

# Defining Value for Better Decision Making: Lessons From the Spring ACO Coalition Meeting

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From its inception, the ACO & Emerging Healthcare Delivery Coalition® has worked to stay abreast of what’s happening in payment reform, and the spring meeting, which took place on May 4-5, 2017, certainly lived up to that promise.

As if *The American Journal of Managed Care*® somehow divined when the House would vote on the American Health Care Act (AHCA), the 2 days in Scottsdale, Arizona, were packed with discussions that highlighted what has been happening in Washington, DC, and beyond—from what will come of the Affordable Care Act (ACA), to population health, cyberattacks, and using precision medicine to plan ahead.

Avik Roy, *Forbes* opinion editor and president of the Foundation for Research on Equal Opportunity, and Darius Lakdawalla, PhD, University of Southern California health economist and chief scientific officer at Precision Health Economics, led an all-star lineup gathered for the second spring at the JW Marriott Scottsdale Camelback Inn in Arizona. Attendees and sponsors enjoyed thought-provoking panels and outstanding networking opportunities, capped by a starlit dinner at the foot of Mummy Mountain.

Throughout, presenters and long-time Coalition members observed that the uncertainty over the ACA makes one thing clear: how patients pay for coverage may change, but the movement toward value-based care is well under way and must proceed. Said moderator Cliff Goodman, PhD, of the Lewin Group, “The key takeaway from this meeting is that we are making a lot of progress...in understanding what value means and how we might bridge the better understanding of value into decision making—clinical decision making and other—into how we organize and deliver and finance healthcare that is increasingly value-based.”

## Creating the Right Partnerships

There were a number of discussions on how to create the right partnerships to address issues of care delivery or develop better ways to deliver care. The meeting kicked off with a presentation from Jeff Spight, president of Collaborative Health Systems, a Wellcare Company, who highlighted how his company has partnered with skilled nursing facilities to improve care. They have brought the nursing homes into initiatives that improve care.

For instance, they are working to diagnose dementia and Alzheimer's disease earlier with a cognitive test that can take as long as 45 minutes. Getting someone to sit and take that test can be difficult in the community, but becomes easier if he or she is simply sitting in a nursing home for longer than a week.

Dennis Scanlon, PhD, of Pennsylvania State University, followed up with a presentation on creating a model of care to address social determinants of health. He presented a case study between Pennsylvania State University and WellSpan to determine how to structure such a model and make it work. First they had to decide the right area to get into: housing, food, transportation, job assistance, etc. Finally, they decided on addressing how to avoid excessively long stays in the hospital for people who don't have housing to go to once they are discharged.

In south-central Pennsylvania, they were dealing with 600 avoidable hospital days, which resulted in hospitals reaching capacity and unable to make new admissions, due to patients who couldn't be discharged. They sought to reduce those days and came up with a number of possible solutions, such as shifting to long-term managed care support services, waiver funds and federal and state dollars to provide services to these eligible individuals, and funds to place these individuals in long-term care in the community setting. Unfortunately, these solutions cannot be achieved with just the healthcare systems. State and local partners need to step up, he said.

All health systems try to plan for the population that's coming, but Renown Health, based in Reno, Nevada, has taken it to another level through a partnership with the Desert Research Institute (DRI) and the DNA testing company 23andMe. The partnership was featured in an afternoon session on the meeting's first day.

Renown faces unique planning challenges—it's the only tertiary facility for a vast 11-county area the size of New York, New Jersey, and Pennsylvania. Vast stretches have almost no people, and those who do live in the area have higher-than-normal rates of pancreatic and liver cancer, as well as high age-adjusted death rates for cardiovascular disease.

DRI gathers immense amounts of environmental data, which, combined with genetic data, could give Renown insight into what types of diseases it could expect in the future—which would aid hiring and budget decisions, according to Anthony Slonim, MD, DrPH, Renown's president and CEO and the ACO Coalition chair. "It was the ultimate strategic planning process," he said.

When the partnership launched in September 2016, Renown was not entirely sure what to expect when it opened enrollment for peo-

ple to have their genetic information collected and tested by 23andMe. Within 48 hours, 10,000 individuals had signed up.

Joe Grzymiski, PhD, senior director of Applied Innovation at DRI, said a great feature of the partnership is that the participants get information back from 23andMe, and will have the opportunity to modify behavior based on the results. "This is something that we hope will end up going back into the community through investments in everything from rural access to care to new research and development given to our own specific problems," he said.

### Planning for a Cyberattack

Sharing data to improve population health is a foundation of an accountable care organization (ACO). But sharing such data comes with risks, and each instance of a new provider, patient portal, wearable device, or contractor logging into the system creates an opportunity for trouble.

"All these different streams and connection points add to the potential risk of any of this data being hacked, or having a breach," said Lee Barrett, the executive director for the Electronic Healthcare Network Accreditation Commission, who gave an overview of the new risks for ACOs under the Medicare Access and CHIP [Children's Health Insurance Program] Reauthorization Act (MACRA) before joining the panel, moderated by Slonim.

With 93 major attacks reported to HHS' Office of Civil Rights, 2016 was a record year for data breaches to health systems, Barrett said. The panelists, who included Dan Konzen, campus chair for College Information Systems and Technology at the University of Phoenix, and Dan Hurley, vice president of Information Technology at Solera Health, agreed that cyberattacks will happen—it is simply a matter of how well-prepared health systems are and whether they are ready to respond.

Understanding liability for third parties is a huge concern as ACOs connect with more and more partners; as Konzen explained, the health system is responsible for what a third party does. The panelists said it is a more than a matter of "checking the box," as health systems must have an ongoing system of education and documentation that they have a protection plan—and that they follow it so if a breach occurs, they can show they took steps to prevent it. Using third parties to help test your system is important, Hurley said.

### Value Is in the Eye of the Beholder

Lakdawalla's keynote address, "An Economic Perspective on Value



Frameworks,” opened the second day. He began with the one part of healthcare that brings people together: the broad agreement that prescription drugs cost too much, and that the government should do something about it. Even Republicans agree, which for decades was not true, Lakdawalla said.

Enter the discussion of value, and the tricky part begins. “It’s never clear what people mean by value,” he said, and that is what makes the transition to a value-based pricing system to challenging.

“Even if we had a single-payer system in the United States, this would still be an issue,” Lakdawalla said. “Patients often view the world very differently than a single payer would.” Health plans measure value based on the mean effect of a drug across a population, but a patient is looking at the outlier—and hoping he’s the one.

Value frameworks allow health systems to assign weights to a drug’s attributes, giving a way to score its cost, survival benefits, and side effects, but Lakdawalla also said it is important to realize that these frameworks include assumptions, and some of the things most important to patients are the hardest to measure.

With the public paying for so much of healthcare, politics enters the discussion. “The problem is that payment is divorced from the consumption” of healthcare in the United States, he said. “In some

sense, we are all the payers, the premium-paying beneficiary, the tax-paying voter. That’s where I would start the discussion.”

#### It’s All About the Prices

Next up was Avik Roy. A conservative who had advised 3 Republican candidates for president, he had spent the night before making the TV rounds after the House vote, and he was on tap to make another appearance that afternoon, with an engaging discussion with the ACO Coalition audience somewhere in between. Roy agrees that the consumer is too far removed from healthcare purchasing decisions—and that a system that started with good intentions became completely insensitive to costs. “We have all the inefficiencies of a highly public system without any of the actual coverage gains that one would expect from a truly government system,” he said.

Thus, although Republicans complain about the added costs of the ACA—and the law does add around \$100 billion in 2018—that’s not the real problem. Here, Roy wowed the audience by taking the slide that shows the spending on ACA, and overlaying the “legacy” federal spending on healthcare—and the bars just kept climbing and climbing, like a skyscraper, all the way to \$2.025 trillion.

“If the goal of conservative health reform is to really make the healthcare system in America fiscally sustainable, it can’t just be about Obamacare,” Roy said. “It has to be about reforming Medicare and Medicaid as well.”

His 4 key steps to reform are: 1) fixing the flaws of the exchanges to avoid premium spikes while keeping guaranteed issue, 2) raising the eligibility age of Medicare, 3) privatizing and restructuring Medicaid, and 4) creating market reforms to rein in drug prices and hospital consolidation.

Panelists with different views of the ACA joined Roy for a discussion, including Sally Pipes, president of the Pacific Research Institute; Cheryl Gardner, of beWellnm, the New Mexico exchange, and Ninez Ponce, MPP, PhD, of the University of California, Los Angeles.

Gardner said 880,000 people are enrolled in Medicaid in her state, but access is becoming an issue—and Pipes, who grew up in Canada, said the same was true there. “We reduced uninsurance, but they can’t get care,” Gardner said. By contrast, when she was working under the “private option” in Arkansas—which used federal dollars to let people buy private coverage—people had better access.

Ponce said in California, Medicaid expansion has driven uninsured rates to an all-time low, and fewer people are delaying care due to cost.

Roy said a system that gives coverage to everyone who wants it is possible. He doesn’t believe in the individual mandate, but he does think everyone who wants insurance should be able to afford it—it should be a private system, with subsidies based on income level.

### Moving Toward 2020, and Treating the Whole Patient

The 2020 Panel Discussion series, a forward-looking panel that concludes each ACO Coalition meeting, brought together Michael Griffin, MS, CEO of the Daughters of Charity Services of New Orleans; Jonathan Hirsch, MS, founder and president of the precision medicine company Syapse; and Sachin Jain, MD, MBA, FACP, the CEO of CareMore.

Moderated by Goodman, the discussion explored how health systems must look beyond the walls of the clinic to take on the social and behavioral problems that drive up rates of diabetes, obesity, and

dementia. These “social determinants of health” cannot be ignored if systems are going to take on risk, and they force systems to deal with issues of intergenerational poverty, transportation, and even loneliness among seniors, which CareMore is now addressing.

Griffin said the launch of Medicaid expansion in New Orleans has been a game changer—enrollment statewide by early May was 432,000, well ahead of the 375,000 projected for the first year. Griffin is struggling to replace the value-based payment systems introduced after Katrina under a \$100 million federal grant designed to restore healthcare infrastructure after the city lost Charity Hospital, which had provided primary and emergency care to the poor for generations. Now, he’s working with the state’s managed care organizations one by one to restore per member, per month payment contracts, and has succeeded with 2.

“We’ve seen an increase in preventive services, focused through a private system managed for the public benefit,” Griffin said. By historic standards in Louisiana, this is revolutionary; it means the city’s poor are learning to avoid the emergency room for basic care (and Daughters of Charity gets a notice through the electronic health record if they show up unnecessarily).

Jain, too, is using tools like senior gyms and managing chronic disease in a dental chair to keep patients out of the hospital. “In the event they are admitted, we view most hospitalizations as a failure of the healthcare system,” he said.

Hirsch said Syapse is helping health systems take on risk by giving physicians data on multiple patients with similar conditions, so they can see how different treatment methods for a similar condition worked—or didn’t. The use of data simply speeds up what doctors would do on their own—make decisions based on experience with similar situations. “Physicians are pattern recognizers,” he said. “The issue here is, we’re reaching a scale and complexity of data they could not reach on their own.”

Goodman concluded the session by asking how the AHCA, which was passed during day 1 of the meeting by the US House of Representatives, might affect the panelists going forward. Griffin said if it limited access to care, he was not optimistic.

“We need to focus on the high costs of high-need complex patients,” Jain said. “That’s about as nonpartisan an issue as there is.”

Join us October 26-27, 2017, in Nashville, TN, for the fall meeting of the ACO & Emerging Healthcare Delivery Coalition®.

To learn more or join the Coalition, visit: [www.ajmc.com/acocoalition](http://www.ajmc.com/acocoalition).