



THE HERTEL REPORT



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Provider and Health Plan Relationships on the Path to Accountable Care

Moderator



- **Jim Hammond**
 - Publisher & CEO of The Hertel Report
 - Managing Consultant, Professional Healthcare Solutions
 - State-wide Payor & Provider Relations Expert
 - Conference Speaker & Resource to:
CMSA, AzHHA, AHE, MCMS, HFMA - AZ, CBIZ, ASPA, AMN, HCAA, Humana, Dignity Health, U of A, CNBC, Money Radio, *Wall Street Journal*, NPR, *Modern Healthcare*, *Phoenix Business Journal*, *Arizona Daily Star*, Vitalyst Health Foundation, Web AZ, and more
 - Former HFMA President

The Hertel Report



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- Monthly Newsletter
- Quarterly Data
- Networking & Conferences

Community Partners



Samantha Brodt – Membership Chair
Joan Goda – Communications Chair
Leslie Flake – Program Chair

Today's Agenda

- Moving to Accountable Care Through the ACA and MACRA - Jim Whitfill, MD
- Aligning and Performing to MACRA and Value-based Quality Data – Will Holland, MD
- Lunch
- Banner Health Network-Aetna
- Arizona Care Network – UnitedHealthcare
- HonorHealth - Cigna
- Practice Innovation Institute
- Centene
- Happy Hour

Introduction



Jim Whitfill, MD

- Chief Medical Officer - Innovation Care Partners
- Consultant, Lumetis LLC.
- Professor, Arizona State University
 - Informatics, Graduate Level
- Clinical Associate Professor, U of A College of Medicine, Phoenix
 - Department of Internal Medicine and Bioinformatics
- Sought After Speaker:
 - Clinical & Operational Improvement
 - Workflow-focused & Population Health, Information Technology
 - MACRA, Advanced Payment Models

Q& A



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Introduction

Will Holland, MD

- Chief Medical Information Officer – Banner Health
- Good Samaritan Family Medicine Residency Program
- Former Vice President and Chief Medical Informatics Officer
- Baylor MD
- Texas A&M BS Microbiology

Q& A



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CMS Releases Track 1+ ACO Model

Posted on 28 December 2016.

Move is designed to attract small physician practices and rural hospitals to new value-based payment models incorporating performance-based risk

The new track has more limited downside risk than Medicare Shared Savings Program (MSSP) Tracks 2 or 3. Its expected that 70,000 clinicians could qualify for Advanced Alternative Payment Model (APM) incentive payments in 2018 by participating in the MSSP Track 1+ ACO model.

Arizona Medicare ACOs 2017

ACO	Start Date	Ownership/Structure Service Area	PCP's	Attributed members/ #Beneficiaries
Banner Health Network*	1/1/2012	BH, BPHO, BMG, AIP Maricopa and Pinal Counties	1020	78,000
Arizona Connected Care	4/1/2012	Community Providers, TMC Southern Arizona	195	6500
Arizona Care Network**	1/1/2013	Dignity Health & Abrazo Health Arizona	1000	30,000
Commonwealth PCACO	1/1/2013	Independent PCP's Arizona, New Mexico	100	16,000
JC Lincoln ACO	7/1/2013	Honor Health Maricopa County	126	14,800
Scottsdale Health Partners	1/1/2014	Honor Health Maricopa County	107	18,000
ASPA-Connected Community	1/1/2015	Independent Physicians (ASPA) Arizona, New Mexico	35	5200
North Central AZ Accountable Care	1/1/2015	Yavapai RMC, with NAH, Affiliates Yavapai & Coconino Counties	142	14,000
Abacus ACO	1/1/2016	Arizona Community Physicians Southern Arizona	131	26,853
Optum ACO**	1/1/2016	Optum Medical Network Maricopa County	203	37,000

*MSSP Track 3 **Next Generation model All others MSSP Track 1

ACO Results to Date

Pioneer Results	2012	2013	2014	2015
Earned Shared Savings	13	11	11	6
Reduced spending, below threshold	5	3	4	2
Increased spending, below threshold	13	3	2	4
Owed Money back to CMS	1	3	3	0
Deferred		3		
Total	32	23	20	12
MSSP Results				
Earned Shared Savings	29	55	92	125
Reduced spending below threshold	25	60	89	83
Increased spending above threshold	60	88	223	184
Owed money back to CMS	0	1	0	0
Total	114	204	404	392

Arizona MSSP Winners & Losers 2015

- **Arizona Connected Care**
Generated Savings: \$4.9M
Earned Shared Savings: \$2.2M
- **Commonwealth Primary Care ACO**
Generated Savings: \$15.5M
Earned Shared Savings: \$7.4M
- **Scottsdale Health Partners**
Generated Savings: \$9.9M
Earned Shared Savings: \$4.6M
- **Arizona Care Network**
\$6.1M
- **John C. Lincoln ACO**
\$17.4M
- **North Central Arizona Accountable Care**
\$1.3M
- **Yavapai Accountable Care**
\$4M (left program)

ASPA Connected Community

Spent \$409,156 under the benchmark, but not enough to generate earned shared savings

Banner Pioneer Results

Performance Year	Beneficiaries	Measure	Financial Results Percentage	
2012	42,890	Actual	\$453 M	
Benchmark: \$472 M		Savings	\$ 19 M	4%
Quality: P4R		Share	\$ 13 M	
2013	49,303	Actual	\$536 M	
Benchmark: \$551 M		Savings	\$ 15 M	2.75%
Quality: 81%		Share	\$ 9 M	
2014	52,772	Actual	\$556 M	
Benchmark: \$585 M		Savings	\$ 29 M	4.96%
Quality: 87.6%		Share	\$ 19 M	
2015	59,298	Actual	\$607 M	
Benchmark \$642 M		Savings	\$ 35 M	5.47%
Quality: 95.2%		Share	\$ 25 M	

Future ACO Tracks

ACO Name	2017 Track	2018 Track
Banner Health Network	MSSP Track 3	MSSP Track 3
Arizona Connected Care	MSSP Track 1	Considering MSSP Track 1+
Arizona Care Network	MSSP Track 1 and Next Generation	MSSP Track 1 and Next Generation
Commonwealth PCACO	MSSP Track 1	Considering MSSP Track 1+
John C. Lincoln ACO	MSSP Track 1	MSSP Track 1
Scottsdale Health Partners	MSSP Track 1	MSSP Track 2
ASPA Connected Community	MSSP Track 1	Decision in 2017
North Central Arizona AC	MSSP Track 1	Decision in 2017
Abacus ACO	MSSP Track 1	MSSP Track 1
Optum ACO	Next Generation	Next Generation

Other ACOs

- Cigna Medical Group
- Pathfinder ACO
- District Medical Group
- Health Choice Preferred
- Arizona Integrated Physicians
- Iora Health
- Arizona Priority Care
- Equality Health
- More?

Estimated Value-based Contracted Lives in Arizona

Organization Name	Medicare*	Medicare Advantage	Commerical	Medicaid	Estimated Total Lives	Estimated Number of PCP's
Abacus ACO	26,400	28,700	17,100	10,900	83,100	131
Arizona Care Network	30,000	20,000	0	0	50,000	331
Arizona Connected Care	6,500	8,500	9,000	0	24,000	195
Arizona Priority Care	N/A	13,253	0	0	13,253	554
ASPA Connected	5,200	0	0	0	5,200	35
Banner Health Network	78,000	80,000	243,000	0	401,000	1,020
Cigna Medical Group	N/A	0	15,000	0	15,000	150
Commonwealth ACO	16,000	1,200	25,000	0	42,200	100
District Medical Group	N/A	0	0	87,000	87,000	60
Equality Health	N/A	Emerging ACO, no covered lives at time of report				
Health Choice Preferred	N/A	WND	WND	WND	27,000	WND
Innovation Care Partners	N/A	14,200	24,100	0	38,300	251
Iora Health	N/A	WND	WND	WND	WND	WND
John C. Lincoln ACO	14,800	N/A	N/A	N/A	14,800	126
NCAAC	10,400	0	0	0	10,400	142
Optum ACO	37,000	51,500	0	0	88,500	979
PathFinder ACO	N/A	0	5,400	0	5,400	159
Scottsdale Health Partners	18,000	N/A	N/A	0	18,000	107
TOTAL	242,300	217,353	338,600	97,900	923,153	4,340
	26.2%	23.5%	36.7%	10.6%		

N/A: Not Applicable **WND:** Would Not Disclose

BACK TO THE FUTURE


1993

**Financial Risk to Provider:
Changes Behavior, Controls Cost**



Fee-for-service (FFS)	Per Diem	Per Case (DRG) Bundled Pay	Percent of Premium
More Ancillaries	Less Ancillaries	Less Ancillaries	Less Ancillaries
More Days	More Days	Less Days	Less Days
More Cases	More Cases	More Cases	Less Cases

2017 “THE ACCOUNTABLE CARE MODEL”



Fee-for-service (FFS)	P4P VBM	Per Diem Per Case Bundled Payment	Shared Risk Upside only Gainsharing MSSP Pioneer	Shared Risk upside and downside Next Gen ACO	Capitation	Percent of Premium
More \$	Prove quality	efficiency	Upfront costs, reward	Financial Risk	Provider is decision-maker	Full-Risk Incidence and prevalence
More Cases	More Cases	More cases	Avoid waste prevention Quality Measures	Reduce utilization	Less Cases Reserves Risk tolerance	True Pop health

**Provider
Risk/reward**

Banner Health Network and Aetna

Check Lehn

- Executive Vice President of Strategic Growth, Banner Health
- Former Vice President of Benefits of Managed Care
- Longtime Local Expert in Payor –Provider Innovation

Tom Grote

- Market President – Arizona, Aetna
- West Territory Coach
 - AZ, NM, CA, OR, WA, AK, HI, CO, NV, ID, UT
- Former President, capitol Market and VP of Sales - Aetna
- Notre Dame

Q& A



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Arizona Care Network and United HealthCare

David Hanekom, MD

- Chief Executive Officer, Arizona Care Network
- Former Chief Medical Officer of SPH Analytics
- Certificate of Physician Executive Leadership
- Internal Medicine Residency at University of North Dakota

Dustin Taylor

- VP of Network Management, United HealthCare
- Peace Health – Large Healthcare System
- HFMA Oregon and Arizona
- Oregon State

Q& A



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Innovation Care Partners and Cigna

Jim Whitfill, MD

- Chief Medical Officer, Innovation Care Partners
- Consultant, Lumetis LLC.
- Professor, ASU
- Professor, U of A
- Advisor to The Hertel Report

Sandra Cooper, PhD, RN, CCM

- Clinical Program Consultant - Cigna Arizona
- Nurse Executive

Q& A



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Introduction

Jennifer Sommers

- Director of Physicians Organizations and Relations, Practice Innovation Institute
- Former Network Development And Contracting Director, Mercy Care Plan
- Insight Imaging, Sonora Quest, Intergru
- Grand Canyon University
- Advisor to The Hertel Report

Q& A



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Ken Yergey

- Area Vice President – Health Net and Bridgeway Health Solutions health Plans – Centene Corporation
- Former Director, Network Management - Humana South Florida
- BS, Cabrini University

Q& A



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