CAQH CORE

New CAQH CORE Report

All Together Now - Applying the Lessons of FFS to Streamline Adoption of Value-based Payments

April 10, 2018

1:00 – 2:00 PM ET

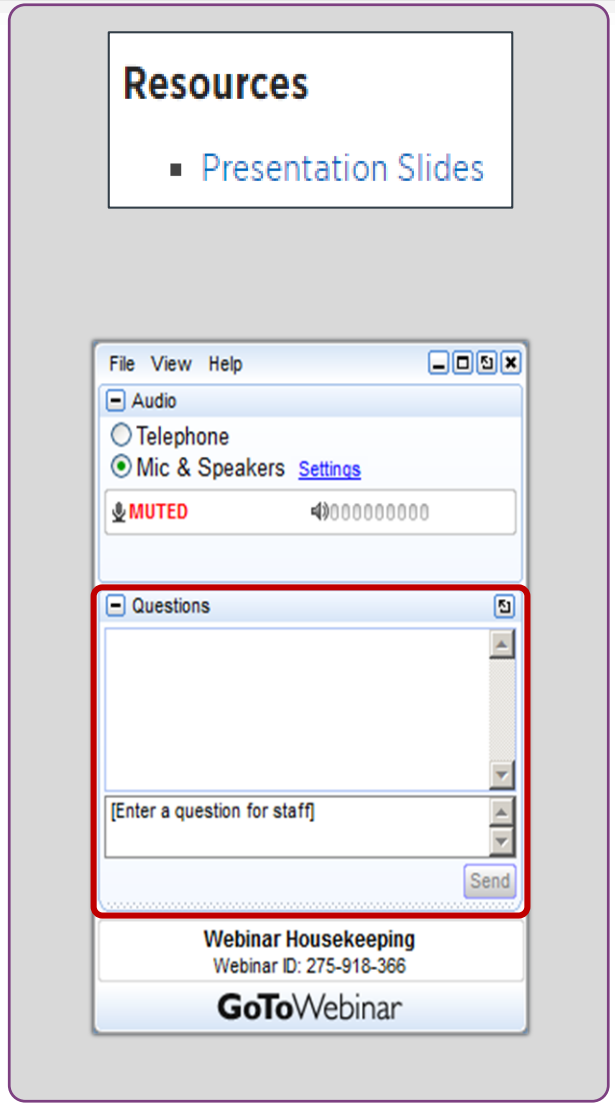
Logistics

Presentation Slides and How to Participate in Today's Session

You can download the presentation slides at www.caqh.org/core/events after the webinar.

- Click on the listing for today's event, then scroll to the bottom to find the Resources section for a PDF version of the presentation slides.
- Also, a copy of the slides and the webinar recording will be emailed to all attendees and registrants in the next 1-2 business days.

Questions can be submitted ***at any time*** using the **Questions panel on the GoToWebinar dashboard.**



CAQH CORE

CAQH CORE Series on Value-based Payments

This webinar is the fourth in an ongoing educational series from CAQH CORE on industry adoption of value-based payments and the operational challenges inherent in this transition.

We would like to thank our speakers:

Marshfield Clinic HEALTH SYSTEM

Dr. Susan Turney
CEO, Marshfield Clinic Health System

CAQH CORE

Erin Weber
Director, CAQH CORE

Session Outline

- Introduction to Value-based Payments.
  - CAQH CORE Activities and Marshfield Clinic Experience.
- VBP Report Overview.
  - Origin and Methodology.
  - Opportunity Areas and Recommendations.
- Next Steps.
- Q&A.

Sharing Marshfield Clinic Health System's Experience with Value-based Payment

Susan Turney MD, CEO, Marshfield Clinic Health System

Marshfield Clinic®
HEALTH SYSTEM

Twitter: @SusanTurneyMD

Snapshot of MCHS

Serving Wisconsin *since* 1916

55 CLINICAL LOCATIONS *in* **34** WISCONSIN COMMUNITIES

Exceptional Patient Experience

Security Health Plan

6TH LARGEST HEALTH PLAN *in* WISCONSIN

1,150 PROVIDERS

PHYSICAL PRESENCE

- **3** Hospitals
- **3** SNFs
- **4** ASCs
- **7** Urgent Cares
- **10** Dental Clinics
- **17** Pharmacies
- **33** Clinical Laboratories

328,000 Unique Patients

3.5M Patient Encounters

$2.2 Billion in REVENUE

BETWEEN

delivery system and health plan

ACADEMIC LOCATION *for the*

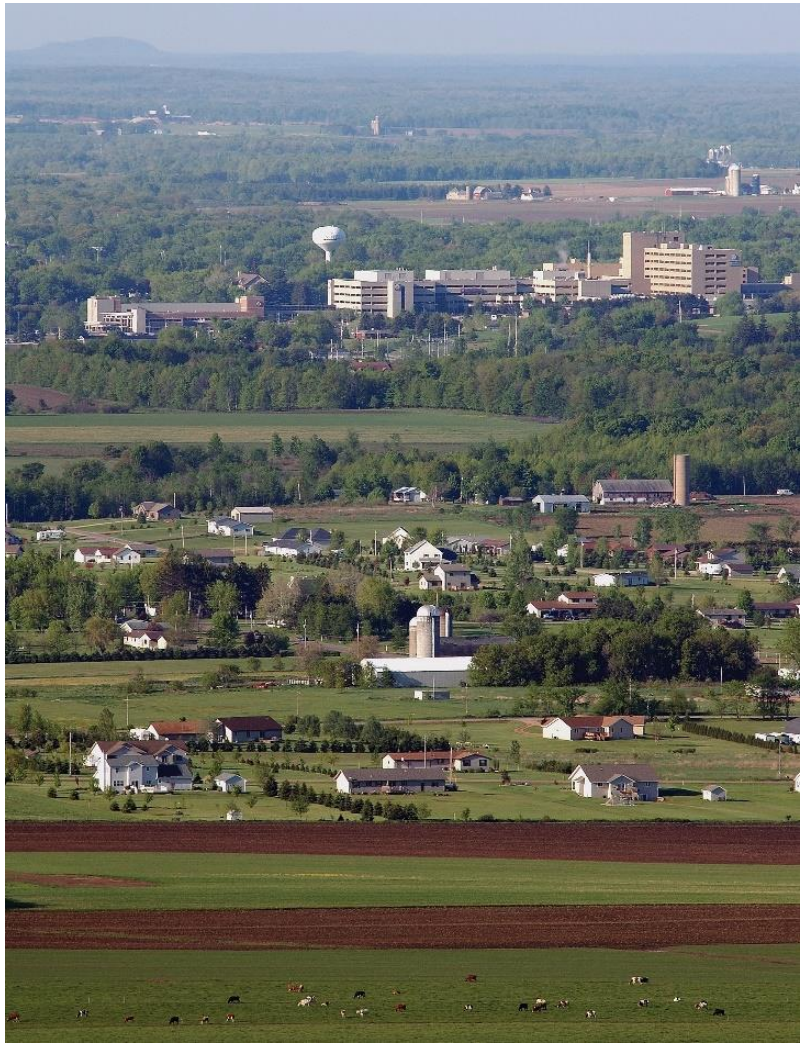
University of Wisconsin

School of Medicine & Public Health

19205-002

Rural Health System

- Average annual income for a family of four:
  - Our patients: $42,000
  - State average: $66,000
- We serve an older population than state average.
- 57% of Security Health Plan (SHP) enrollees are over age 50.
- In 10 of 31 counties we serve, less than 2 workers per Medicare beneficiary.
- SHP has 28,000 residents enrolled in ACA plans.



Introduction to Value-based Payment (VBP)

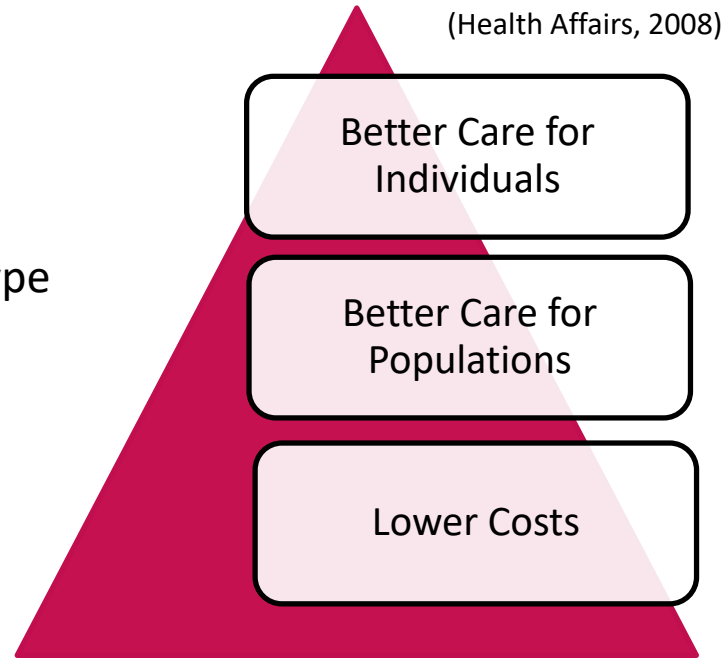
Value-based care is a healthcare delivery model in which providers are paid based on patient health outcomes. (NEJM Catalyst, 2018)

- As value focuses on quality of care and cost, many believe value-based payment has the power to improve U.S. mortality and morbidity rates and change the trajectory of national health expenditures.
- From 2015 to 2017, the number of commercial payers engaging in some type of value-based care has doubled to 24 percent. (HFMA, 2018)

Value-based payment is a strategy used by purchasers to promote quality and value of health care services. (Healthcare Incentives Improvement Institute, 2013)

The Triple Aim

(Health Affairs, 2008)



30%-50%
providers currently engaged in VBP.
(Modern Healthcare, 2017)

Expected that more than half of healthcare payments will be value-based by 2020.
(Forbes, 2017)

VBP models already accruing cost-savings with equal or better care results.
(American Hospital Association, 2016)

CAQH CORE VBP Report

Overview

Erin Weber
CAQH CORE Director

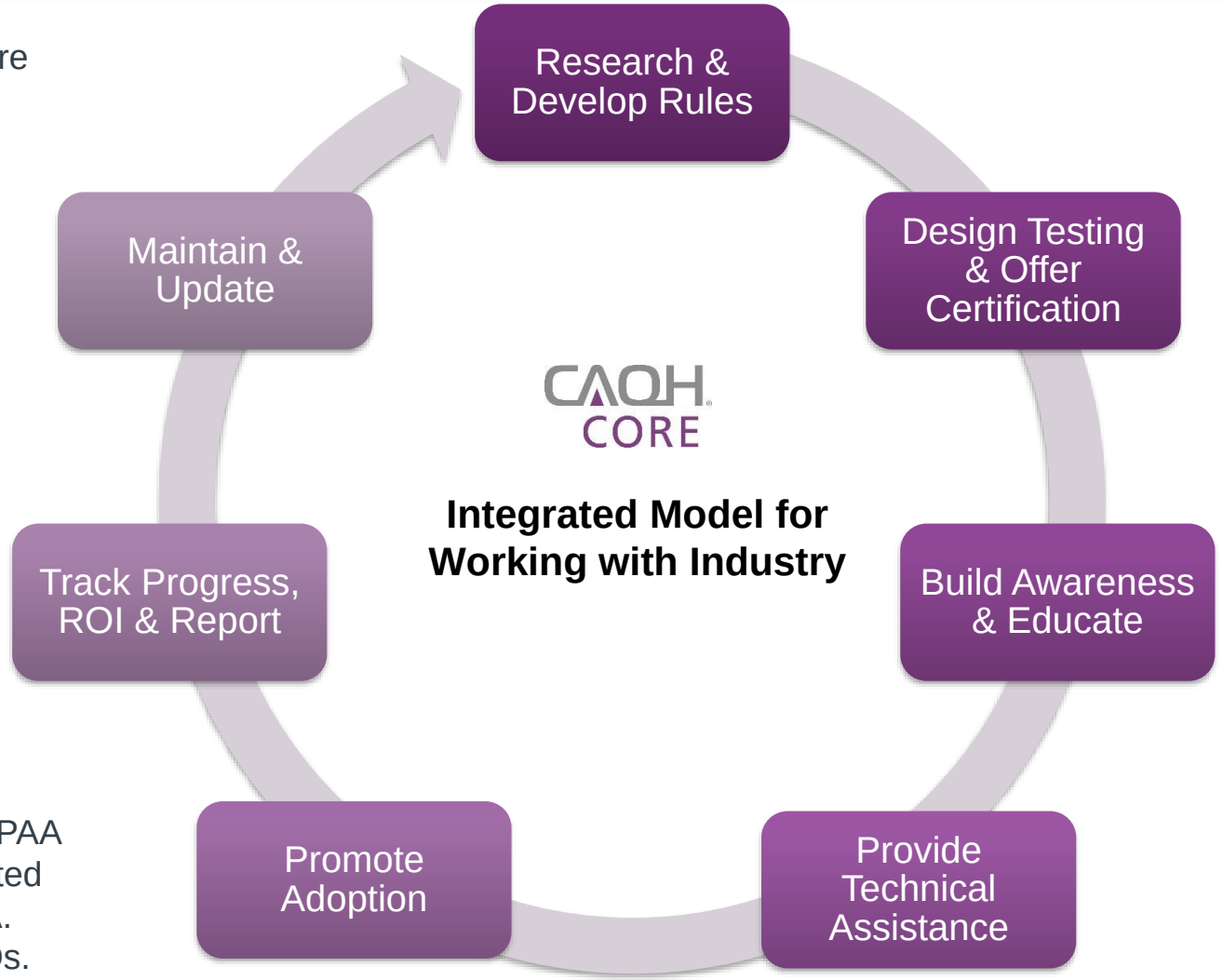
CAQH CORE Mission & Vision

MISSION Drive the creation and adoption of healthcare operating rules that **support standards**, **accelerate interoperability** and align administrative and clinical activities among providers, payers and consumers.

VISION An **industry-wide facilitator** of a trusted, simple and sustainable healthcare data exchange that evolves and aligns with market needs.

DESIGNATION **Named by Secretary of HHS to be national author for three sets of operating rules** mandated by Section 1104 of the Affordable Care Act.

BOARD **Multi-stakeholder.** Voting members are HIPAA covered entities, some of which are appointed by associations such as AHA, AMA, MGMA. Advisors are non-HIPAA covered, e.g. SDOs.



CAQH CORE

CAQH CORE is Driving Industry Value

130

CAQH CORE Participating Organizations

working in collaboration to simplify administrative data exchange through development and maintenance of operating rules.

4

Phases of Operating Rules

developed to facilitate administrative interoperability and encourage clinical-administrative integration by building upon recognized standards.

3

Federally Mandated Phases of Operating Rules

per Section 1104 of the Affordable Care Act to address and support a range of administrative transactions.

334

CAQH CORE Certifications

awarded to entities that create, transmit or use the healthcare administrative and financial transactions addressed by the CAQH CORE Operating Rules.

CAQH CORE

CAQH CORE VBP Initiative

CAQH CORE Uniquely Positioned to Help Streamline VBP Operations

For more than a decade, **CAQH CORE has brought healthcare stakeholders together to develop, agree upon and adopt operating rules** to improve the exchange of electronic transactions.

Proven Success

Significant improvements in fee-for-service operations, reducing cost and improving care delivery and administrative coordination.

Change Agent

Considerable expertise, experience and resources to **support development of a sound operational system for VBP**.

Industry Collaboration

Expertise developing operating rules for the administrative and financial areas where providers and health plans must work together – **ability to harmonize practices between providers and health plans, with 130 participating organizations**.

By collaborating now and applying lessons learned from successes in the fee-for-service space, CAQH CORE aims to energize an effort **ensuring the historic volume-to-value shift continues to be unimpeded by administrative hassles.**

CAQH CORE

Report Origin and Methodology

New CAQH CORE Report: All Together Now

Applying the Lessons of FFS to Streamline Adoption of VBP

The report analyzes operational challenges that may slow or add costs to the implementation of value-based payment. The research found that industry collaboration is needed to minimize variations and identified opportunity areas that, if improved, would smooth implementation.

Contents of Report

5 Opportunity Areas

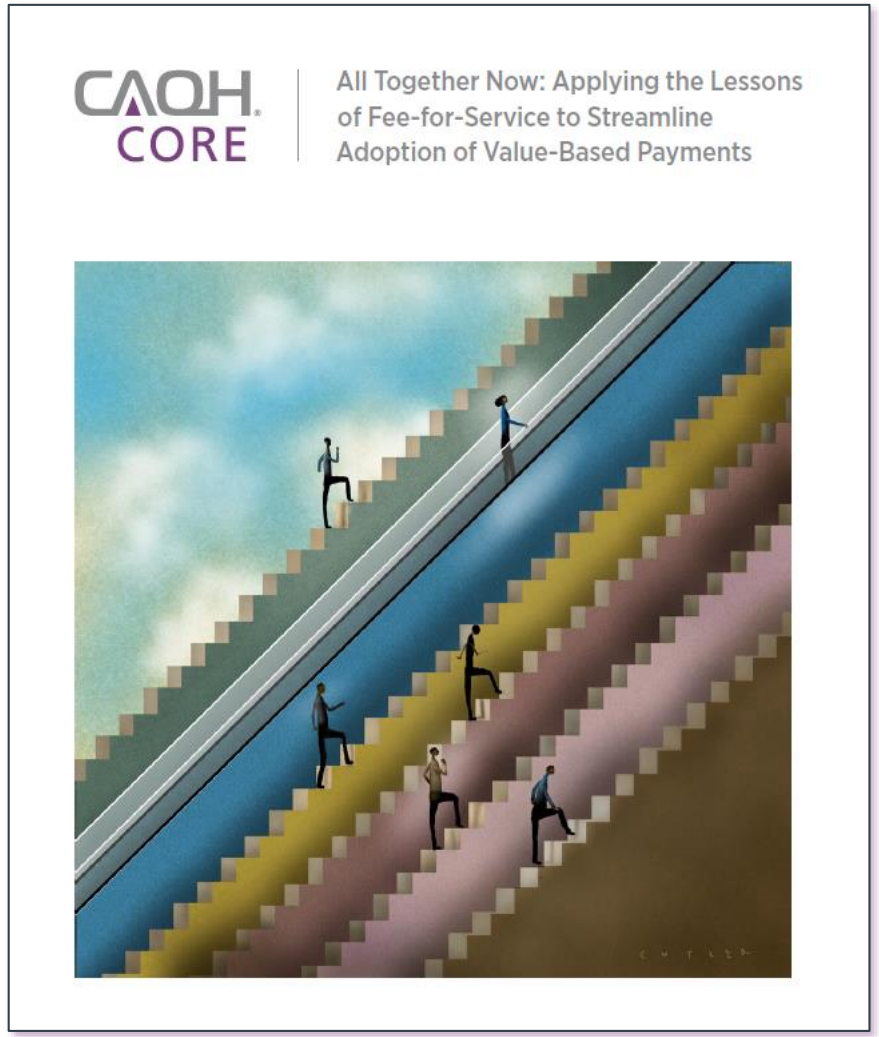
Proposes five opportunity areas identified as unique operational challenges associated with VBP.

9 Recommendations

Includes nine recommendations and strategies to address these challenges which may be implemented by CAQH CORE and/or others.

12+ Candidate Orgs

Identifies over a dozen candidate organizations – industry organizations and leaders – to successfully propel VBP operations forward.



CAQH CORE VBP Report

Research Methodology

Secondary Research

- CAQH CORE began by analyzing various industry initiatives, collaborations and policies to address VBP implementation challenges. Several initiatives are making important strides in addressing operational challenges associated with VBP.
- CAQH CORE literature reviews and industry analysis considered the operational successes and challenges of VBP. This analysis of findings began to shape the potential opportunities for action.

Primary Research

Interviews	Survey
Following the initial environmental scan, CAQH CORE conducted approximately 20 structured interviews with multi-stakeholder entities to confirm, refute and/or add to the potential areas for action. The organizations that were interviewed reflect a wide variety of experience with VBP models.	CAQH CORE then surveyed its participating organizations to collect feedback on interview findings and support for opportunity areas. A total of 37 participants responded, including health plans, providers, vendors, clearinghouses and government organizations.

Opportunity Areas and Recommendations

CAQH CORE Vision for VBP

Opportunity Areas for Sustainable Industry-wide Success Require Collaboration

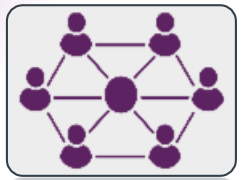
Non-standardized data, workflows, operations and data collection pose challenges to successfully implementing VBP. The research identifies a select set of opportunities where a more uniform approach would streamline VBP operations for both health plans and providers without compromising the competitive value of VBP models.

VBP Opportunity Areas

1. Data Quality & Standardization

2. Interoperability

3. Patient Risk Stratification



4. Provider Attribution

5. Quality Measurement

Our vision is a common foundation that drives adoption of evolving VBP models by reducing administrative burden, improving information exchange and enhancing transparency.

CAQH CORE

Opportunity Areas for Action

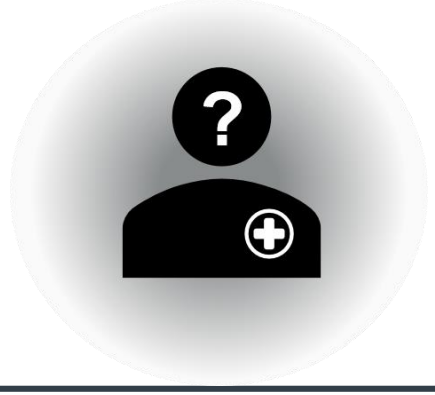
1. Data Quality and Standardization

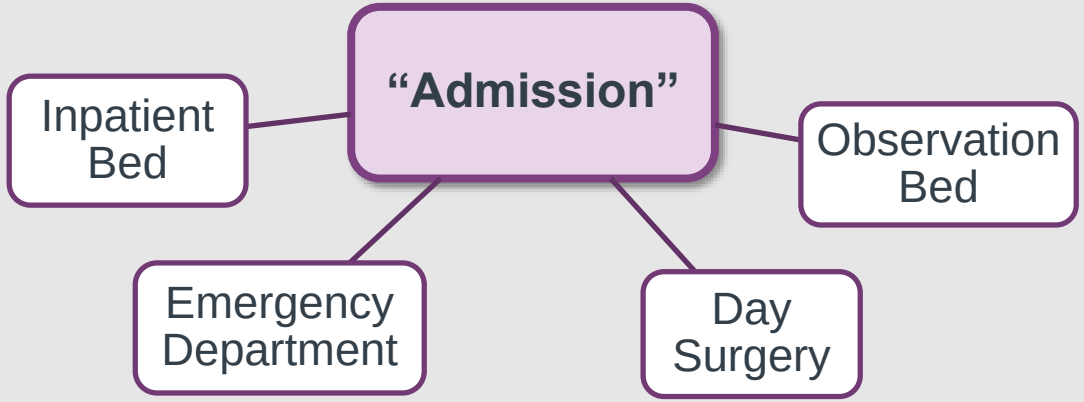
Industry Challenge

Health plans and healthcare providers agreed there is a challenge of "too much data." **Non-standardized data and data quality** pose far greater challenges to VBP operations. **Improving the accuracy, completeness and timeliness of data and enabling easier access to high-quality data are priority areas**.

A predominant issue surrounding data quality is **missing or inaccurate provider identification**.

Challenges arise when the provider's specialty, relationship to the patient and current information is unclear. These factors are critical to determine patient cost, quality measurement and reimbursement.





Inconsistent use of common terms impacts the assessment of patient financial responsibility.

Terms to describe the date and time of an event - "admission" - make it **difficult to measure** timeliness and nature of care and could have **different reimbursement rates.**

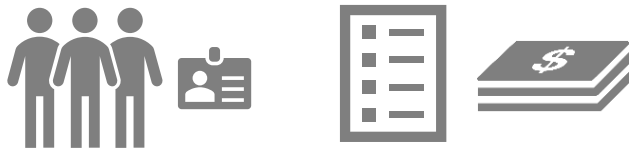
Data Quality and Standardization

Recommendation

CAQH CORE Recommendation

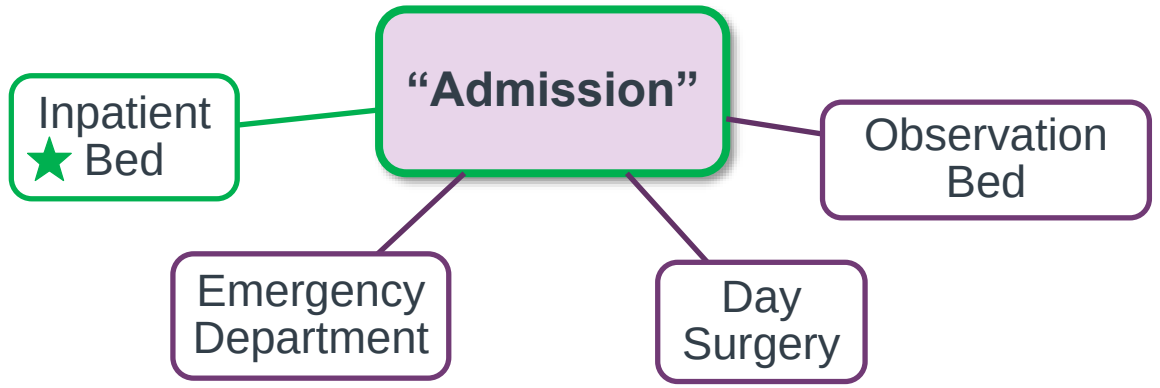
1. **Promote and enforce data set and data element standards that benefit VBP execution**, especially where federally mandated.
2. **Pursue voluntary agreement on adoption of applicable uniform definitions and, as needed, additional data elements** in HIPAA-mandated transactions.

Use of the National Provider Identifier (NPI) has been required in all HIPAA-mandated transactions since 2007, but **identifiers** like the tax identification number (TIN), proprietary identifiers and Medicaid IDs are used, sometimes in combination. Keeping this data updated presents another challenge since changes to the NPI Database are **not made in real time.**



The role of the provider must be clear to accurately disperse shared savings or shared risk; **accurate use of NPI could alleviate this burden.**

Not all data necessary for VBP is part of a standardized medical or non-medical code set. **Consistent adoption** of medical and non-medical code sets, as well as **uniform use of definitions**, will improve care delivery and care management capabilities, promote transparency in VBP and strengthen the ability to perform quality and cost analysis.



Marshfield Clinic Health System Experience: Data Quality and Uniformity

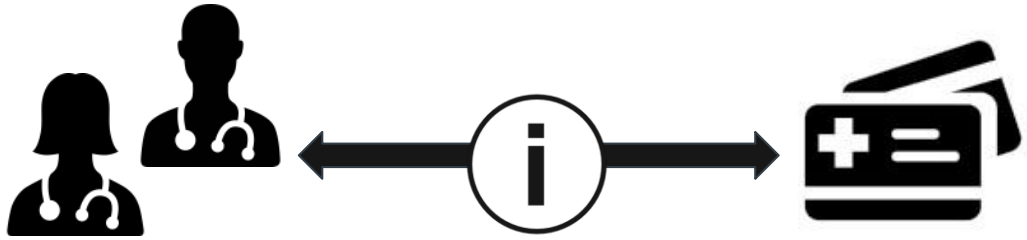
- Data we provide is different from other systems.
- Standardizing quality measures is important.
- Organizations are focused on different metrics and may measure in different ways.
- Need to do more to take into account social determinants of health (SDOH).

Opportunity Areas for Action

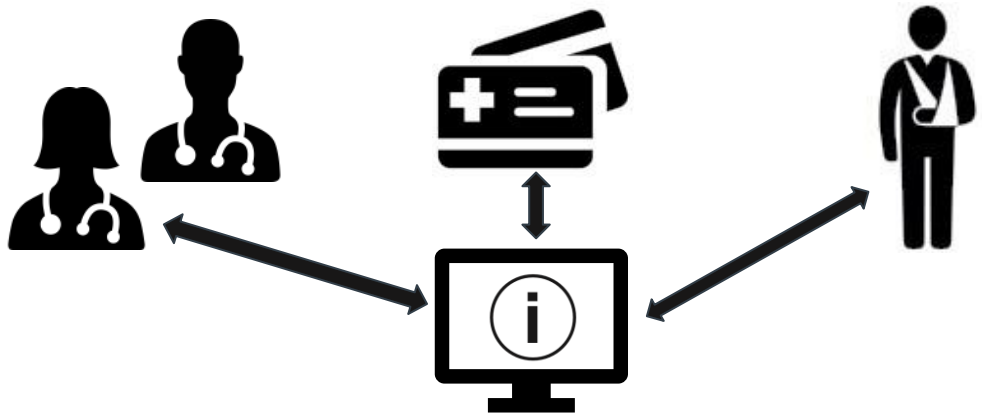
2. Interoperability

Industry Challenge

Data retrieval and integration roadblocks cause delays in quality-of-care analytics and prevent real-time, actionable information from reaching the point of care. Need **improvements in both technical and process interoperability,** i.e., the ability to pass data from one information system to another while maintaining accuracy/validity and having common expectations for workflows, connectivity processes, data timeliness, etc.



Currently**, a limited set of pre-defined data** flows between known trading partners has been **implemented in non-uniform ways**. VBP needs data exchange to happen in real time, with full data privacy and security.



VBP requires **new and complex process capabilities**; there is a need to deliver patient management information at various points during an episode of care that is **accessible to all parties** involved.

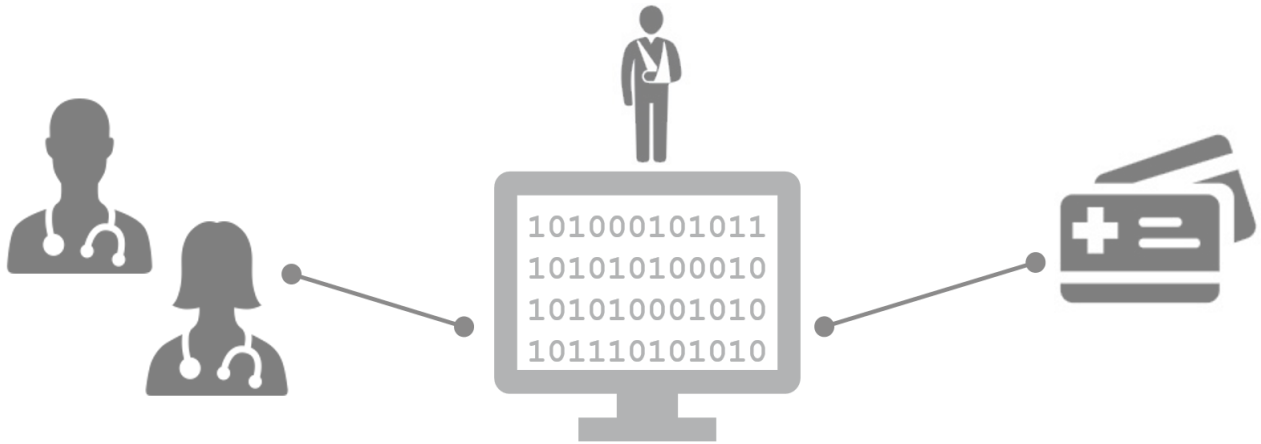
Improved patient communications by providers and health plans are necessary to support patient engagement and shared decision-making. Process changes may also require new agreements, partners, contracts, workflows and data collection.

Interoperability

Recommendation

CAQH CORE Recommendation

1. Promote technical interoperability by **encouraging use of existing and emerging standards and technologies.**
2. Promote process interoperability by **cataloging VBP best practices.**



A fully interoperable EHR system **capable of sharing longitudinal patient-level data** about individuals would support the development of better outcomes-based payment structures, dramatically advancing VBP.

More **carefully choreographed workflows, processes and policies** would allow stakeholders to make more reliable comparisons and act on timelier insights.

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Marshfield Clinic Health System Experience: Interoperability

- Value sets are poorly defined or vague.
- Fragmented care can lead to incomplete data.
- Hard to know if you are being cost effective and how much a disease process costs the organization.

Opportunity Areas for Action

3. Patient Risk Stratification

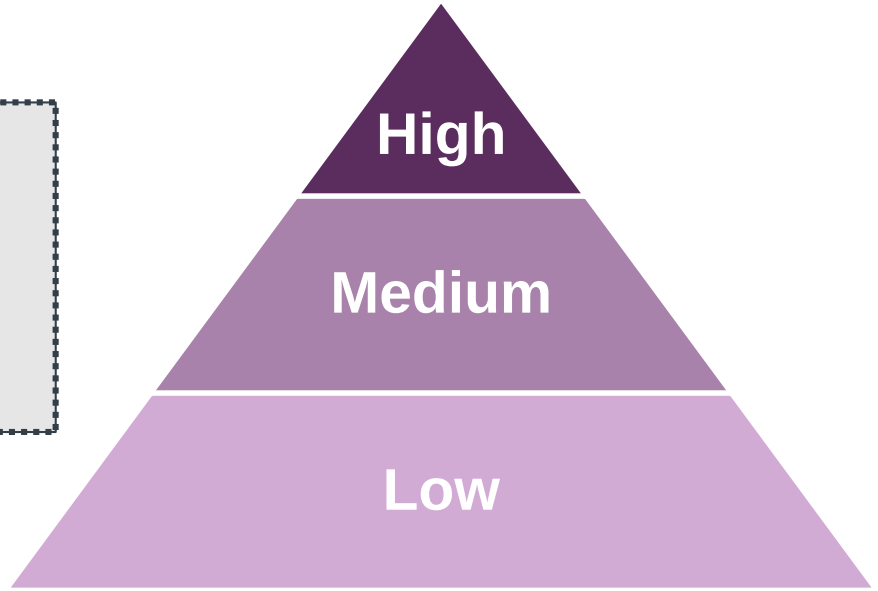
Industry Challenge

Models for patient risk stratification and patient risk determination vary considerably across the industry. Research identified two dominant operational challenges:

- **Lack of Transparency:** Providers are unclear how health plans are using risk assessment and whether risk adjustment tools are being applied for patient risk stratification. This lack of clarity may impact the health plan-provider relationship which is critical to successful VBP outcomes.
- **Lack of Uniformity:** Even when plans are using a patient risk stratification methodology, each contract between a health plan and provider may use different/modified methodology.

The methods for determining patient risk stratification can be complex and varied depending on the purpose and different types of patient populations.

Overcoming this hurdle would **reduce administrative burden** so providers can focus resources on appropriate patient populations and reduce their potential provider risk.

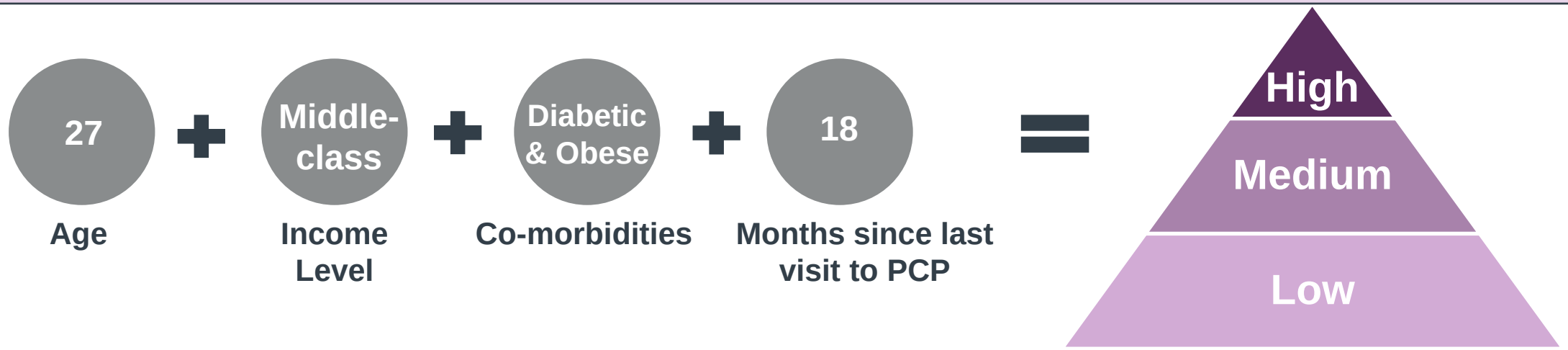


Patient Risk Stratification

Recommendation

CAQH CORE Recommendation

1. **Increase** industry awareness of the threats data inaccuracy/unavailability and methodology variation pose to VBP operational success.
2. **Promote** industry collaboration and transparency of risk stratification models and their content.



The total number of risk stratification models is unknown. There are approximately seven publicly available models most commonly used for risk stratification, with others emerging as VBP use accelerates. These models are based, to some degree, on comorbidity. However, specificity is not readily available. Furthermore, there has been no known cost analysis or demonstration of the effectiveness of each model to guide the industry in best use.

Marshfield Clinic Health System Experience: Patient Risk Stratification

- Critically important but change is needed.
- Proprietary risk models add to challenges.
- Gaps in understanding make it harder to build in effective interventions for patients.
- Cannot let the perfect be the enemy of the good.
- Need improved communication between health plan and care delivery.

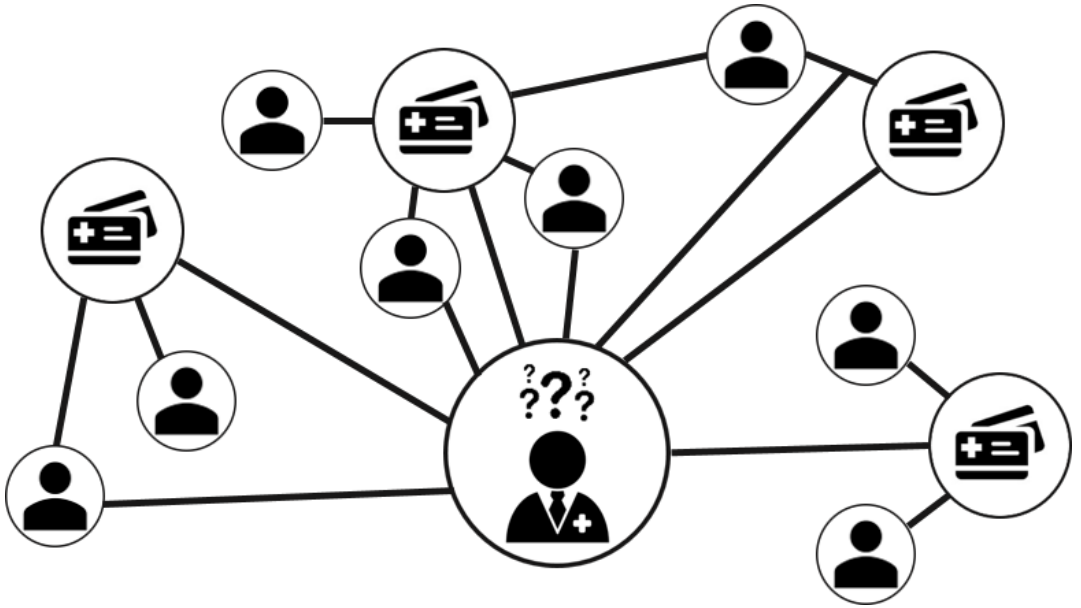
Opportunity Areas for Action

4. Provider Attribution

Industry Challenge

In VBP models, “attribution” assigns accountability for individual patients to providers. **Providers encounter barriers in understanding attribution models** when they engage in VBP arrangements, including **how patients are attributed to them and variations in attribution methodologies**.

A provider with 10 health plan contracts could potentially have patients attributed in a multitude of ways and the logic behind the attribution may vary.



Without full understanding of the methodology used, providers can make erroneous assumptions, which could lead to ineffective decisions about patient needs.

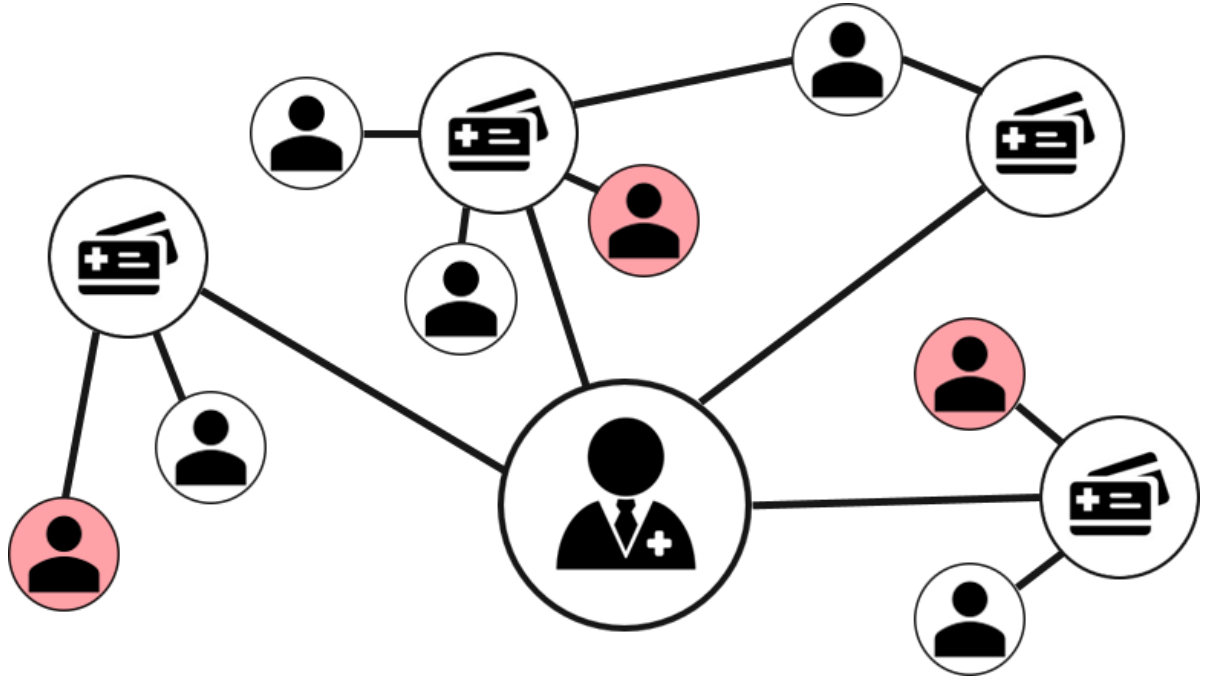
Provider Attribution

Recommendation

CAQH CORE Recommendation

1. **Improve** provider awareness of patient attribution through clearly defined and accurate provider data.
2. **Streamline** and improve transparency in use of attribution models.

Extensive variation in attribution models and the frequent lack of transparency make it difficult for providers to understand how their patients are attributed. This confusion can lead to gaps in managing the care of patients who are attributed to them. By improving this transparency, both patients and providers are empowered in decision-making.



Ultimately, clear methods of provider attribution are needed to asses cost and quality.

Marshfield Clinic Health System Experience: Provider Attribution

- Align attribution with the health plan contract.
- There are challenges in determining who a patient “belongs” to from a provider perspective.
- Doctor hopping and fragmented care pose problems.
- Need clearer definition of what constitutes a “provider.”

Opportunity Areas for Action

5. Quality Measurement

Industry Challenge

Though quality measures are clinical, **gathering data and producing reports is an operational burden**. Providers reported three overarching challenges across quality measure programs.

- **Too many measures:** Over-proliferation of quality measures and lack of consistency in the measures required across health plans and performance initiatives.
- **Too much reporting**: Burdensome processes for generating quality reports.
- **Too little insight:** Absence of meaningful measures that identify actionable next steps for providers and patients.

850 unique measures collected in 33 CMS programs. Only 1/3 of these measures were used in more than 2 CMS programs.
(HCANYS, 2016)

15.1 hours per physician per week entering information for the sole purpose of reporting on quality measures from external entities.
(MGMA, 2016)

Opportunity Areas for Action

Quality Measurement

CAQH CORE Recommendation

Support industry efforts to address quality measure challenges and promote standardization by providing education to address the need to:

- ✓ **Improve consistency in quality measures** across programs.
- ✓ **Reduce** quality measure **data collection burden**.
- ✓ Require **quality measures to be actionable**.

Effective measurement of process performance and outcomes is foundational to VBP.

- **A variety of state and regional efforts are focused on improving quality measurement and reporting.** The Network for Regional Healthcare Improvement (NRHI) has identified more than 30 such collaboratives.

- **There is also a shifting focus from process measures to patient-reported outcomes measures.** Process measures are foundational for measuring value. However, effective patient-reported outcomes measures can capture patient health status while keeping provider collection burden at a minimum and empowering patient decision-making.

Marshfield Clinic Health System Experience: Quality Measurement

- Our focus: Helping providers focus in on key quality measures.
- Clinical quality coordinators alleviate some burden on the provider.
- Too many varieties of the same quality measure.

Marshfield Clinic Health System Experience: Opportunity and Optimism

- Organizations want to do what is best for the patient.
- Many understand need for uniformity and standardization.
- Improvements have been made but there is a long way to go -- work of CAQH CORE is critical.

Polling Question #1

What is the most significant operational challenge in your organization? (Check all that apply.)

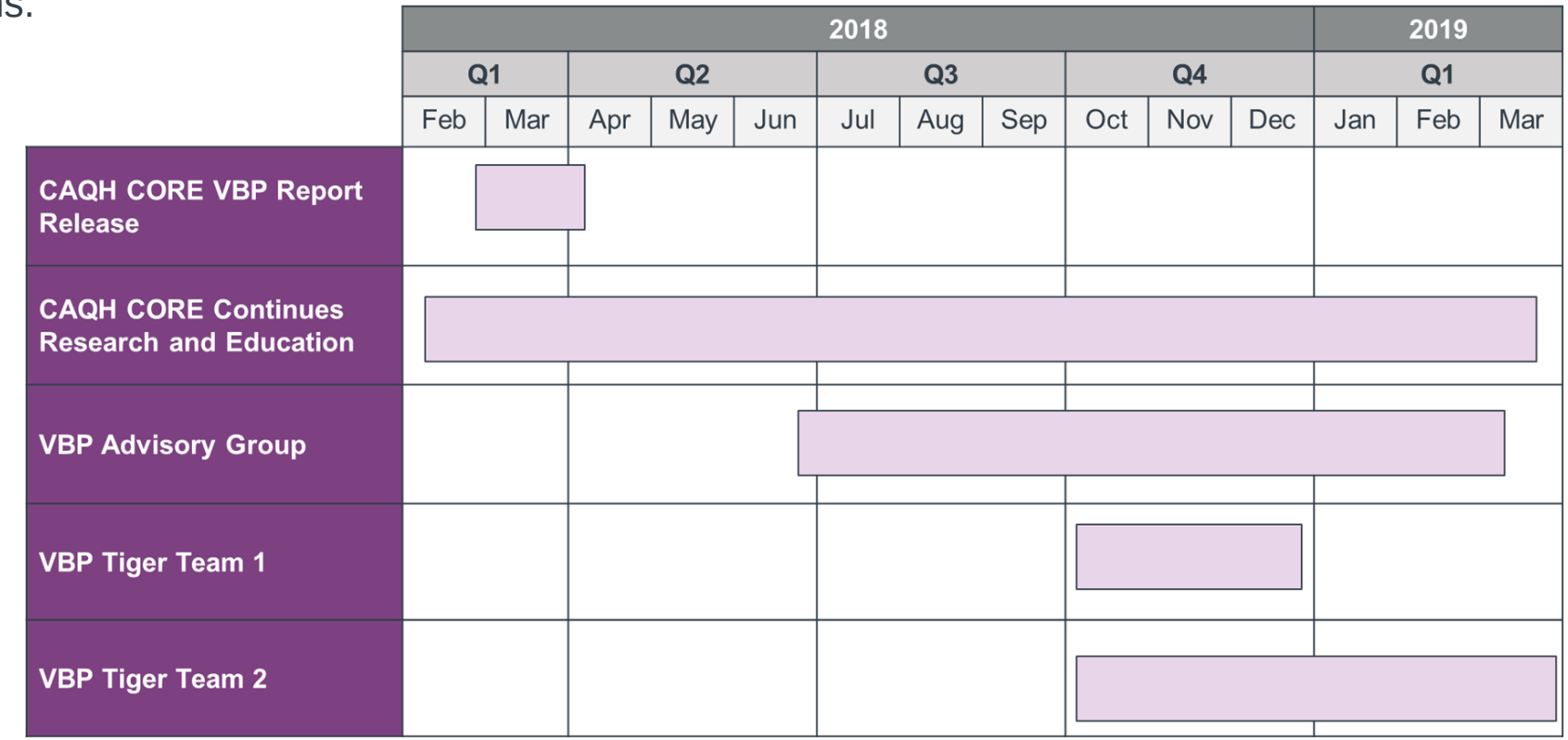
- Data Quality & Uniformity.
- Interoperability.
- Patient Risk Stratification.
- Provider Attribution.
- Quality Measurement.

Next Steps for CAQH CORE

Erin Weber
CAQH CORE Director

CAQH CORE VBP Advisory Group

The CAQH CORE next step in this initiative is to form an Advisory Group. This group will be charged with narrowing down the list of potential opportunity areas for action to one or more strategies that CAQH CORE will pursue. The group will then continue to provide guidance and insight to “Tiger Teams” responsible for executing the selected opportunity area recommendations.



“Tiger Teams” may run concurrently or run for different amounts of time depending on the given opportunity area. With guidance from the Advisory Group, these teams will be responsible for key VBP deliverables.

Key Takeaways

VBP is coming. The research identifies a select set of opportunities where a more uniform approach would **streamline VBP operations** for both health plans and providers without compromising the competitive value of VBP models.

VBP is **changing the trajectory of healthcare** and action is needed now to avoid the scenario that emerged in the fee-for-service environment more than two decades ago, when the adoption of electronic transactions was slowed due to a **lack of common rules for uniform use.**

Collaboration is critical to minimize these variations and to support evolving value-based payment models enabling higher quality care and reduced costs.

Polling Question #2

Would you or your organization be interested in learning more about how to engage with the CAQH CORE VBP Initiative?

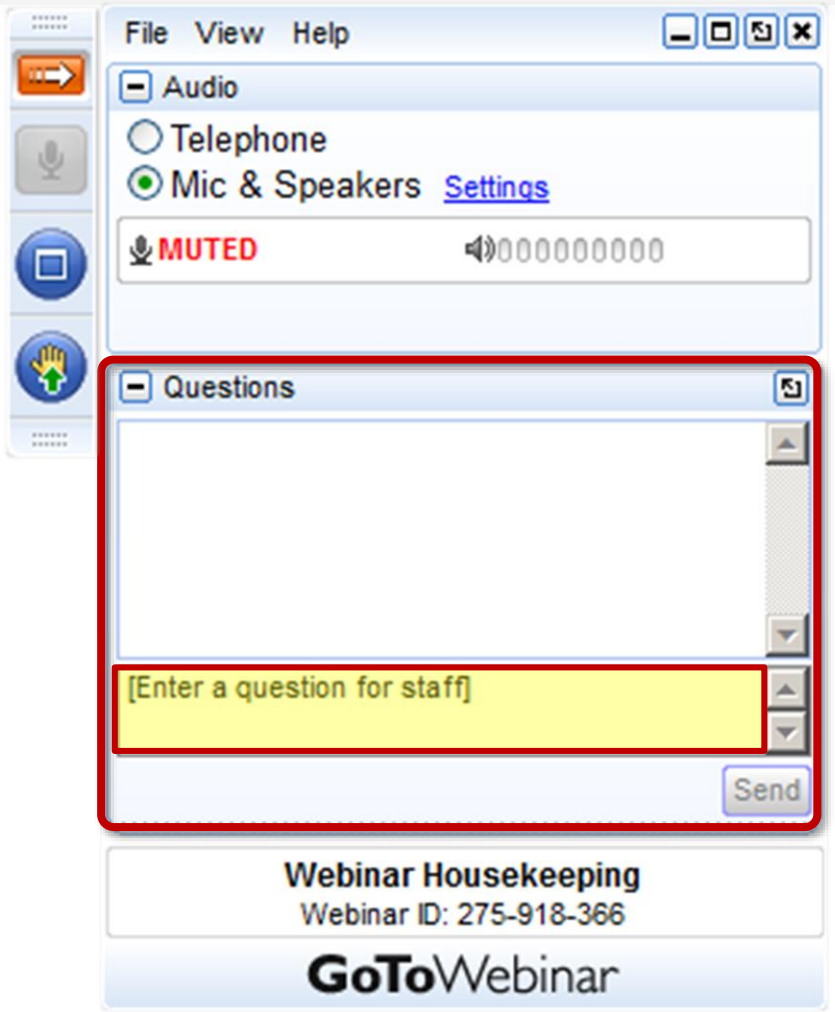
- Yes, please contact me.
- Not at this time.

CAQH CORE Q&A

Please submit your questions and comments:

Submit written questions or comments on-line by entering them into the **Questions panel on the right-hand side of the GoToWebinar dashboard.**

Attendees can also submit questions or comments via email to core@caqh.org.



CAQH CORE VBP Education Series

Previous

CAQH CORE and eHealth Initiative Webinar: Data Needs for Successful Value-based Care Outcomes
MONDAY, NOVEMBER 20TH, 2017

Implementing Successful Value-based Payment: Alternative Payment Models with CMMI
THURSDAY, JANUARY 11TH, 2018

Value-based Payment: What Have We Learned and Where Are We Headed?
TUESDAY, MARCH 13TH, 2018

Upcoming

VBP Series: CMS Center for Clinical Standards & Quality VBP Activities with Focus on Interoperability
THURSDAY, MAY 3rd, 2018 – 2 PM ET

To register for CAQH CORE events, please go to **www.caqh.org/core/events**

Thank you for joining us!

@CAQH

Website: www.CAQH.org/CORE

Email: CORE@CAQH.org

The CAQH CORE Mission

Drive the creation and adoption of healthcare operating rules that support standards, accelerate interoperability, and align administrative and clinical activities among providers, payers and consumers.