

Risky Business:



What Every Healthcare Leader Should Know Before Taking On Risk

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healthcare financial management association

Presenters



Tammy Schaeffer, BSN, RN, JD Principal, Healthcare Consulting



Sharon Ulep, MBB, MBA, CMCA, CPHQ Principal, Healthcare Consulting





A Quick Primer on Value Based Care



Value Based Care

Is a system in which reimbursement is driven by quality of care and patient outcomes.

It is...









Not driven by volume, use, or "heads in beds"

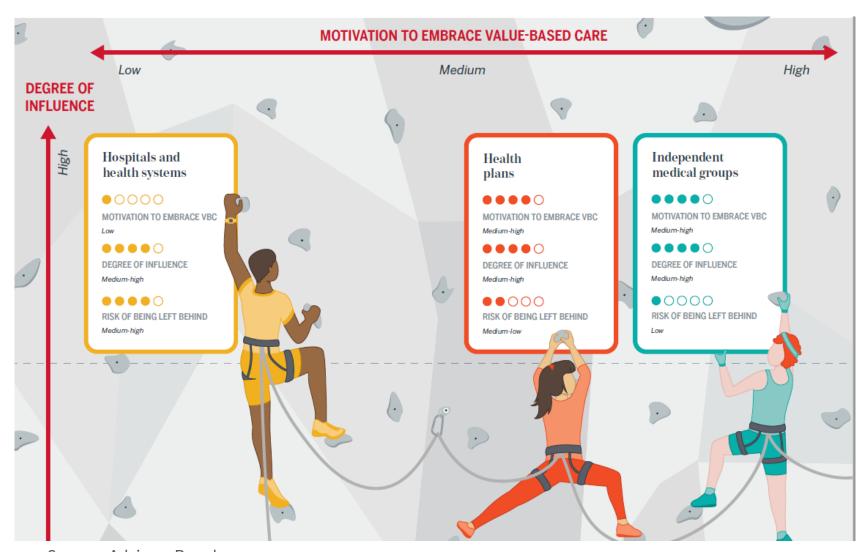
About full continuum performance

Focused on Prevention Payment is based on expected cost of care

Value Based Care is Risk Based Care



The Climb to Value Based Care









Coding and Reimbursement in Risk Arrangements



Reimbursement at a High Level



Payment is made for the *expected* cost of care per member per month ("pmpm")

Expected cost of care is risk adjusted using Hierarchal Condition Codes (HCC's) based on specific patient conditions and basic demographic profile

The calculation of the patient's weighted disease specific risk is called the risk adjustment factor (RAF)

In simplest form, RAF is multiplied by the payment rate to arrive at the reimbursement

Hierarchal Condition Coding

Each HCC is weighted based on Nested within the roughly the severity, and anticipated 9500 ICD Diagnoses, there care required to manage the are just under 90 hierarchal condition. This is called the "risk condition codes adjustment factor" or "RAF" The sum of HCC-driven RAF Provider diagnoses patient is added to a risk and documents ICD code 4 adjustment factor afforded for demographics Hierarchal **Condition** Coding The sum of all RAF 5 represents the risk adjustment afforded for a particular patient The total RAF score is The total may also be adjusted based on the number of multiplied by the contract conditions, which is intended to rate to arrive at total accurately weight patients with reimbursement a larger number of chronic



conditions



Making a diagnosis is not enough to claim the HCC You must document a plan for management



Monitor signs and symptoms, disease progression, further regression, etc.



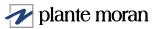
Evaluate tests and diagnostics, effectivity of meds or therapies prescribed, and overall response to treatment



Assess by ordering tests, evaluations, diagnostics, or records



Treat with medications, therapies or other treatment



Payment on a Risk Platform

"Gain Share"

Total Cost of Care against Expected Cost of Care

HEDIS Measure Performance
Customer Satisfaction Performance

Gain/share is often contingent on achievement of at least a 4 star rating on foundational quality measures



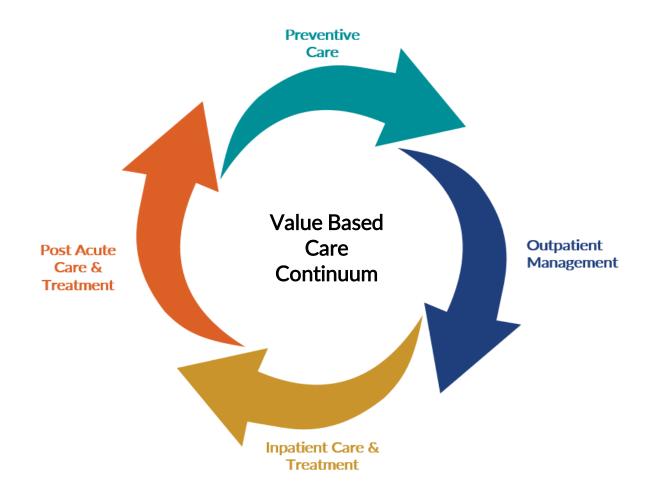


Winning or Losing at Value Based Care: The Must Haves





You Must Know and Leverage the Full Continuum



Providers Must be "All In"



Providers Must

- Understand (in detail) how it works
- Believe in the value
- Help drive the evidence-based care behind it

Primary Care Operations Must Run Efficiently



Visit capacity optimized: Must see the right patients at the right frequency to identify and manage conditions

Visit Outcomes: Operational protocols must support evidence-based care pathways to capture and manage risk





Measuring Ambulatory Efficiency

Visit Capacity & Scheduling

- Annual Wellness
 Visits Completed (%)
- Call Time to Visit
- No Show/Cancel Rate

HCC Capture and Accuracy

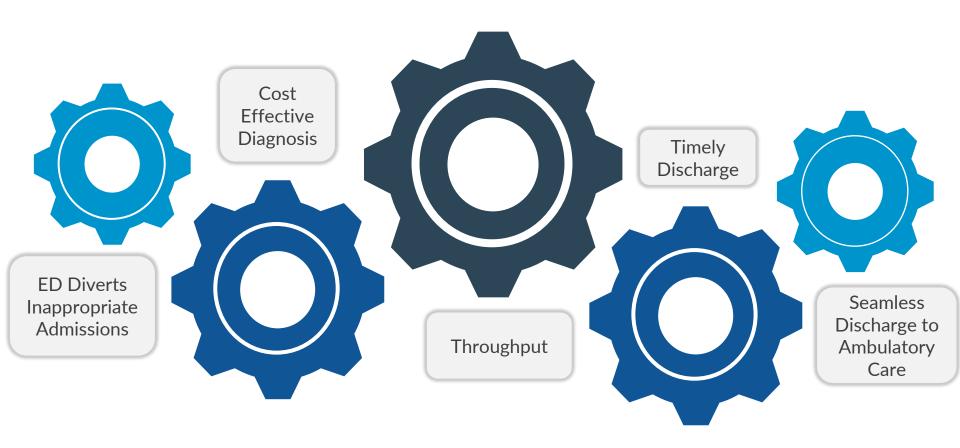
- Coding Accuracy
- HCC Capture v. Benchmarks
- HEDIS measures

Chronic Condition Management

- Monthly Interactions
- ED Utilization Rate
- Med Adherence Rates



Acute Care Must Run on Value





Measuring Inpatient Value

If you cannot measure it, you cannot improve it

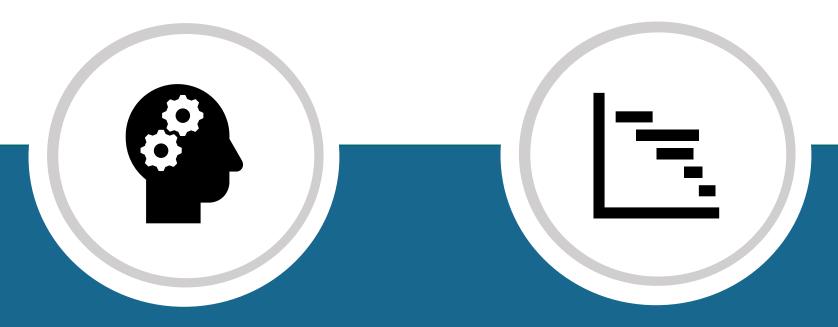
- 1. ED utilization among attributed patients
- 2. Overall acute care utilization
- 3. Length of stay
- 4. Cost per adjusted discharge
- Quality measures: Readmissions, HAC and MSPB





Analytics Must Support The Enterprise

You can't afford to have a bad day and learn about it months later



Analytics staff must understand value based care and the operations that support it

If you can't produce analytics to the provider level on a monthly basis (ideally a weekly basis), you need an overhaul

More is Not Always Better



Capacity is Good



Appropriate
Utilization of
Capacity is
Better



Use of Capacity to Prevent Further Utilization is Best



Q&A



Contact your presenters



312-344-2592

Tammy.schaeffer@plantemoran.com



Principal, Healthcare Consulting

248-223-3469

Sharon.ulep@plantemoran.com



Thank you for attending

