

# Value-Based Care Emergent Care Services

September 20, 2018  
Rose Conference  
Minneapolis, MN

Presented by Cliff Frank  
Healthcare Management Solutions, Inc.

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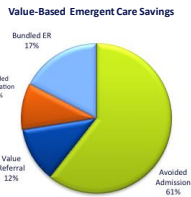
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## Problem

- Un-doctored consumers are driving \$575 billion inappropriate emergent care
- Fee-for-service ER visits add another \$100-\$200 billion in unnecessary admissions, testing and referrals
- No one is systematically reducing this waste
- High out-of-pocket costs are driving 40% of consumers to forego medical care
- ER and urgent care center visits may stabilize, but typically do not resolve the patient's medical issue
- Access to care has exacerbated the problem



See: CA Office of Statewide Health Planning and Development

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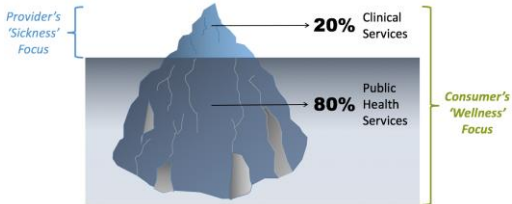
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'Sickness' Model



'Wellness' Model

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**'Sickness' Model** → **'Wellness' Model**

- ER visits: treat – street – repeat
- Caregivers provide inpatient and outpatient services
- Payers retrospectively deny payment for 'medically unnecessary' services
- Community health workers connect the patient/consumer to the appropriate mix of (mostly) existing public health services to improve health status
- Reduce unnecessary ER visits and inpatient utilization by 30% to 40%
- Caregivers provide inpatient and outpatient services

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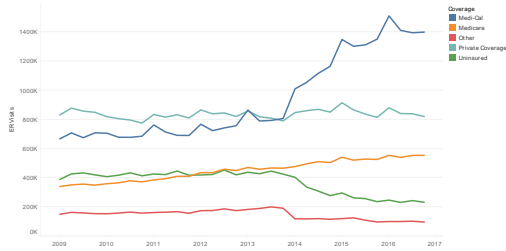
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ER Use in CA by Plan Type



The trend of sum of ER Visits for Quarter Month. Color shows details about Coverage.   
Color shows details about Coverage.  
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**Current Approach to Solving**

- Payers want to shift risk  
*OR...Deny, Deny, Deny*
- Risk transfer contracts most expeditious to align incentives
- Emergent Providers are conflicted:
  - FFS revenue keeps the door open
  - Little/no experience managing risk



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## Why Isn't This Happening?

- Payers in the risk management business
- Providers in the reimbursement business
- Consumers in the entitlement business



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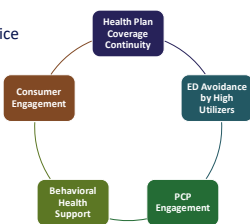
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## Emergent Care Services

- Right place, right time, right service
- Examples
  - Camden
  - Temple
  - West Baltimore



See: Jeffrey Brenner, MD [Camden Coalition Randomized Controlled Trial](#)  
Robert Wood Johnson [Foundation: Aligning Forces for Quality](#)

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## Emergent Care Process

	Reactive Process	Proactive Process
Engagement	Nurse triages in-bound call; Transfers to 911 OR Coordinate Emergent Care Counselor Propose immediate care pathway On-demand mobile health	Counselor contacts member and identifies barriers to recovery and psycho/social conditions that trigger ER/911 Coverage continuity Behavioral health support ER avoidance education for high utilizers PCP engagement
Coordination	Facilitates member action(s) to seek prompt treatment	Facilitates member action(s) to minimize barriers to recovery and avoiding unnecessary care
Treatment	Clinical and psychosocial services provided	Arrange on-demand mobile health transportation Clinical, social and psychosocial services provided
Recovery	Define barriers to recovery and facilitate solutions	Track progress, revise and coordinate service delivery through patient recovery

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## Barriers to Value-Based Emergent Care

- Fragmented market fails to address “Root Cause”
- Clinical, Mental Health and Social Services not integrated or aligned
- Un-Doctored Consumers
  - HDHP and ACA add to the problem
  - Use the ER as primary source for services
  - 70% of Medicaid
  - 40% of Millennials



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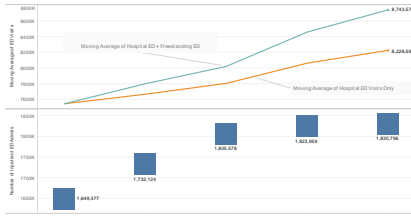
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## Hospital Emergency Visits

- ED Growth – Freestanding and Mini Hospitals
- Blunts impact of programs to reduce admissions
- Florida Trend



Source: www.floridahealthfinder.gov/research/DataStat/spinchart.aspx

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## Impact of Insurance Reform

- Deductibles increased 75% since 2009
- Consumers have little incentive to engage
  - 76% are “generally dissatisfied with cost of healthcare” (see: [Gallup Poll](#))
  - 38% are demanding lower cost treatment alternatives (see: [PricewaterhouseCoopers](#))
  - 40% are foregoing medical care until they need care immediately (see: [PricewaterhouseCoopers](#))
  - Un-doctored visit may stabilize, but typically does not resolve the patient’s medical issue or adequately manage chronic condition
- Conclusion:

We need a Value-based Model for Emergent Care

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## About the Speaker

### Cliff Frank

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Founder of Healthcare Management Solutions, specializes in designing managed care products that offer financial incentives for patients to use efficient and high quality health care providers.

- Managed Care Contracting
- Provider Risk
- Integration Organization
- Capitation



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## Q&A

[www.clifffrank.com](http://www.clifffrank.com)

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