Value-Based Care:
Preparing for the Transition

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Introductions

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An Overview of the Value-Based Care Payment Models

There are four categories of value-based payment. Which one are you in?

1	Fee-for-service with no link to quality and value	
2	Fee-for-service linked to quality and value	• Pay for infrastructure and operations • Pay-for-reporting • Pay-for-performance • Performance rewards and penalties
3	Alternative payment built on FFS architecture	• Alternative Payment Models (APMs) with upside gainsharing • APM with upside gainsharing and downside risk
4	Population-based payment	• Condition-specific population-based payment • Comprehensive population-based payment

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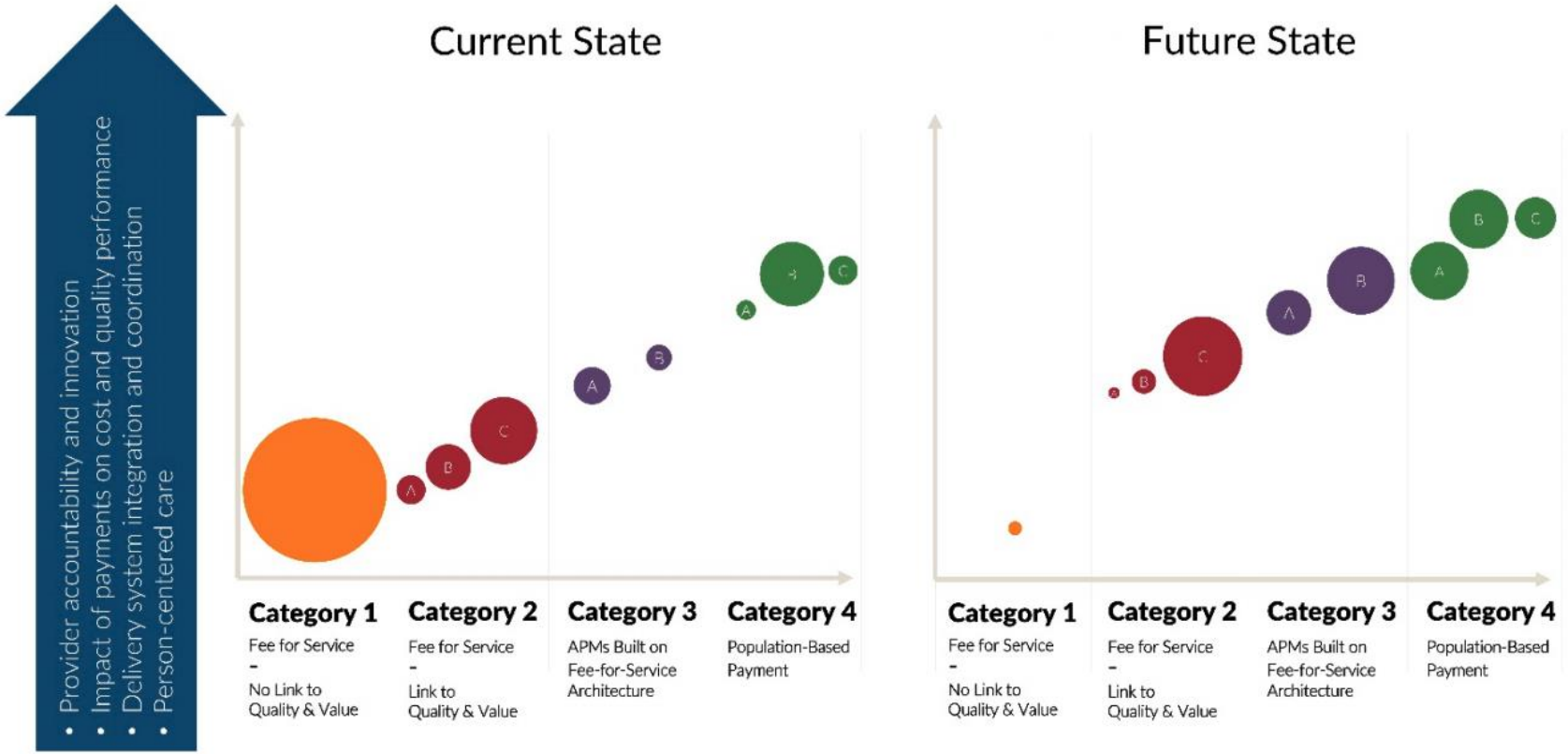
Source: 2016, HHS Health Care Payment Learning & Action Network, Financial Benchmarking White Paper

CMS has established clear payment reform goals for practices like yours.



Alternative Payment Models (APMs) are becoming the norm in the U.S.

CATEGORY 1: *FEE-FOR-SERVICE - NO LINK TO QUALITY & VALUE*

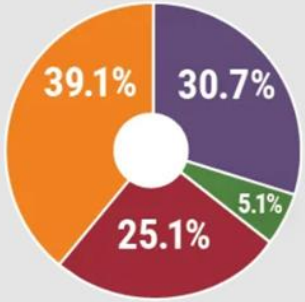
39.1%

CATEGORY 2: *FEE-FOR-SERVICE – LINK TO QUALITY & VALUE*

A	+	B	+	C
Foundational Payments for Infrastructure & Operations		Pay-for-Reporting		Pay-for-Performance

25.1%

AGGREGATED DATA



Based on 62 plans, 7 states, Traditional Medicare

CATEGORY 3: *APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE*

A	B
Upside Rewards for Appropiate Care	Upside & Downside for Appropiate Care
21.3%	**9.4%**

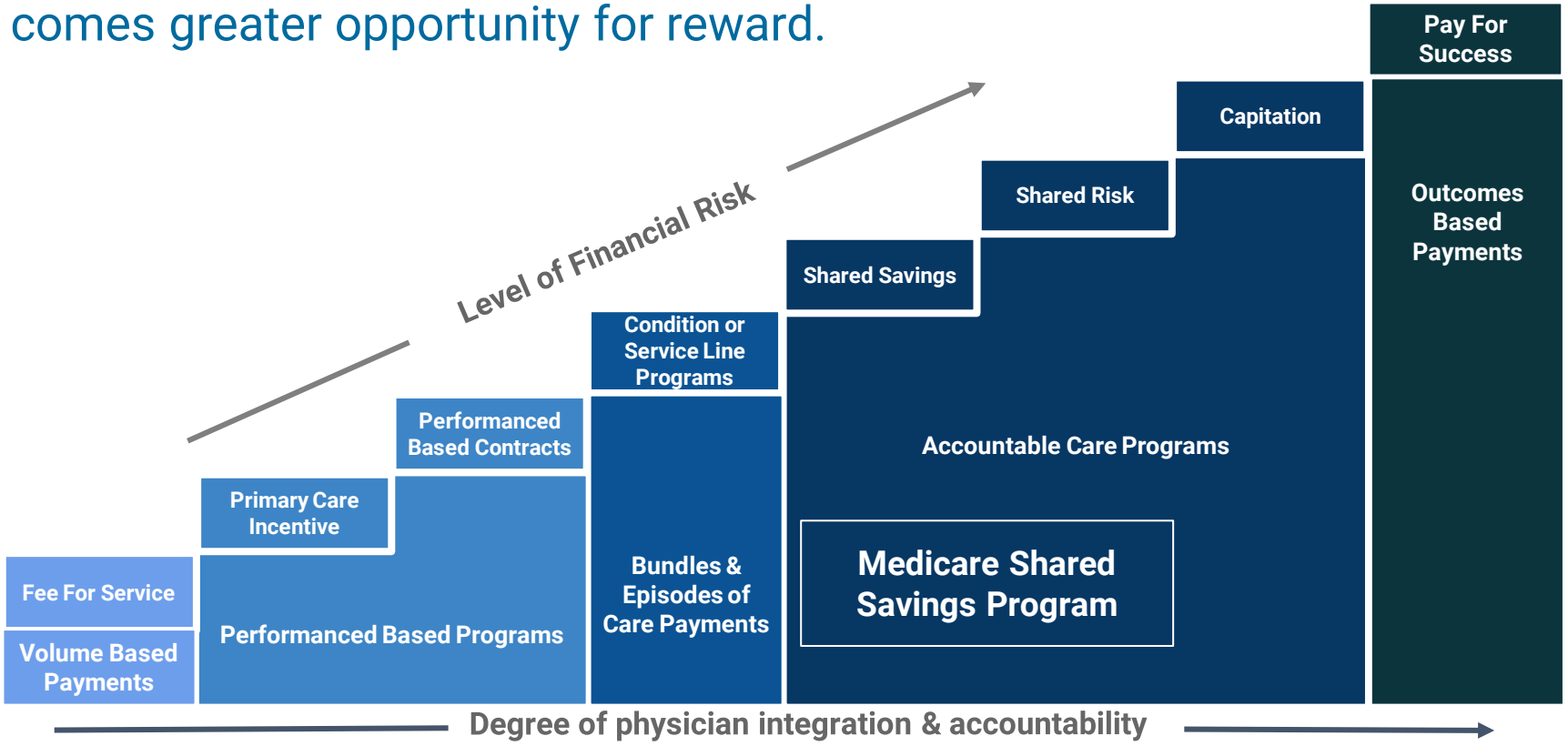
CATEGORY 4: *POPULATION-BASED PAYMENT*

A	B	C
Condition-Specific Population-Based Payment	Comprehensive Population-Based Payment	Integrated Finance & Delivery Systems
1.8%	**2.9%**	**0.4%**

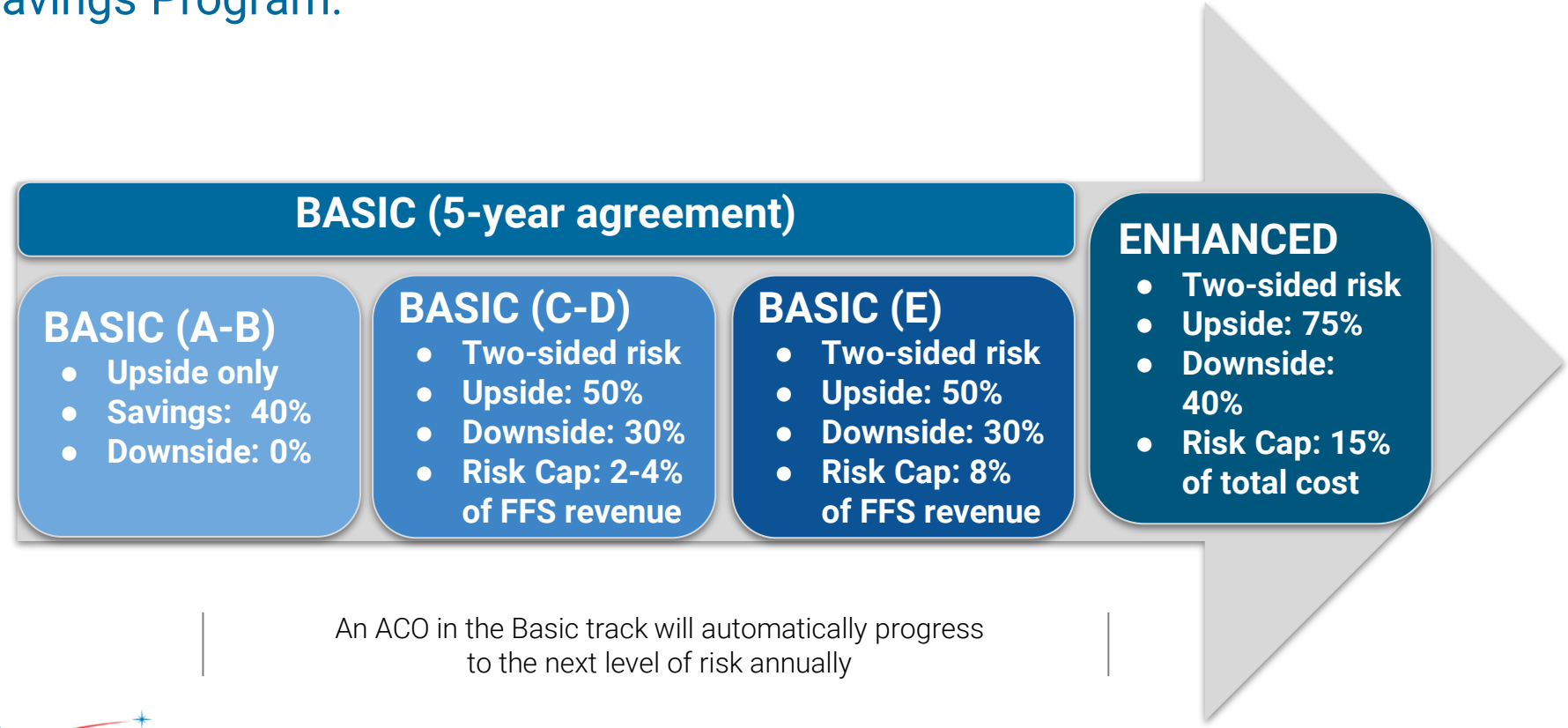
14.5% *Combination of Categories 3B, 4A, 4B, & 4C Represents Two-Sided Risk APMs*

Source: 2019, Health Care Payment Learning & Action Network, APM Measurement Effort

Value-based care comes in many forms, and with greater risk, comes greater opportunity for reward.



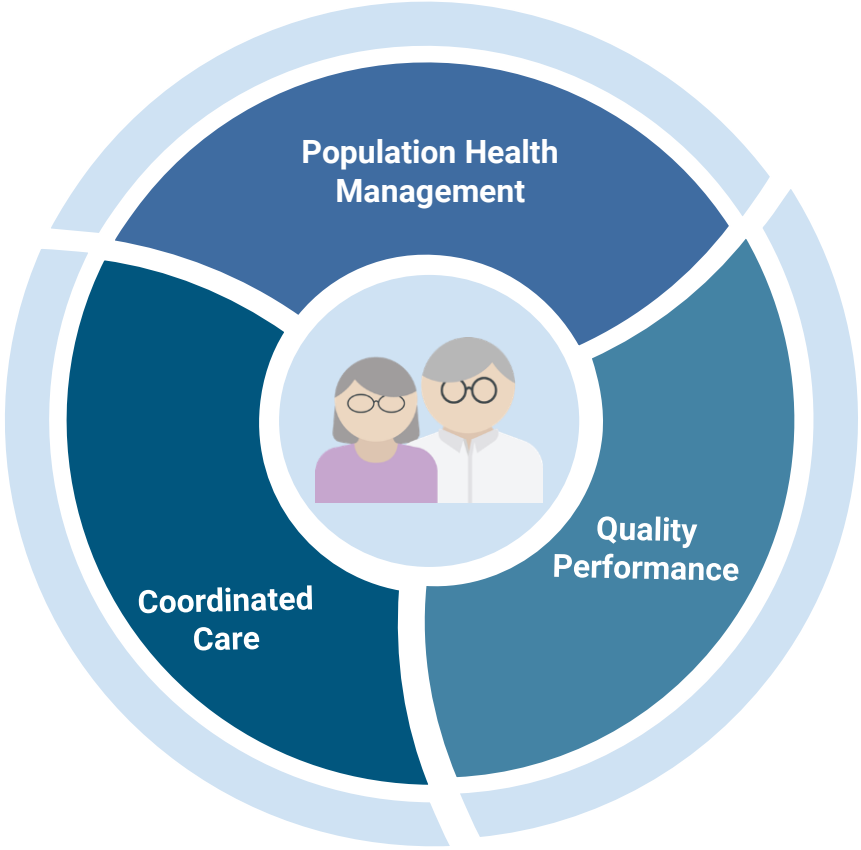
The greater the risk, the greater the reward in the Medicare Shared Savings Program.



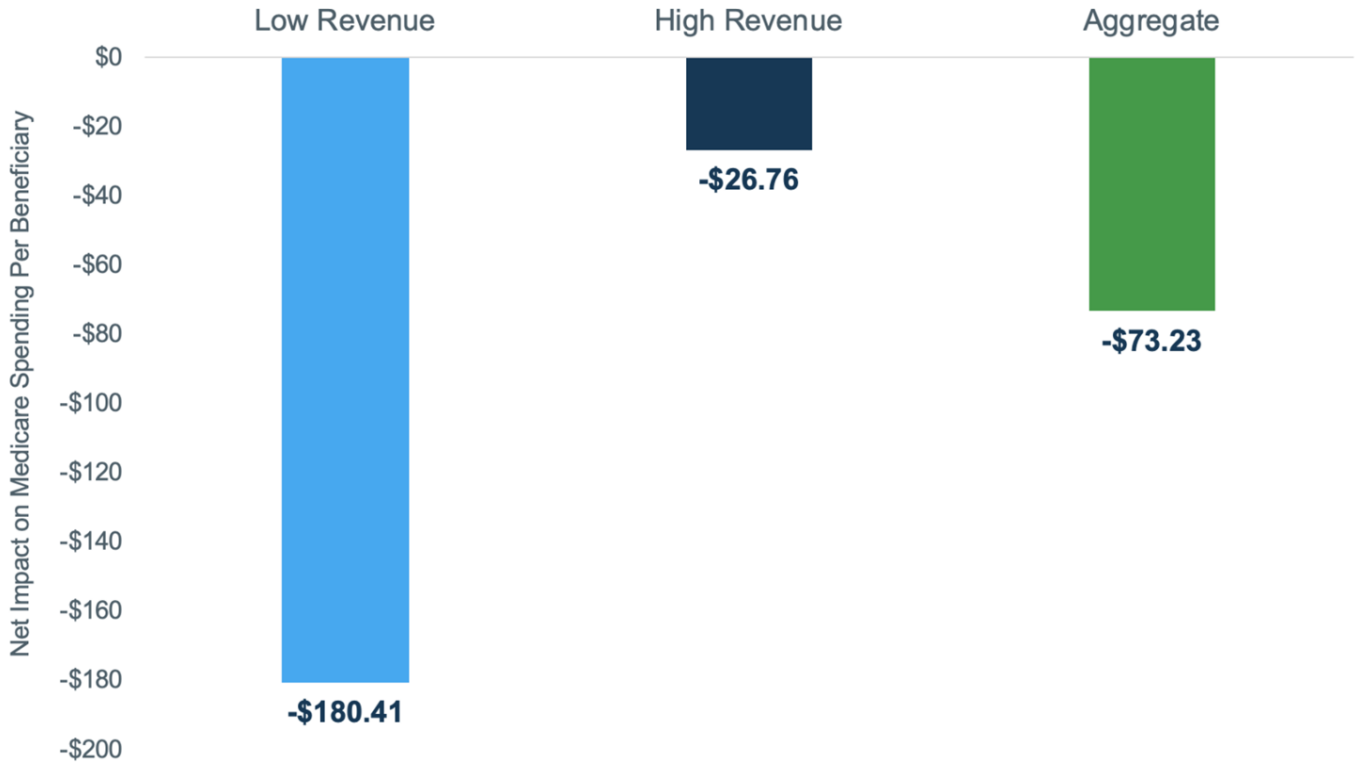
An ACO in the Basic track will automatically progress to the next level of risk annually

ACOs improve care and outcomes while lowering costs.

- Focus on **preventive medicine**
- Patients get the **right care** at the **right time** in the **right place**
- Prevents **duplicative care** and/or unnecessary care



Physician-led ACOs dramatically outperform hospital-led ACOs.



CPC+, in combination with MSSP, has a more powerful impact on influencing the cost and quality of patient care.

An Overview of CPC+

- Provides practices **upfront revenue to provide comprehensive care** that may not be billable under traditional fee-for-service
- **3 types of payments:** prospectively paid care management fees (CMF), prospectively paid performance-based incentive payments (PBIP) that are retrospectively reconciled, and prospectively paid comprehensive primary care payment (CPCP)
- CPC+ is a **five-year multi-payer program**. Round 1 began January 2017 and the most recent measurement period began in January 2019
- **Practices can be in CPC+ and an ACO**
    - CPC+ Track 1 and Track 2 practices are allowed to participate in both CPC+ and an MSSP ACO

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Advanced Alternative Payment Models (AAPMs): Primary Care First

Category 4 - MSSP Complement

Primary Care First is a voluntary model focused on increasing patient access to advanced primary care services with the goals of improving quality, improving patient experience, and reducing costs.

Participation: Designed for advanced primary care practices

Tracks: General and Seriously Ill Population (SIP)

- PCF-SIP participants need to have, or partner with a provider that has hospice and/or palliative care capabilities
- CMMI has placed the SIP component on hold and is not accepting new applications for the second cohort

Performance Period: January 2021– December 2025; January 2022 for current CPC+ and non CPC+ practices who apply for a 2022 start (Cohort 2)

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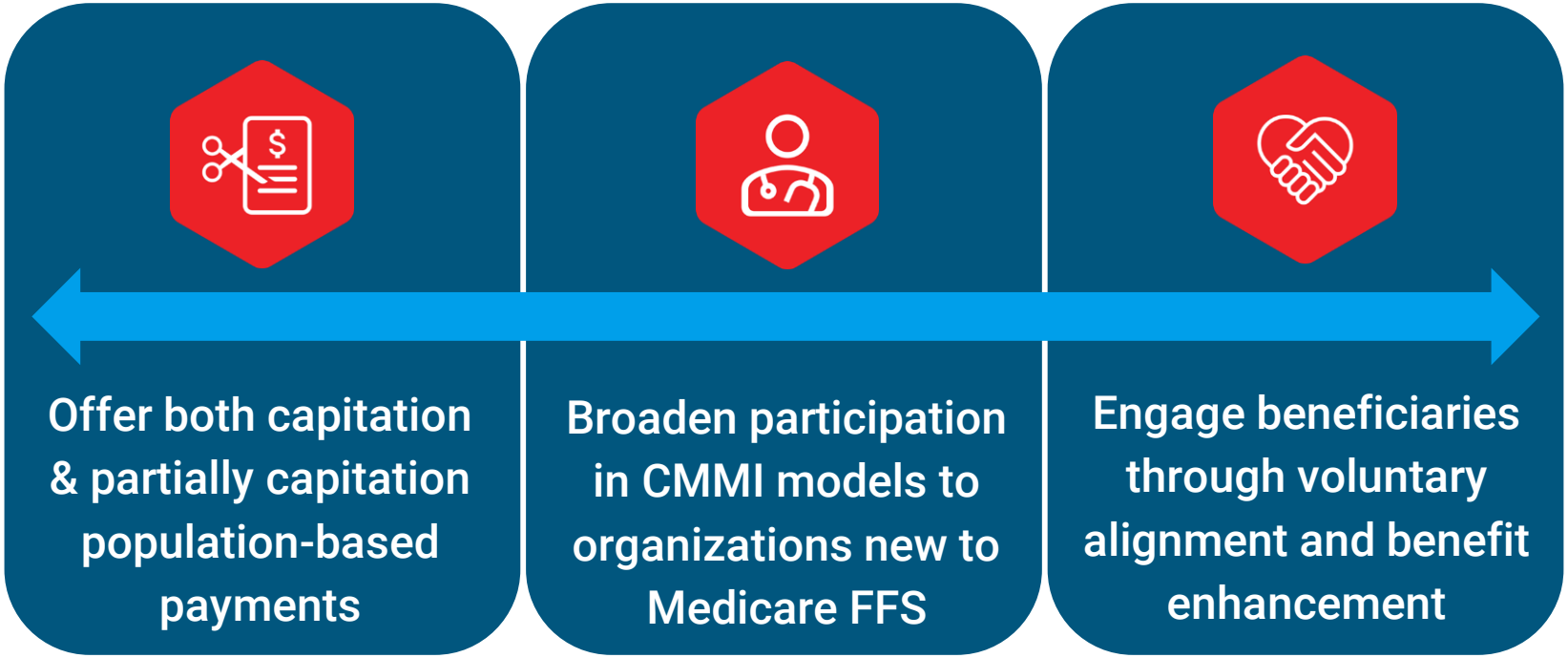
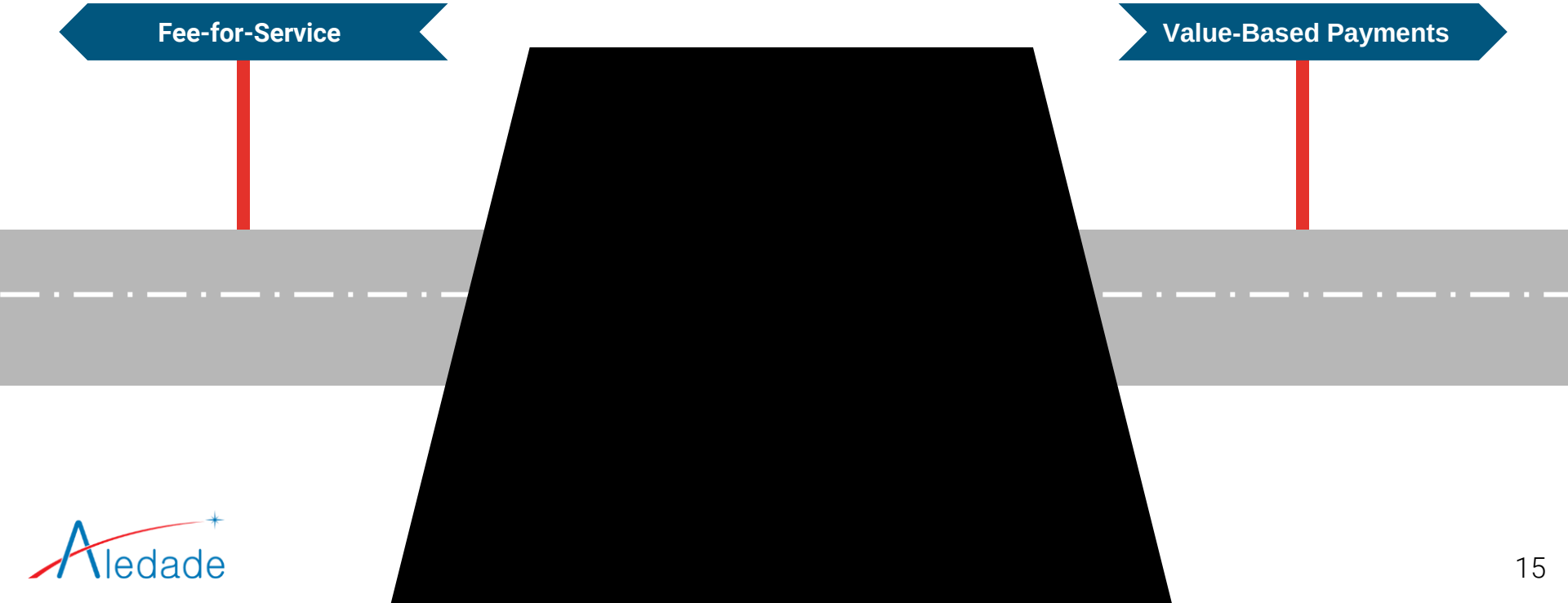
Direct Contracting is a complex attempt at delivery system reform.

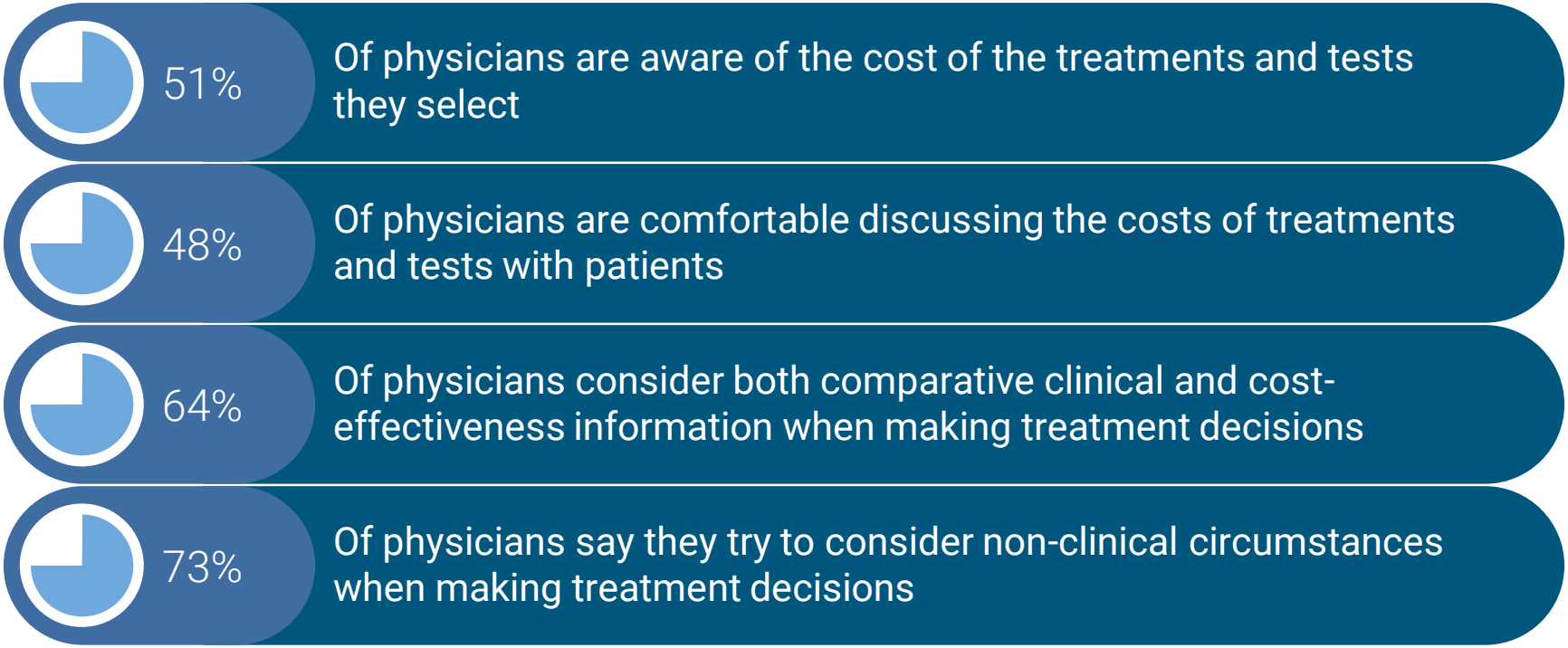


Navigating the Gap Between Fee-For-Service and Value-Based Payment

Physicians are increasingly falling into the gap between fee-for-service revenues and value-based payments.



Physicians are trying to live in both worlds, but are they succeeding?



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Source: Deloitte 2020 Survey of Physicians

See rapid savings and revenues by focusing on the Core 4.

If 40% of your patients are considered high priority to receive an Annual Wellness Visit (AWV), identifying and treating these patients could result in a downstream savings opportunity of **$1,000 per patient**

It takes 7 high priority Transitional Care Management (TCM) visits to avoid 1 readmission, resulting in a downstream savings opportunity of **$10,000 per readmission**

It takes 12 Emergency Department (ED) follow-up calls to avoid 1 future ED visit, resulting in a downstream savings opportunity averaging **$2,713 per visit**

Physicians who use the Daily Huddle in the Aledade App are 2 to 3 times more likely to document accurate diagnosis suggestion opportunities during the patient's visit

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Simplifying quality reporting with the right technology can reduce the impact of the gap between fee-for-service and value-based revenues.

Quality Reporting By the Numbers

60%

Of family physicians have contracts with seven or more payers, and are responsible for reporting different quality measures to each payer

758

Average number of hours per year, per physician, that a medical practice spends submitting quality measures, at an annual national cost of $15.4 billion

2.6

Average number of hours a physician spends each week submitting quality measures

12.5

Average number of hours a physician's staff spends each week submitting quality measures, per physician in the practice

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Source: American Academy of Family Physicians and the Physicians for a National Health Program

Non-financial, payer-based support services can be an asset to practices trapped in the gap.

Care management support services	• For **patients with complex care needs** or who are at higher risk for greater utilization of services or the ED • Often available as a **physician referral program** • May also be available as **self-referral programs** for patients
Social determinants of health support	• Payers increasingly recognize **impact of non-health, socioeconomic factors** on patient health • More payers offer **referral programs** that address food insecurity, transportation, inadequate housing, etc.
Education & training offerings for practices	• Many payers offer **free virtual trainings** to help practices streamline claims submissions, quality reporting, etc. • Often also offer **trainings in best practices** in care delivery • Many trainings offer **free CMEs/CEs**

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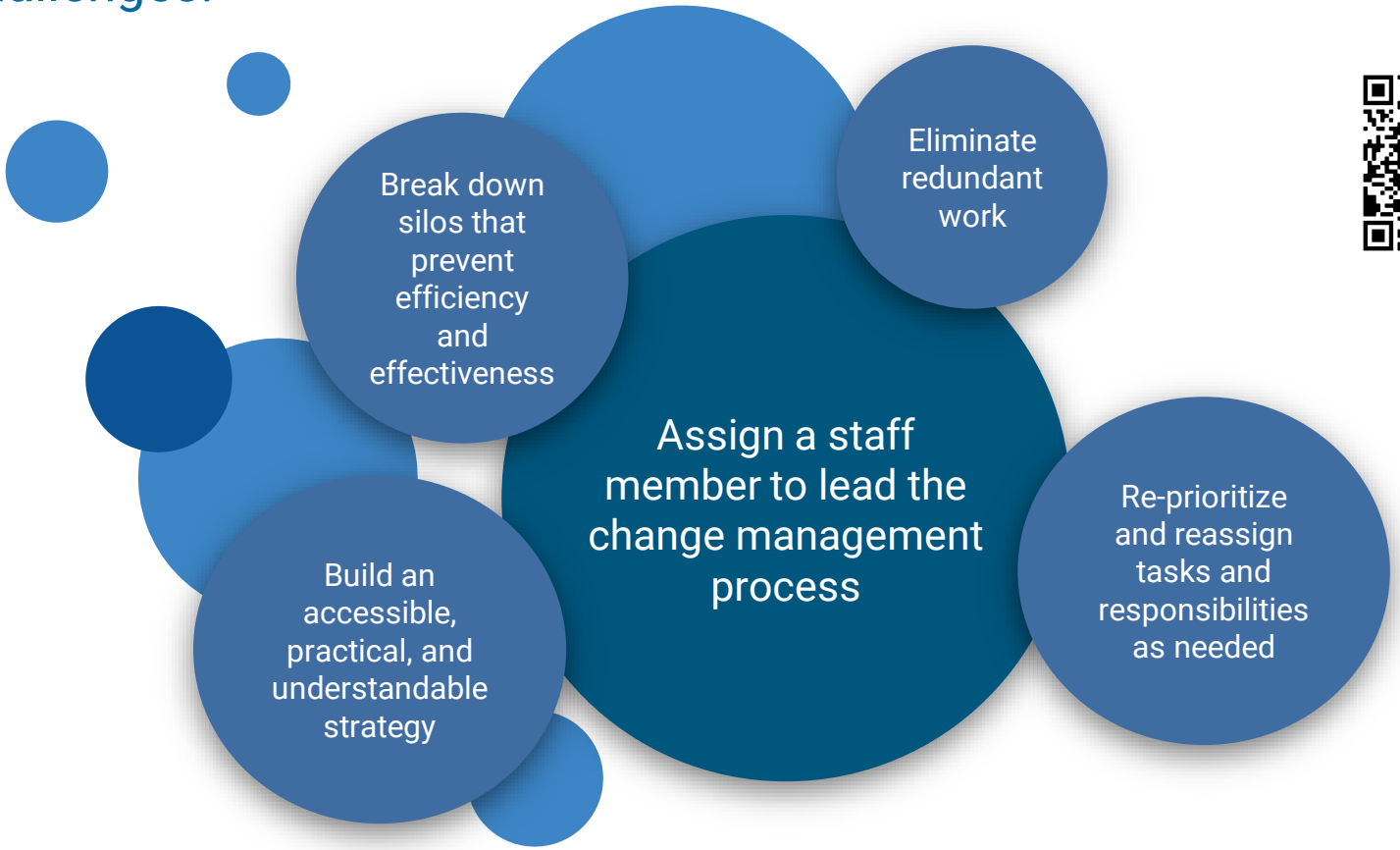
Implement change management within your practice to overcome gap-related challenges.



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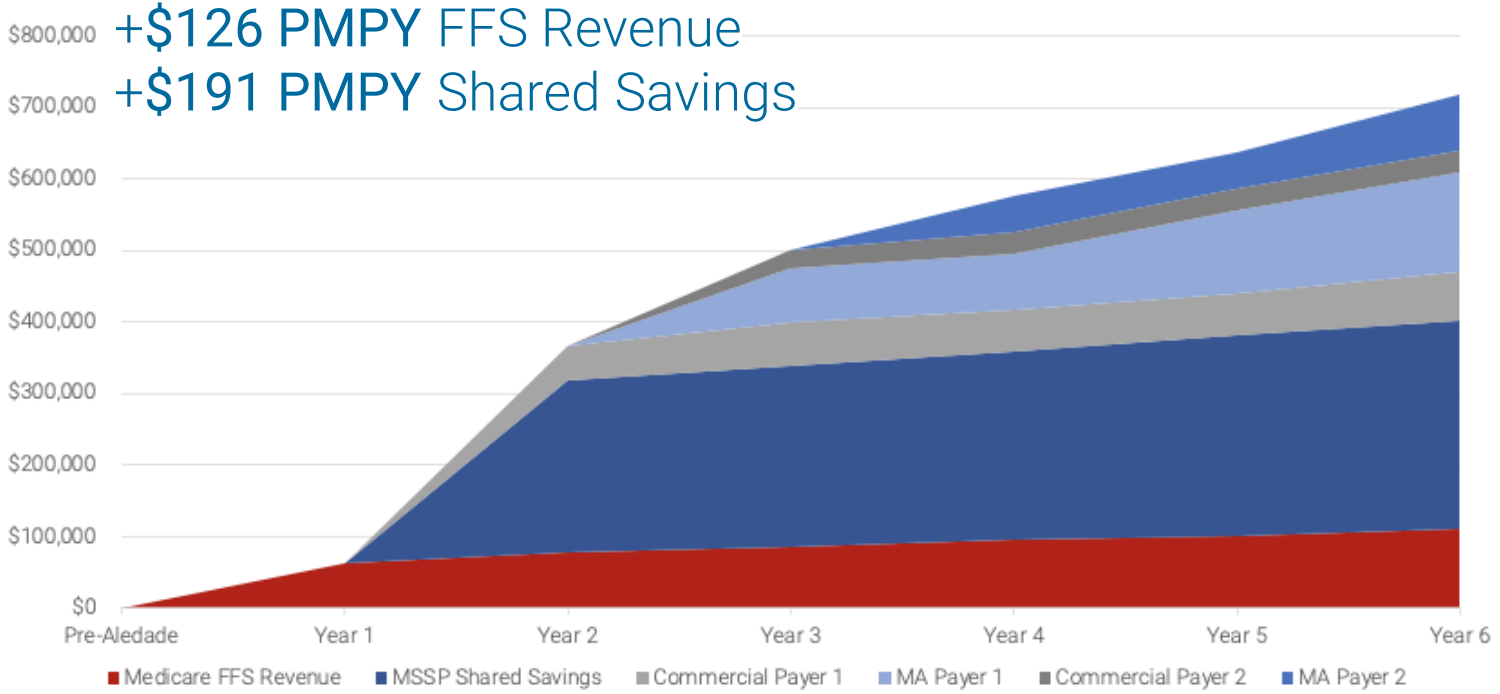
Value-based care can transform practice economics.

An example of annual revenue increases for a **2-Physician Practice:**

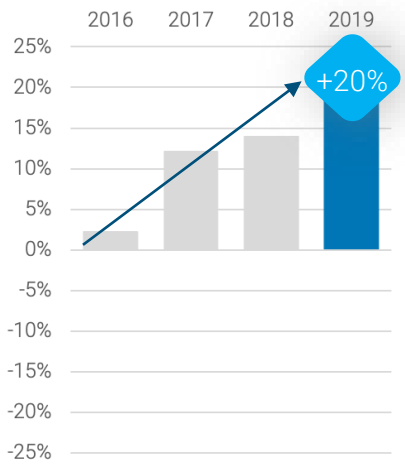


Aledade data. Projections of potential costs savings contained herein are based on numerous assumptions and should not be considered a comprehensive or guaranteed projection of your potential Medicare shared savings. Actual cost savings may vary substantially from the figures shown.

These strategies have helped practices achieve noticeably improved outcomes over four years.

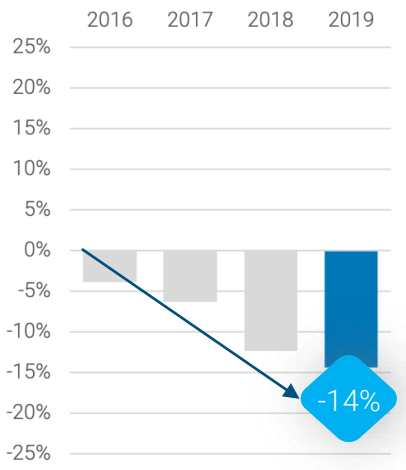
More primary care, fewer ER visits, hospitalizations, and nursing home days

Primary Care Utilization [1]



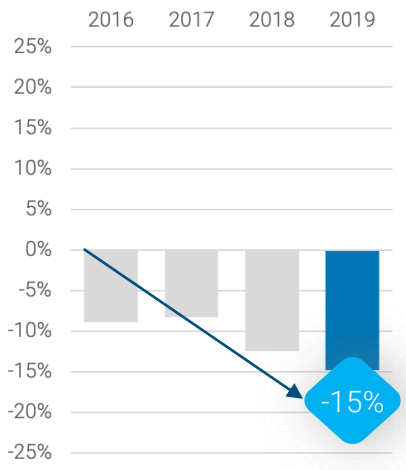
$88 per visit [2]

ER Utilization [1]



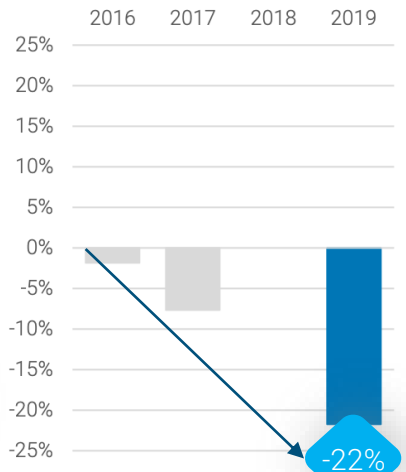
$516 per visit [3]

Inpatient Utilization [1]



$12,447 per stay [3]

Skilled Nursing Days [1]



$8,088 per visit [3]

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Sources: 1. Aledade Final Reconciliation Reports from Medicare. 2. Average Medicare reimbursement for primary care E&M from Aledade analysis of claims feed. 3. Analysis of 2019 CMS quarterly report

Aledade: With primary care, for primary care.

Helping physicians stay independent through value-based care

- Boots-on-the-ground workflow & technical support
- Access to user-friendly population health technology
- Diversified revenue streams
- Expert healthcare policy guidance & advocacy

- **32** States
- **35** MSSP ACOs
- **800** Independent Practices
- **7,800+** Physicians
- **100+** Community Health Centers
- **70+** EHRs & Practice Management Systems
- **$12B+** Under Management
- **51** Other Value-Based Care Partnerships (Multi-payer)
- **1.2M+** Attributed Patients

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Additional resources are available.

Understand the real impact for your practice

At no obligation, your local Aledade team can provide an analysis of what value-based care can do for you.

The Aledade Financial Advantage
Understand the financial upside opportunity by adopting value-based care and the Aledade way.

The Aledade Technology Advantage
See first-hand how the Aledade App integrates with your EHR system, making patient and practice management more efficient and effective.

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Schedule a practice assessment at outreach@aledade.com.

Start your value-based care journey with the CAPAdvantage

CAP members who join an Aledade ACO **before July 31st, 2021**, will receive special enrollment benefits, including a waived implementation fee as well as access to Aledade's expansive library of resources and support services for primary care practices.

Scan the QR code to learn more or visit https://info.aledade.com/CAP_partnership.

Thank You

For more information about this topic or about joining an Aledade ACO, please email outreach@aledade.com.