HRC
HEALTLCARE ADVISORS

Strategic Goal-Setting for Health Centers in Value-Based Care

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Agenda

1. Value-based Care Trends Impacting Health Centers
2. Assess Your Current State of Value-based Care
3. Plan 12-18 Month Value-based Care Goals
4. Develop Strategy and Implementation Plans
5. Key Next Steps

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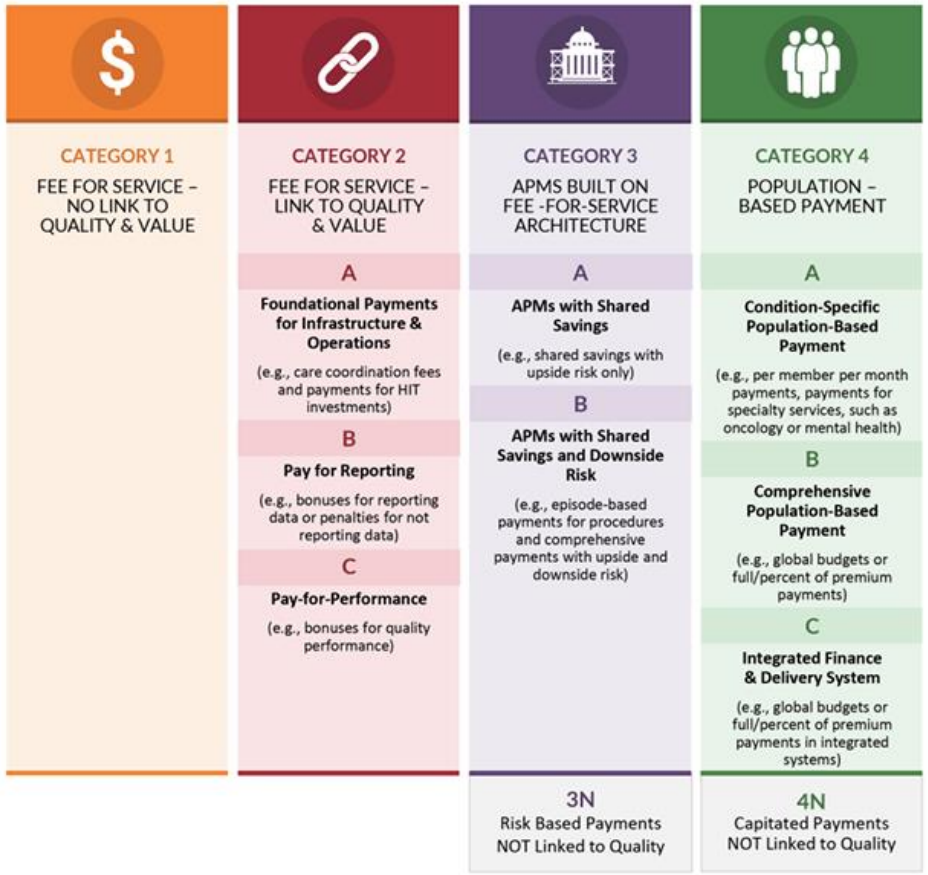
HCPLAN

Health Care Payment Learning & Action Network

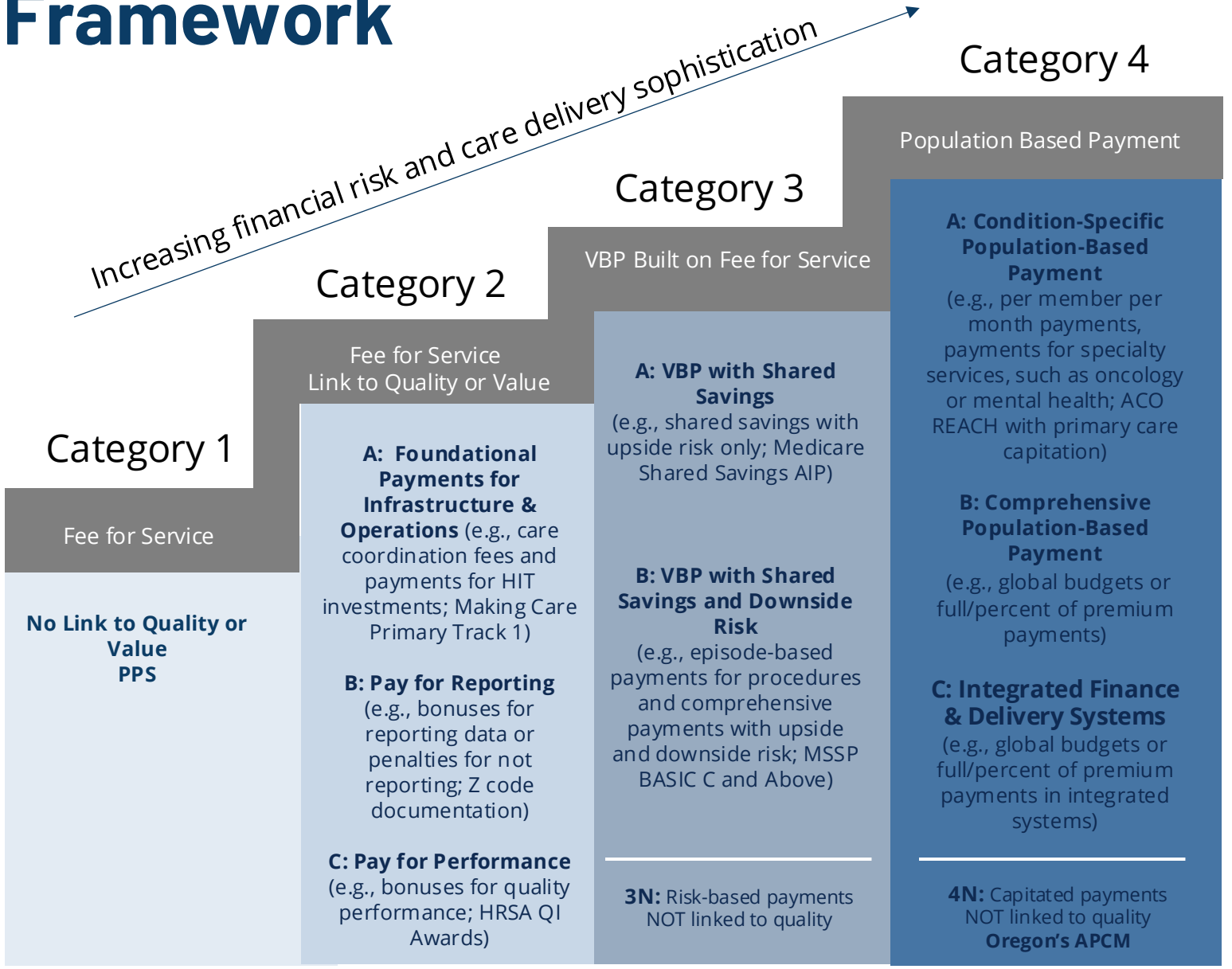


LAN Accountable Care Curve Levels of Transformation

Developed the Alternative Payment Model (APM) Framework for representing payments from payers to provider organizations represents a clinical and financial risk continuum.

Value-based Payment Framework

Health Center Version



HCPLAN
Health Care Payment Learning & Action Network

Developed the Alternative Payment Model (APM) Framework for classifying APMs establishing a common vocabulary for categorizing payment models.

National Trends on Value-based Care

HRSA

- New interest in understanding Health Center's participation in value-based care, best models for health centers, and HEDIS measure alignment

Medicare

- CMS aims to have all Medicare and most Medicaid beneficiaries enrolled in accountable care programs by 2030.
- Regulatory changes and policy shifts are likely to favor primary care, competition and less regulation

Medicaid

- States are cultivating a market where Medicaid managed care organizations must focus on population health and prove they can establish successful VBC programs with healthcare providers.

Distinct Market

- Value-based care is emerging as a distinct healthcare landscape, as evidenced by private equity's rapid investment in primary care.
- Primary Care Enablers are ready to support health centers (while taking a large cut of incentives earned)

More Models Available

- Value-based care models are more widely available, and data suggest will double in the next five years[1].

[1] McKinsey and Company. Investing in the new era of value-based care.

Why is this Important to Health Centers?

- **Value-based care is here to stay.** A strategic approach is essential as the healthcare landscape continues to evolve.
- **Incentives earned through value-based care can be leveraged** to enhance care delivery for all patients—regardless of insurance status.
- **Diversifies revenue streams**—a critical advantage during times of financial uncertainty.
- **Aligns care with mission-driven goals**, supporting whole-person, community-centered health.

Where Should We Start?


Assess Current State


Identify Priorities and Set Clear Objectives


Establish Key Performance Metrics and Goals


Develop Strategy and Action Plans


Continuous Monitoring and Improvement

Assess Current State

Analysis of Patient Population, Existing Contracts & Performance

→ Patient Population Analysis – understanding the major health plans and patients attributed

→ Contract and Payment Analysis – understanding which value-based contracts could provide the most favorable revenue

Assess Current State

Analysis of Patient Population, Existing Contracts & Performance

→ Patient Population Analysis

- Gather data on active, unique patients seen in the last 24 months, including their health plan type and a unique patient identifier.

- Analyze the patient population data, segmenting it by product type and plan type to identify the largest and most significant health plans.

Health Plan	Product Type	Attributed Patients
Molina	Medicaid	2,000
Centene	Medicaid	1,200
CareSource	Medicaid	1,100
Medicare	Medicare	850
Anthem	Commercial	200
Humana	Medicare Advantage	150
UnitedHealthcare	Commercial	75
UnitedHealthcare	Medicare Advantage	30
Blue Cross Blue Shield	Commercial	25

Assess Current State

Analysis of Patient Population, Existing Contracts & Performance

→ Contract and Payment Analysis

- Identify contracted health plans, focusing on those with over 150 patients using the population analysis.
- Identify contracts with value-based payment models or potential opportunities.
- Create a Health Plan Contract Summary table including:
  - Health plan name;
  - Product type;
  - Number of patients covered;
  - Value-based care agreement terms; and
  - description of payment terms.
- Conduct a financial and payment evaluation for each contract, including the potential value of the contract, actual payout, and improvement margin.

Assess Current State

Analysis of Patient Population, Existing Contracts & Performance

Health Plan	Product Type	Attributed Patients	Contract Type	HCP-LAN Category	Care Coordination	Quality Incentive	Medical Loss Ratio (MLR)	Other
Molina	Medicaid	2,000	Pay for Performance	Category 2c	$1.50 PMPM	N/A	N/A	$50 per visit – ER peds follow-up visits $25 per visit – post partum visits
Centene	Medicaid	1,200	Pay for Performance and Shared Savings	Category 3a	$1.00 PMPM	Yr 1: $3.00 PMPM Yr 22: $4.00 PMPM (HEDIS)	85%> - $1.00 PMPM	N/A
CareSource	Medicaid	1,100	Pay for Performance and Shared Savings	Category 3a	$1.15 PMPM	$0.25 - $4.00 PMPM (HEDIS)	83%> - $1.00 PMPM, 82%> - $2.00 PMPM	$3.00 PMPM – well care visits, ED util. red. $0.50 PMPM post-partum visits
Medicare	Medicare	850	Fee for Service	Category 1				
Anthem	Commercial	200	Shared Savings	Category 3a	$3.00 PMPM	Shared Savings program includes variable pay-out based on 5 composite measures comprising cost, quality and utilization metrics.		
Humana	Medicare Advantage	150	Shared Savings	Category 3a	None	Shared Savings program includes 20% pay-out based in year 1 based on meeting total cost of care benchmark and performance on 10 measures comprising of quality and utilization metrics.		

Assess Current State

Analysis of Patient Population, Existing Contracts & Performance

→ Contract and Payment Analysis (Advanced)

- Conduct a financial and payment evaluation for each contract, including the potential value of the contract, actual payout, and improvement margin.

Health Plan	Product Type	Attributed Patients	Contract Type	LAN Category	Care Coordination	Quality Incentive	Medical Loss Ratio (MLR)	Other	Actual Payout	Improvement Value	Potential Value
Molina	Medicaid	2,000	Pay for Performance	Category 2c	$1.50 PMPM	N/A	N/A	$50 per visit – ER peds follow-up visits $25 per visit – postpartum visits	$36,000 PMPM $2,250 ER Follow-up Pediatric Visit $2,500 Postpartum Visits	$12,750 Peds ER Follow-up Visits $10,000 Postpartum Visits	
									$40,750	$22,750	$63,500

Identify Priorities and Set Clear Objectives

Where do you want to go?

→ **Identify Priorities.** Review contract assessment and identify areas requiring attention and resources for contract success.

→ **Contract Goals.** Determine goals for health plans, including increasing patient attribution, maintaining current terms, or improving/replacing health plans.

→ **Improvement Efforts.** Prioritize individual contracts for practice improvement efforts based on factors like patient populations, target measures, and incentives.

→ **Set Priorities.** Common priorities include enhancing patient access and engagement, implementing care management, reducing readmissions, and promoting preventive care, aligning with the health center's vision and mission for value-based care journey.

Establish Key Metrics and Goals

Define Where You're Going

→ **Use the Contract Analysis to Inform Goals.** Identify areas key to improving performance on current contracts and expanding into new opportunities.

→ **Define Key Performance Metrics.** Align with value-based care goals, including process and outcome measures.

→ **Set SMART Goals.** Ensure objectives are specific, measurable, achievable, relevant, and time-bound.

Establish Key Metrics and Goals

Example Value-based Care Goals

Value-based Contracting:

- Increase earned value-based payment incentives by 30% in 2026.
- Increase access to health plan data from one Medicaid-managed care organization to three by the end of the 2025 calendar year.
- Identify and join a Medicare Accountable Care Organization for the 2025 performance year.

Patient Engagement:

- Increase primary care visits for attributed patients from 50% to 70% in 18 months.
- Increase Medicare Annual Wellness Visits from 20% to 35% in 8 months.
- Implement a Social Needs Screening for all patients in 12 months.

Care Management:

- Design and implement a care management program for high-risk patients in 14 months.
- Increase the percentage of high-risk patients from 50% to 65% with completed care plans.
- Increase adult and pediatric follow-up visits following an emergency room visit from 8% to 20% in 12 months.

Develop Your Strategy and Implement Action Plan(s)

Consider the Following for Each Goal

→ **Develop an action plan for each goal.** Include specific action steps for each strategy, assign responsibilities, set timelines, and allocate necessary resources for successful implementation.

→ **Include Diverse Perspectives.** Involve diverse teams, including those most impacted by change, for varied perspectives and expertise.

→ **Leverage Best Practices and Free Resources.** Use evidence-based practices, research findings, and expert recommendations in strategy development.

Continuous Monitoring and Improvement

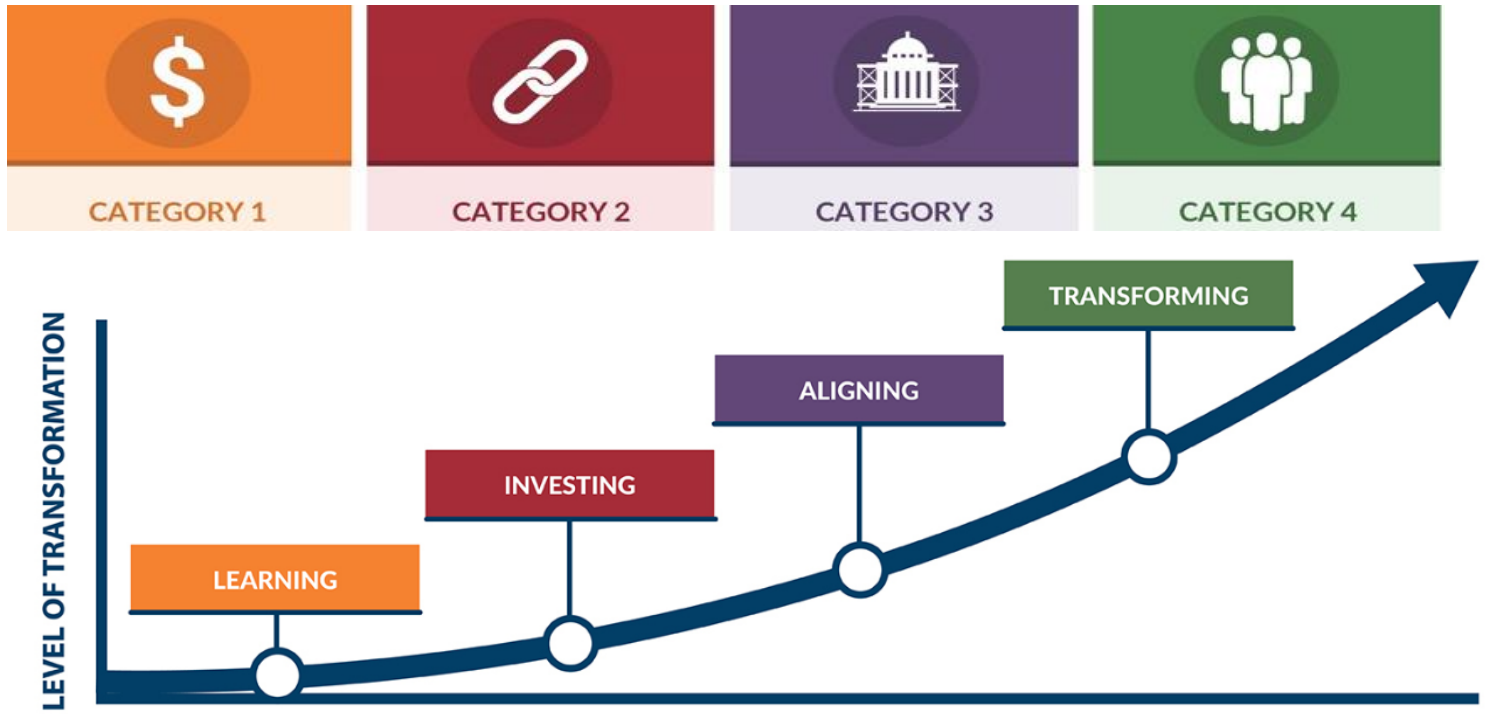
Improvement Strategy

→ **Incorporate into your QI Plan.** Develop an improvement strategy with a clear vision, goals, and action steps for transformation and improved performance.

→ **Regularly assess impact.** Assess impact of interventions, measure progress against metrics, and gather feedback from patients, care teams, and providers.

→ **Iterate.** Identify areas for improvement, make necessary adjustments to the strategy, and foster continuous learning and innovation.

Movement Toward Value-based Care is a Journey



Where to Start: Four Key Next Steps

One	• Identify Health Center Staff Member to Champion VBC Efforts
Two	• Understand the Basics of Value-based Care and Payment
Three	• Assess Current Value-based Payment Contracts
Four	• Define and Prioritize One Value-based Care Goal

Q & A

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Resources

NACHC's Value Transformation Framework

HITEQ Value-based Care Basics Module 1: Reviews the spectrum of value-based payment arrangements, using the HCP-LAN framework as a guide, and the capacity needed to be successful in each of those payment categories.

HITEQ Center Managed Care Glossary for Health Centers: Provides key definitions of value-based care from a health center perspective.

The Commonwealth Fund: Value-based Care: What It Is, and Why It's Needed: Provides a general overview of value-based care and trends that support adoption.

Center for Healthcare Strategy: How Health Centers Can Improve Patient Care Through Value-based Payment Models: Reviews health center specific models, considerations, and approaches to value-based care.

What is Value-based Healthcare? *NEJM Catalyst*. January 1, 2017. Explores the definition, benefits, and examples of value-based healthcare.