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HEALTH



Getting Downside Risk Right

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PREPARED FOR

The Governance Institute Leadership Conference
SEPTMEBER 2021

1

Agenda

WHAT'S THE PROBLEM?

VOLUME & VALUE

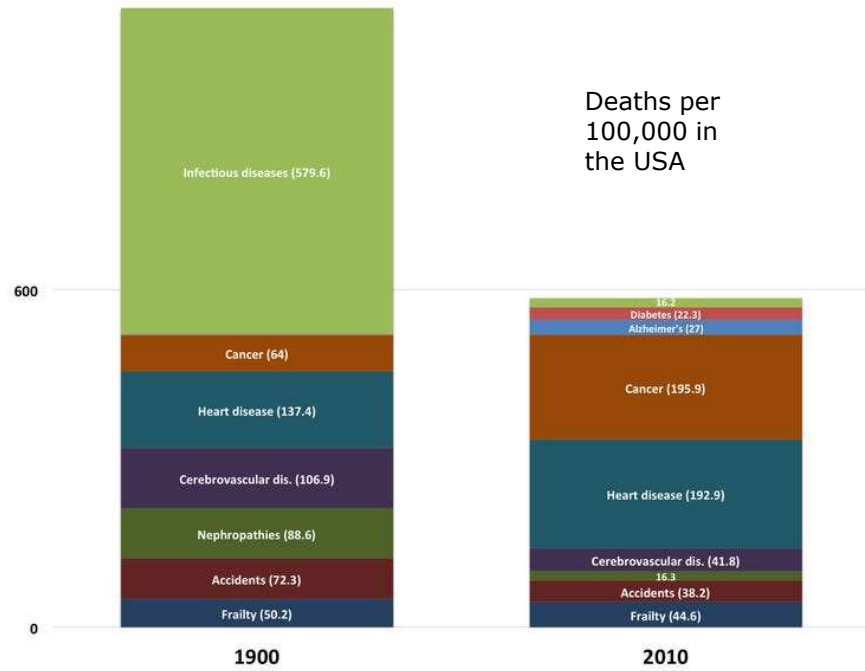
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WHAT'S NEXT



2

Disease Changes



3

Clinical Practices Change



Courtesy of John Verano.



<http://www.general-anaesthesia.com/images/amputation.jpg>



Courtesy of Rotary International PolioPlus.

TGI | September 2021

Page 4

4

Change Takes Time

Year: 1982

Problems

- Anesthesia-related death 1 in 5000
- Malpractice premiums skyrocket



What happened?

Year: 2007

Solutions

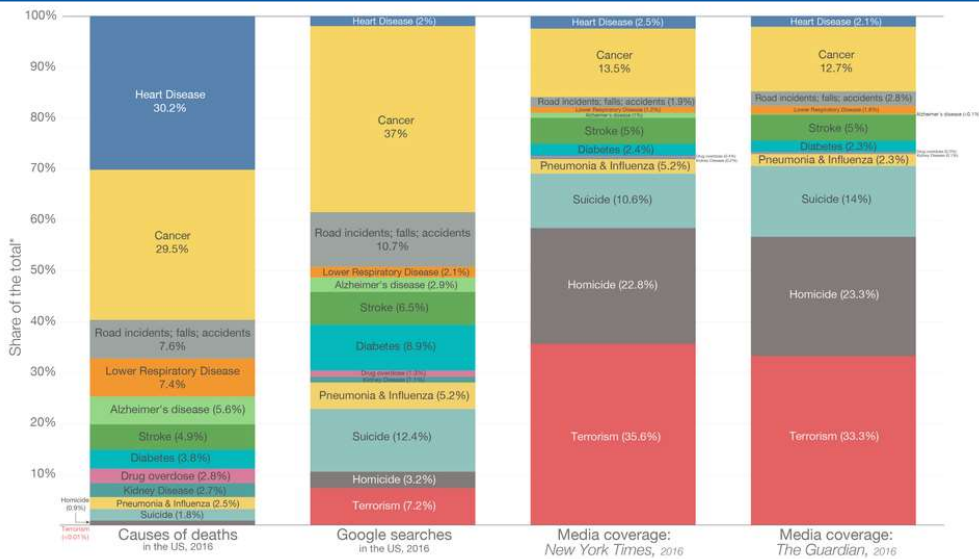
- Anesthesia-related death 1 in 250,000
- Malpractice premiums lowest of medical specialties

Systems and Technology Improved Care

- APSF developed a database of closed malpractice claims to identify trends
- ASA enables launch of stand-alone foundation dedicated to patient safety
- APSF admits doctors, nurses insurers and companies to support safety-focused research
- APSF accelerated adoption of safety innovations by working with the ASA and making them part of society guidelines
- Innovation: Invented high-tech mannequins
- Innovation: Supported development of pulse oximetry and capnography

5

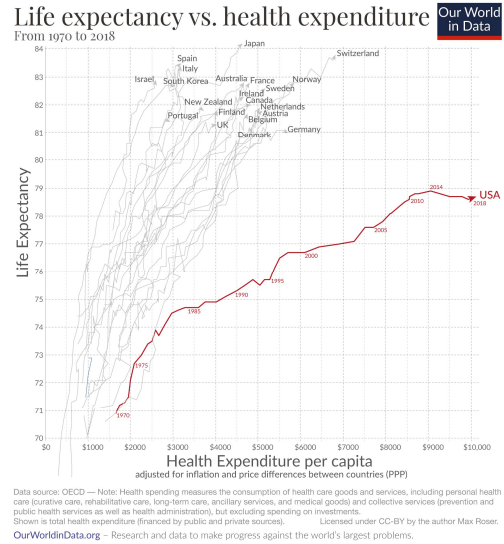
Are We Putting Effort In The Right Areas?



6

We Have A Systemic Problem

- The U.S. spends nearly twice as much as the average OECD country — yet has the lowest life expectancy
- The U.S. has the highest chronic disease burden and an obesity rate that is two times higher than the OECD average
- Americans had fewer physician visits than peers in most countries
- Americans use some expensive technologies, such as MRIs, and specialized procedures, such as hip replacements
- Compared to peer nations, the U.S. has among the highest number of hospitalizations from preventable causes and the highest rate of avoidable deaths.



7

Crisis Can Bring Rapid Changes

Pandemic	% of population	Death toll	Population Est.	Year of Pop. Est.
BLACK DEATH	51.0%	200Mn	0.39Bn	1300¹
PLAGUE OF JUSTINIAN	19.1%	40Mn	0.21Bn	500
SMALL POX	12.1%	56Mn	0.46Bn	1500
ANTONINE PLAGUE	2.6%	5Mn	0.20Bn	200
SPANISH FLU	2.5%	45Mn	1.82Bn	1919
THE THIRD PLAGUE	1.0%	12Mn	1.26Bn	1850
HIV/AIDS	0.7%	30Mn	4.46Bn	1981
COVID-19	0.04%	3.5Mn	7.90Bn	2021 (May)

SOURCE: CDC, WHO, BBC, Wikipedia, Historical records, Encyclopaedia Britannica, Our world in data

8

Agenda

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VOLUME & VALUE

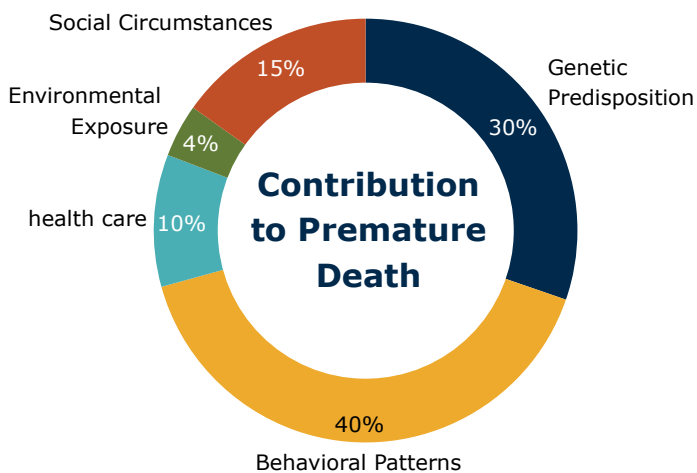
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9

The State Of US Health

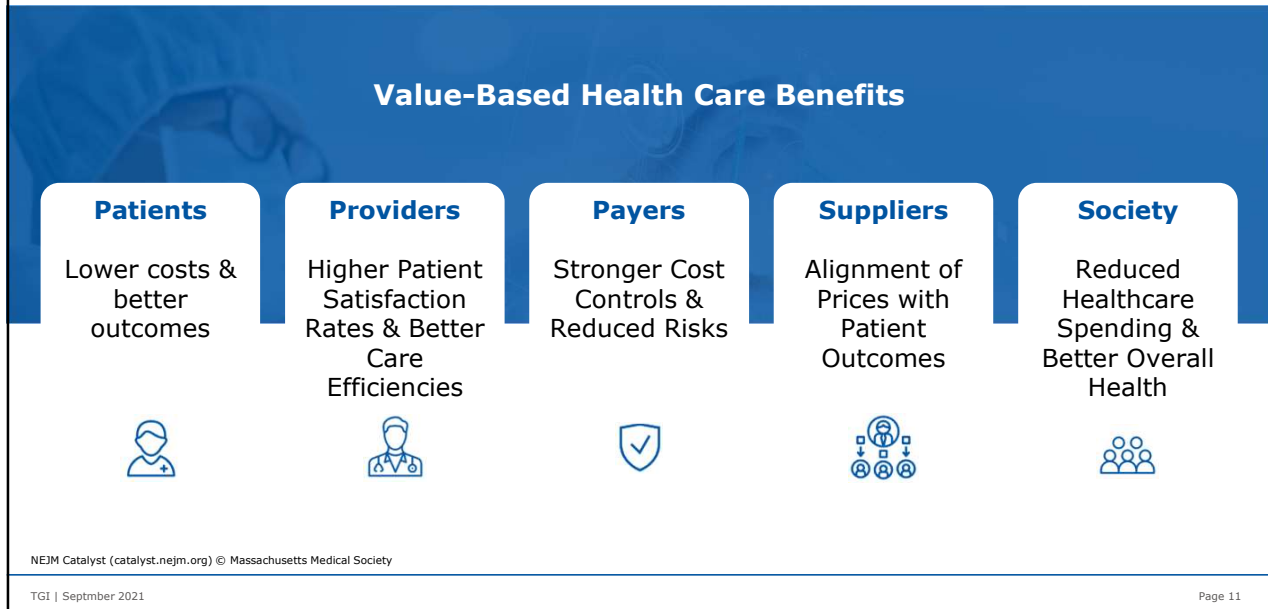


Key drivers of health status

-  Obesity
-  Physical Inactivity
-  Smoking
-  Stress
-  Aging

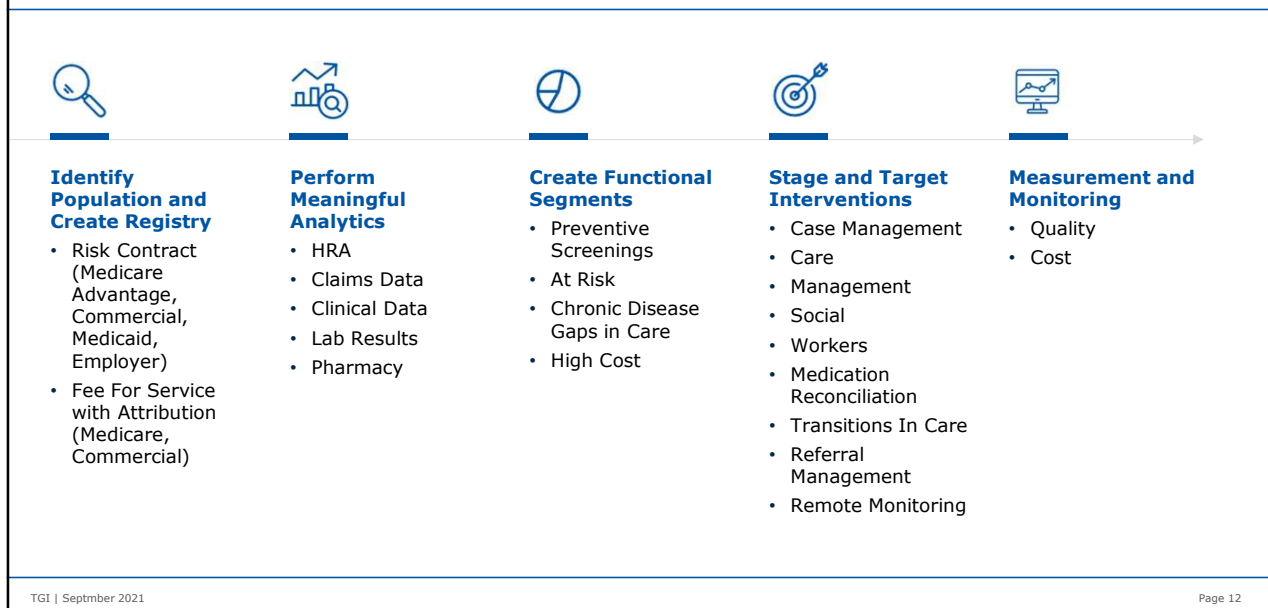
10

Value Based Health Care Is Different



11

The Process for Value Care Delivery



12

Proven Strategies and Operations To Deliver Value Based Care

- Focused on better supporting physicians
- Improved patient relationships, including increasing the number of annual wellness visits
- Doing a better job of managing beneficiaries with costly or complex care needs
- Managing hospitalizations, working to reduce avoidable hospitalizations, and finding alternatives to the emergency department
- Managing relationships with skilled nursing facilities and home health by creating lists of preferred providers and doing warm handoffs into and out of post-acute care
- Working to address behavioral health needs and the social determinants of health
- Using technology to improve care coordination and overcome interoperability issues.



<https://oig.hhs.gov/oei/reports/oei-02-15-00451.pdf>

TGI | September 2021

Page 13

13

Current State of Value-Based Care: A Mixed bag

As of 2019, the CMMI (Center for Medicare and Medicaid Innovation) launched no less than

50 alternative payment models

- Medicare
- ACOs
- bundled payment
- medical homes

ACOs have been the most successful model

NAACOS says the Medicare Shared Savings Program is largest and most successful value-based payment system

serving **10M** seniors

saved Medicare **\$4.1** billion overall

\$1.9 billion after accounting for shared savings payments

ACOs hit an average quality score of

97.8 percent

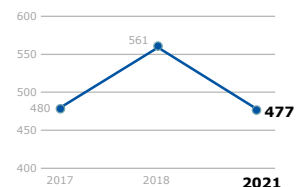
60 ACOs earned a perfect score of **100**

↑ An improvement over the \$2.6 billion and \$1.2 billion in gross and net savings MSSP created in 2019, making 2020 the best year yet for ACOs.



Yet ACO participation has declined over the past 2 years

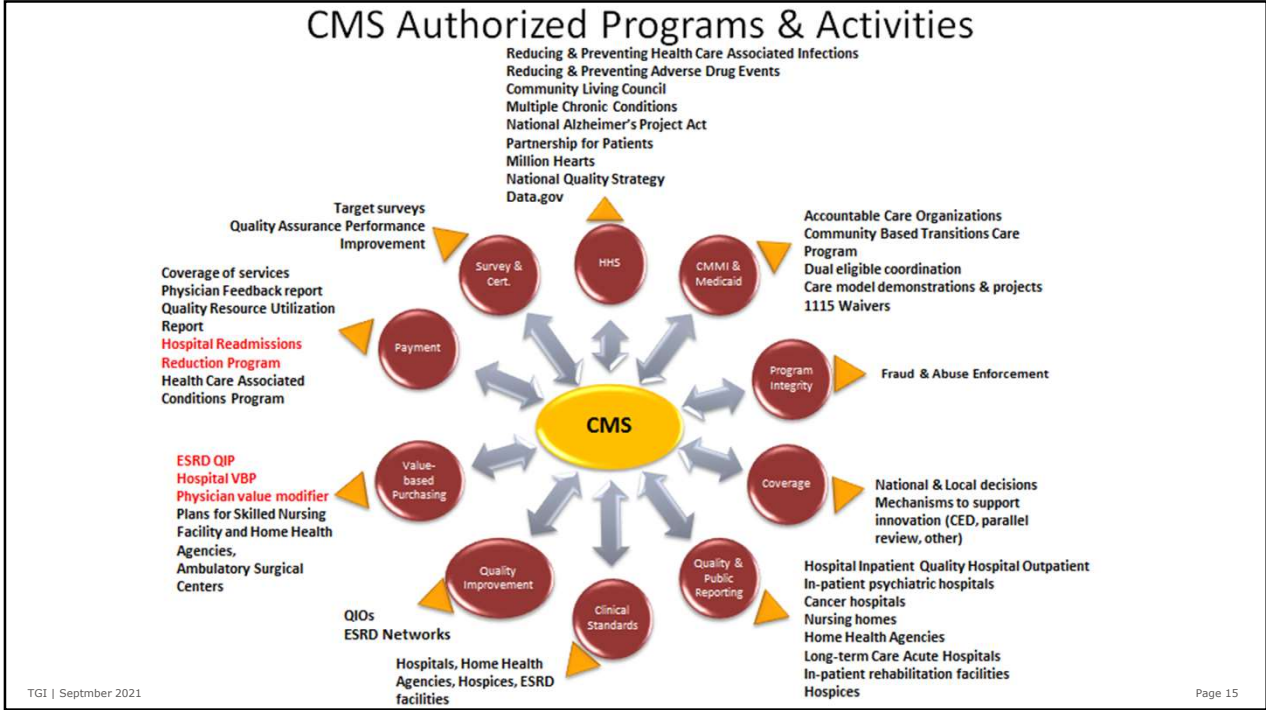
ACOs participating in the Medicare Shared Saving Program (MSSP)



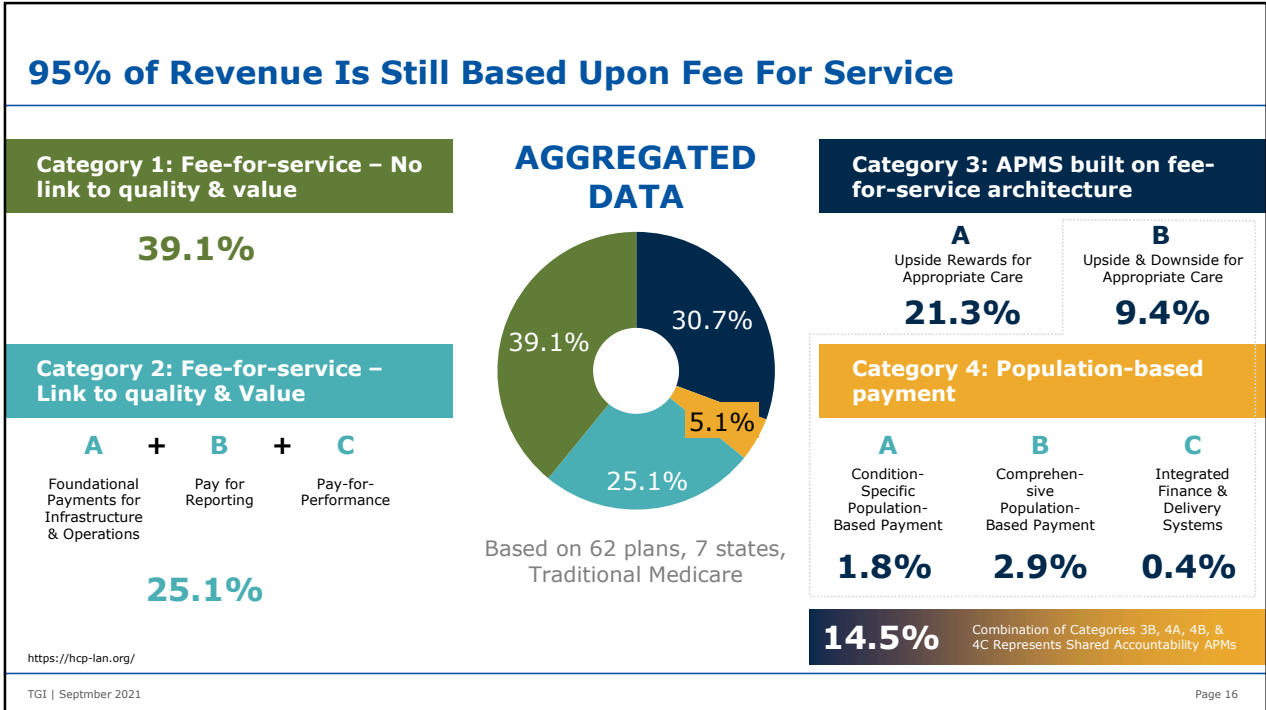
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Page 14

14



15



16

Strategies for Transitioning to Value-Based Care Can Also Support Fee For Service

Focused on better supporting physicians



Improved patient relationships, including increasing the number of annual wellness visits

Doing a better job of managing beneficiaries with costly or complex care needs



Managing hospitalizations, working to reduce avoidable hospitalizations, and finding alternatives to the emergency department

Managing relationships with skilled nursing facilities and home health by creating lists of preferred providers and doing warm handoffs into and out of post-acute care



Working to address behavioral health needs and the social determinants of health

Using technology to improve care coordination and overcome interoperability issues.



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TGI | September 2021

Page 17

17

Agenda

WHAT'S THE PROBLEM?

VOLUME & VALUE

ROLE OF DIGITAL

WHAT'S NEXT



TGI | September 2021

Page 18

18



19



20

Storage and Retrieval of Information Is A Longstanding Challenge



4.5 MB Data
62,000 punched cards
1955

21

Healthcare technological growth

Data from
medical
facilities

2,314
exabytes in 2020

153
exabytes
in 2013

every patient generates

80MB
of data annually

22

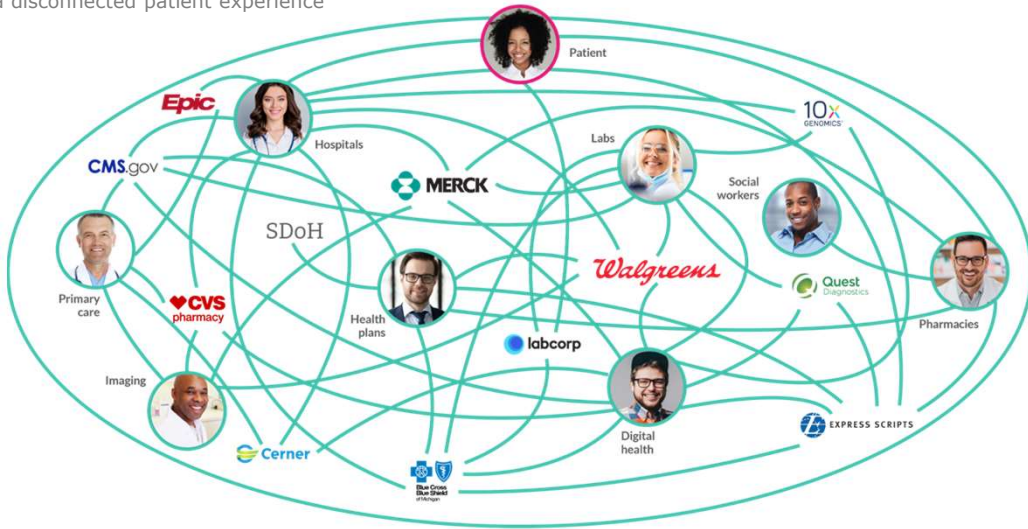


The EHR Is Dead. Long Live The EHR Platform

23

Fragmentation of the healthcare data landscape

Creates a disconnected patient experience



24

Is wearable bearable?

While healthcare organizations today are fighting data fragmentation between their EHRs, vendors', and legacy systems in the data center today,

a new universe of siloed digital health data is spawning in the cloud from wearables.

We have to stop fixing the past and instead move to prepare for and build the future of health.

Global spending on wearables



25

EHRs Contribute To Clinician Burnout

Physician burnout presents real challenges to the viability and sustainability of a hospital or health system

Clinician Burnout



- Loss of joy, passion, motivation for career and "calling"
- Disengagement in daily patient care activities and practice operations
- Increase in apathy and erosion of professionalism
- Risk to physician's own care and safety (suicide rates)
- Depression and other mental health concerns



Patient



- Reduction in time and attention to patients
- Significant negative impact on quality of care and patient outcomes
- Significant rise in patient dis-satisfaction

Hospital / Health System



- Erosion of physician community, and clinician collaboration
- Permeating sense of negativity and dissatisfaction within the health system
- Increase in clinician turnover and staffing challenges
- Drop in patient loyalty, and loss of patient volumes
- Brand damage

26



27

Agenda

WHAT'S THE PROBLEM?

VOLUME & VALUE

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WHAT'S NEXT



28

Key Pillars of Provider Transformation

Payment



Fee-for service



Value-based payments

Delivery



In-person



Digital care delivery

Consumption



Passive patients



Empowered consumers

29

Technical pillars for provider transformation



Integration

Disparate systems ▶ Real interoperability



Intelligence

Siloed data ▶ Enterprise insights



Optimization

Manual workflows ▶ Streamlined IT

30

Operations Determines the Success of Strategies

THE NEW YORKER

The Bell Curve

What happens when patients find out how good their doctors really are?



	Average	Best
1966	10	
1972	18	
1997	30	46
2003	33	47

“ Even doctors with great knowledge and technical skill can have mediocre results; more nebulous factors like aggressiveness and consistency and ingenuity can matter enormously.

In Cincinnati and in Minneapolis, the doctors are equally capable and well versed in the data on CF. But if Annie Page - who has had no breathing problems or major setback - were in Minneapolis she would almost certainly have had a feeding tube in her stomach and Warwick's team hounding her to figure out ways to make her breathing even better than normal. ”

Atul Gawande

31

Questions to Explore: Getting Downside Risk Right

- How do you look at risk?
- How can you build and deliver on a value model?
- How can you continue you fee for service business?
- What is your current digital strategy?
- Have you organized and focused your efforts in the right areas?

32

**THANK
YOU**

