Value Incentives and System Action Collaborative: Overcoming Barriers
MedStar Health

- **Patient-first Philosophy**
- 5.5 billion, not-for-profit, regional healthcare system
- 9 Acute Hospitals
- 1 Rehabilitation Hospital
- Georgetown University School of Medicine
- 31,000 Associates
- 5,400 physicians
- 1,100 residents/fellows – 11th largest GME program in the country
- 176,561 Inpatient admissions and observation stays
- 4,643,474 Outpatient visits

MedStar Health Research Institute
MedStar Institute for Innovation (MI2)
National Center for Human Factors in Healthcare
MedStar Institute for Quality and Safety

Knowledge and Compassion **Focused on You**
Maryland Total Cost of Care Waiver

- Hospitals in Maryland are paid all-payer, population-based payments (Global Budget Revenue) determined by the HSCRC
- New model that started January 1, 2019
  - State-wide savings target of $300 million over 5 years
  - Puts hospital revenue at risk for the total cost of attributed Medicare populations (1-2% of Medicare revenue)
  - Creates care transformation programs to encourage moving from volume to value
“Everybody is a part of the problem, and everybody is a part of the solution”
Complexity

• It is difficult to motivate behavior change when it takes a 100-slide deck to explain why

• The devil is in the details
  – Attribution, benchmarking, risk adjustment
Unclear Financial Alignment

• Up front costs with unclear gains
  – Timeframe for reconciliation payments
  – Complexities to the models

• Living in two worlds
  – Large fixed costs of hospitals, complicated regulated space policies

• Clinician alignment
Thorny Logistics

• Data incorporation and sharing
• Billing infrastructure
• Reconciling P&L’s
• Patient attribution and census management
It’s About the Patient Too

- Hard to engage in value based care without also driving business to reward your value
- Hard to engage in care management when you can’t manage all the care of your patient
The Path Forward

• Make the right thing to do the easy thing to do
  – Easy for patients and their families
  – Easy for providers to care for patients

• This means:
  – Health system leadership and investment
  – Financial alignment and incentivization
  – Accurate risk stratification, referral workflows, attribution
  – Improved data interoperability, analytical capabilities, accuracy