The Medical Group Practice in Value-Based Insurance Design

Patrick Carter, MD, MBA, FAAFP
Medical Director, Care Coordination and Quality Improvement
Kelsey-Seybold Clinic

(At Least Part of) The Problem…

- “That any sane nation, having observed that you could provide for the supply of bread by giving bakers a pecuniary interest in baking for you, should go on to give a surgeon a pecuniary interest in cutting off your leg, is enough to made one despair of political humanity”
  -George Bernard Shaw, 1911

Physician-Generated Demand

- Much of physician ordering is discretionary
- Physicians can and do order more tests, procedures, visits, etc. when they receive financial rewards for doing so in fee-for-service system
- The physician is an “agent” of the patient; important to ensure physician is acting in patient’s best interest
- Fee-for-service reimbursement introduces possible conflict of interest

Value-Based Provider Network

- It is very difficult to control cost and ensure quality of healthcare without directing patients to providers practicing evidence-based, cost-effective medicine
- Physician ordering accounts for over 85% of health care costs
- 20-30% of physician ordering is for unnecessary "care"

Value-Based Care

- A way to neutralize the incentive for physicians to do unnecessary "care" inherent in the fee-for-service environment
  -Alternative payment methods, including capitation
- A way to control the costs of health care while not adversely affecting quality
  -Utilization management
- A systematic approach to the delivery of health care resulting in improved quality and outcomes
  -Disease Management and case management

KelseyCare Powered By Cigna

- Partnership between Kelsey-Seybold Clinic and Cigna since 2008
- Limited provider network- Kelsey-Seybold Clinic
- Capitated payment (not fee-for-service) to Kelsey-Seybold Medical Group
- City of Houston has offered since May, 2011

Capitation

- Paying groups of physicians a certain amount per member per month to provide all professional services to a given population
- Eliminates the financial incentive to overutilize present in the FFS system
- Kelsey-Seybold successfully managing capitated arrangements since 1984

What Prevents Underutilization?

- Quality measurement and reporting
- Reputation: Brand-name effect
- Patient satisfaction
- Avoiding incentivizing individual physicians to withhold care

Paying Physicians Under Capitation

- Physicians are not capitated (no incentive to withhold care)
- Predominantly salary with modest productivity incentive
- No physician payment for testing, referrals

Reducing Unnecessary "Care"

- Emphasize evidence-based/cost-effective care from date of hire
- No drug samples/drug reps in clinic
- Ongoing education on evidence-based medicine

Point-of-Service Promotion of Evidence-Based Ordering

Xxxtest, Irene
Female, 74 year old, 06/10/1939
My Sticky Note:

Allergies
Unknown: Not on...
MyChart: Inactive
MRN:

PCP: None

Code Status: FULL
Pt Type: Test Patient

Insurance: PHCS

10/23/2013 visit with Victor Simms, MD,MPH,FACP for Office Visit

? Resize

Images Questionnaires Admin Benefits Inquiry References Import Open Orders Care Teams Print AVS More

SnapShot
Chart Review
Flowsheets
Results Review
Allergies
History
Problem List
Implants
Demographics
Letters
Medications
Order Entry
Enter/Edit Results
Immunizations
Level of Service
Patient Education
Visit Navigator
More Activities

Nursing
Referring Provider
Chief Complaint
Allergies
Vitals
Waist Circumference
Med Reconciliation
Hearing/Vision
Nursing Notes
Filed Documents
Results Console
MKO Sign-up

Charting
Problem List
BestPractice
SmartSets
Meds & Orders
Dx and Orders
Progress Notes
H&P Notes

Discharge
Pt. Instructions
LOS & Follow-up
LOS
Follow-up
Print AVS
Close Encounter

Documentation

BestPractice Advisories

This patient has not had an A1C lab in the past 10 weeks.
Acknowledge reason:
Performed Externally | Pt Refused | Other | Defer today
Place order: HEMOGLOBIN A1C
Order Entry

This patient has not had a Microalbumin/Creatinine Ratio test in the past 11 months.
Acknowledge reason:
Performed Externally | Pt Refused | Other | Defer today
Place order: UR MICROALB/CREAT RANDOM
Order Entry

This patient has not had a Serum BUN/Creatinine test in the past 11 months.
Acknowledge reason:
Performed Externally | Pt Refused | Other | Defer today
Place order: BASIC METABOLIC PANEL (8)
Order Entry

This patient has not had a Lipids test in the past 11 months.
(No related orders found in patient record)
Acknowledge reason:
Performed Externally | Pt Refused | Other | Defer today
Place order: LIPID PANEL
Order Entry

Utilization Management

- Ensures appropriate usage of high-cost services
  -Surgery
  -Non-surgical procedures (colonoscopy, heart cath, etc.)
  -Advanced imaging (MRI, nuclear med, PET/CT)

How Important is Utilization Management?

- Relative importance in controlling cost and improving quality:
  -Utilization management: ≤ 10%
  -Limiting network to evidence-based, cost-effective providers: ≥ 90%

Disease Management

- Tracks patients with certain chronic diseases
- Identifies patients who are out of compliance for visits, testing
- Letters, e-mails, phone calls to patients
- Case managers/coaches for individual patients

Practice-Based Disease Management at Kelsey-Seybold

- Continuous program: Disease management never stops as long as patient of KS
- Comes directly from physician's office:
  -Caller ID says "Kelsey-Seybold," patient more likely to answer
  -Communicate electronically through MyKelseyOnline

Practice-Based Disease Management at Kelsey-Seybold

- Case managers/health coaches have real-time access to patients electronic medical record
  -Direct access to diagnostic tests, physician's notes, etc.
  -Able to make appointments directly if needed
  -Direct communication/influence with physician about challenging patients

Outreach to City of Houston Employees

- Worksite education/lectures by Kelsey-Seybold providers
- Worksite wellness/health screening/flu shots
- COH-specific messaging to patients at time of office visits

“Voting With Their Feet”

- COH Enrollment in September, 2015

Product	Enrollment	Share
Open Access PPO:	8,569	15.9%
High-Deductible	4,217	7.8%
Non-Kelsey Limited	2,705	5.0%
KelseyCare	38,333	71.2%

COH Diabetes Par vs Non-Par

	Par	Non-Par
Number of Patients	2321	653
Diabetes Control:		
Excellent (A1c <7)	55.6%	0.0%
Good (A1c <8)	81.6%	0.0%
Poor (A1c >9)	8.6%	73.1%
Unknown	1.9%	3.4%