

Transforming Care Delivery From Volume to Value: What It Takes

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NJ SIM Invitational Summit
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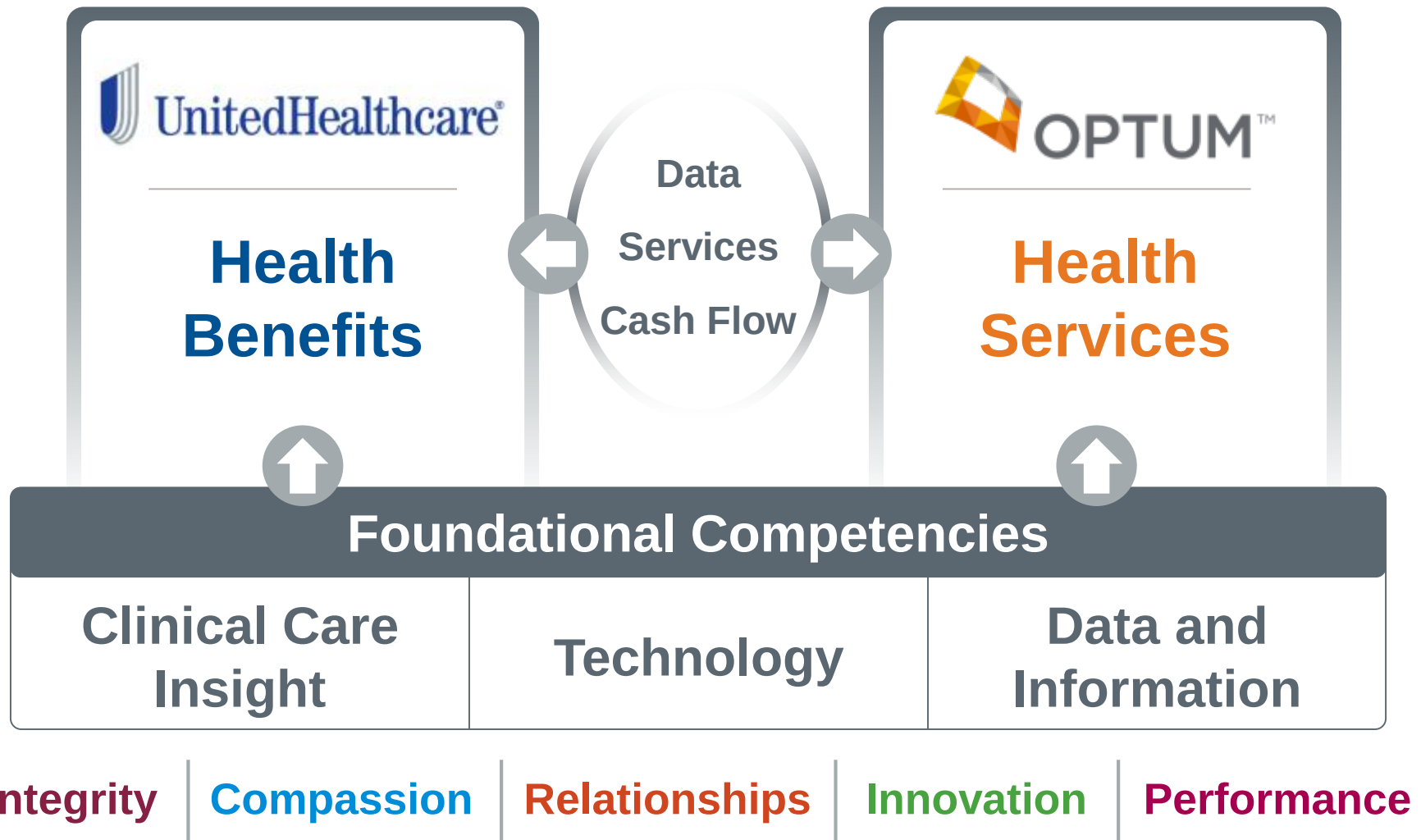


Our Mission

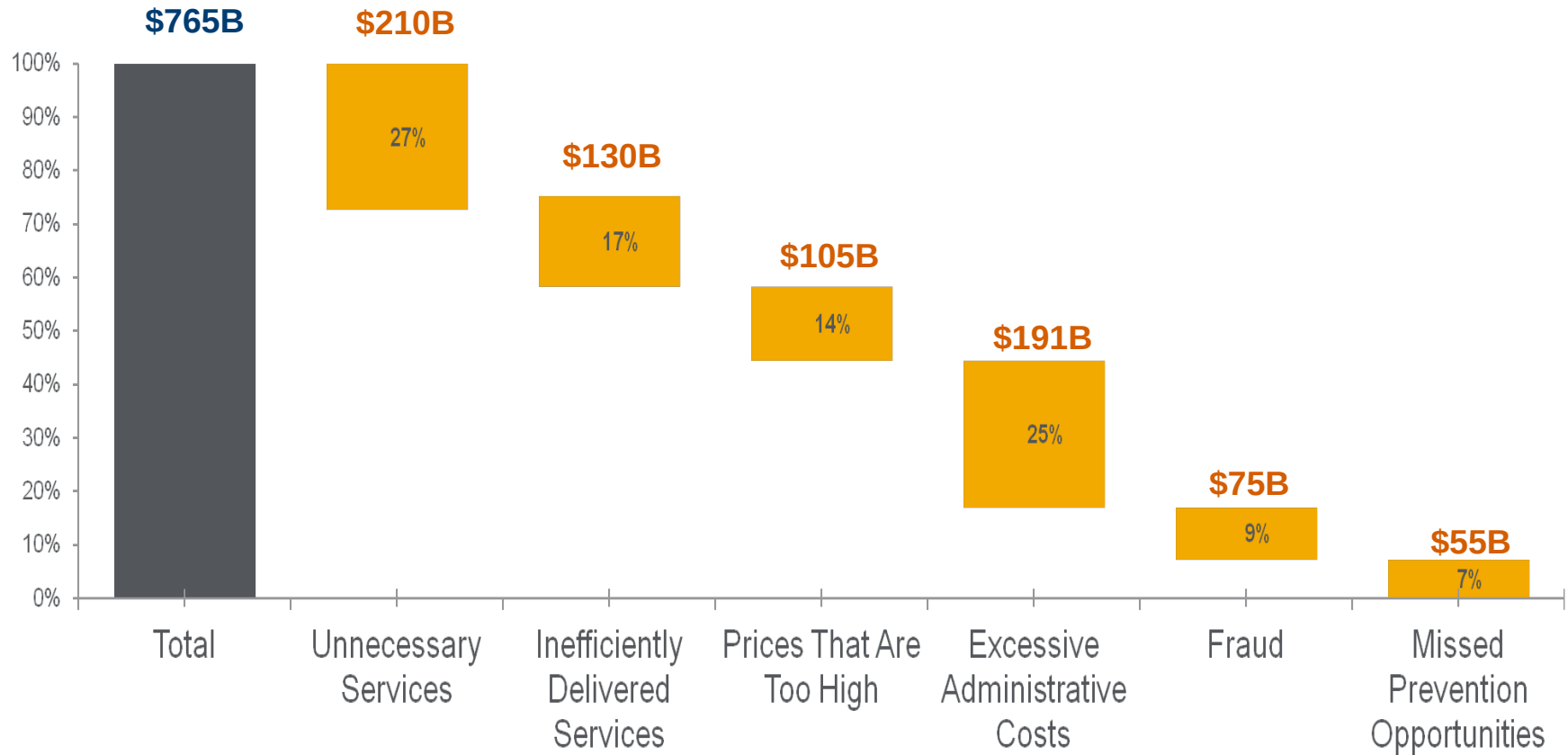


We help people live healthier lives and help make the health system work better for everyone.

Long-Standing Business Model



Let's Level Set: About 30% of All Current Spending is Waste



Source: Institute of Medicine: "The health care imperative: Lowering Costs and Improving Outcomes - Workshop Series Summary"

And Variation is Pervasive...

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September 5, 2012, 8:30 a.m. ET

New UnitedHealth Group Report: High-Quality Care Can Be 14 Percent More Affordable on Average, but with Significant Local Variations

VARIATION IN COSTS

By Philip Ellis, Lewis G. Sandy, Aaron J. Larson, and Simon L. Stevens

Wide Variation In Episode Costs Within A Commercially Insured Population Highlights Potential To Improve The Efficiency Of Care

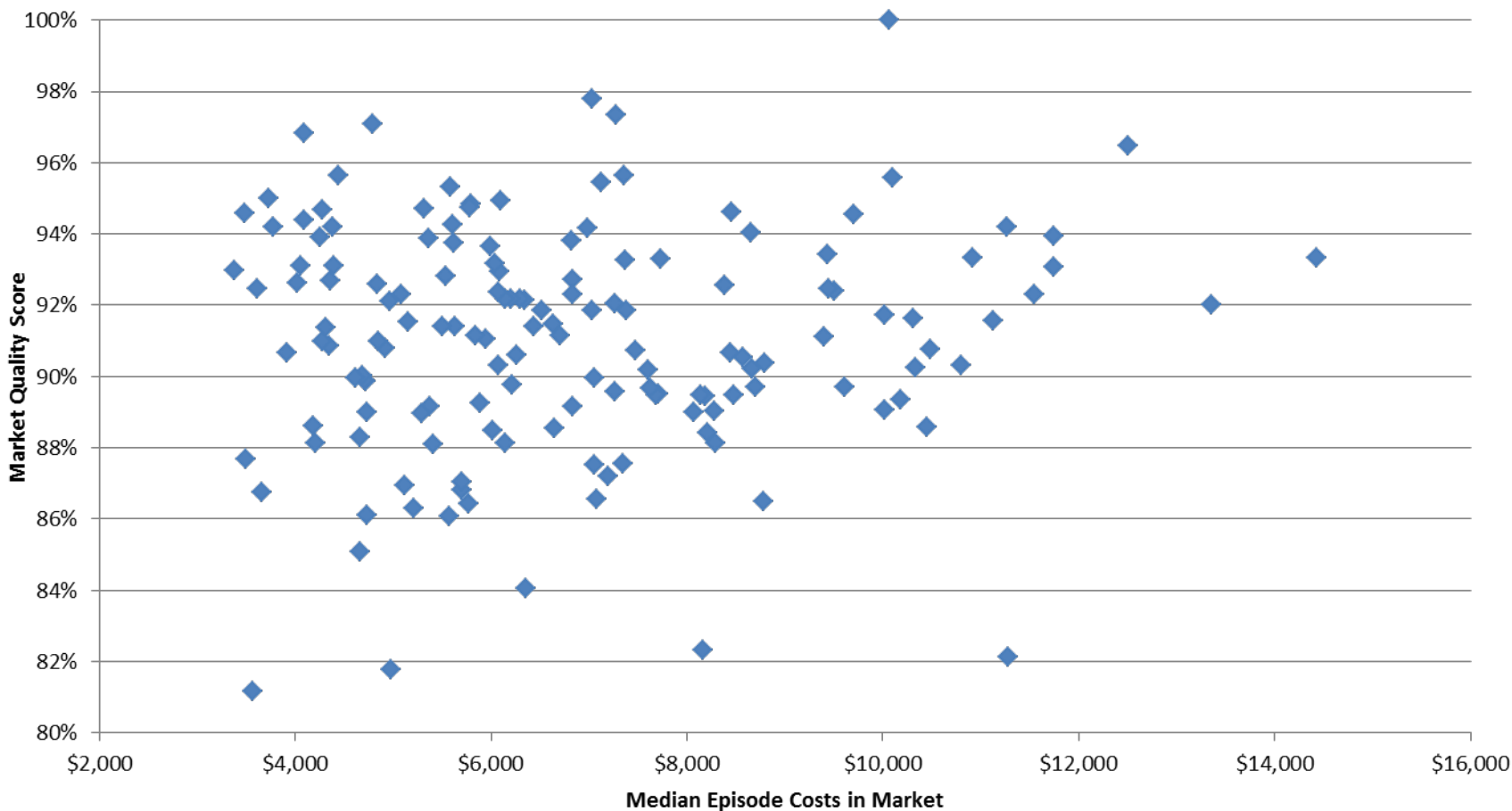
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ABSTRACT Reforming payment methods to move away from fee-for-service reimbursement is widely seen as a crucial step toward controlling health care costs. Although there is a good deal of evidence about variability in costs under Medicare, little has been published about the variability of costs for care that is financed by private insurance. We examined both quality and actual medical costs for episodes of care provided by nearly 250,000 US physicians serving commercially insured patients nationwide. Overall, episode costs for a set of major medical procedures varied about

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Variation Across Markets in Episode Costs and Care Quality for Cardiac Catheterization (Diagnostic)



Note: Data includes only physicians designated as providing higher-quality care.

Focus: Achieving the “Triple Aim”!

“The root of the problem in health care is that the business models of almost all U.S. health care organizations depend on keeping these three aims separate. Society, on the other hand, needs these three aims optimized, given appropriate weightings on the components, simultaneously.”

Tom Nolan, PhD,
Don Berwick, MD, MPH

Triple Aim

Improve the individual
experience

Improve population
health

Control inflation of
per capita costs

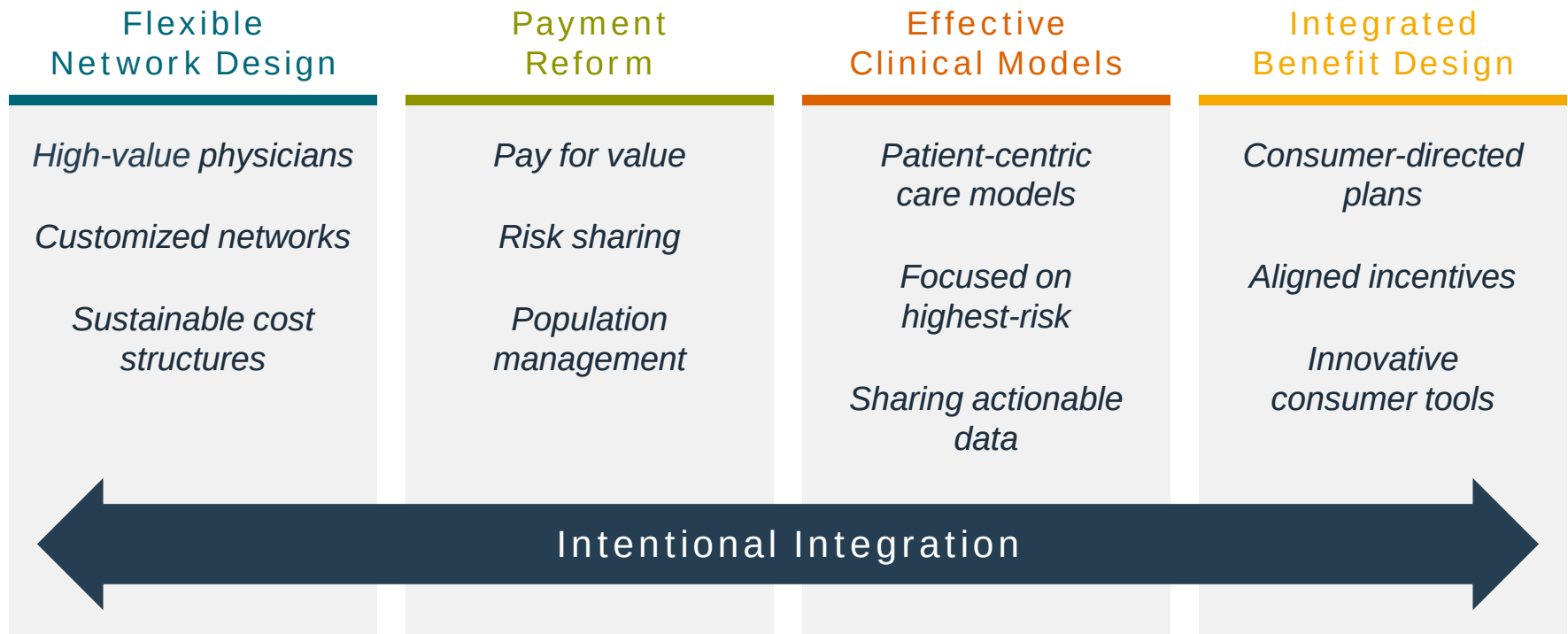
“The Triple Aim: Care, Health, And Cost,” *Health Affairs*, 27, no.3 (2008): 759-769. Donald M. Berwick, Thomas W. Nolan and John Whittington,

The Evolution of Health Benefits:

- Rapidly changing business models:
 - From traditional “insurance” focus on risk & forecasting to “high-value” care facilitation
 - New regulatory scheme post-ACA
 - From B2B to B2C
 - Consumer in the driver seat
- Key Payer Strategies:
 - Network Configuration, Payment Reform, Medical Management, Care Management, Transparency, Consumer Engagement, Product Innovation
 - Strategic Partnerships with Physicians and Delivery Systems
 - Retaining Insurance Risk, sharing/spreading/incenting Performance Risk
 - In some cases, more direct care delivery

Creating differentiated value

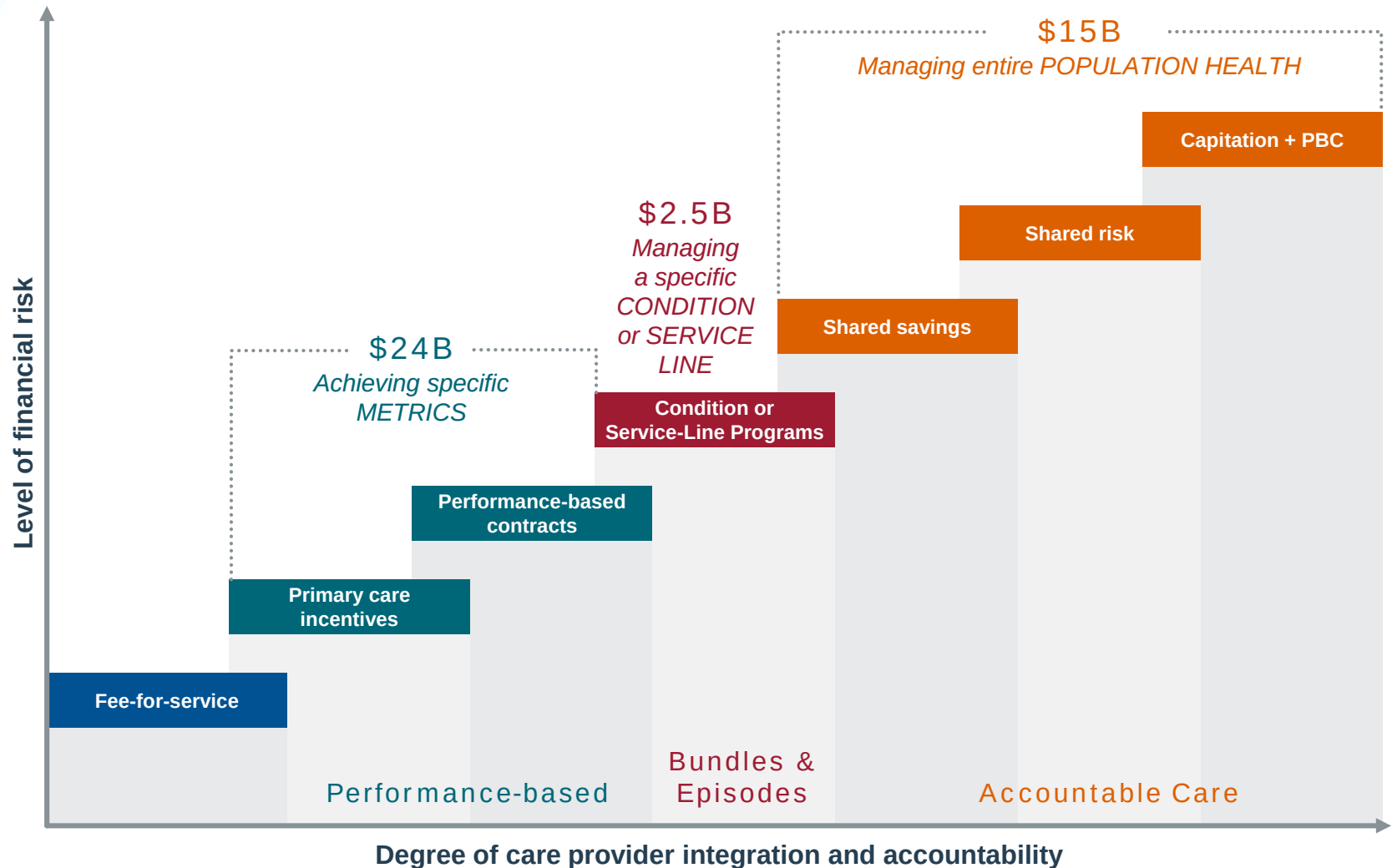
Tools and resources to engage and activate members



Delivering quality access at a competitive cost structure

Collaborate

Driving consistency in quality care by changing the way we pay



Collaborate

Aligning incentives



37%

*of spend covered by
value-based contracts*

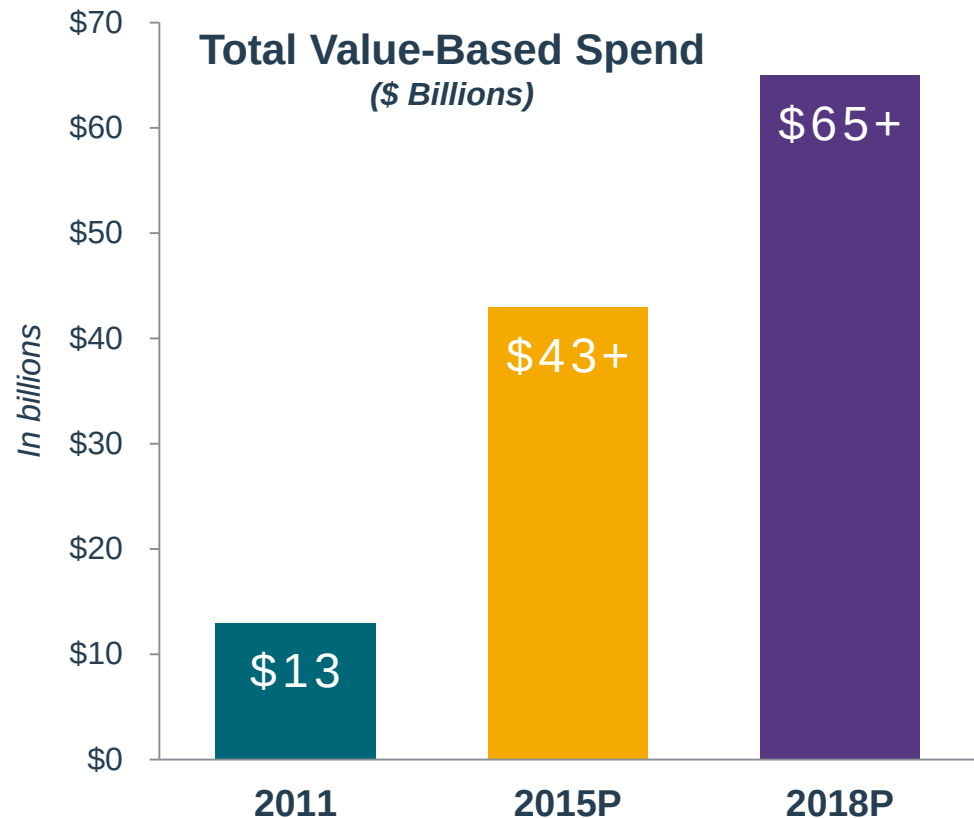
>13M

*members impacted by
value-based programs*

1%-6%

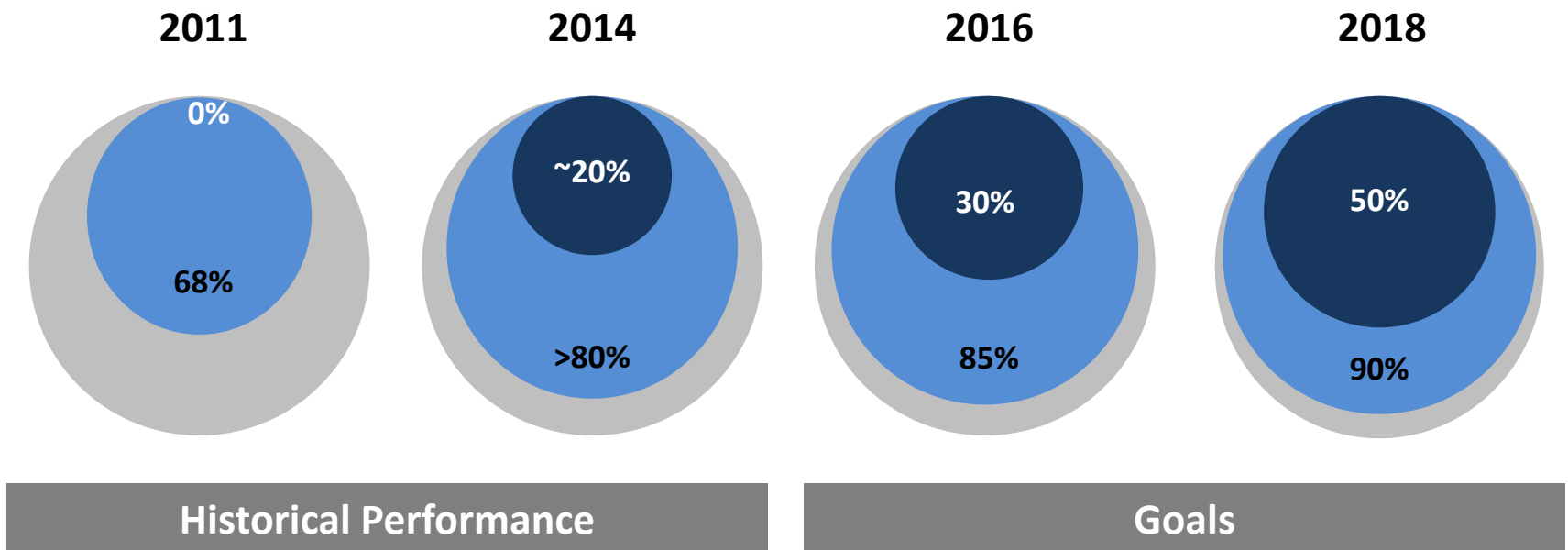
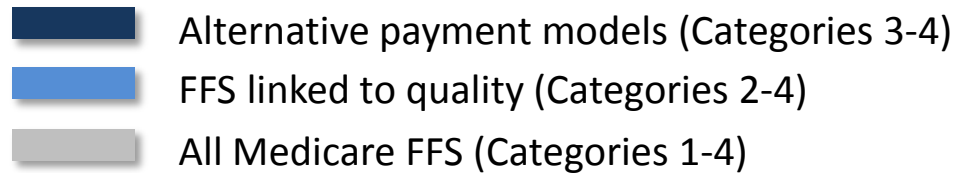
*lower medical cost across a range
of Value-Based Care Programs*

Value-Based Contracting Growth



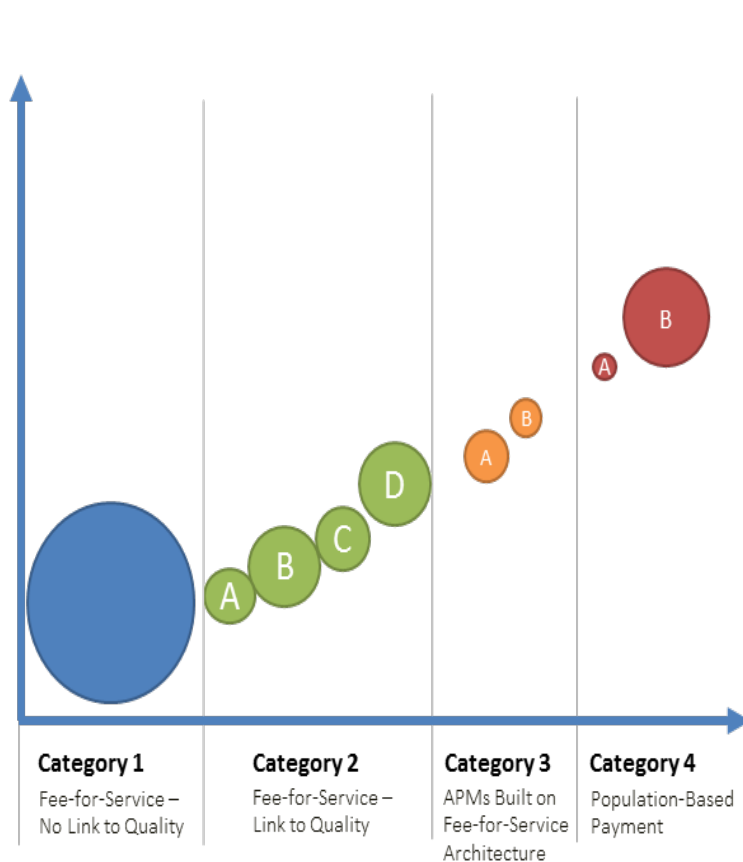
All figures are reflective of all lines of business and programs in aggregate.

Target percentage of payments in 'FFS linked to quality' and 'alternative payment models' by 2016 and 2018

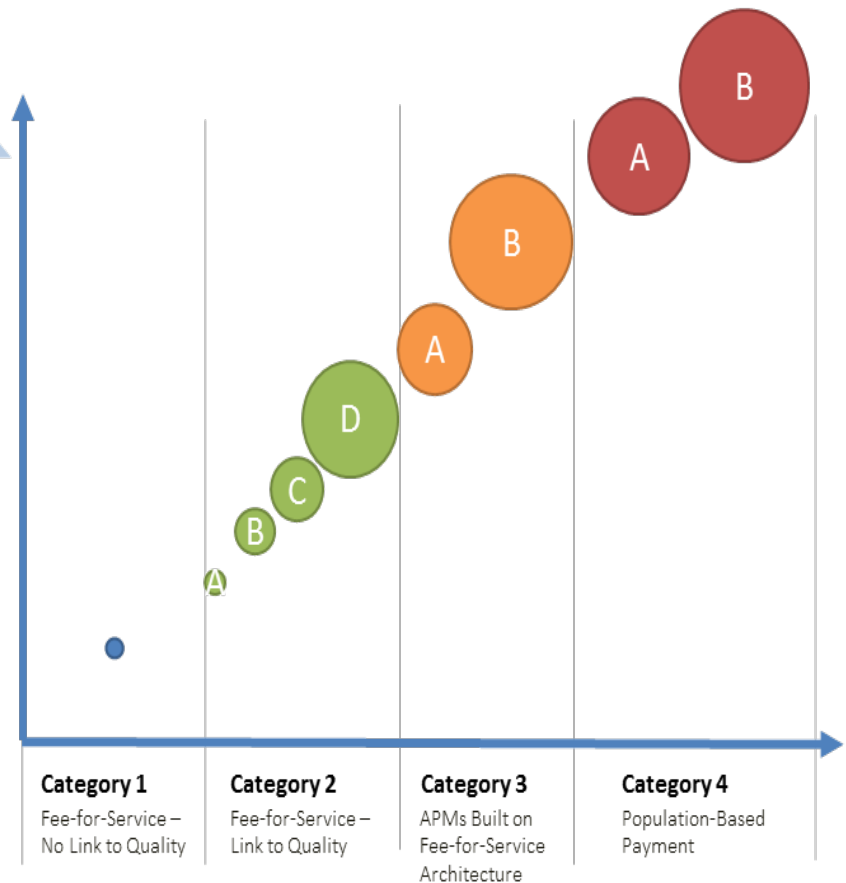


From Volume to Value: HCLAN APM Framework White Paper

CURRENT STATE



FUTURE STATE



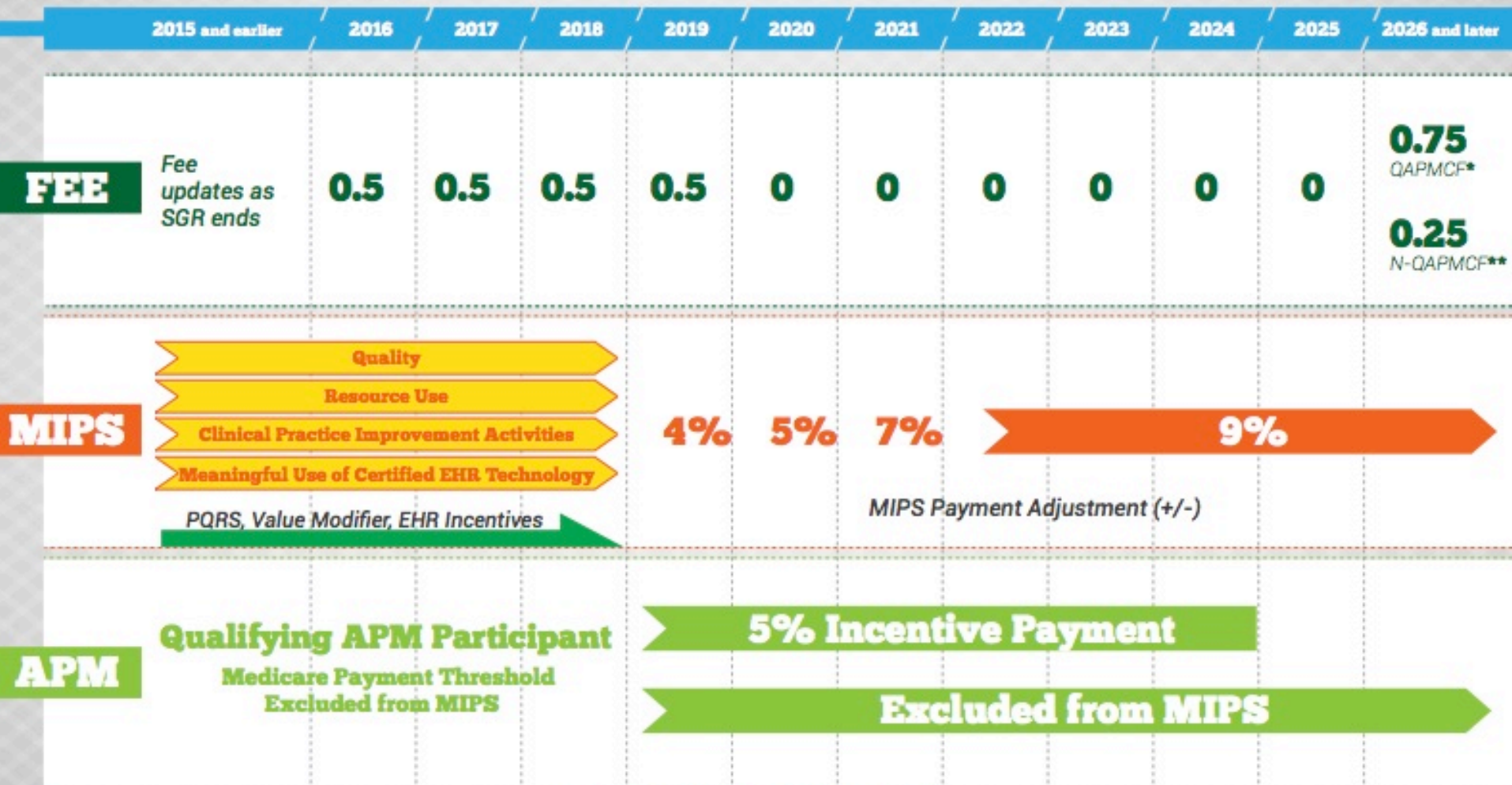
Provider risk and innovation
Impact of payments on cost and quality
performance
Delivery system integration and coordination
Patient-centric care

MACRA: A New Opportunity

- On April 14, 2015, a large bipartisan majority in Congress passed the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). President Obama signed the MACRA into law on April 16, 2015. The MACRA permanently repeals the flawed Sustainable Growth Rate formula for determining Medicare payments for clinicians' services, establishes a new framework for rewarding clinicians for value over volume, and streamlines other existing quality reporting programs into one new system.
- The MACRA was passed with bi-partisan support and will help accelerate paying for and rewarding value. Implementation of the MACRA is a major opportunity to put a broad range of health care providers on the path to value through the new Merit-Based Incentive Payment System (MIPS) and incentive payments for participation in certain Alternative Payment Models (APMs).

Source: Conway et al. Health Affairs Blog 9/28/15

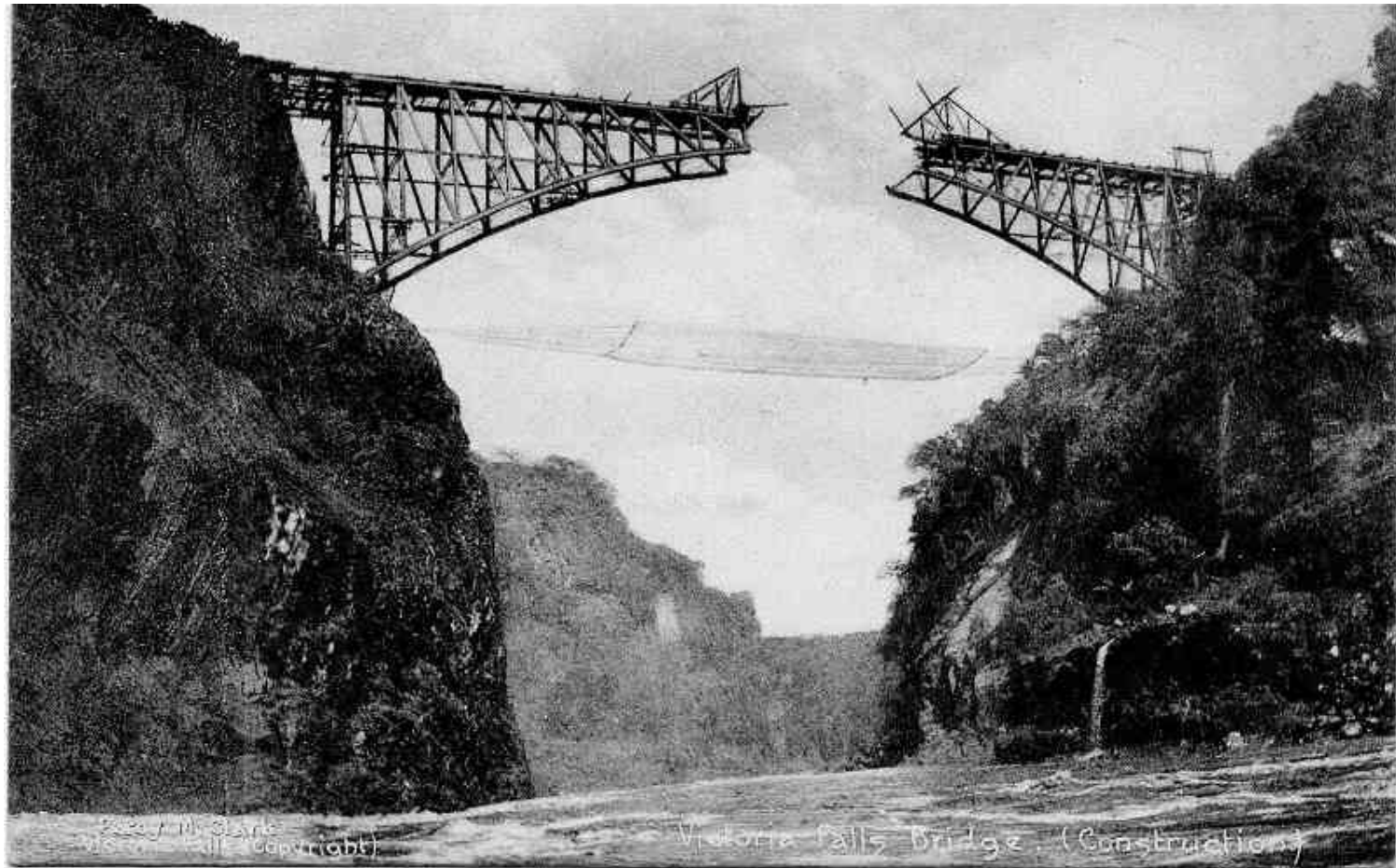
Timeline



*Qualifying APM conversion factor

**Non-qualifying APM conversion factor

So Where Are We?



What Would Help: Better Measure Alignment

Measure	Private Plan A	Private Plan B	Private Plan C	MSP	NCQA ACO	Meaningful Use	Buying Value	MAP Duke Family	HEDIS 2014	URAC Plan	Star Rating Plan C	Star Rating Plan D	Medicaid Adult	CHIPRA	SUM
Breast Cancer Screening	X	X	X (42-69 years of age)	X	X	X	X (women 16-24 years of age)	X	1		1		1		9
Chlamydia Screening	X (16-25)	X (ACE Inhibitor/Angiotensin Receptor Blocker-ARB)	CAD: patient(s) with CAD and diabetes		X	X	X (blood pressure control)		1				1	1	8
Controlling High Blood Pressure		X			X				1		1		1		7
Cervical Cancer Screening	X	X			X			1	1				1		7
Childhood Immunization status	X (childhood immunization status combo 2)	X (MMR & VZV)			X	X	X		1					1	7
Appropriate treatment for children with upper respiratory infection	X (3 months-18 years old)	X	UTI: patients that did not have a prescription for an antibiotic on or three days after the visit		X	X	X	X	1						7
Use of High Risk Medications in the Elderly					X	X	X	X	1			1			6
Colorectal Cancer Screening		Complete Lipid Profile for Patients with Cardiovascular Conditions	Stroke/MI Management: Patients with LDL-C Test During	X	X		X	1	1		1				6
Cardiovascular Care- Cholesterol Screening	LDL-C Screening						Ischemic Vascular Disease		1		1				6
Antidepressant Medication Management (ADMM)		X	X		X		X	1	1				1		6
Medication management for people with asthma	X (use of appropriate medications for people with asthma)	X (use of appropriate medications for people with asthma)	Stroke/MI Management: Patients with LDL-C Test During		X	X	X	1	1				1		6
Annual monitoring of patients on persistent medications	X (Roll Up)	X (ACE/ARB Anticoagulants, Digoxin, Diuretics)			X				1				1		5
Preventive Care & Screening: Tobacco Use: Screening & Cessation Intervention				X	X		X	1		1					5
Use of imaging studies for low back pain			X	X	X	X			1						5
Rheumatoid Arthritis Management		X (arthritis: disease modifying antirheumatic drug therapy in rheumatoid arthritis)	X (rheumatoid arthritis dx)		X	X	X	1	1						5
Diabetes Care-Eye Exam	X (Comprehensive Diabetes Care: Retinopathy)	X		X	X		X			1	1				5
Comprehensive Diabetes LDL-C	X	Diabetes: Lipid Profile	X	X	X		X				1		1		5
Diabetes Care- Cholesterol Controlled	X (screening: Cholesterol Management for Diabetes)	X Proportion of Days Covered (PDC) for Cholesterol (statin)	X (screening: prescribed lipid lowering during the	X	X		X	X	1		1				5
Follow-up care for children prescribed ADHD medication			X			X								1	5
Follow-Up after Hospitalization for Mental Illness							X	1	1				1	1	5
Plan All-Cause Readmissions							X	1	1		1		1		5
Initiation and Engagement of Alcohol and Other Drug Dependence Treatment					X			1	1				1		4
Osteoporosis Management in Women who had a Fracture		X			X				1		1				4
Comprehensive Diabetes HbA1C	X	X	Diabetes Care (Hb)										1		4
Diabetes Care- Blood Sugar Control	X (Comprehensive Diabetes Care HbA1c good control <8.0%)		X	X	X		X	1			1				4
Persistence of beta-blocker treatment after a heart attack	X	X	X						1						4
Medication Reconciliation				X			X	1	1						4
Preventive Care and Screening: Screening for Clinical Depression and Follow-Up Plan						X (adult and children)		1		1			1		4
Preventive Care and Screening: Body Mass Index (BMI) Screening and Follow-Up				X		X	X	1							4
Care for Older Adults—Medication Review					X			1	1		1				4
Well child visits first 15 mos life	X	X							1				1		4
Appropriate testing for children with pharyngitis					X	X			1						3
Weight assessment and counseling children adolescents					X (2-18 years)		X		1						3
Medical Assistance with Smoking and Tobacco Use Cessation								1	1				1		3
Avoidance of antibiotic treatment in adults with acute bronchitis			X (bronchitis: patients that did not have a prescription for an antibiotic on or three days after the initiating visit)		X				1						3
Diabetes Care- Kidney Disease Monitoring	X						X				1				3
Immunization Status for Adolescents				X	X		X		1					1	3
Influenza Immunization							X	1							3
Risk Standardized All Condition Readmission	X			X	X										3

Source: Brookings ACO Learning Network May 2014

UNITEDHEALTH GROUP

What Would Help: Further spread of effective capabilities for promoting population health management and the Triple Aim

- Sophisticated analysis of both clinical and administrative data for:
 - Risk stratification
 - Predictive modeling
 - Input into care management programs
- Scalable, efficient effective care management and consumer engagement programs
- Optimization of: specialty referrals, care transitions, readmission reduction, site of service, etc.
- Effective care coordination, especially for highest-risk subpopulations
- At the leading edge: integration of medical care with: behavioral health, community/social services, family support etc.

What Would Help: Better, Deeper Collaborations

WESTMED Accountable Care Collaboration with UnitedHealthcare and Optum Yields Significant Health Improvements (11/12/13)



WESTMED Medical Group announced that its accountable care organization (ACO) program with UnitedHealthcare and Optum improved on nine of 10 health quality metrics, increased patient satisfaction and reduced health care costs.

Since establishing the ACO in mid-2012, WESTMED, a large multispecialty group medical practice in Westchester County, has seen significant improvements in patients taking their prescription medications properly; and for diabetics, more routine screening and better control of blood sugar levels.

The ACO is performing above the 90th national percentile of National Committee for Quality Assurance (NCQA) Quality Compass® 2012¹ for providing the highest level of coordinated care for breast cancer and cervical cancer screenings.² Its patient-centered medical home program already had received the highest level of recognition (Level 3) from NCQA for providing coordinated, efficient and quality primary care. NCQA is a private, nonprofit organization dedicated to improving health care quality.

"We are committed to providing best-in-class care to our patients, so when we joined together with UnitedHealthcare and Optum, we were optimistic that with greater physician commitment, enhanced technologies and data, and cooperation from our patients that we would improve care, while reducing costs," said Simeon Schwartz, M.D., president and CEO of WESTMED.

"Our initial results exceeded our expectations. We will continue to look for ways to collaborate and share accountability for patient care to surpass these already strong results," said Barney Newman, M.D., medical director of WESTMED.

: What Would Help: Broader, Deeper Collaborations



Camden Coalition Launches New Jersey's First Medicaid ACO Industry Bulletin | July 7, 2015

Camden Coalition of Healthcare Providers announced it was approved by the New Jersey Department of Human Services (DHS) to form a Medicaid Accountable Care Organization (ACO). The three-year demonstration project started July 1, 2015, and provides coordinated health care for nearly 37,000 people in Camden. The Camden Coalition ACO includes primary care and behavioral health providers, Cooper University Health Care, Lourdes Health System, as well as Virtua, Horizon NJ Health, UnitedHealthcare Community Plan, and other organizations.

“The best way to predict the future is to invent it.”

- Alan Kay



THANK YOU!
Questions/Discussion