Levels of Analytic Skills for Value-Based Care

Executive Summary:

- There are several different models of value-based care
- Different levels are differentiated by levels of risk and levels of integration or levels of skills at managing care
- One of the more important skills for higher level risk models is advanced analytics capability
- Advanced analytics can be used to manage patient populations, utilization of services and costs of providing services, among other things

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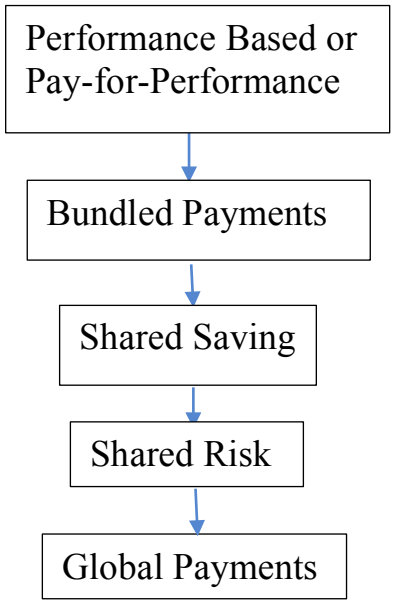
There are several different levels of value-based care which can be differentiated by the level of skills needed to be successful and by the level of risk assumed by the provider organization. The skills involved are analytic skills, the ability to provide case management services, the ability to negotiate with payers for rewards and risks, the ability to provide needed prevention services and the skill to manage resource use. Of course, with all of these one needs to manage costs and predict the utilization of care services.

The Medical Group Management Association in the e-book *Transitioning to Alternative Payment Models* available to members identifies five value-based models based upon increasing levels of risk and increasing provider integration. These are from lowest to highest:



Let me dwell on analytic skills needed at different levels as well as several examples of analytics.

An example of the pay-for-performance program is MIPS, a program from CMS for eligible physicians with Medicare patients. It has four components—(1) Quality, (2) Cost, (3)
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Advancing Care Information and (4) Clinical Improvement Activities. Some of these components require some basic levels of analytics. For instance, clinical practice improvement activities include managing patient populations. Providers should track blood pressure of patients with high blood pressure at the population level. This can be accomplished by identifying all patients with high blood pressure in a registry and calculating the average blood pressure of these patients at a given time. Such calculations are fairly simple.

Bundled payments are fixed payments made for a specific event such as hip replacement surgery. Typically, the predetermined payment is made to one medical provider, commonly the surgical group, and the surgical group pays other providers that are used in the procedure, such as anesthesiologist. If the costs of the procedure are less than the bundled payment, the provider can keep the difference; otherwise, the provider loses money if the costs exceed the bundled payment. The bundled payment does not necessarily include the hospital costs. Since the payments and costs are borne by one provider, the provider will need to focus on the entire process of providing the service and focus on metrics that will help drive down the costs and improve the care. For example, in hip replacement surgery the provider who receives the bundled payment may want to focus on how often the surgery started on time.

Shared savings/shared risk plans are similar to bundled payments except that care is extended to a population of patients for specific care. A provider group may be asked to care for a group of patients who are pre-diabetic and a fixed payment amount is determined for this group over a period of time. In order to make sure the patients receive adequate care, quality measures are established by payer and provider that must be achieved at the population level. For the pre-diabetics a goal of 7.2 for A1c level may be set and maintained for a year for all prediabetics being cared for. The provider group must be proficient in tracking the metrics and improve upon the outcomes if possible while reducing costs. By doing so, the provider group will keep a share of the savings of providing the care, if such a savings is achieved. Many of such contracts with CMS do not have any downside risk—the risk of the provider losing money if quality metrics are not achieved.

In Global Payments plans a fixed amount is paid per patient per month for a population of patients, no matter what the medical condition of the patient. For instance, Blue Cross may contract with a medical group that includes physicians and hospitals to care for all Blue's patients at a fixed cost per month for a year with built in quality measures. This is a very high risk arrangement. In order to succeed in this arrangement provider groups must have a robust and high data analytics capability. They must be able to track all costs, utilization of medial processes, claims processing and metrics indicating level of health of patients. Accountable Care Organizations and Clinically Integrated Networks are common examples of such arrangements. Those organizations with sufficient experience and analytic capacity have been successful in Global Payment Models.

Currently I am involved with Calvin College Rehabilitation Clinic (CCRC) in a study to prevent falls in seniors. Individuals in the U.S. over the age of 60 have a fall at the rate of 1 out of 4 in a year. Of these 25% need medical help. CCRC is being funded in this study by a grant from the Michigan Health Endowment Fund. Thus, there is no risk for the group. However, I am providing advanced analytics for the program with the goal of demonstrating that the risk of fall

can be significantly reduced while saving cost of care per client. One of the assessment tools that we will use is the Activity Specific Balance Confidence Scale (ABC Scale). We will assess the clients before they begin a series of eight group interventions and then after they are done—a classic pre/post-assessment arrangement. We hope to show significant gains by the population of clients in their confidence to avoid falls. We also have a goal of showing that the intervention reduces costs of medical care in the long run for our clients.

As you can see, the transition to value-based care involves various levels of risk and capacities for delivering better care at a lower cost. The likelihood of being able to do so depends not only on medical skills but also on a high level of analytic skills in the area of managing costs and tracking population level metrics.

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