Connect to strengthen your approach

New Payment Models: How You Can Position to Win
4 Things

1. New Payment Models
2. What We Found Out
3. What You Can Do
4. Q & A
The Value Curve Has Changed

WHAT GOT YOU HERE... WON’T GET YOU THERE.... MARSHALL GOLDSMITH
Exploring the Payment Models
What We Found

48 Innovation Models......

- Comprehensive ESRD Care Initiative
- Medicare Health Care Quality Demo
- Physician Group Practice Transition Demo
- Private, For Profit PACE Demo
- Rural Community Hospital Demo
- Medicare Acute Care Episode Demo (ACE)
- Medicare Hospital Gainsharing Demo
- Physician Hospital Collaboration Demo
- Comprehensive Primary Care Initiative
- FWHC Advanced Primary Care Practice Demo
- Frontier Extended Stay Clinic Demo
- Graduate Nurse Education Demo
- Independence at Home Demo
- Medicare Coordinated Care Demo

Medicare
Medicaid
ACOs (shared savings models)
Innovation Models (CMMI)
Better Care
Better Outcomes
Lower Cost
PACE
Managed Care
Nursing Home VBP Demo
Exploring the Players
What We Did and What We Found
BUNDLING IS GONNA BE BIG!

IT’S HERE TO STAY AND IT’S COMING FASTER THAN YOU THINK
AKA – Episode-based payment, global payment, package pricing

BPCI - 4 broadly defined models of care
## Bundled Payments for Care Improvement Initiatives (BPCI)

<table>
<thead>
<tr>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
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</thead>
<tbody>
<tr>
<td><strong>Inpatient Stay Only</strong></td>
<td><strong>Inpatient Stay plus Post DC services</strong></td>
<td><strong>Post DC Services Only</strong></td>
<td><strong>Inpatient Stay Only</strong></td>
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### Eligibility
- MD Grp Practices
- Hospitals
- Health Systems
- Physician-Hospital Orgs
- Conveners of participating health care providers
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- Conveners of participating health care providers
- MD Grp Practices
- Hospitals
- Health Systems
- LTC Hospitals
- Inpt Rehab
- SNFs
- HHAs
- Physician-Hospital Orgs
- Conveners of participating health care providers
- MD Grp Practices
- Hospitals
- Health Systems
- Physician-Hospital Orgs
- Conveners of participating health care providers

### Payment
- Retrospective discounted IPPS payment; no separate target prices
- Retrospective comparison of target price and actual FFS payments
- Retrospective comparison of target price and actual FFS payments
- Prospective set payment
State Demonstration Proposals to Align Financing and/or Administration for Dual Eligible Beneficiaries, May 2014

NOTES: *CO, CT, IA, MO, and NC proposed managed FFS models. NY, OK, and WA proposed both capitated and managed FFS models; both demonstrations are conserved.
The Reality of Bundled Payments

Population Health Management

Cost
Environment

Value Based Purchasing / Patient Outcomes

Disruptive Innovation
- Technology
- New Care Delivery Models

Insurance
Full on Capitation
Early Studies Show
Significant Cost Savings
Rethinking the Organization of Care

The law addresses disparities in care by:

- Allowing health plans within exchanges to reward providers that address disparities as part of quality activities.
- Elevating the focus of eliminating disparities in the Department of Health and Human Services.
- Requiring all federally funded data collection efforts on health care to include collection of data on race, ethnicity, primary language, etc.
- Providing grants to state & local governments and community organizations for evidence-based community preventive health activities aimed at reducing racial and ethnic disparities.

Source: American Hospital Association
Disruptive INNOVATION
THIS IS NOT TAKING ‘REGULAR’ HOME CARE’ AND MANAGING RISK
80/20 RULE

20% HAVE
RISK TOLERANCE
SOPHISTICATION
CAPITAL
ACTUARIAL SOUNDNESS
Cross Continuum Challenges
How it will work

- New Care Delivery Models
- New Alignments/Straight Bedfellows
- Demonstrations
  - Data
  - Care Coordination
  - Costs
  - Triggers
  - Contractual/Legal

Bundling
PAYMENT REFORM
1. What Sectors:
HOSPITALS, THEN HEALTH PLANS AS THEY SEE COST SAVINGS, THEN LTC WHO ARE INTEGRAL TO HOSPITAL COST SAVINGS, THEN HOME CARE WHO ARE INTEGRAL BUT THEY THEMSELVES WILL BE LATER ADAPTORS GENERALLY

2. What Geography:
NORTHERN CALIFORNIA, ARKANSAS, CHICAGO, NEW YORK

3. What Conditions:
ORTHO, COPD, HEART DISEASE, BIRTH

4. IN 4 YEARS:
BUNDLES UBIQUITOUS; FFS DWINDLING (THINK CORNER GAS STATIONS VS BIG OIL)
So, What Would You Do?
CARE COORDINATION

ADVANCED ILLNESS MANAGEMENT

TRANSITIONS OF CARE
Collaboration / Partnership

Objectives

✓ Bring Greatest Value to All Parties:

The 3 P’s: Patients, Providers, Payers

✓ Maximize Provider Relationships

✓ Improve Outcomes, Reducing Re-admissions

✓ Achieve The Triple AIM
KEY SUCCESS STRATEGIES
Take Your Seat At The Table

✓ Align/Partner: Health Systems, Hospitals, Physician Groups, SLC
✓ Differentiate: PACE, AIM, CCM
✓ Position: ACO, PCMH, TCM, DM, CCM, AIM
✓ Leverage Technology: Cloud technology, telehealth, eLearning, Apps
✓ Consolidate: M&A
✓ Recognize New Consumer: Flexibility, creativity, new relationships

*Accountable Care Organization, Patient Centered Medical Home, Transitions Care Management (also referred to as Care Transitions Management), Disease Management, Chronic Care Management, Advanced Illness Management
What Will Success Look Like For YOUR ORGANIZATION

In 2014? 2016? 2020?

- Embody Creative Leadership
- Reinvent Customer Relationships
- Build Operating Dexterity
Q & A
4 Things

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Courage
to try something new

To Transform through Connections
About The Corridor Group
Your Trusted Business Partner

• Established 1989
• Office locations:
  – Overland Park, San Francisco, Divisions
  – Consulting Solutions
  – Talent Solutions
  – Education Solutions
  – Coding Solutions
• Associates: Proven Industry Experts

• Industry Focus
  • Compliance Solutions
  • Strategic Positioning
  • Transitional Management
  • Coach
  • Talent Solutions
  • Education Solutions
• Partner with You
• Partner with You – Do the Right Things Right
### Client Types
- Health Systems
- Hospitals
- Home Health Agencies
- Hospices
- Private Care Agencies
- Home Medical Equipment
- Home Infusion Therapy
- Long-Term Care/Senior Living
- Assisted Living Facilities
- Managed Care Organizations
- Manufacturers
- Third-Party Administrators
- Law Firms

### Sample Client List
- AseraCare
- Berkshire Healthcare
- Harden HealthCare
- Hospice by the Bay
- Medical Services of America
- Metropolitan Jewish Health System
- Ministry Health System
- Mt Graham Regional Medical Ctr
- OhioHealth
- Providence Health System
- Sutter VNA & Hospice
- Univ of Pennsylvania Health System
- VNA of Boston
- State and National Associations
Leading the Industry

- **Early 1990s**
  - Managed Care Series
  - Palliative Care Models
- **Mid to Late 1990s**
  - PPS Solution
  - Administrator Certificate Programs
  - Corridor International
- **2000**
  - HIPAA
  - Corridor International Turkey
- **2003**
  - TCG CHEX eLearning (web-based learning)
- **2005**
  - P4P Seminar
- **2007**
  - Home Health Nuts & Bolts© and Hospice Nuts & Bolts©
- **2008**
  - Products and Services added: QAPI & Hospice Care Plan Forms
- **2009**
  - ACHC Home Care & Hospice Manuals
  - Survey Toolkit (update)
  - Health System Initiative (lower hospital readmissions and LOS)
- **2010**
  - Panels on ACOs, key industry trends
  - Innovative partnerships
- **2013**
  - ACOs/Health Plans
  - Care Transitions
  - Care Coordination
  - Acquired Daymarck – remote coding company

- **Strong National Presence**
  - Boards: NAHC, NHPCO, NHF, WBL, Home Care Alliance, University, Technology, Accreditation
  - Home Care 100
- **Strong State Association Partnerships**
  - California
  - Florida
  - North Carolina
  - Ohio
  - Pennsylvania
Jeannee Parker Martin
Vice Chair & Principal
The Corridor Group Holdings, LLC

- Consulting Solutions
- Talent Solutions
- Education Solutions
- Coding Solutions

jpmartin@corridorgroup.com
www.corridorgroup.com
866-263-3795 or 415-452-4384