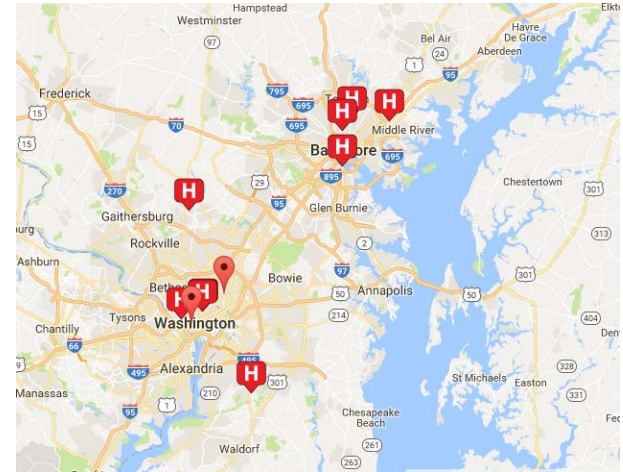


March 11, 2020

# 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 –11<sup>th</sup> 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**

# 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

