The presentation will begin shortly.

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Global Budgets as a Pathway to Ensuring Access
November 1, 2017

Speakers:
• Priya Bathija, Senior Associate Director, Policy Development, American Hospital Association
• Mike Robbins, Senior Vice President, Maryland Hospital Association
• Joshua Sharfstein, MD, Associate Dean for Public Health Practice and Training and Professor of the Practice in Health Policy and Management, Johns Hopkins Bloomberg School of Public Health
• John Chessare, MD, President and CEO, GBMC HealthCare
• Moderator: Jay Bhatt, DO, Senior Vice President and Chief Medical Officer, American Hospital Association; President, Health Research & Educational Trust
TASK FORCE BACKGROUND

Confirm the characteristics and parameters of vulnerable rural and urban communities by analyzing hospital financial and operational data and other information from qualitative sources where possible;

Identify emerging strategies, delivery models and payment models for health care services in rural and urban areas;

Identify policies/issues at the federal level that impede, or could create, an appropriate climate for transitioning to a different payment model or model of care delivery, as well as identify policies that should be maintained.
Task Force on Ensuring Access in Vulnerable Communities

November 29, 2016

Millions of Americans living in vulnerable rural and urban communities depend upon their hospitals as an important, and often only, source of care. However, these communities and their hospitals face many challenges. As the hospital field engages in its most significant transformation to date, some communities may be at risk for losing access to health care services. It will be necessary for payers and health care providers to work together to develop strategies that support the preservation of health care services for all Americans.

Recognizing this, the American Hospital Association (AHA) Board of Trustees, in 2015, created a task force to address these challenges and examine ways in which hospitals can help ensure access to health care services in vulnerable communities. The task force considered a number of integrated, comprehensive strategies to reform health care delivery and payment. Their report sets forth a menu of options from which communities may select based on their unique needs, support structures and preferences. The ultimate goal is to provide vulnerable communities and the hospitals that serve them with the tools necessary to determine the essential services they should strive to maintain locally, and the delivery system options that will allow them to do so. While the task force’s focus was on vulnerable communities, these strategies may have broader applicability for all communities as hospitals redefine how they provide better, more integrated care.

To learn more about the work of this AHA Task Force, please visit www.aha.org/ensuringaccess.
THEMES IN THE REPORT

• The task force focused on preserving access to essential health care services.

• The characteristics and parameters of vulnerable communities were similar for rural and urban areas.

• The task force focused on communities.

• There is no single or one-size fits all solution; as a result, the task force recommended nine strategies.

• There are many federal and state barriers that must be addressed before these models may be implemented successfully.
EMERGING STRATEGIES

Virtual Care Strategies
Social Determinants
Inpatient/Outpatient Transformation
Urgent Care Center
Rural Hospital-Health Clinic
Emergency Medical Center
Global Budgets
Frontier Health System
Indian Health Services
AHA GLOBAL BUDGET STRATEGY

1. Fixed reimbursed over a fixed period of time and for a specified population
2. Each provider is able to create a unique plan to meet mandated budgets
3. Many factors must be considered –
   • Payments must be predictable, stable and sufficient
   • Timing and structure of payments
   • Ability to adjust for factors outside a hospital’s control
   • Selection of appropriate quality measures
   • Types of health care providers and services included
   • The payers that are willing to participate
   • Access to claims and quality metric data
ADVANCING HEALTH IN AMERICA
THE PATH FORWARD

Our vision: A society of healthy communities where all individuals reach their highest potential for health.

Our commitment:

Access: Access to affordable, equitable health, behavioral and social services
Value: The best care that adds value to lives
Partners: Embrace diversity of individuals and serve as partners in their health
Well-being: Focus on well-being and partnership with community resources
Coordination: Seamless care propelled by teams, technology, innovation and data

Our role: The ‘H’ of the future = Hospitals, Health systems, and Health organizations that are:

→ Partnering and leading in our communities
→ Striving toward the vision to advance health in America
→ Helping our communities beyond the four walls of the hospital
→ Creating new models of care, services and collaborators

Our Mission
To advance the health of individuals and communities. The AHA leads, represents and serves hospitals, health systems and other related organizations that are accountable to the community and committed to health improvement.

Driving Forces
→ Affordability
→ Coverage
→ Consumerism
→ Payment for Value
→ New Technologies
→ Chronic Care Management
→ Consolidation
→ Community Benefit

Strategic Priorities
→ Performance Improvement
→ Payment and Delivery Reforms
→ Shaping Future Workforce
→ Advocating for Access and Coverage
→ Telling the Story
AHA STRATEGY

Vulnerable Community Assistance Strategy

Strategy Rollout Plan (Tentative):
- Indian Health Services
- Inpatient/Outpatient Transformation
- Emergency Medical Center
- Virtual Care Strategies
- Social Determinants of Health
- Global Budgets
- Frontier Health System
- Rural Hospital-Health Clinic
- Urgent Care Centers

January: Development of AHA Advocacy Action Plan

February: Discussion Guide for Health Care Boards and Leadership

March: Legislative Action

June: Rural Hospital Policy Forum

July: Community Conversions Toolkit

Additional tools, including data analyses, information on grant opportunities and learning networks for information and idea sharing will also be released in 2017.

Creation of AHA website
aha.org/ensuringaccess

November 29
Report Release

December: Hill Briefing

Public Policy Advocacy Agenda
AHA ASSISTANCE STRATEGY

Discussion Guide for Health Care Boards and Leadership

The questions below can be used to guide discussion about the vulnerable populations your health care organization serves and shape your board and leadership to take action to ensure ongoing access to health care services.

Use of this discussion guide can be tailored for your board’s need and preferences. It is designed to address the following topics:

1. What are the vulnerable populations your organization serves? How do you know?
2. How do they feel about your organization?
3. How do you know?
4. What can your board and leadership do to better understand and engage with the vulnerable populations your organization serves?
5. What strategies are being implemented to address the needs of the vulnerable populations your organization serves?
6. How are these strategies being evaluated and measured for success?
7. What role can your board and leadership play in helping your organization to better understand and engage with the vulnerable populations it serves?

Ensure Access in Vulnerable Communities

Community Conversations Toolkit

Ensuring Access in Vulnerable Communities

Emerging Strategies to Ensure Access to Health Care Services

Inpatient/Outpatient Transformation Strategy

The Inpatient/Outpatient Transformation Strategy (IPTS) aims to address the challenges faced by hospitals as they work to ensure access to health care services. The IPTS provides a framework to help hospitals develop strategies to improve access, reduce costs, and enhance quality of care.

- Reduce inpatient capacity and shift resources to the delivery of outpatient care
- Enhance outpatient and primary care services offered to the community
- Reduce operating costs and improve financial performance
- Improve patient outcomes and increase satisfaction
- Increase access to care

This strategy is designed to help hospitals identify and address the specific needs of their communities, incorporating feedback from patients, providers, and staff.

American Hospital Association

American Hospital Association®
To learn more about the work of this AHA Task Force, please visit www.aha.org/ensuringaccess.
Paying for Value: Maryland’s Global Budget Experiment

Michael Robbins, Senior Vice President
Background

- On October 10, 2013, the State of Maryland applied to the Center for Medicare and Medicaid Innovation (CMMI) for a demonstration project to improve outcomes, to enhance patient experience and to control costs.

- The application was approved effective January 1, 2014

- The resulting All-Payer Model (“the Model”) shifts the focus from historic price per encounter controls to a focus on overall revenue growth, including price and use.
The New Model includes the following provisions:

- **Annual all-payer, per capita, total hospital cost growth limited to 3.58%**
- **Maryland’s Medicare per beneficiary total hospital cost growth rate must be below the national Medicare per beneficiary average, resulting in $330m of Medicare savings over five years**
  - 80% of Maryland hospital revenue shifted into value-based payment models by year 5
- **Maryland’s Medicare per beneficiary total cost growth rate cannot exceed the national average by more than 1 percentage point in any year, and must be no more than the national growth rate in at least one of every two years.**
The New Model includes the following provisions (cont.):

- **Maryland will reduce its 30-day Medicare readmission rate to the national average in five years**

- **Annual Potentially Preventable Complication (PPC) reduction of 6.89%, for a cumulative 5 year reduction of 30%**

- **Maryland will propose a model extension at the start of Year 4 (submitted for federal clearance in May 2017)**
  - If the Model is not extended, or terminated early, Maryland hospitals will transition to the national Medicare payment systems.
To achieve success under the Model, HSCRC Staff have taken several actions, including:

- Negotiating either a Global Budgeted Revenue (GBR) or Total Patient Revenue (TPR) agreement with almost every hospital in the State.
- Implementing a series of workgroups and committees to assist with implementation
  - Overall Advisory Council that identified guiding principles
  - Other workgroups to address critical success factors (physician alignment, performance improvement, etc.)
  - Sub-workgroups to address certain technical issue's (transfer policy, demographic adjustment, etc.)
- Establishing policies to address the quality measures (PPC’s and readmissions)
The GBR agreements establish a fixed amount of regulated charges for each hospital. The cap was based on FY2013 experience, with certain adjustments and allowances for infrastructure investments for reducing avoidable utilization and investing in population health management.
• Under GBR, hospitals receive annual adjustments for:
  - Inflation
  - Change in markup (payer mix and UCC via the UCC pool)
  - Population/Demographics
  - Impact of Commission’s Quality-Based Payment Programs

• There are no explicit adjustments for changes in:
  - Volume (I/P or O/P)
  - Case Mix/Severity
  - Adjustments are made for “categoricals,” transfers, and market share changes
  - Hospital billing: Fee for service, unit rates are adjusted up or down based on ability to change PAUs within total global budget
Hospital Global Budgets: How They Work

• Global Budget Model
  - Provides fixed revenue base on an annual basis for inpatient and outpatient regulated revenue
  - Changes the long-standing incentives that have been in-place regarding volume
  - Maintains long-standing commitment to access to care through equitable funding of uncompensated care
  - Forces hospitals to rethink, and redesign, strategic and operating plans
How do you recognize changes in volume due to changes in population demographics?

How do you adjust budgets for changes in market share and movement to unregulated services?

How do you measure efficiency on a per capita basis?

What limits, if any, do you place on unit rate increases within global budgets?
Hospital Global Budgets: Policy Questions

- How do you fund capital within a global budget environment?
- How do you address unforeseen adjustments, such as extraordinary inflation, a flu epidemic, or ACA-related volume growth (or today, potential loss of coverage), within the global budgets?
- How do you align global budgets with other payment models (ACOs, PCMH)?
- How do you align global budgets with providers still under volume-driven incentives?
How do you fund infrastructure investments needed outside of hospitals to invest in population health, to reduce avoidable hospital care, and to reduce the total cost of care?
Disclosure of Information and Performance

- **High degree of availability**
  - Maryland system is based on most comprehensive and timely information available

- **Multiple reporting requirements of Hospitals**
  - Monthly revenue and utilization, All-payer and Medicare
  - Annual filings
  - Community Benefit Report
  - Reporting by payer and in-state vs. out-of-state
  - New data tape submission requirements – now monthly

- **Access to Medicare data to monitor total cost of care and implement care transformation activities**
Paying for Value: Maryland’s Global Budget Experiment

Michael Robbins, Senior Vice President
All-Payer Global Budgets for Hospital Systems

Joshua M. Sharfstein, M.D.

November 2017
Fee-for-Service Incentives

Public and private insurers and managed care companies paying separately for each admission

Indirect Medicaid revenue based on inpatient volume

Hospitals need to keep beds filled to be successful
All-Payer Global Budget Incentives

Prospectively set budget for all inpatient and hospital outpatient care

Hospitals need to prevent illness to be successful
Going Global

A Vision for Transformation

An Operational Strategy

An Environment Conducive to Success
• Assess community health challenges
• Understand limitations of current financial model in addressing them
• Develop promising community health investments to succeed under global budget
• Establish clear metrics for success
Exhibit 1. Addressing Changes Over Time

Global budget for reference population

Global budget for others

Grows or shrinks over time based on utilization by people who are not in reference population

Grows over time if
- Reference population grows
- Utilization shifts to participating hospital from other hospitals

Shrinks over time if
- Reference population declines
- Patients use other hospitals instead of the participating hospital

Hospitals maintain revenue in global budgets as utilization for preventable conditions declines in reference population
Establishing a Credible Governance Structure

• Credible, with key public and private partners
• Transparent, fair methodologies
• Can handle capital investments differentially from other cost, penalize inappropriate behaviors
How Payers Participate

- Payers contribute to global budgets based on assignments by administering agency
- Medicare, Medicaid, private insurers
- Medicaid contribution includes indirect public payments
  - Disproportionate Share Hospital payments
  - Upper Payment Limit
Local hospital environments

Engagement of the state and federal governments

Technical assistance and IT
Local Hospital Environments

• Ideally neighboring hospitals will also use global budget

• A “regional ecosystem” facilitates:
  • Elimination of danger that other hospitals seek volume to grow their revenue
  • Incentive for collaboration in addressing needs of high-need patients
  • Additional synergy with local public health agencies interested in defined geographic populations
Engagement of the State and Federal Governments

- Federal support through innovation waivers and Medicaid plans or waivers
- State formal authority & strong leadership support can lead to necessary health system alignment
Availability of Technical Assistance

- Administering agency must access:
  - High quality data on hospital utilization
  - Tools for identifying opportunities for health systems to improve outcomes and lower costs
- Other sources of funding may include:
  - Private philanthropy
  - Foundations
  - Global budgets themselves- pre-set to provide additional room for population health investments
Summary: How to Begin

1. Describe the challenge: finding flexible funding to transform for better health at lower cost.
2. Draft a vision for transformation.
3. Propose an operational strategy for global hospital budgeting.
4. Discuss with policymakers.
5. Develop a governance structure.
The Hospital Global Budget: A Tool To Help Build a System of Care That Drives Value for the Patient And Payer

November, 2017

John B. Chessare MD, MPH
President and CEO
GBMC HealthCare System
Baltimore, Maryland
The GBMC HealthCare System

- Greater Baltimore Health Alliance (GBHA)
  - Private practicing physicians
  - Greater Baltimore Medical Associates (GBMA)
- GBMC Medical Center (250 beds)
- Gilchrist
  - Elder Care
  - Hospice (850 patients/day)
  - Counselling and Bereavement Support
GBMC HealthCare System

...To every patient, every time, we will provide the care we would want for our own loved ones...
Our Vision Statement 2011-2018

In order for GBMC to maintain its status as a provider of the highest quality medical care to our community, in the context of an evolving national healthcare system, we must transform our philosophy and organizational structure, and develop a model system for delivering patient-centered care.

We define patient-centered care as care that manages the patient’s health effectively and efficiently while respecting the perspective and experience of the patient and the patient’s family. Continuity of care with a focus on prevention and ease of navigation through a full array of services will be the rule. Our professional staff will be able to say with confidence that the guidance and medical care they are providing mirrors what they would want for their own family.

We will create the organizational and economic infrastructure required to deliver evidence-based, patient-centered care and for holding ourselves accountable for that care. This new organization will be defined by collaboration and continuous improvement. Physicians will lead teams that will manage patient care.

We are moving into the future with renewed energy and increasing insight. We look forward to building relationships with both community-based and employed physicians that will form the foundation of the Greater Baltimore Health Alliance. We welcome all those who share our vision of health care as it is transformed to meet the needs of our community and nation in the 21st century.

...To every patient, every time, we will provide the care we would want for our own loved ones...
Vision Phrase:

To every patient, every time, we will provide the care that we would want for our own loved ones.
What do we want for our own loved ones?
The GBMC HealthCare Quadruple Aim

1. The **Best Health Outcomes**
2. The **Best Care Experience**
3. Lowest Cost (**Least Waste**)  
4. With the **Most Joy** for those providing the care
The Global Budget is Liberating

• The global budget allows us to apply hospital resource to create a true system of care.
  – Adding nurse care managers and addiction specialists.
  – Paying primary care providers to drive value rather than visits.

• We no longer lament “not enough widgets sold”.
  – If the ED is not full and only has patients with true emergencies this is a success.
  – Declining abdominal CT scans is probably a good thing.
Developing a Model System for Delivering Patient-Centered Care

• The Patient Centered Medical Home
  – 15 practices within GBHA (GBMA=10)
  – Also called advanced primary care.
  – It’s not about the visit. It’s about a relationship of trust and accountability but access is critical.
  – Physician leaders and Practice Managers working with nurse care managers and care coordinators working to maximize health even without a visit.
  – Using disease-state registries and valuing care coordination and prevention.
  – Embedded behavioralists, addiction specialists and psychiatrists.
  – How are we doing?
Managing the Health of a Population
Some Results
MSSP Expenditures/Utilization – Trends

Hospital Discharges
GBHA – 22.77% Decrease (Δ 88)
ACO Cohort – 7.98% Decrease (Δ 27)
MSSP Expenditures/Utilization – Trends

**ED Visits**
- GBHA – 9.97% Decrease (Δ 66)
- ACO Cohort – 5.93% Increase (Δ 39)
Best Health Outcomes

Improve Population Health as measured by Colorectal Cancer Screening

GBMA Group Practice Reporting Measure. Percent of patients with documented colorectal cancer screening

...To every patient, every time, we will provide the care we would want for our own loved ones...
Best Health Outcomes
Evidence-Based Diabetic Eye Exam

Jun 2016
Jul 2016
Aug 2016
Sept 2016
Oct 2016
Nov 2016
Dec 2016
Jan 2017
Feb 2017
Mar 2017
Apr 2017
May 2017

35.45% 38.55% 39.91% 39.97% 39.42% 35.67% 31.92% 30.86% 29.21% 33.26% 42.45% 44.54%

Evidence-Based Diabetic Eye Exam

Num / Den
2,324 / 5,218

...To every patient, every time, we will provide the care we would want for our own loved ones...
GBMA – Overall Satisfaction Score

85th National Percentile

Higher is Better

All My Sites

...To every patient, every time, we will provide the care we would want for our own loved ones...
GBMA – Convenience of our Office Hours

92nd National Percentile

Hunt Valley-Saturday
All Primary Care
Open Saturday Sunday Hours
Open Holidays

Higher is Better

...To every patient, every time, we will provide the care we would want for our own loved ones...
Best Care Experience

Mean Trends

Medical Practice
Hunt Manor GBMC

Question - Ease of getting clinic on phone

Kaizen Event

Displayed by Visit Date and Total Sample
Please click the link below to take our webinar evaluation. The evaluation will open in a new tab in your default browser.

https://www.surveymonkey.com/r/aha_webinar_11-01-17
Upcoming Webinar

Transportation and the Role of Hospitals

*November 17, 2017*

[Register here](#)
Visit [www.aha.org/ensuringaccess](http://www.aha.org/ensuringaccess) to learn more about AHA’s Task Force
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