CPAs & BUSINESS ADVISORS

POPULATION HEALTH AND FINANCE

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AGENDA

- Barriers to Population Health Discussions
- Financial and Operational Opportunities

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THE “WHY” BEHIND THE CONVERSATION

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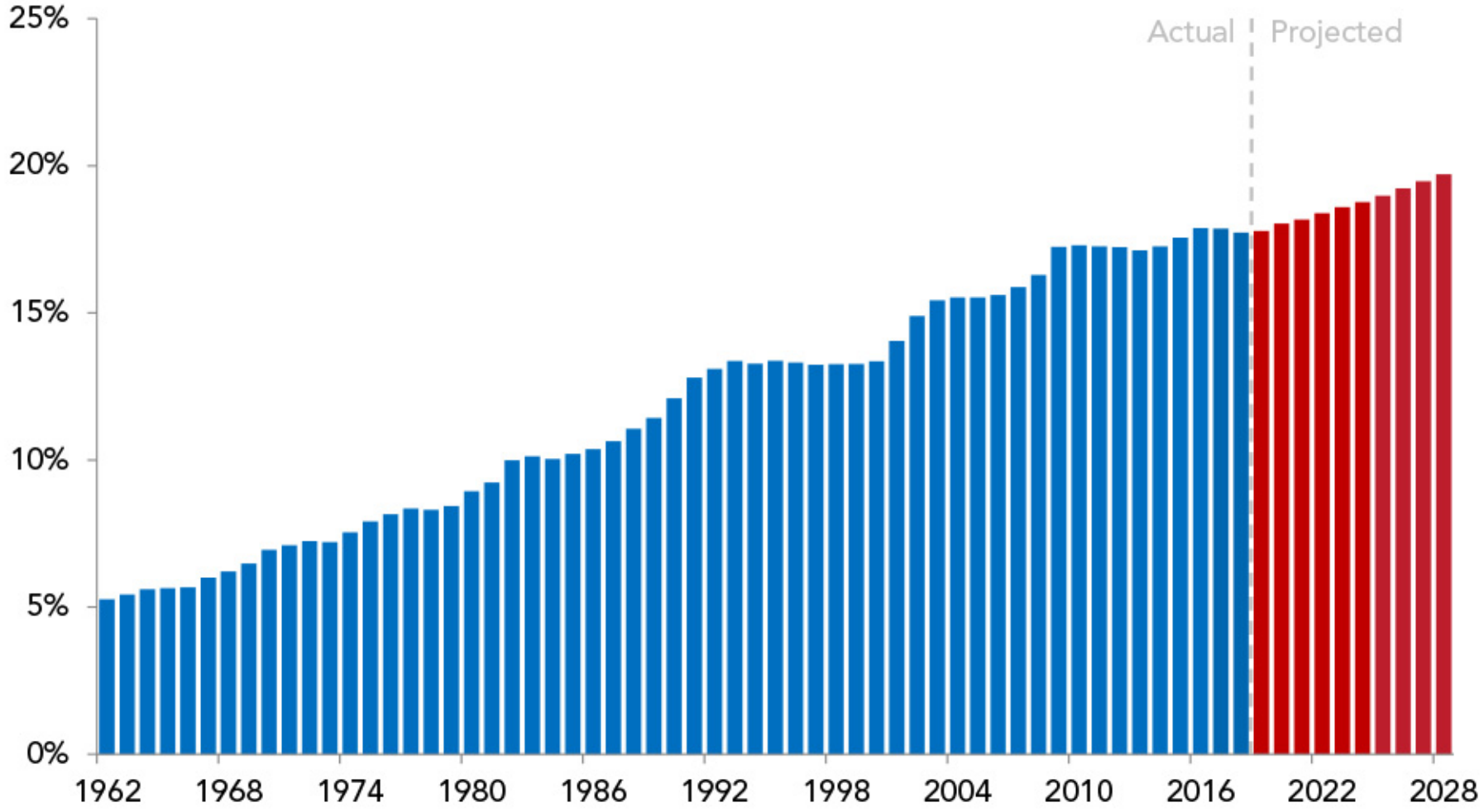
Healthcare costs in the United States have increased drastically over the past several decades

National Health Expenditures (% of GDP)



SOURCE: Centers for Medicare and Medicaid Services, *National Health Expenditure Data*, March 2020.

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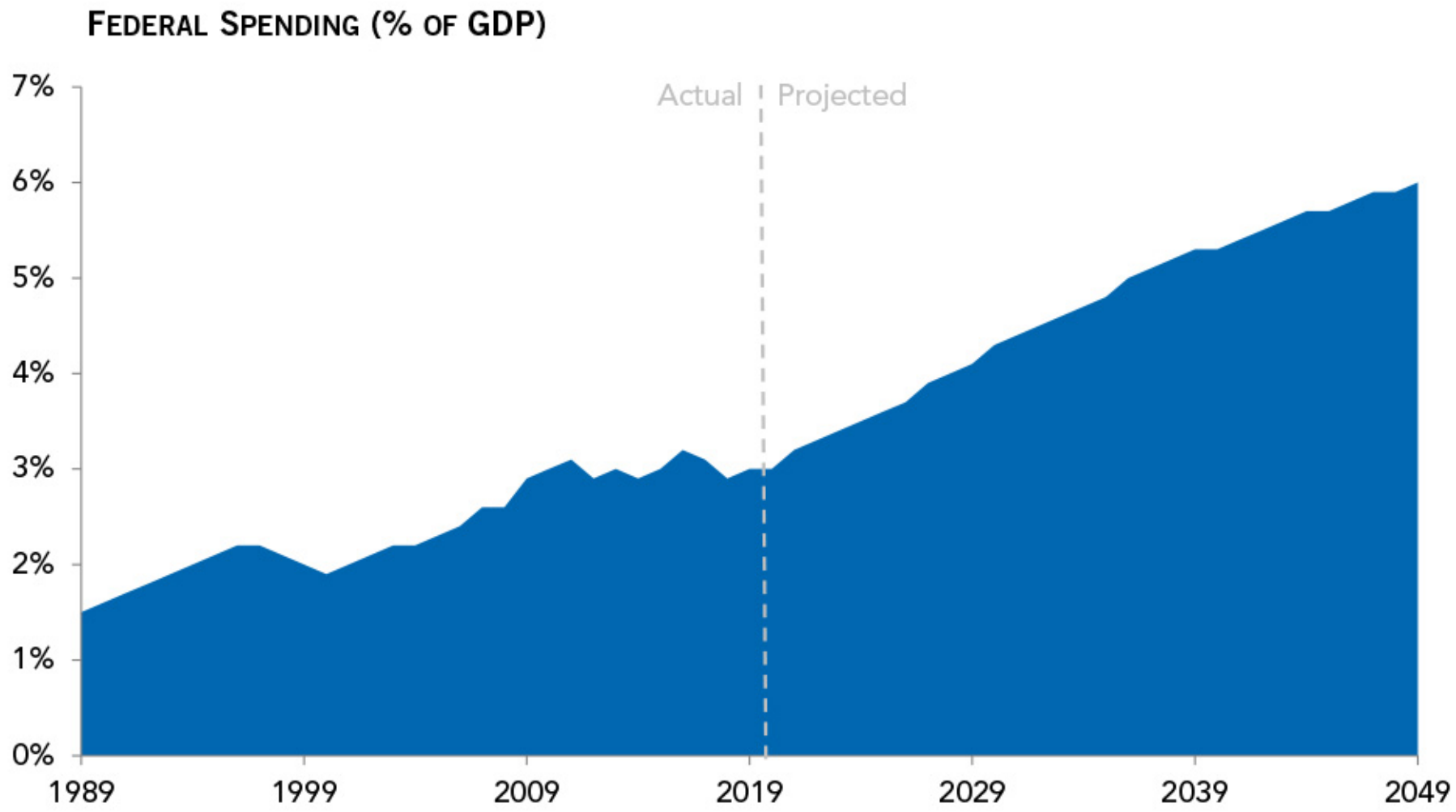
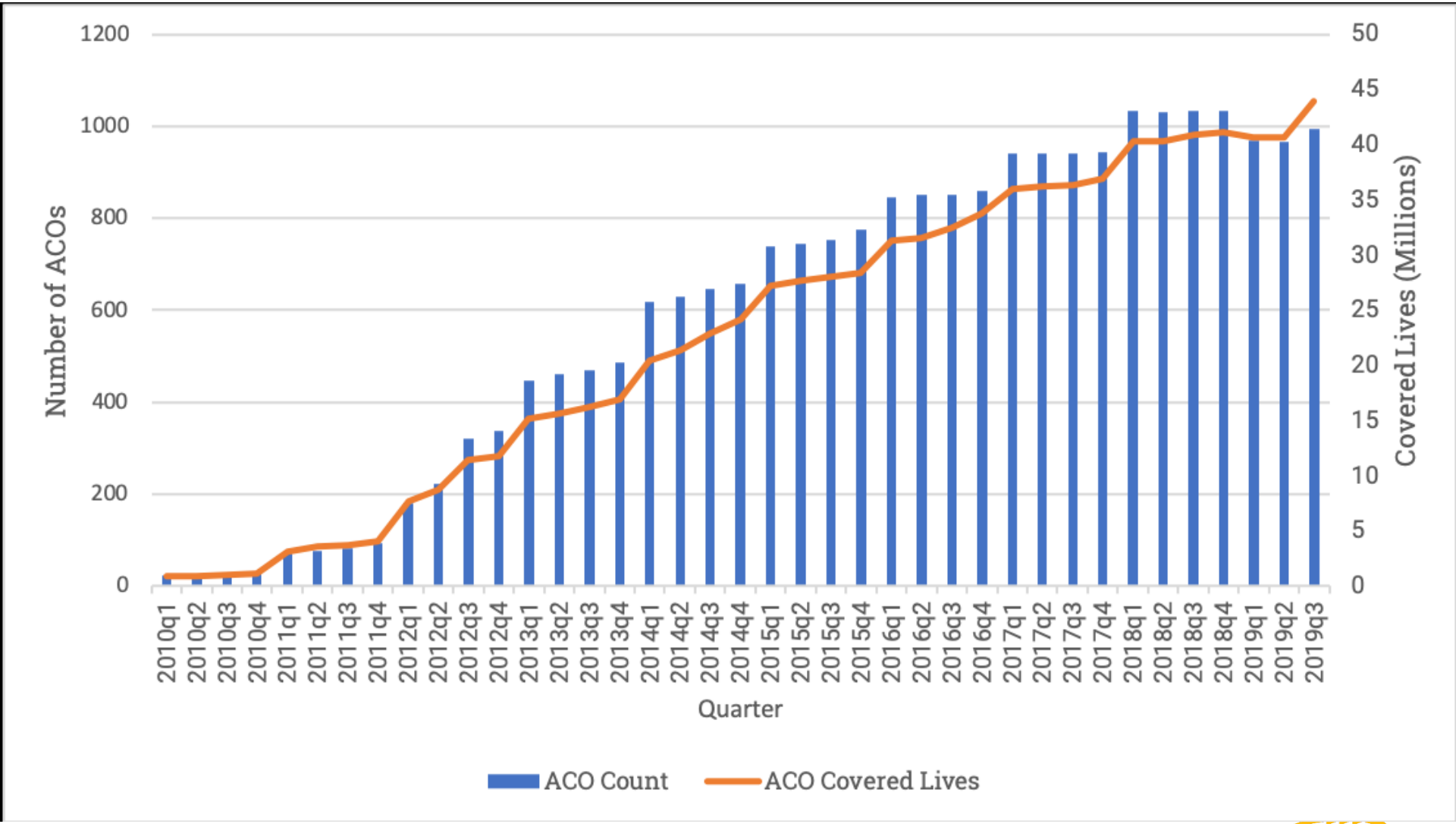
Medicare spending is expected to grow substantially



SOURCES: Congressional Budget Office, *The 2019 Long-Term Budget Outlook*, June 2019; and Office of Management and Budget, *Budget of the U.S. Government: Fiscal Year 2021*, February 2020.
NOTE: Medicare spending is net of offsetting receipts.


1200
1000
800
600
400
200
0
Number of ACOs
50
45
40
35
30
25
20
15
10
5
0
Covered Lives (Millions)
2010q1
2010q2
2010q3
2010q4
2011q1
2011q2
2011q3
2011q4
2012q1
2012q2
2012q3
2012q4
2013q1
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2017q1
2017q2
2017q3
2017q4
2018q1
2018q2
2018q3
2018q4
2019q1
2019q2
2019q3
Quarter
ACO Count
ACO Covered Lives

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1 COSTS CONTINUE TO RISE

2 POPULATION HEALTH ACTIVITIES ARE ON THE RISE

3 RURAL SETTINGS ARE NOT IMMUNE TO THE ACTIVITY

4 IT MORE EFFECTIVE TO BE PROACTIVE THAN REACTIVE

BARRIERS TO THE CONVERSATION

What barriers do you hear and/or experience in engaging your organization in the discussion regarding population health?

- Board
- Leadership
- Staff

What positive comments do you hear when engaging your organization in the discussion regarding population health?

- Board
- Leadership
- Staff

THE CHALLENGE

Many leaders can only see a downside to successful implementation of population health strategies

- Fear of change
- Fear of the unknown
- Fear of the work involved
- Confident this will lead to reduction in services
- Confident this will lead to financial deterioration
- Confident this will be the beginning of the end

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IDENTIFYING THE OPPORTUNITIES

POPULATION HEALTH OPPORTUNITIES

- Seeing many rural providers adopting population health strategies
  - The "what is the opportunity" question
    - Patient related
      - Improved health
      - Overall cost reductions
    - Healthcare provider related
      - **Increased utilization of outpatient ancillaries**
      - **Increased utilization of primary care services**
      - **Reduction in "outside" healthcare costs**
      - **Opportunity to increase market share**

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POPULATION HEALTH OPPORTUNITIES

The financial opportunity:

- Increase patient loyalty
  - Increase in outpatient volumes
- Increase market share to protect net revenues
- Large cost reduction opportunities are frequently outside of the rural provider
  - Ambulance (air and ground)
  - Intensive high-cost interventions
  - Pharmaceuticals
- Participation in shared savings if in an Accountable Care Organization

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POPULATION HEALTH OPPORTUNITIES

- Providers do not have to be in an ACO to capture many of the benefits of adopting a population health strategy

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IDENTIFYING THE OPPORTUNITIES

WELLNESS PAYS - FINALLY

For years providers complained about lack of coverage and payment for preventative services

- Now many providers are not taking advantage of the opportunity
- Focusing on other issues/problems
- Avoiding the “heavy lifting” required

There is money and opportunity in the provision of wellness services

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WELLNESS PAYS - FINALLY

Welcome to Medicare preventative visit

- One-time preventative visit
- First 12 twelve months under Medicare Part B
- Includes
  - Medical and social history
  - Height, weight and blood pressure
  - BMI
  - Simple vision test
  - Potential risk for depression and review of level of safety
  - Offer to discuss advance directives
  - Written plan of screenings, shots and other preventative services

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WELLNESS PAYS - FINALLY

Annual Wellness Visit

- Annual after 12 months on Medicare Part B
- Health risk assessment
- Medical and family history review
- Current provider and prescription updates
- Height, weight, blood pressure and other routine measurements
- Detection of cognitive impairment
- Personalized health advice
- List of risk factors and treatment options
- Screening schedule for appropriate preventative services

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ANNUAL WELLNESS SERVICES ARE CONFUSING!

It is not a physical!

Significant education is required

- Practitioners
- Staff
- Patients

Must set expectations

Dedicated visit versus dual visit?

Provides for significant data capture

Drives preventative service utilization

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WELLNESS PAYS - FINALLY

Leads to:

- Annual Alcohol Misuse Screening
  - 1 screening per year
- Face-to-Face Behavioral Counseling for Alcohol Misuse
  - 4 brief face-to-face counseling sessions per year for follow up
- Annual Depression Screening
  - 1 screening per year
- Annual, Face-to-Face Intensive Behavioral Therapy for Cardiovascular Disease
  - Once per year
- Cardiovascular Disease Screenings
  - Cholesterol, lipid and triglyceride levels
  - 1 every 5 years
- Obesity Screening
  - All eligible for screening

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WELLNESS PAYS - FINALLY

Leads to:

- Counseling for Obesity
  - BMI of 30 or more
- Diabetes Screening
  - Up to 2 screenings per year, based on results of screenings
- Diabetes Outpatient Self-Management Training
  - Coinsurance and deductible apply
- Medicare Diabetes Prevention Program
  - Must meet eligibility criteria
  - Once-per-lifetime
    - 16 core sessions over 6 months
    - Less intensive monthly follow up sessions for 6 months
    - Additional 12 months ongoing maintenance if goals met

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WELLNESS PAYS - FINALLY

Leads to:

- Medical Nutrition Therapy
  - Must meet coverage criteria
  - 3 hours one-on-one therapy in first year
  - 2 hours one-on-one therapy in subsequent years
- Counseling to Prevent Tobacco Use
  - 8 face-to-face visits during 12-month period
- Lung Cancer Screening
  - Once every 12 months if coverage requirements met
- Ultrasound Screening for Abdominal Aortic Aneurysm
  - Once per lifetime
- Prostate Cancer Screening
  - Digital rectal examination and PSA Test
  - Once every 12 months
  - Coinsurance and deductible apply to digital rectal examination

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WELLNESS PAYS - FINALLY

Leads to:

- Cervical and Vaginal Cancer Screening
  - High Risk – once every 12 months
  - Normal – once every 24 months
- Colorectal Cancer Screenings
  - Screening fecal occult blood test – Once every 12 months
  - Screening flexible sigmoidoscopy
    - Once every 48 months after flexible sigmoidoscopy or barium enema
    - Once every 120 months after screening colonoscopy
  - Screening colonoscopy
    - Once ever 120 months (24 months for high risk) or 48 months after flexible sigmoidoscopy
  - Screening barium enema
    - Once every 48 months (24 months for high risk) if used instead of sigmoidoscopy or colonoscopy
    - 20% coinsurance applies
  - Multi-target stool DNA test
    - Every three years if conditions met

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WELLNESS PAYS - FINALLY

Leads to:

- Screening Mammography
  - Once every 12 months
- Bone Mass Measurements
  - 1 measurement every 24 months (more if medically necessary)
- Glaucoma Tests
  - Once every 12 months
  - Coinsurance and deductible apply
- Hepatitis B Virus (HBV) infection screening
  - Annually if high risk and no Hepatitis B vaccination
  - Pregnant women
- Hepatitis C Screening
  - One-time screening if coverage requirements met
  - Annual repeat screening for certain high risk individuals

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WELLNESS PAYS - FINALLY

Leads to:

- HIV Screening
  - Every 12 months if coverage requirements met
  - 3 times during pregnancy if coverage requirements met
- Sexually Transmitted Infections Screening
  - Pregnancy and/or increased risk
  - Once every 12 months or certain times during pregnancy
- Sexually Transmitted Infections Counseling
  - 2 individual 20-30 minutes high-intensity behavioral counseling session each year
- Flu Shots
  - Once each flu season
- Hepatitis B Shots
  - Medium to high risk
  - Three shots needed
- Pneumococcal Shots
  - Most only need 1 per lifetime

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WELLNESS PAYS - FINALLY

Transitional Care Management

- Meant to help patients transition from a hospital to community setting

- 30 day period from date of discharge
  - Inpatient Acute Hospital
  - Inpatient Psychiatric Hospital
  - Long-Term Care Hospital
  - Skilled Nursing Facility
  - Inpatient Rehabilitation Facility
  - Hospital outpatient observation or partial hospitalization
  - Community Mental Health Center partial hospitalization

- Requirements
  - Interactive contact within 2 business days of discharge
  - Face-to-face visit
  - Non-face-to-face services

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WELLNESS PAYS - FINALLY

Chronic Care Management

- Meant to help patients with multiple chronic conditions manage their health
- Two or more chronic conditions expected to last at least 12 months or until the death of the patient.
- Significant risk of death, acute exacerbation/ decompensation or functional decline

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WELLNESS PAYS - FINALLY

Chronic Care Management

- Requirements
  - Comprehensive care plan
  - At least 20 minutes per month
  - Multiple CPT codes

- Can lead to
  - Improved patient compliance
  - Improve patient health status
  - Increase patient loyalty
  - Improved brand recognition
  - Increased clinic visits
  - Decreased emergency room visits
  - Decreased admissions

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WELLNESS PAYS - FINALLY

- Services tend to be those provided or can be provided by local providers
  - New services – Expansion of opportunities
  - Maintained or increase volumes

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WELLNESS PAYS - FINALLY

- Best practices
  - Review wellness opportunities
  - Establish a Wellness Team
    - Services
    - Processes
    - Expectations
    - Monitoring
  - CRITICAL – Develop and adjust processes to streamline delivery of the services
    - Identify a physician champion
    - Elicit and listen to provider feedback
    - Update processes as needed

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WELLNESS PAYS - FINALLY

- Extra Benefits of ACO Participation
  - Programming
  - Claims Data
    - Better information than any marketing data you could purchase?
    - Better information than any surveys?
    - Better information than any CHNA?

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BRAND LOYALTY

BRAND LOYALTY

Use the provision of these services to create/enhance brand image and loyalty

- CCM – ongoing contact
- AWV – planning their preventative care for services with little to no cost sharing
- TCM – keep the patients out of the hospital

This increase in brand loyalty can be used to drive increased market share (i.e. increase the number of people using your services versus increasing the number of services provided to each person using your services). This is the key to maintaining total volumes.

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COST OF CARE

IMPACT OF COORDINATING CARE

For the rural provider, the goal is to increase the volume of preventative services, increase the effectiveness of costs being expended and curtailing high-cost services when appropriate

- Local preventative services
- Local provision of care
- Monitor effectiveness of expended costs
- Prevent/curtail the need to use high-cost services when appropriate
  - Ambulance
  - Intense high-cost interventions
  - Pharmaceuticals

When successful – the ACO participants can share in the savings created under population health

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SUMMARY

ADDRESSING THE CHALLENGES

- The question is more of “when” versus “if”
- There are financial opportunities for those adopting population health strategies
  - Nothing guaranteed
  - Involves work
  - Early adopters will have the advantage
- Need to promote the conversations with the non-believers
  - Demonstrate the opportunities
  - Population health is here to stay
  - Anticipate future payment models will reward cost of care
  - It is not an option

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QUESTIONS?

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THANK YOU

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