

# remedy partners<sup>TM</sup>

THE EPISODES OF CARE COMPANY

HEALTH CARE ASSOCIATION OF NEW JERSEY

*Atlantic City, NJ*

*March 17, 2015*

BUNDLED PAYMENTS: BETTING ON THE FUTURE

## Bundled Payments: Betting on the Future

- Know the game before placing your bets
  - What is Value Based Healthcare? (3:23)
  - What is the BPCI Initiative? (4:05)
  - Stakeholder Ecosystem (3:44)
  - Program Implementation (6:08)
  - Where are the costs in Medicare FFS? (2:53)
  - Remedy's Role: How do we fit in? (7:54)
  - Care Model Overview – Model 3 (10:43)
- Placing your bets
  - Model 2 vs. Model 3
  - New Jersey Model 2 and Model 3 Participants
  - Model 3 Participation
  - Network Participation (Downstream to Model 2 and PGP Model 3)
  - Risk Sharing
- Making your bets pay out
  - Care Model Components
  - Care Model Tasks

## Model 2 vs. Model 3

|  | MODEL 2   | MODEL 3   |
|--|---|---|
| <b>Type of Episode Initiators</b>                      | <ul style="list-style-type: none"> <li>Acute Care Hospitals, Physician Group Practices</li> </ul>                                       | <ul style="list-style-type: none"> <li>Physician Group Practices, LTACHs, ERFs, SNFs HHAs</li> </ul>                          |
| <b>Beginning of Risk Period</b>                        | <ul style="list-style-type: none"> <li>At admission to ACH</li> </ul>   | <ul style="list-style-type: none"> <li>At admission to post acute facility or first day of service with PGP or HHA</li> </ul> |
| <b>End of Risk Period</b>                              | <ul style="list-style-type: none"> <li>30, 60, or 90 days after discharge from ACH</li> </ul>   | <ul style="list-style-type: none"> <li>30, 60, 90 days after start of post acute services</li> </ul>                          |
| <b>CMS Guaranteed Savings</b>                          | <ul style="list-style-type: none"> <li>2% (90 day bundle, 3% for 30 and 60 day bundles)</li> </ul>                                      | <ul style="list-style-type: none"> <li>3%</li> </ul>  |
| <b>Major Levers of Care Improvement/Cost Reduction</b> | <ul style="list-style-type: none"> <li>Next site of care, readmissions, SNF LOS, HHA performance, post acute care management</li> </ul> | <ul style="list-style-type: none"> <li>Readmission, SNF LOS, HHA performance, post acute care management</li> </ul>           |
| <b>Priority ACO Conflict</b>                           | <ul style="list-style-type: none"> <li>BPCI Program given preference over ACO</li> </ul>  | <ul style="list-style-type: none"> <li>BPCI Program given preference over ACO</li> </ul>                                      |
| <b>Priority in Model 2 – Model 3 Conflict</b>          | <ul style="list-style-type: none"> <li>Model 2 Program given preference over Model 3 program</li> </ul>                                 | <ul style="list-style-type: none"> <li>Model 2 Program given preference over Model 3 program</li> </ul>                       |

## New Jersey Model 2 Participants

- Remedy is working with 55 of the 71 BPCI Model 2 Participants in NJ

| Convener   | Model 2 Episode Initiators |
|--|----------------------------|
| Remedy BPCI Partners, LLC                                  | 55                         |
| Convener Not Identified                                    | 5                          |
| Geisinger Clinic   | 2                          |
| Medsolutions, Inc.   | 2                          |
| STRYKER PERFORMANCE SOLUTIONS, LLC                         | 1                          |
| Bayonne Medical Center                                     | 1                          |
| Touchstone Health  | 1                          |
| Community Health Systems Professional Services Corporation | 1                          |
| NAVVIS HEALTHCARE, LLC                                     | 1                          |
| Bayonne Medical Center                                     | 1                          |
| NaviHealth, Inc.   | 1                          |
| <b>Grand Total</b>   | <b>71</b>                  |

## New Jersey Model 3 Participants

- About half of the 368 SNFs in NJ are in Phase 1 or Phase 2 of the BPCI program (numbers below include some physician groups and some double counting)
- A significant number of those are working with Remedy Partners

| <b>Convener</b>                       | <b>Model 3 Episode Initiators</b> |
|---------------------------------------|-----------------------------------|
| <b>Remedy BPCI Partners, LLC</b>      | <b>153</b>                        |
| GENESIS CARE INNOVATIONS LLC          | 33                                |
| NaviHealth, Inc.                      | 9                                 |
| Optum                                 | 4                                 |
| HEALTHSOUTH BUNDLING INITIATIVES, LLC | 3                                 |
| Convener Not Identified               | 1                                 |
| <b>Grand Total</b>                    | <b>203</b>                        |

## Model 3 Participation

- Timing
  - Window closed April 2014 to join Phase 1
  - Episode Initiators must move from Phase 1 to Phase 2 with at least one bundle by July 2015 (4/13/15 deadline to submit bundles)
  - Last opportunity to add bundles October 2015 (July 13 deadline to submit bundles)
- Criteria to move from Phase 1 to Phase 2
  - Opportunity to choose bundles by facility
  - Opportunity to choose bundle length and Risk Track
  - Highly dependent on pricing and performance projections
  - Some low hanging fruit, but success ultimately requires commitment to care redesign
- Next Steps
  - Review data
  - Select bundles

## Network Participation (Downstream to Model 2 and PGP Model 3) - Criteria

- Process
  - Communication
  - Data sharing
  - Relationships with other post acute providers (community based physicians, home health, hospice)
- Outcomes
  - Return to hospital rates by episode compared to peers
  - Length of stay by episode compared to peers
  - Total Episode costs
- Satisfaction
  - Surveys
  - Other publicly available information
- Special Services and Other Criteria
  - Clinical Specialties (e.g. ventilator units)
  - Model 3 Participation with Remedy

## Network Participation (Downstream to Model 2 and PGP Model 3) - Levels

- Non-Network
- Cooperation Agreement
  - Commitment to share data via EMR connectivity
  - Remedy to provide SNFs with ADT and clinical information prior to / concurrent with discharge from hospital
  - Remedy to provide LOS and readmission rate benchmarks by bundle
  - SNF to report major changes in condition, change in medications, expected date of discharge from SNF, 24/48 hour advance notice of discharge
  - SNF to engage selected home health agency prior to discharge from SNF
- Risk Share Agreement – Remedy’s Enhanced FFS model
  - \$300 New Patient Activation payment
  - 120% of FFS from Day 1 to the 85<sup>th</sup> percentile SNF LOS
  - 105% of FFS from the 85<sup>th</sup> percentile to the 70<sup>th</sup> percentile SNF LOS
  - 90% of FFS from the 70<sup>th</sup> percentile to the 50<sup>th</sup> percentile SNF LOS
  - 60% for all other SNF days
  - If a patient is readmitted during their SNF stay, a penalty of 20% of payments will be applied to the SNF’s effective overall reimbursement calculation

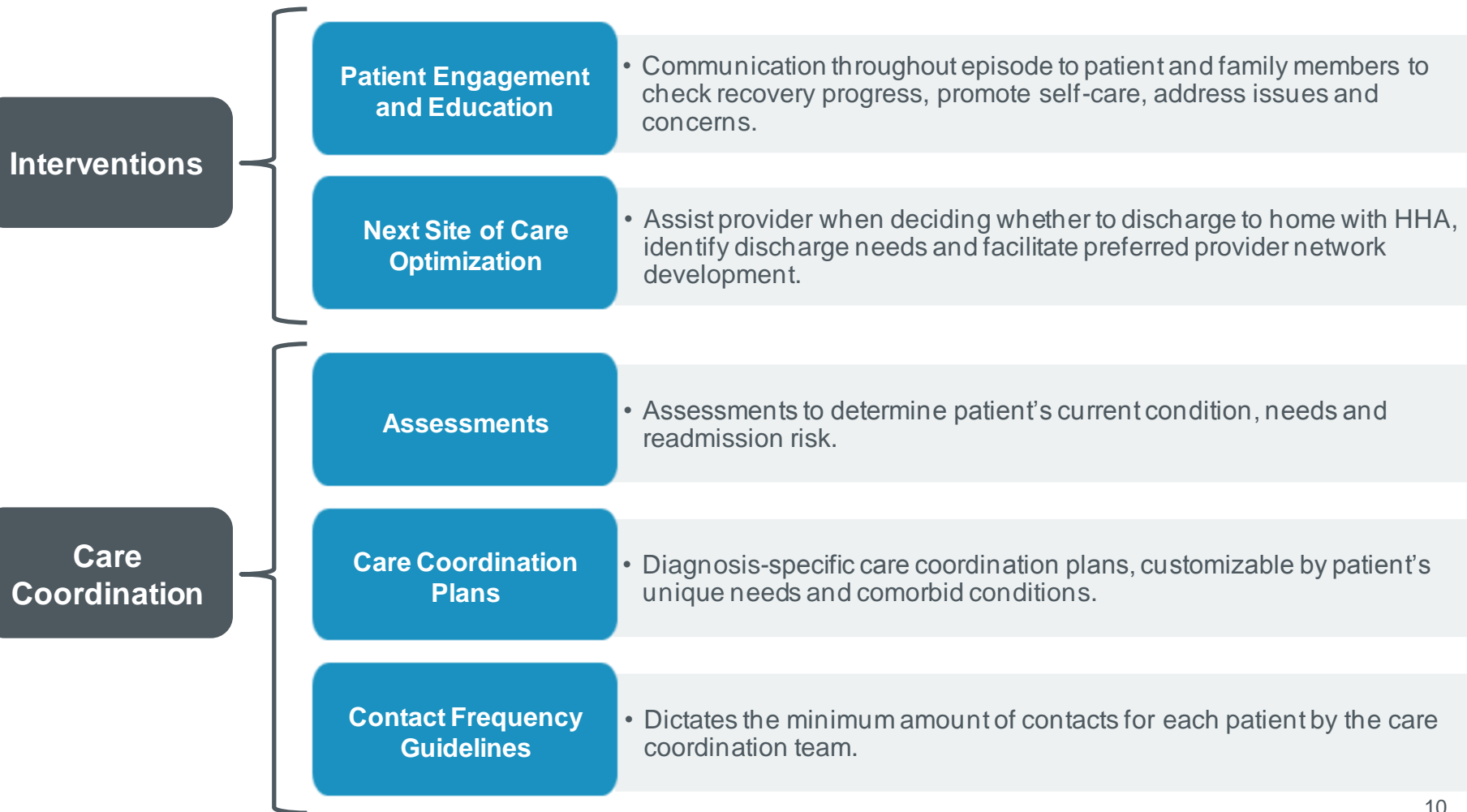


## Network Participation (Downstream to Model 2 and PGP Model 3) – Driving Referrals

- Utilize Remedy Post Acute Provider Selector Tool to identify and recommend best post acute providers for a specific bundle
  - Process, Satisfaction, and Outcomes data used to make recommendations
  - Consumer app used by patients and family
  - Giving patients and family useful and relevant information reduces the dependence on discharge planners to provide guidance
  - Discharge planners and case managers have objective data to guide patients if patients cannot choose for themselves
- Work with PGPs, especially Hospitalists, as Episode Initiators to drive referrals to SNFs with best outcomes

## Making your bets pay out – Care Model Components

Remedy's Care Model is composed of the following components:



## Making your bets pay out – Care Model Tasks

1. **FIND & TRACK** – identify eligible BPCI patients by Working DRG or primary diagnosis.
  - Critical to identify DRG (for Model 3 participants) – need cooperation from hospitals, leverage liaisons, technology solutions
  - Critical to track DRG (for Model 2 and Model 3 patients) – need cooperation from EMR vendors . . . some solutions in progress with key EMR vendors
  - Critical to transmit data to Remedy’s Episode Connect care management platform . . . some solutions in progress with key EMR vendors
2. **ON BOARD** – first face-to-face patient interaction that educates patients on BPCI.
  - Remedy provides a script and collateral to educate the patient
3. **FLAG** – notify internal and downstream providers they are caring for a BPCI patient.
  - Remedy process re-engineering, tools and Episode Connect help providers communicate across the continuum.
4. **INTERVENTION** – address gaps in care, improve care quality and facilitate cross-continuum network development
5. **DISCHARGE** – suggest optimal next site of care; educate patients and downstream providers on the care plan.
  - Remedy’s Next Site of Care Tool helps determine most appropriate site of care.

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Gene Huang

[ghuang@remedypartners.com](mailto:ghuang@remedypartners.com)

[www.remedypartners.com](http://www.remedypartners.com)