



Getting Ready for Value-Based Payments in 2021

September 16, 2020



Today's Presenters



Chris Bethell

VP, Customer Success, SpectraMedix

25 years of experience helping companies grow and thrive

Previously held senior product positions at Fortune 500 companies including Apple, Cadence Design Systems, and Synopsys



Marc Bryant

Head of Sales, SpectraMedix

15 years of experience in information management and technology selling

Previously held Senior Business Development roles at Iron Mountain and Sun Microsystems.

Agenda

- The New Reality of Value-Based Payments
- Three Value-Based Payment Use Cases
- Getting Ready for VBP in 2021
- Wrap up

About SpectraMedix

Our mission is to provide the analytics platform that enables payers and providers to transition to value-based payment (VBP) by delivering actionable insights for quality performance and cost reduction.

The SpectraMedix Evolution



Pay for Reporting (P4R)

PQRS Reporting



Pay for Performance (P4P)

MIPS



Value Transformation

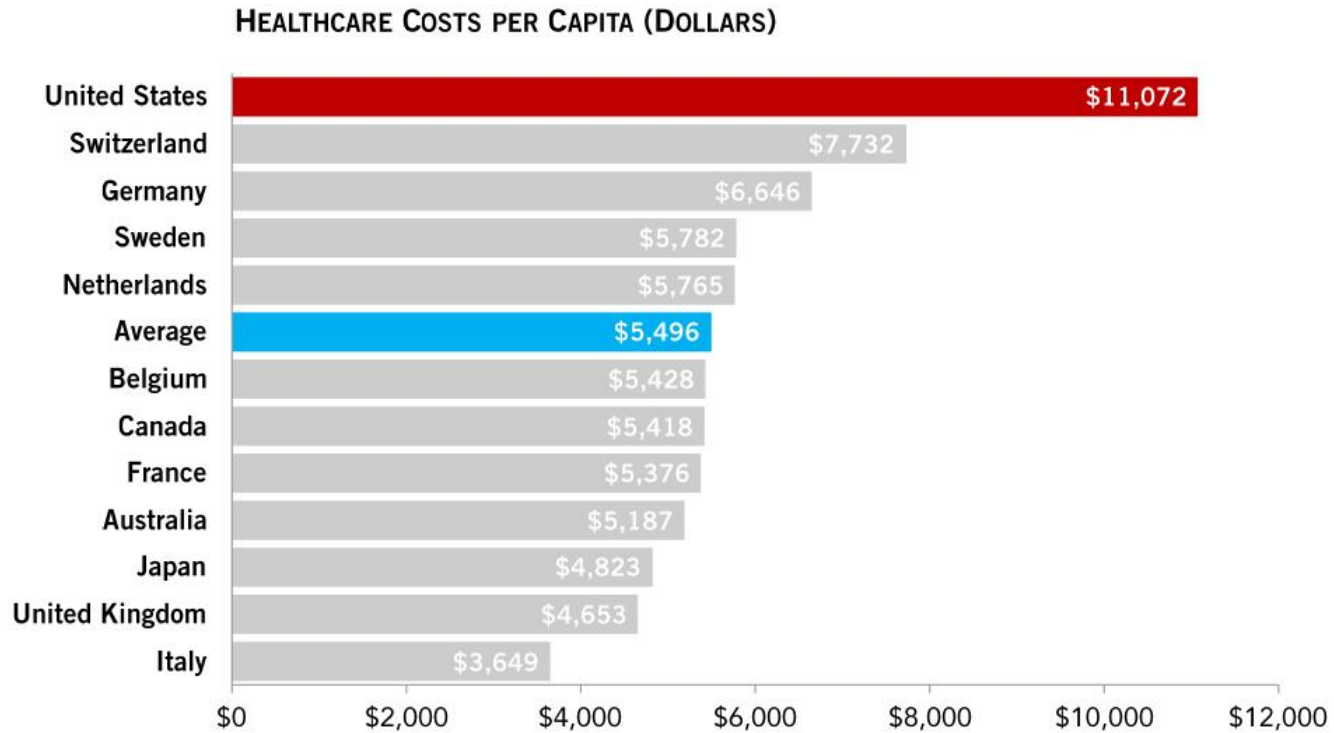
TCPI, DSRIP (Medicaid Reform)



The Value-Based Conundrum



U.S. per capita healthcare spending is almost twice the average of other wealthy countries



SOURCE: Organisation for Economic Co-operation and Development, *OECD Health Statistics 2020*, July 2020.

NOTES: The five countries with the largest economies and those with both an above median GDP and GDP per capita, relative to all OECD countries, were included. Average does not include the U.S. Data are for 2019. Chart uses purchasing power parities to convert data into U.S. dollars.

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PGPF.ORG

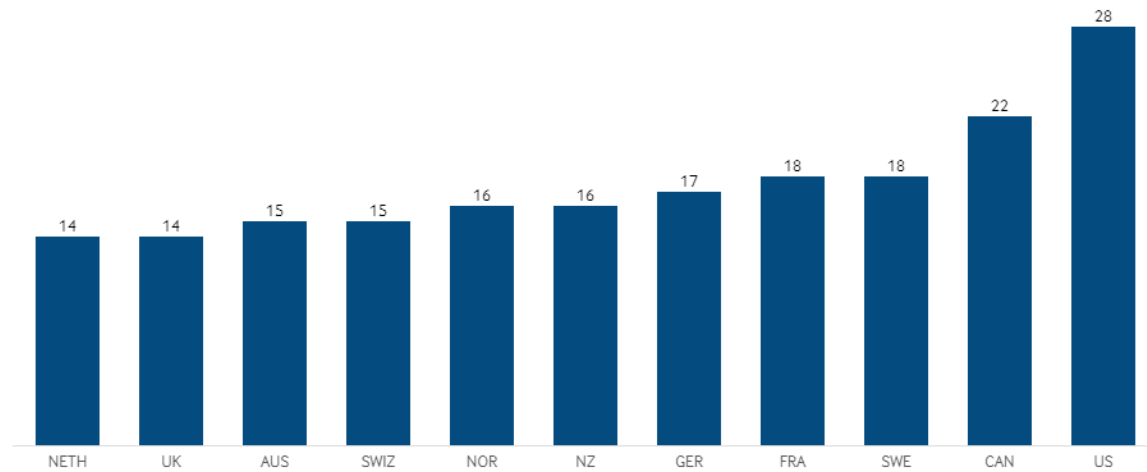
The Value-Based Conundrum

POPULATION HEALTH

U.S. Adults Have the Highest Chronic Disease Burden

Percent (%)

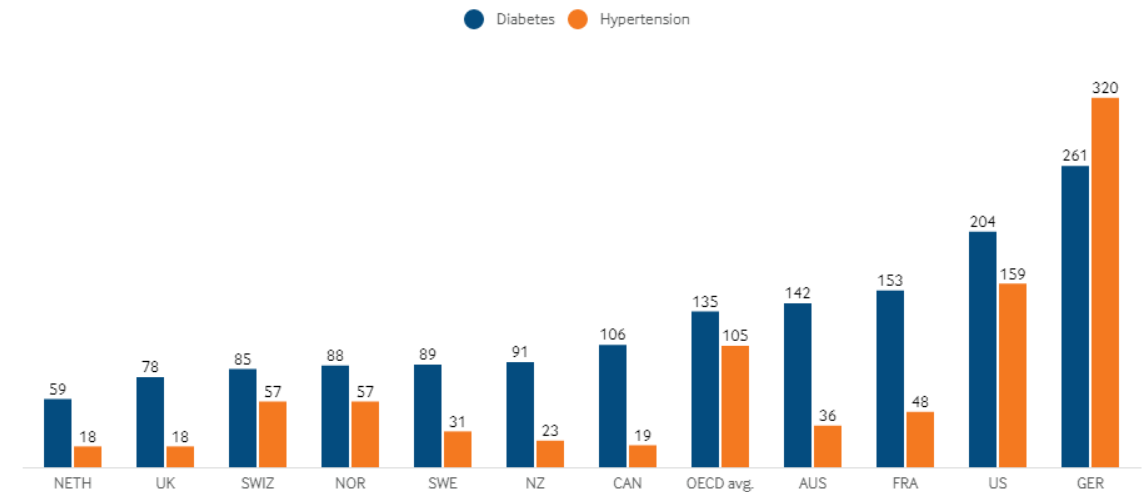
11-country average: 17.5%



QUALITY AND CARE OUTCOMES

The U.S. Has Among the Highest Rates of Hospitalizations from Preventable Causes Like Diabetes and Hypertension

Discharges per 100,000 population



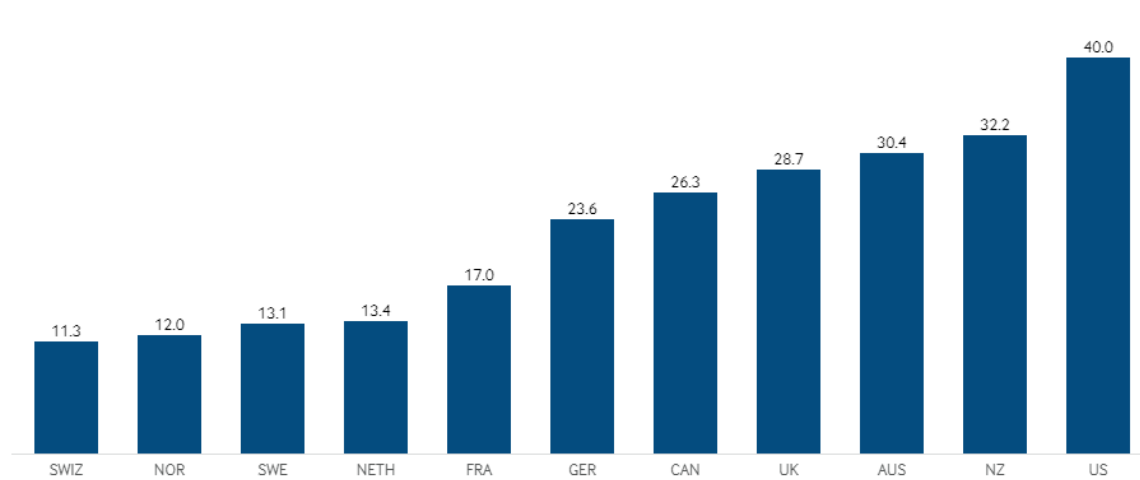
The Value-Based Conundrum

POPULATION HEALTH

The U.S. Has the Highest Rate of Obesity

Percent (%)

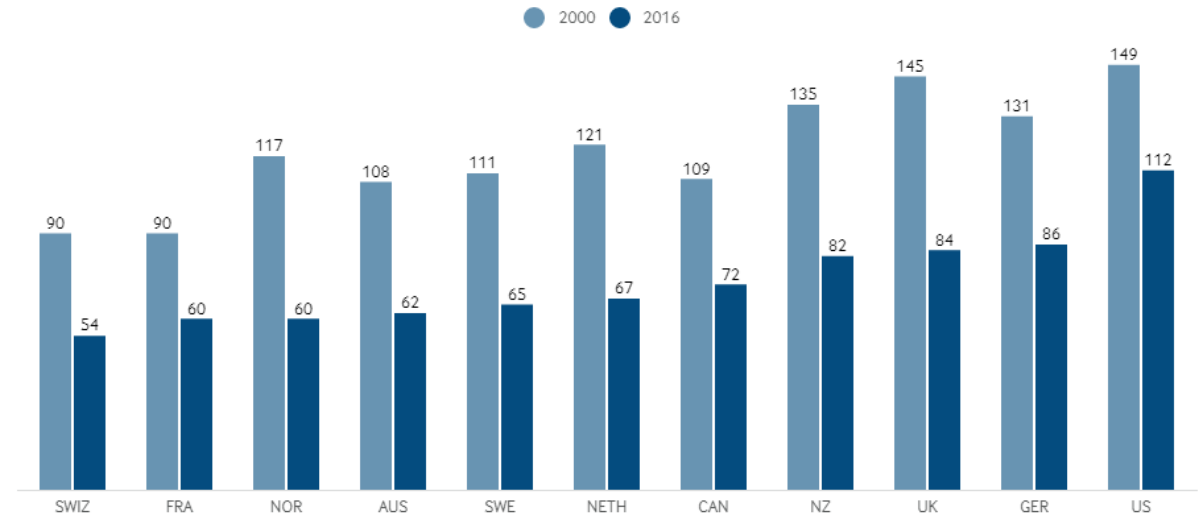
OECD average: 21%



QUALITY AND CARE OUTCOMES

The U.S. Has the Highest Rate of Avoidable Deaths

Deaths per 100,000 population



I am surprised.

**Said no one, ever, who is
working in healthcare in the United States!**

“ **L.A. Care needed a platform** for LAPTN to validate and access data and, more importantly, share that data with clinicians in a manner that allowed them to improve their care quality. **SpectraMedix stepped into the breach...**

The program began in 2015. By the third year of implementation, it had **achieved \$136 million in savings** and met or came close to meeting benchmarks in diabetes and body mass index, as well as others.

Perhaps most importantly, the program has created a lasting culture of **data-driven quality improvement**, which will be key to **achieving value-based care** in L.A. County.

L.A. Care—Results Realized

Measure	Program Goal	Performance Result
Body Mass Index (BMI) Screening and Follow-up	Increase by 10%	Achieved 30%
Diabetes Medical Attention for Nephropathy Monitoring	Increase by 10%	Achieved 15%
All Cause Admissions for Patients with Diabetes & Depression (Inpatient + ER)	Reduce by 20%	Reduced 284% (Year 3)
Medication Reconciliation Post Hospital Discharge (30 Day)	Reduce by 20%	Achieved 37%

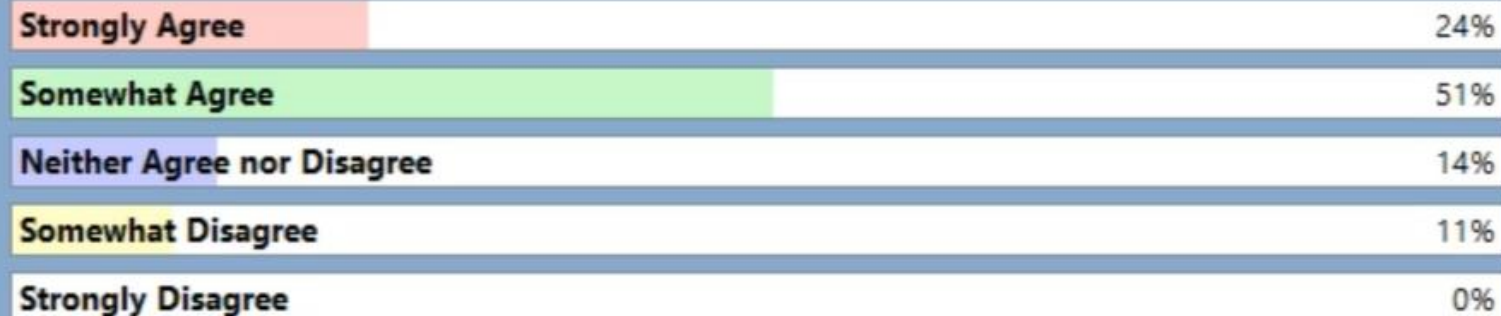
2020 has been quite a year.

What COVID-19 Has Done

- It showed the weakness of Fee-For-Service models
- It's opened the door for more shared “something” arrangements

The COVID-19 Pandemic will accelerate exploration of value-based agreements.

Poll Results (single answer required):



May 2020, Webinar Poll

September 2020 Poll

The COVID-19 Pandemic will accelerate exploration of value-based agreements.

The Opportunity for Payers

- Become enablers
- Direct your focus
- Guide your providers
- Look for win/win scenarios
- Be patient

Three Likely Scenarios for 2021

Based on conditions and factors health plans are experiencing



Use Case 1: Better Contracts

CREATE NEW CONTRACT / MARKET SELECTION / MARKET PARAMETERS

Status Draft	Contract Name Think XXX 2020	Contract Group ACO YYY 2020	Client Type ACO	Contract Template None
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1 Market Selection [COLLAPSE ALL](#)

- Market Parameters
- Financial Benchmark

2 Attribution

- Provider Network
- Attribution Methodology
- Attributed Population

3 Quality

- Measures Selection
- Measure Weights & Domains
- Domain Summary
- Quality Score

4 Contract Terms

- Contract Parameters
- Shared Savings/Loss

5 Budget Setting

- Budget Setting

6 Contract Settlement

- Gross Savings/Loss
- Contract Settlement

Lines of Business (LOB)*	Group Type*	Funding Type	Product Type*
Medicare	Select All	Select All	Select All
Medicare	<input checked="" type="checkbox"/> Select All		
Medicaid	<input checked="" type="checkbox"/> Individual		
Medicare Advantage	<input checked="" type="checkbox"/> Jumbo	Drug Stop Loss Limit	Expense Basis
Commercial	<input checked="" type="checkbox"/> Large Group	\$ Unlimited	Allowed Amount
Add Geography Region + -			
<input type="checkbox"/> State*	ZIP Code*		
<input type="checkbox"/> Select State	Select County	Select Zip Code	⋮

View

Edit

Delete

Use Case 1: Better Contracts

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Benchmark Fiscal Period Paid Date Range: Jan 2015 - Dec 2019




Fiscal Period Start Month (1st Day of Month)*: Length of Period*: Runout Period*:

Market Statistics (Medical)

Statistics	<input checked="" type="checkbox"/> Period 1	<input checked="" type="checkbox"/> Period 2	<input checked="" type="checkbox"/> Period 3	<input checked="" type="checkbox"/> Period 4	<input checked="" type="checkbox"/> Period 5	Selected Period Total
Incurred Date Range	01/19 - 12/19	01/18 - 12/18	01/17 - 12/17	01/16 - 12/16	01/15 - 12/15	01/15 - 12/19
Market Members	302,120	299,212	289,212	279,212	271,212	1,440,968
Market Member Months	3,021,329	2,911,329	2,811,329	2,711,329	2,691,329	14,146,645
Total Medical Expenses	\$1,477,430,787	\$1,387,430,787	\$1,317,430,787	\$1,267,430,787	\$1,217,430,787	\$6,667,153,935
Inpatient	\$492,476,929	\$462,476,929	\$462,476,929	\$422,476,929	\$422,476,929	\$2,222,384,645
Outpatient	\$492,476,929	\$462,476,929	\$462,476,929	\$422,476,929	\$422,476,929	\$2,222,384,645
Professional	\$492,476,929	\$462,476,929	\$462,476,929	\$422,476,929	\$422,476,929	\$2,222,384,645
Stop Loss Adjustment	-\$999,999	-\$999,999	-\$999,999	-\$999,999	-\$999,999	-\$999,999
Stop Loss Adjusted Total Medical Expense	\$99,999,999,999	\$99,999,999,999	\$99,999,999,999	\$99,999,999,999	\$99,999,999,999	\$99,999,999,999
Average Risk Score	1.12	1.12	1.12	1.12	1.12	1.12
Risk-Adjusted Medical PMPM	\$436.61	\$425.50	\$418.41	\$417.37	\$403.89	Risk adjusted?
Number of Months in Period	8	12	12	12	12	56

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Use Case 2: Better VBP Analytics

PLACEHOLDER **Medical Utilization - Summary**   

Spectra Powered By
MEDIX

Inpatient Utilization

Service Category	Admissions	Admissions Per 1000	ALOS	Days	Days Per 1000	\$ Paid Per Admission	\$ Paid Per Day	\$ Total Paid	\$ Paid PMPM
Total	3,198	57	4.70	15,043	267	\$19,249	\$4,092	\$61,557,756	\$90.98
Inpatient ED	881	16	3.55	3,127	55	\$1,218	\$343	\$1,072,995	\$1.59
Maternity	399	7	2.35	939	17	\$8,863	\$3,766	\$3,536,487	\$5.23
Medical	1,745	31	4.93	8,610	153	\$22,224	\$4,504	\$38,781,268	\$57.32
Mental Health	152	3	4.99	759	13	\$10,648	\$2,132	\$1,618,478	\$2.39
Substance Abuse	181	3	5.31	961	17	\$2,521	\$475	\$456,340	\$0.67
Surgical	265	5	4.20	1,113	20	\$28,336	\$6,747	\$7,509,111	\$11.10
Transplants	22	0	4.45	98	2	\$27,766	\$6,233	\$610,843	\$0.90
Unknown	434	8	5.91	2,563	45	\$18,369	\$3,111	\$7,972,233	\$11.78

View
Inpatient Utilization

Performance Period Type
Calendar Year

Performance Period
(All)

ACO
(All)

Performance Month
(All)

ACO Participant TIN
(All)

ACO Provider NPI
(All)

Funding Type
(All)

Market Segment Type
(All)

Product Line
(All)

Network
(All)

Use Case 2: Better VBP Analytics



Provider Outlier Explorer



Percentile

Select Metric: Risk-Adjusted \$Total
 Top
 Bottom
 Top%: 100

Absolute Cut Off

Select Metric 1: Medical Loss Ratio
 Above
 Below
 Above Value: 0

Select Metric 2: Risk-Adjusted \$Rx PMPM
 Above
 Below
 Above Value: 0

Average for all providers

 Average for selected providers
 - - - - -

	Providers	Risk-Adjusted \$Total	Risk-Adjusted \$Total PMPM	Quality & Risk Adjusted \$Total PMPM	Risk-Adjusted \$Medical PMPM	Risk-Adjusted \$Rx PMPM	ED Visits per 1,000 Members	Inpatient Admits per 1,000 Members	Outpatient Visits per 1,000 Members	Medical Loss Ratio
All Providers Average Performance	1,268	\$142,252	\$968	\$3,063	\$855	\$113	268	108	2,090	92.7%
Selected Providers Average Performance	1,268	\$142,252	\$968	\$3,063	\$855	\$113	268	108	2,090	92.7%

ACO Provider NPI	Provider Name	Member Months	Risk-Adjusted \$Total	Risk-Adjusted \$Total PMPM	Quality & Risk Adjusted \$Total PMPM	Risk-Adjusted \$Medical PMPM	Risk-Adjusted \$Rx PMPM	ED Visits per 1,000 Members	Inpatient Admits per 1,000 Members	Outpatient Visits per 1,000 Members	Medical Loss Ratio
0000044887	PROVFIRST003025	7,659	\$3,302,242	\$493	\$5,483	\$394	\$99	109	28	443	113.0%
0000015828	PROVFIRST025369	6,534	\$6,094,380	\$984	\$3,280	\$887	\$97	219	57	731	55.0%
0000025819	PROVFIRST024818	6,492	\$4,922,090	\$806	\$2,179	\$728	\$78	136	42	912	109.0%
0000030754	PROVFIRST036636	6,394	\$2,800,388	\$506	\$1,265	\$398	\$109	112	27	484	113.0%
0000044061	PROVFIRST024710	5,380	\$2,359,158	\$506	\$602	\$426	\$80	78	17	640	114.0%
0000039131	PROVFIRST013755	5,313	\$2,522,613	\$527	\$627	\$426	\$100	230	107	1,514	91.0%
0000023218	PROVFIRST034138	4,579	\$3,256,855	\$786	\$1,455	\$685	\$100	186	82	1,490	59.0%
0000033316	PROVFIRST003432	4,527	\$3,302,062	\$773	\$1,105	\$682	\$92	228	107	1,459	97.0%
0000037188	PROVFIRST034129	4,232	\$3,965,282	\$1,021	\$1,927	\$901	\$121	228	84	1,732	84.0%
0000009909	PROVFIRST034144	4,157	\$4,100,762	\$1,056	\$4,592	\$958	\$98	169	67	2,017	64.0%
0000046603	PROVFIRST002804	3,935	\$3,754,592	\$978	\$1,179	\$913	\$66	161	55	2,830	114.0%
0000020953	PROVFIRST019940	3,687	\$3,396,824	\$990	\$1,571	\$843	\$147	183	71	1,885	101.0%

Sort By
 Member Months

Performance Year
 2019

ACO
 (All)

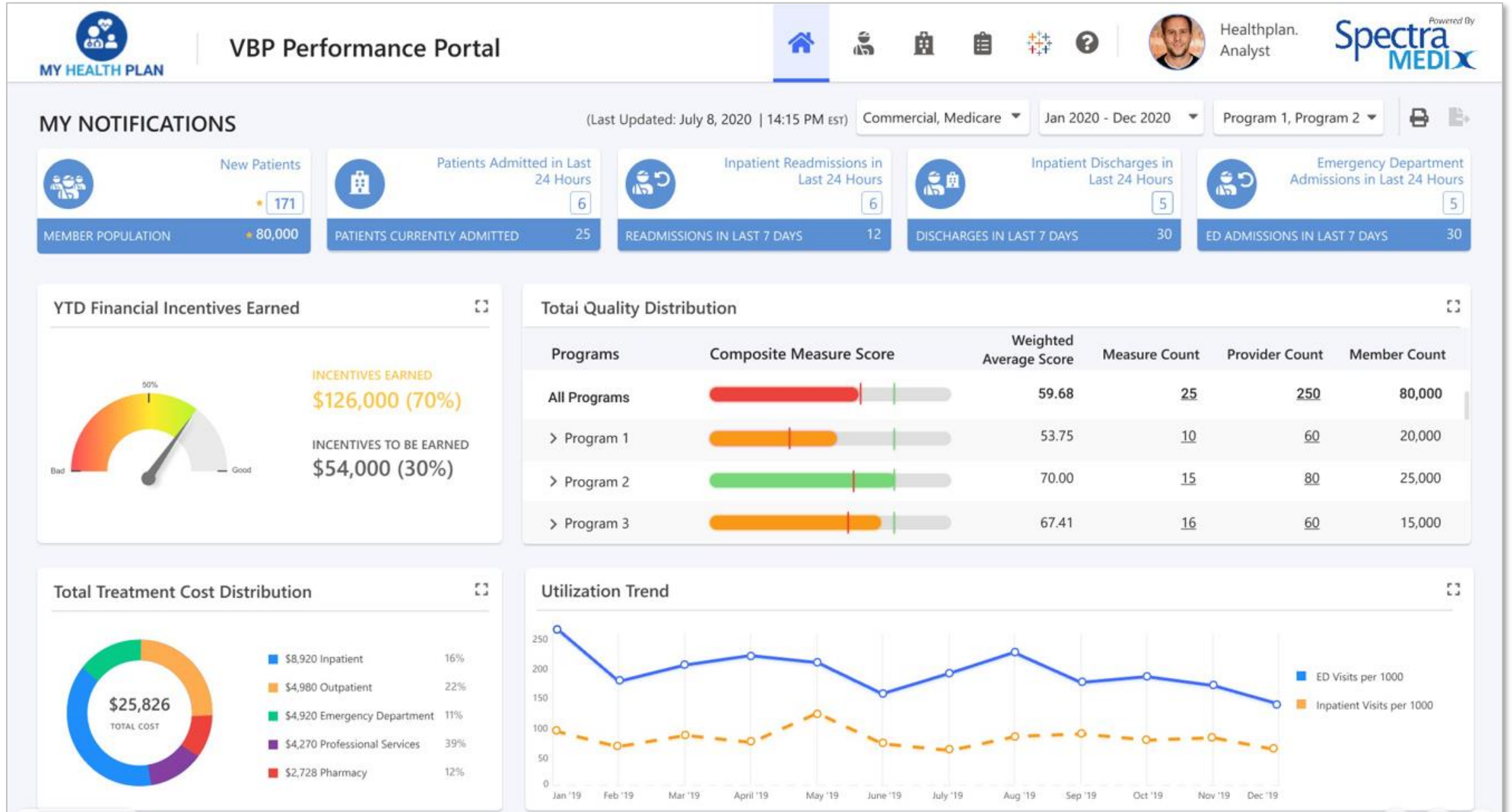
ACO Participant TIN
 (All)

Provider Specialty
 (All)


ACO Provider NPI
 (All)

Member Months
 1 7,659









Use Case 3: Better Provider Engagement



Use Case 3: Better Provider Engagement



VBP Performance Portal

MY PATIENTS (Last Updated: July 8, 2020 | 14:15 PM EST) Commercial, Medicare Jan 2020 - Dec 2020 Program 1, Program 2

New Patients 171

MEMBER POPULATION 80,000

Patients Admitted in Last 24 Hours 6

PATIENTS CURRENTLY ADMITTED 25

Inpatient Readmissions in Last 24 Hours 6

READMISSIONS IN LAST 7 DAYS 12

Inpatient Discharges in Last 24 Hours 5

DISCHARGES IN LAST 7 DAYS 30

Emergency Department Admissions in Last 24 Hours 5


ED ADMISSIONS IN LAST 7 DAYS 30

[NPI 1](#) / Member List 🔍







Member ID	First Name	Last Name	Last Point of Contact	Line of Business	Major Chronic Condition	Risk Score	Gaps Open	HbA1c	Eye Exam	Nephropathy Test	BP Check	Medication Adherence
346829	KAILA	FULLER	Inpatient	Commercial	Diabetes	13	4	⚠️	N/A	N/A	N/A	N/A
423850	CADE	RICHMOND	Outpatient	Medicare	Diabetes	4	1	✅	N/A	N/A	N/A	N/A
493258	TESS	KIRBY	Emergency	Medicaid	Diabetes	6	4	N/A	⚠️	⚠️	N/A	N/A
238593	ROYCE	SANFORD	Inpatient	CHIP	COPD	12	6	N/A	✅	⚠️	✅	✅
638597	CALE	REED	Outpatient	TANF	Hypertension	3	1	✅	✅	✅	✅	📅
568599	RILEY	KENT	Emergency	Commercial	Hypertension	15	1	📅	✅	✅	N/A	N/A
238545	SKYLER	CRAIG	Inpatient	Medicare	COPD	3	1	N/A	N/A	N/A	N/A	N/A
423851	VALENTIN	POWERS	Outpatient	Commercial	COPD	12	1	✅	N/A	✅	⚠️	⚠️
423851	EZEQUIEL	HOLLAND	Emergency	CHIP	Hypertension	3	2	⚠️	N/A	⚠️	N/A	N/A
423851	MCKAYLA	WU	Emergency	TANF	COPD	15	1	📅	✅	N/A	N/A	N/A


First « 1 2 3 4 5 » Last

Use Case 3: Better Provider Engagement




VBP Performance Portal











Healthplan Analyst



← NPI 1 SUMMARY (Last Updated: July 8, 2020 | 14:15 PM EST) YEAR TO DATE All KPI



Dr. JOHN BURNS
Internal Medicine
+1 (503) 262-7036
John.burns@gmail.com

PROVIDER ID: 346829
QUALIFICATION: ABIM
EXPERIENCE: 8 Years

OFFICE LOCATION 1: 7330 Cherry St.
Buford, NJ 30518

OFFICE LOCATION 2: 677 Acacia Street
Williamstown, NJ 08094


OFFICE LOCATION 3: 7378 Bayport Circle
Grand Haven, NJ 49417

TOTAL MEMBER POPULATION

300

AVERAGE HCC RISK SCORE

78.04




TOTAL QUALITY SCORE

58.43%

Baseline Score	Target Score
92.00%	70.00%


YTD Financial Incentives Earned



Incentives Earned: **\$9,662 (83.62%)**

Incentives To Be Earned: \$1,892

Total Treatment Cost Distribution



\$25,826
TOTAL COST

\$8,920 Inpatient	16%
\$4,980 Outpatient	22%
\$4,920 Emergency Department	11%
\$4,270 Professional Services	39%
\$2,728 Pharmacy	12%

Quality Domains and Measure Performance

Composite Measure Score: **58.43%** Weighted Baseline Score: **92.00%** Weighted Target Score: **70.00%**

Domain and Measures	Average Score	Baseline Score	Target Score
Effectiveness of Care	7.76%	5.56%	70.00%
Effectiveness of Care	90.49%	88.53%	70.00%
Respiratory Conditions	80.67%	77.68%	70.00%
Asthma in Younger Adults Admission Rate	7.76%	5.56%	70.00%
Chronic Obstructive Pulmonary Disease (COPD) or Asthma in Older Adults Admission Rate	90.49%	88.53%	70.00%
Cardiovascular Conditions	80.67%	77.68%	70.00%
Diabetes	7.76%	5.56%	70.00%
Access/Availability of Care	80.76%	77.68%	70.00%

Getting Ready for VBP in 2021

- Faster move to VBP arrangements
- Payer transition to the role of enabler
- Targeting specific populations creates tangible impact
- Different business lines have different drivers

Thank You

Chris Bethell

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