Volume to Value: The Transition to Value Based Healthcare

Vaco Healthcare | 2016 | Insight Series
Presented by: Peyman Zand, Vaco Healthcare Partner
Today’s Agenda

- Introduction
- Value Based Healthcare
- Trends
- Leveraging Tools – Data, IT & Patient Relationships
- Strategic Plan For VBH Operations
Introduction

Peyman Zand, Vaco Healthcare Partner

- 20+ years industry experience.
- Developed the methodology and structure for major systems implementations, M&A and managing regulatory changes.
- Track record of streamlining business and technical processes and reducing operating costs.
- Operated successful Project Management Organizations (PMO) for global Fortune 100 companies and the healthcare industry.
- Certified in Six Sigma and ITIL.
Value Based Healthcare (VBH) is the delivery of evidence based treatments through which providers are compensated for the results in improved patient outcomes.

Accomplished through:

- Safety for patients (and providers)
- Appropriate medically driven diagnostic and treatment plans
- Effective and efficient delivery of care
- Established health and financial metrics
20 Year Reimbursement Trends

Commercial is down by 7% while Medicare & Medicaid is up by 10%.
Quality Improvement Cycle

Leveraging Current Data to Your Advantage

Clinical & Financial Collaboration

- Financial Performance
- Performance Tracking
- Service & Patient Center
- Standard Processes
- Value Based Purchasing

Start Here
You primary asset is DATA

- RCM & EHR systems collect demographic and financial data
- Reporting tools allow you to track patient’s health information and trends

Use this data to manage incentive programs, risk sharing and savings in key areas:

- Concentrate in one area at a time
- Viewing the costs at the enterprise level may be misleading
- Develop high confidence in current Goods and Services cost data
Use existing data to target your most expensive patient population

- Look for opportunities for spending reductions and identify savings
- Use the savings for incentive and bonus programs for practitioners

Taming the COST beast

- Develop understanding of the true cost of current state care delivery
- Controlling volumes = controlling costs
- Monitor cost through the patient care “lifecycle”
- Use Six Sigma and Lean methodologies to analyze performance and adjust current programs
Targeted IT Investments

• Data Mining Analytics Tools
• Optimization Software
• Modern Cost Accounting Systems
• Collaborative Purchasing Systems
• Population Health Systems
• Case Management tools for Transition Of Care & Post Treatment Management
• Patient Portals and Kiosks
• Health Information Exchange (HIE) Systems
The Value Equation

For the patient this means:

- Recognizing and understanding patient preferences and wishes
- Safe, effective and appropriate care at reasonable cost

For the providers and practitioners this means:

- Practicing evidence based medicine & delivering proven results
- Closely tracking complications and readmissions

QUALITY over COST

VALUE = HEALTH / $$$
Start with Clinical Treatments and Outcomes

1. Work with practitioners to standardize treatment programs with proven clinical results
   • Identify and highlight practitioners that deliver quality outcomes at reduced cost

2. Review the costs associated with lines of treatment, such as surgery
   • Standardize your surgical sets
   • Partner with others to leverage supply purchasing economies of scale
   • Automate scheduling of all physical resources to gain efficiencies

3. Streamline supporting operations
   • Concurrent coding within your EHR system
   • Use pre-claim production edits
   • Use electronic claim submission
1. Develop a RACI (Responsible, Accountable, Communicated, Informed) matrix

2. Develop a comprehensive communication plan

3. Plan for a new Revenue Cycle structure

4. Create cross-functional teams

5. Increase alignment between:
   • Clinical Leadership
   • Finance
   • Care Management
   • Quality
   • Contracting
Plan for Dual Operations

Volume and Value Teams

- Align back office staff to each track and adjust as time progresses
- Consider separating out payers that operate in the VBH space
- Leverage general ledger systems for dual reporting
- Use separate marketing efforts for each track
- Consider reporting needs and establish metrics for successes and failures
Building Relationships with Patients

*From Reactive to Proactive Care*

1. Train staff to better capture patient demographic data

2. Leverage clinical data to set proper expectations (care & cost)

3. Incorporate Care Management programs earlier in the patient interaction process (e.g., pre-op)

4. Provide patients with the following information:

   - New pricing model for the proposed services
   - Clinical Quality data and results for similar services
   - Demonstrate that your Costs and Care are better than the competition
Strategies for Revenue Cycle Management

1. Work collaboratively with payers
2. Be knowledgeable about the chronic disease populations you serve
3. Optimize operations and control costs TODAY
4. Enhance coordination of care; use data & analytics to implement new care delivery models
5. Use incentives to improve care delivery and drive down costs
6. Align Finance, Care Management, Quality and Contracting groups

7. Plan for duality of RCM environments

8. Educate and communicate with your patient population

9. Leverage Population Health data in your marketing efforts

10. Seek and work with organizations that have success in VBH implementation
Thank You.

Peyman Zand
pzand@vaco.com
615-651-7880
About Vaco

Pedigreed players with deep industry experience in the discipline they serve.

Cutting-edge technology-driven tools, national reach with boutique service, and a collective network of professionals

Entrepreneurial culture and nimble management allows Vaco to create successful partnerships with clients to find the right customized solutions

Vaco has been listed to Inc. magazine’s list of the fastest-growing private companies in the country for the past 9 years