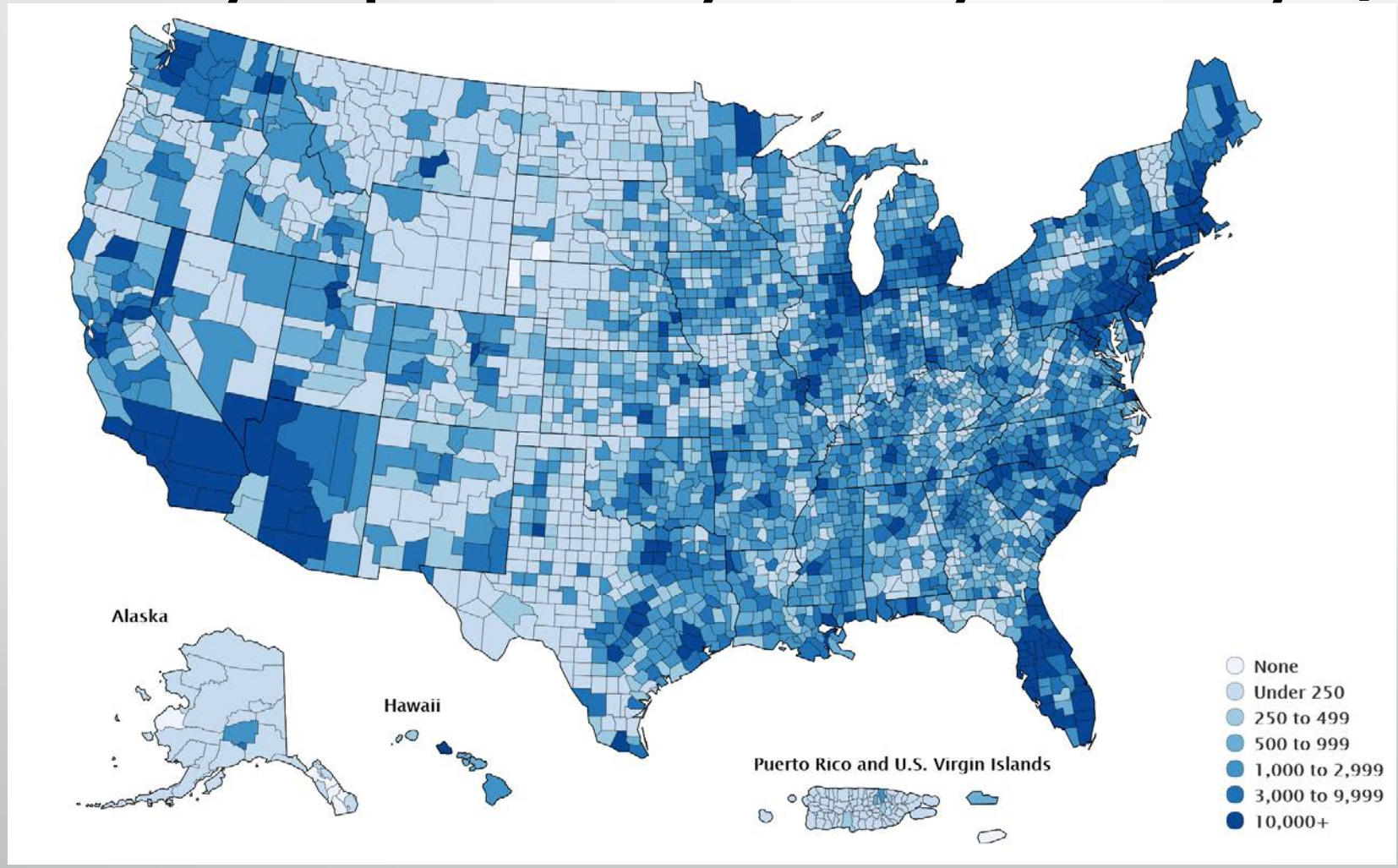
- Aligning affordability (insurance coverage) and cost (findings savings through system reform)
- Medicare Shared Savings Program and Accountable Care Organizations
- Center for Medicare and Medicaid Innovation: demonstration programs including ACO enhancements, global budgeting, alternative payment programs (including advanced)
- Healthcare Organizations investing in community health

ACOs: The Rural Landscape

- 518 total ACOs as of July, 2019
- Bolis of rural entries under the ACO Investment Model (AIM) program in 2016 – total of 45 in 38 states; serving 487,000 beneficiaries as of 2017
- 435 Critical Access Hospitals participate
- Where are the beneficiaries who are attributed to ACOs (10.9 million)?

Source: CMS, "Shared Savings Program Fact Facts – As of July 1, 2019. https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/sharedsavingsprogram/Downloads/ssp-2019-fast-facts.pdf. Accessed October 7, 2019

Medicare Shared Savings Program ACO Assigned Beneficiary Population by County as of July 1, 2019



Drivers of Rural Success
Office of the Inspector General (OIG)

- Increase cost awareness among physicians
- Engage beneficiaries in health improvement
- Manage individuals with complex care needs

Drivers of Rural Success (OIG)

- Reduce avoidable hospitalizations
- Control costs and improve quality in long term services and supports
- Address behavioral health and social determinants
- Increase information sharing among providers

Source: Office of the Inspector General, U.S. Department of Health and Human Services. "ACOs/ Strategies for Transitioning to Value-Based Care: Lessons From the Medicare Shared Savings Program." July, 2019. www.oig.hhs.gov.

Elements of Success in Illinois

- Care coordination
- Data aggregation and analysis
- Patient stratification
- Performance measurement/outcomes
- Administrative/business management
- Patient engagement

Source: Pat Schou, Executive Director of Illinois Rural Community Care Organization. "Rural ACOs and Pathways to Success: Risk Lies Ahead." Presentation to the Critical Access Hospital Conference, National Rural Health Association. September 19, 2019

Success Factors: RUPRI Research

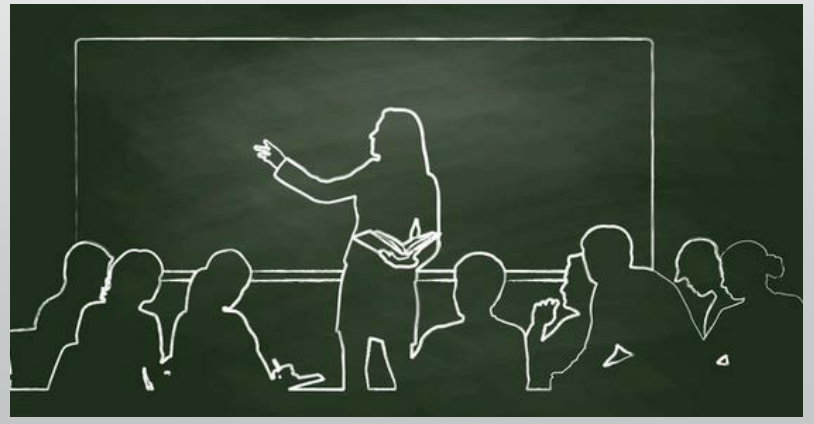
- Prior experience with multi-organizational collaborations
- Prior experience with the specific organizations in the ACO
- Strategic managerial and clinical leadership
- Shared governance

Success Factors: RUPRI Research

- Care coordination for targeted patients (based on diagnosis)
- Services across the continuum of care – shoring up weak links
- Analytics and timely access to data

Role for State Offices of Rural Health

- Educating healthcare organizations and their governing bodies
- Facilitating community capacity for inter-organizational activities
- Technical assistance for seeking external support
- Convening



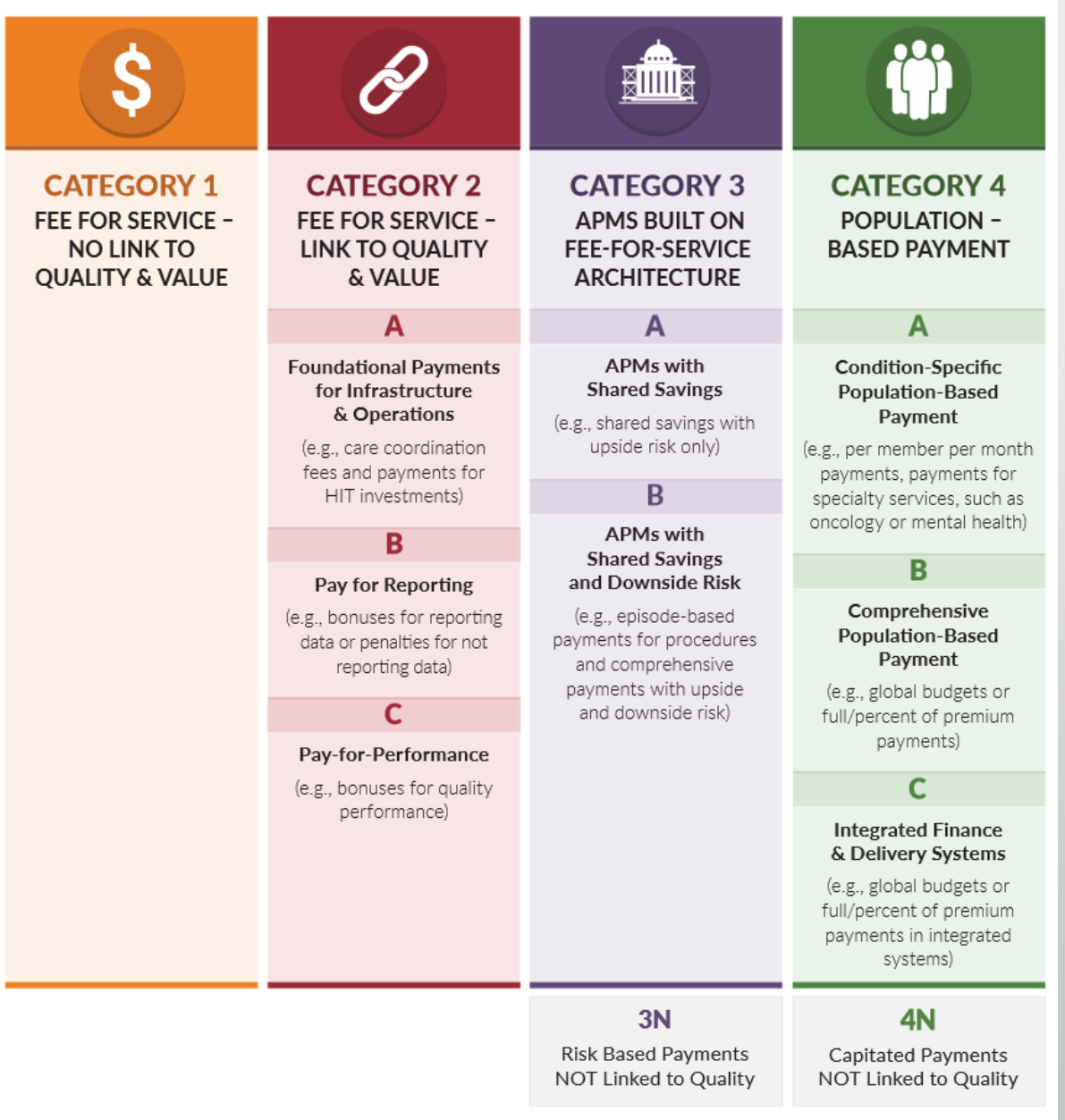
Alternative Payment

- Evolution to payment based on population health
- System capacity to invest linked to changes in finance
- Modest but important changes
- Global Budgeting

Health Care Payment Learning and Action Network (HCP LAN)

Alternative Payment Model Framework

Source: http://hcp-lan.org/workproducts/apm-framework-onepager.pdf



System Capacity and Finance Change

- Payment models that drive discretionary dollars into healthcare organizations
- Incentives to change how persons access services to optimize revenues in new payment design
- Especially relevant to rural providers focused on investments in community health

Modest Changes

- Reporting value encourages some changes in patient-centered care
- Payment for care management services creates a revenue stream
- Bonus payments in physician payment may be helpful

Global Budgeting

- Five states to monitor: MD, PA, VT, OR, WA
- Others are considering – as many as 30
- Why are they interested: rendering order in time unpredictability and more threat than opportunity

Variations in Global Budgeting

- Medicaid only in Washington, Oregon
- Maryland started with rural hospitals, now evolving to include non-hospital based patient care
- Vermont is based on ACO model
- Pennsylvania perhaps the most closely watched because is multi-payer and exclusively rural

State Offices of Rural Health Actions

- Monitor developments, especially as may impact CAHs
- Work on state-specific models, other innovative approaches (KS model as example)
- Provide technical assistance

Results: Direct Investments in Community Health

- 30-60 Housing First Campaign in Eureka and Humboldt County, California: secure housing for 30 highest utilizers in 60 days
- New Ulm Medical Center in MN focused on patients at high-risk for heart disease or diabetes

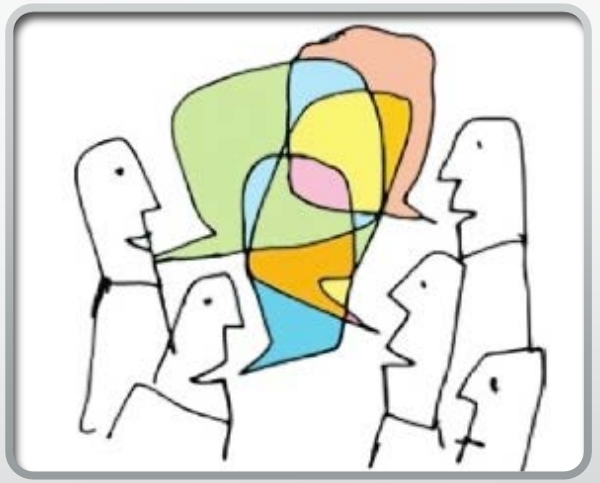
Actions by CAHs

- Partnerships to improve community health
- Tobacco prevention programs
- Wellness initiatives
- Care coordination and medical homes

Source: Population Health Strategies of Critical Access Hospitals. *Briefing Paper #36*. Flex Monitoring Team. August, 2016

Illustrations from SORHs

Discussion



For further information

The RUPRI Center for Rural Health Policy Analysis

http://cph.uiowa.edu/rupri

The RUPRI Health Panel

http://www.rupri.org

Rural Telehealth Research Center

http://ruraltelehealth.org/

The Rural Health Value Program

http://www.ruralhealthvalue.org

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Collaborations to Share and Spread Innovation

- ✓ The National Rural Health Resource Center
  https://www.ruralcenter.org/

- ✓ The Rural Health Information Hub
  https://www.ruralhealthinfo.org/

- ✓ The National Rural Health Association
  https://www.ruralhealthweb.org/

- ✓ The National Organization of State Offices of Rural Health
  https://nosorh.org/

- ✓ The American Hospital Association
  http://www.aha.org/

Rural Health Research Gateway

The Rural Health Research Gateway provides access to all publications and projects from eight different research centers. Visit our website for more information.

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