



# Risky Business:

What Every Healthcare Leader Should Know  
Before Taking On Risk



**hfma**  
healthcare financial management association

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# Presenters



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# 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...



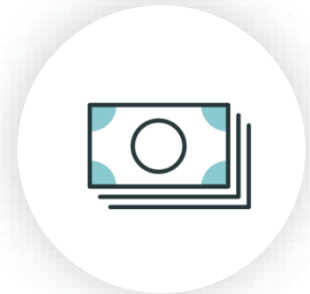
*Not driven by volume, use, or "heads in beds"*



*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

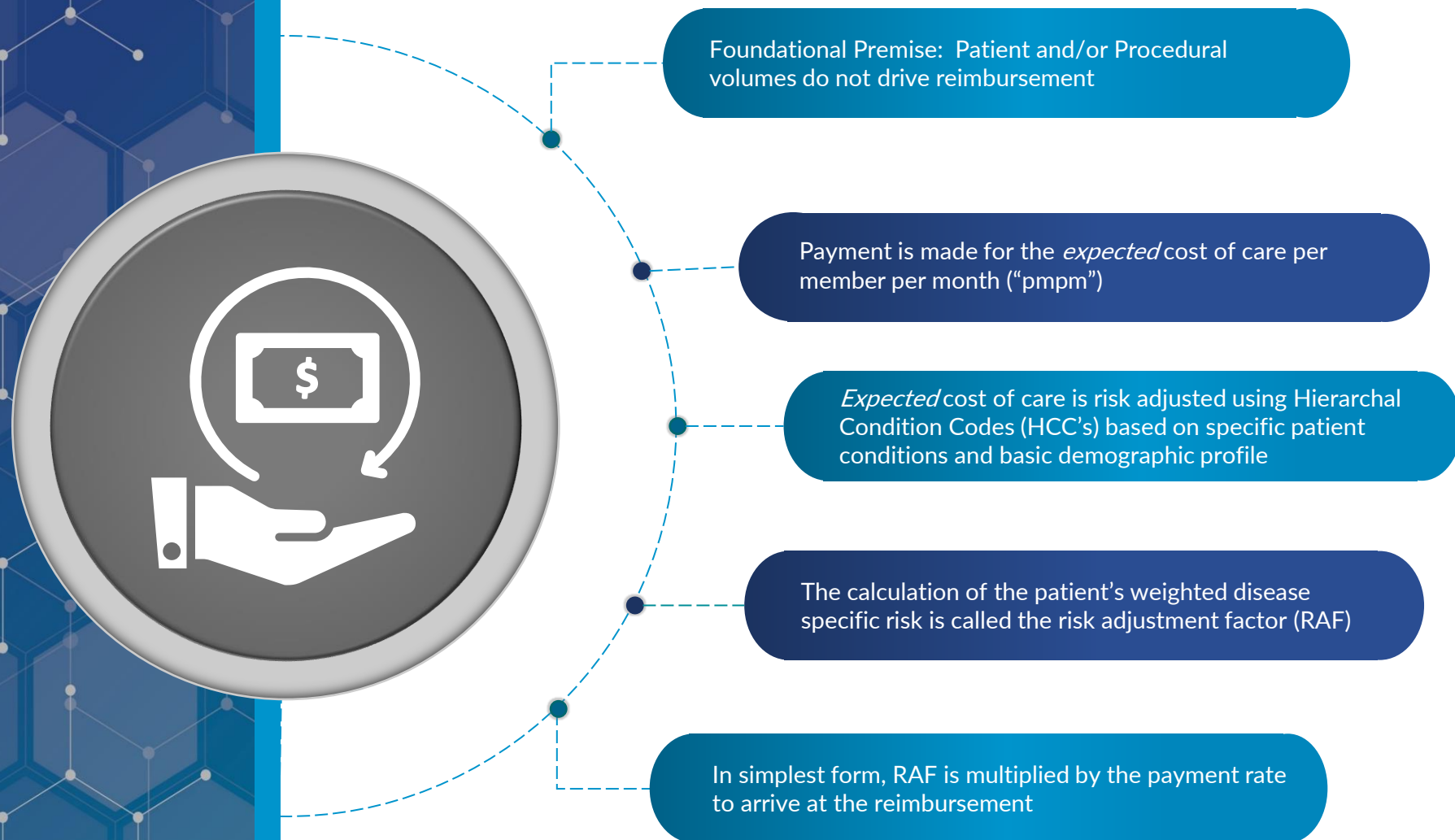


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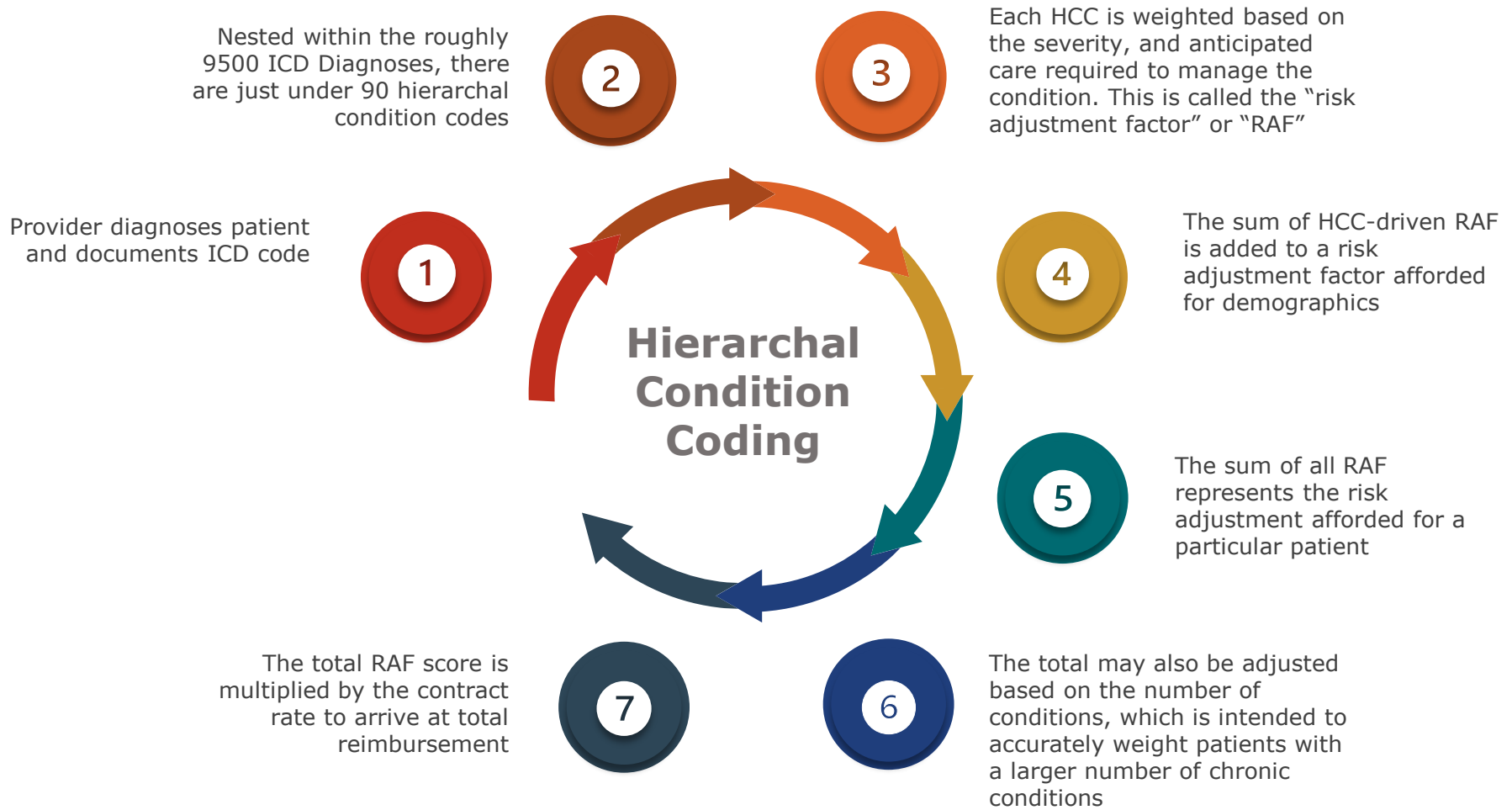


# Coding and Reimbursement in Risk Arrangements

# Reimbursement at a High Level



# Hierarchal Condition Coding





# Making a diagnosis is not enough to claim the HCC

## You must document a plan for management

M

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

E

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

A

**Assess** by ordering tests, evaluations, diagnostics, or records

T

**Treat** with medications, therapies or other treatment

# Payment on a Risk Platform



**"Gain Share"**

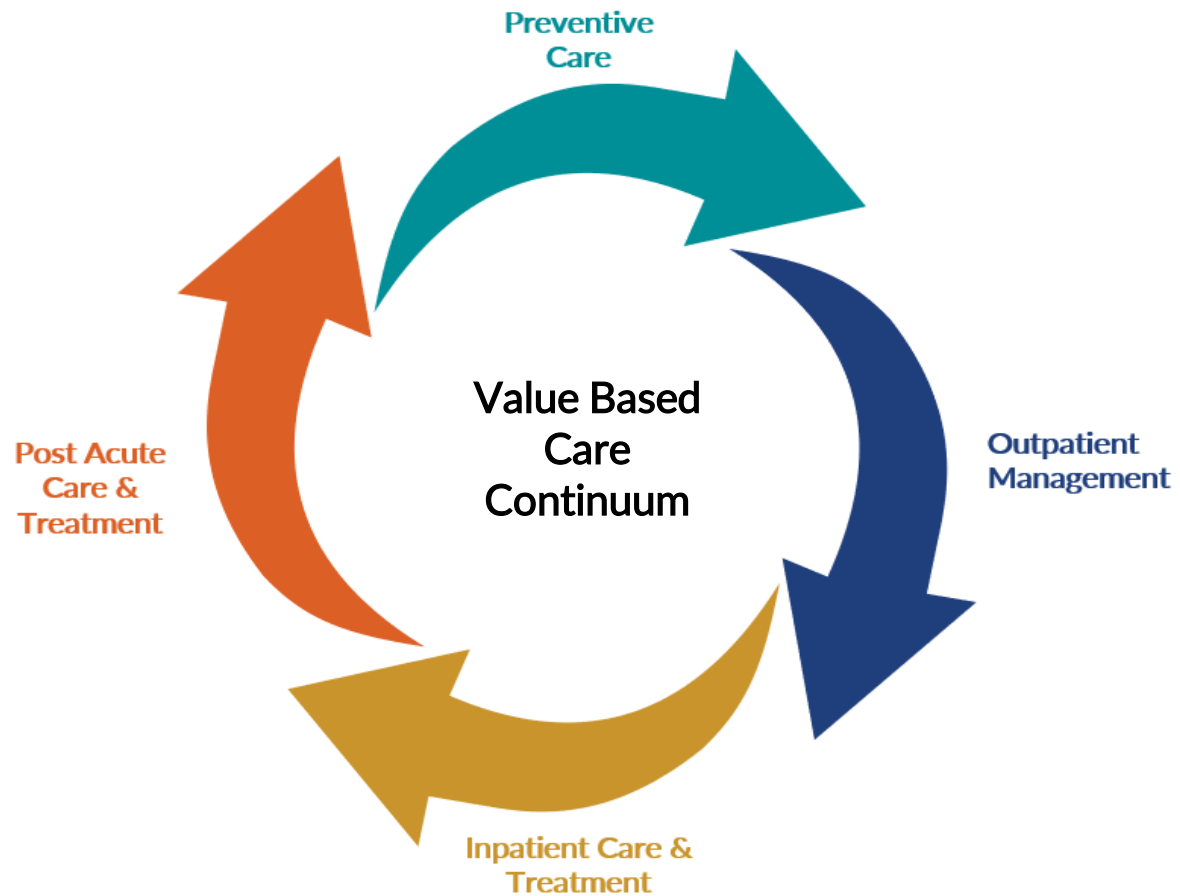
**Total Cost of Care against  
Expected Cost of Care**

**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

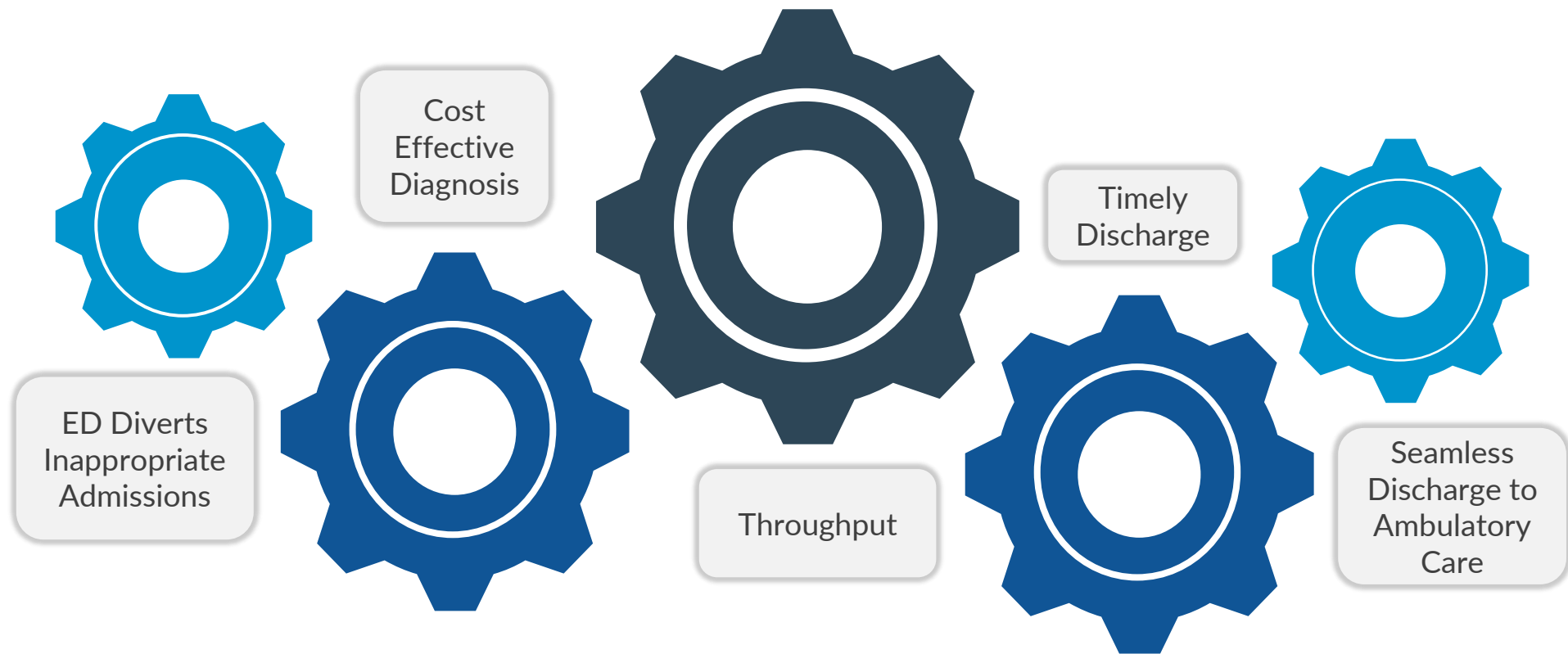
## HCC Capture and Accuracy

- 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

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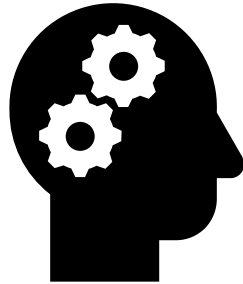
*If you cannot  
measure it, you  
cannot improve it*

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

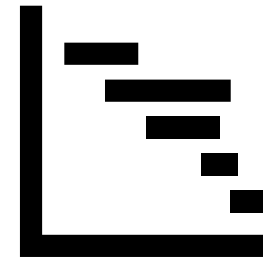


# Analytics Must Support The Enterprise

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



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**Thank you for attending**