Prepare Now: Strategies for Success with Value Based Care

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Director, Provider Owned Networks

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STATEMENT OF AHCA/NCAL ANTITRUST POLICY

Before we begin, let me take the opportunity to remind you that it is the established policy of the American Health Care Association (AHCA) and the National Center for Assisted Living (NCAL) to comply with all laws, including the antitrust laws. Because our group contains members that are or may be competitors, we must continue to be careful to confine our discussions, both formal and informal, to the topics described on our Agenda. As you all know and appreciate, in order to comply with our policy, we will not address, in the group or separately, any issues related to our respective companies' current or future pricing, terms of sale or costs, strategic plans or initiatives, bidding situations, sales to specific customers or in specific geographic areas. If you have any questions or concerns about these matters as we proceed, please raise them immediately.

WHY?

WHAT?

HOW?

QUESTIONS

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Mentimeter

What are the 3 most pressing issues facing your facility in the next 2-3 years?

19 responses

Responding is off

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WHY?

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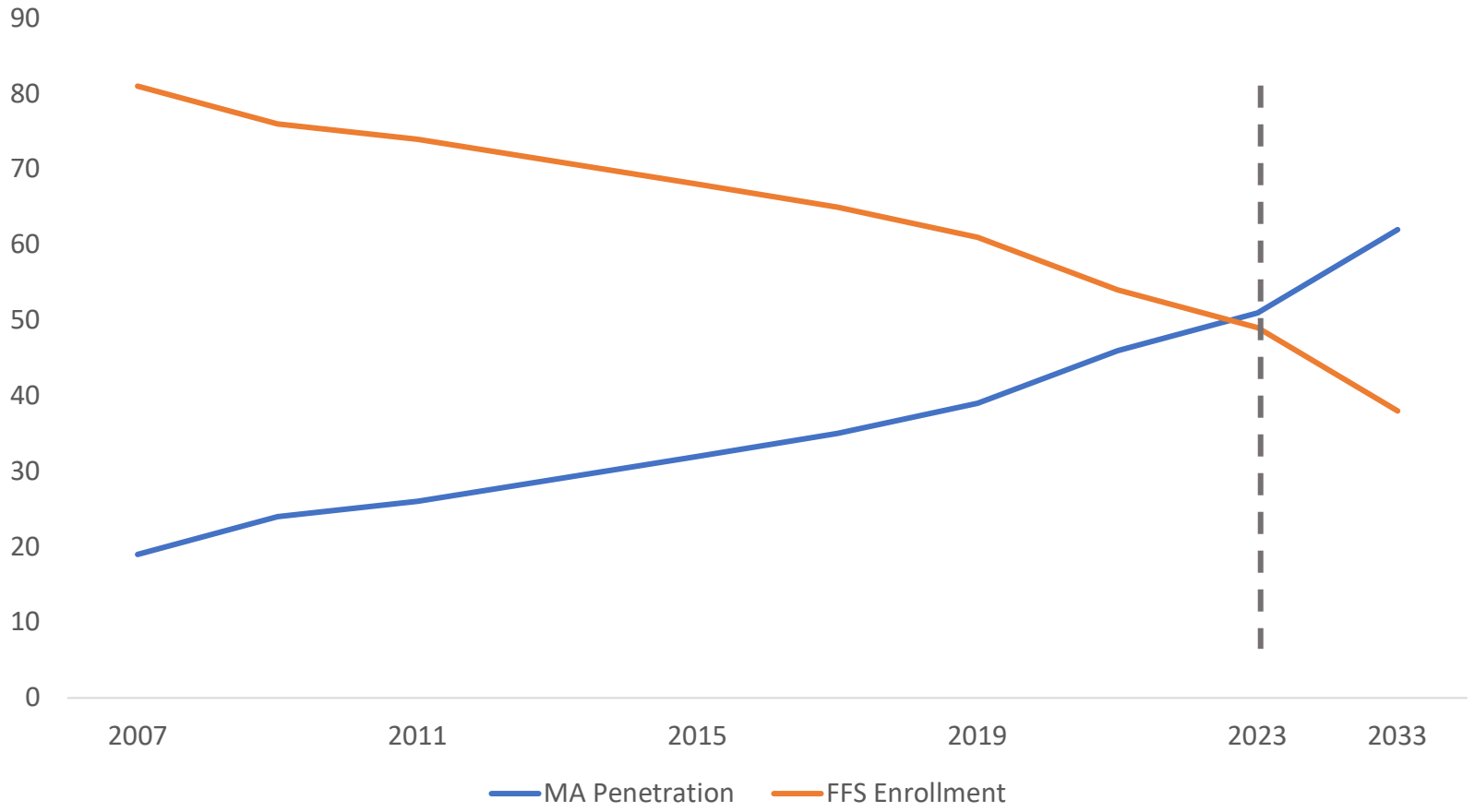
WHY #1:

Medicare Advantage Penetration



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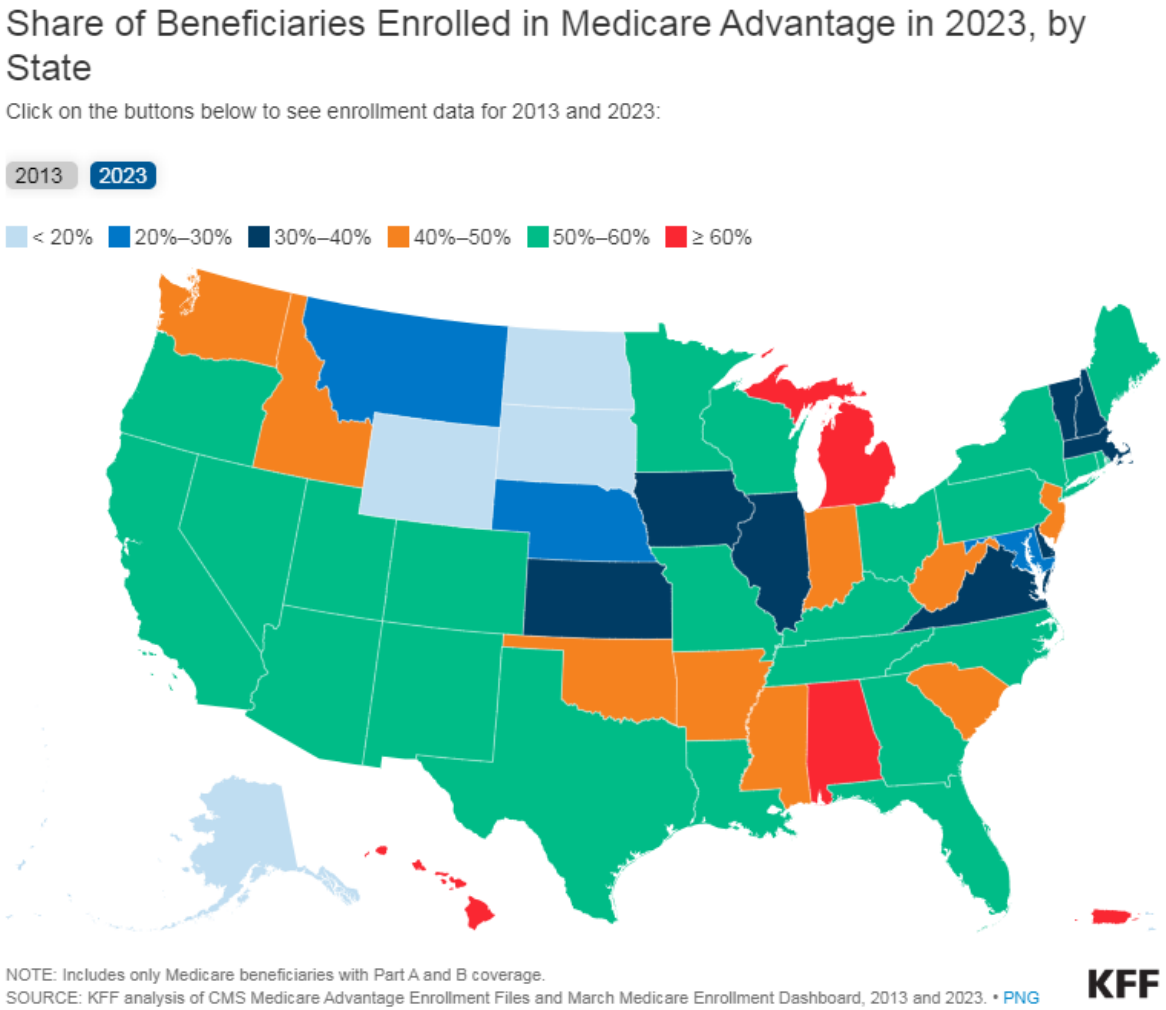
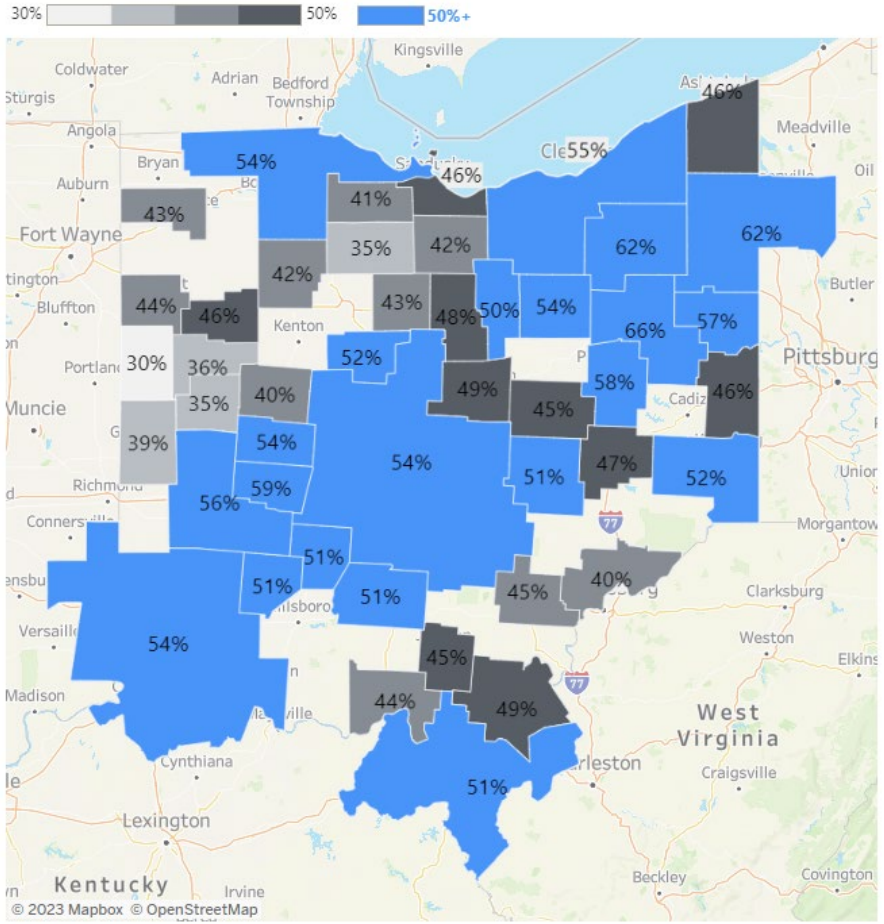
CBO:
62% by
2033

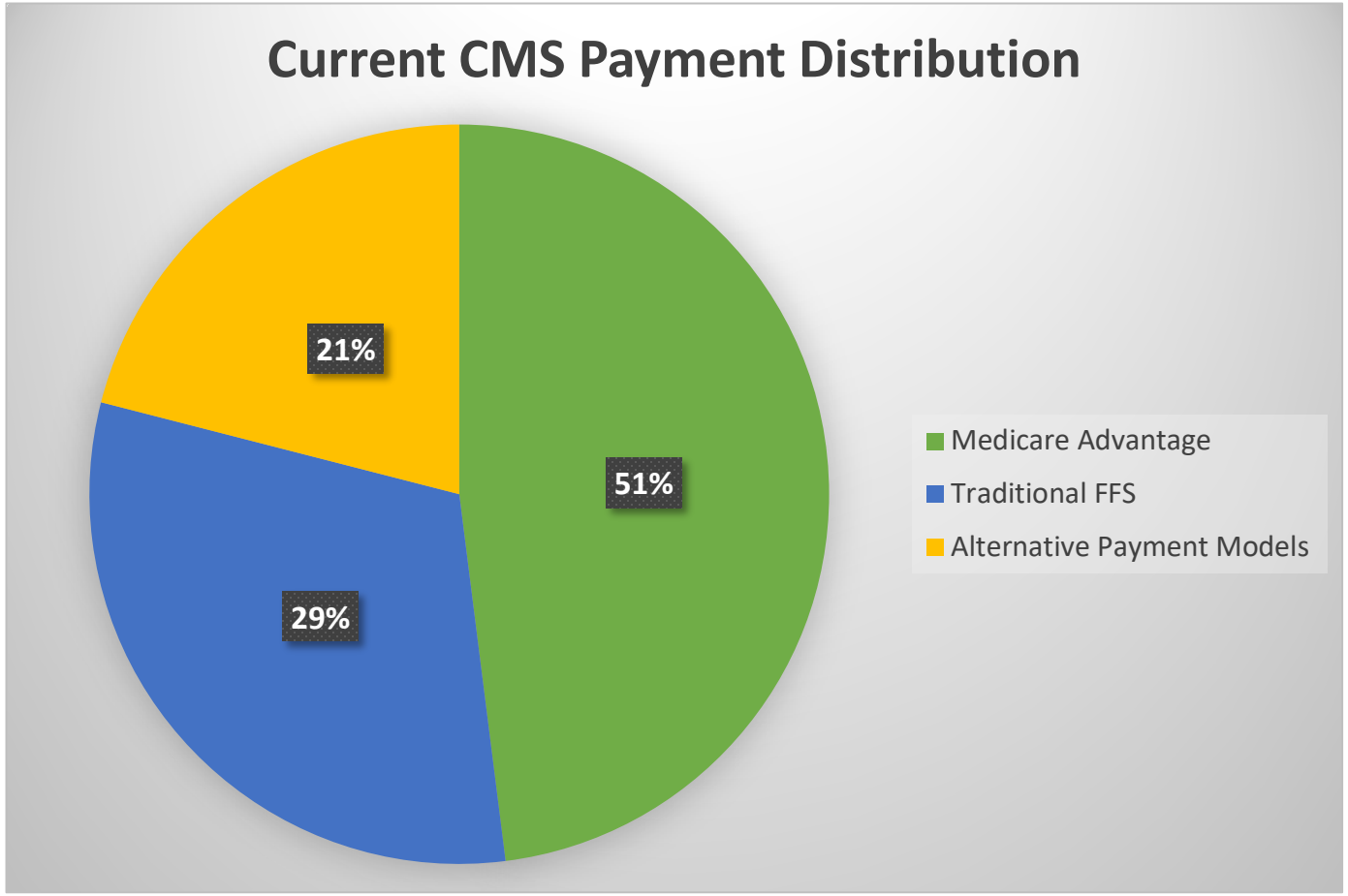
https://www.kff.org/medicare/issue-brief/medicare-advantage-in-2023-enrollment-update-and-key-trends/

WHY #1:
Medicare Advantage Penetration





WHY #2:
CMS Goal For VBC



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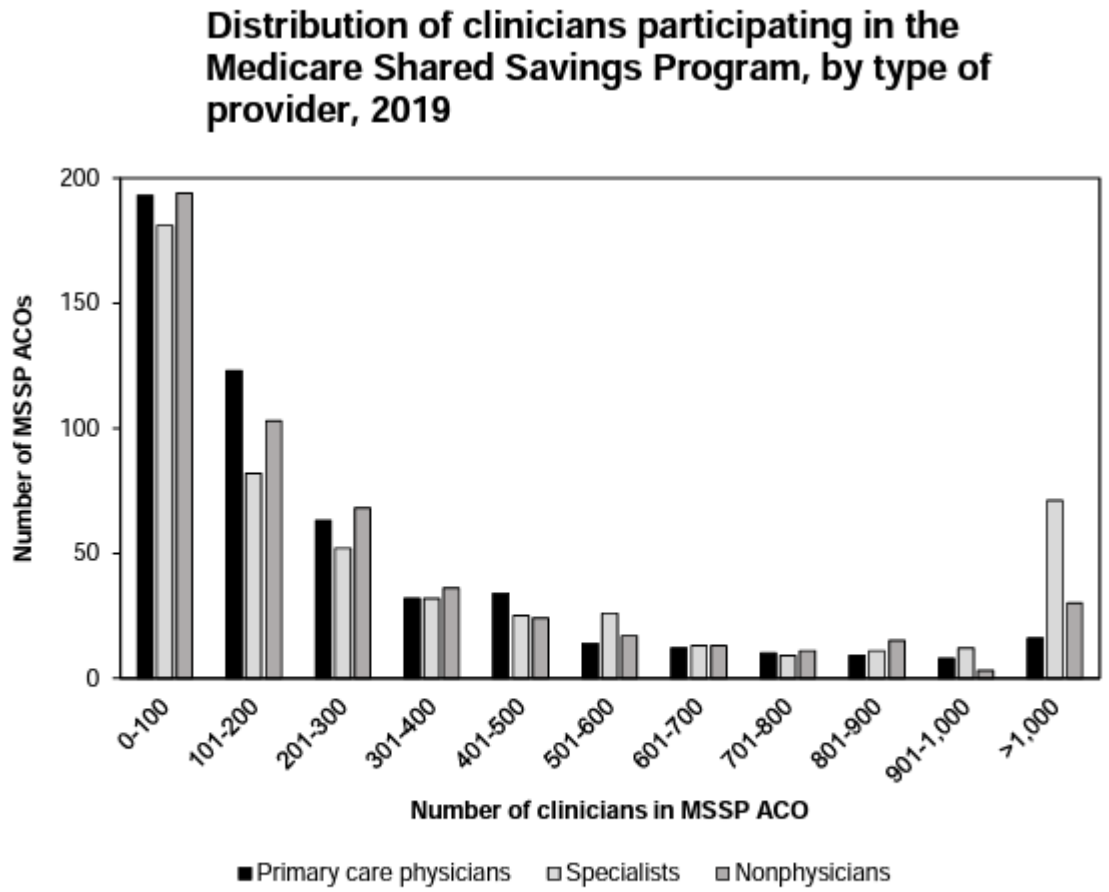
WHY #2:
CMS Goal For VBC



Note: MSSP (Medicare Shared Savings Program), ACO (accountable care organization). As of December 2019, there were 514 MSSP ACOs. "Nonphysician" clinicians include nurse practitioners, physician assistants, and clinical nurse specialists.

Source: Shared Savings Program Accountable Care Organizations public use files.

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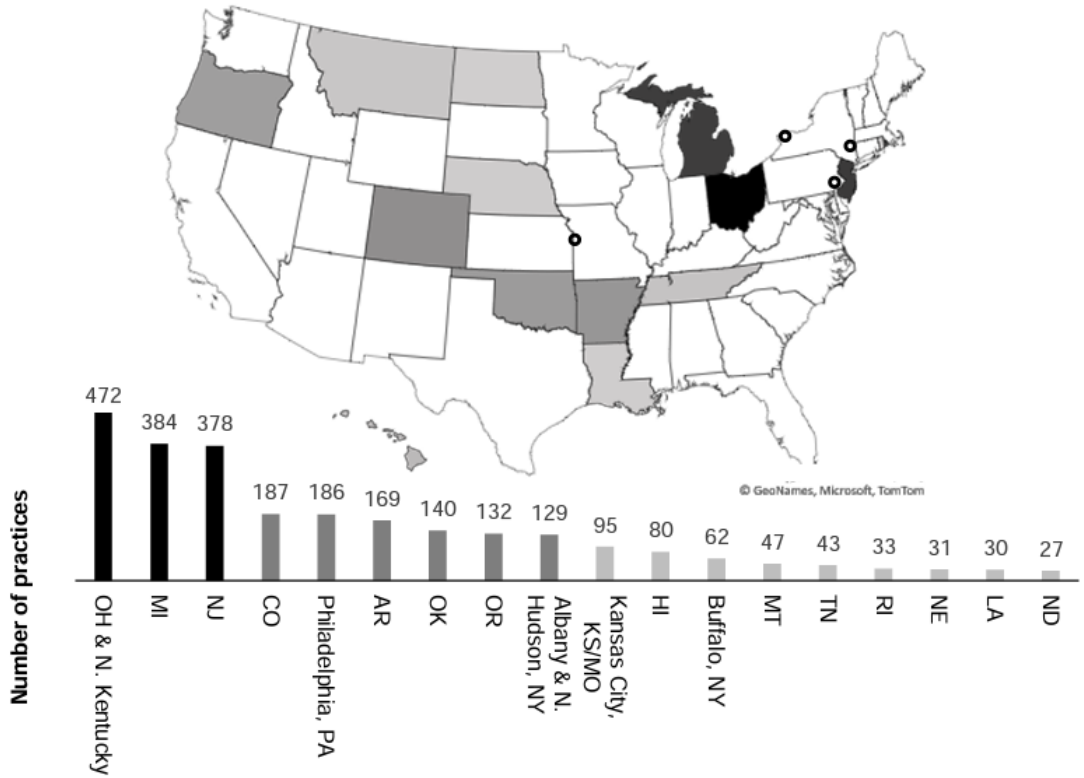
WHY #2:

CMS Goal For VBC

t 5-6. 2,625 practices are testing the Comprehensive Primary Care Plus model, 2021



Note: Comprehensive Primary Care Plus (CPC+) is an advanced alternative payment model that CMS began testing in 2017 in some regions and in 2018 in others. CPC+ is a multipayer model, with some Medicaid and private insurers voluntarily paying similar fees for their enrollees. Alaska (not shown) was not selected as a region eligible to participate in the CPC+ model.

Source: CMS's list of CPC+ practices (https://data.cms.gov/Special-Programs-Initiatives-Speed-Adoption-of-Bes/Comprehensive-Primary-Care-Plus/eevd-hiep).

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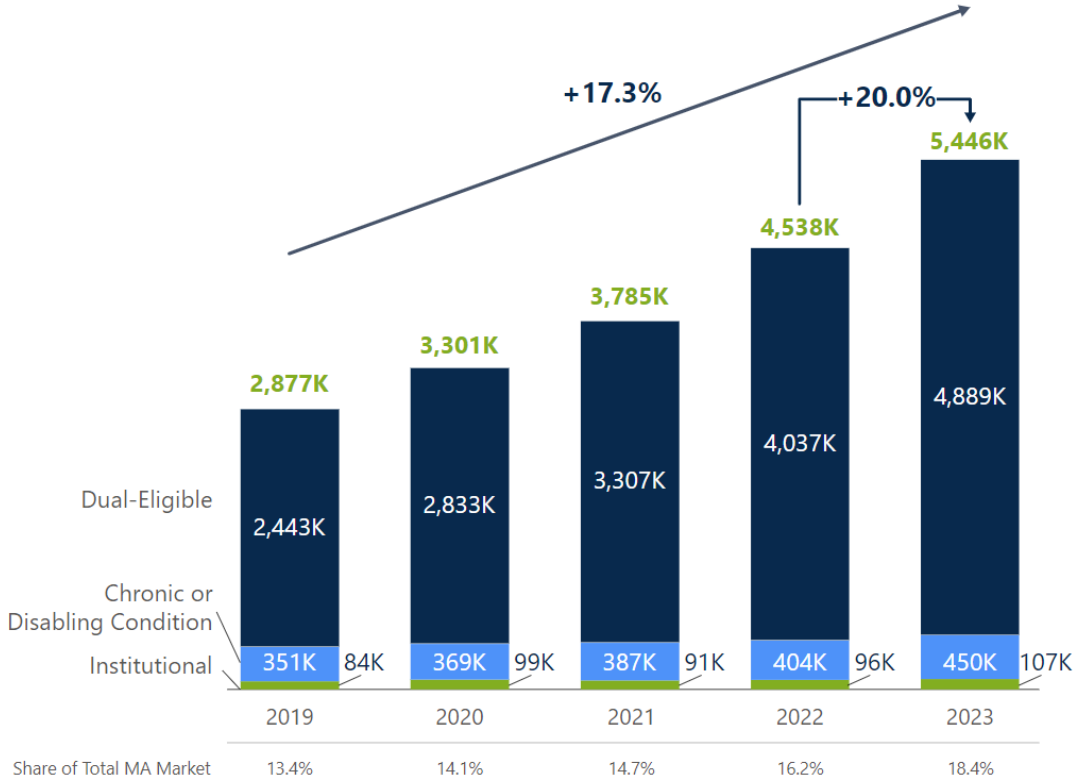
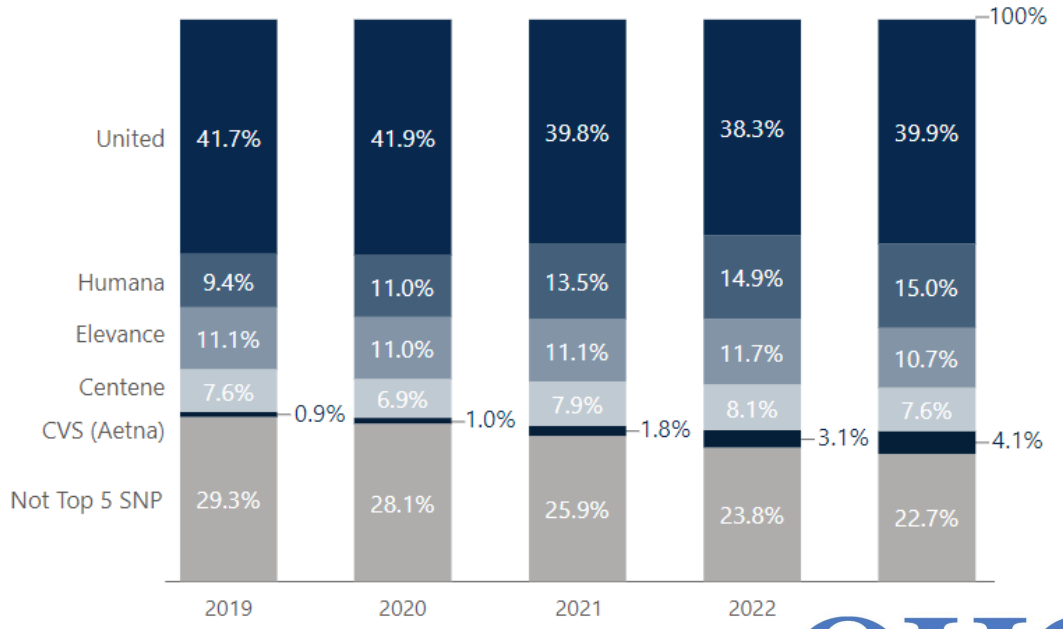
WHY #3:
Value Potential in SNF/LTC

SNPs are Growing Rapidly





Source: *In a Shifting Market, Medicare Advantage Shows Continued—but Decelerating—Growth | The Chartis Group*

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WHY #3:
Value Potential in SNF/LTC

Despite Value Created by SNF/LTC, Few MA Plans and ACOs Are Sharing Savings

- Hospitals/health systems struggling to operate ACOs
- Easier to send patients home than to clinically integrate care to avoid readmissions (preferred providers)
- Bundle conveners siphoning off savings for investors, not reinvestment
- MA partnerships are hard to achieve

- Increasing patient and resident acuity
- Increasing administrative burden

- Declining patient admissions
- Shorter LOS
- Lower MA rates

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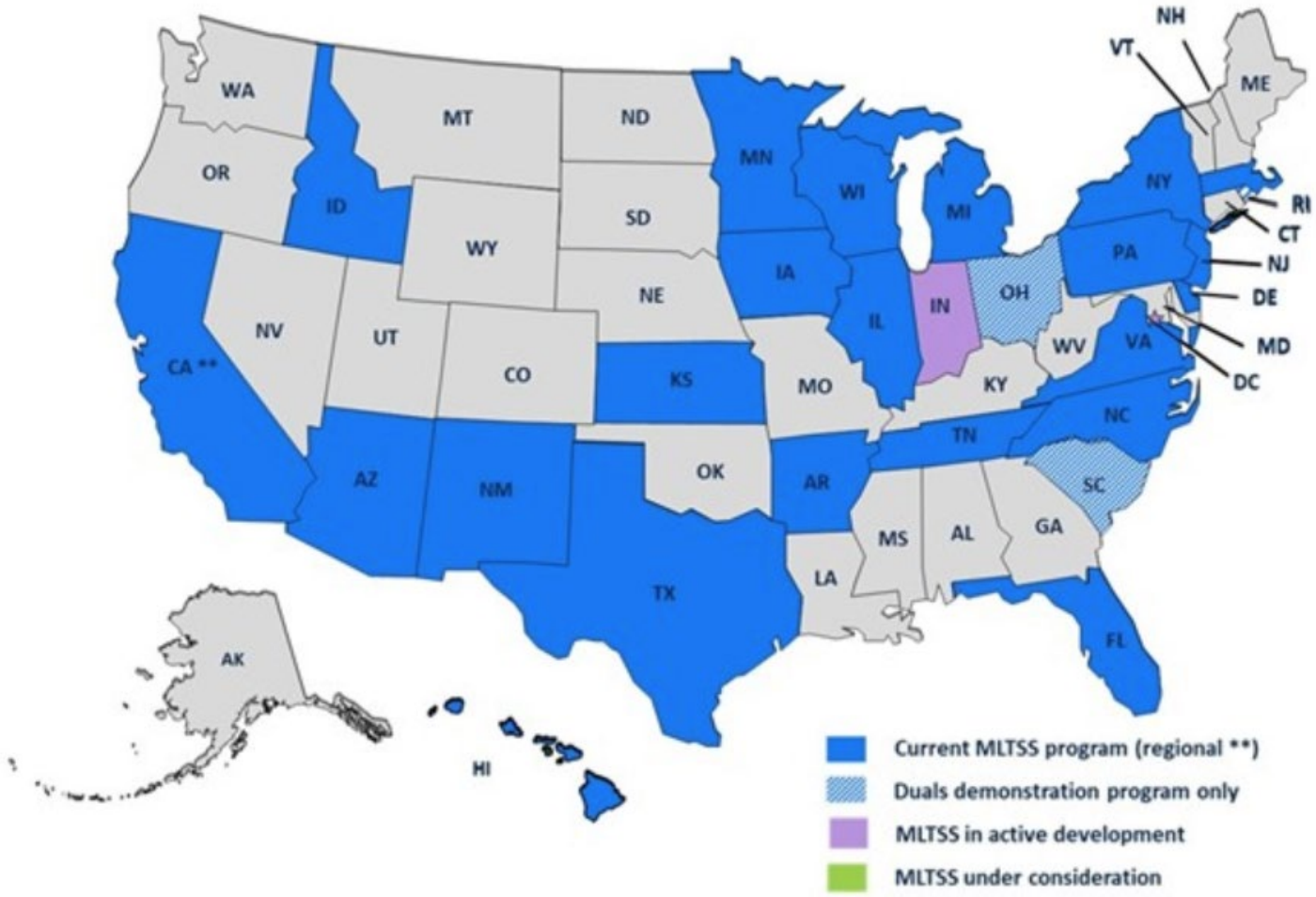
WHY #4:

State-Wide MLTSS



http://www.advancingstates.org/initiatives/managed-long-term-services-and-supports/mltss-map

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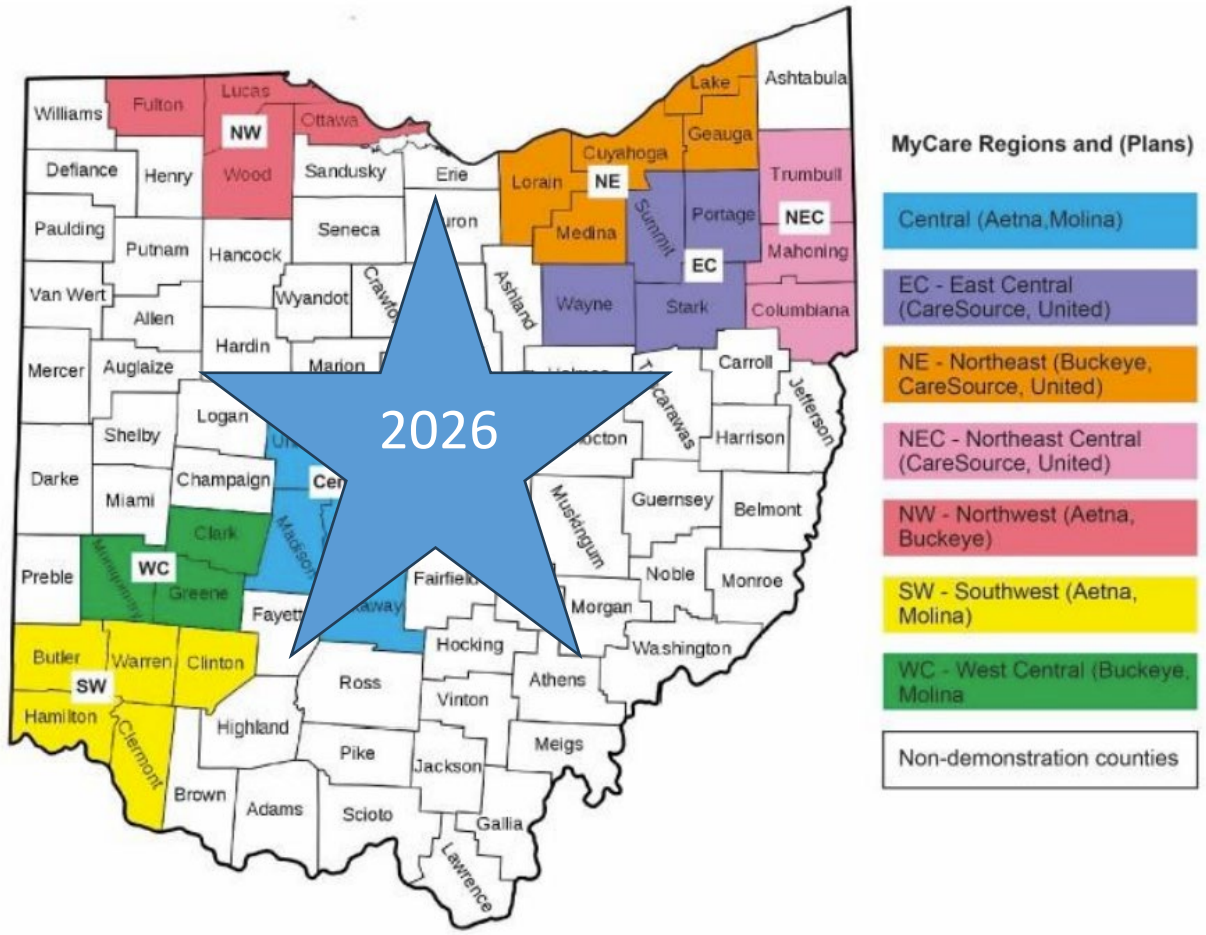
WHY #4:

State-Wide MLTSS (MyCare)



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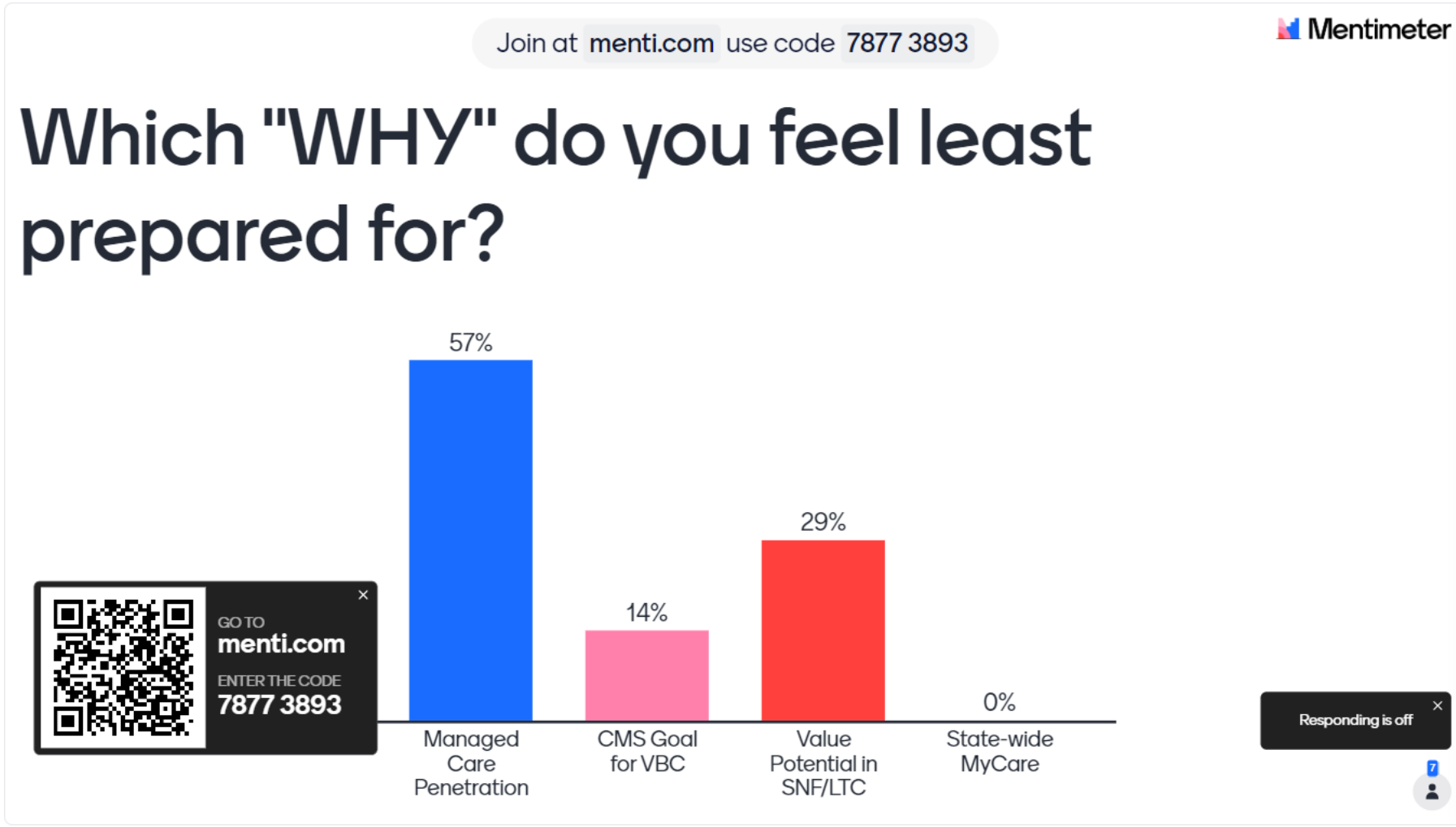
VALUE BASED CARE

Short term Care Population	Long term Care Population
• Managed Medicare (Part C) • Community ACOs (Part A and B)	• Managed Medicaid • I-SNPs (Part C) • Long-term care focused ACOs (Part A and B)

Provider Owned Networks



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WHAT?

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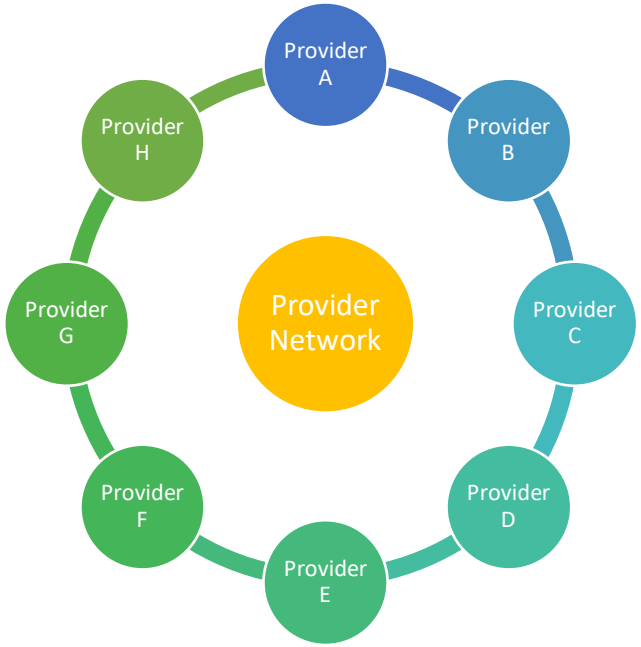
WHAT:
Provider Owned Network



Provider Networks Are:

- Joint venture of independent providers (LLC)
- Like an IPA (Independent Physician Association)
- Providers come together to enhance quality outcomes and value-based reimbursement
- Health plans often prefer larger networks versus single facility contracts

Provider Networks Are NOT:

- NOT a Broker solely for access to payer contracts
- NOT automatically a risk-bearing entity (like a provider-led ISNP)
- NOT automatically a payer's exclusive network for achieving network adequacy
- NOT automatically a preferred provider network (i.e. used by ACOs to gain leverage over siloed providers)

WHAT:
Provider Owned Network

Antitrust & Value-Based Care

DOJ and FTC: Health care competitors can NOT come together to negotiate rates with payers

+

HHS & CMS: Value-based care improves outcomes, care and cost… and all beneficiaries must be in one by 2030

=

"Care relationship with accountability for quality and total cost of care"

Tools to Ensure Compliance:

1. Market Share Analysis
2. Clinical/Financial Integration
3. Messenger Model

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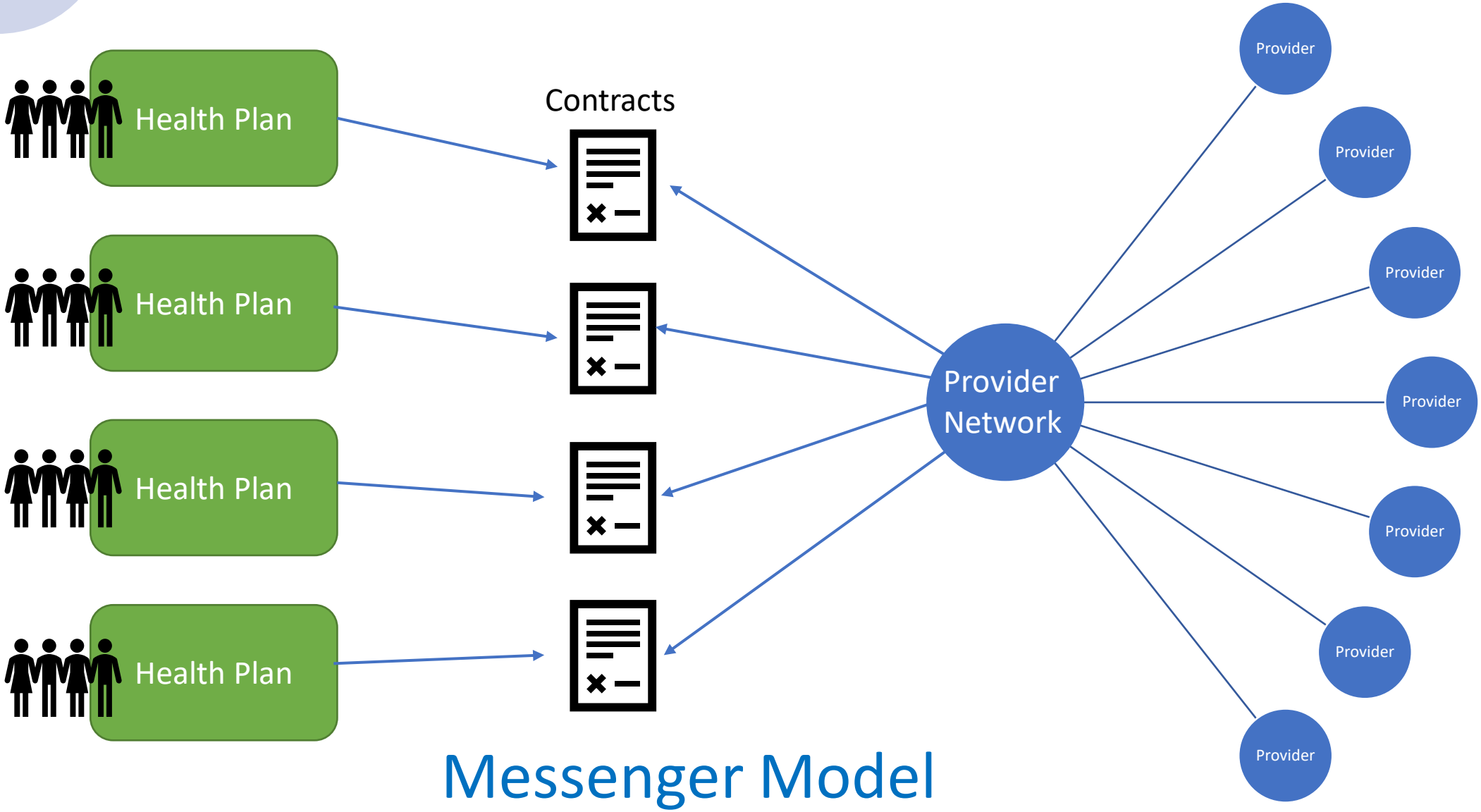
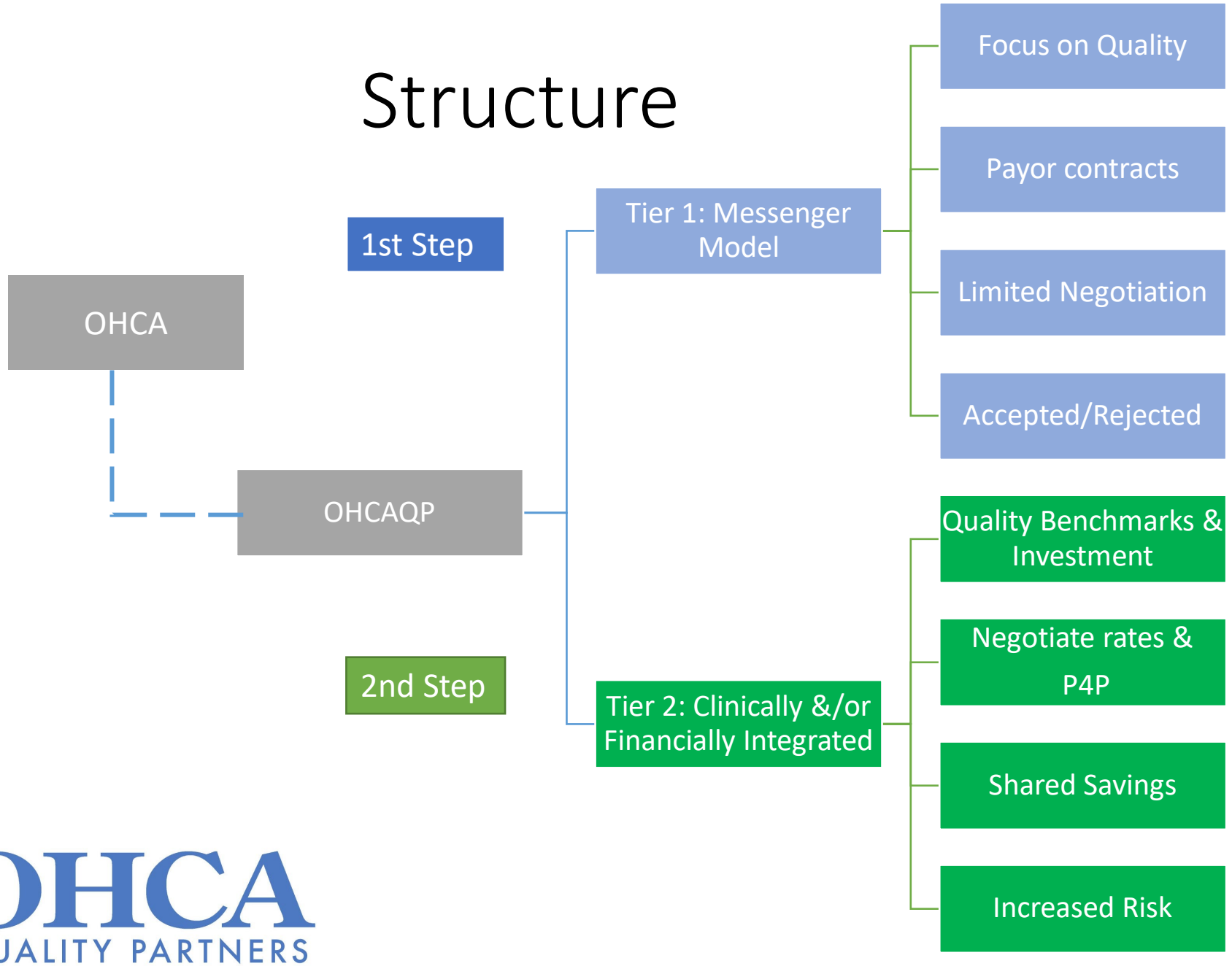
WHAT:

Provider Owned Network



Messenger Model

Structure



Benefits

- ✓ Allows for negotiation as clinical integration develops
- ✓ Allows negotiation of terms that are not price-related
- ✓ Helps ease providers into clinical integration or other models of PHM
- ✓ MA payers making $$$

- ✓ Allows you to negotiate price
- ✓ Allows for creation of new clinical partnerships and models
- ✓ Helps identify partners for higher risk models

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WHAT:

Provider Owned Network

Member Benefits

Access & Improved Revenue

- Broader Access to Network Contracts
- National and State payor expertise resulting in better contract terms

Administrative/ Credentialing

- Reduced administrative costs and burden to credentialing with multiple health plans

Value Based Reimbursement

- Access to value-based contracts not typically available to individual providers (via Clinical & Financial Integration)

Claims, Revenue Cycle & Systemic Payor Issues

- Systemic claims issues advocacy
- Improved Cash Flow
- Aggregated claim escalation & resolution

Strategy & Understanding

- AHCA Provider Solutions support & expertise for success with value-based reimbursement models, including ISNP and ACO

AHCA/NCAL Provider-Owned Networks

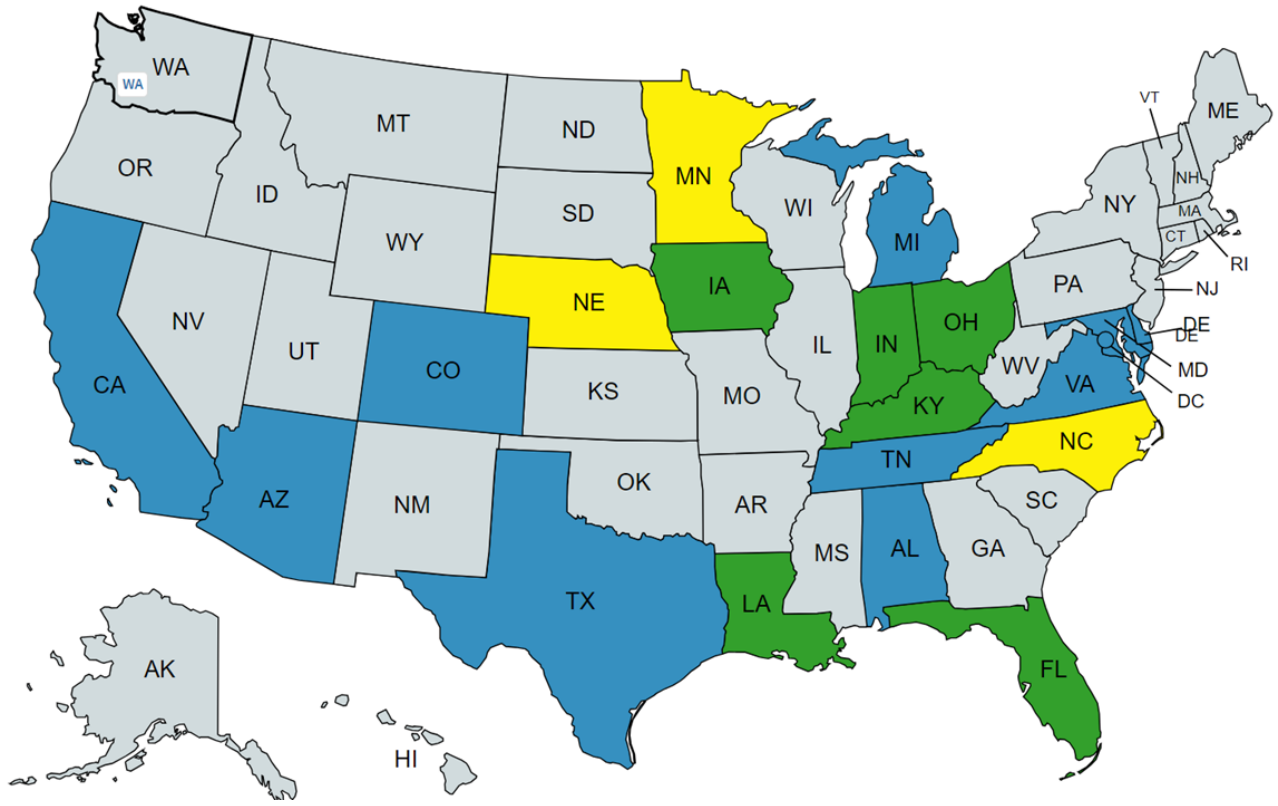
Operating (# of Providers)

- Iowa (181)
- Indiana (327)
- Ohio (160)
- Louisiana (141)
- Kentucky (113)
- Florida (250)

Launching by Year End 2023

- Nebraska
- Minnesota
- North Carolina

Exploring/2024



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Credentialing Manager

Heather Vecsey
Network Program Assistant

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Administrative Assistant

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Which PON benefits would be most helpful to your facility? (Rank in order)

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HOW?

Ohio Health Care Quality Partners

HOW:

Become a Network Member

- Must be a member of OHCA
- Each provider location is a “member”
- Each member is an equal share owner of OHCAQP, LLC
- Separate entity from OHCA
- OHCA is ex officio board member
- Board of Directors of 7-9 members
- Negotiate with LTC opportunities (I-SNP and ACO) and Medicare Advantage Plans
- Positioned for Managed Medicaid
- Quality Program
- Annual Fees

Member Expectations

- Annual Fees (approximately)*
  - SNF: $1000/facility + $30/bed
  - Assisted Living: $10/unit
  - Home Health: $250/year
- Attend Committee Meetings
- Engage in Quality Improvement Projects
- Attend Network Sponsored Events
- Communicate Organization Changes

*Based on number of members; AHCA/NCAL Solutions management cost fixed

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QUESTIONS

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