



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

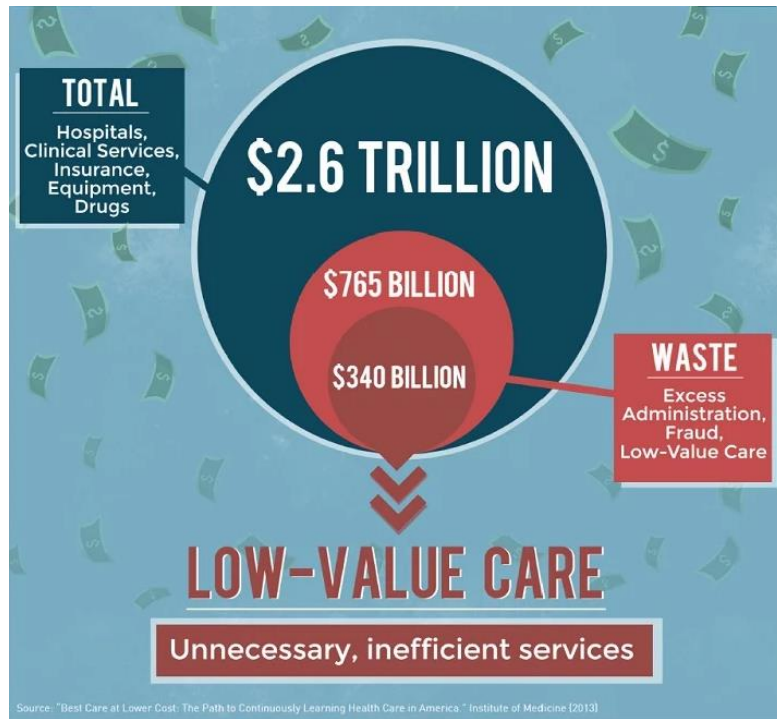
Kimberly Westrich

Vice President, Health Services Research

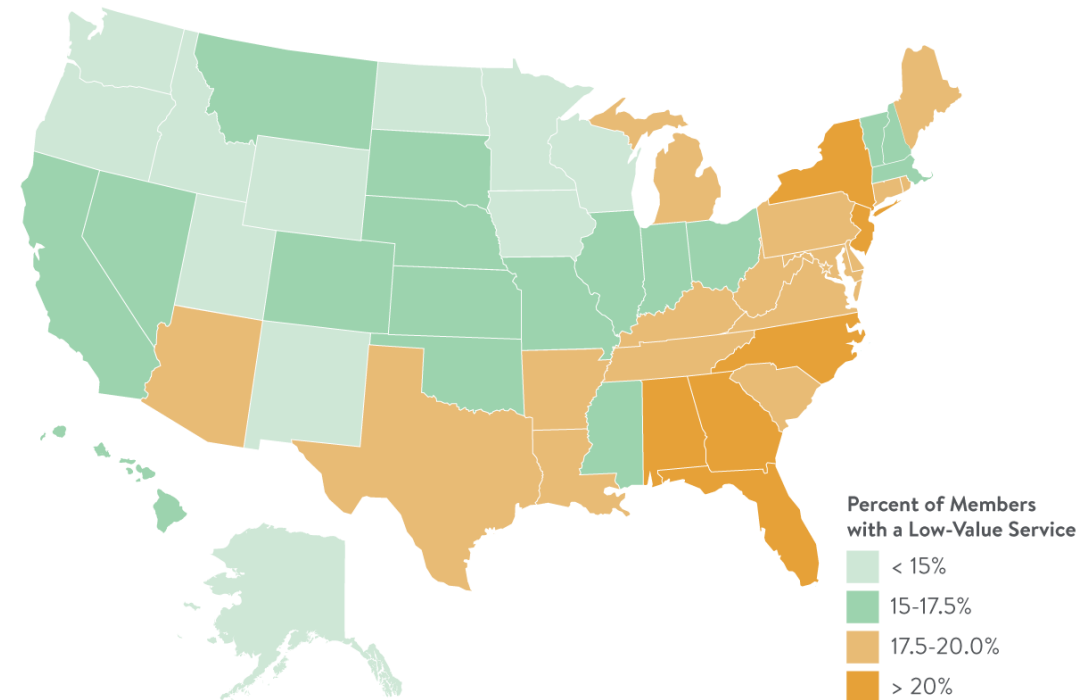
National Pharmaceutical Council

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



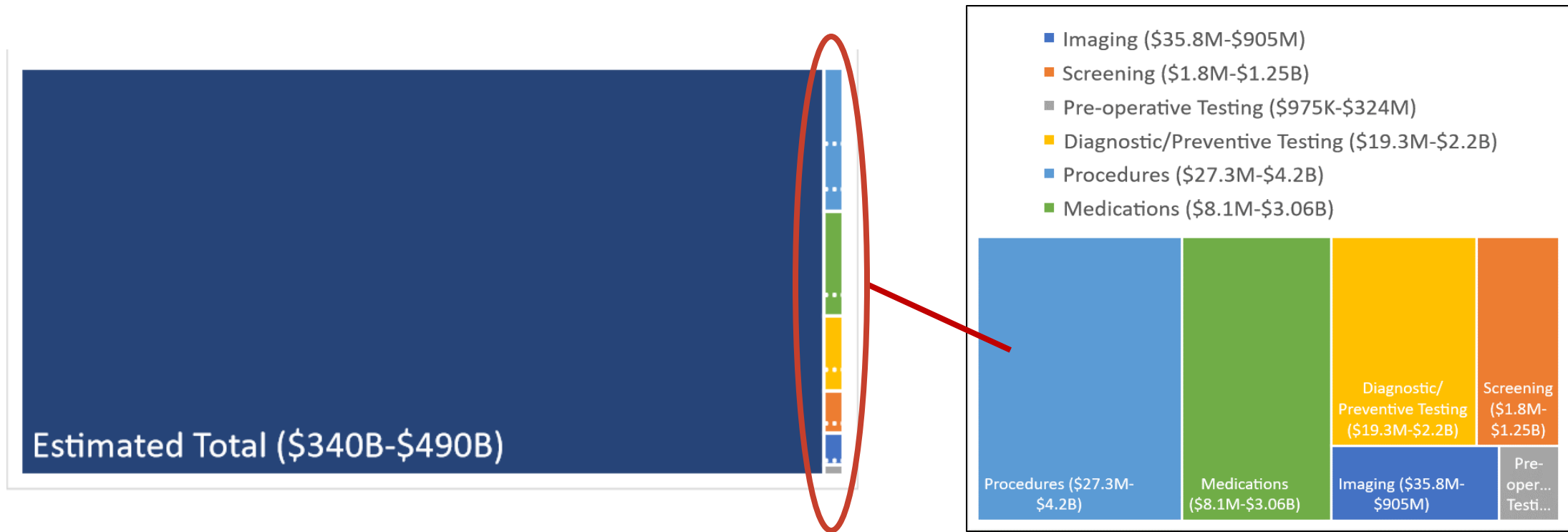
Impacting LVC Requires Multiple Coordinated Interventions

BARRIERS TO REDUCING LVC OCCUR AT ALL SYSTEMIC LEVELS

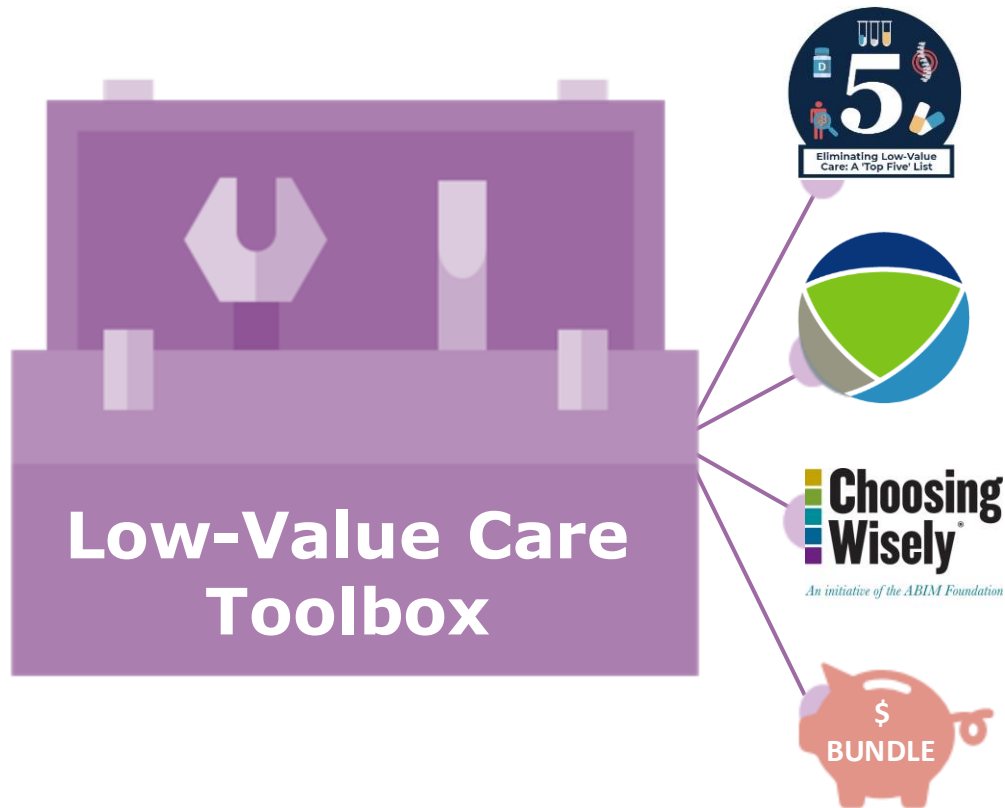
		Barriers Category								
Levels of U.S. Health Care		Conceptual	Knowledge	Organizational	Professional	Procedural	Economic	Legal	Sociocultural Political	Cognitive Behavioral
MACRO	Societal	✓	✓						✓	
	Health System	✓	✓			✓	✓	✓	✓	
MESO	Institution	✓	✓	✓		✓	✓			
MICRO	Provider	✓	✓	✓	✓	✓	✓	✓		✓
	Patient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

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

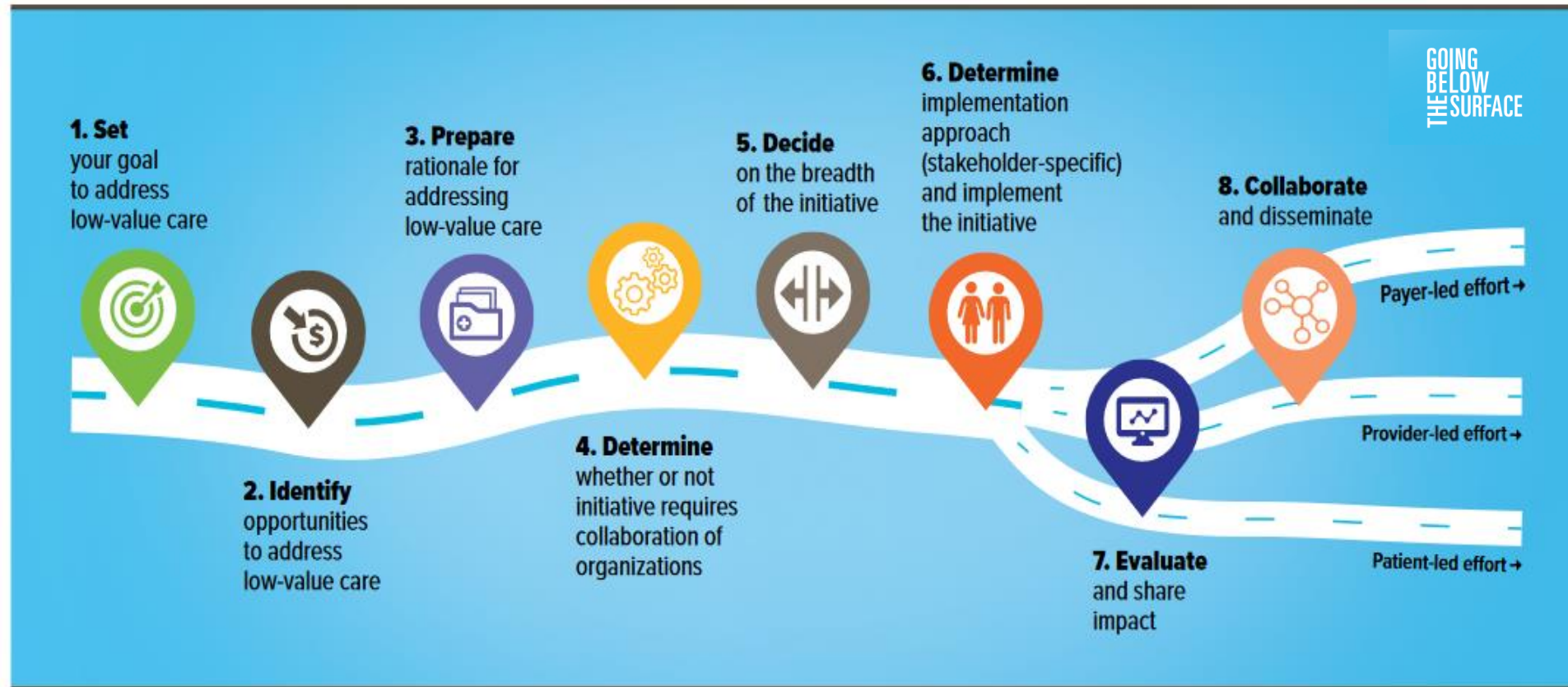
Recommendations from "Choosing Wisely"

- 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



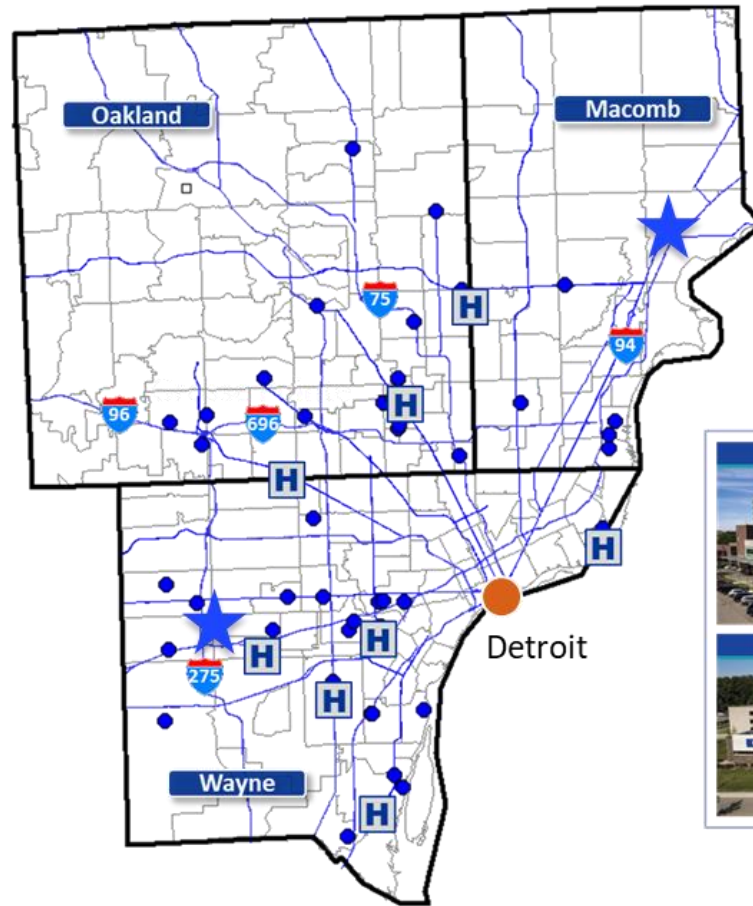
Beaumont Health

Moving From Low-Value to High-Value






Beaumont

Beaumont Health Locations



LEGEND

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

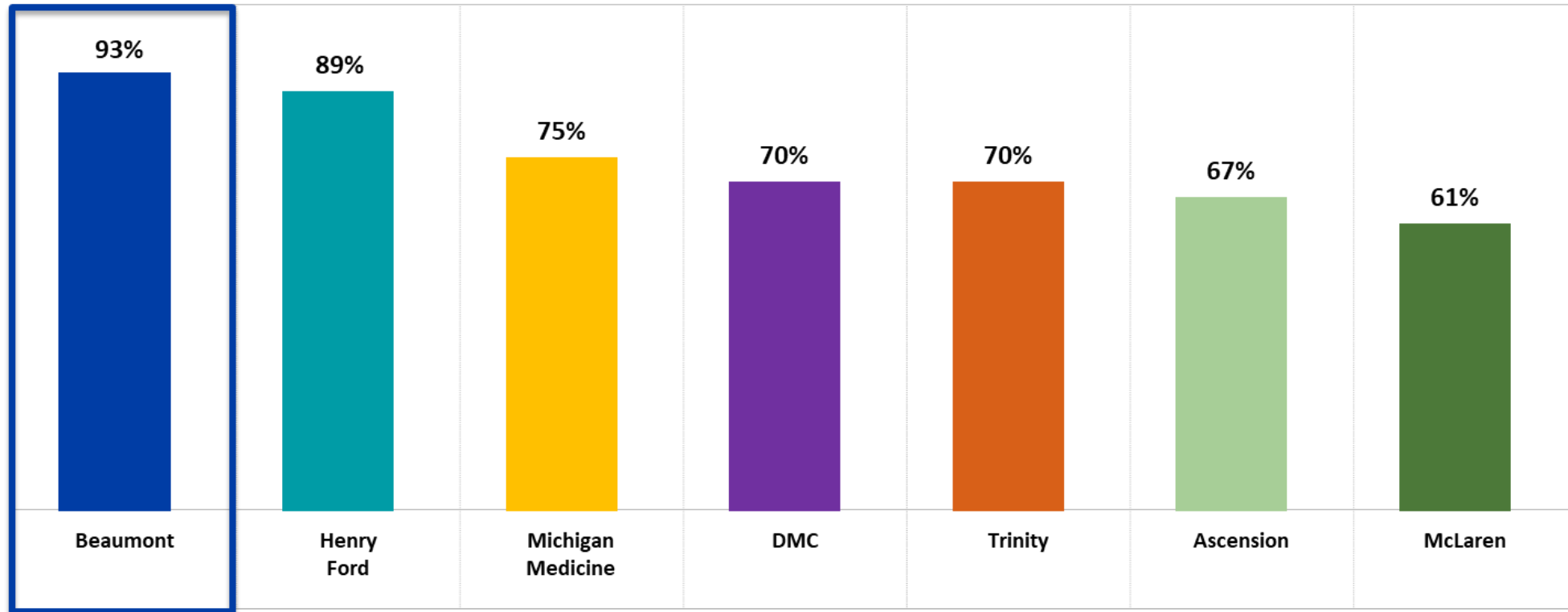
FUTURE GROWTH

- 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



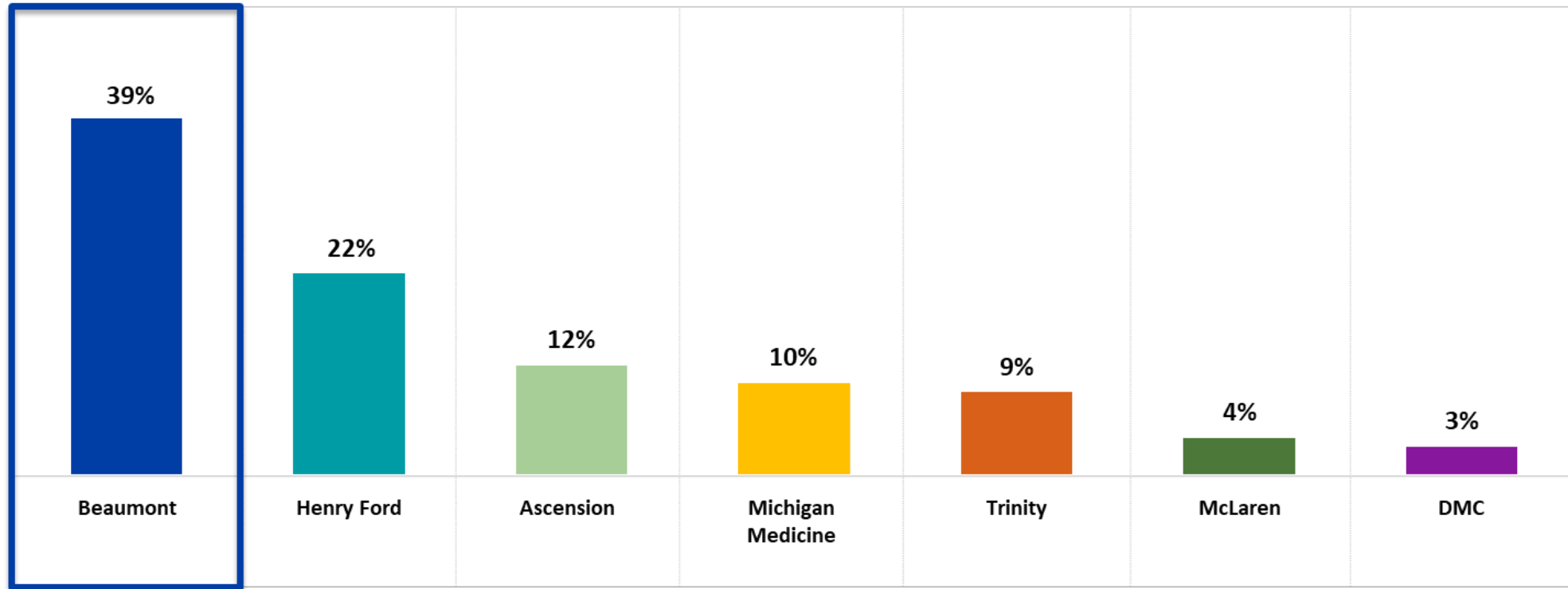
Source: 2019 Beaumont Brand Health Study – May 2019 (conducted by PhoenixMarketing)

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

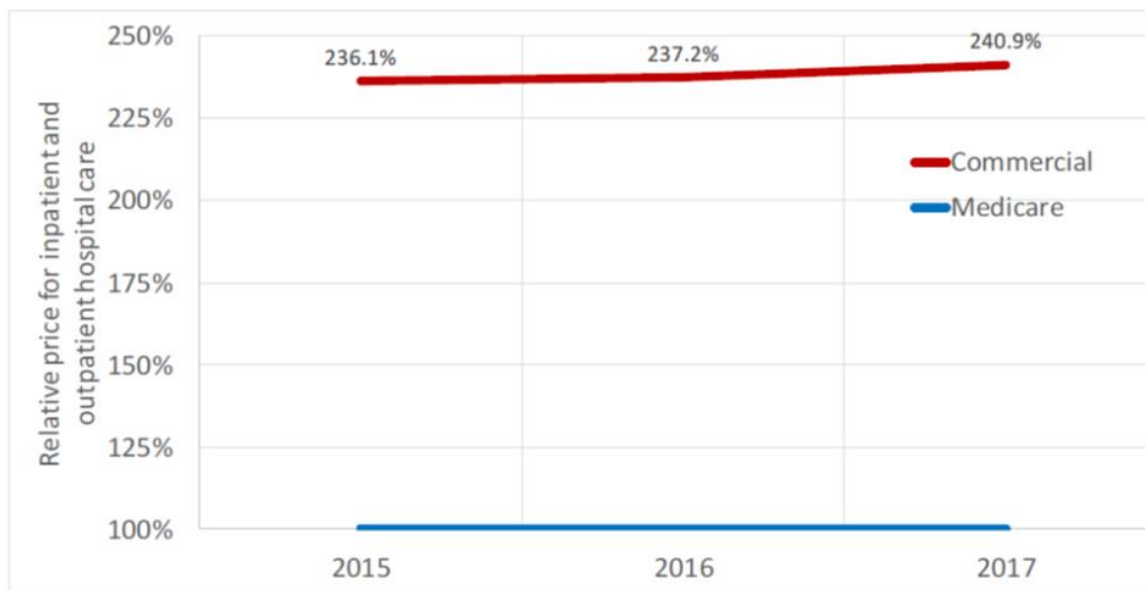
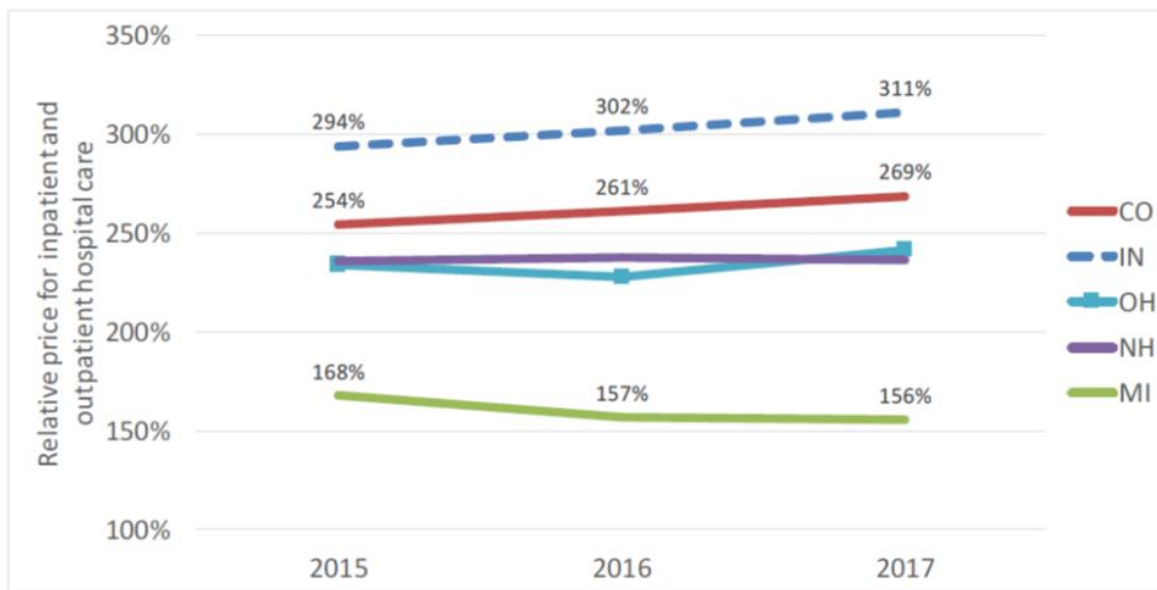
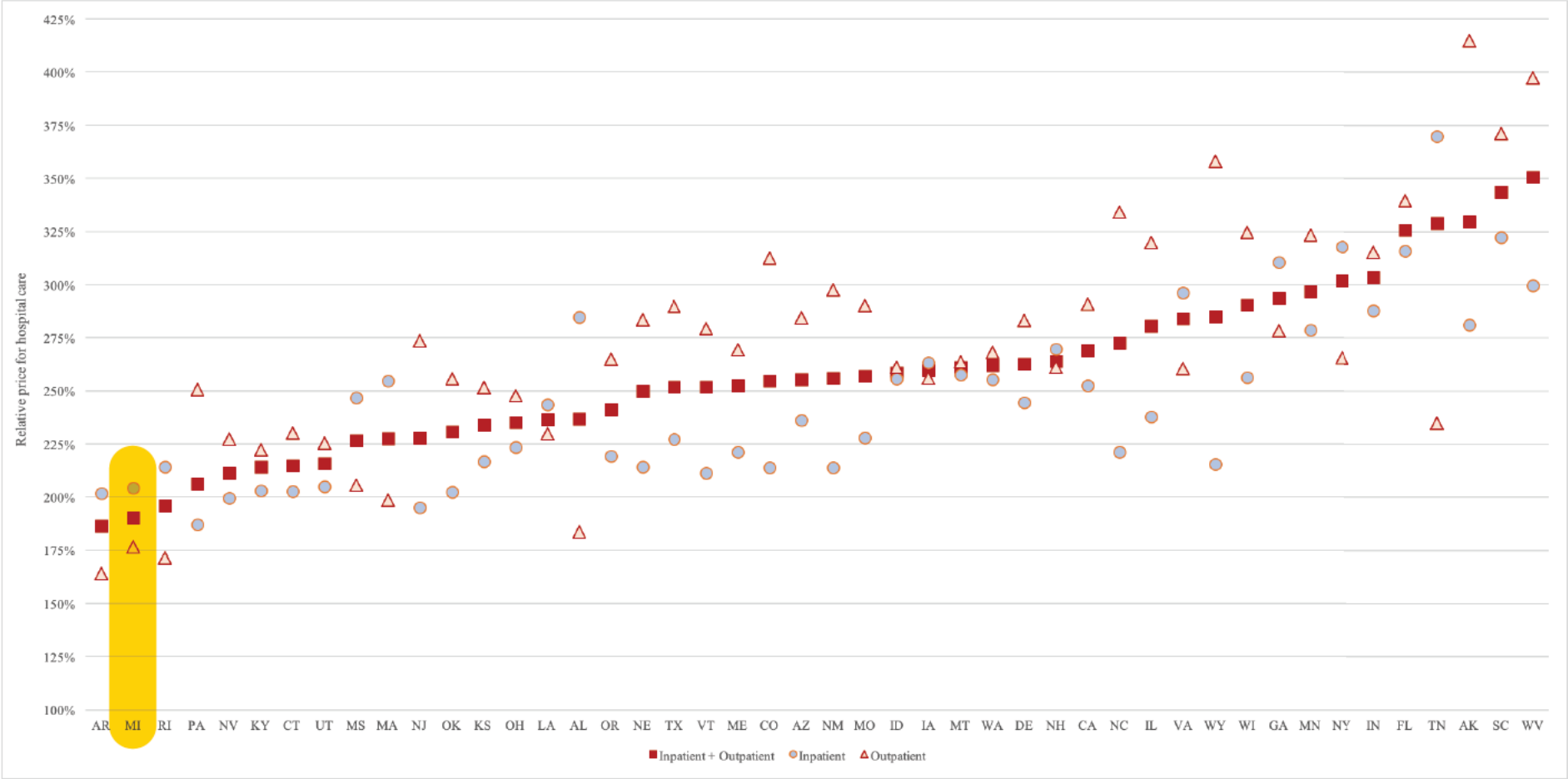


Figure 4.3. Trends in Relative Prices for Selected States, 2015–2017



www.rand.org/t/RR3033

Why Beaumont is Well-Positioned: RAND 3.0 Cost



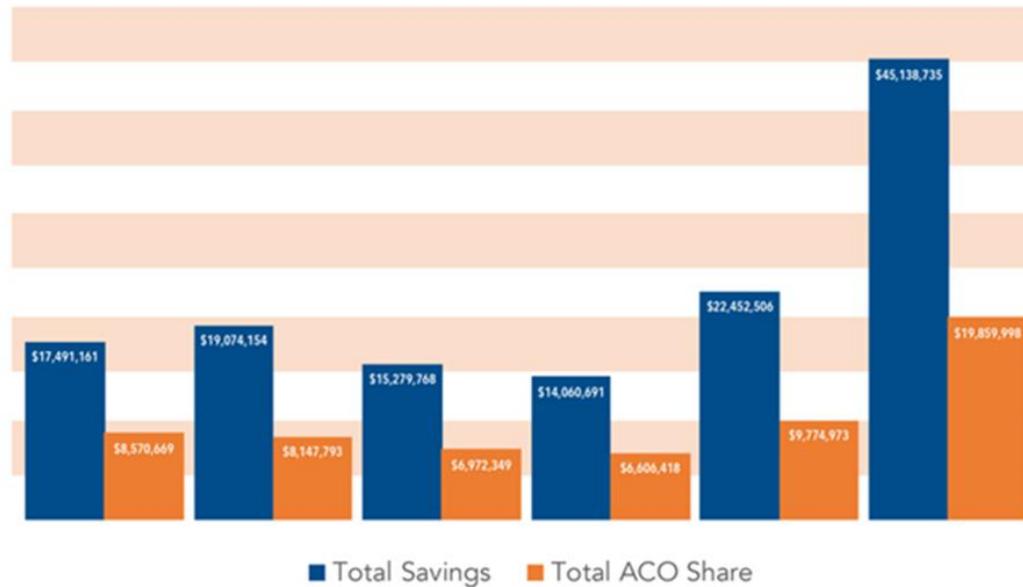
www.rand.org/t/RR3033

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

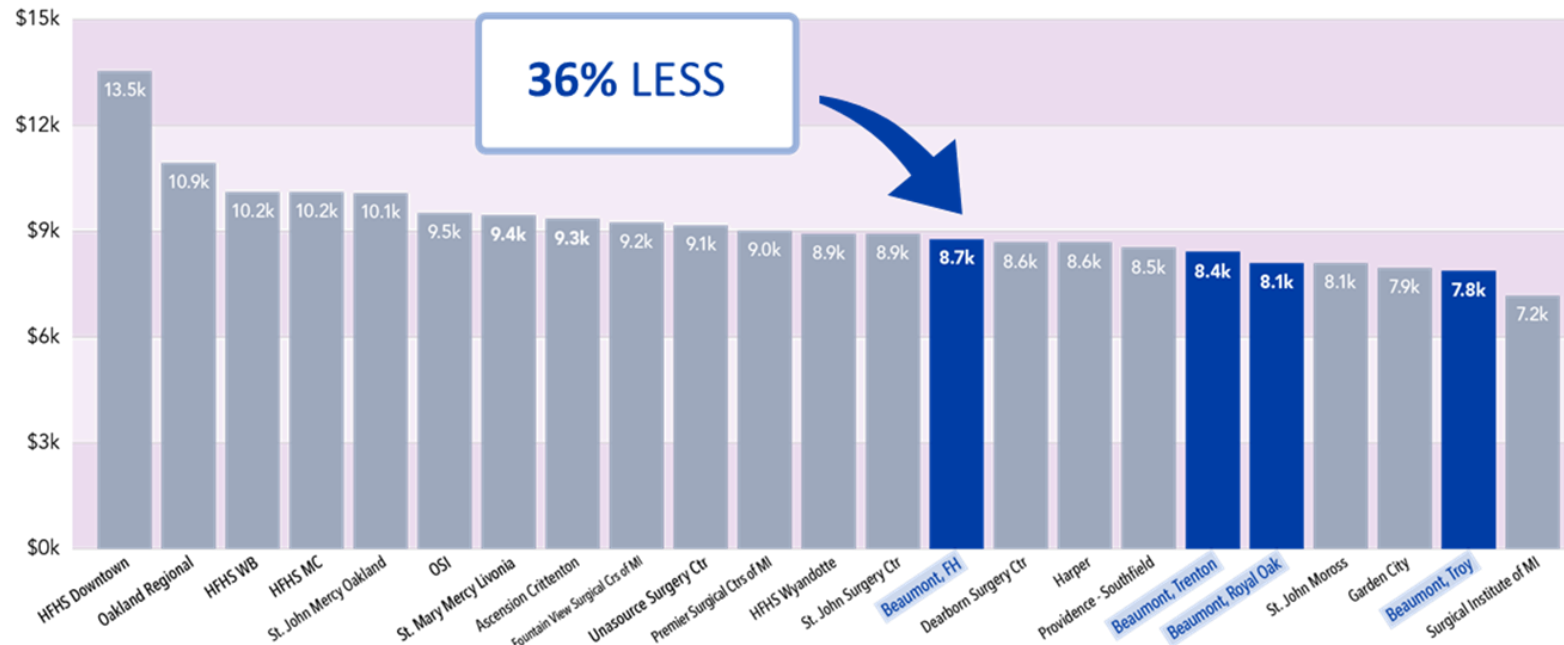
CMS BPCIA Model Years 1 & 2 - Performance Forecast

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%
TOTAL	6,209	\$194,470,551	\$184,860,246	\$8,709,632	4.0%

Why Beaumont is Well-Positioned: Lower Episodic Cost Now

SE MICHIGAN PROVIDER COMPARISON KNEE ACL



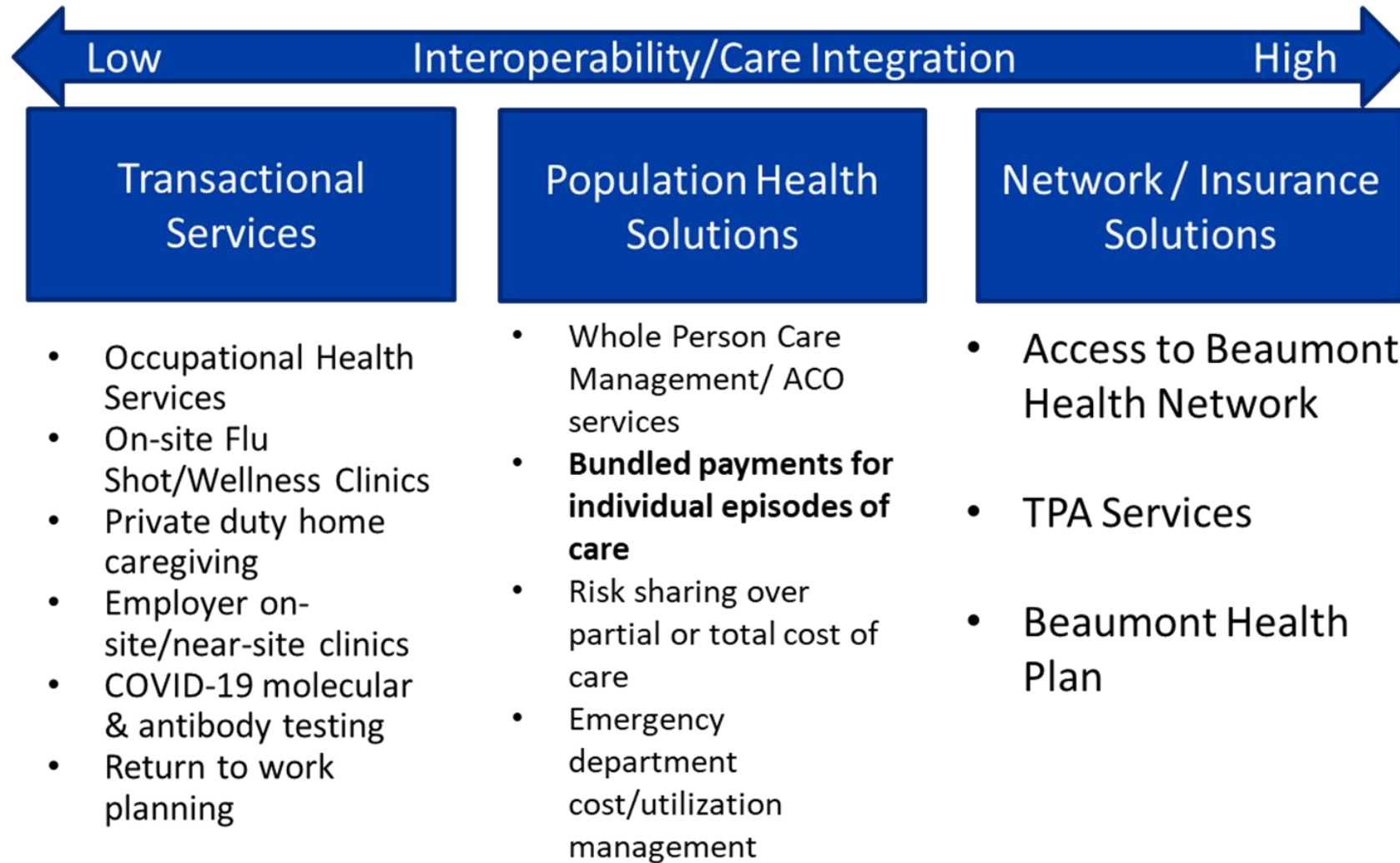
Cost estimate by facility name and clinical condition. Clinical condition = knee ACL.

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



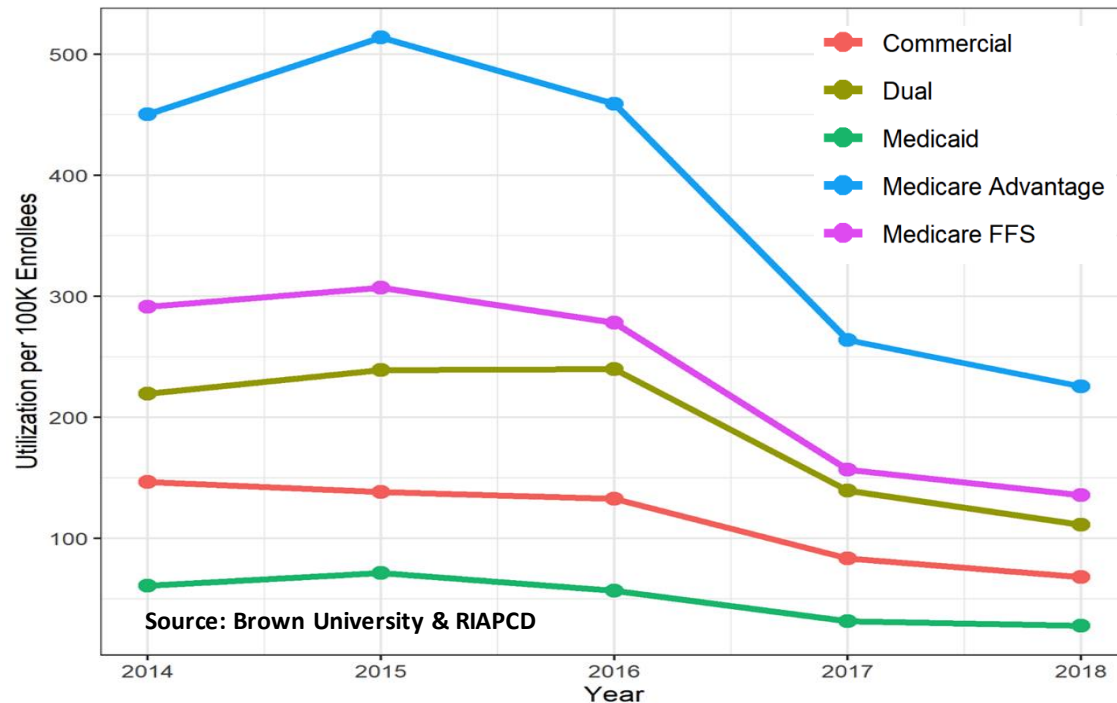
RI Low Value Care/Choosing Wisely Roll Out: Early Evidence of Waste



- **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



Rhode Island Health Care Cost Trends Steering Committee














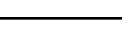























Compact to Reduce the Growth in Health Care Costs and State Health Care Spending in Rhode Island

We, the undersigned members of the Rhode Island Health Care Cost Trends Steering Committee (Steering Committee), convened by the Governor, Rhode Island Executive Office of Health and Human Services (EOHHS), and the Office of the Health Insurance Commissioner (OHIC) to develop an annual health care cost growth target for Rhode Island, have developed a set of recommendations (attached) which we believe will help Rhode Island reduce the growth in health care costs and state health care spending.

Specifically, we agree upon and support the following cost growth target and methodology, and commit to taking all reasonable and necessary steps to annually keep health care cost growth below the target at the organizational level (as applicable to our organization) and state level, while maintaining (or improving) quality and access:

- The cost growth target shall be the value of Rhode Island's Potential Gross State Product (PGSP). PGSP is the total value of the goods produced and services provided in a state at a constant inflation rate and is 3.2%.
- The target's duration is four years, i.e., 2019 through 2022, with the stable value of 3.2% maintained throughout. We commit to revisit the methodology of the cost growth target during 2022 and advise the State on whether to keep the existing target or establish a new target for 2023 and beyond.
- Only highly significant changes in the economy will trigger revisiting of the target methodology. The Steering Committee will work with the state to determine a functional definition of "highly significant" and develop a plan for handling such events.
- The cost growth target will be used to assess health care cost growth for all Rhode Island residents who have commercial (insured and self-insured), Medicaid, and Medicare coverage. Performance assessment relative to the target will include consideration of claims spending, non-claims-based spending, pharmacy rebates, consumer cost sharing and insurer administrative costs and margin.

¹ Components of health care spending are described in the "Methodology to Measure and Report on the Total Cost of Health Care in Rhode Island" section of the attached recommendations.
² PGSP is the sum of the forecast growth in potential labor force productivity, forecast potential labor force growth and forecast inflation, minus the annual rate of population growth in the state. The 3.2% value was calculated using the most recently available data on November 7, 2018.

	<u>Peter (David) Anderson, Secretary</u>
Name, Title	Organization
	<u>RI Business Group on Health</u>
Name, Title	Organization
	<u>Tri-Health Plan</u>
Name, Title	Organization
	<u>Office of the Health Insurance Commissioner</u>
Name, Title	Organization
	<u>The Wilson Organization, LLC</u>
Name, Title	Organization
	<u>UnitedHealthcare</u>
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Name, Title	Organization

- 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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