Spectra MEDIX

Powering Value-Based Contract Success

Strategies to Empower Providers and Drive Operational Excellence

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Speakers

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About SpectraMedix

Mission: Deliver actionable insights that enable providers and payers to transition to value-based payments through collaboration, transparency, and provider enablement.

Founded in 2009. Headquartered in New Jersey.

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Value Based Payment Basics
HCP-LAN Framework

CATEGORY 1 FEE FOR SERVICE – NO LINK TO QUALITY & VALUE	CATEGORY 2 FEE FOR SERVICE – LINK TO QUALITY & VALUE	CATEGORY 3 APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE	CATEGORY 4 POPULATION – BASED PAYMENT
	A **Foundational Payments for Infrastructure & Operations** (e.g., care coordination fees and payments for HIT investments)	A **APMs with Shared Savings** (e.g., shared savings with upside risk only)	A **Condition-Specific Population-Based Payment** (e.g., per member per month payments, payments for specialty services, such as oncology or mental health)
	B **Pay for Reporting** (e.g., bonuses for reporting data or penalties for not reporting data)	B **APMs with Shared Savings and Downside Risk** (e.g., episode-based payments for procedures and comprehensive payments with upside and downside risk)	B **Comprehensive Population-Based Payment** (e.g., global budgets or full/percent of premium payments)
	C **Pay-for-Performance** (e.g., bonuses for quality performance)		C **Integrated Finance & Delivery System** (e.g., global budgets or full/percent of premium payments in integrated systems)
		3N Risk Based Payments NOT Linked to Quality	4N Capitated Payments NOT Linked to Quality

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Value Based Payment Basics
MSSP

	Track A one-sided model	Track B one-sided model	Track C risk/reward	Track D risk/reward	Track E risk/reward	Enhanced Track risk/reward
Shared Savings	up to 40% of the shared savings		up to 50% of the shared savings when quality and cost targets are met			up to 75% of the shared savings when quality and cost targets are met
Savings Cap	10% of benchmark expenditures					20% of benchmark expenditures
Shared Losses	N/A		up to 30% of the shared losses when quality and cost targets are not met			40 - 75% of the shared losses when quality and cost targets are not met
Losses Cap	N/A		not to exceed 2% of ACO revenue capped at 1% of benchmark expenditures	not to exceed 4% of ACO revenue capped at 2% of benchmark expenditures	not to exceed 8% of ACO revenue capped at 4% of benchmark expenditures.	capped at 15% of benchmark expenditures.
Ideal for	Ideal for New or inexperienced ACOs	Ideal for ACOs that are preparing for performance based models	Ideal for ACOs that are starting with risk-bearing models	Ideal for ACOs experienced in managing costs and ready to take more risk while not having full liability	Ideal for mature ACOs that are ready for full accountability in the basic track	Ideal for ACOs with experience in cost control and quality improvement, and who are ready to take on significant risk in exchange for higher reward potential
						ACOs in this track are eligible for the CMS Advanced APM status
						ACOs in the track are qualified for certain bonuses and QPP Merit-based Incentive Payment System(MIPS)

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The Pillars of Value-Based Contracting

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Best Practices in Entering Into a Value-Based Contract: Infrastructure

Crawl, Walk, Run

Do you have adequate infrastructure?

- No Data, No Deal
- Ability to collect "Complete and Accurate Data"
- Is your data in silos that can be accessed?

As you advance in different categories (2, 3 or 4), you will need different infrastructures

- Stakes also get higher
- Risk vs. rewards

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Building Successful Contracts: Data Integration

DATA IS OXYGEN!

Membership

Attribution

Quality

Financial Performance

Premiums

Claims & Non-Claims expenses

Risk Profile

Need data for at-least the last two years.

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Best Practices in Entering Into a Value-Based Contract: Understanding Performance

Understand the performance of your Provider Network

- TINs and NPIs

Model contracts based on past performance

Clearly understand & define your metrics for success

Have the ability to track your performance, at-least on a monthly basis

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Best Practices in Implementing a Value-Based Contract: Provider Enablement

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Enable your providers: Don't disrupt/reinvent their process

- Examples are delivering JOC like reports
- Integration with Availity
- Integration with their EMRs

Deliver "succinct actionable insights" through the lens of value-based payments

- Bring all silos together
- Deliver monthly contract settlements

Provide timely financial incentives to your affiliate network so that they can invest in making you successful

- Quarterly or monthly

Delivering "Opportunities for Improvement"

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Best Practices in Implementing a Value-Based Contract: Settlement and Forecasting

Financial Contract Settlement tied to “Opportunities for Improvement” or “Missed Clinical Opportunities” including Behavioral Health

- Quality with Quality Gaps
- Risk Coding Gaps
- Utilization
  - Medical (including Post Acute Care Spending)
  - Drug (including Brand to Generic substitution)
- Super Utilizers
- Network Leakage
- Specialist Referral Efficiency
- Patient/Member feedback

Financial Performance Forecasting

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Operationalizing Value-Based Contracting Best Practices

Operationalizing Best Practices

Health system identified where and why it was losing money in VBCs.

ACO blended population health and VBCs to increase provider enablement with its affiliates.

Empowering the provider network to succeed in VBCs.

Ensuring the right type of value-based contract for your organization.

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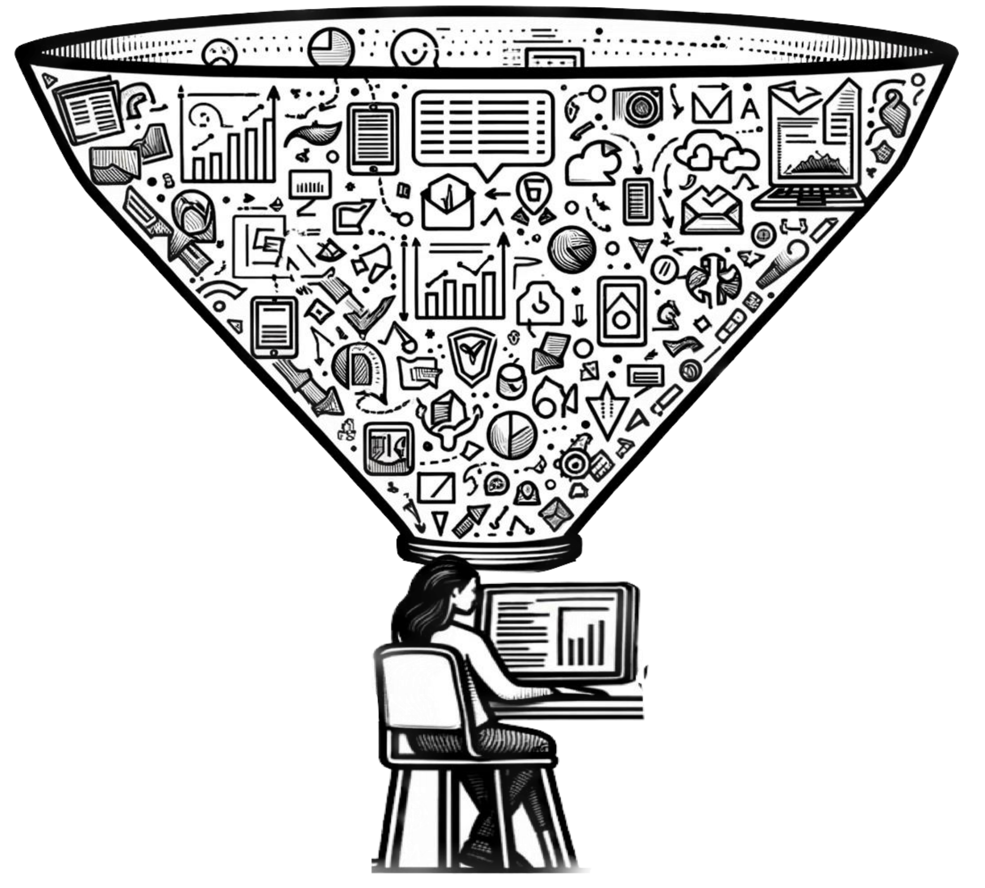
Seeing The Whole VBC Picture Is Critical

- Data integration across silos
- Process automation to deliver timely information
- Single source of truth



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Delivering The Necessary Complete VBC Picture

Quality

Risk

Utilization

Data Silos

Value-Based Contracts

Complete Picture of Value-Based Contracts Performance

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VBCs Touch A Diverse Audience

VBP Team and Provider Network Teams: Easily track and manage value-based contracts and provider performance

Providers, Officer Managers and NPPs: Transparency into quality, risk, and financial performance

CFOs, Actuaries, Finance Teams: Track VBP portfolio financial performance

Contract/Medical Economics Teams: Model and adjust value-based contracts

Analytics Team: Deliver financial, quality, risk, and utilization insights

Provider Portal | **Contract Settlement** | **VBP Analytics** | **Contract Modeler**

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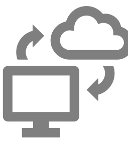
Where and Why the Health System is Losing Money in VBCs

Challenges

Identifying where and why the health system was losing money on VBCs

- Financial reconciliation limited to quarterly payer support (TIN/NPI blind spots)
- Manual VBP contract modeling process

Root Cause



No cohesive integration of quality, risk, utilization, and financial performance

- Inability to attribute financial impact/performance to TINs and NPIs

Solutions

Contract Settlement

Monthly financial reconciliation for Humana, Aetna, Elevance, and MSSP

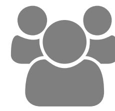
- Accurate financial reconciliation to the dollar amount with traceability to each TIN and NPI

Contract Modeler

Simulate contract performance with their historical data during contract renegotiation

- Enabled modeling of contract terms to make more favorable

Value/ROI



Ability to identify which provider groups were harming shared savings contract performance

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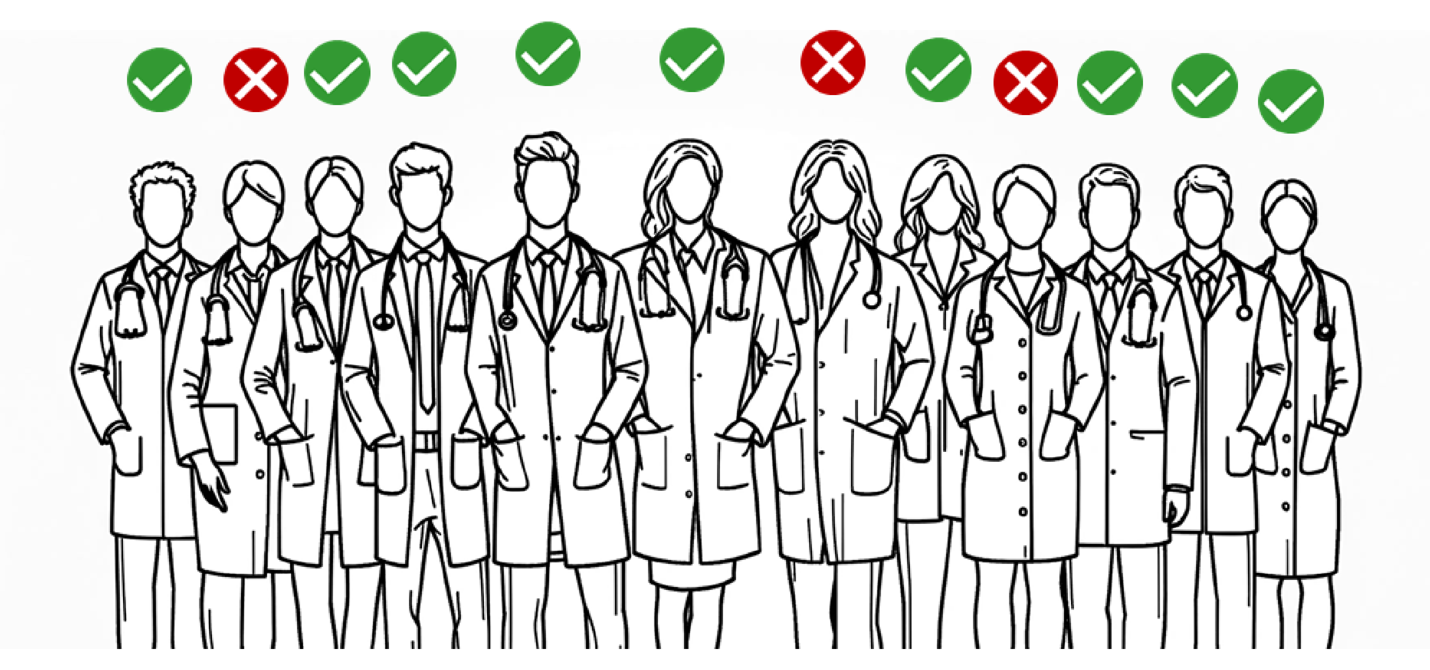
Best Practice: Groom Contracts and Participants



15+ Hospital ACO

$3M /Year

Identified in Annual Lost Shared Savings and Cause

2.51%

Increased Savings Rate

$11.3M

Increased Shared Savings

Contracts bifurcated to improve financial performance

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Blend Population Health and VBCs To Increase Provider Enablement

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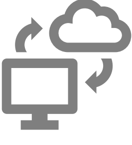
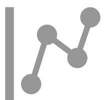
Challenges	Root Cause	Solutions	Value
Lacked Integration with Affiliates to Succeed in MSSP and MA Preparation for eCQM	Lack of clinical integration with affiliated providers to compete with tech-enabled MSOs like Aledade	**Provider Enablement** Deliver actionable chase lists and incentives earned to affiliates **VBP Analytics** Calculate incentives for affiliates to drive engagement Integrate affiliate EHRs for eCQMs	**Increased MSSP Savings Rate by 2% YOY** **PHSO now operates 2 ACOs covering 6 states** **Successful eCQM submission**





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The SpectraMedix VBP Provider Portal

The SpectraMedix VBP Provider Portal empowers providers to improve care and cost savings with solutions to:

- Remove data overload
- Track gaps in care and intervene to improve outcomes
- Track key performance indicators tied to incentives
- Summarize costs incurred and total cost distribution
- Manage members with chronic condition needs
- Compare themselves to others within the organization
- Access simple, targeted, actionable chase lists

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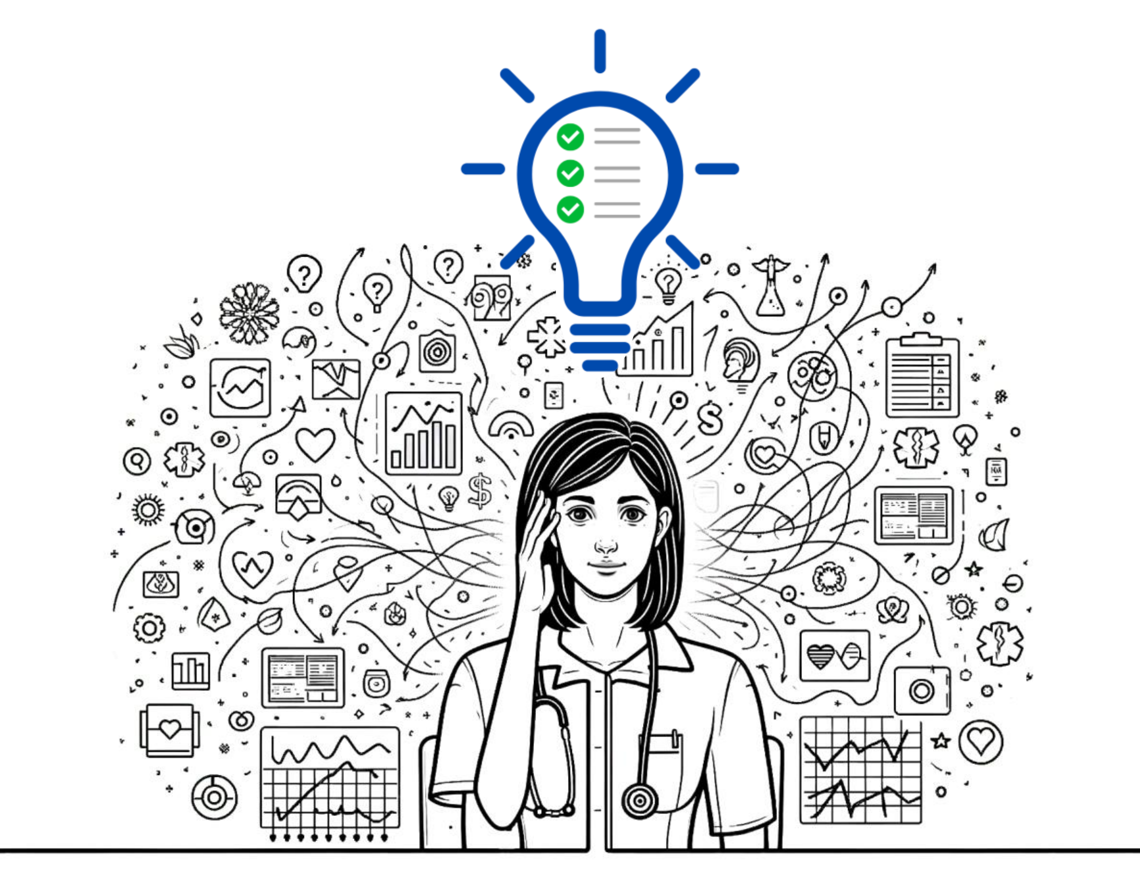
Best Practice: Transparency Empowers Providers to Thrive

- **Give Providers what they need for VBC Success**
  - Provider-friendly format
  - Actionable insights
  - How they are performing
  - Opportunities for improvement

Transparency Breeds Trust



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Empowering Provider Networks to Succeed in VBCs

Problem:

- Lack of complete VBC picture for ACO reporting and enablement
- Provider network and medical economics teams had separate infrastructure/processes
- Attempts at integration didn't provide key VBC financial insights
- Providers felt unprepared to migrate beyond P4Q contracts

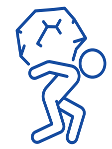
Solutions:

VBP Analytics

Contract Settlement

Provider Portal

Contract Modeler



Help Providers Adopt Categories 3 and 4 VBCs

Bring quality, risk, utilization, and financial payouts together

Improved Provider Enablement and JOC Reporting

Enabled creation of a VBC Center of Excellence

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Best Practice: Deliver Relevant Performance Summaries and Actionable Insights Through Value-Based Contract Prism

- ✓Quality
- ✓Risk
- ✓Utilization
- ✓Financial
- ✓TIN & NPI Granularity
- ✓Provider Comparison
- ✓Opportunities for Improvement

Drives operational excellence across enterprise and provider networks

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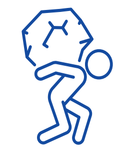
Ensuring The Right VBC For Your Organization

Problem:

- Lack of complete VBC picture for ACO reporting and enablement
- Laborious and manual processes for provider network team
- MA risk scores and excessive payments
- Couldn't operationalize next generation of VBCs

Solutions:

Contract Settlement



Shift contracts from incentive-based toward Categories 3 & 4

Provide Operational Infrastructure for Health Plan and Health Systems for VBCs

Improve ACO Engagement with relevant shared savings/risk and capitation content

- **ACO Dashboards**
- **JOC Reporting**

Enabled approximately 30 next generation value-based contracts

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Contract Modeler

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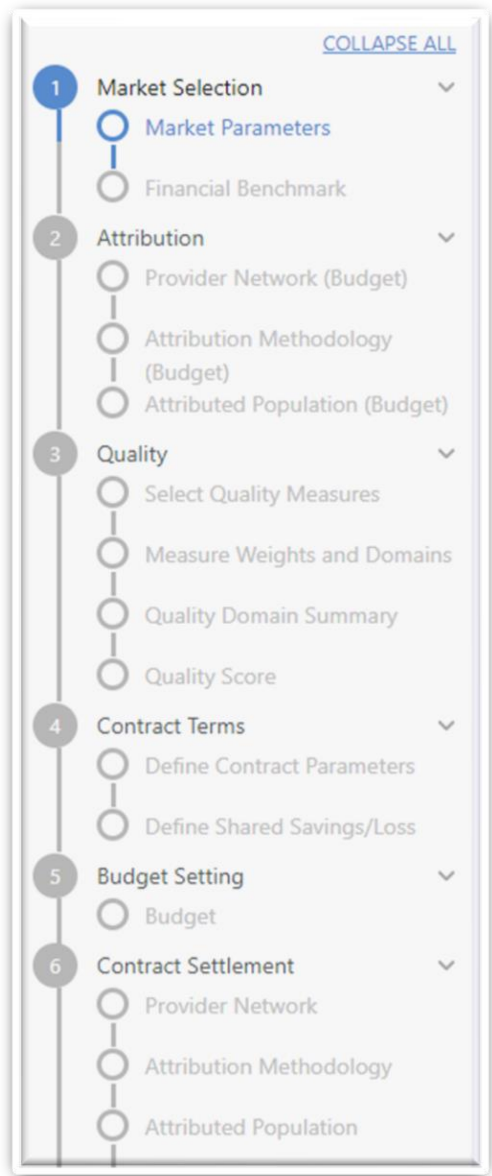
(RE)DESIGN

EVALUATE & ADJUST VALUE LEVERS & TINs

NEGOTIATE INCENTIVES

SCENARIO PERFORMANCE SIMULATION



- ✓ Simulates Contract Performance Based on Your Data
- ✓ Model contracts in less than 1 hour
- ✓ Supports Broad Array of Value-Based Contracts

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Best Practice: Evaluate Contracts Based on Your Own Provider Track Record

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- **Evaluate Contracts** with your historical data
- **Bring All the Pieces Together** to evaluate contracts during negotiation
- **Split Contracts Based on Provider Performance** Some providers may be more ready than others to accept risk

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Best Practice Summation: You Need a New Breed of Analytics for VBC Success

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How each provider is doing

By contract, practice, TIN

How they compare

vs. Peers, in VBCs

How to improve

Actionable insights, and Root Cause Analysis

If you have the complete picture of value-based performance, you minimize the likelihood of surprises.

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Thank You

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