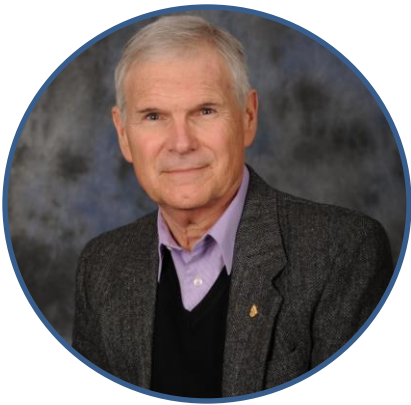




2020 Annual Forum

Contracting & Connecting for Value

Monday, November 9, 2020 | 3:45 PM – 4:45 PM ET



Robert Smith
MODERATOR
Executive Director
Colorado Business
Group on Health



Kyle Monroe
Vice President,
Network
Development and
Provider Relations
The Alliance



Lee Lewis
Chief Strategy Officer
and GM Medical
Health Transformation
Alliance



Mary Beth Kuderik
President
MBHK Consulting



Doug Geinzer
Founder/President
High Performance
Providers



#NatAllForum

Breakout #2

Contracting & Connecting for Value

“If you want something new, you have to stop doing something old.” P.F. Drucker

Two Insights from Peter F. Drucker's 1994 HBR article....

The Theory of the Business

“What underlies the malaise of so many large and successful organizations worldwide is that their ***theory of the business no longer works.***”

“Some theories of the business are so powerful that they last for a long time. But ***eventually every single one becomes obsolete.***”

From the September–October 1994 Issue
<https://hbr.org/1994/09/the-theory-of-the-business>

Our Theory of Health Care Purchasing:

Is it obsolete and in need of re-thinking if we expect better value???

“The theory is that only the surrogates [e.g., health plans] have enough knowledge to control excess care, enough market power to discipline rising prices, and enough vested interest in our health to drive greater safety and quality. *But the experience of the past 50 years suggests the theory is wrong: the surrogates themselves create many of the incentives for bad behavior in health care.*”

David Goldhill, *Catastrophic Care: Why Everything We Think We Know About Health Care is Wrong*

What We'll Be Discussing....

Premises about Healthcare's "Value Proposition"

- US healthcare is consistently inefficient, inconsistently effective, and increasingly expensive.
- In Colorado and across the US, hospital prices have been shown to have no relationship to either quality or costs – regardless of tax status.

Questions to be Considered/Discussed:

- Are the above premises about the value-proposition valid? Why or why not?
- Can "the free market" as it is currently organized produce higher value in healthcare?
- If insurers' take profit as "a percent of premium," are their financial interests aligned with those of providers or purchasers? What are the implications?
- How should employers ***contract for care*** differently to make the market work better for them?
- How should employers ***provide benefits*** differently to make the market work better?
- What is the key to connecting with/engaging employees in changing the healthcare market?

Our Panelists

Kyle Monroe

- VP Network Development
- The Alliance, Madison Wisconsin

Lee Lewis

- Chief Strategy Officer (CSO) & GM Medical Solutions
- Health Transformation Alliance

Mary Beth Kuderik,

- formerly UAW Trust

Doug Geinzer,

- Founder/President
- High Performance Providers

Margaret – I'd like to put the panelists' pictures here?

Driving High-Value Health Care at The Alliance

Kyle Monroe

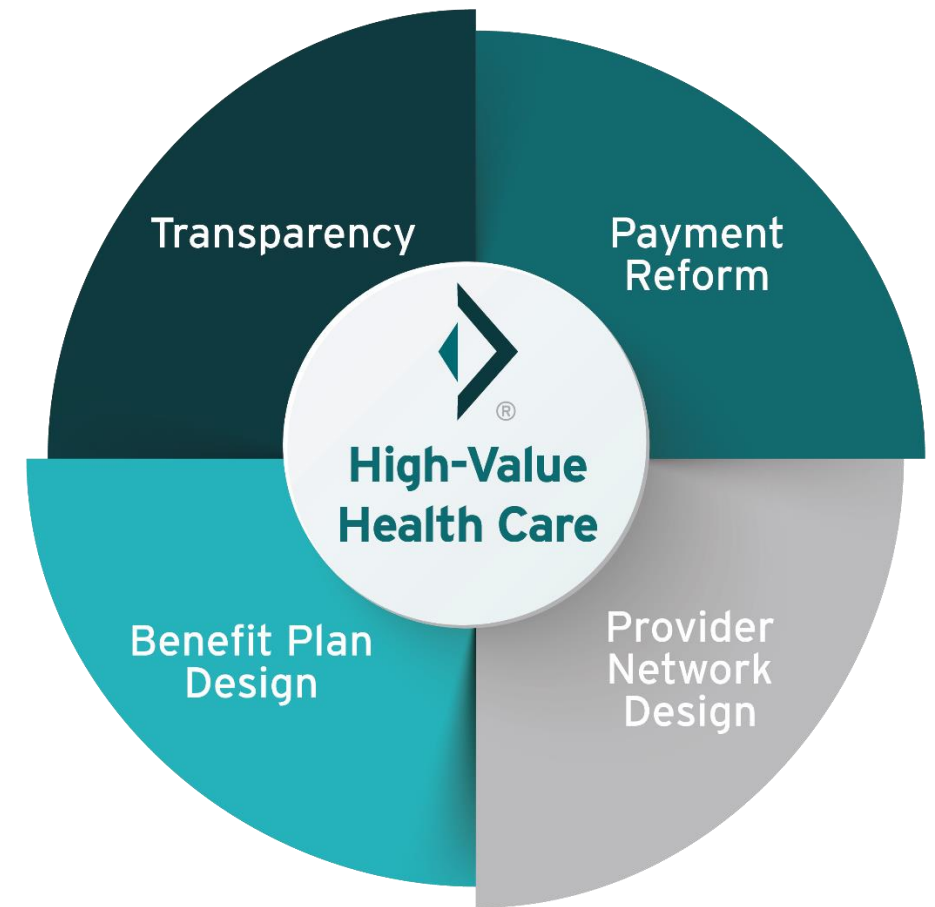
VP of Network Development & Provider Relations at The Alliance



The Alliance is the Voice of Employers

The Alliance is the voice of self-funded employers, working on their behalf to provide **high-value healthcare**.

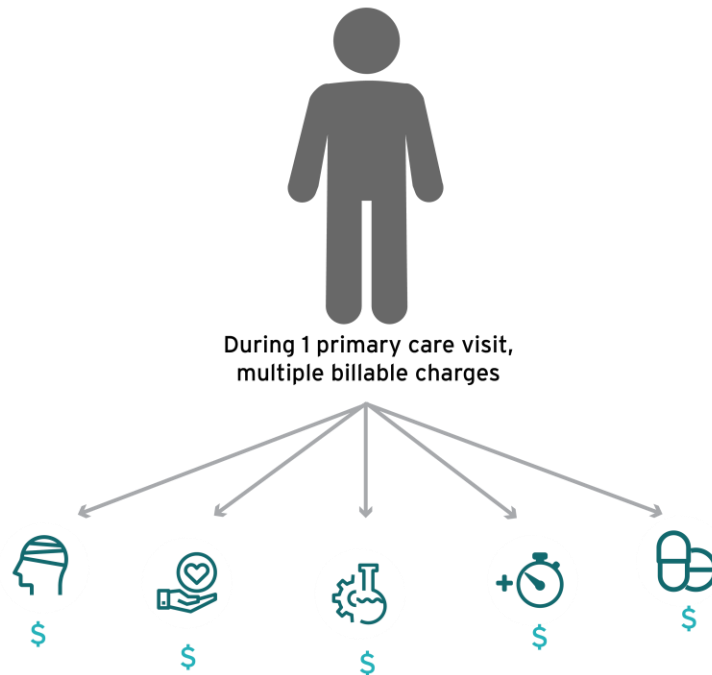
We give employers the control they seek -- improving access and quality of care and reducing costs.



The Alliance Health Care Purchasing Methods

Payments Designed to cut waste and reward quality.

Old Fee-For-Service Model



New Total Cost-of-Care Contracting Model

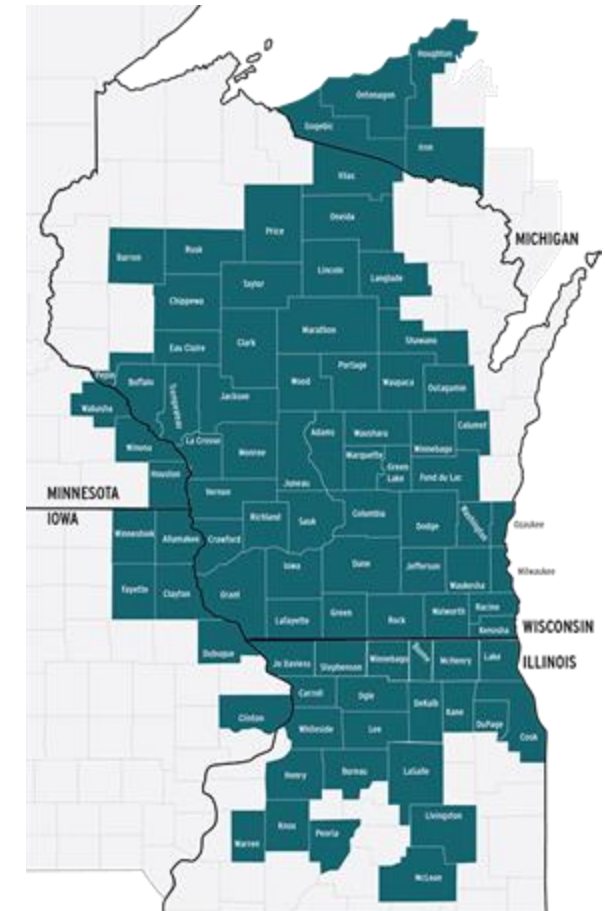
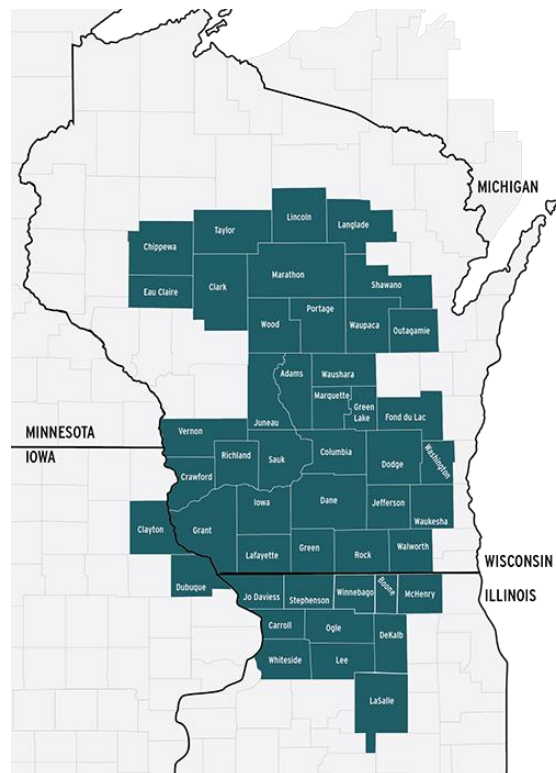


Advantages:

- Predictability
- Simplicity
- Transparency

Network Growth

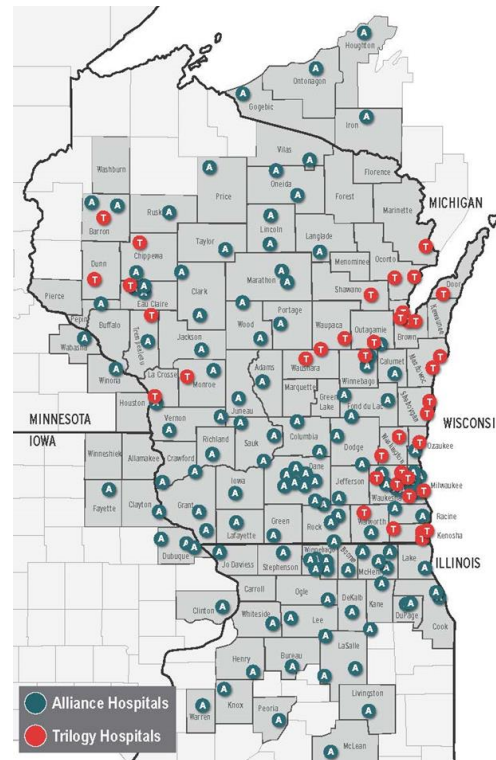
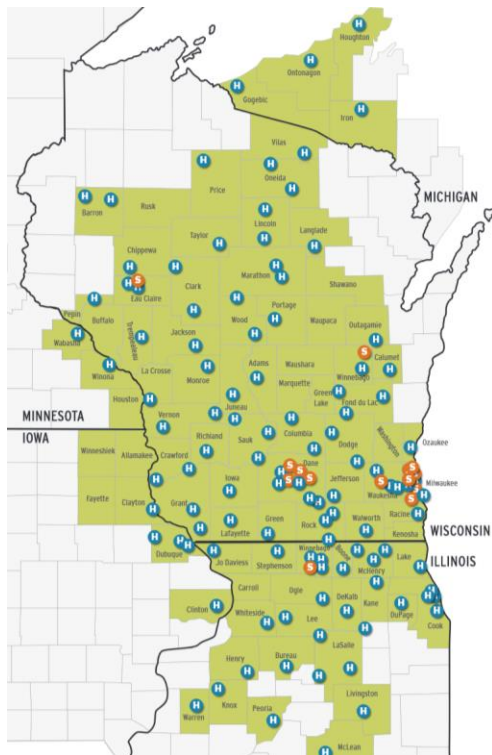
From 2014 to 2020



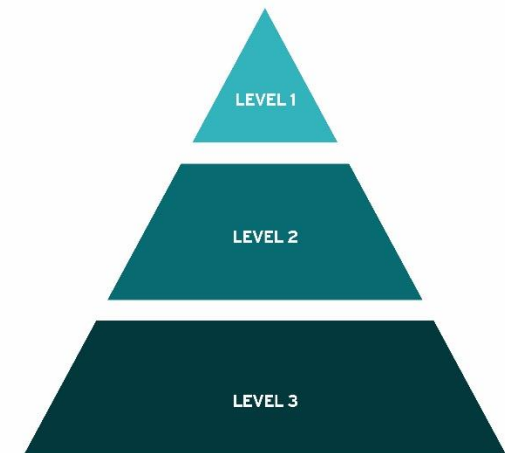
Smarter NetworksSM



The Comprehensive Network



The Premier Network





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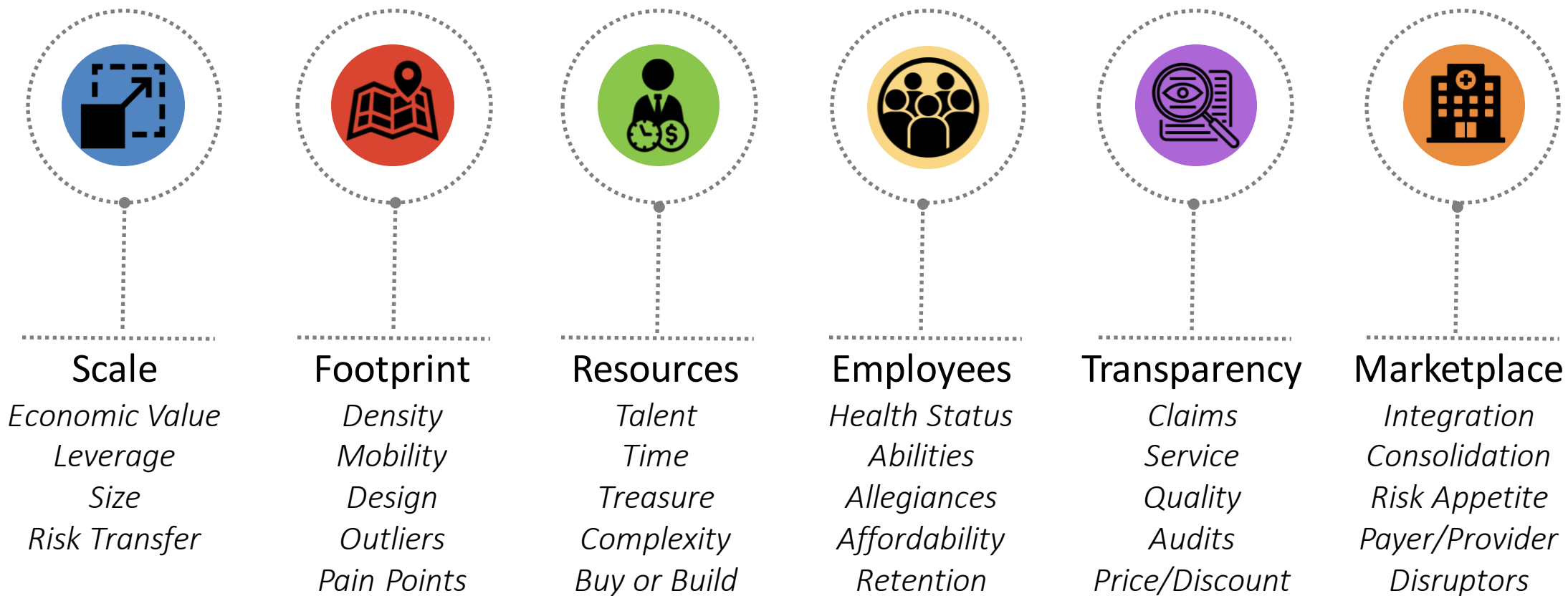
CONTRACTING & CONNECTING FOR VALUE

MARY BETH KUDERIK

MBHK CONSULTING

NOVEMBER 9, 2020

6 Levers Influence Direction & Results in Contracting for Value



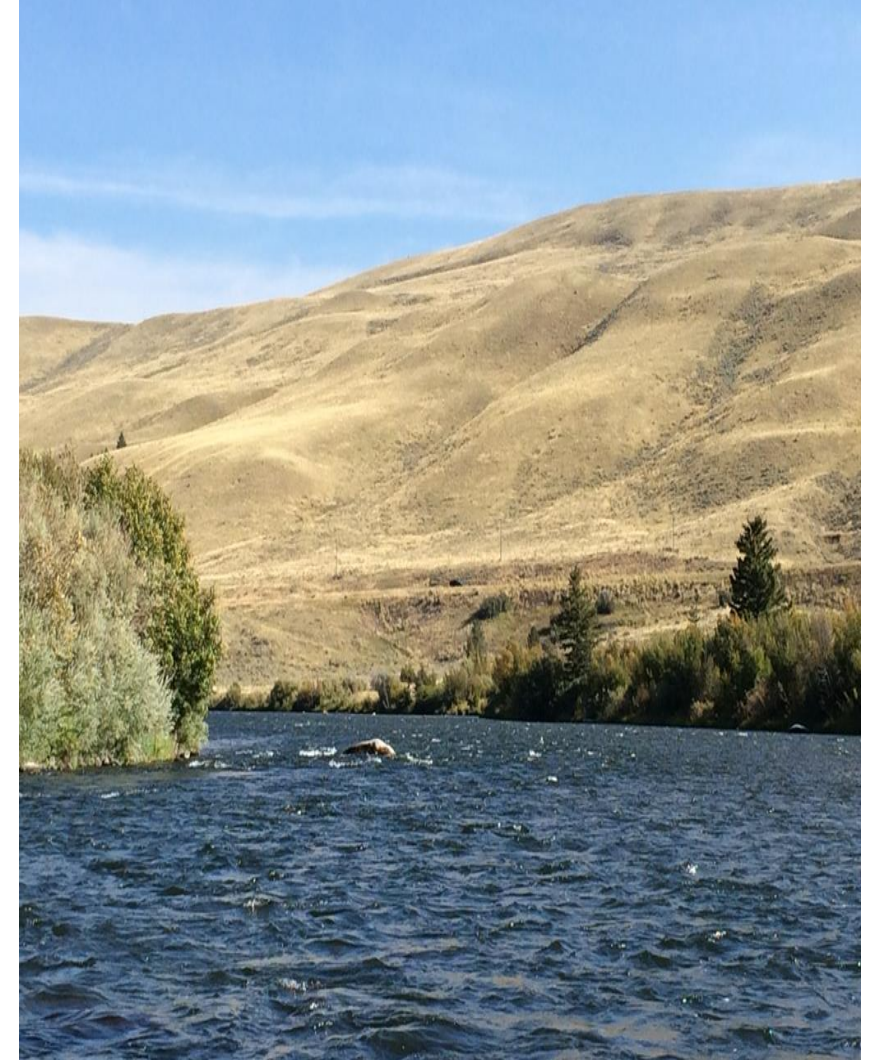
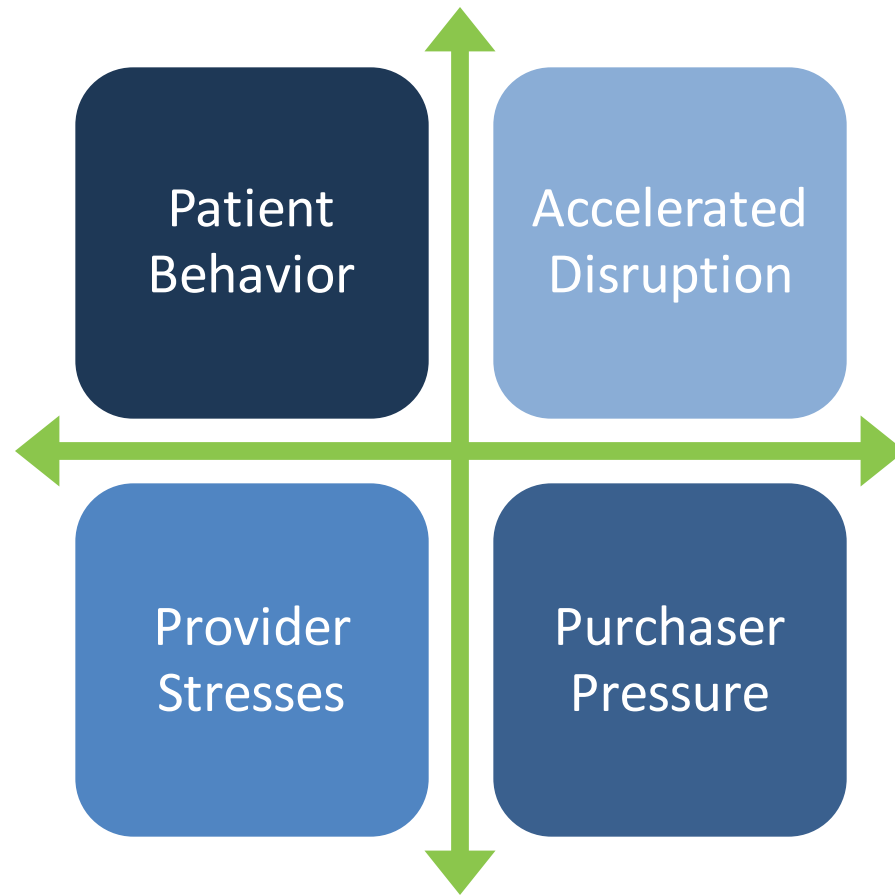
Value Has Many Forms – “Your Value May Not Be My Value”



- Define Goals / Success
- Do Your Homework
- Be Strategic In Execution
- Evolution or Revolution
- Set-Up For Post-Signing Success

What's Around the Corner Post-COVID?

Risks and Opportunities



Thank You!

Mary Beth Kuderik

mbkuderik@mbhkconsulting.com

Contracting & Connecting for Value

Aligning Purchasers with High-Performance Providers to Direct Contract

Direct Contracting - What is the VALUE to the Purchaser

BENEFIT TO THE PURCHASER:

- Bundled, transparent and predictable pricing. No surprise/balance/shock bills
- Significant (30-60%) savings to the health plan
- Visibility to validated health outcomes, facility and provider
- Reduction in unnecessary surgeries
- Warranty on outcomes
- Improved return to work (Reduced absenteeism)
- Member satisfaction – Streamlined navigation
- Reduction/Elimination of patient obligations
- Reduced administrative services

Direct Contracting - What is the VALUE to the Provider

BENEFIT TO THE PROVIDER:

- Access to larger patient populations
- Steady flow & referral of patients
- Proper/predictable reimbursement
- Quick payment turnaround to the facility, surgeon and anesthesiologist
- Reduced administrative services
 - Simplified pre-authorization
 - Single-code billing

** Providers spend an average of 27% of billings on coding/billing, appeals, collections*

Finding VALUE in Direct Contracting

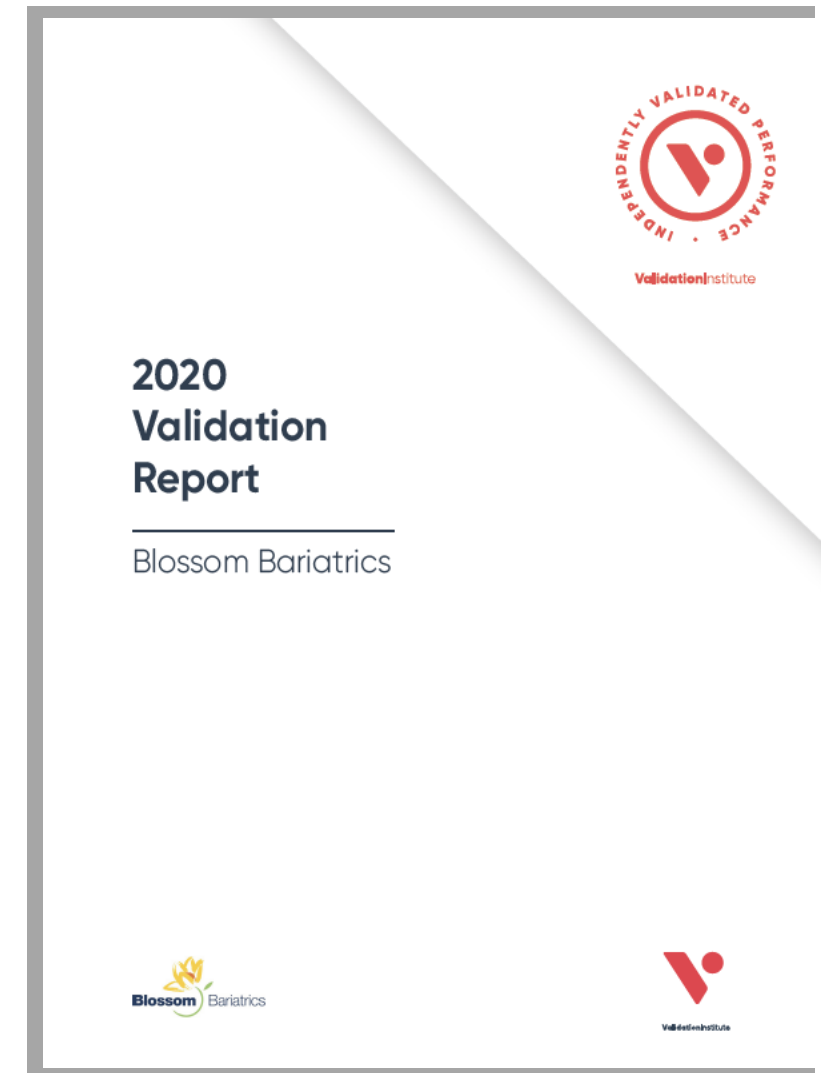
WHAT TO LOOK FOR:

- Validated/published health outcomes (Validation Institute or IRB Study)
 - Facility & physician level – Go beyond CMS data
- Board-certified, fellowship-trained providers
- High-volume, efficiently run practice
- Guarantee/Warranty on procedure
- Bundle/Episode of Care (Inclusions/Exclusions) – Avoid surprise bills !
- Facility ownership (owned or leased?) – Hospital stays may be unnecessary
- Care team (longevity) & continuum of care (*ex. reduction in anesthesia*)
- Continued innovation and advancement among providers

High-Performance Provider Example

BLOSSOM BARIATRICS:

- Outcomes validated by Validation Institute. Winner of the 2020 Health Value Award - Obesity Solution.
- 4 board-certified, fellowship-trained surgeons (male & female)
- 200+ surgeries per month / 6 days week. Opening 2nd location.
- Complication rate less than 1% (National average – 17%)
- Bundle = 5-day episode of care. All inclusive: Pre-op psych eval, pre- & post-op nutritional counseling, surgeon, anesthesia, meds, pathology, IV therapy, 5-night hotel stay, ground transportation
- Surgeries performed in surgeon-owned ASC (not hospital)
- Care team: surgeon, dietician, navigator, coach/therapist
- Recently awarded 3rd bariatric-related patent.

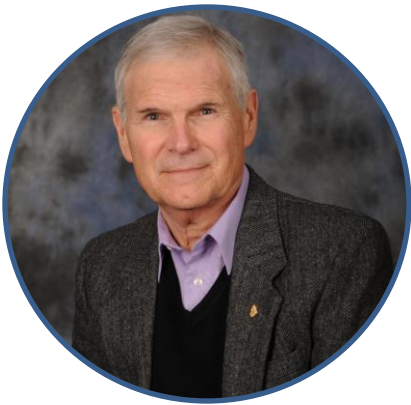




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