SIEMENS

What Is the Ambulatory Impact from Health Care Reform

Featured Speakers For Today's Webcast:

Peg Meadow, Director,
Government and Industry Affairs, Siemens Healthcare

Sarah Corley, Chief Medical Officer,
NextGen Healthcare Information Systems

Gregory Sheffo MD, Chief Medical Officer,
Clearfield Hospital

Kent Locklear, Physician Consultant for
Soarian Ambulatory Solution, Siemens Healthcare

Thursday, December 15, 2011

SIEMENS

Agenda

1. Ambulatory Market
2. The Patient Protection and Affordable Care Act (PPACA)
3. General Impact
4. Medicare & Medicaid EHR Incentive Programs
5. MGMA PPACA Reference Implementation Timeline
6. Patient Centered Medical Home
   - NCQA's Physician Practice Connections (PPC) recognition program
7. Medicaid Health Home
8. Physician Quality Reporting Program
9. Community-based care transitions program
10. Enterprise Impacts
11. New or Heightened Roles

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

SIEMENS

Research Resources

- Patient Protection Affordability Act
- The Advisory Board
- Center for Health Care Transformation - Health Policy Source *Summary of Provisions and Implementation Status*
- MGMA (Medical Group Management Association – 280,000 physicians)
- AGMA (American Medical Group Association – 113,000 physicians - larger group practices, IPAs)
- NCQA (National Committee for Quality Assurance)
- Siemens Physician Leaders:

  CMIO Marc Overhage

  CMO Don Rucker

  Product Line Management: Angie Nicholas and Kent Locklear
- NextGen

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

1. Ambulatory Market - 2009 Health Care Expenditures (ww.data.gov)

Total - $2,049B

Category	Amount	Share
Hospital Care	$759B	36%
Physician and Clinical Services	$506B	24%
Other Professional Services	$67B	3%
Dental Services	$102B	5%
Other Health, Residential, and Personal Care Services	$127B	6%
Home Health Care	$68B	3%
Nursing Care Facilities and Retirement Communities	$137B	7%
Prescription Drugs	$250B	12%
Durable Medical Equipment	$35B	2%
Other Non-durable Medial Products	$43B	2%

Physician & Clinical Services

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

SIEMENS

Ambulatory Market

“number of U.S. doctors, which now totals about **954,000**.”*

“35% of physicians are 55 or older”**

Sources:

*The Wall Street Journal – Medical Schools Can’t Keep Up - April 12, 2010

** AMA - Medicare and the Sustainable Growth Rate Presentation

---

“74% of hospital plan to employ more physicians” – July 8, 2011

Source:

HRIC INSIGHTS – A Program Update from The Advisory Board Company

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

SIEMENS

2. Patient Protection Affordability Act

- Signed into Law – March 2010
- Aka – Health Reform Act
- Effective FY 2010 to 2019
- 906 Pages
- Table of Contents:

Title I – Quality, Affordable Health Care for all Americans
Title II – Role of Public Programs
Title III – Improving the Quality and Efficiency of Health Care
Title IV – Prevention of Chronic Diseases and Improving Public Health
Title V – Healthcare Workforce
Title VI – Transparency and Program Integrity
Title VII – Improving Access to Innovative Medical Therapies
Title VIII – Class Act
Title IX – Revenue Provisions
Title X – Strengthening Quality, Affordable Health Care for All Americans

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

Center of Health Transformation's Diagram of Health Care Reform Act

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

SIEMENS

3. Ambulatory - General Impact

- Decline of Primary Care Doctors and increase in other practitioners – Unique requirements of PA and Nurse Practitioners (i.e. telehealth in rural areas)
- Orthopedists, Radiologists and Neurologists will most likely see their revenue decreased significantly as a result of decreased procedures done
- In early 90's CMS defined and set pricing for RBRVS FFS which has a major impact on imaging. CMS is now readjusting and reducing the price which they can do unilaterally. This is driving many cardiologists to emigrate to employed relationships.
- Public reporting of results – "Physician Compare" website similar to current "Hospital Compare" website – Physicians still saying the basic data is inaccurate on the site.
- Collaboration Of Care
  - Cross over between IP and OP is not done well = care transition. Across IDNs is challenging as well. Ex: Take discharge summary/orders as new orders in nursing home.
    - Participation in formation of Accountable Care Organizations
    - Patient Centered Medical Homes
    - Medicaid Health Homes
- Physician Quality Reporting System and Electronic Prescribing (eRX) and Medicare EHR Incentive Programs

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

4. Medicare & Medicaid EHR Incentive Program

SIEMENS

- ARRA-HITECH, Meaningful Use – Foundation for health care reform
- Eligible Hospitals and Professionals
- EHR Incentive Program – Stats as of November 30, 2011
  - 154,362 Eligible Professionals Registered
  - $419,790,000 of Medicare and Medicaid Incentive Payments made to 21,425 Eligible Professionals

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

5. How healthcare reform provisions affect your practice – MGMA Connexion, May/June 2010

SIEMENS

Key Categories: Reimbursement, Employer Requirements, Workforce Requirements, Administrative Simplification, Insurance Reform, Compliance)

2010 – 37 “major issues of interest”/items (139 Total)

- Imaging
- GPCI (Graphical Practice Cost Indices) work floor
- Practice expense GPCI adjustment
- Small Business Tax Credit
- Coverage for preventive services and immunizations
- Elimination of pre-existing condition exclusion for children
- Extension of dependent coverage to young adults up to age 26
- Elimination of lifetime limits and restriction of annual limits
- Imaging/self-referral
- Self-referral
- Physician-owned hospitals

Those with HIT (Health Information Technology) implications

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

How healthcare reform provisions affect your practice – MGMA Connexion, May/June 2010 - Continued

SIEMENS

2011 – 28 items

- Primary care incentives
- General surgery in HPSA incentive
- Imaging (Utilization assumption for services using "expensive diagnostic imaging equipment" = MRI and CT) – Further decreases in RVU technical component payment.
- **Part B Value-based payment modifier under the physician fee schedule (affects payments in 2015 based on 2014 performance data)**
- **PQRI (Physician Quality Reporting Initiative) (quality reporting measure reporting in 2011 w/reimbursement impacts 2011 – 2014 + .05%, 2015 - 1.5%, 2016 beyond - 2%)**
- CMMI (Center for Medicare and Medicaid Innovation)
- **Operating Rules for the Eligibility and Claim Status Electronic Transactions (rules came out 7-1-11 and effective 1/1/13). Uniformity and consensus-based.**
- **Standardized Health Plan Enrollment and Claim Edits (input due 1-1-12)**
- Medical liability reform($50M available in grants)

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

How healthcare reform provisions affect your practice – MGMA Connexion, May/June 2010 - Continued

SIEMENS

2012 – 16 items

- **Medicare Accountable Care Organization program**
- **medical home demonstration project: physician and nurse practitioner directed home-based primary care teams(>200 beneficiaries each, < 3 years, < 10,000 beneficiaries total, incentive payments)**
- **Health Plan Identifier (Final rule due 10-1-12, effective 1-1-14)**

2013 – 5 items

- Medicaid/Medicare payment parity
- **National Pilot Program on Payment Bundling (Established by 1-1-13, 5 year Medicare plan to be established on select 10 conditions)**

2014 – 24 items

- IPAB (Independent Payment Advisory Board) authority to make binding Medicare policy recommendations to Congress. (in addition to SGR)
- **Health Claims Attachments (Standards: final rule due 1-1-14, effective 1-1-16)**
- Operating Rules for Health Claims and Referral Certification and Authorization (Adoption by 7-1-14)

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

How healthcare reform provisions affect your practice – MGMA Connexion, May/June 2010 - Continued

SIEMENS

2015 – 7 items

- **Value-based payment modifier under physician fee schedule (Affects payments in 2015 based on provider's performance in 2014)**

2016 – 8 items

- National Pilot Program on Payment Bundling – Final report due from HHS to Congress
- **Effective Date for Operating Rules for Health Claims Attachments and Referral Certification and Authorization (1-1-16)**

2017, 2018 and Unspecified Date – 14 items

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

SIEMENS

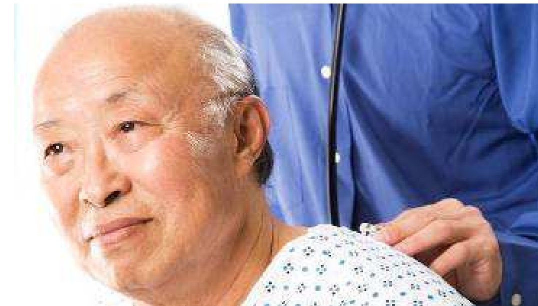
6. The Patient-Centered Medical Home

PPACA – Title III Improving the Quality and Efficiency of Health Care, Section 3502

Establishing community health teams to support the patient-centered medical home

(8 mentions)

- (2) support patient-centered medical homes,
- defined as a **mode of care** that includes—



(A) personal physicians;

(B) whole person orientation;

(C) coordinated and integrated care;

(D) safe and high-quality care through evidence informed medicine, appropriate use of health information technology, and continuous quality improvements;

(E) expanded access to care; and

(F) payment that recognizes added value from additional components of patient-centered care;

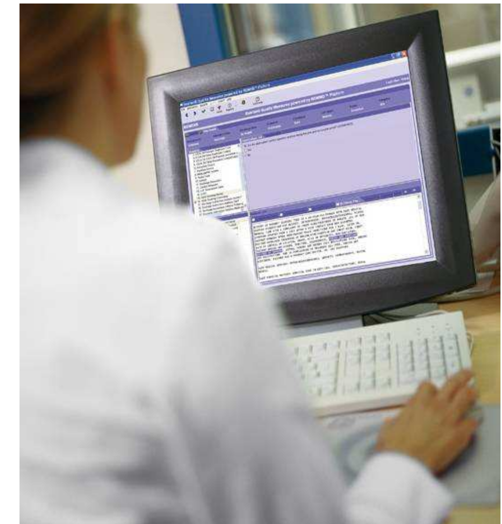
The American Academy of Pediatrics (AAP) introduced the medical home concept in 1967, initially referring to a central location for archiving a child's medical record.

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

SIEMENS

The Patient-Centered Medical Home

"The basic premise of the medical home concept is continuous, uninterrupted care that is managed and coordinated by a personal provider with the right tools that will lead to better health outcomes."*



Joint Principles**:

- Personal Physician
- Physician directed medical practice
- Whole-person orientation
- Care is coordinated and/or integrated
- Quality and safety are hallmarks
- Enhanced access
- Payment

* Patient Centered Primary Care Collaborative

** Released in 2007 by American Academy of Family Physicians (AAFP), American Academy of Pediatrics (AAP), American College of Physicians (ACP) and American Osteopathic Association (AOA). Also wrote guidelines for accreditation and joint principles for medical education of physicians on PCMHs.

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

SIEMENS

The Patient-Centered Medical Home

NCQA's Physician Practice Connections (PPC) Recognition Program for PCMH

www.ncqa.org

18,283 clinicians/sites recognized as of December 7, 2011

Private/Commercial Reimbursement increased, if recognized.

- Practices earning NCQA Recognition may qualify for additional bonuses or payments. Health Plans are listed under "Pay rewards for achieving Recognition or supplement application fees for Recognized providers" (Note: One practice with 22 physicians stated they are getting an additional $5 million a year as a result of being recognized in NCQA's Program.)
- Recognizes practices that successfully use systematic processes and information technology to enhance the quality of patient care.
- Practices that meet specific elements among six standard areas achieve one of three levels of NCQA Recognition w/3 the highest
  - 1. Access and Continuity 2. Identify and Manage Patient Populations 3. Plan and Manage Care 4. Self-Care and Community Support 5. Track and Coordinate Care 6. Performance Measurement and Quality Improvement
- Valid for three years
- Recognition Survey Tool that can be purchased online – Approx. cost of $500 per physician
- 3-28-11 NCQA released new survey tool for its PCMH 2011 program

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

SIEMENS

Studies on PCMHs

1. MGMA Study Published July 2011, Study conducted in April 2011

- 341 primary care and multispecialty practices nationwide
  - 70% were already in the process of transforming or interested in becoming a PCMH
  - 20% acccredited or recognized as PCMH
    - Took majority of respondents, on average, one year to complete
  - Of those interested:
    - Majority were family medicine (nearly 36%)
    - Multispecialty with primary and specialty care (more than 30%)
    - And Pediatrics (more than 10%)

2. Led by University of Michigan Health System (*Healthcare IT News* 10/20/11)

- Nearly half of physician practices do not meet national standards to qualify as a medical home
- Authors urge policy-makers "to address the challenges facing smaller practices" in order to "make the benefits of medical homes more equitable and widely accessible" …. "nine out of 10 Americans receive healthcare from physicians who practice in smaller, single-specialty groups"

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

SIEMENS

The Patient-Centered Medical Home

AHRQ (Agency for Research and Quality)

- www.pcmh.ahrq.gov – Resource Center
- Provides access to resources including:
  - Objective information to policymakers and researchers on the medical home,
  - Searchable database of publications and other relevant resources
  - analysis of the HITECH Act's impact on medical homes

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

SIEMENS

7. Medicaid Health Home

PPACA <u>Title II – Role of Public Programs,</u> Sec. 2703. State option to provide health homes for enrollees with chronic conditions. (2 mentions)

- Goal is to determine the effect … on reducing hospital readmissions, emergency room visits, and admissions to skilled nursing facilities…
- November 16, 2010 CMS issued guidance to states….
- Managed through a state plan amendment (SPA)
- Funding available as of January 1, 2011
- CMS will authorize up to $500,000 of Medicaid funding for planning activities related to the development of a health home SPA
- Comparison reporting and quality measure reporting required
- Final report to Congress due 1-1-17

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

SIEMENS

Medicaid Health Home

PPACA provided **states** with a new **Medicaid** option… – to provide "health home" services for enrollees with **chronic conditions**

- Health homes are designed to be person-centered systems of care that facilitate access to and coordination of the full array of primary and acute physical health services, behavioral health care
- a temporary **90% federal match rate for 1st 8 fiscals quarters that a state's health home SPA is in effect…**
- became available to states on January 1, 2011
- Medicaid beneficiaries must have at least two chronic conditions, including asthma, diabetes, heart disease, obesity, mental condition, and substance abuse disorder
  - one chronic condition and be at risk for another; or one serious and persistent mental health condition

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

SIEMENS

8. Physician Quality Reporting Program

PPACA <u>Title III – Improving the Quality and Efficiency of Health Care</u> Sec. 3002 Improvements to the physician quality reporting system

- Extends the Medicare Physician Quality Reporting Initiative (PQRI - 2007)
  - Make payment adjustments to physicians for reporting on quality measures
  - Participation voluntary through 2014
  - Mandatory 2015, with up to 2% penalty for failure to report
- CMS to establish a Physician Compare website for posting of quality-related information
  - Introduced on December 30, 2010
  - www.medicare.gov/find-a-doctor
- 2012 Physician Quality Reporting System
- April 2011, CMS released the 2009 PQRS and ePrescribing Experience Report
  - Bonus payment of 2% of their Medicare Part B PFS allowed charges; Result = $234 million incentive payments paid by CMS for 2009 program year (119,804 eligible professionals, representing 12,647 practices), Twice what was paid for 2008
  - Quality measures increased from 74 in 2007 to 175 in 2010

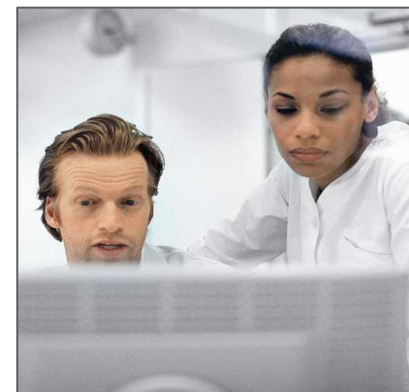
- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

9. Community-Based Care Transitions Program

SIEMENS

PPACA Title III – Improving the Quality and Efficiency of Health Care Sec. 3026 Community–Based Care Transitions Program

- Voluntary Medicare pilot program that provides payment to hospitals and community-based entities delivering post-discharge related services to patients at high risk of readmission
- $500 million in funding for duration of the initial pilot
- CMS to implement the program by program instruction, rather than through formal rulemaking
- Funds made available through the Partnership for Patients $1 billion initiative



- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

10. Enterprise: Payment Adjustment for Health Care-Acquired Conditions (HCAC)

PPACA <u>Title II – Role of Public Programs</u> Sec. 2702 Payment Adjustment for Health Care-Acquired Conditions

- Final Rule published June 1, 2011
- 21 of 50 states have existing HCAC-related non payment policies
  - These policies vary tremendously from state to state
  - 7 apply to both physician and ambulatory surgical centers
- Effective July 1, 2011, prohibits Medicaid payment for services related to health care-acquired conditions (HCACs)
- Provider-Preventable Conditions (PPCs) are divided into two categories: HCACs and Other Provider-Preventable Conditions (OPPCs)
  - HCACs (Medicaid IP and full list of Medicare's HAC w/2 exceptions for pediatric and obstetric patients)
  - **OPPCs** ("wrong surgical or other invasive procedure performed on a patient: surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.")
- HHS' Agency for Healthcare Research and Quality announced the award of $34 million for projects focused on preventing healthcare-associated infections (HAIs)
- Total savings projected as $35 million through 2015
- Final report to Congress due 1-1-17

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

Enterprise: National Pilot Program On Payment Bundling

SIEMENS

PPACA **Title III – Improving the Quality and Efficiency of Health Care** Sec. 3023 National pilot program on payment bundling

- budget neutral, voluntary Medicare pilot program
- Multiple provider sites, including hospitals, doctors, and post-acute care providers
- Triggered by a hospital admission
- Includes 3 days prior to admission, the length of the hospital stay,. And 30 days post-discharge
- CMS to define the list of up to 8 conditions/admissions
- Initial pilot 1/1/13 – 12/31/17

HHS CMS - Bundled Payments for Care Improvement Initiative: Request for Applications (8/11) - Notice issued by Center for Medicare Medicaid Initiative (CMMI) that announced a request for applications for organizations to participate in one or more of the initial four models under the Bundled Payments for Care Improvement. Letter of Intent dates have passed.

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.

12. New or Heightened Roles – Their HIT requirements?

Scribes*

- Electronic medical records systems create need for scribes to input data
- Scribes started working in fast-paced emergency departments in the mid-1990s
- Hiring increased significantly with EMRs
- Having scribes do most of the data entry allows the highest-paid people in the room to focus on patients and see more of them and ensure that information used in billing is complete
- Interesting job for medical students
- Pay $8 to $12/Hour

Transition Coach

- Assists the patient and/or caregiver in preparing for discharge
- Conducts a comprehensive assessment of the patient
- Delivers a tailored education plan
- Provides patient with a Care Transition Plan

- Copyright © 2011 Siemens Medical Solutions USA, Inc. All rights reserved.