

Accountable Care NEWS

ACO Lessons Learned: Revisiting the Timing of Downside Risk

By Vince Kuraitis, JD, MBA

The Medicare Shared Saving Program (MSSP) ACO model is at a pivot point.

Here's the issue in a nutshell: one of the most critical aspects of the Medicare MSSP has been around the timing and certainty of requiring mandatory downside financial risk for physician and hospital participants.

Provider protests cajoled CMS to backing off an initial stance of "firm and unwavering" for ACO mandatory risk requirements in 2011. The issue is being revisited in major 2014 MSSP reg revisions which are in process. A central lesson we are learning about ACOs is that clinical transformation is a long and difficult process, and thus CMS (and all payers) should continue to be "firm but flexible" in the timing of requiring downside risk. There are many advantages of a stance of "firm but flexible", and while the shift in wording might seem subtle, the implications are profound.

My personal views on this issue have evolved significantly. Back in 2011, I (and most other peanut gallery commentators) would have favored a stance of "firm and unwavering" toward requiring providers to assume downside risk ASAP. My thinking has moderated toward "firm but flexible". While the article primarily discusses the Medicare MSSP ACO, the lessons are applicable to all accountable care initiatives.

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Predictive and Prescriptive Analytics for Sustainable Care Management

By Jay Reddy, BS, MBA

Here is the challenge. Over the years, Health Maintenance Organizations (HMOs) have been using traditional care management programs to reduce healthcare cost and improve quality of care for their plan members.

GlobalHealth, an Oklahoma-based HMO, was good at managing care after a disease or condition is identified.

They didn't have necessary data to identify clinically high-risk members who may not be high utilizers of Care Management programs. This resulted in an increase in ER encounters and readmissions of members, leading to increased PMPM. It is possible, however, to reduce PMPM (Per Member Per Month) costs while increasing member satisfaction by using predictive analytics to identify at-risk patients who have a chance of becoming users of high-cost healthcare service in near future.

Scenario at a Glance

- GlobalHealth identified group of members who are low users of services; however, some of them experience a sudden acute event that requires a hospitalization, and consequently, become high users. When GlobalHealth's clinical and administrative leaders began reviewing statistics on daily inpatient admissions (e.g., reasons for admissions, diagnosis, health and claims history), they found that there were clear leading indicators of these acute events.
- GlobalHealth realized the need for predictive modeling tool that could have prevented large percentage of hospitalizations by evaluating the member data and identifying at-risk patients ahead of time.

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Editor's Corner

Raymond Carter, Senior Editor, *Accountable Care News*

We continue with our series of op-eds and reports from the field in this space with a piece from Jason Goldberg on Telehealth.

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The Future of Telehealth in America and Potential Significance of Medicare Telehealth Parity Act

The future of Telehealth in the U.S. is so promising that even Washington politicians are beginning to realize it, as evidenced by recent pending legislation.

The bipartisan Medicare Telehealth Parity Act of 2014 (H.R. 5380) has the potential to be a once-in-a-generation legislation that promotes a future where telehealth programs are at the core of home-based wellness, preventative care, and outpatient therapy services. In addition to amending title XVIII of the Social Security Act to expand Medicare reimbursement on a phased basis for telehealth services provided to Americans living in larger metropolitan statistical areas (MSA), the bill also includes rural health clinics as approved telehealth care sites, and provides coverage for a wide range of telehealth and outpatient therapy services.

Among the key categories of telehealth covered by the bill are Remote Patient Monitoring (RPM) that enables healthcare monitoring of individuals outside clinical settings such as doctors' offices and hospitals, "store-and-forward" technologies that allow patient data to be sent to medical providers for evaluation, and home-based telemedicine services.

One of the key provisions of the bill is its emphasis on properly applying evolving technologies to achieve measureable improvements in societal health and wellness. Telehealth has been proven to improve the quality, safety, efficiency, and effectiveness of healthcare, but more importantly this technology has the potential to help people stay active, be more independent and live longer lives. By leveraging reliable technology solutions, telehealth delivers actionable data that enables individuals, caregivers and trusted clinical team members to facilitate custom care plans led by doctors. It also offers opportunities to incorporate feedback, allowing people to become active participants in their own health.

Telehealth makes proactive prevention more realistic than ever as it is instrumental in gauging health issues before chronic conditions manifest into serious events. For people managing chronic conditions such as congestive heart failure, hypertension, diabetes, asthma or obesity, remote patient monitoring provides relevant, real-time, reliable, and actionable data whether at home or on the go. No more unnecessary doctors' visits or sitting in waiting rooms for no reason. Healthcare right in their home will be a welcomed change for individuals and families.

The popularity of personal electronic devices, as well as endorsements for remote patient monitoring by leading communications and technology providers, including ADT, Verizon, Sprint, and West Corporation, continue to drive advances in telehealth. In addition, the development of innovative and easy-to-use platforms to address challenging and costly health care issues, coupled with the greater acceptance of RPM routines by consumers, will continue to drive widespread success of telehealth in the future.

According to Deloitte, the number of patients using telehealth services around the globe is expected to skyrocket from 350,000 in 2013 to about 7 million by 2018. As acceptance expands, healthcare providers will increasingly rely on the availability of accurate, real-time information that allows them to make the best decisions for optimal patient care. In order to keep up with the demand for information and be feasible for widespread use, RPM systems must be capable of being integrated with other existing IT infrastructure, while requiring no additional software, training, or data reconfiguration.

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But there are many advantages to maintaining *flexibility with the timing* of downside risk:

- Allowing physician (and hospital) leadership to emerge and mature
- Encouraging ACOs that are "on the fence" to continue participation in the program
- Allowing ACOs invest and build infrastructure systematically and incrementally
- Allowing best practices to disseminate and get implemented
- Allowing providers to conclude on their own that preparing to accept risk is a market requirement and in their own best interests

We're learning that the endpoint is the most important goal. The journey might take longer than expected...and that's OK.

Implications for Providers and Payers. Here's a few thoughts on the subtle but critical shift toward "firm but flexible" downside risk for providers.

Adapt your mindset. Providers and payers both should revisit their bargaining posture toward financial risk.

Providers, rethink your bargaining posture *from* "We're not interested or comfortable with downside risk" *to one of* "We understand that market is inevitably moving toward downside risk. Let's work together to get there. We'll appreciate your help and patience."

Payers, rethink your bargaining posture *from* "If we're going to talk you MUST be willing to accept downside risk ASAP" *to one of* "We'll work with you in getting to downside risk. We're firm that we need to get there eventually, but we understand the transition is difficult. We'll help. Let's work together."

Voice your views to CMS. Comment to CMS on the 2014 draft revisions to the Medicare MSSP regs. Let them know that a stance of "firm but flexible" will be more palatable to providers and a better route to long-term success.

Consider Medicare Advantage as an option. Let's revisit the boat dock metaphor -- where providers find it difficult simultaneously to live in fee-for-service and value-based reimbursement. Some providers find that the best way to deal with the difficulty of straddling both worlds is to get off the dock and onto the boat as quickly as possible. That is, their appetite for risk increases dramatically and quickly.

"Firm but flexible." It might take longer, but the success is worth the wait.

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The Future of Telehealth in America...continued from page 2

IDEAL LIFE recently completed a study that shows that telehealth can reduce hospital admissions by 76%, hospital bed days by 81% and hospital costs by 87%. Here are some of the key reasons telehealth is helping us live healthier, more independent and longer lives:

1. **Helps patients become proactive** – Telehealth enables people to keep up with their health on-the-go while maintaining busy work, family and social schedules.
2. **Assists in managing medical issues** – Telehealth has the potential to save lives by providing relevant, real-time, reliable and actionable data that can alert medical professionals when action is needed.
3. **Empowers greater independence** – Moving away from the comfort of one's home into an assisted living home can be scary. Telehealth can delay this move by allowing people to monitor health from the comfort of their home.
4. **Creates less stress** – Stress is harmful. Telehealth makes it less stressful to manage one's health, which leads to a healthier life.
5. **Lessens the healthcare financial burden** – According to a study published by the Eddy Visiting Nurse Association, telehealth can reduce medical costs by nearly 42% per year.

Passage of the Medicare Telehealth Parity Act is only the first step in what promises to be an exciting future filled with telehealth innovations. There will no doubt be gaps in coverage, reimbursement issues to be ironed out, and new practice standards and licensure issues related to multi-state practices. But the fact remains that telehealth will soon become such a common and absolutely necessary part of society's health and wellness practices that we will wonder how we ever managed to live without it.

Jason Goldberg is the Founder and President of IDEAL LIFE, a global health technology company based in Toronto and spanning multiple continents with the largest implementation of remote health management solutions. He can be reached at jgoldberg@ideallifeonline.com.