Creating a Clinically Integrated Physician Organization: Population Health Management

November, 2015

GENESIS Physicians Group

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Physicians moving toward Population Health

- Payors are driving change from traditional FFS to value-based, shared savings, and risk contracting
  - Decreasing FFS rates on traditional IPA contracts
  - Increasing FFS rates and incentives on ACO contracts
- Physicians are building Clinically Integrated Networks around Population Health Mgmt.
- Physicians are entering into Accountable Care Organization (ACO) contracts

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Physicians and Population Health Management

- In 2-3 years ACO contract participation will be required to stay financially viable (replace loss of traditional FFS rates)
- Clinically Integrated Networks (ACOs) are the only mechanism that allows a network of Independent Physicians to negotiate FFS rates
- What are your options as an independent physician?
  - Join a hospital-based ACO
  - Join a physician-led ACO

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The Basics of Shared Savings Contracts

- **Patient Population:** Based on historic visits and claims the payer assigns/attributes covered patients to a group of participating PCP physicians
- **Three Types of Physician Payments:**
  1. Physicians still receive traditional FFS reimbursement
  2. Shared Savings Payments - if the cost of care for the assigned population is less than projected costs (risk-adjusted + inflation)
     - Payer splits some portion of the savings (% differs by contract)
  3. ACO offers financial incentives for quality reporting, quality improvement, and other process changes

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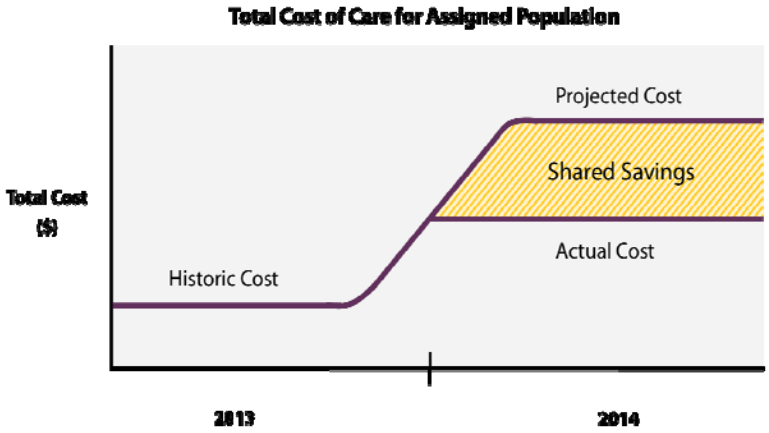
The Basics of Shared Savings Contracts



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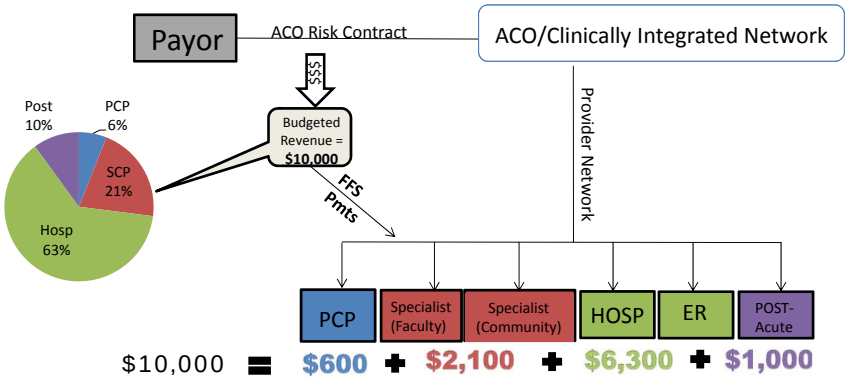
Example: Shared Savings or Capitated/Risk Contracting



Total Costs:

- Greater than budget creates a loss, leading to reduced provider payments.
- Less than budget creates a savings, leading to provider bonuses.

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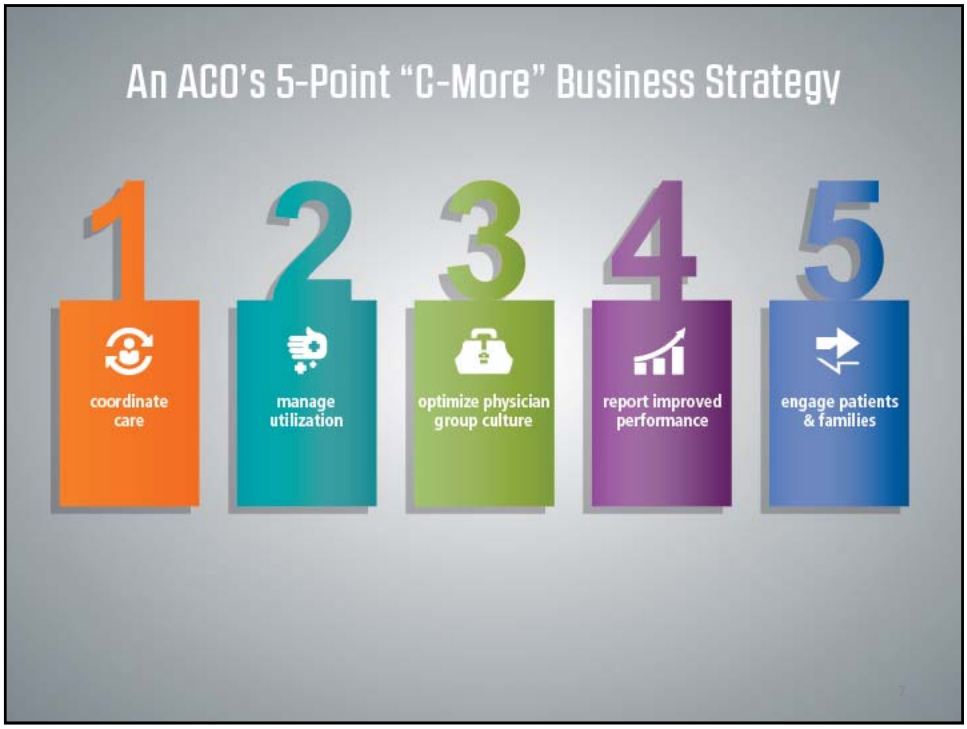
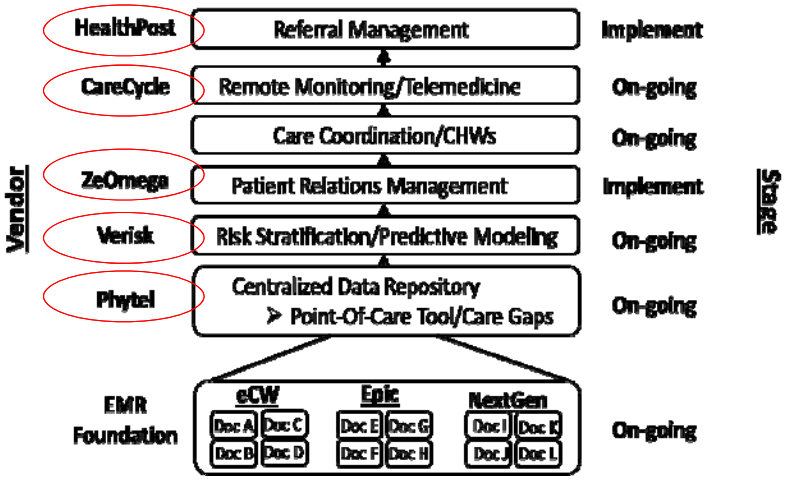


An ACO's Clinical Integration Efforts



An ACO's Monthly PCP Performance Report

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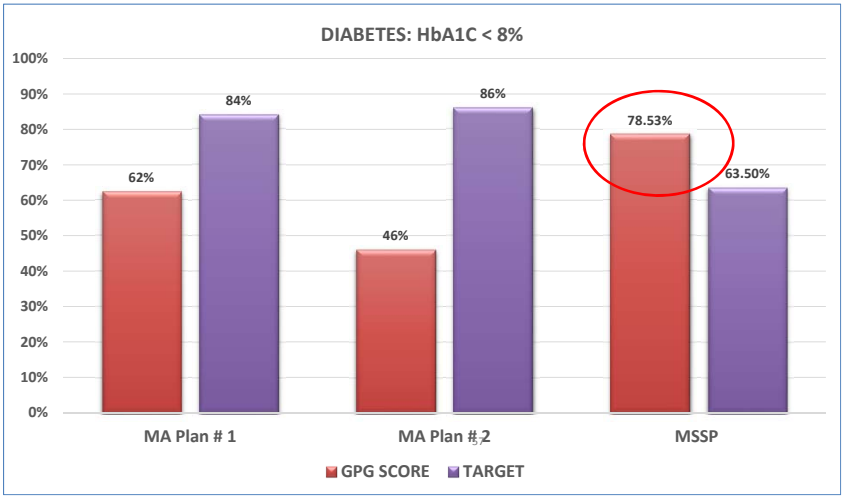
An ACO's Quality Score Comparison - 2014



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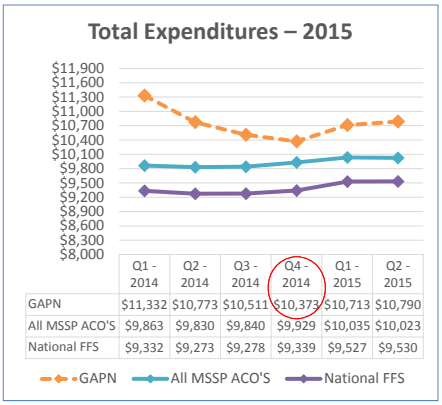
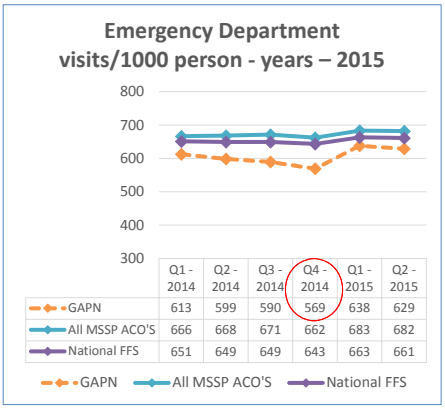
MSSP Contract – GAPN 2014/2015 Cost & Utilization Trend*



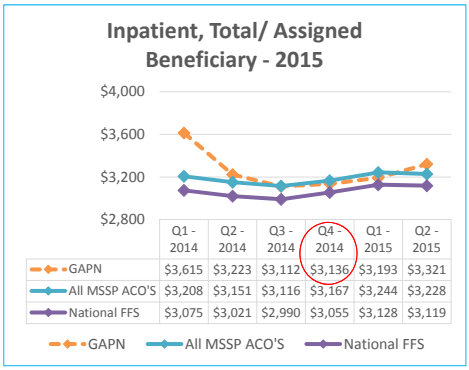
	Q1 - 2014	Q2 - 2014	Q3 - 2014	Q4 - 2014	Q1 - 2015	Q2 - 2015
GAPN	$11,332	$10,773	$10,511	$10,373	$10,713	$10,790
All MSSP ACO'S	$9,863	$9,830	$9,840	$9,929	$10,035	$10,023
National FFS	$9,332	$9,273	$9,278	$9,339	$9,527	$9,530



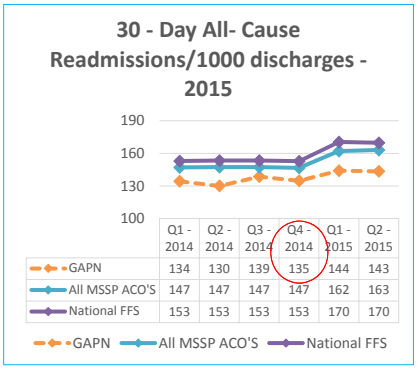
	Q1 - 2014	Q2 - 2014	Q3 - 2014	Q4 - 2014	Q1 - 2015	Q2 - 2015
GAPN	613	599	590	569	638	629
All MSSP ACO'S	666	668	671	662	683	682
National FFS	651	649	649	643	663	661

*Data Reported by CMS for GAPN's 2014 Performance Trend for 16,000 Medicare patients
*Data Reported by CMS for GAPN's 2015 Performance Trend for 12,000 Medicare patients

MSSP Contract - GAPN 2014/2015 Inpatient Utilization Trend*



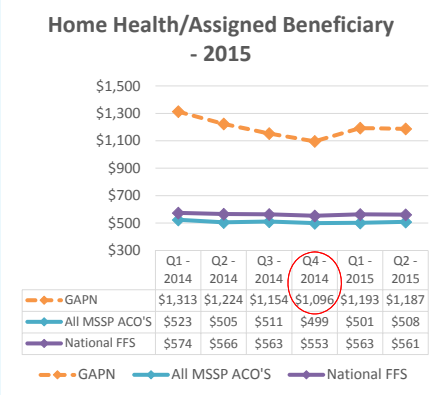
	Q1 - 2014	Q2 - 2014	Q3 - 2014	Q4 - 2014	Q1 - 2015	Q2 - 2015
GAPN	$3,615	$3,223	$3,112	$3,136	$3,193	$3,321
All MSSP ACO'S	$3,208	$3,151	$3,116	$3,167	$3,244	$3,228
National FFS	$3,075	$3,021	$2,990	$3,055	$3,128	$3,119



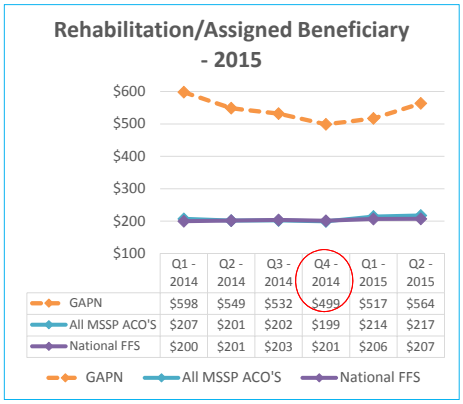
	Q1 - 2014	Q2 - 2014	Q3 - 2014	Q4 - 2014	Q1 - 2015	Q2 - 2015
GAPN	134	130	139	135	144	143
All MSSP ACO'S	147	147	147	147	162	163
National FFS	153	153	153	153	170	170

*Data Reported by CMS for GAPN's 2014 Performance Trend for 16,000 Medicare patients
*Data Reported by CMS for GAPN's 2015 Performance Trend for 12,000 Medicare patients

MSSP Contract - GAPN 2014/2015
Post-Acute Utilization Trend*



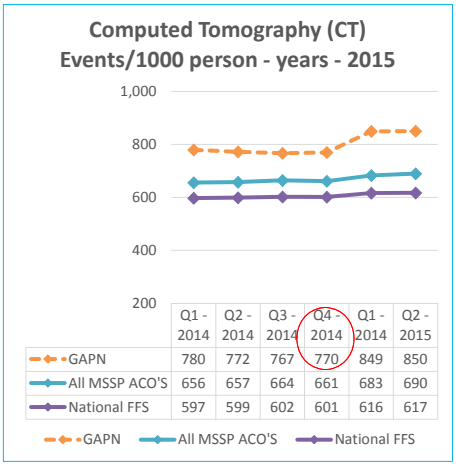
	Q1 - 2014	Q2 - 2014	Q3 - 2014	Q4 - 2014	Q1 - 2015	Q2 - 2015
GAPN	$1,313	$1,224	$1,154	$1,096	$1,193	$1,187
All MSSP ACO'S	$523	$505	$511	$499	$501	$508
National FFS	$574	$566	$563	$553	$563	$561



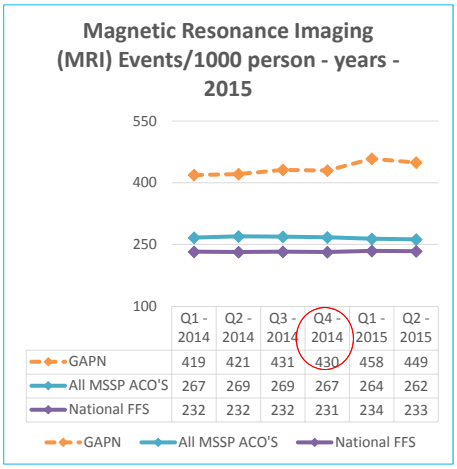
	Q1 - 2014	Q2 - 2014	Q3 - 2014	Q4 - 2014	Q1 - 2015	Q2 - 2015
GAPN	$598	$549	$532	$499	$517	$564
All MSSP ACO'S	$207	$201	$202	$199	$214	$217
National FFS	$200	$201	$203	$201	$206	$207

*Data Reported by CMS for GAPN's 2014 Performance Trend for 16,000 Medicare patients
*Data Reported by CMS for GAPN's 2015 Performance Trend for 12,000 Medicare patients

MSSP Contract – GAPN 2014/2015
High Cost Radiology Utilization Trend*



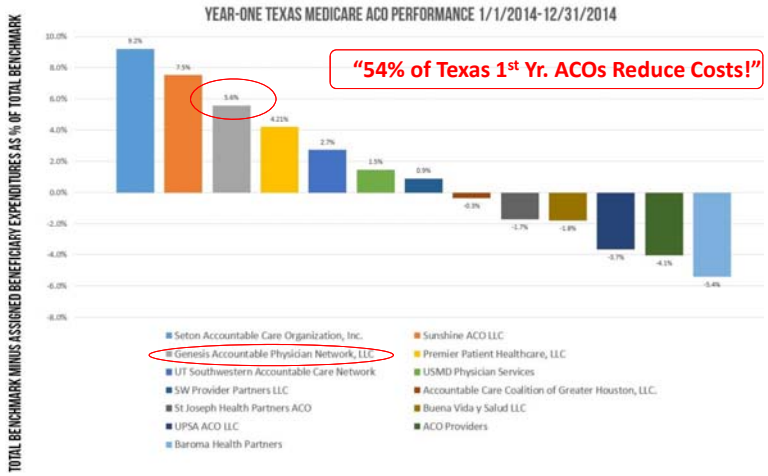
	Q1 - 2014	Q2 - 2014	Q3 - 2014	Q4 - 2014	Q1 - 2014	Q2 - 2015
GAPN	780	772	767	770	849	850
All MSSP ACO'S	656	657	664	661	683	690
National FFS	597	599	602	601	616	617



	Q1 - 2014	Q2 - 2014	Q3 - 2014	Q4 - 2014	Q1 - 2015	Q2 - 2015
GAPN	419	421	431	430	458	449
All MSSP ACO'S	267	269	269	267	264	262
National FFS	232	232	232	231	234	233

*Data Reported by CMS for GAPN's 2014 Performance Trend for 16,000 Medicare patients
*Data Reported by CMS for GAPN's 2015 Performance Trend for 12,000 Medicare patients

MSSP Contract Performance:
TX *ACOs in 1st Year of Performance-2014*



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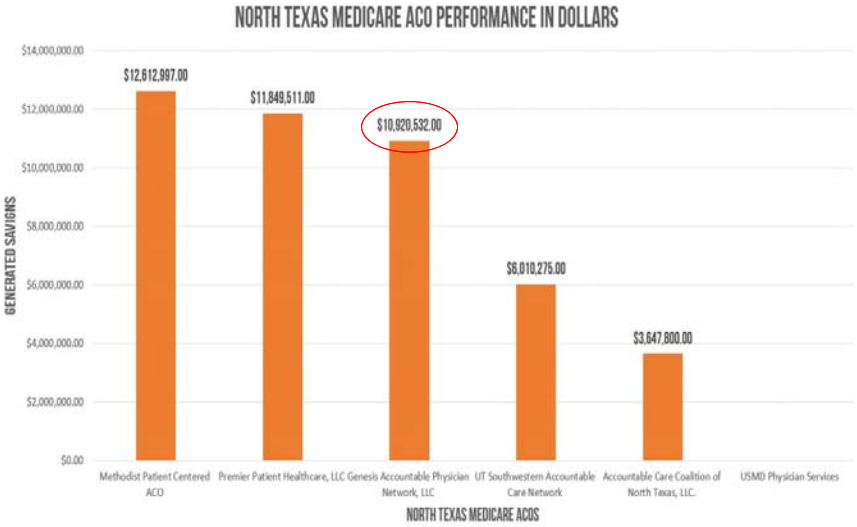
MSSP Contract Performance – N.Texas
ACOs in 1st & 2nd Year of Performance



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An ACO's Financial Distribution of Shared Savings: 2014

- 82 Physicians with Attributed Patients
  - 122 Physicians (Specialists) without Attributed Patients
- The Top Physician Bonus:
  - $88,186 with 762 Patients
    - 78.6% Quality Performance Score
    - 66% Participation Score
- The Lowest Physician Bonus:
  - $2,979 with 16 Patients
    - 52.9% Quality Performance Score
    - 33% Participation Score
- Median Physician Reward: $11,473

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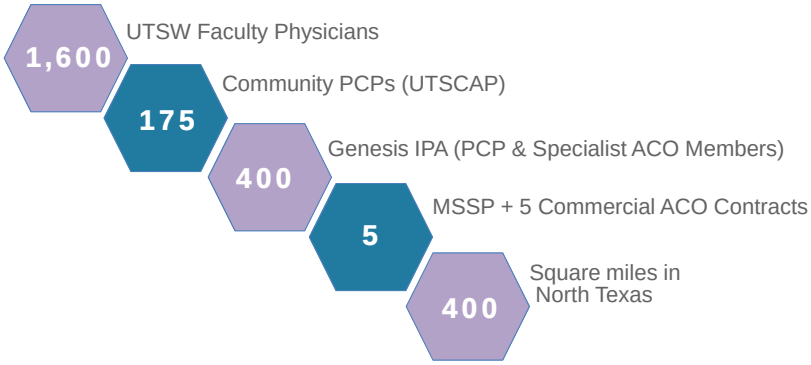
An Independent Physician's ACO Pivot: UT Southwestern Accountable Care Network

Affiliating to sustain clinical integration momentum!*



*Contracting; IT Services; Practice Transformation; Care Team Support; Etc.

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Table-top Questions

1. With Population Health Mgmt.'s emphasis on IT Tools, how do physicians interested in clinical integration optimize the network's culture & primary care mission?
2. How can primary care physicians improve patient & family engagement, helping achieve the "triple aim"?
3. What are some key illustrations of incorporating team-based primary care into the practice transformation plans, i.e. how best to utilize Care Coordination support services?
4. What are the near-term economic and social drivers of change to the primary care physician's mission?

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