

Value-Based Payment NEWS

Firm Finds Healthcare Companies Focusing on Issues Around Value

Health Care Advisory Board asked respondents to rate 33 issues on a scale of A to F.

In a recent Health Care Advisory Board blog post, the firm notes that its research team conducts the Advisory Board Research Annual Health Care CEO Survey to identify “what issues are of greatest strategic importance to our hospital and health system members.” This year, the post adds, “given the political uncertainties, the intensifying margin pressures sweeping across the industry, a new wave of mega-mergers and the looming threat of disruptive innovation from outside entities,” researchers wondered which topics would rise to the top. Here’s the percentage of C-suite executives that gave each issue an A:

- Preparing the enterprise for sustainable cost control: 61.6%
- Innovative approaches to expense reduction: 56.3%
- Exploring diversified, innovative revenue streams: 55.9%
- Boosting outpatient procedural market share: 50.3%
- Meeting rising consumer demands for service: 50.0%

The blog focused on “three key insights that emerged from a detailed review of the results.”

[1] *“It’s all about the margins.”*

- The survey aims to “evaluate interest in a wide range of issues -- including topics related to physician partnership, merger & acquisition strategy, clinical technology and governance,” the post pointed out. But the top five performers in 2018 “reveal an almost singular focus on issues related to margin management,” it added, “whether through cost containment or revenue growth.” The researchers say they’re not surprised: “Many conversations with healthcare executives center on addressing margin deterioration,” the post commented. “We’re seeing heightened margin pressure at organizations of all shapes and sizes.”

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Washington Watch

❖ APG ‘Cautiously Optimistic’ About PFS, QPP Proposals

Doctor group says of MAQI Demonstration: “We fought hard for this important step in the value movement and will continue advocating for participants to receive proper bonus incentive payments.”

Here’s America’s Physician Groups, still digesting the 1,473 pages of proposed rules for the Centers for Medicare & Medicaid Services’ Physician Fee Schedule and Quality Payment Program, says it looks so far like the proposals represent “real action to advance the value movement.” APG especially notes the “re-affirmation” of the recently announced Medicare Advantage Qualifying Payment Arrangement Incentive Demonstration. Additional proposals of note, according a statement from APG:

- **Adjustments to the Merit-Based Incentive Payment System program**, such as “removal of 34 low-value measures, a proposal to add 10 new measures, an increase of the cost component calculation weight from 10% to 15% and doubling the performance threshold to 30 points.”
- **Increased reporting flexibility in Advanced Alternative Payment Models**, including “allowing for Qualifying Participant determinations at the Taxpayer Identification Number level in addition to the APM and individual clinic levels.”
- **Reforms to Evaluation & Management payments**, including “a series of add-on codes to reflect resources involved in providing complex primary care and non-procedural services.”
- **Streamlined documentation requirements**, including “eliminating the requirement to justify the medical necessity of a home visit in lieu of an office visit.”
- **Reduction of quality measures** from 31 to 24 in the Medicare Shared Savings Program and “additional focus on more outcome-based measures, including patient experience of care.”

APG – which calls itself “the nation’s leading professional association for accountable physician groups” -- says it plans to comment on the proposed rules. APG represents 300 medical groups and IPAs; they all “operate under a capitated, coordinated care model that is the essence of the nation’s health reform movement from volume to value.” Visit www.apg.org.