Putting VBHC into practice

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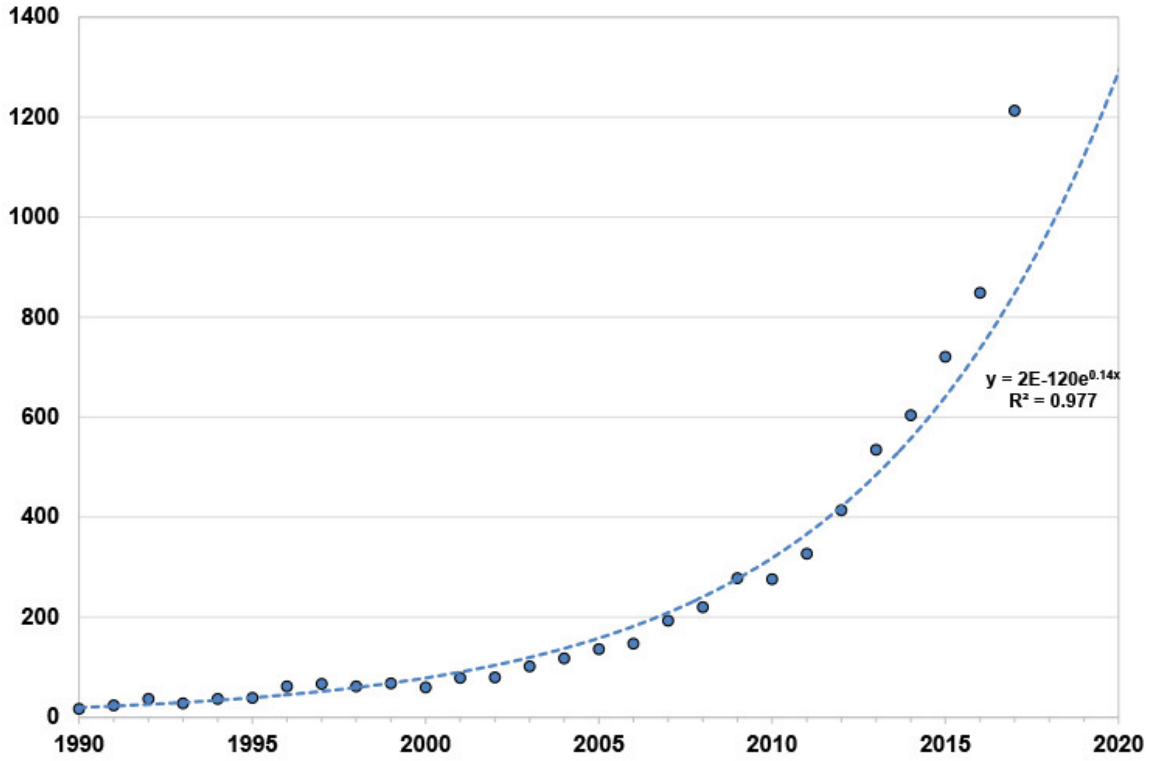
The Value Agenda trajectory

- Value-based ideas are spreading beyond providers alone
- All sectors of the industry have realized all win when competing on value
- Suppliers of drugs and equipment understand that new reimbursement methods means demonstrating value
- Employers want health care value for their employees – Health care is a large cost item including the cost of poor employee health
- Payers are seeking new value-based reimbursement models
- Health systems are being redesigned based on value to patients
- Educational institutions are developing programs to teach VBHC

Putting VBHC into practice

Peer-reviewed literature related to VBHC

Peer-reviewed journal articles related to VBHC



From: Science Direct; Patrick Clapp, Baker Research Services

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Obstacles and start-up issues for each element of The Value Agenda

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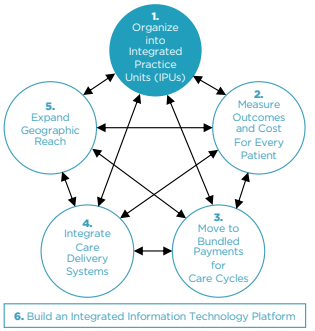
1. *Reorganize care into IPUs around patient segments*



OBSTACLES

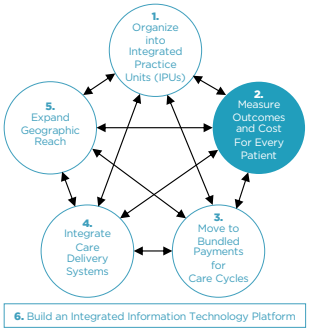
- Traditional academic departments
- Specialty focus in medical education, certification, legislative advocacy, quality measure development
- Team medicine not totally embraced given the tradition of the eminent physician
- Fragmentation of services leads to low volume by condition in particular locations
- People working in different places impedes coordination

GETTING STARTED

- Committed leadership
- Build around organ systems and move to conditions
- Virtual IPUs – build teams around conditions as transition
- Start with practices already using the IPU philosophy
- Initially work with the willing who believe in concept
- Scale as others come on board

Obstacles and start-up issues for each element of The Value Agenda

2. *Measure outcomes for every patient*



OBSTACLES

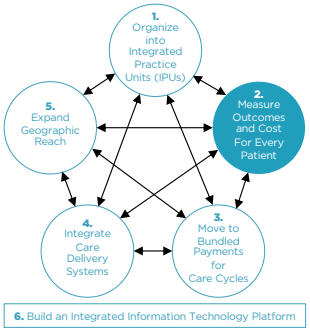
- Need to believe outcome measurement important – major focus on process, structure, and guidelines
- Few broad measure sets by condition; what is important to measure?
- Some believe PROMs are research tools and not clinical tools
- PROMs take time for patients to complete
- Measures must be tested and validated
- Data collection manually takes time
- IT systems are way behind to capture measures in workflow – they were built as revenue cycle tools

GETTING STARTED

- Committed leadership
- Requires a small group of dedicated individuals
- One or two conditions – pen and paper
- Scaling important – work with those who want to improve their outcomes and those who want PROMs
- Use standardized measure sets and guidance
- Encourage IT industry to outcome measurement

Obstacles and start-up issues
for each element of The Value Agenda

2. *Measure cost for every patient*



OBSTACLES

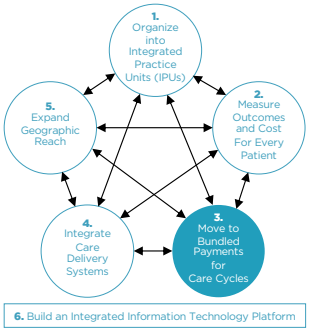
- Partisan politics has precluded consideration of cost in comparative effectiveness research
- Providers wedded to existing costing engines due to cost reports that must be delivered to payers
- Health care is complex – many processes
- Cost measurement involves partnership of clinicians, administrators, and business teams
- Developing proper cost requires time and resources
- No current IT off the shelf solutions

GETTING STARTED

- Leadership
- A team of clinical, financial and administrative leaders
- Choose pilot conditions to demonstrate the value
- Scaling up through use of TDABC in performance improvement and bundling pilots

Obstacles and start-up issues for each element of The Value Agenda

3. *Move to bundled payments for care cycles*



OBSTACLES

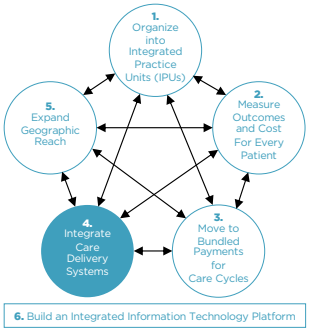
- Providers are comfortable being paid for health care with fee for service
- Payers are comfortable with paying for health care with fee for service
- Providers are nervous about assuming risk
- Bundle payment construction is complicated at first
- Still limited practical examples available beyond surgically centered bundles
- Time required to negotiate contracts for multiple conditions
- Regulatory uncertainty
- Existing claims management processes must be modified

GETTING STARTED

- Committed provider leadership and committed payer
- Supportive clinicians – start with an existing IPU
- Understand the costs of treating a given condition
- Utilize a dedicated team of clinicians and administrators
- Emphasize project management

Obstacles and start-up issues
for each element of The Value Agenda

4. *Integrate care delivery systems*



OBSTACLES

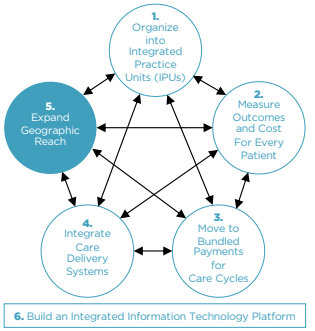
- Continued fragmentation – clinicians wanting to do little of everything
- Smaller regional centers may have insufficient volume
- Need to integrate teams with mother ship in a meaningful manner

GETTING STARTED

- Supportive leadership
- Have a strategy of where procedures and services are located
- Develop a strategy on how to bring providers and patients along
- Start where volume is significant
- Concentrate care relying on expensive capital equipment and do not duplicate
- Measure outcomes and costs to assure quality of care

Obstacles and start-up issues
for each element of The Value Agenda

5. *Expand geographic reach*



OBSTACLES

- Difficult to transfer medical culture and practice to affiliated sites
- Need to integrate teams with mother ship in a meaningful manner
- Reluctance to compete with another center of excellence
- Risk to the brand
- Mergers, affiliations, and acquisitions are often done for the wrong reasons
- Need to demonstrate similar outcomes to the home program

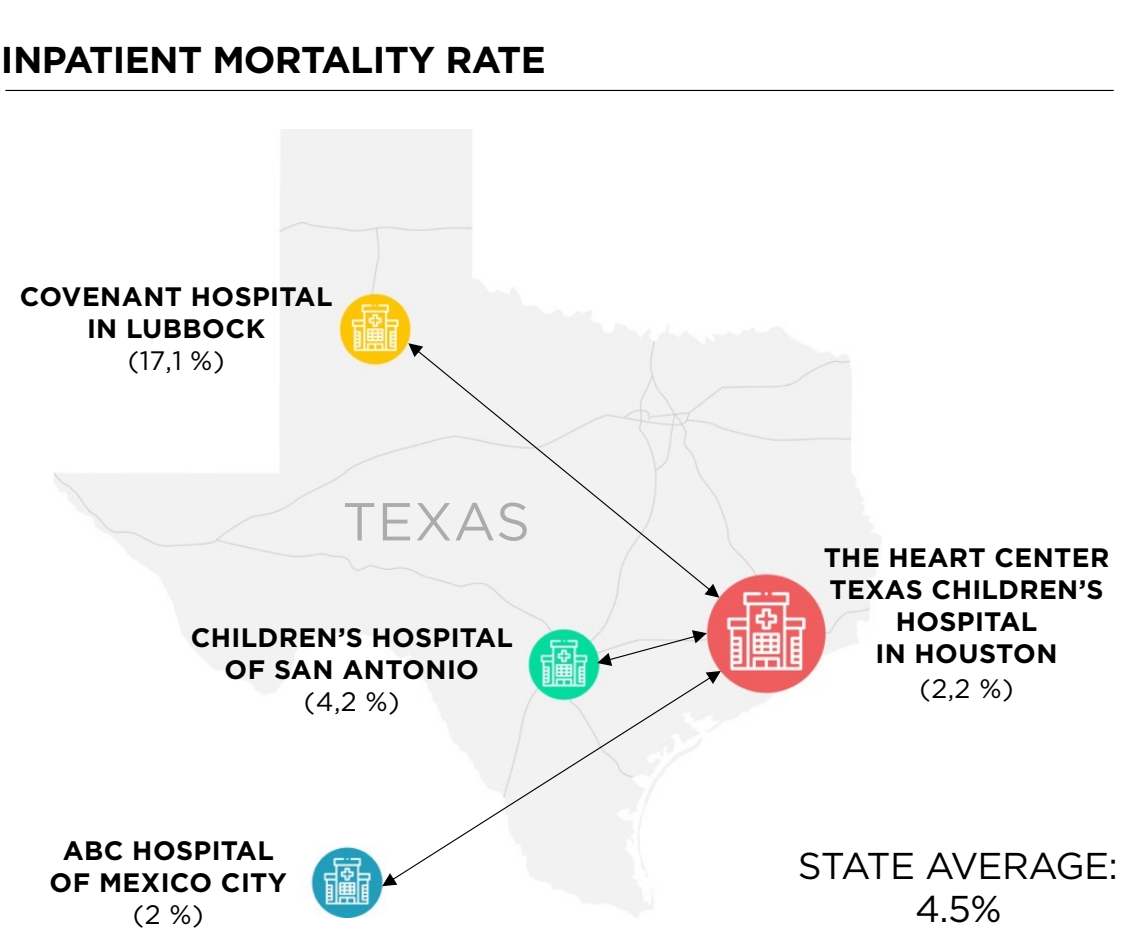
GETTING STARTED

- Committed leadership
- Choose excellent service line
- Small programs can benefit from joining centers of excellence
- Carefully evaluate the medical market being entering
- Understanding of the strengths and weaknesses of the partners – be sure they share the same values
- Send the best people
- Measure outcomes and cost to assure quality of care

Obstacles and start-up issues for each element of The Value Agenda

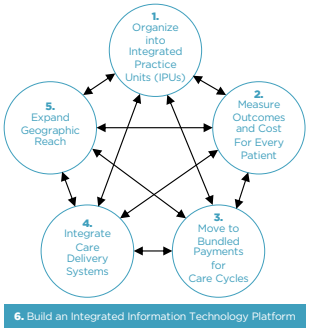
Example:

Regional strategy at the Texas Children's Heart Center



Obstacles and start-up issues for each element of The Value Agenda

6. *Build an integrated IT platform*



OBSTACLES

- Traditional IT is siloed in departments using a best of breed approach
- Data definitions are not consistent
- Unstructured data elements prevent aggregation of data
- Systems are designed for revenue cycle in a fee for service system and not for outcome and cost measurement
- Health IT vendors have not understood the need for outcomes and cost measurement
- Significant capital investment is often needed to move to a new platform

GETTING STARTED

- Select the vendor carefully – Home grown is rarely viable
- Define the goals carefully – most EHRs are designed by the users, not the vendor
- Build a reporting platform for outcomes and cost
- Develop a data strategy – storage, reporting, use, governance

Obstacles and start-up issues for each element of The Value Agenda

Attributes of a Value-Based IT platform

1	It combines all types of data for each patient across the entire care cycle (notes, lab tests, genomics, imaging, costs) using standard definitions and terminology
2	Tools to capture, store, and extract structured data and eliminate free text
3	Data is captured in the clinical and administrative workflow
4	Data is stored and easily extractable from a common warehouse. Capability to aggregate, extract, run analytics, and display data by condition and overtime
5	Full interoperability allowing data sharing within and across networks, EHR platforms, referring clinicians, and health plans
6	The platform is structured to enable the capture and aggregation of outcomes, costing parameters, and bundled payment eligibility/billing
7	It leverages mobile technology for scheduling, PROMs collection, secure patient communication and monitoring, virtual visits, access to clinical notes, and patient education

Obstacles and start-up issues for each element of The Value Agenda

IT platforms: where we stand?

1. There is a disconnect between current IT and the IT needed to enable VBHC
2. Changes to existing IT platforms are minor
3. Platforms need to be condition-based with templates
4. Interoperability must develop faster with the elimination of information blocking and other factors limiting full secure data exchange to enable delivery system expansion and movement of patients with systems and to new systems
5. Outcome measurement, using standardized measure sets, must leverage existing data elements and be captured in workflow, minimizing the need for additional data entry
6. Accurate cost measurement must be integrated into the IT platform and not be a stand-alone function
7. New reimbursement methods require new claims management IT integrated into HER
8. Vendors, software developers, clinicians, and policymakers must work together to advance the value agenda – requires policy enforcement, technology advances, incentives, and research funding

How can you help make the transformation happen?

How can you help make the transformation happen?

Steps in VBHC transformation

Education in value concepts

Develop a common language of value

Engage skilled coaches

Collaborate with those interested in the agenda internally and externally

Develop a value program in your organization

Pilot portions of the agenda

How can you help make the transformation happen?

Bear in mind the health care providers' motivations to implement the Value Agenda

Need to demonstrate excellent outcomes and justify costs

Gain competitive advantage in contested markets

Prepare for new reimbursement models – outcomes and cost measurement

Deal with pressures to improve efficiency and decrease cost

Need to understand true costs to enable improvement and value-based pricing

How can you help make the transformation happen?

Evolving the definition of clinical leadership

TRADITIONAL LEADERS

- Extensive peer reviewed publication
- Peer reviewed funding
- Laboratory or clinical research
- Leadership “experience”
- Search committee and search firm endorsements
- Clinical care +/-

TRANSFORMATIONAL LEADERS

- Individuals with a vision and framework for future
- Management training and experience
- Ability to work in highly matrixed organizations
- Financial and HR capabilities
- Communicators
- Clinical and research capabilities

How can you help make the transformation happen?

Where to start in my hospital?

1. Select the condition – high volume, chronic condition or acute care, expensive and easy to work with
2. Have clinical leadership around that condition
3. Get the clinicians together and figure out what outcomes you want to measure. Everyone should be measured
4. Encourage the clinicians to think about what the right team is to treat the condition. Decide what is the multidisciplinary team you should mobilize to treat the clinical condition
5. Do the costing so that you can understand your current cost, and then start to improve it. Then you will be able to negotiate a bundled price
6. It takes 6-12 months to get some experience. The outcomes you get should be improved

How can you help make the transformation happen?

Preparing for a conversation

CREATE THE RIGHT CONTEXT

- Share relevant information in advance
- Ensure the right people are in (and out of) the conversation
- Clear away distractions and arrange for sufficient time

REFLECT ON YOUR DESIRED RESULTS

- What is the task or business outcome I want to achieve?
- What do we each need to learn in this conversation?
- What is the relationship I want to develop with this person?

PUT YOURSELF IN A CONSTRUCTIVE MINDSET

- I have a paint of view to share and the other may know things I could learn
- The other person may have legitimate insights, concerns, and questions
- I want us to learn from our different perspectives and make informed choices how to proceed

PLAN YOUR ACTIONS

- How will I advocate my view?
  - Frame the problem
  - Connect to what the other cares about
  - Offer data and examples
- How will I inquire into the other's views?
  - Invite the other's thoughts
  - Ask the other to say more about any concerns
  - Listen to understand
  - Seek ways to get more information and test opinions
- Conclude concretely
  - Raise any lingering questions
  - Agree on next steps


I look forward to working
with all of you in accelerating
this transformation


Thank you
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