



## 2020 Annual Forum

**Moving from Low Value to High Value Care**  
**Tuesday, November 10, 2020 | 2:00 PM- 3:00 PM ET**



**Cristie Travis**

**MODERATOR**

CEO

Memphis Business Group on Health



**Kimberly Westrich**

Vice President

Health Services Research

National Pharmaceutical Council



**Ryan Catignani**

Vice President

Managed Care & Accountable Care Services

Beaumont Health



**Al Charbonneau**

Executive Director

Rhode Island Business Group on Health



**#NatAllForum**

# Moving from Low Value to High Value

Kimberly Westrich

Vice President, Health Services Research

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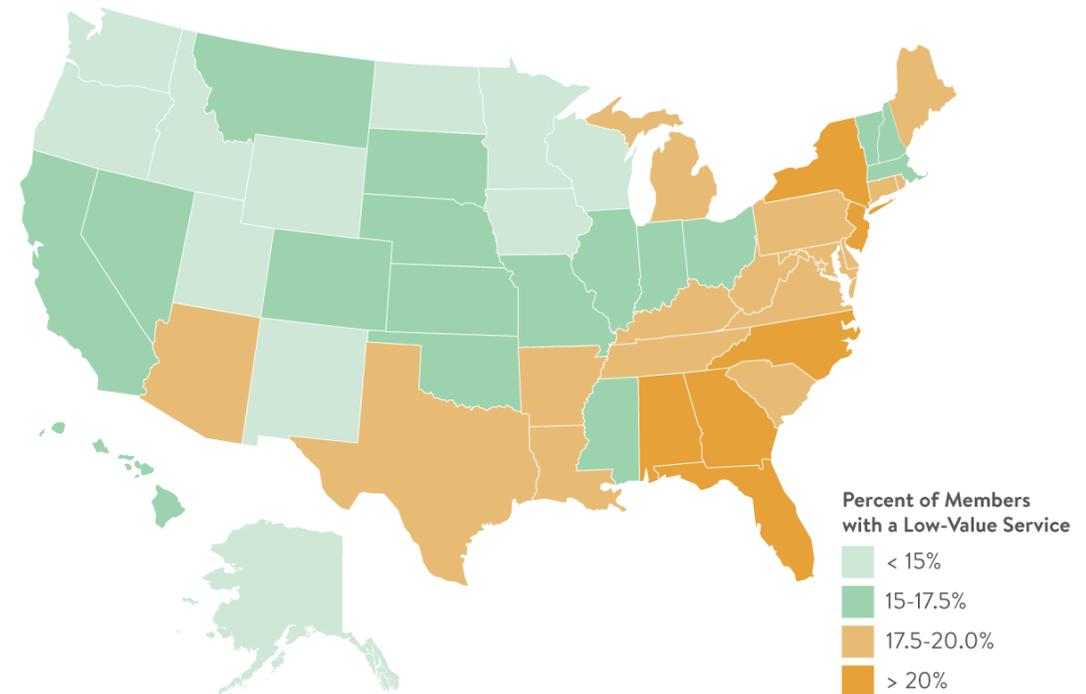


# Low-Value Care (LVC) Has Been a Persistent Issue for Decades

## MAGNITUDE OF LVC



## FREQUENCY OF LVC, PRIVATELY INSURED, 2015



# We Have Only Been Chipping Away at the Iceberg

TO HAVE GREATER IMPACT, WE NEED TO UNDERSTAND:

- Why we have not been more successful
- Where low-value care is



# Impacting LVC Requires Multiple Coordinated Interventions

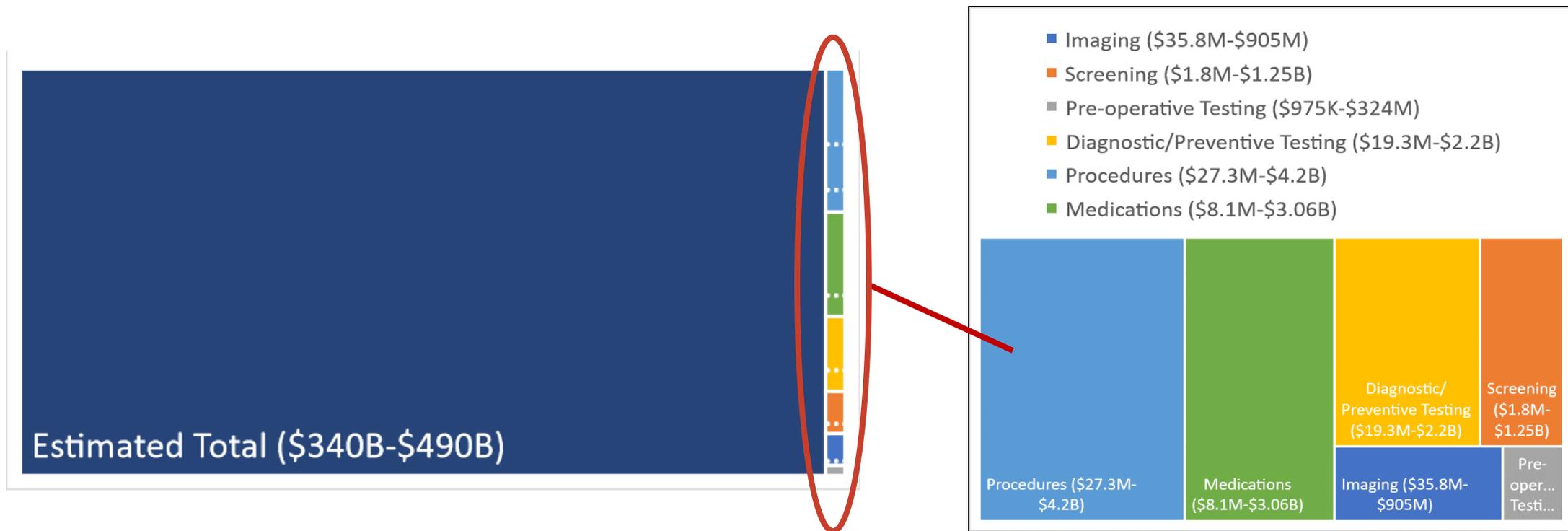
## BARRIERS TO REDUCING LVC OCCUR AT ALL SYSTEMIC LEVELS

**Barriers Category**

Levels of U.S. Health Care		Conceptual	Knowledge	Organizational	Professional	Procedural	Economic	Legal	Sociocultural Political	Cognitive Behavioral
MACRO	Societal	✓	✓						✓	
	Health System	✓	✓			✓	✓	✓	✓	
MESO	Institution	✓	✓	✓		✓	✓			
MICRO	Provider	✓	✓	✓	✓	✓	✓	✓		✓
	Patient	✓	✓			✓			✓	✓

# Identified LVC Spending Is Only a Fraction of the Estimated Total

## LOW-VALUE CARE SPENDING OCCURS ACROSS ALL SERVICES



# The Problem Is Big, but There Are Tools to Help Address LVC



## “Top 5” low-value care

- A “start here” list from the Task Force on Low-Value Care

## Cross-stakeholder collaborative focus

- Multi-stakeholder initiatives analyzing collective data and implementing value-based changes and incentives

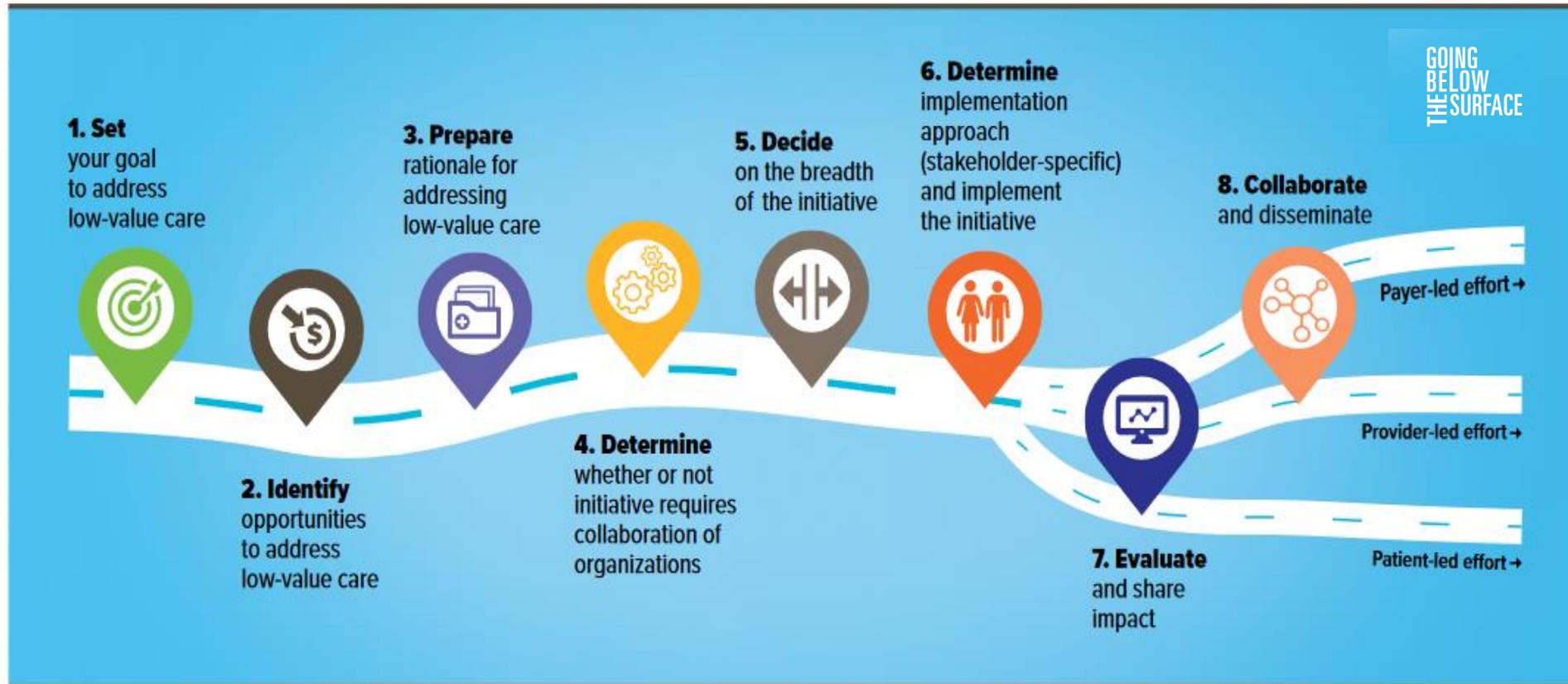
## Recommendations from “Choosing Wisely”

- ABIM Foundation initiative to promote value-focused conversations between doctors and patients

## Bundled payments

- Reimbursement based on expected costs for a clinically-defined episode of care

# Our LVC Roadmap Can Help You Map Out Next Steps



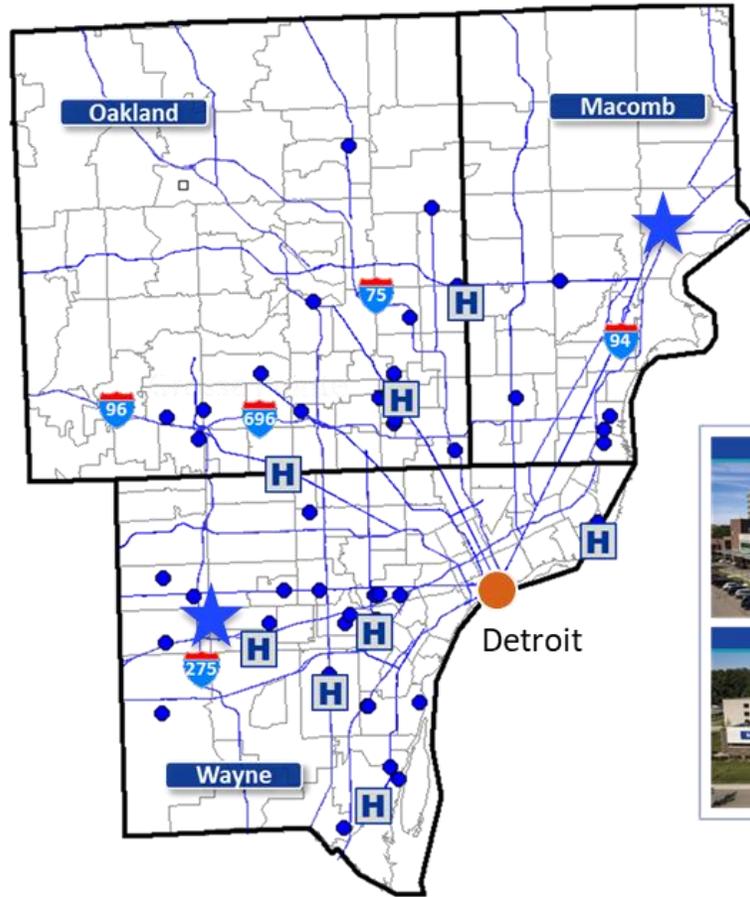
# Beaumont Health

Moving From Low-Value to High-Value



**Beaumont**

# Beaumont Health Locations



## LEGEND

- H** 8 acute care campuses
- 145 outpatient locations
- ★** 2 outpatient to open in 2021

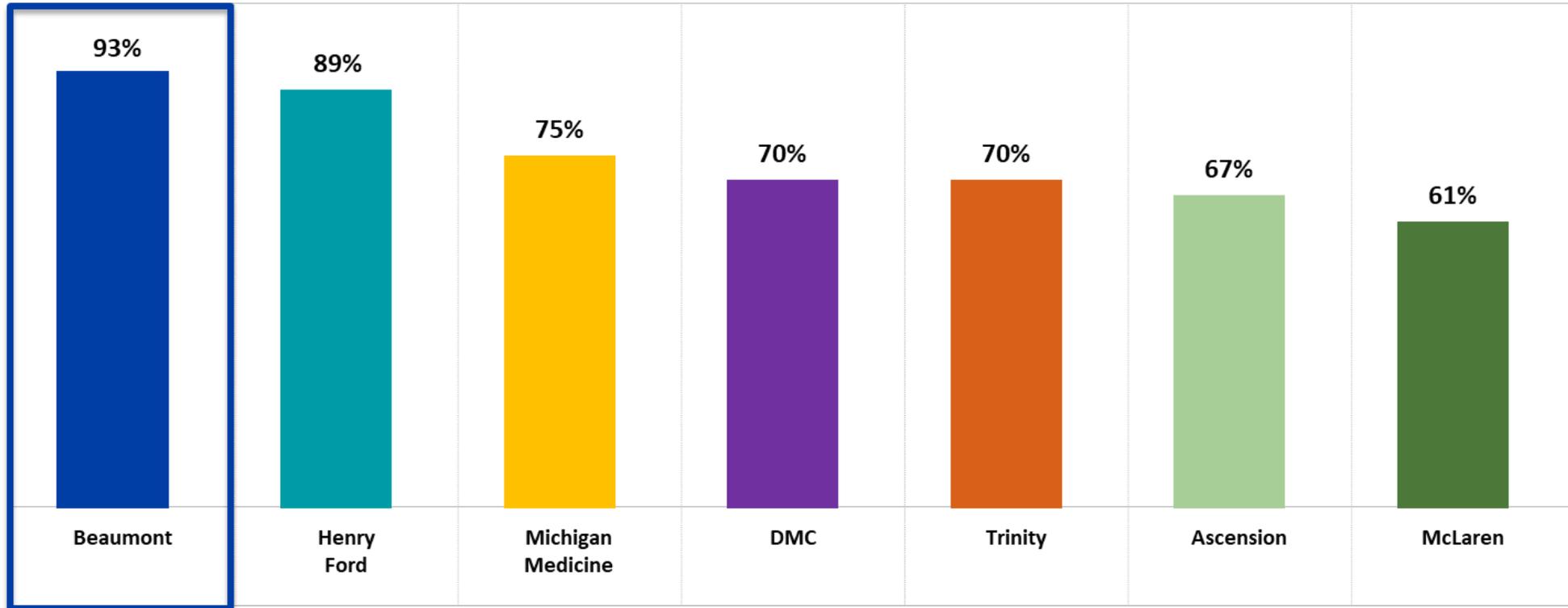
## FUTURE GROWTH

- 30 urgent cares in 2019
- 5 ASCs in development (with acquisition/partnership of ASC mgmt. company)



# AWARENESS

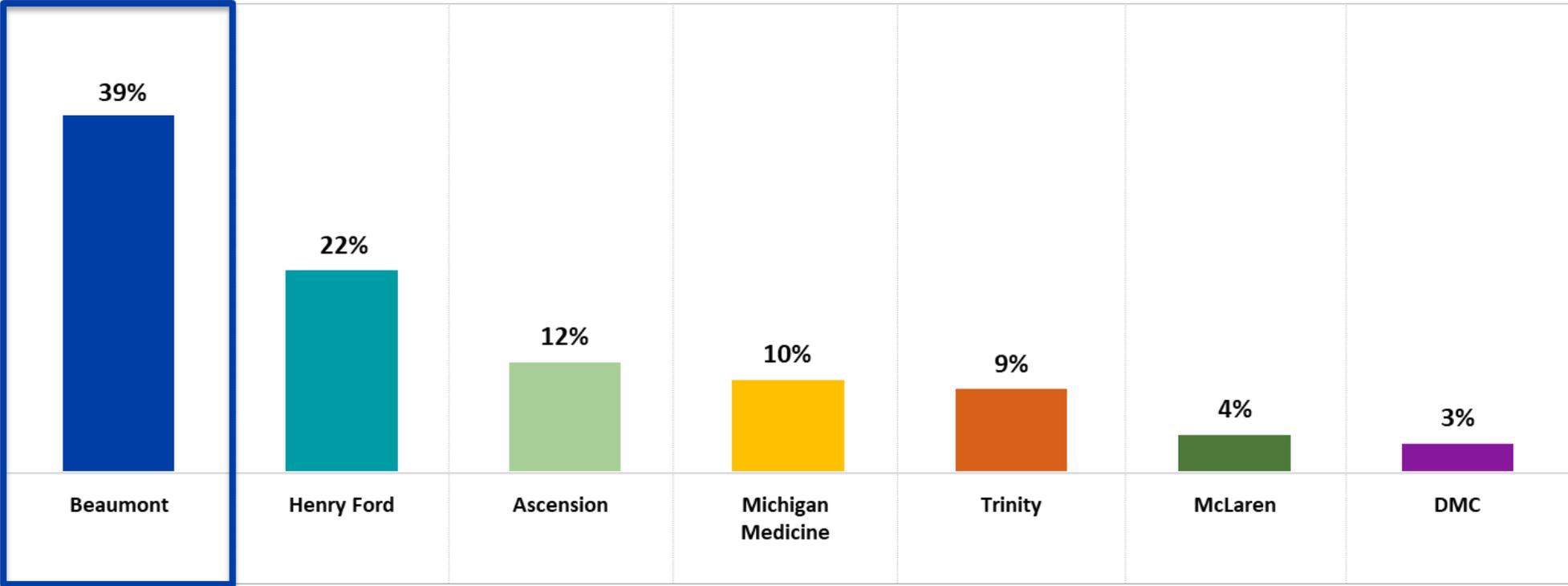
Aided awareness within the Beaumont PSA remains highest for Beaumont



Source: 2019 Beaumont Brand Health Study – May 2019 (conducted by Phoenix Marketing)  
Base: Total sample, respondents shown appropriate competitive set (North vs. South) based on zip code.  
J. How familiar are you with each of the following local hospitals / health systems?

# PREFERENCE

Beaumont remains, by far, the most common first choice hospital / health system



Source: 2019 Beaumont Brand Health Study – May 2019 (conducted by Phoenix Marketing)  
Base: Total sample, respondents presented with familiar options within appropriate competitive set (North versus South). 2. Which one of the following is your first-choice hospital / health system for your household's health care needs?

# The Problem – Rising Costs and Variability

Figure 4.1. All-State Trends in Relative Prices

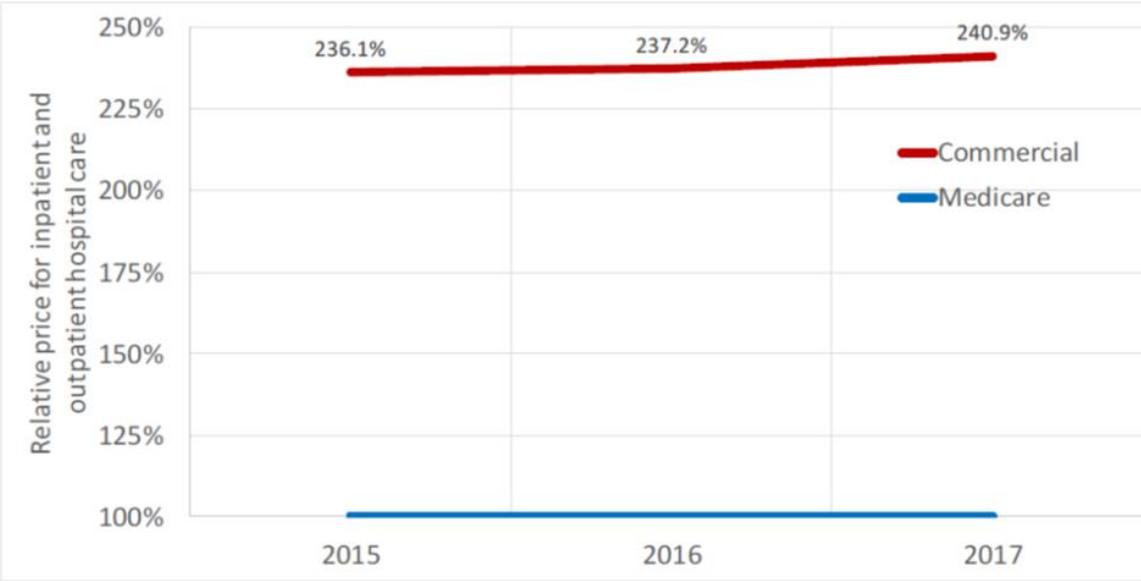
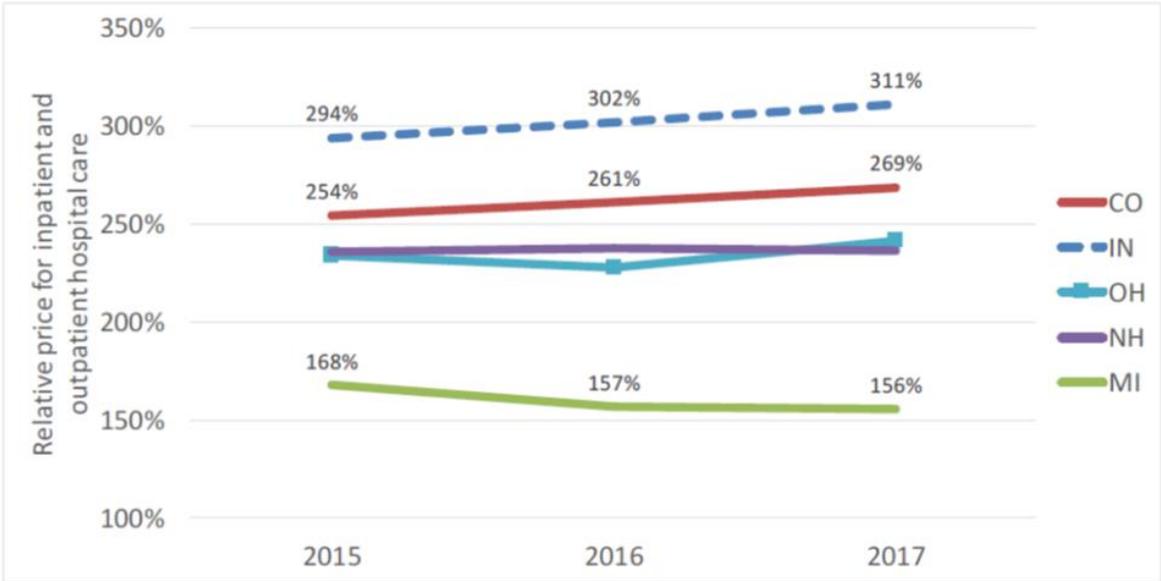
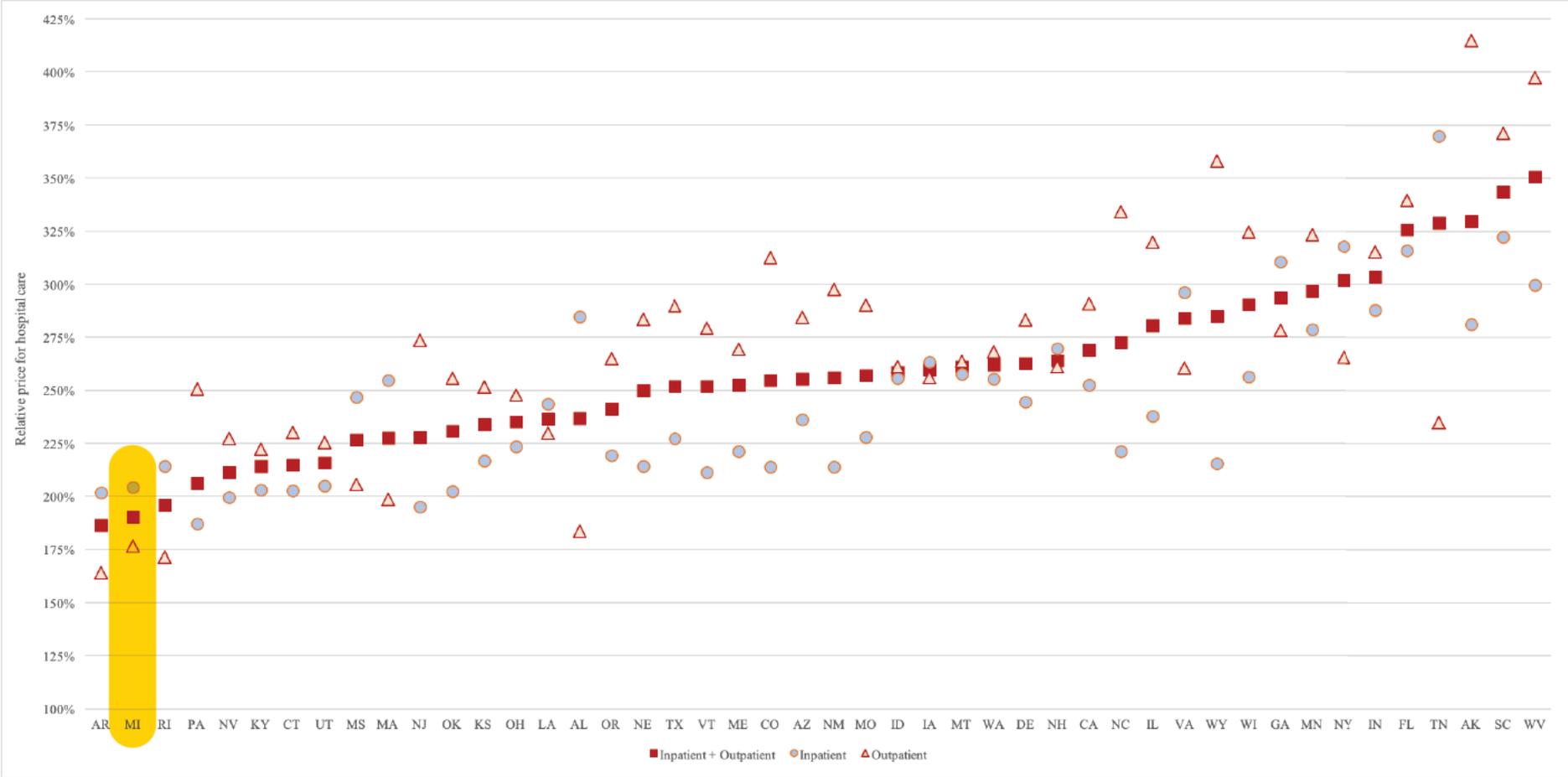


Figure 4.3. Trends in Relative Prices for Selected States, 2015–2017



[www.rand.org/t/RR3033](http://www.rand.org/t/RR3033)

# Why Beaumont is Well-Positioned: RAND 3.0 Cost



[www.rand.org/t/RR3033](http://www.rand.org/t/RR3033)

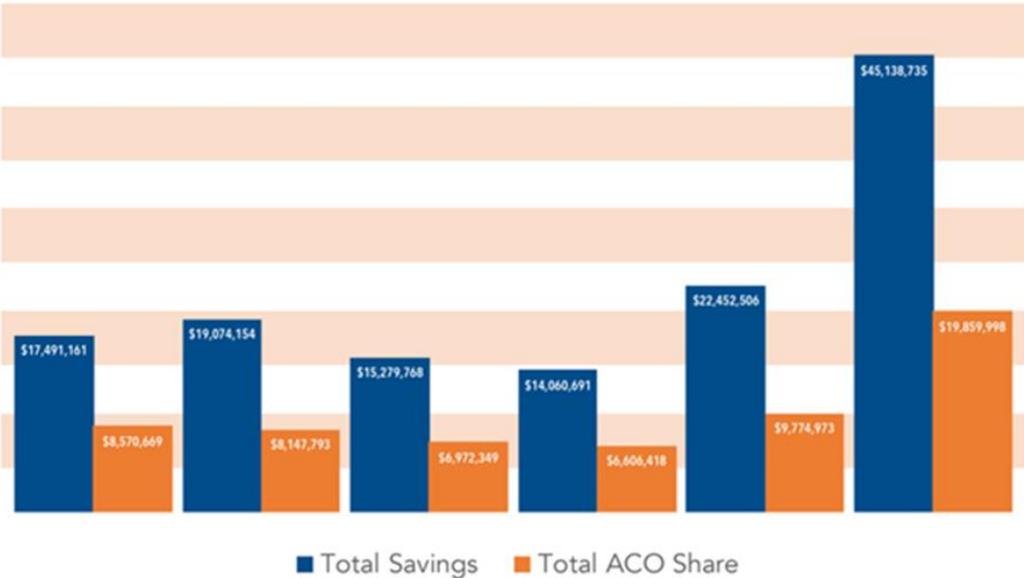


# Why Beaumont is Well Positioned – Beaumont ACO

A Physician/Health System Partnership

MSSP Performance 2013-2018

	PY1 2013 (18 mo.)	PY2 2014	PY3 2015	PY4 2016	PY5 2017	PY6 2018	Average/ Total
Beneficiaries	14,082	13,838	12,165	13,160	13,412	23,957	15,355
Overall Quality Score	100% (P4R)	87.20%	93.10%	95.90%	88.40%	89.79%	91%
Total Savings	\$17,491,161	\$19,074,154	\$15,279,768	\$14,060,691	\$22,452,506	\$45,138,735	\$133,497,015
Total ACO Share	\$8,570,669	\$8,147,793	\$6,972,349	\$6,606,418	\$9,774,973	\$19,859,998	\$59,932,200



# Why Beaumont is Well-Positioned: Early Successes in CMS BPCI-A

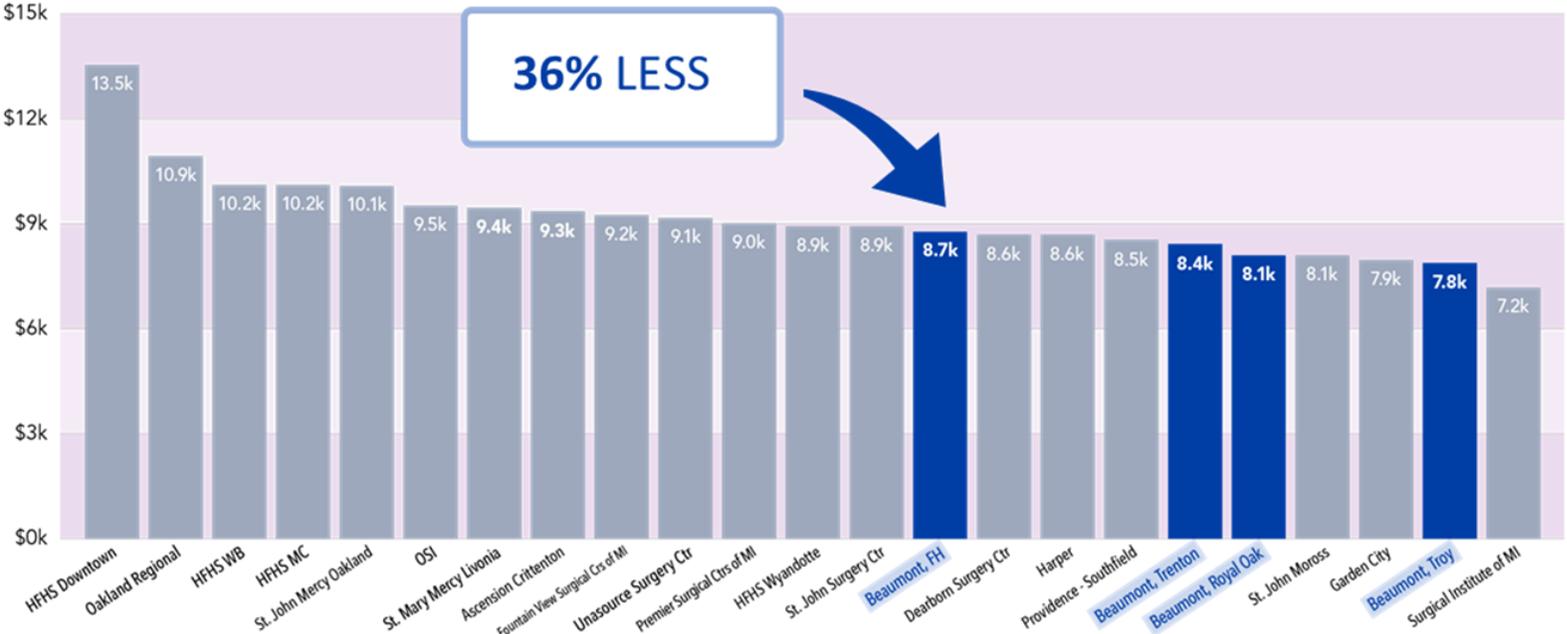
CMS BPCIA Model Years 1 & 2 - Performance Forecast

Episode End Dates Oct 2018 - Sep 2019 for Claims paid through Dec 2019

Hospital	# of Episodes	Total Target Price	Total Spend	Gross NPRA (Includes 3% CMS Discount)	Net Savings Rate (Net NPRA/Target)
Dearborn	1,261	\$42,710,067	\$40,960,229	\$1,477,733	3.1%
Farmington	628	\$23,433,115	\$21,381,632	\$1,923,654	7.4%
Grosse Pointe	273	\$8,558,910	\$7,516,175	\$992,905	10.4%
Royal Oak	1,667	\$51,007,097	\$48,998,641	\$1,882,280	3.3%
Taylor	426	\$13,457,407	\$12,264,747	\$1,019,735	6.8%
Trenton	466	\$14,675,975	\$14,618,082	\$5,525	0.0%
Troy	1,076	\$27,430,392	\$26,687,826	\$762,709	2.5%
Wayne	412	\$13,197,588	\$12,432,914	\$645,091	4.4%
<b>TOTAL</b>	<b>6,209</b>	<b>\$194,470,551</b>	<b>\$184,860,246</b>	<b>\$8,709,632</b>	<b>4.0%</b>

# Why Beaumont is Well-Positioned: Lower Episodic Cost Now

## SE MICHIGAN PROVIDER COMPARISON KNEE ACL



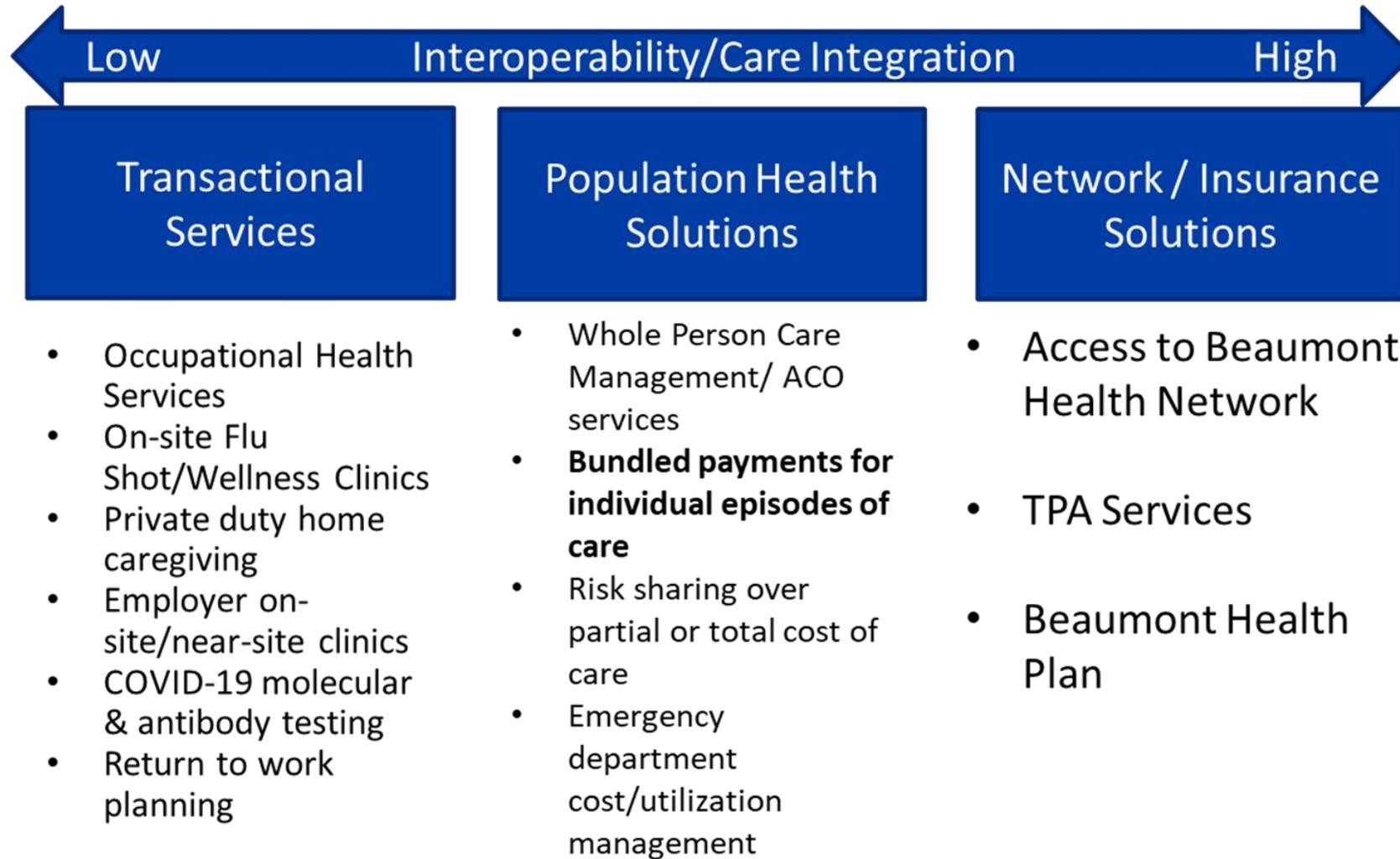
Cost estimate by facility name and clinical condition. Clinical condition = knee ACL.

Source: BCBSM.com member portal care compare

## Why Beaumont is Well-Positioned – Employer Services

- BHEHP IP/OP/PRO/ANC costs running better than regional/national norms
- Many BHEHP core utilization measures running better than national norms
  - Admission Paid Per Visit (-33.8%)
  - Readmissions (-9.1%)
  - ER Paid Per Visit (-4.7%)
  - Urgent Care Visits per 1,000 (13.3%)
- 96% of care at in network providers

# Beaumont Employer Program and Services:



# Moving From Low-Value to High-Value Care

- Site of Care
  - Urgent Care
  - ASC
  - Freestanding Sites
- Physician Profiling
  - High-Value Networks
  - ACOs/CIN
- Care on an episodic basis
  - Employer/MAO Bundles

# Moving from Low Value to High Value: Choosing Wisely

Al Charbonneau  
Executive Director

# RI Low Value Care/Choosing Wisely Roll Out: Early Support



- 70+ Companies Adopting
- Major Physician Groups
- 4 Insurers
- Governor & General Assembly

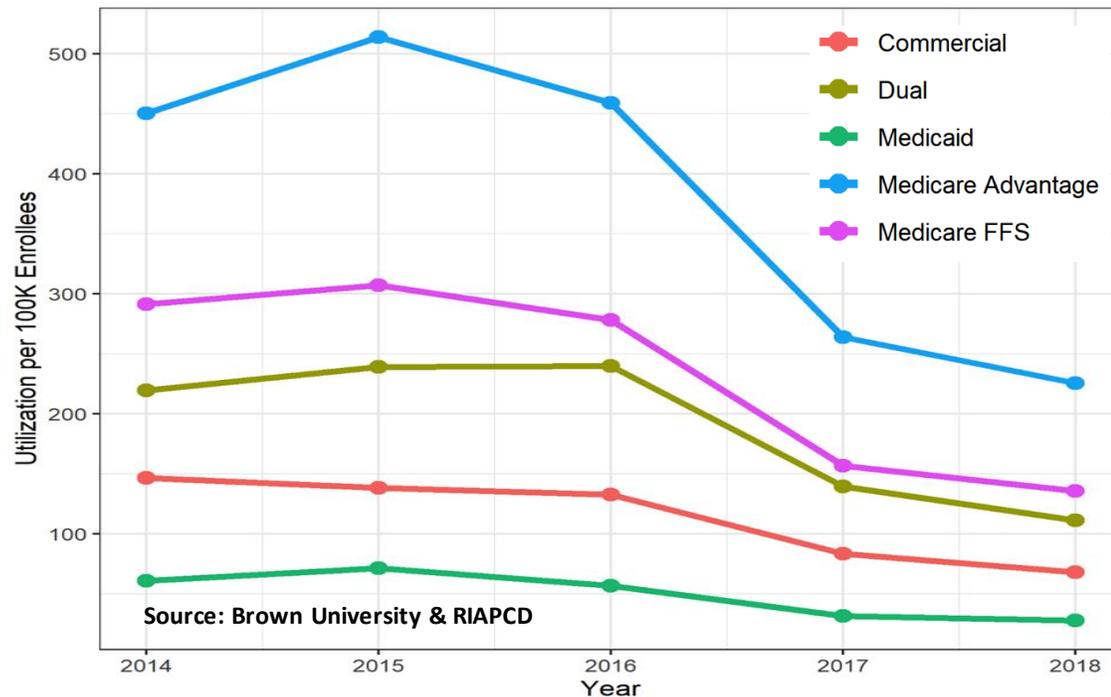
# RI Low Value Care/Choosing Wisely Roll Out: Early Evidence of Waste



- **Medium Size RI Employer**
  - 15% Waste
  - Enlightened Human Resources
  - Supportive Employees
- **Avoidable Back Pain Imaging Collaborative**
  - 3 Participating Systems
  - 30% Reduction in Imaging for Low Back Pain

# RI Low Value Care/Choosing Wisely Roll Out: Building Evidence for Change

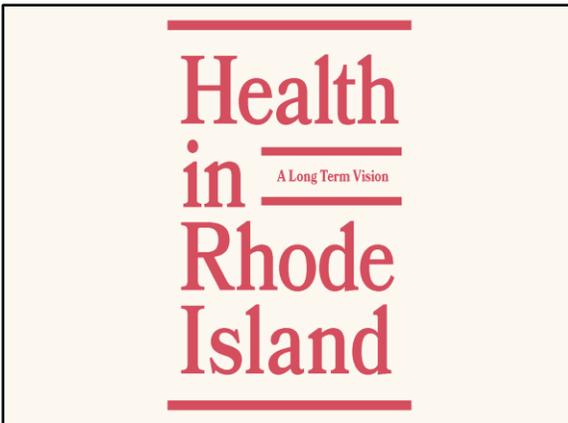
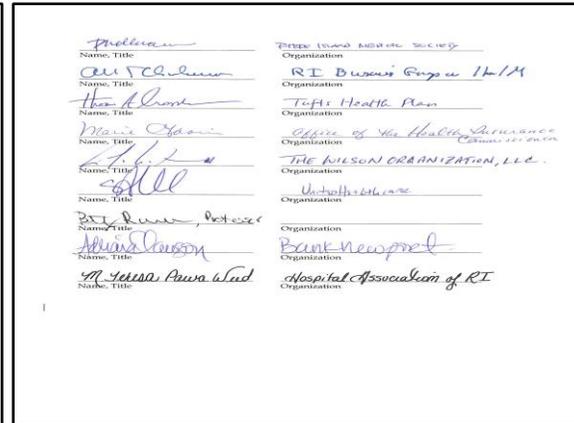
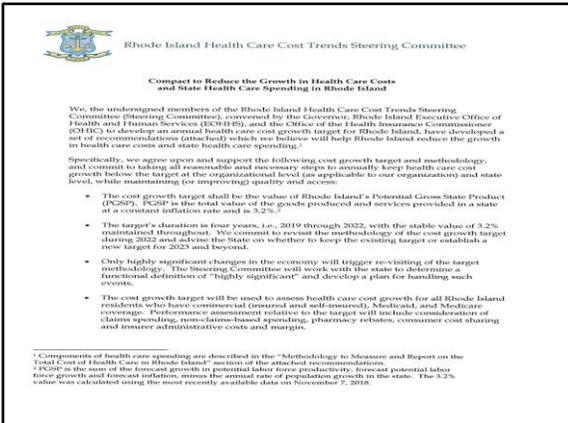
## Spinal Injections for Low Back Pain



## Combined Across All Payer Groups

- 2015 – 1,168 per 100,000 Enrollees
- 2018 – 568 per 100,000 Enrollees
- All Payer \$ Decrease
  - \$5.9 M (2015)
  - \$2.5 M (2018)

# RI Low Value Care/Choosing Wisely Roll Out: Building Pressure for Change



- **RI Health Care Cost Trends Steering Committee**
  - **Compact to Reduce Health Care Costs**
  - **Incorporates Low Value Care**
- **Rhode Island Foundation**
  - **RI 10 Year Long Term Health Care Plan**
  - **Incorporates Low Value Care**

# RI Low Value Care/Choosing Wisely Roll Out: Building Pressure for Change



- **Care Transformation Collaboration of Rhode Island**
  - **Engaging Physicians**
  - **Low Value to High Value**
    - Evidence
    - Data
  - **Payment Reform**



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