Innovation in Provider Contracting

Health Insurance Marketplace HealthCare.gov

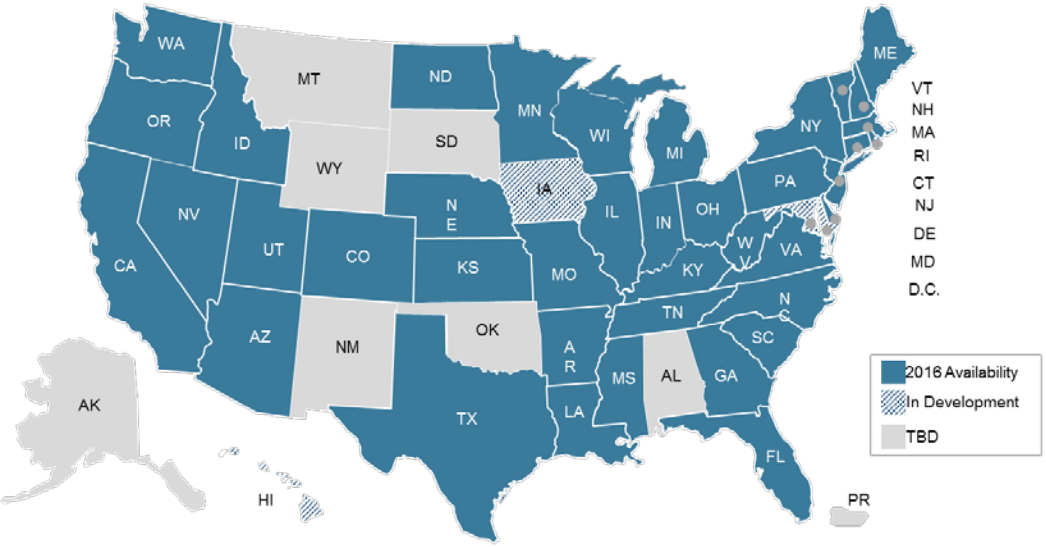
MASSACHUSETTS

Innovation in Payer / Provider Partnerships

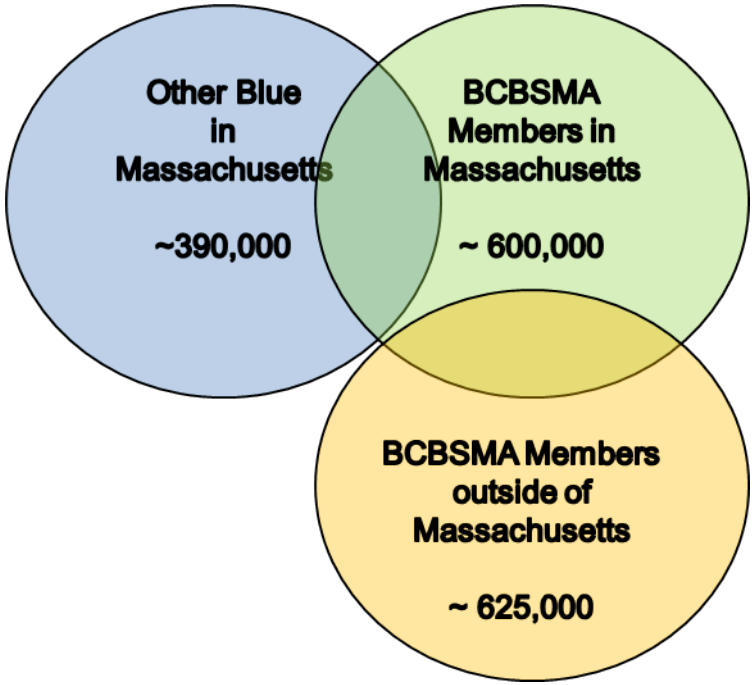
Andreana Santangelo, FSA, MAAA
SVP, Business and Financial Analytics and Chief Actuary

Blue System Collaboration Supports Payment Reform Expansion

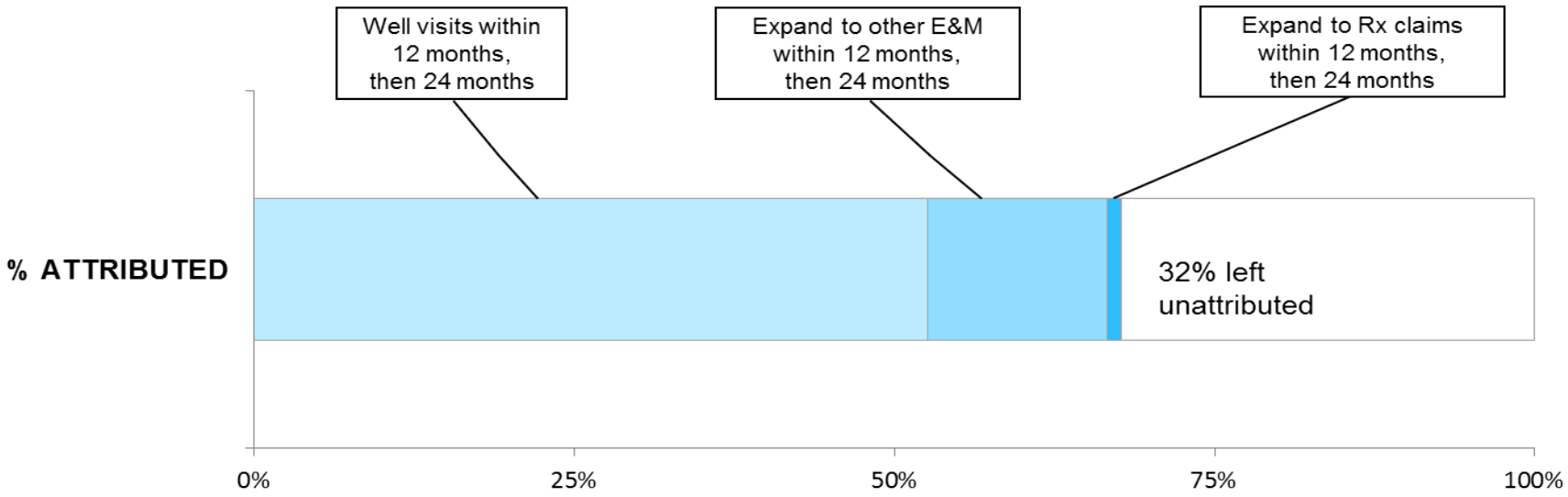
National Presence



PPO Member Populations



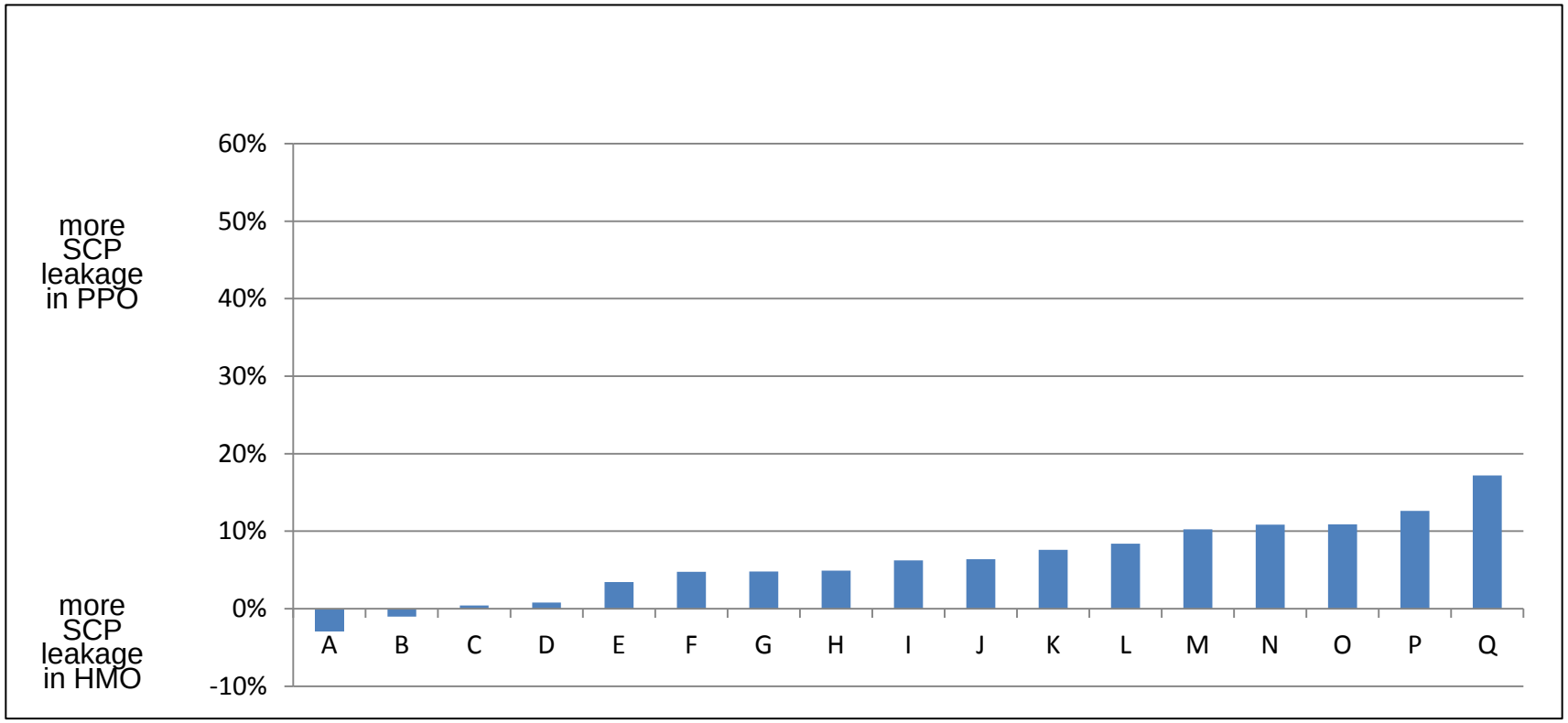
Attribution Methodology



Note: BCBSMA attribution algorithm is based on a hierarchy (e.g., once a member is attributed the logic stops)

- Reflects local, multi-stakeholder workgroup consensus
- BCBSMA tested attribution logic resulting in a 99% accuracy rate. Such test also resulted in limited calls from members regarding the attribution process.
- Indicates that PPO Members have a doctor that they primarily utilize

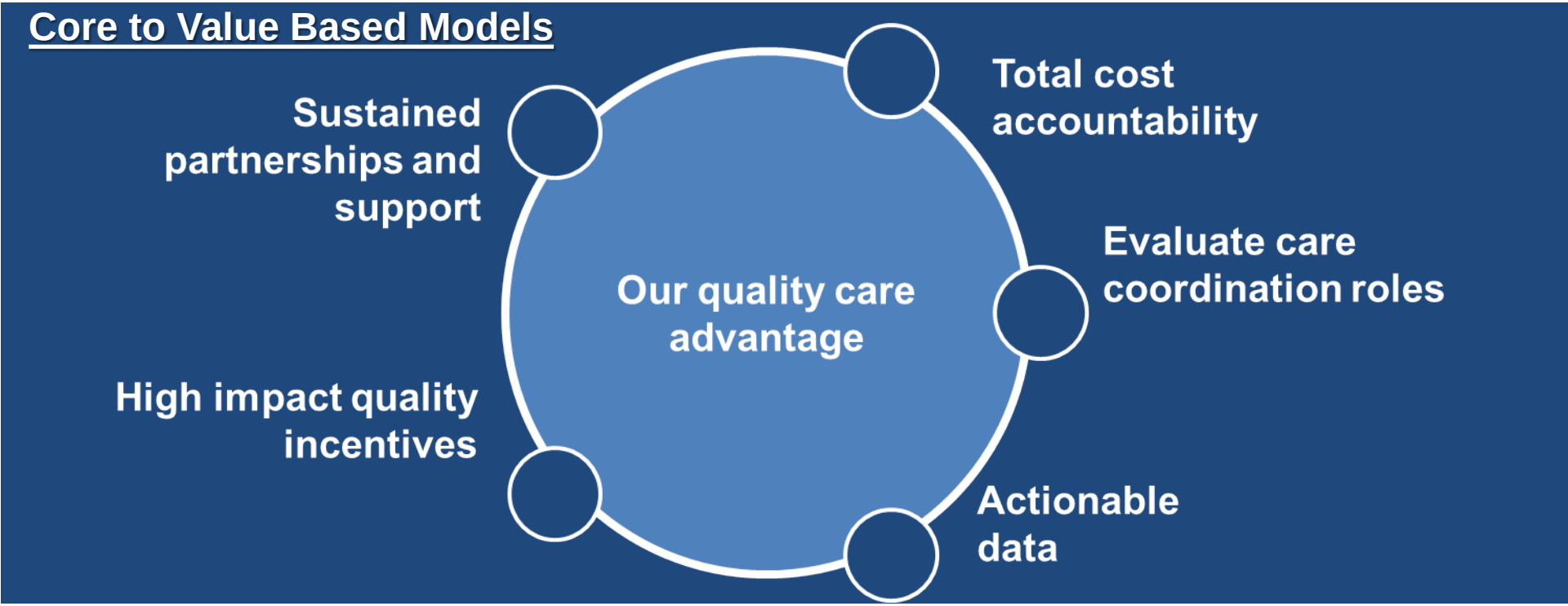
PPO Members Look to Their PCP for Guidance



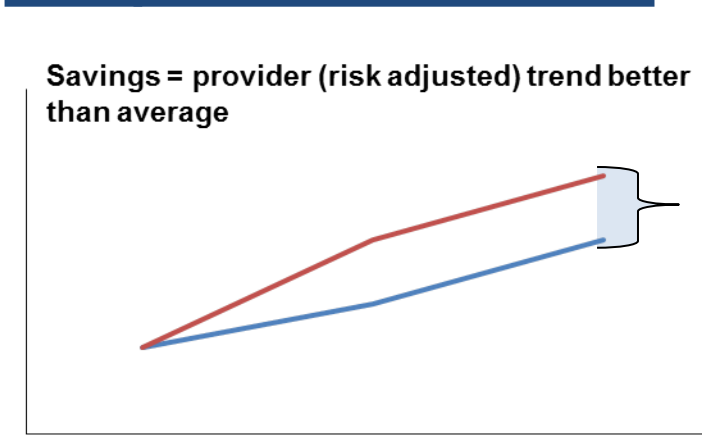
- PPO members had their specialist use align with the affiliation of their PCP only 3% less than in HMO
- Illustrating some opportunity for improvement but overall little differences across product lines in patient approaches to accessing care

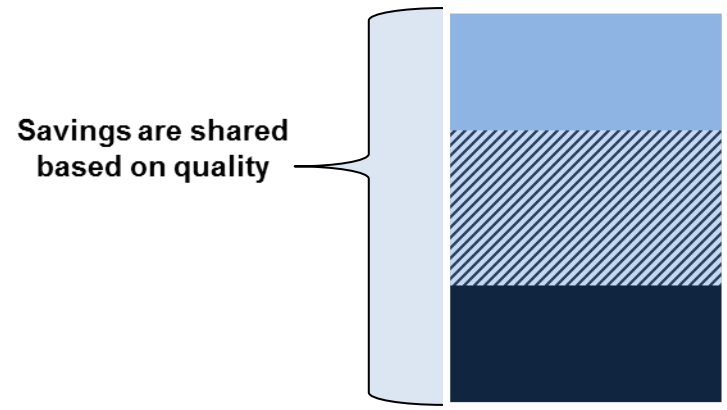
The Model

Core to Value Based Models



Unique to PPO Model





30% returned to accounts (minimum ROI)

40% shared (account & provider) based on quality

30% paid to providers

AQC Measure Set for Performance Incentives

	AMBULATORY	HOSPITAL

PROCESS	• Preventive screenings
	• Acute care management
	• Chronic care management
	  • Depression
	  • Diabetes
	  • Cardiovascular disease
		• Evidence-based care elements for:
		  • Heart attack (AMI)
		  • Heart failure (CHF)
		  • Pneumonia
		  • Surgical infection prevention

OUTCOME	• Control of chronic conditions
	  • Diabetes
	  • Cardiovascular disease
	  • Hypertension
	******Triple weighted******
		• Post-operative complications
		• Hospital-acquired infections
		• Obstetrical injury
		• Mortality (condition –specific)

PATIENT EXPERIENCE	• Access, Integration • Communication, Whole-person care	• Discharge quality, Staff responsiveness • Communication (MDs, RNs)
EMERGING	Up to 3 measures on priority topics for which measures lacking	

Expanded Quality Measure Set

MASSACHUSETTS

Ambulatory Measures

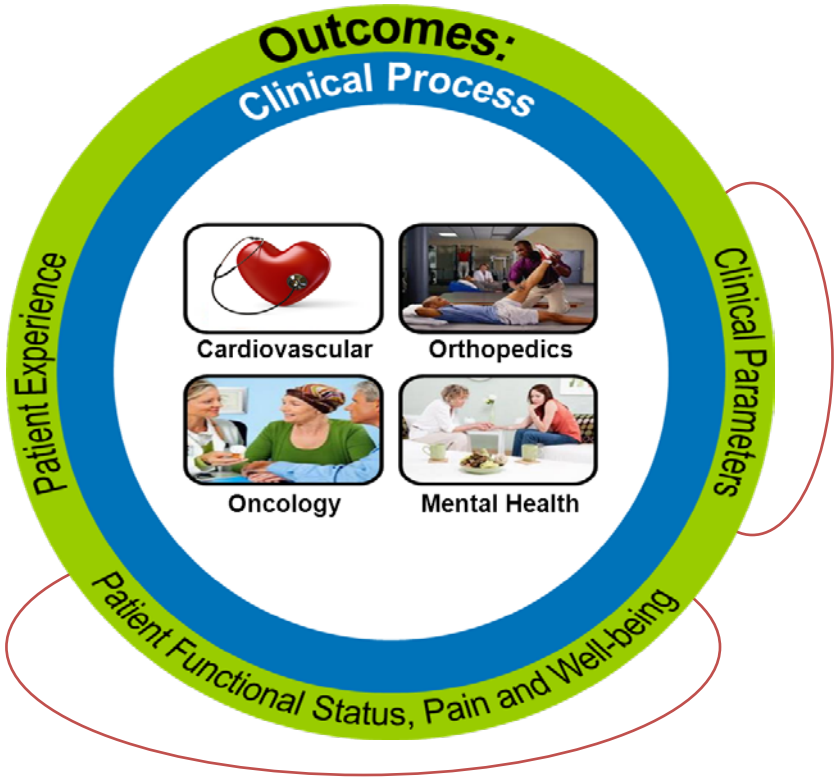
Ambulatory Measure Set
Clinical Process Measures
Depression
Acute Phase Rx
Continuation Phase Rx
Diabetes
HbA1c Testing (2x)
Eye Exams
Nephropathy Screenin
Cancer Screening
Breast Cancer Screenin
Cervical Cancer Screen
Colorectal Cancer Scre
Preventive Screening/Tre
Chlamydia Screening
Ages 16 - 20
Ages 21 - 24
Adult Respiratory Testing
Acute Bronchitis
Pediatric Respiratory Tes
Upper Respiratory Infe
Pharyngitis
Pediatric Well Visits
< 15 months
3 - 6 years
Adolescent Well Care
Clinical Outcomes Measu
Diabetes
HbA1c in Poor Control
Blood Pressure Contro
Hypertension
Controlling High Blood
Patient Experience – Adu
Communication Qualit
Knowledge of Patients
Integration of Care
Access to Care
Patient Experience – Ped
Communication Qualit
Knowledge of Patients
Integration of Care
Access to Care

MASSACHUSETTS

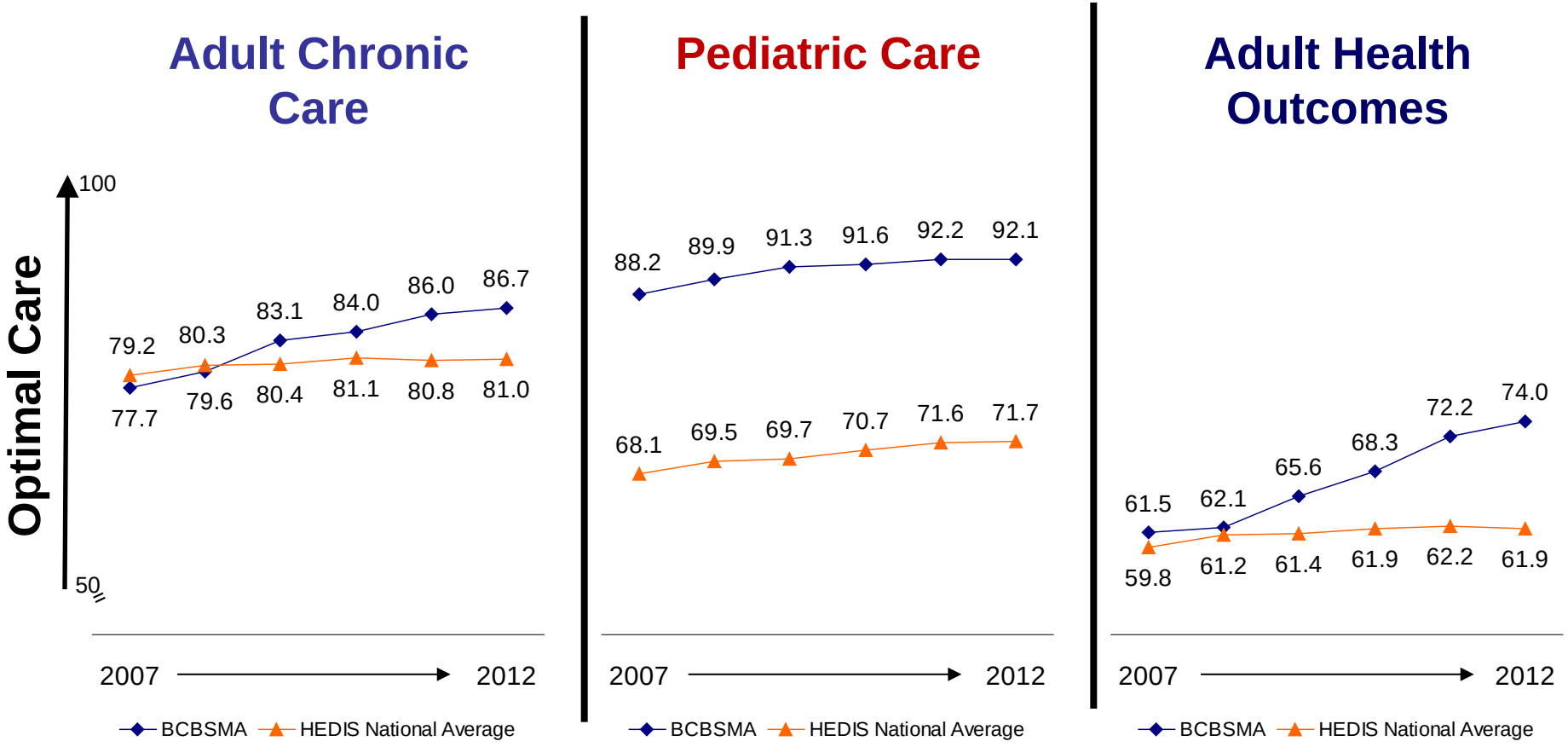
Hospital Measures

Hospital Measure Set
Hospital Clinical Process Measures
Immunization
Influenza Immunization
Stroke
Venous Thromboembolism (VTE) Prophylaxis
VTE
Venous Thromboembolism Prophylaxis
Intensive Care Unit Venous Thromboembolism Prophylaxis
Venous Thromboembolism Patients with Anticoagulation Overlap Therapy
Hospital Outpatient Surgery and Cardiac Care
Median Time to Transfer to Another Facility for Acute Coronary Intervention (mins)
Aspirin at Arrival
Median Time to ECG (mins)
Hospital Outcome Measures
Iatrogenic Pneumothorax - Adult
Post-operative Respiratory Failure
Peri-operative PE/DVT
Accidental Puncture or Laceration
Birth Trauma Injury to Neonate
OB Trauma - Vag with Instrument
OB Trauma - Vag without Instrument
Heart Failure Mortality Rate
Acute Stroke Mortality Rate
Hospital Wide Readmission (HWE) 30 Day All Cause Unplanned Readmission
Hospital Patient Experience (H-CAHPS) Measures
Communication with Nurses
Communication with Doctors
Responsiveness of Staff
Pain Management
Communication about Medicines
Discharge Information

+



Quality & Health Outcome Results Under the AQC: Improvements by the 2009 Cohort of AQC Groups from 2007-2012



These graphs show that the AQC has accelerated progress toward optimal care since it began in 2009. The first two scores are based on the delivery of evidence-based care to adults with chronic illness and to children, including appropriate tests, services, and preventive care. The third score reflects the extent to which providers helped adults with serious chronic illness achieve optimal clinical outcomes. Linking provider payment to outcome measures has been one of the AQC's pioneering achievements.

Delivery System Innovation: Four Themes

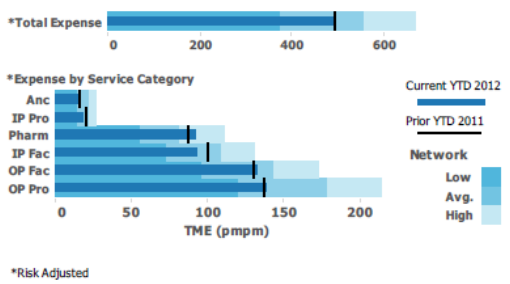
There are four domains in which we see AQC Groups innovating to improve quality and outcomes while reducing overall spending.

- Staffing Models
- Approaches to Patient Engagement
- Data Systems & Health Information Technology
- Referral Relationships & Integration Across Settings

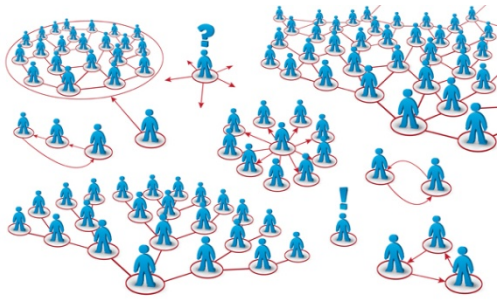
Payer Provider Partnership for Management of Care

Our four-pronged support model designed to help provider groups succeed in the AQC is now expanded across the PPO Population

Data and Actionable Reports



Consultative Support



Best Practice Sharing and Collaboration

Training and Educational Programming

The AQC has been transformative. It has allowed us to innovate because it enables us to think like a system rather than individuals doctors.

- Leslie Sebba, MD, Medical Director
Northeast Physician Hospital Organization

Constituent Roll Out

- Sales Training
- Initial Broker Notices released

- Broker and Account Collateral sent via Email and posted on BCBSMA Portals

- Member attribution letters sent
- Broker Advisory Meetings held
- Continued Account educations

- Initial Account Invoices Received with applicable provider incentive payments included
- Broker Trainings

- Continued national expansion of contract model and data infrastructure

- Continued roll out of MA PPO Payment Model upon renewal

Frequent and multi-layered communication is key to buy-in

OUR MODEL IN ACTION

Mary has diabetes.
If it goes unchecked, she could cost her employer **more than $16,000[1,2]** annually in health care and lost productivity.

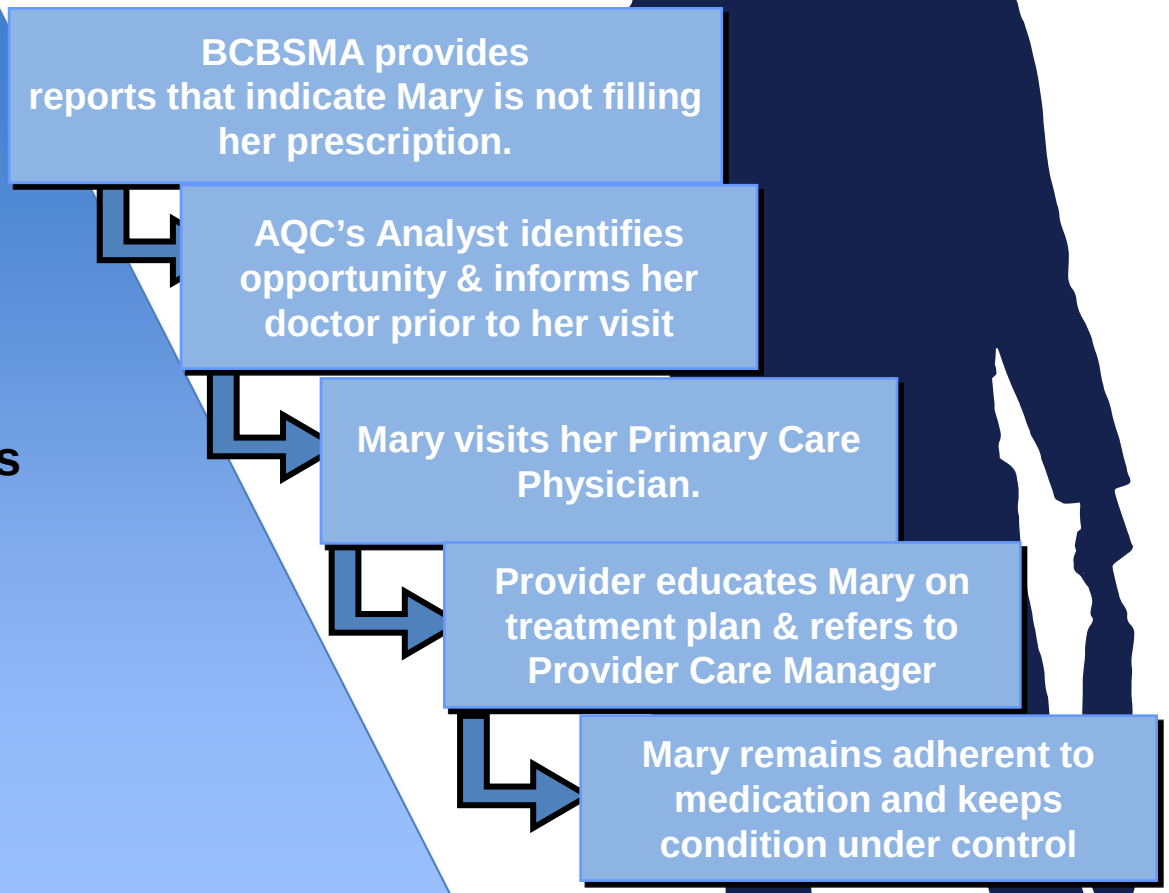
Actionable data

Sustained partnerships and support

Care coordination by providers

Total cost accountability

High impact quality incentives



1 American Diabetes Association, People with diabetes incur $13,700 per year in total expenses on average: http://care.diabetesjournals.org/content/36/4/1033.full
2 Value in Health Journal, Value in Health study: 20% of diabetics miss 15 hrs of work / month, resulting in $2300 of lost productivity per person per year http://www.disabled-world.com/health/diabetes/missing-work.php

SUCCESS MADE SIMPLE

Innovation + Solutions = Results

We're ***the*** pioneer in health care payment reform.

Our model works, proven by three major studies.

MASSACHUSETTS

Building a healthier world

Health care transformation through accountable care

Health Insurance Marketplace

HealthCare.gov

Agenda

1) The Aetna approach

2) Consumers Benefit from value-based contracting

3) Lessons learned

Our commitment – build a healthier world by paying for value not volume

AETNA'S GOAL

75% of spend flowing through VBC models by **2020**

WHERE WE ARE TODAY

40%+ of medical spend through value-based contracts

6.2 million members with value-based care providers

We're changing how health care is delivered

Our accountable care approach is unique:

Includes more feet-on-the-street enablement with programs and technology

Supports an innovative product – Aetna Whole Health

Not just data, but advanced analytics and collaboration for more intense population health

Holds providers accountable with more rigorous efficiency and quality measures

By transforming care we can:

Reduce waste:
8-15%savings targeted compared to Aetna broad network plans*

Improve quality:
Focus on targeted quality metrics

Improve member/patient satisfaction:
Establish baseline and increase year- over year

Improve the overall health and productivity of members and their families

* Actual results may vary, savings may be less when compared to other value-based or narrow network plans.

The value of payer and provider collaboration

Building on strengths of both players creates a bright future based on shared goals

PROVIDERS

- Community presence
- Patient relationships
- Point-of-care data
- Clinical delivery

Collaboration and transparency

Quality and efficiency

Shared patient focus

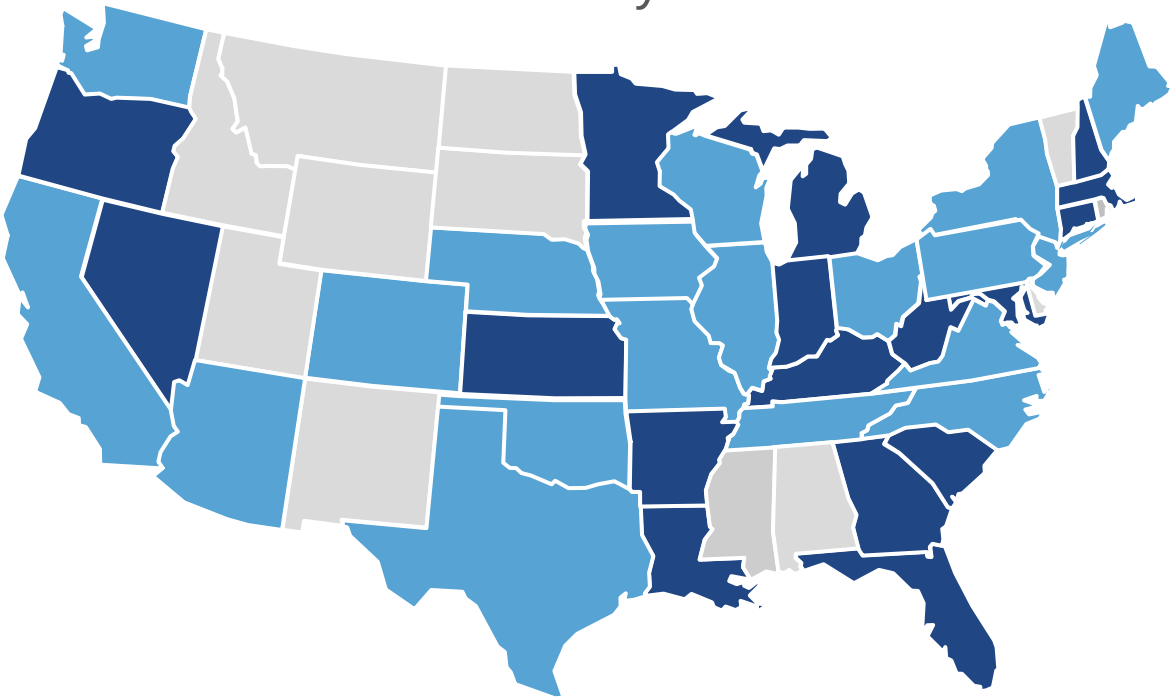
Aligned incentives

PAYERS

- Population health expertise
- Insurance operations
- Financial risk management

Creating a national value-based care network

Aetna has 77 ACOs, and talks are underway with hospital systems across the U.S.



800+
Value-based contracts

77 ACOs

275 that meet the broader industry ACO definition[1]

States projected to have provider collaboration product or plan by 1/1/17 (may also have other value-based products)

States with other Aetna value-based contracts

above data as of February 7, 2016

[1]http://leavittpartners.com/2013/10/really-aco/

Agenda

1) The Aetna approach

2) Consumers benefit from value-based contracting

3) Lessons learned

This is a new model, not an old-style HMO

A **win-win-win** for patients, doctors and employers

Old-style HMO (not value-based) Where many providers are today	**New paradigm** Providers that want to transform
Little, if any, health IT or analytics	**Earlier identification of at-risk patients** with richer information
Limited changes in patient behavior	**Enhanced patient engagement** through proactive, doctor-driven outreach
Provider payment contingent on volume of services	**Improved cost and quality effectiveness** by aligning financial incentives
Patient frustration with lack of coordination	**A more satisfying experience** when providers coordinate care more effectively

Our value based systems are improving the patient experience by helping patients….

Navigate the system

- Proactive outreach to help patients select a primary care doctor to lead their care team
- Smoother care transitions from provider to provider and facility to facility
- A dedicated, toll-free Aetna Whole Health member services number
- Welcome calls and kits to ensure a smooth onboarding process
- New hospital case managers to explain discharge instructions and new medications to patients
- New nurse care coordinators to support doctors and their patients with personalized care plans

Get better access

- Same-day primary care appointments
- Extended weekday and weekend clinic hours
- Reserved appointments for patients with chronic conditions or acute care needs

Manage their health

- A free online health risk assessment
- Online emergency room check-in to reduce waiting times and provide support
- Telemedicine option

Patients are benefiting from improved best practices versus existing approach

Increased generic dispensing of top 4 drug groups — **10.0%**

Decreased impactable surgical admits per 1,000 — **14.0%**

Overall reduction in medical costs versus expected costs for the local area — **8.1%**

Baseline period: 1/1/13 – 12/31/13; Performance period: 1/1/14 – 12/31/14. Paid through 3/2015; Results for ACOs effective as of 1/1/2014 and in place for at least one year.

Keeping consumers healthy benefits them – and the economy

Productivity losses related to health problems cost U.S. employers **$1,685** per employee per year*

TRADITIONAL EXPERIENCE

“I missed hours of work driving back and forth to the lab to get my blood drawn.”

“I had a test to see if my cholesterol was high but **never heard anything. Then I had a heart attack.”**

“I can’t concentrate on work because of rheumatoid arthritis flair-ups and multiple joint replacement surgeries.”

ACCOUNTABLE CARE EXPERIENCE

“I went to the lab once when my physician wanted blood drawn. **My specialist had all the information on his computer.”**

“A whole team watches my cholesterol problem. A nurse coaches me on my diet. I get educational e-mails, and they get me in for regular checkups.”

“My doctor’s care team made special arrangements so I get the tests and medications needed to avoid flair-ups. I feel great.”

*2015 National Center for Chronic Disease Prevention and Health Promotion

Agenda

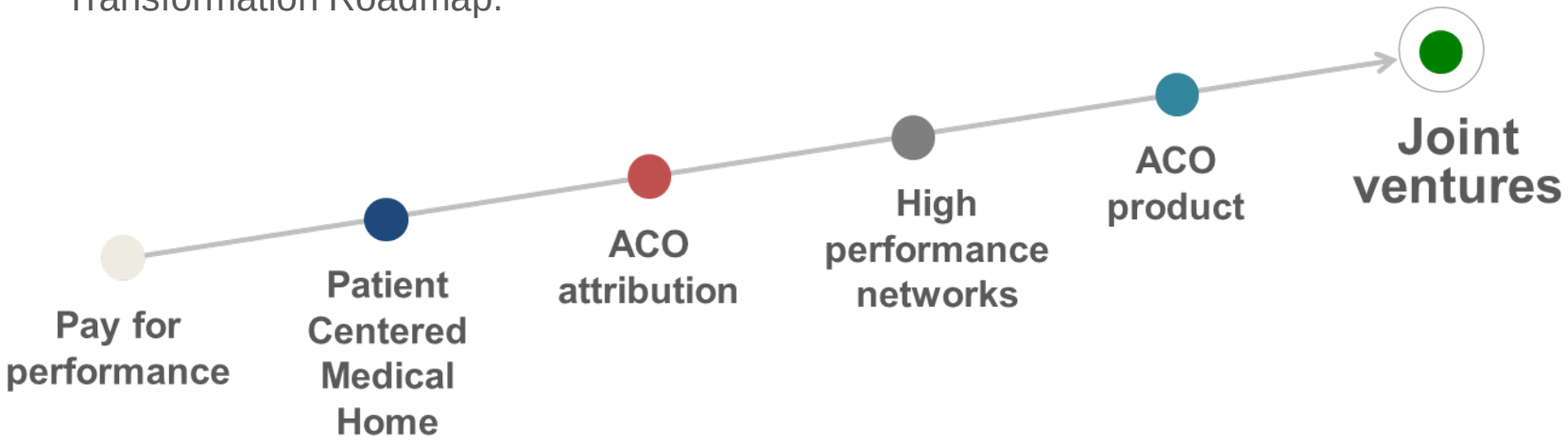
1) The Aetna approach

2) Consumers benefit from value-based contracting

3) Lessons learned

We need to meet providers where they are

- After providers enter the continuum, we help them progress to models with more risk and more reward.
- We guide ACO providers with a comprehensive “Transformation Roadmap.”



Accountable care is a journey – not a destination

PRINCIPAL PHASES:

We are here

ACO development

Best collaborators based on shared vision

We team with ACOs that have:

- Strong leadership, AIM commitment
- Technology, process and people investment
- Willing to move from FFS to value-based

Build value

Cost and clinical improvements

We will collaborate to:

- Build comprehensive population health management
- Improve patient experience
- Link doctor payments to support goals
- Progress or ACO contract modified

Accelerate performance

Deliver unmatched value

We will deliver value by:

- Translating efficiency into sustained trend reduction
- Delivering differentiated patient experience
- Improving member health outcomes

Population health

	Today	Future
MODEL 	Provider-centric model Payer-led care management telephonic model	Member-centric model Provider-led care management activity at the point of care
PEOPLE 	Focus on sick patients only Lack of comprehensive care coordination	Focus on population health Robust care coordination across the continuum of care Patient engagement through digital technology
TECHNOLOGY 	Early stages of Clinically Integrated Network (CIN)	Data-driven clinical decision making: • Standardized evidence based medicine • Predictive analytics at the ACO level and the primary physician level • Smart segmentation across the population • Improved care coordination workflows

Thank you

Aetna is the brand name used for products and services provided by one or more of the Aetna group of subsidiary companies, including Aetna Life Insurance Company (Aetna) and its affiliates.

This material is for information only. Health benefits and health insurance plans contain exclusions and limitations. Providers are independent contractors and are not agents of Aetna. Provider participation may change without notice. Aetna does not provide care or guarantee access to health services. Information is believed to be accurate as of the production date; however, it is subject to change. For more information about Aetna plans, refer to **www.aetna.com**.

51.25.188.1 (6/16)