CPCA Strategic Planning

Listening Session 1 | August 11, 2020
Moving forward...

To build a bridge to the future, we need your input

✓ Today: Kick-off and explore – July 15
✓ July Board Meeting—Review Your Input and Define Priorities – July 16-17
✓ Senior Staff Retreat—Build on Thinking and Explore Feasibility – August 5
  • Listening Tour Session 1—Payment Reform— August 11
  • Listening Tour Session 2—Workforce and Care Delivery –September 9
  • Listening Tour Session 3—Advocacy and Partnerships – September 24
  • Senior Staff Retreat—Synthesize Input and Recommendations
  • October Board Meeting—Review Recommendations and Set Early Commitments
  • Annual Meeting—Review Initial Plan and Provide Feedback
  • Staff Engagement—Turn Priorities Into Plans and Chart the Course to the Future
  • February Board Meeting—Review, Refine, and Ratify Final Plan

We hope this schedule will allow many of you to participate in all sessions and for others to come and go while still contributing to the whole.
Our Speaker: Carlos Olivares

Carlos Olivares
CEO, Yakima Valley Farm Workers Clinic
38 locations in Washington & Oregon

• Recognized as innovative
• Embraced APM
• Value Based Care successes
• Respected voice for people who lack access to quality healthcare
Preview: Break-out Discussions

As you consider Mr. Olivares comments:
• What resonates with you and what ideas were most intriguing?
• When you think about the relationship between equity and payment reform, what excites you and what worries you?
VALUE BASED CAPITATED FUNDS MANAGED CARE FUNDAMENTALS

Carlos Olivares, Consultant
Integrated Health Associates, LLC
What is Health Equity?

• A fair and just opportunity for everyone to be healthy
• Requires removing obstacles to health:
  o poverty, discrimination, and powerlessness
  o lack of ....
    ✓ access to good jobs with fair pay
    ✓ quality education and housing
    ✓ safe environments
    ✓ health care
Impacting Health Equity – critical questions

• Which social determinants do we need to change to have a meaningful impact on patient health and primarily people of color?

• Is a “Value Based/Capitated Contract” the best mechanism we have at this point to change health equity in our communities?
Impacting Health Equity – critical questions

- What can we control?
- What must we keep in mind?
- With whom do we need to partner to address what we may not be able to?
Impacting Health Equity – critical considerations

• CHC’s cannot address all determinants of health

• A multi-disciplinary approach with partners is essential

• Value Based care is a mechanism that can help

• Racism negatively affects many determinants of health

• Rural communities experience health disparities

• Migrant and seasonal farmworkers face unique challenges
A few words about Racism

• **Nearly half (45%) of African Americans** experience racial discrimination when trying to rent an apartment or buy a home.

• **18% of Asian Americans** say they have experienced discrimination when interacting with police. Indian-Americans are much more likely than Chinese-Americans to report unfair police stops or treatment.

• **Nearly 1 in 5 Latinos** have avoided medical care due to concern of being discriminated against or treated poorly.

• **34% of LGBTQ Americans** say that they or a friend have been verbally harassed while using the restroom.
A few words about Geography

- According to County Health rankings, Rural counties have higher premature death rates and rank lowest nationally in overall health outcomes.

- Factors driving rural health disparities vary widely, from shifting demographics to changing economies and disinvestment, to the opioid epidemic and insufficient access to needed care.

- Families that face unstable housing, forced moves, homelessness, or home-based toxins such as lead or mold are more likely to experience poor mental or physical health.
A few words about Seasonal and Migrant Farm Workers

• Disproportionately, Hispanics are being impacted by COVID-19 and the impact is related to the way they work and are forced to live.

• CHC’s over the last 40 years have provided basic primary care to our farmworker families, but we have been unable to systematically address all other social determinants of health that impact them and create the poor health conditions that COVID-19 has exposed.
SOCIAL DETERMINANTS OF HEALTH

- 66% have experienced a lot of or moderate stress
- 36% experience food insecurity
- 12% experience housing insecurity
- 44% have experienced an event in their lives that has led to emotional trauma
- 21% unemployed & seeking work
- 48% experience financial insecurity

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VALUE-BASED/CAPITATION HEALTHCARE DELIVERY MODEL

• A model in which providers are paid based on patient health outcomes.
• Providers under this agreement are rewarded for helping patients improve their health and reduce costs.
• Differs from FFS approach in which providers are paid based on the amount of health care they deliver.
• Value healthcare is derived from measuring health outcomes.
SAMPLE DEFINITION #1

PAY-FOR-COORDINATION

A primary care physician leads and coordinates care between multiple providers and specialists to manage a unified care plan for patients and to ensure efficiency and quality; e.g., the Patient-centered Medical Homes (PCMH) model.
SAMPLE DEFINITION #2

PAY-FOR-PERFORMANCE

• Healthcare providers are incentivized to meet certain quality and efficiency benchmark measures.
• Physician reimbursements are directly related to achieving these performance measures.
• For example, the Hospital Readmission Reduction (HRR) program and the Skilled Nursing Facility Value-based Program.
SAMPLE DEFINITION #3

SHARED SAVINGS PROGRAMS (UPSIDE AND DOWNSIDE)

- Physicians form entity groups and provide population health management.
- Quality and efficiency are achieved through coordinated team care and any realized net savings are given back to the provider; e.g., Accountable Care Organizations (ACOs).
SAMPLE DEFINITION #4

Health Plan Risk

Fee for Service
Providers are paid when they provide a unit of service

Pay for Performance
Providers are paid by fee-for-service with a portion of reimbursement tied to efficiency and/or quality performance

Shared Savings
Providers are paid on a fee-for-service basis, but providers and payers shared in the gains of achieving a lower cost than target

Budget Risk Share
Providers share upside and downside risk with the payer

Full Risk Capitation
Providers adopt 100% risk above and below a negotiated per member per month budget

Provider Risk

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REVIEW OF RISK BASED CONTRACTS

Why Are They Needed........

1) HRSA is moving to value-based contracts.

2) CMS will require value based as primary form of payment.

3) States are transforming their Medicaid programs to Managed Care contracting (Value Based Payment).

4) Improves Quality of Care by focusing on population health rather than a Fee For Service environment.

5) FQHC’s have seen significant improvement in their revenue.
RISK CONTRACTS - How They Work

Managed Care Fundamentals

State / Government → Premium per Participant → Managed Care Company/ IPA → Total Network Capitation → CHC Services

- Rx Pool
- Hospital
- Professional Pool

- Claims
- Stop Loss Insurance

Annual Shared Pool Reconciliation → Pool Surplus or Deficit?

- Surplus!
  - Savings kept by CHC
  - Deficit owed to MCO

- Deficit

INTEGRATED WORK — Proprietary + Confidential

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VALUE BASED CONTRACT FUNDS FLOW

State  PMPM  Insurance Plan  Reserves  Hospital $

Total Premium $

Admin costs

Staff
Reinsurance
TPA
Customer Service
Tax

Primary Care

Specialty

Other $

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RISK CONTRACT

Plan

FQHC/PPS

FQHC/CHC’s Primary Care

Reconciliation w/State

Specialty Risk

Pharmacy Risk

Hospital Risk

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CONTROLLING POTENTIAL EXPOSURES

HRSA Rules on Risk Contracting…….

1) For the past 5 years they have encouraged CHC’s to contract with Medicaid plans.

2) They have not reduced federal funding because a CHC has a risk contract.

3) They have issued directives that allow CHC’s to keep any revenue from these contracts.

4) The federal grants have not been impacted either way by these contracts nor have we seen changes in FTCA, 340B, Teaching Health Center Funding.
INFRASTRUCTURE REQUIREMENTS

CEO

VP
Managed Care

Admin/Project Support lead

UM and Case Management Leader
Enrollment Leader
Contract Management Leader
MC Data/Analyst Leader

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Questions?
THANK YOU