Transforming Health Care in Rural America: Turning Change into Improvement for Rural Residents

Presentation to the Rural Health Leadership Conference

February 12, 2013
Phoenix, Arizona

Keith J. Mueller, PhD
Director, RUPRI Center for Rural Health Policy Analysis
Head, Department of Health Management and Policy
University of Iowa | College of Public Health
Keith-mueller@uiowa.edu

Overview

➢ Changes are underway that will change health care and health care systems that provide rural services

➢ Build on what we have

➢ Transitioning to an optimal system

➢ Help to get there

Note: The views expressed by the conference speakers do not necessarily reflect the views of the American Hospital Association and Health Forum

Keith Mueller, PhD

Health Care Organizations of the Future

➢ Accepting insurance risk

➢ Focus on population health

➢ Trimming organization costs

➢ Using the data being captured (e.g., electronic health records)

➢ Health care as retail business

rupri
rural policy research institute

Keith Mueller, PhD

THE UNIVERSITY OF IOWA

Considerations

➢ Using population data

➢ Evolving service system (e.g., telehealth)

➢ Workforce: challenges to fill vacancies, and shifts to new uses of new categories

➢ Best use of local assets; including physical plant (the hospital)

Keith Mueller, PhD

Local Assets to Consider

➢ Raw material

➢ Data and information

➢ Connectivity

➢ Core capabilities, e.g., primary care

➢ Leadership

rupri
rural policy research institute

THE UNIVERSITY OF IOWA

Recommendations for Hospitals

➢ Align with primary care doctors

➢ Ratchet all costs out

➢ Measure and improve quality

➢ Know your value proposition

Keith Mueller, PhD

Elements of a Successful System Redesign

- ➢ Clear Vision
- ➢ Principles for redesign (reliability, customization, access, coordination)
- ➢ Teamwork
- ➢ Leadership
- ➢ Customer focus
- ➢ Data analysis and action plans
- ➢ Inclusive beyond health care system

Source: *Pursuing the Triple Aim,* Bisognano and Kenney. Jossey-Bass. 2012.

rupri
rural policy research institute

Keith Mueller, PhD

THE UNIVERSITY OF IOWA

Changes in delivery system: Patient-Centered Medical Homes (PCMH)

➢ Not your father's "medical home"

➢ Potential future of primary care

➢ Emphasis on integrated services, management of chronic conditions, team-based, patient-centered care

Changes in the delivery system: Accountable Care Organizations (ACO)

➢ Including Medicare Shared Savings Program (MSSP)

➢ Including Pioneer Demonstration from Centers for Medicare and Medicaid Innovation (CMMI)

➢ CMMI anticipates doubling in 2013

➢ And much more…..

Keith Mueller, PhD

Tally Sheet

- 32 Pioneer ACOs

- 222 MSSP ACOs

- 35 116 are Advanced Payment

- 424 total ACOs; in 48 states

Serving Millions

- ➢ 21-31 million Americans receive care through ACOs

- ➢ 2.4 million in Medicare ACOs

- ➢ 15 million non-Medicare patients of Medicare ACOs

- ➢ 8 to 14 million patients of non-Medicare ACOs

Source: "The ACO Surprise" by Niyum Gandhi and Richard Weil. Oliver Wyman, Marsh & McLennan Companies. 2012. http://www.oliverwyman.com/media/OW_ENG_HLS_PUBL_The_ACO_Surprise.pdf
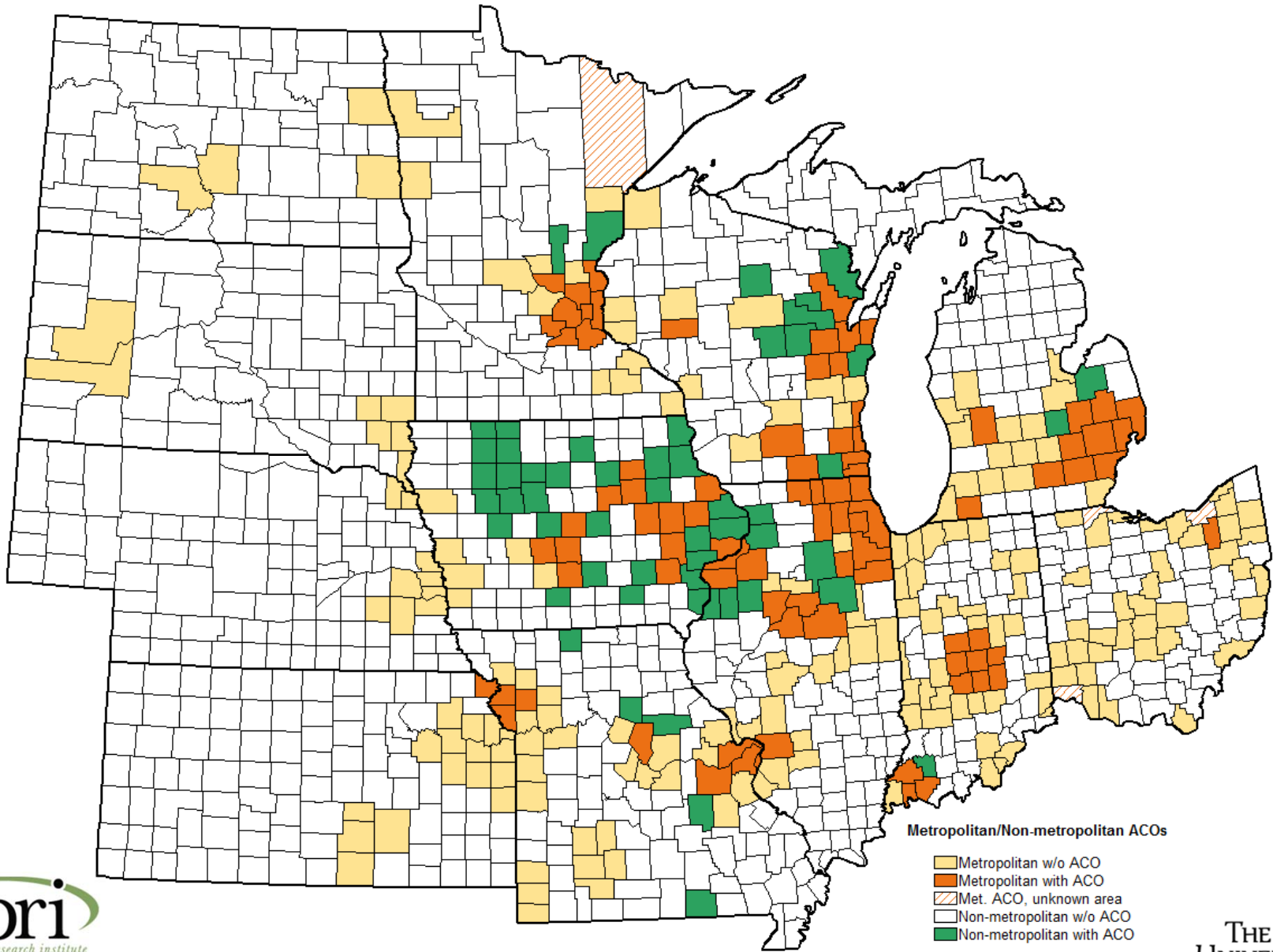
Keith Mueller, PhD

People Live in Areas with ACOs Available

➢ In 19 states more than 50% of residents have access to ACOs

➢ In 12 states between 25% and 50% have access to ACOs (includes Montana)

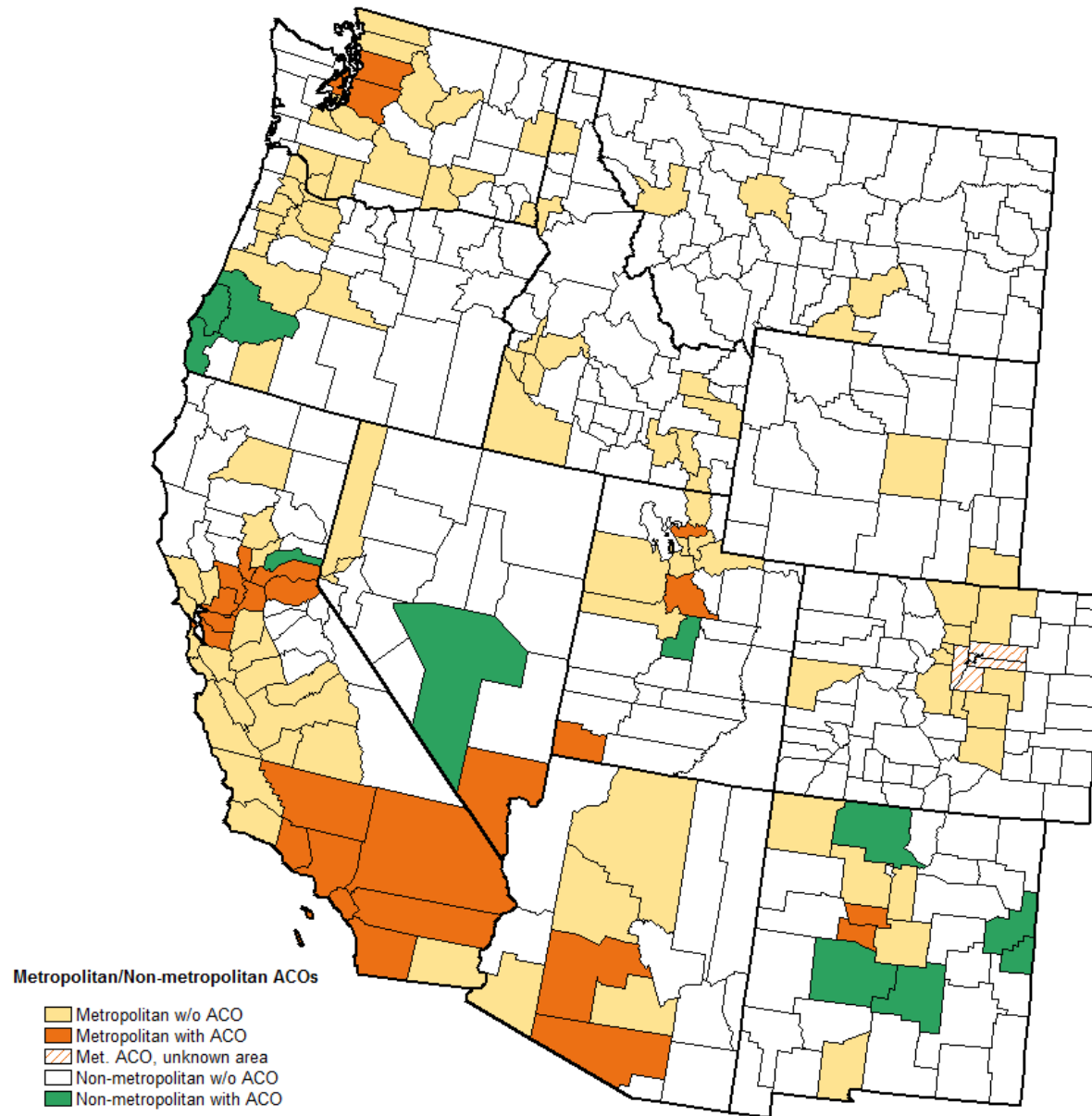Source: http://www.oliverwyman.com/media/OW_ENG_HLS_PUBL_The_ACO_Surprise.pdf

Keith Mueller, PhD

ACO DISTRIBUTION BY STATE

Source: David Muhlestein, Andrew Croshaw, Tom Merrill, Cristian Pena. "Growth and Dispersion of Accountable Care Organizations: June 2012 Update." Leavitt Partners. Accessed August 20, 2012 from LeavittPartners.com

Keith Mueller, PhD

County Medicare ACO Presence
Midwest Census Region

Metropolitan/Non-metropolitan ACOs

- Metropolitan w/o ACO
- Metropolitan with ACO
- Met. ACO, unknown area
- Non-metropolitan w/o ACO
- Non-metropolitan with ACO

rupri
rural policy research institute

THE UNIVERSITY OF IOWA

CMS-designated sites as of August, 2012.
Produced by: RUPRI Center for Rural Health Policy Analysis, 2013.

County Medicare ACO Presence
West Census Region

Metropolitan/Non-metropolitan ACOs

- Metropolitan w/o ACO
- Metropolitan with ACO
- Met. ACO, unknown area
- Non-metropolitan w/o ACO
- Non-metropolitan with ACO

rupri
rural policy research institute

THE
UNIVERSITY
OF IOWA

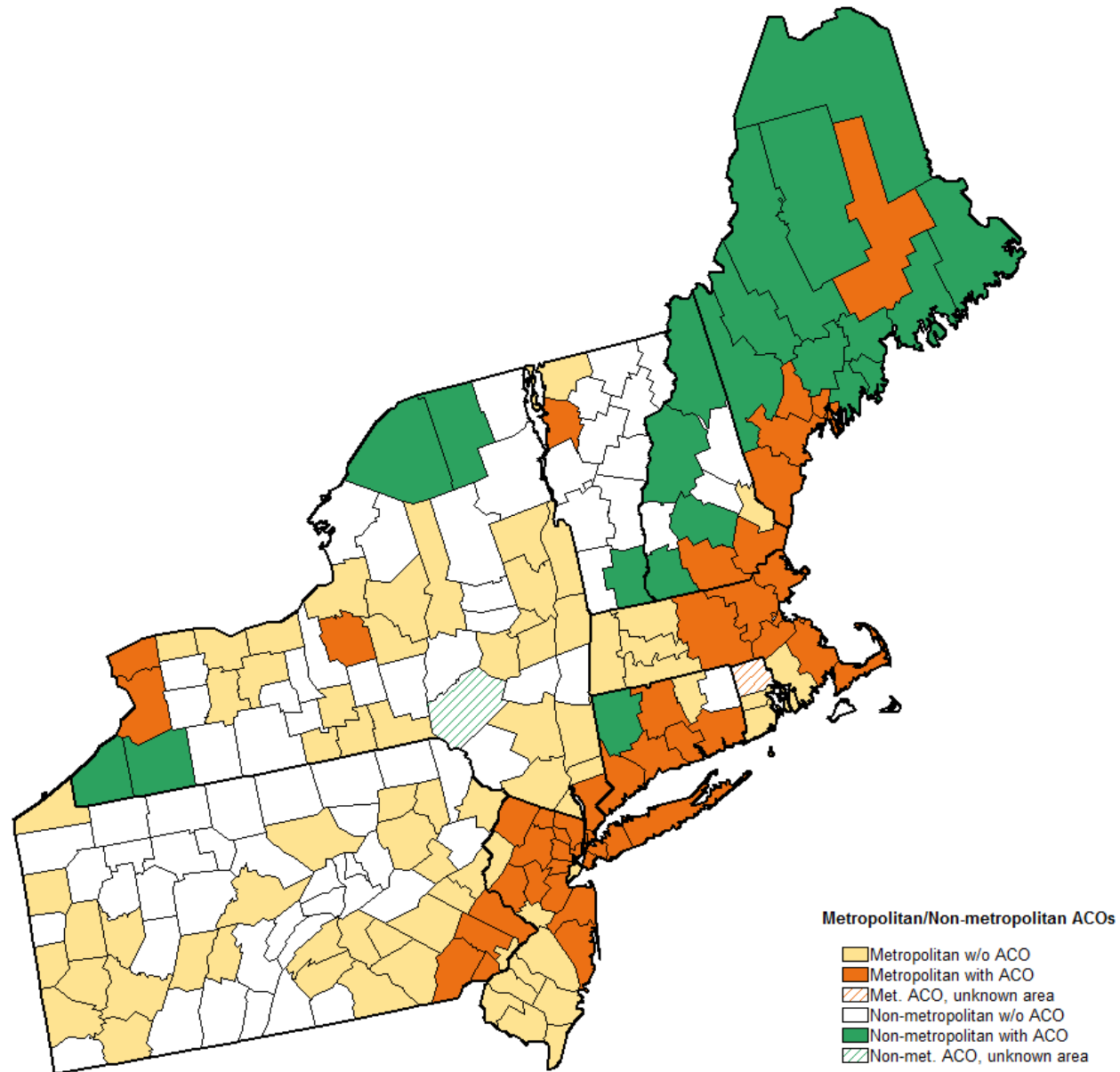# County Medicare ACO Presence
South Census Region
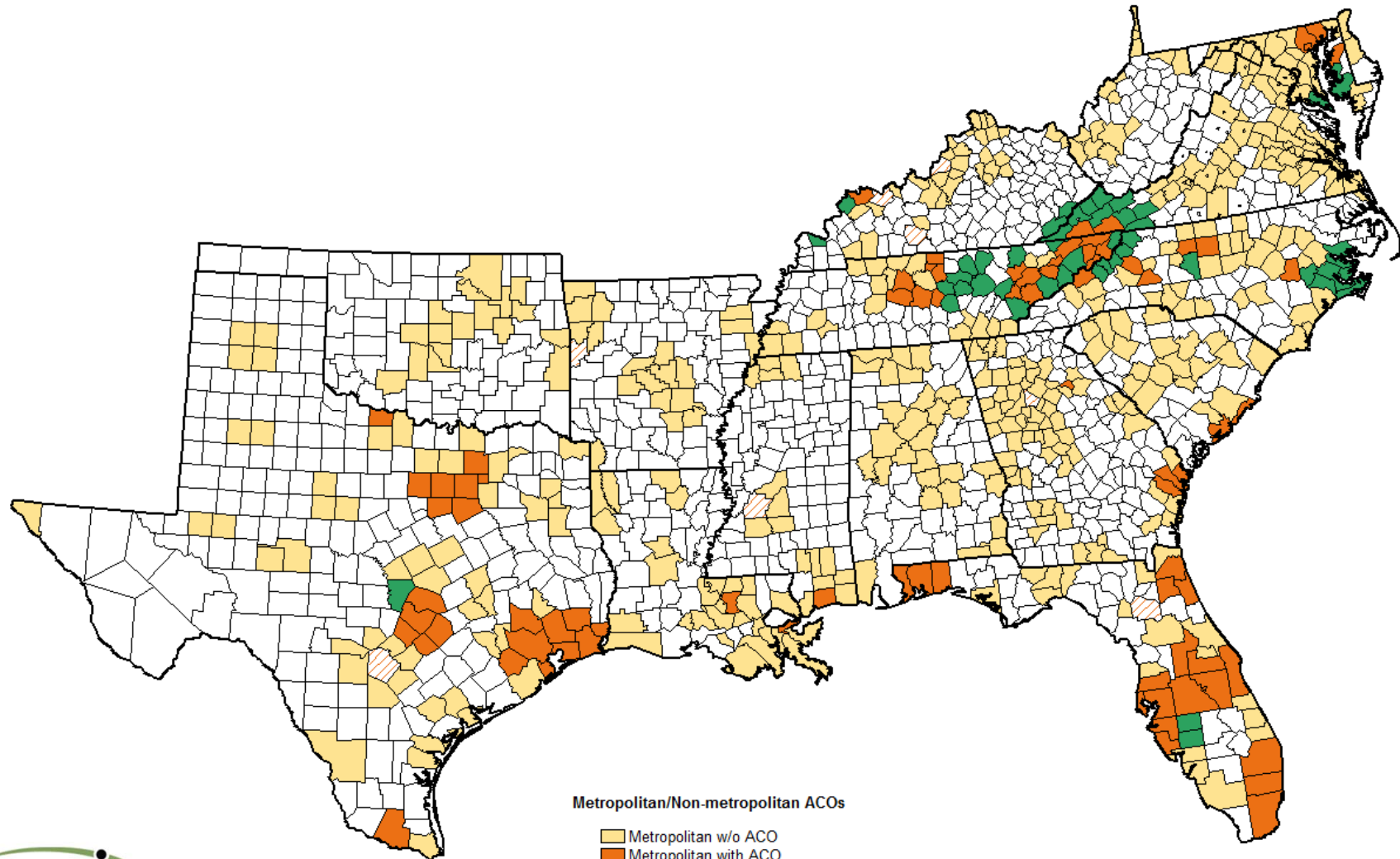
Metropolitan/Non-metropolitan ACOs

- Metropolitan w/o ACO
- Metropolitan with ACO
- Met. ACO, unknown area
- Non-metropolitan w/o ACO
- Non-metropolitan with ACO

rupri
rural policy research institute

THE UNIVERSITY OF IOWA

County Medicare ACO Presence
Northeast Census Region

Metropolitan/Non-metropolitan ACOs

- Metropolitan w/o ACO
- Metropolitan with ACO
- Met. ACO, unknown area
- Non-metropolitan w/o ACO
- Non-metropolitan with ACO
- Non-met. ACO, unknown area

CMS-designated sites as of August, 2012.
Produced by: RUPRI Center for Rural Health Policy Analysis, 2013.

rupri
rural policy research institute

THE
UNIVERSITY
OF IOWA

Core Components of an ACO

- ➤ People-centered foundation

- ➤ Health home

- ➤ High-value provider network

- ➤ Population health and data management

- ➤ ACO leadership

- ➤ Payer partnership

Source: AJ Forster, BG Childs, JF Damore, SD DeVore, EA Kroch, and DA Lloyd "Accountable Care Strategies." Commonwealth Fund. August, 2012.
http://www.commonwealthfund.org/~/media/Files/Publications/Fund%20Report/2012/Aug/1618_Forster_accountable_care_strategies_premier.pdf

Keith Mueller, PhD

The World According to Payers, 2014 and Beyond

➢ Revenue reduced for readmissions

➢ Must prove quality and cost to be part of network

➢ More patient shopping, even across rural hospitals

➢ By 2020 6% of Medicare payment tied to risk incentives: VBP, readmissions, hospital-acquired conditions

Keith Mueller, PhD

Transition Thinking

- ➤ Volume to value

- ➤ Group contract to patient service

- ➤ Care coordination across the continuum

- ➤ Patient centered care

- ➤ Lower costs

Transition Thinking

➢ From clinical care to health and health promotion

➢ From discharges to people enrolled in system and interactions with people

➢ Managing patients according to patient need across illness spectrum and continuum of care

Where do we want to be?

➤ Whom do we serve?

➤ How do we provide best possible service?

➤ How do we get strategy and money to match mission?

➢ New cooperative agreement: Rural Health system Analysis and Technical Assistance

➢ Partners: RUPRI Center for Rural Health Policy Analysis and StratisHealth

➢ Vision: to build a knowledge base through research, practice, and collaboration that helps create high performance rural health systems

rupri
rural policy *research institute*

Keith Mueller, PhD

THE UNIVERSITY OF IOWA

Project's Triple Aim

1. Analyze rural implications of health care delivery, organization, and finance changes fostered by public policy and private sector actions.

2. Develop and test technical assistance tools and resources to enable rural providers and communities to take full advantage of public policy changes and private sector initiatives

3. Inform further developments in public policy and private action through dissemination of findings.

Keith Mueller, PhD

Analysis and Assessment

➤ Typologies of places and systems

➤ Activities that do and could occur, given types of places and health systems

➤ Assess implications for rural people, places, and providers

Keith Mueller, PhD

Technical Assistance Framework

➢ **Inform**: to help leaders create awareness of the need to change care delivery to deliver value to all stakeholders, and make that case locally

➢ **Assess**: to understand strengths, needs, and capacity to build value in local health care environment

Technical Assistance Framework

➤ **Prepare**: to identify action steps based on organizational and community needs and capacity

➤ **Act**: to select activities based on synthesis of assessments and discussion and then implement organizational and community change that creates value

Actions

➢ **Improve**: changes to current activities that optimize effectiveness

➢ **Enhance**: modest changes to broaden and improve care delivery (one foot still on the dock) characterized by focused, limited, tactical, and low risk activities

➢ **Innovate**: transformational changes with new structures and models characterized by broad, enterprise-wide, bold, and experimental activities

Keith Mueller, PhD

Reality meets creativity

➢ Payment per event will moderate

➢ Tolerance for services of questionable merit will diminish

➢ Opportunities to generate payment for population health management

➢ Best care, best health, optimum benefits for the community

Keith Mueller, PhD

For Further Information

The RUPRI Center for Rural Health Policy Analysis

http://cph.uiowa.edu/rupri

The RUPRI Health Panel

http://www.rupri.org

Keith Mueller, PhD

Dr. Keith J. Mueller

Department of Health Management and Policy
College of Public Health
105 River Street, N232A, CPHB

Iowa City, IA 52242
319-384-3832
keith-mueller@uiowa.edu

Keith Mueller, PhD