NPO-CIN and Alternative Payment Models vs. Altruistic Payment Models

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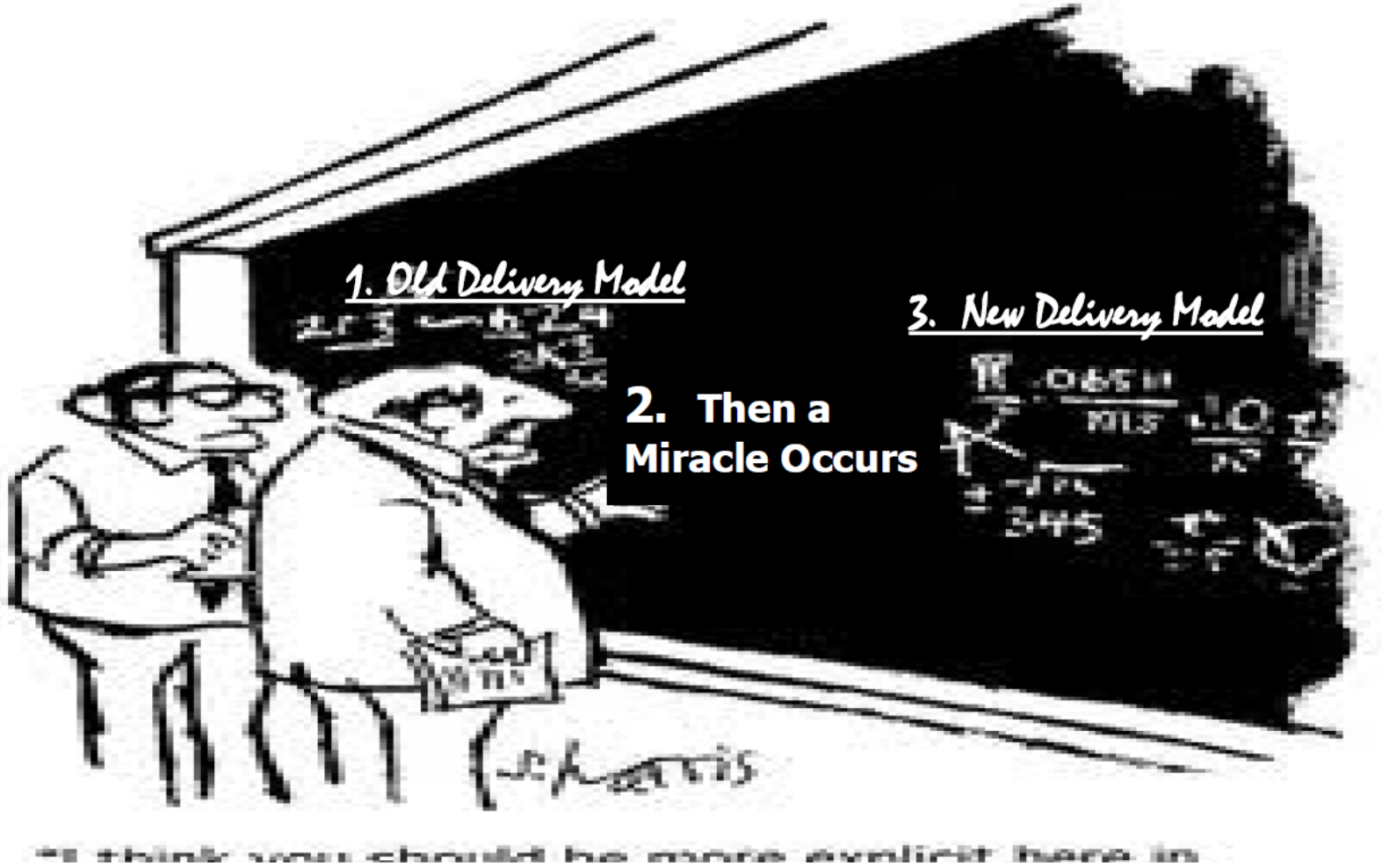
1. Old Delivery Model
2. Then a Miracle Occurs
3. New Delivery Model
I think you should be more explicit here in step two.

In a clinically integrated network, employed and affiliated physicians can negotiate collectively with payers on reimbursement arrangements. It is a key step for networks, though a Medicare Shared Savings Program (MSSP), Accountable Care Organizations (ACO) are exempt from these requirements.

WHY CLINICAL INTEGRATION?

Collective bargaining by physicians that compete with each other is considered anticompetitive and is prohibited except when physician networks are: financially or clinically integrated.

CI is an active and ongoing program to evaluate and modify practice patterns by the CI network's physician participants and create a high degree of interdependence and cooperation among the physicians to control costs and ensure quality.

Let's Hear from The DOJ and the FTC

Clinical Integration:

- Establishes mechanisms to monitor and control utilization of healthcare services that are designed to control costs and ensure quality of care.
- Selectively chooses CI network physicians who are likely to further these efficiency objectives.
- Utilizes investment of significant capital, both monetary and human, in the necessary infrastructure and capability to realize the claimed efficiencies.

- A Clinically Integrated Network must generally:

- Show that they improve quality and efficiency
- Deploy consistent clinical protocols across the network with the goal of achieving measurable targets
- Monitor physician and network performance
- Have a collective financial investment in a reporting system

- In a Clinically Integrated Network, physicians collectively invest in IT infrastructure, such as disease registries, clinical performance management systems, and predictive analytics, as well as funding staff dedicated to performance improvement.
- Participating physicians also commit "sweat equity" to improving performance—serving on committees as well as changing their day-to-day clinical practice. And they create explicit plans for how the network will improve care outcomes and efficiency.

- In exchange, the physicians can negotiate collectively with insurers for better payment rates (in recognition of their superior quality) or for bonuses based on quality and cost improvements. This collective bargaining would otherwise be illegal, but properly-designed clinical integration arrangements create a "safe harbor" from antitrust rules.

Today, other than extensive direct physician employment, a clinical integration program is the most effective way to create the incentives, management, and infrastructure for health systems to improve quality and efficiency.

Though CINs bring the advantages of being part of a group of physicians, they don't require doctors to give up their individual practices—though there are some CINs consisting of employed physicians.

Jamie Orlikoff, President, Orlikoff & Associates, Inc

True Clinical Integration:

A Requirement for Success under Accountable Care and Population Health

"Physicians working together systematically to improve their collective ability to deliver high quality, safe, and valued care to their patients and communities."

Jamie Orlikoff, President, Orlikoff & Associates, Inc

Moody's Investors Service Special Comment
May 9, 2012

"The most meaningful cost reduction strategies will involve standardization of clinical care and elimination of variation in patient procedures. This will be a multi-year, ambitious journey requiring strong physician, management and board leadership"

NPO-CIN Mission and Vision

NMHN and Trillium Health:

- Mission: to improve the health of Northern MI's population, improve our residents' experience of health care, reduce health care costs, and support our community of care givers
- Vision: Our communities will demonstrate improved wellness, decreased incidence of health problems, and effective disease management.

Think of where we have been:

- When did the practice of medicine/profession start answering to payers?
- Why is that significant?

Rules and more rules

- Meaningful Use
- VBR
- PQRS
- MACRA/MIPS

Is this value?

In a recent Healthcare Michigan opinion column, Dr. Dolzyniak wrote:

“16% of the $18 trillion economy is being distributed among industrialists, physicians are being taught altruism”

Where are the doctors?

- Why a CIN?

NPO-CIN

- NPO, a Physician Organization owns 51%.
- Our partners are:
  - McLaren Northern Michigan
  - The Surgery Center
  - Michigan Medicine

What should a real APM look like?

- Respect the work, all of the work, a physician and practice does for approximately 80% of pations
- Reduce the administrative burden
- Do the work centrally
- Practices examine value-add processes only

In your words:

What would bring value to a….

- Practice?
- Patients?