Hospital 100 Leadership & Strategy Conference

October 19 to 21 Ritz-Carlton Key Biscayne, FL

CLICK HERE TO LEARN MORE

or visit the Hospital 100 website at www.Hospital100.com for information including:

Fees and Eligibility

Past Attendees

Education Program

ACHE Accreditation

Recreation & Activities

Spouse Program

Ritz-Carlton Key Biscayne

Hospital 100 is the annual gathering of C-level leaders from hospitals and health systems across the nation.

CEOs, Presidents, COOs, CFOs, CMOs, CNOs and Hospital Board Members

Limited to 100 provider organizations

The Role of Data in Value-Based Care

Value-based care is about delivering the best outcomes at the lowest cost and maximizing value for patients. A paradigm shift from a decades-old model based in volume with fee-for-service, this new model will center on payment for value as measured by care coordination, quality metrics and the aggregate of a health population - each of which is highly data-dependent.[1] While some organizations are well under way with their transformation to value, others are still answering the complex question of how to increase value while managing the steep decline in reimbursement that comes along with it. The question becomes more pressing with Centers for Medicare & Medicaid Services (CMS) and leading payers announcing ambitious value-based payment goals. CMS has set a goal that by 2018, 50 percent of Medicare reimbursement will come in value-based bundled payment or accountable care-type arrangements tied to outcomes. A private sector alliance committed to 75 percent by 2020.[2]

As pressures mount, providers are taking initial steps that will yield benefits under the current fee-for-service system, but are also developing the infrastructure needed to be successful in a value-based system. According to a survey conducted by Hospital 100 in January 2015, health care leaders from hospitals large and small indicate their number one priority for the next 18 to 24 months is 'cost management.'

This report explores strategies organizations are successfully using to transition to value-based care and to what degree those strategies are data dependent. Responses also shed light and help to measure the importance of data in maximizing reimbursement and managing cost as providers move into more mature value-based stages of care reform.

Methodology

C-level executives and board members at hospitals and health systems across the country received an electronic survey in July 2015. A total of 81 surveys were completed.
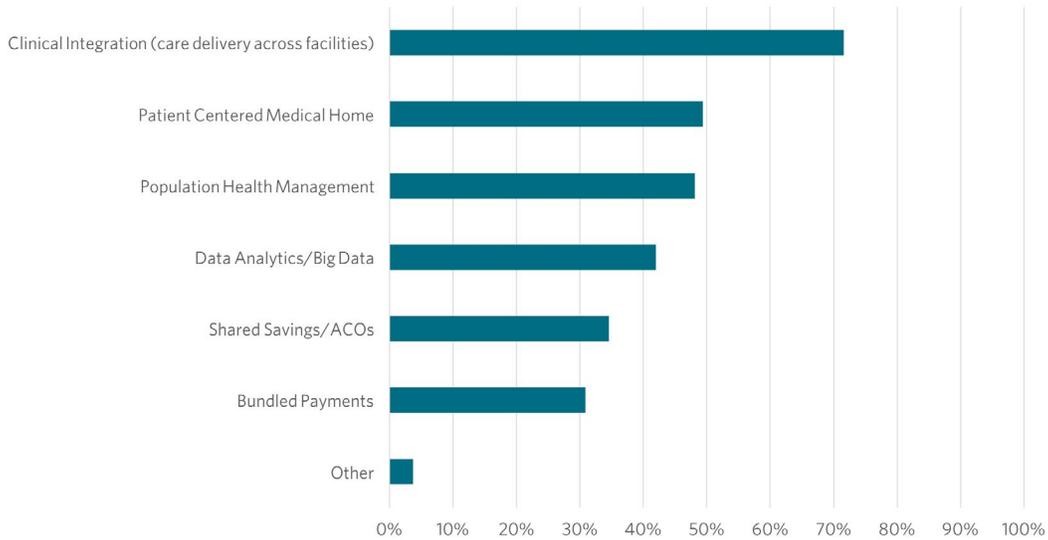
Detailed Findings

**Early Value Success with these Strategies**

When asked about areas where organizations have begun to see success as they transition to value-based care, 72 percent of respondents pointed to clinical integration. Strategies that followed were the patient-centered medical home, population health and analytics/big data.

Areas where organizations are beginning to see success in transitioning to a value-based care model

Category	
Clinical Integration (care delivery across facilities)	~72%
Patient Centered Medical Home	~49%
Population Health Management	~49%
Data Analytics/Big Data	~43%
Shared Savings/ACOs	~33%
Bundled Payments	~30%
Other	~3%

Of the value-based strategies pursued, survey respondents named population health as the most data dependent. That is, the strategies' success will depend heavily on electronic health record data and/or other data capabilities. While bundled payments and clinical integration were mentioned, the respondents also indicated a shared opinion that "all" value-based strategies depend on data.
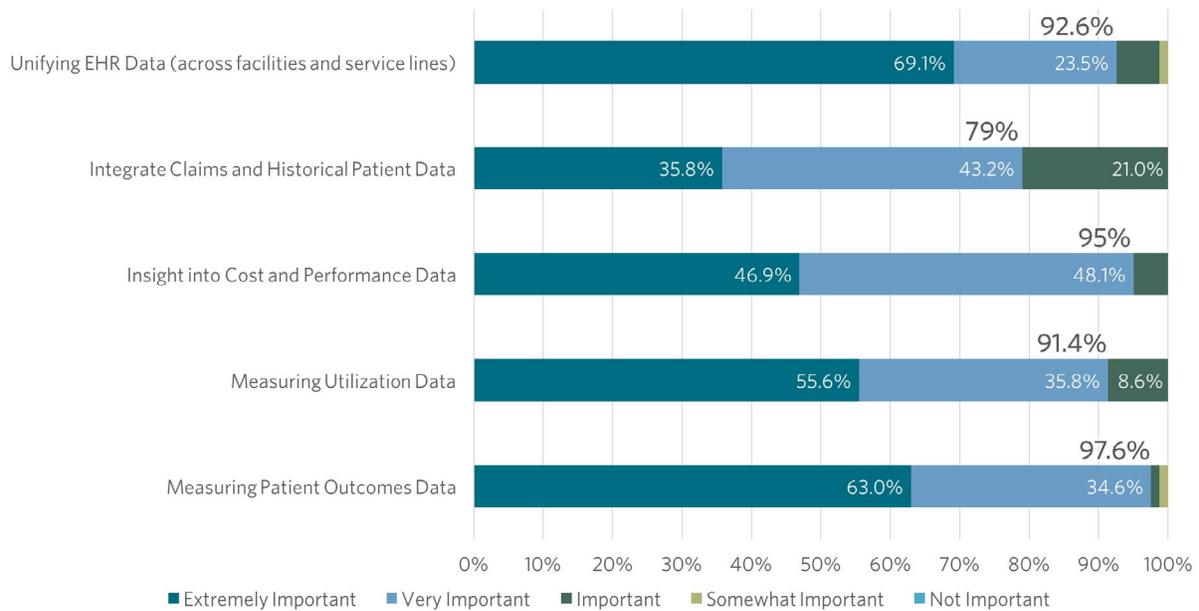
Value-based strategies most dependent on EHR and/or data analytics capabilities

Category	Count of Responses
Population Health	~35
Bundled Payments	~9
Clinical Integration	~8
All	~7
ACO	~7
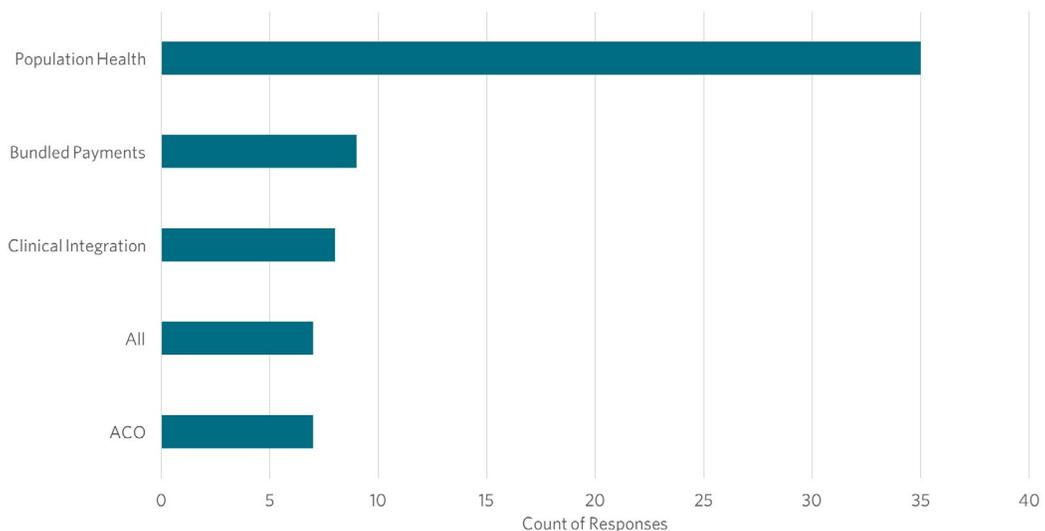
Which Data is Most Important for Value-based Care? All of it.

92.6 percent of those surveyed here agree that unifying EHR data across facilities and service lines is very important as it relates to value. Additionally, as shown in the image below, more than 90 percent of the respondents indicated that data capabilities for cost, utilization and patient outcomes measurement and insight are either "very important" or "extremely important" to achieving value.

Importance of data integration and analytics in achieving value-based care

	Extremely Important	Very Important	Important
Unifying EHR Data (across facilities and service lines) — 92.6%	69.1%	23.5%	
Integrate Claims and Historical Patient Data — 79%	35.8%	43.2%	21.0%
Insight into Cost and Performance Data — 95%	46.9%	48.1%	
Measuring Utilization Data — 91.4%	55.6%	35.8%	8.6%
Measuring Patient Outcomes Data — 97.6%	63.0%	34.6%	

Legend: ■ Extremely Important ■ Very Important ■ Important ■ Somewhat Important ■ Not Important

ACO, Value-based Data Needs Not Being Met

While the survey responses suggest all of this data is very important to achieving value, some data needs are not being met. Nearly 60 percent of this survey's respondents participate in an ACO program or other type of shared savings structure, yet almost 30 percent indicated they do not have the data capabilities to measure and meet the requirements of such value-based programs.

The data backbone for any value strategy is its EHR system, but the EHR had its origins in a fee-for-service environment and often lacks design for collaboration across organizations, nor does it structure data around value-based care requirements and deliver that information at the point of care.[3] Yet, 89 percent of the respondents here agreed that having decision-making data at the point of care was very important to their organization.

As providers evaluate their value strategies and question how to acquire advanced data capabilities, many still struggle with basic EHR usability and missing EHR functionality, according to a study from August 2015. It found 54 percent of community hospitals were still challenged with usability and 53 percent cited missing functionality, causing nearly 20 percent to seek EHR replacements.[4] This provides organizations an opportunity to seek products that do more to help them meet the new challenges of value-based reimbursement and accountable care.

Clinical Documentation Important to Value

During a recent health care financial conference, an audience of about four dozen health care finance professionals indicated Clinical Documentation Improvement (CDI) as one of their "pain points" on the shift to value-based care.[5] Again, the EHR is fundamental, but has its design shortcomings. For example, with the unstructured format of physician notes and discrete data make it easy to overlook secondary conditions, which are subsequently under-documented. Given the squeeze on payments, accurate clinical documentation is more important than ever before. Leaders surveyed here agree. 72 percent of respondents said clinical documentation is "extremely important," and 23 percent said it's "very important" to providing quality care and maximizing reimbursement.

The role of clinical documentation when it comes to providing high quality care and maximizing reimbursement

| Category	
Extremely Important	(~75%)
Very Important	(~22%)
Somewhat Important	(~2%)

(0% – 80% scale)
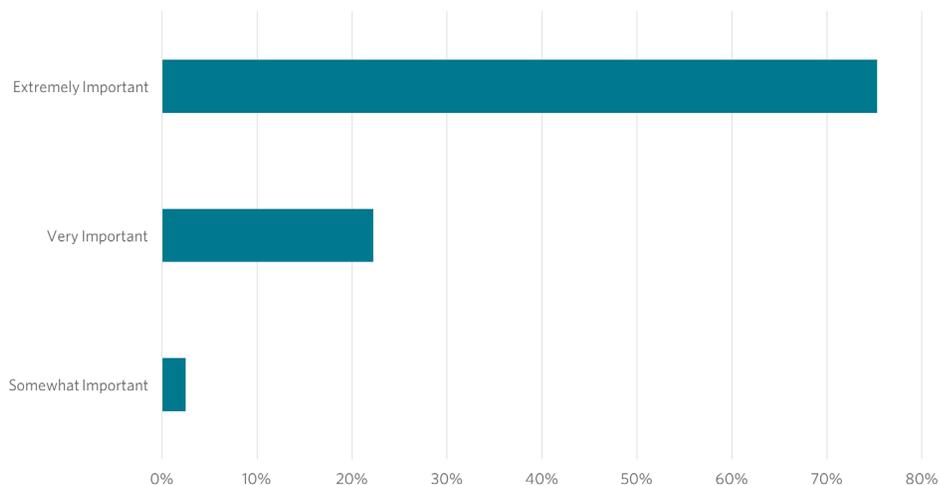
Managing Cost. No One Path, but Some Commonalities

As providers straddle fee-for-service and value-based structures, cost management remains top priority. While there is no single solution to managing cost, there are some trends observed by those surveyed here. When asked to provide an example of an area where data has been used successfully to manage overall cost structures, the areas most mentioned are summarized below:

- Reducing readmission rates and length of stay
- Enabling bundled payments/patient-centered medical home/other shared savings
- Managing cost of orthopedic patients/implants for joint replacements
- Reducing variation
- Managing chronic disease and related costs
- Insight into productivity/staffing levels

Heavy Use of Data for Key Measures

What is clear is the high rate of data use by those surveyed for measuring utilization, cost per case and patient outcomes. Notice in the figure below more than 70 percent of those surveyed answered yes to using data for each of three key value and performance indicators.

Excess and/or Under-utilization

27% / 73% (YES / NO)

Cost Per Case

15% / 85% (YES / NO)

Patient Outcomes

12% / 88% (YES / NO)
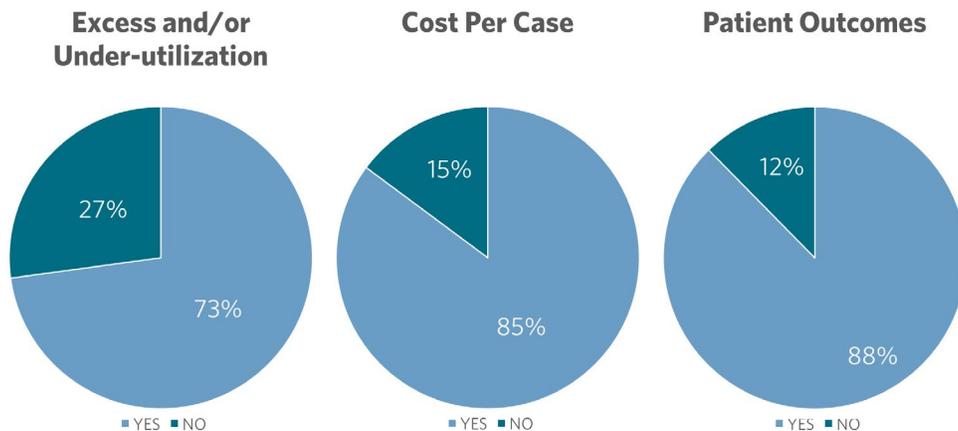
Conclusion

Health care organizations have begun to move into value-oriented payment models with forty cents of every health care dollar now tied in some way to value – up from eleven cents a year ago.[6] And while there are few blueprints to follow for making the transition, this report demonstrates providers see the role of data as extremely important. Value-based care requires a critical technology layer built with interoperability and integration for ease in care collaboration. Better still is the data platform that can capture not just a physician's workflow, but patient-centered data that draws from many sources, both internal and external, for a comprehensive view at conditions, treatment and history. This way, providers are equipped to manage patient populations, close gaps in care and make confident clinical decisions that keep patients healthier, especially those with costly chronic conditions. Finally, the ability to combine clinical and financial data for insight into utilization of resources, cost and patient outcomes is essential, particularly for today's top priority of cost management. These data capabilities are not only paramount for a competitive edge, but for surviving as an industry moves into a new era of value centered on the patient.

References

1. Physicians, Hospitals Size Up Value-Based Healthcare, *InformationWeek*, May 2014: http://www.informationweek.com/healthcare/policy-and-regulation/physicians-hospitals-size-up-value-based-healthcare/d/d-id/126924

2. HHS Plans Big Medicare Reimbursement Changes, *Healthcare IT News*, January 2015: http://www.healthcareitnews.com/news/hhs-plans-big-medicare-reimbursement-changes

3. Are EHRs a Barrier to Value-based Payment Models?, *Becker's Hospital Review*, March 2015: http://www.beckershospitalreview.com/healthcare-information-technology/are-ehrs-a-barrier-to-value-based-payment-models.html

4. Community Hospitals Replacing EHRs, *Healthcare IT News*, August 2015: http://www.healthcareitnews.com/news/community-hospitals-look-replace-ehrs

5. The Difficult Transition to Value-Based Payment, *Health Leaders*, June 2015: http://healthleadersmedia.com/content/FIN-317787/HFMA-ANI-The-Difficult-Transition-to-ValueBased-Payment

6. Good News and Bad News About Value Based Healthcare, *Forbes*, October 2014: http://www.forbes.com/sites#/sites/leahbinder/2014/10/01/good-news-and-bad-news-about-value-based-health-care/