

successfully

ENGAGING PHYSICIANS



in bundled payment Initiatives

marketware^{mw}

marketware^{mw}

an innovative set of solutions
empowering health systems



Grow Referrals

Physician Relationship Management: Optimize & streamline your physician outreach initiatives



Retain Volume

Patient & Consumer Marketing: Engage patients to increase acquisition & manage population health



Discover Marketshare

Business Intelligence: See the full picture with 360° market insight that empowers growth

IMPROVING PHYSICIAN RELATIONS FOR:



Swedish Covenant Hospital

ILLINOIS
CANCERCARE, P.C.

Lafayette General
Health

GEISINGER



ROCHESTER
REGIONAL HEALTH



agenda

- Speaker Introductions
- Audience Poll
- Understanding Bundled Payments
- Importance of Physician Alignment
- Best Practices for Physician Engagement
- Q&A



meet our speakers



Susan Boydell

Partner

Barlow/McCarthy



Carrie Bennett

VP of Client Strategy

Marketware

audience poll

Which best describes your organization's current approach to adopting CMS' BPCI Program?

- A. We are watching and waiting to see how things shake out.
- B. Our team is meeting to review internal dashboard and evaluate potential impact of participation.
- C. Our organization participated in BPCI projects to help CMS test one or more episodes.
- D. We are actively engaged in the current CJR program per CMS' mandate.
- E. Other



understanding
BUNDLED PAYMENT



industry trends



Shifts in
Case Mix



Shrinking
Reimbursements

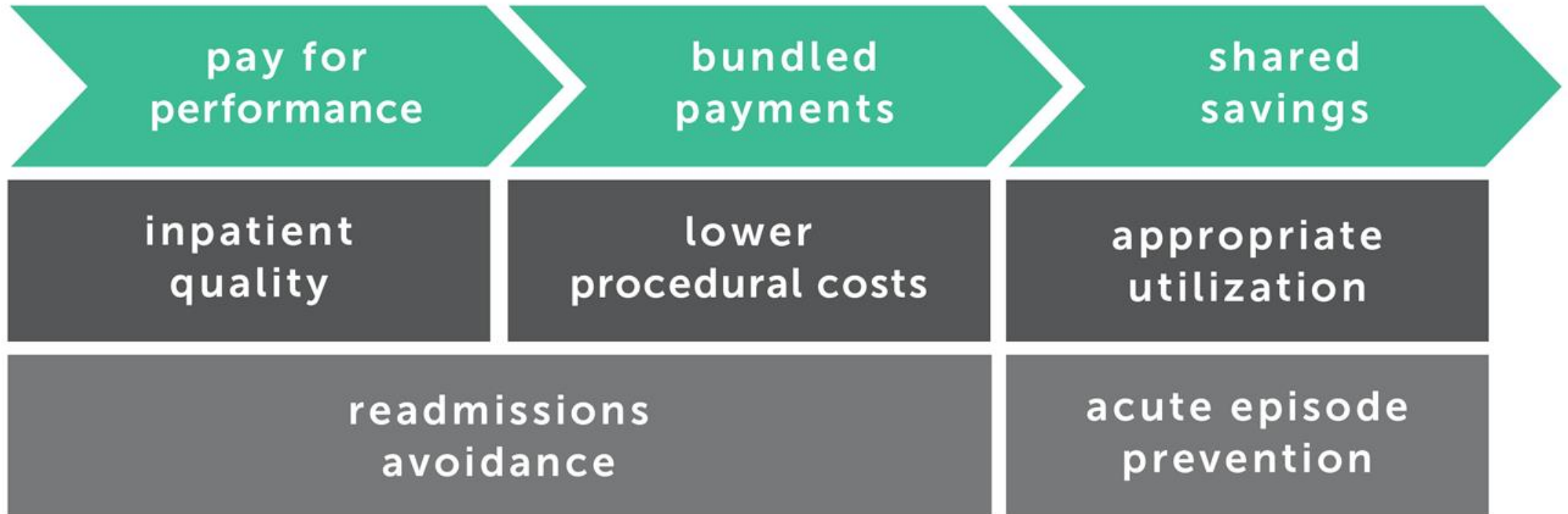


Shifts in
Payer Mix

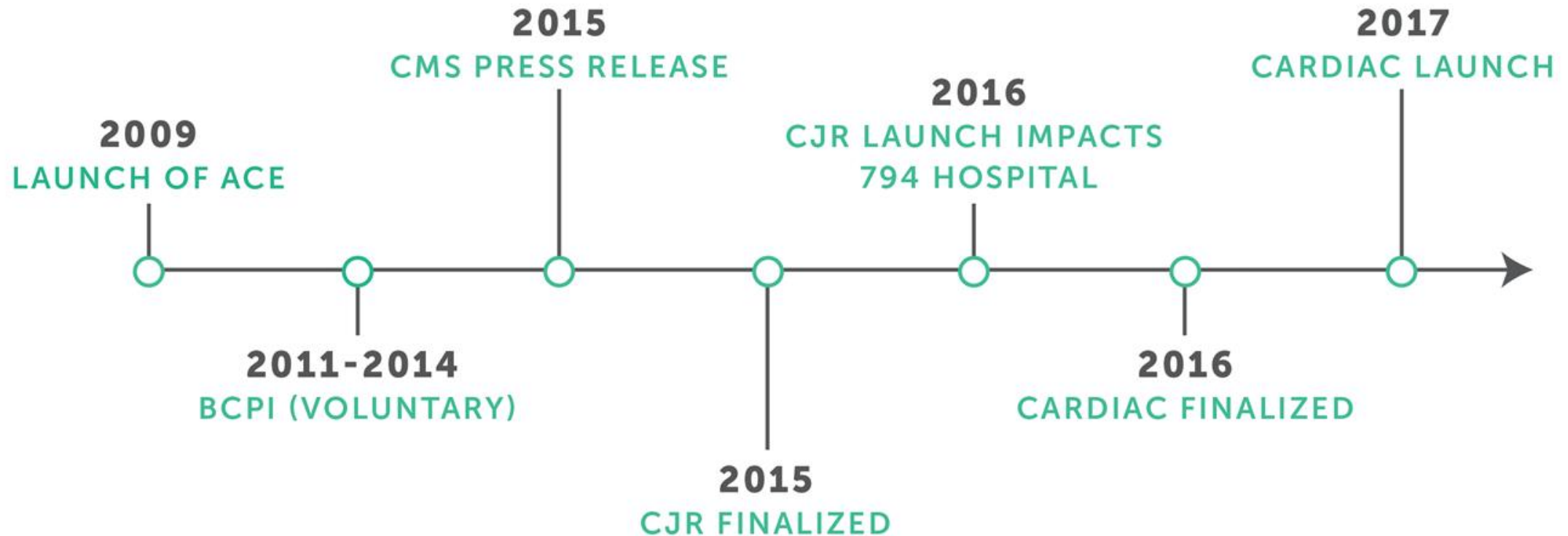


Rising Costs

preparing for the future

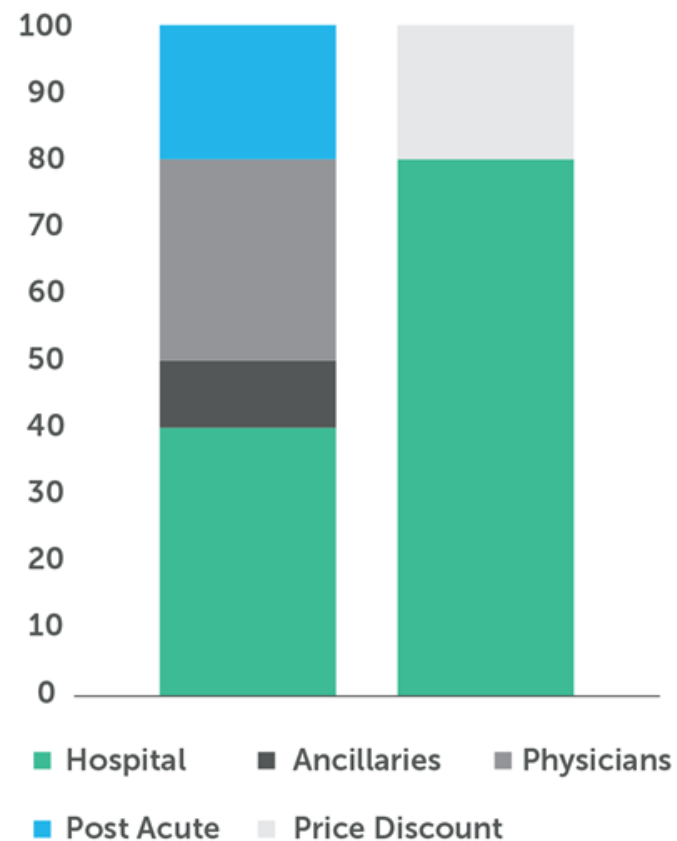


history of acute care episodes

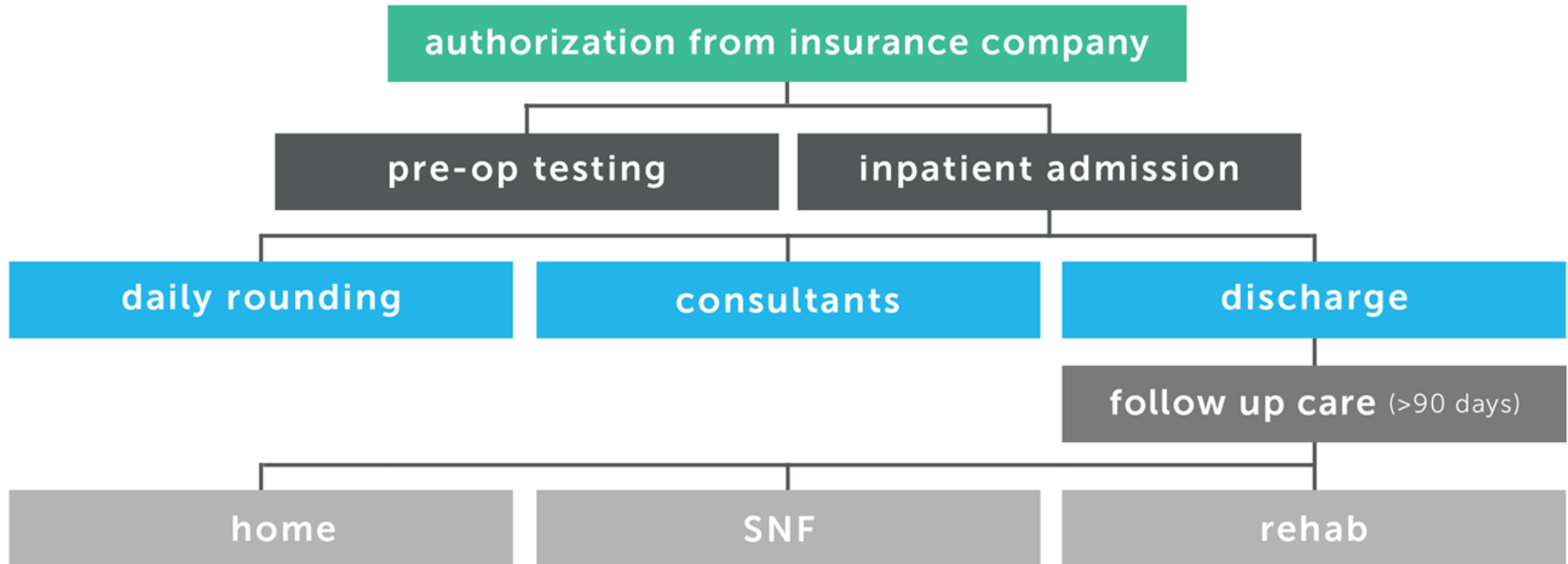


what is a bundled payment?

- Single comprehensive payment made for a clinically defined episode of care
- Episode begins at admission & ends 60-90 days post discharge
- Global fee covers facility charges, physician fees, implants/supplies, post-acute care & rehabilitation
- Healthcare providers are “at risk” for any additional care & payments that exceed global payment



CJR example



how are providers paid?



- **Retrospective** model
- CMS **pays providers** on a fee-for-service basis through year
- Later, calculate the total reimbursement within a DRG category at the end of a 12-month period & how that amount correlates with previous **spending per episode** of care
- Teams that successfully achieve the Medicare savings target are eligible for a “**reconciliation payment**” from CMS
- Teams that don’t, face “**repayment**” for the difference



potential savings



Length of Stay



Procedural Costs



Post Discharge



Complications

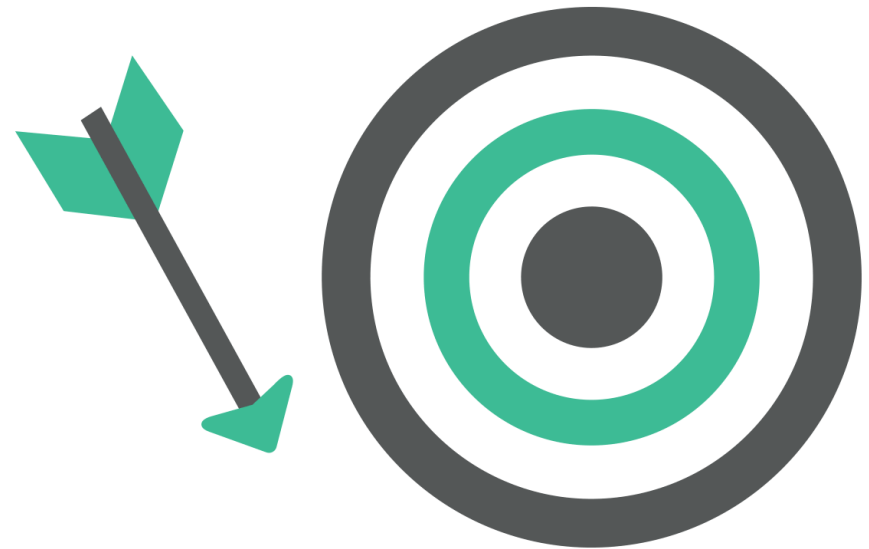


Readmissions

failure to transition costly

An unsuccessful transition to bundled payment can have serious financial consequences, such as:

- Diminishing margins as reimbursement falls
- Penalties tied to not meeting savings targets
- Penalties tied to making quality targets



five dynamics that drive

BUNDLED PAYMENT SUCCESS



1. **quality**
2. **physician alignment**
3. **culture**
4. **financial impact**
5. **efficiency**

Checklist for Success

Culture

- Organization has a history of successfully adapting to change.
- Key stakeholders (i.e. service line leaders, **physicians**, post-acute partners) are well-informed and supportive of providing care in bundled payment environment.
- There is a defined service line structure in place that ensures accountability, facilitates oversight and enables the coordination of care across all related services.

Quality

- Organization has infrastructure and accountability in place to support real time performance measurement and improvement.
- Program demonstrates high quality care as evidenced by the top decile performance on key outcome and efficiency measures.
- Physicians** are actively engaged in quality improvement efforts.
- Team has performance goals set at or above the 90th percentile against national benchmarks.

Efficiency

- Program demonstrates highly coordinated and integrated care as demonstrated by effective care transitions.
- Clear accountability for real-time performance improvement on efficiency measures including LOS, readmissions, cost per case, room turnover and supply costs. These results are analyzed and shared at various levels including **physician-specific**.
- Effective relationships in place between hospital and post-acute partners.
- Facility has capacity to accommodate additional cases tied to potential market share shifts.

Physician Alignment

- Shared vision and commitment to excellence among **medical staff**.
- Trust, transparency and effective communication between **physicians and hospital** and service line leaders.
- The relationships **among participating physicians** is collegial and collaborative.
- Physicians** are comfortable articulating to patients the benefits of remaining within coordination pathway outlined.

Financial Impact

- Favorable market size and opportunity to ensure economies of scale.
- Organizational plan to offset impact of required discounts.
- Physicians** are active partners in reducing costs and improving efficiency.
- Strategy for attracting commercial partners.

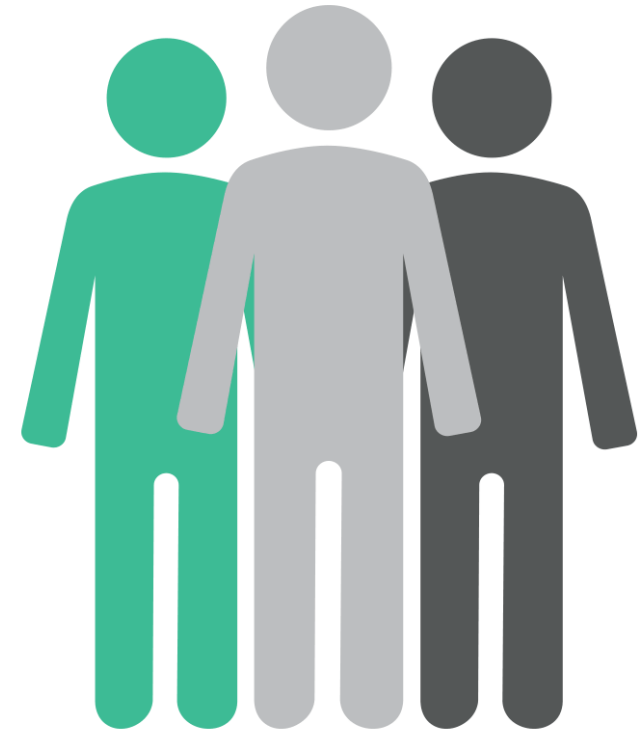


Bringing physicians into ongoing planning discussions is a crucial component of securing support



teamwork required

- Recommend & advocate changes needed to support standardization of best practices
- Redesign clinical protocols around best practices to improve quality & reduce inpatient cost
- Manage patient care pathway transitions from intake through post-acute & self-care
- Coordinate with post-acute providers to provide high-quality care throughout the care episode

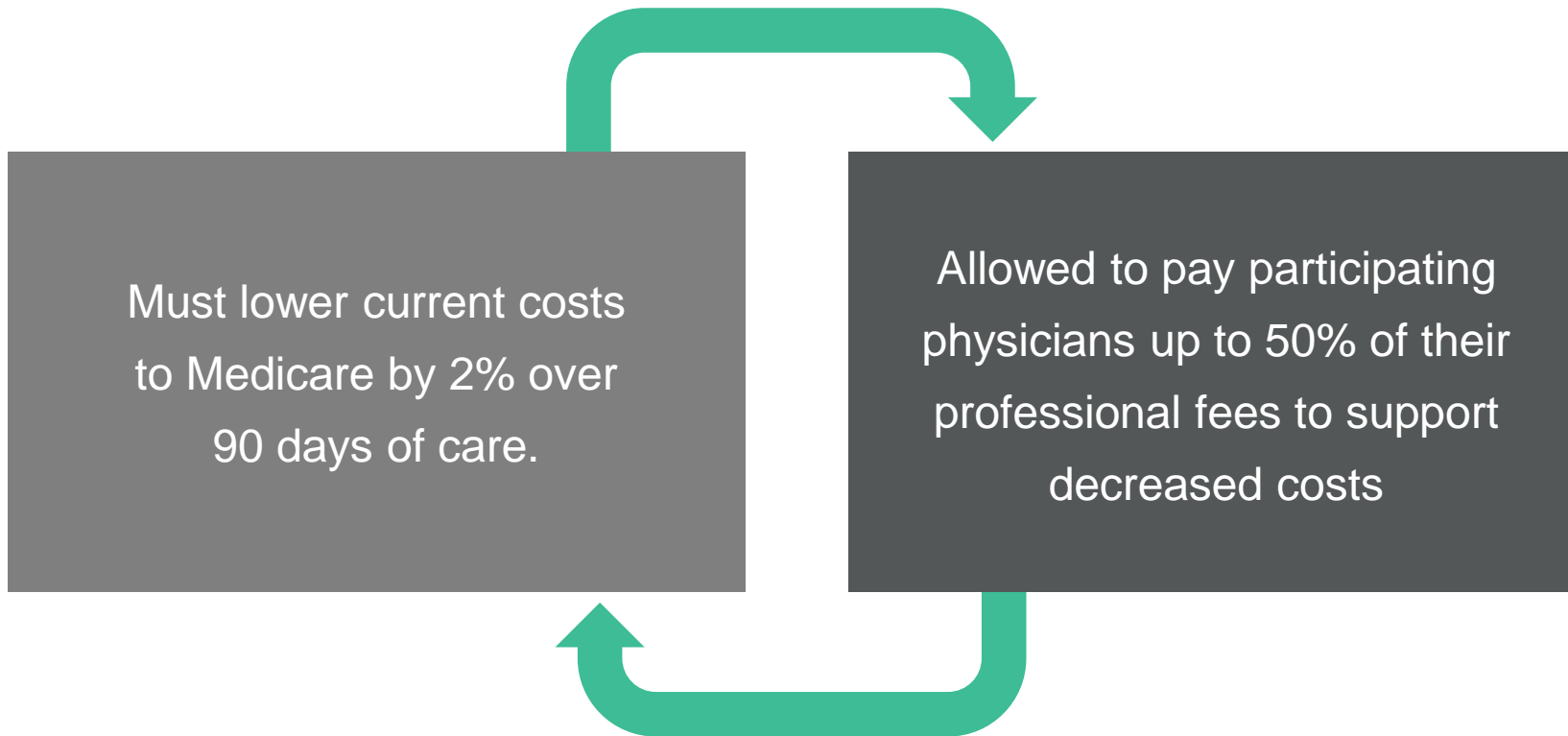


waivers encouraging teamwork



- 3-day inpatient hospital stay prior Medicare-covered post-hospital extended care services
- Requirements & regulations tied to post-discharge home visits
- Payment for telehealth services based on geographic needs
- Gainsharing

gainsharing opportunity





Susan Boydell

Partner, Barlow/McCarthy

BARLOW/MCCARTHY

best practices for
PHYSICIAN ENGAGEMENT



why engage?

FINANCIAL REWARDS



EDUCATION



INVOLVEMENT



INTELLIGENCE

— Meaningful gainsharing opportunities, with up to 50% more than physician fee schedule equivalent

— Competencies learned in bundled payment positions physicians for success in value-based contracting

— Facilitates physician leadership in care redesign

— Opportunity to work and learn from others nationally and receive data

five must-haves for
PHYSICIAN ENGAGEMENT



1. **trust**
2. **transparency**
3. **inclusion**
4. **communication**
5. **win-win**

empower physicians



- Give physicians a strong voice in leadership & operations
- Responsibility for the strategic planning & management of the service line
- Appoint physician dyads through a criteria-driven selection process
- Encourage broader physician participation in operations through committees
- Physician peer coaching

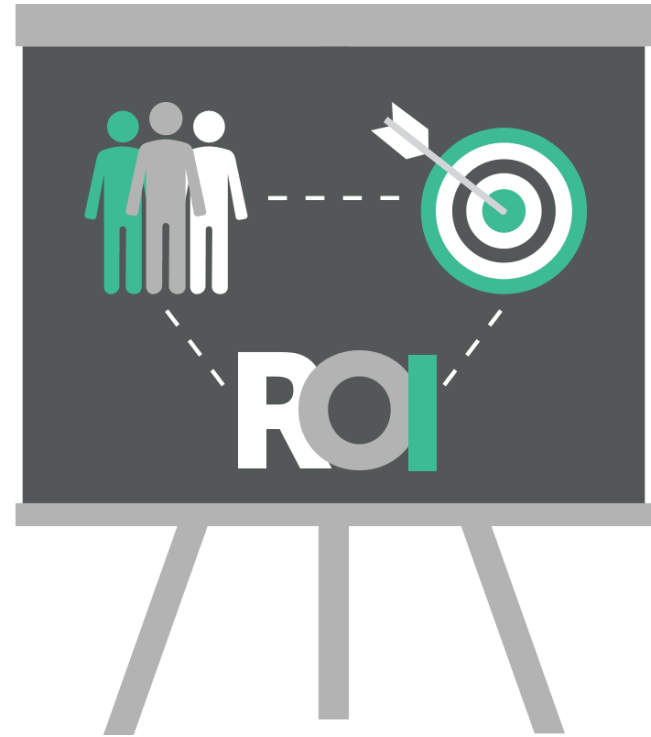
tap into competitive streaks



- Scientists by nature
- Independent thinkers & decision makers
- Desire to be in control
- Change averse
- Fixers
- Competitive especially with their peers

align appropriately

- Rigorously analyze the existing base of referring physicians to determine those of highest value & cultural fit
- Alignment strategies must be carefully selected to assist the hospital & physicians in meeting strategic goals
- Commitment to continuous quality improvement, learning and innovation



data transparency

- “Data dashboards” most persuasive tool to effect change in care protocols
- Profiles spending & patient outcomes by physician
- “Blinded” in group settings though physicians have access to their data as compared to peer groups
- Starting point for discussions with physicians about cost & quality

Source: Survey Finds Few Orthopedic Surgeons Know The Costs Of The Devices They Implant Health Aff January 2014 33:1103-109

ONLY
21%

of orthopedic
physicians know
how much the
joint implants
they use cost

sample outline for sharing data

1. Multidisciplinary physician-hospital presentation regarding current quality and efficiency metrics.
2. Physician leader shares blinded data noting significant variability.
3. At close of meeting, each attendee given ability to identify own data (performance) on grid.
4. Physician leader meets privately with outlier physicians to discuss results and evidence-based practices to improve performance.



demonstrate a win-win

- The benefits must outweigh the risk
- Tough to get by any financial risk
- Equal partners
- Use physician leaders to “engage” other physicians



five dynamics that drive

BUNDLED PAYMENT SUCCESS



1. quality
2. physician alignment
3. culture
4. financial impact
5. efficiency

example: device costs

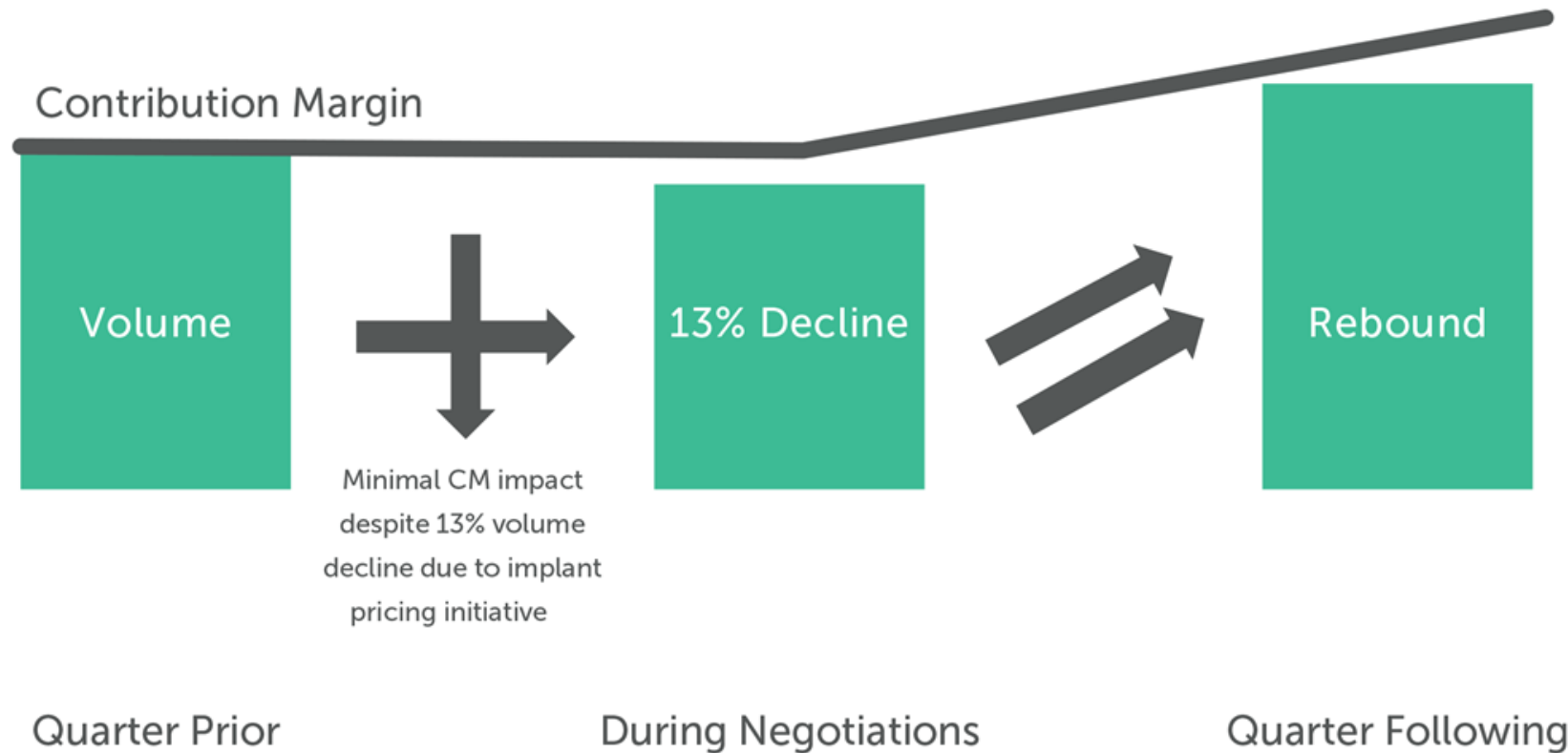
Percentage Off List Price	Capitated Pricing	Vendor Standardization
Hospital negotiates a specific percentage off of list price by vendor for all implants	Hospital categorizes devices into standard & premium groupings with distinct price points for each	Hospital partners with physicians to identify select group of vendor partner across all devices
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Requires limited physician involvement	Percentage off list prices for devices not in tiers	Requires strong physician alignment to ensure contract compliance

	Requires some physician involvement	



strategic impact

Contribution Margin/Case



contact us



Susan Boydell

Partner

Barlow/McCarthy

sboydell@barlowmccarthy.com



Carrie Bennett

VP of Client Strategy

Marketware

carrie.bennett@marketware.com



Questions?

contact us



Susan Boydell

Partner

Barlow/McCarthy

sboydell@barlowmccarthy.com



Carrie Bennett

VP of Client Strategy

Marketware

carrie.bennett@marketware.com



marketware^{mw}

Thanks for Attending

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