Population Health and the Impact on Your Revenue Cycle

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AGENDA

01 Building Blocks
02 Role of Revenue Cycle
03 Care Management Process
04 Q+A
The Building Blocks: Next Generation Accountable Care IT Platform

Source: AHA Center for Healthcare Governance

Acute Care EMRs & Ancillaries
Ambulatory EMRs & Ancillaries
HIE & ePatient Engagement
Care Coordination
Disease Management
Population Health Management

ACO
Community
Provider

Maturity Stage
Transformed
Clinical Integration
Consolidation

Source: AHA Center for Healthcare Governance
Something OLD or Something NEW?


- Defined population
- Defined problem
- Analyzed data
- Coordinated across continuum of care
- Improved outcomes, and…
- Lost Money
Some Things Sound Familiar…

• Global/Capitated Payments
• Managing Risk
• Directing care towards most cost-effective
• Exploring Best Practices based on Outcomes
• Contract Management
• Engaging the Patients
The Role of the Revenue Cycle

Scheduling

Business, payer, and contract rules are applied to the encounter; missing and incorrect data are fixed.

Pre-Registration

Administrative errors are identified and corrected.

Registration

Expected reimbursement and patient responsibility are calculated.

Patient Care

Discharge

Chart Completion

Billing and Collections
Roles of the Revenue Cycle: Duties Similar, Impact Grows

Scheduling and Patient Access
• Properly identify the Patient and accurately record demographics
  • Clinical Care, Benefits, Payments

Coding and Charging
• Accuracy and Speed
  • More explicit benefits and clinical pathways based on services

Receivables Management
• Determining who owes what and go get it.
  • Various prospective payment models…how do you know you are getting paid correctly?
New Reimbursement Models

Accountable Payment Models

<table>
<thead>
<tr>
<th>Performance Risk</th>
<th>Utilization Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Care</td>
<td>Volume of Care</td>
</tr>
<tr>
<td>Quality of Care</td>
<td></td>
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</tbody>
</table>

Bundled Pricing
- Bundled Payments for Care Improvement program
- Commercial bundled contracts

Pay-for-Performance
- Value-Based Purchasing
- Readmissions penalties
- Quality-based commercial contracts

Shared Savings
- Medicare Shared Savings Program
- Pioneer ACO Program
- Commercial ACO contracts

Source: Financial Leadership Council Interviews and analysis.
The Majority of a Provider’s Revenue Will Likely Be Risk-Based in 10 Years

Provider Estimates of Future Revenue Breakdowns

Projected an Increase in All Risk-Based Contracting Models

Average Estimated Revenue Breakdown

n=88

Source: 2013 Accountable Payment Survey; Financial Leadership Council interviews and analysis.
Accountable Care Organization Expansion

**Widening Reach of ACOs**

- **52%** Portion of US population living in a primary care service area with an ACO
- **14%** Portion of US population treated by an ACO
- **5.3M** Medicare FFS beneficiaries treated by an ACO

Source: Leavitt Partners Center for Accountable Care Intelligence

Complex and Poorly Performing Care Processes Must Be Improved

Less than 50% of elderly patients are up to date on clinical preventive services.

Elderly patients with co-morbidities require up to 19 medication doses daily.

Every year, the average elderly patient sees 7 doctors across 4 practices.

Preventive
Self Management
Outpatient Care
Hospital
Follow-up

1 out of 5 elderly patients are readmitted within 30 days.

Average surgery patient is seen by 27 different health care providers.

Less than half of non-surgical patients follow-up with their primary care provider after discharge.

Source: Best Care at Lower Cost, September 2012 Institute of Medicine; Smith, M Study Chair
Reimbursed For Delivering The Most Cost-effective, Highest Quality Care

Data
- Identify the population
- Determine the cost by Service Line, Provider, Clinical Pathway, etc.
- Identify outcomes based on patient status, treatments, and providers

Clinical Care and Contracting
- Match the contract/reimbursement with the delivery of care model
- Using accurate cost data, define expected reimbursement matched with expected outcomes

Revenue Cycle
- Optimize/standardize/monitor processes
- Standardize system use and data
- Monitor activity and payments

Additional Processes
- Patient Engagement
- Inbounding Claims data
- Distributing Payments
Challenges

Fragmented systems and processes result in challenges:

- Overutilization vs Underutilization
- Waste: duplicative or unnecessary tests and treatments
- Overcrowding and Delayed care

And providers must accomplish all of this across an ecosystem with multiple IT systems.
Care Management Process: Population Health

- Measure Outcomes
- Define Population
- Identify and Action Care Gaps
- Stratify Risks
- Manage Care
- Engage Patients
How do we identify the population?

Group individuals into meaningful populations based on reliable data

Person-centered data repository

- Identify population by common chronic conditions
- Aggregate and normalize patient information
  - Clinical data
  - Claims data
- Create cohorts and patient lists
Care Management Process

- Define Population
- Identify and Action Care Gaps
- Stratify Risks
- Engage Patients
- Measure Outcomes
- Manage Care
Care Management Process

Identify and Action Care Gaps

Transforms the care manager role and immediately focuses attention on those patients requiring interventions

- Assign evidence-based longitudinal care plans
- Identify care gaps
- Initiate actionable interventions
Care Management Process

Measure Outcomes

Define Population

Manage Care

Identify and Action Care Gaps

Engage Patients

Stratify Risks
Care Management Process

Stratify Risk

Predictive risk stratification is based on:
• Clinical data from multiple disparate EHRs
• Patient reported data
• Claims data

Risk Stratification Levels
• High Risk
• Moderate or Rising Risk
• Low Risk
Care Management Process

- Engage Patients
- Define Population
- stratify Risks
- Identify and action Care Gaps
- Manage Care
- Measure Outcomes
Patients actively engaged as a care team member—and proactive about their health—can have better quality outcomes

- Empower patients (and/or their caregivers) to be active participants of their care team
- Preferred communication method: Phone call, text, e-mail, letter, etc.
- Patient Portal
  - Appointment scheduling and reminders
  - Secure e-mail exchange
  - Test results and Consultations
  - Medical history
  - Educational materials
Patient Engagement: Managing Chronic Disease
Care Management Process

Measure Outcomes

Define Population

Identify and Action Care Gaps

Manage Care

Engage Patients

Stratify Risks
Care Management Process

Manage Care

Revolutionary approach to identify care needs and facilitate interventions at the patient level

- Evidence-based chronic condition content drives longitudinal care plan
- Wellness Factors
- Embedded workflow management technology monitors, notifies, and escalates
  - Care Manager
  - Care Team
  - Patient (person)
- Facilitates care team transformation
  - Automated redistribution of workload
  - Care team members utilized at highest level of their scope of practice/license
Care Management Process

Measure Outcomes

Monitor to help improve patient, population, and care delivery organization quality and financial outcomes.

- Analyze care processes and clinical outcomes
  - Individual patient
  - Population level
  - Utilization, quality, cost
Core Information Technology Components Will Be Required

- An electronic health record that spans the continuum of care
- A revenue cycle and contracts management application that spans the continuum of care
- Sophisticated business intelligence and analytics
- Systems that enable interoperability between closely affiliated providers
- Technologies that support the engagement of patients
For Many Years, the Core Focus Has Been the Transaction

Transactions include:
• Writing a prescription
• Retrieving results
• Documenting a visit
• Creating Claim
• Processing Payments

The benefits were the reduction in transaction problems:
• Legibility
• Medication errors
• Documentation completeness
• Reimbursement accuracy
Improving The Information And Use

Improve the Quality and Data Integrity
• Consistent data from disparate sources

Timeliness
• Month-End extracts to near real-time communication

Integration
• Consolidation of data into a consistent database

"Understandability"
• Huge amounts of data converted into useable information
Back to our story…

• Changed reimbursement models
• Improved consistency between systems
• Defined processes for the pathway (clinically and administratively)
• Higher quality of care (fewer patients with critical lab values) at lower cost (fewer readmissions) at positive reimbursement (accurate coding, billing, and contracting)
Questions