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National Webinar Series:

Value-Based Care and Oral Health

Laying the Groundwork

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MSDA and Safety-Net Solutions Present

Value-Based Care and Oral Health:

Who, What, When, Where, and How?

Two-Part Initiative

National Webinar Series

Webinar #1—*Laying the Groundwork*

Webinar #2—*Rolling Out Value-Based Care*

Technical Assistance Program

Building a Value-Based Medicaid Dental Program

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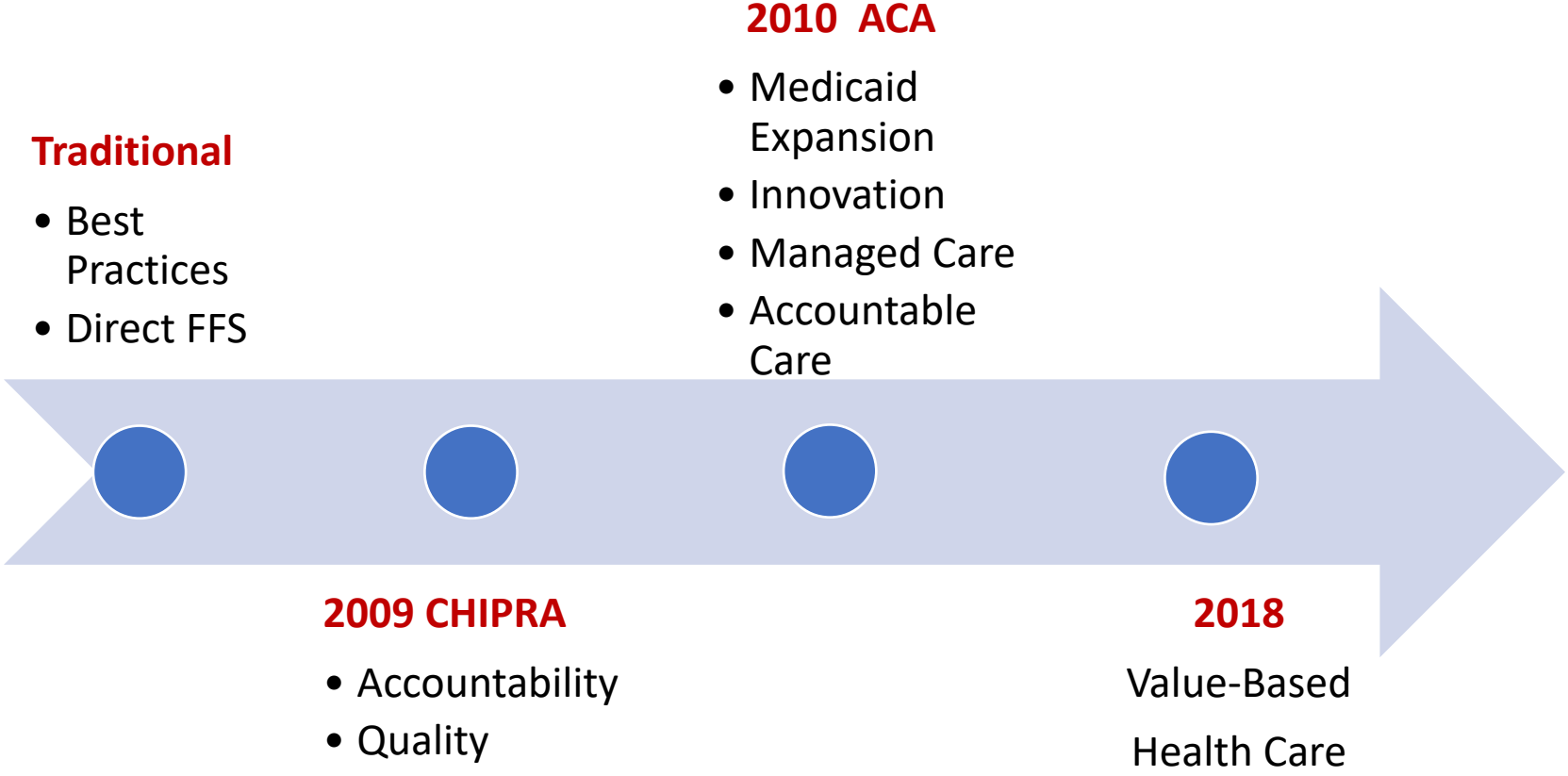
Introduction—Environmental Changes



Why States, Contract Vendors and Providers Should Learn More About Value-Based Healthcare

- Gain *awareness* of changes in and evolution of dental healthcare delivery system
- Gain *knowledge* of value-based healthcare principles
- Gain *competency* in using value-based healthcare principles across Medicaid programs and health plans
- *Improve programs* via incorporating value-based healthcare principles in RFPs and vendor contracts

Mark Doherty, DMD

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Learning Objective(s)

Participants will gain knowledge in:

- What value based care (VBC) is and is not!
- Why we are considering the system change to VBC
- Fee for service: What works and what does not
- Questions to ask when considering a VBC finance model

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The W. Edwards Deming Institute

W. Edwards Deming

Every system is perfectly designed to get the results it gets.

* attribution disputed, see source link

source: quotes.deming.org/10141

Bridging the Systems Gap

Fee For Service → ***Value Based Care***

Fee for Service pays us for what we do.

Value based care pays us for what we do not do!!!

VBC is Not:

- Simple
- One size fits all
- Guaranteed to work
- Going away
- Instant

Readiness Assessment: Elements to Assess

DOMAINS of VBC

- Leadership, Vision and Will
- Structure, Systems and Operations
- Care Pathways and Provider Buy-In
- Data and Analytics Technology and People
- Financial Viability

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Cost of Healthcare

The Cost of Healthcare

2017 Health Care Costs: 3.5 Trillion or 22% of GDP!!!

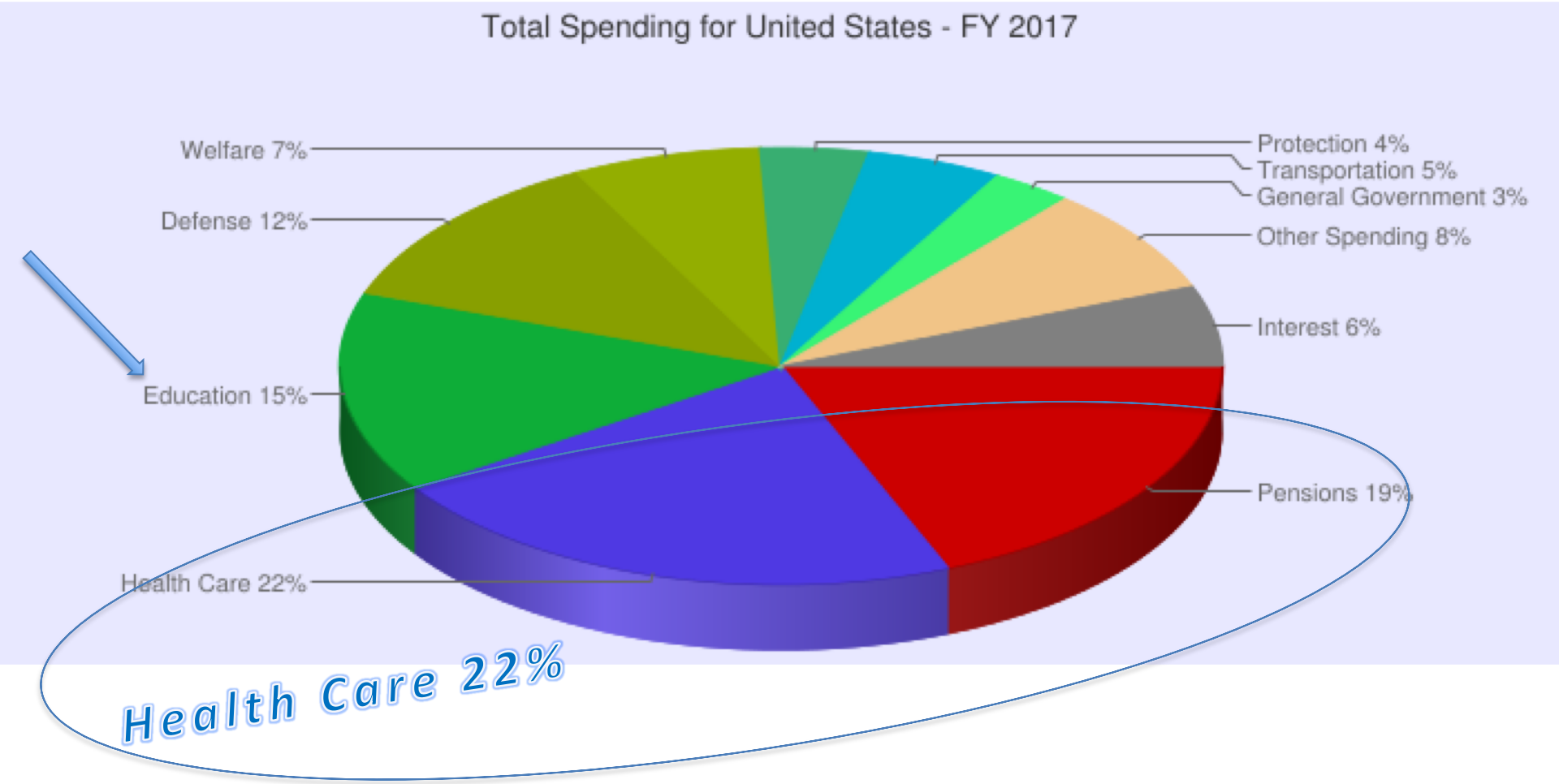
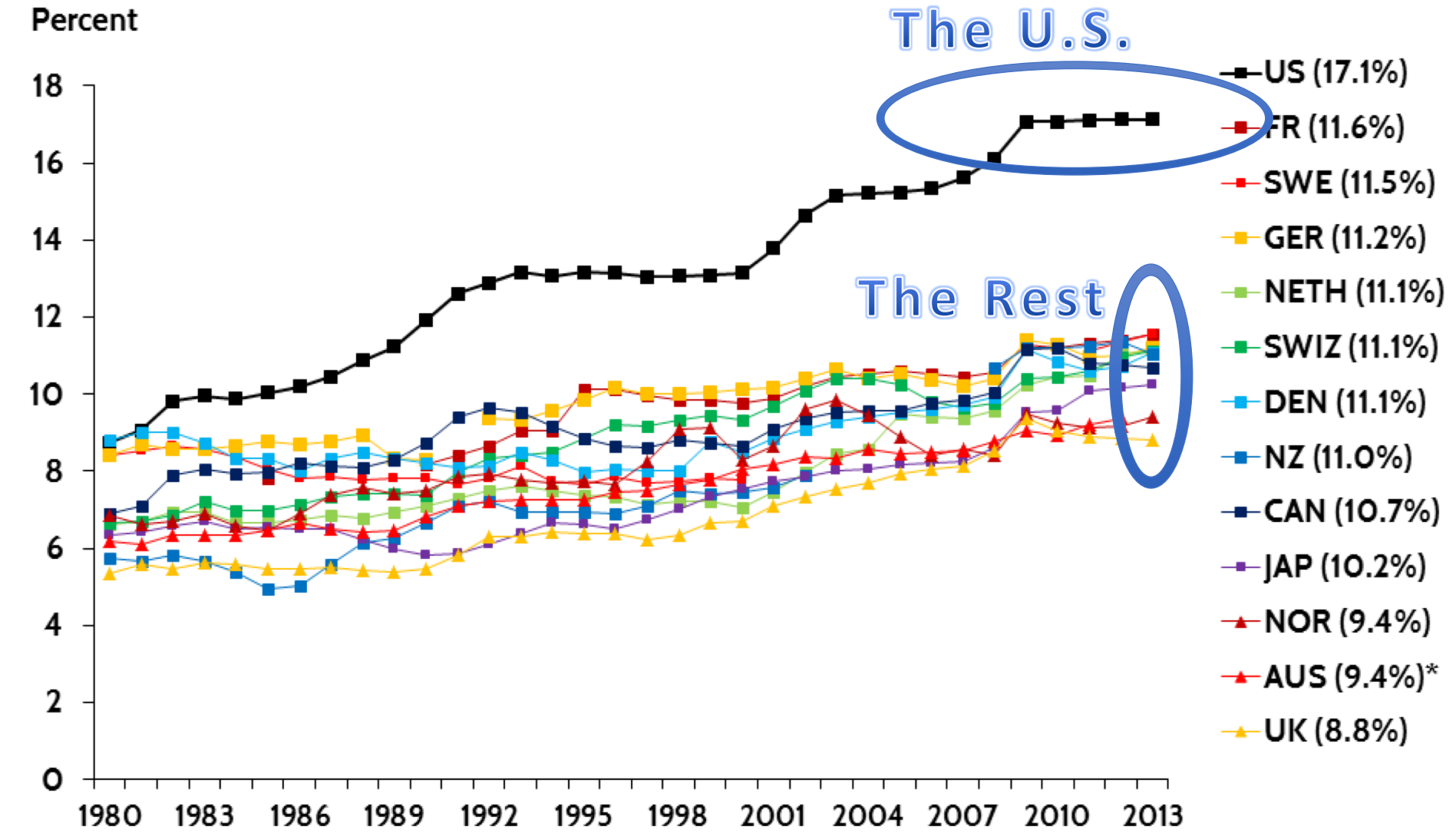


Exhibit 1. Health Care Spending as a Percentage of GDP, 1980–2013



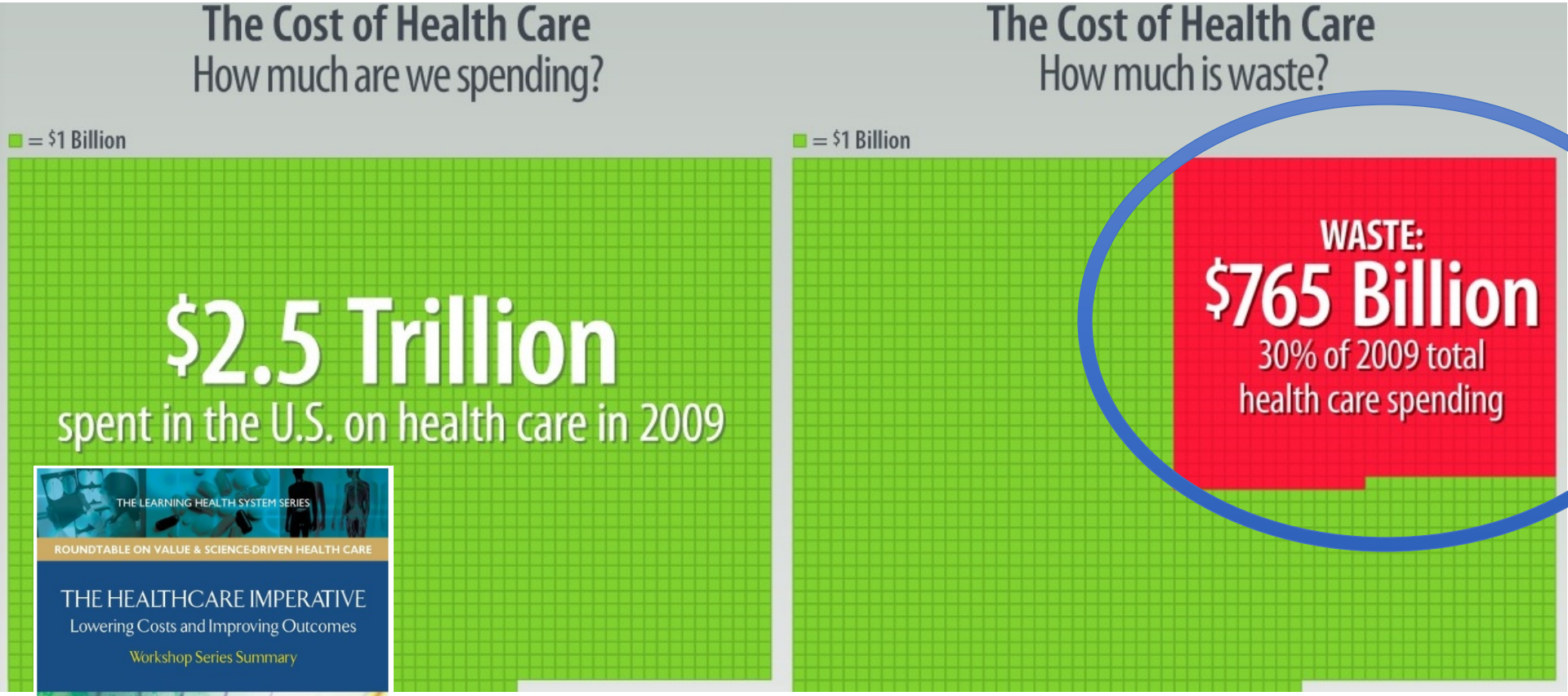
* 2012.

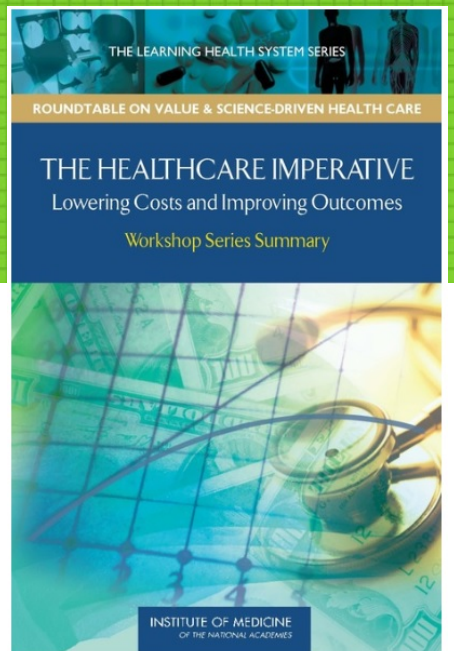
Notes: GDP refers to gross domestic product. Dutch and Swiss data are for current spending only, and exclude spending on capital formation of health care providers.

Source: OECD Health Data 2015.

Best Health Care in the World ?

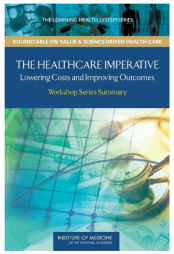
30% of Health Care Dollars are Wasted





The Health Care Imperative: Given healthcare's direct impact on the economy, there is a critical need to control health care spending.

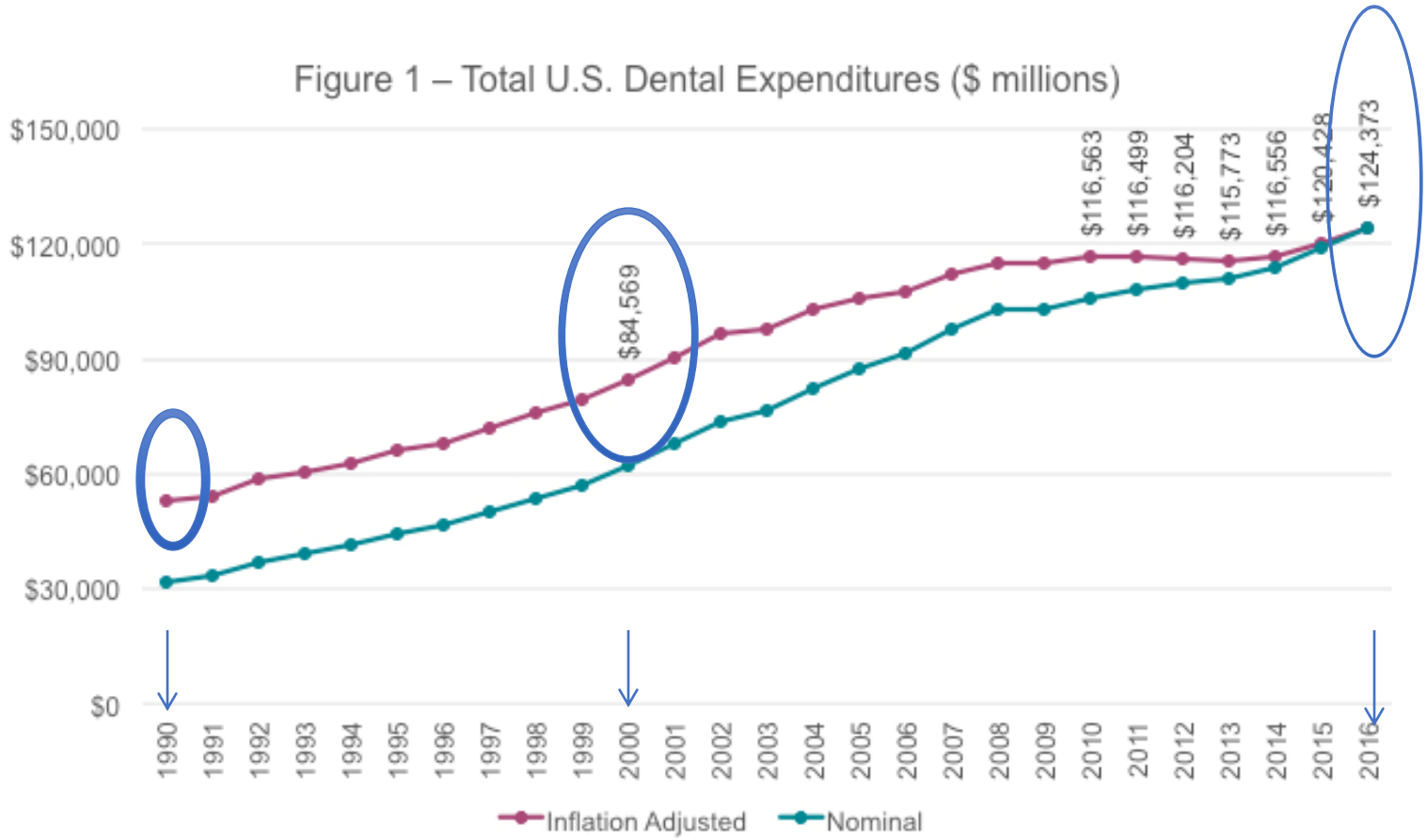
Wasted Health Care Resources-30%



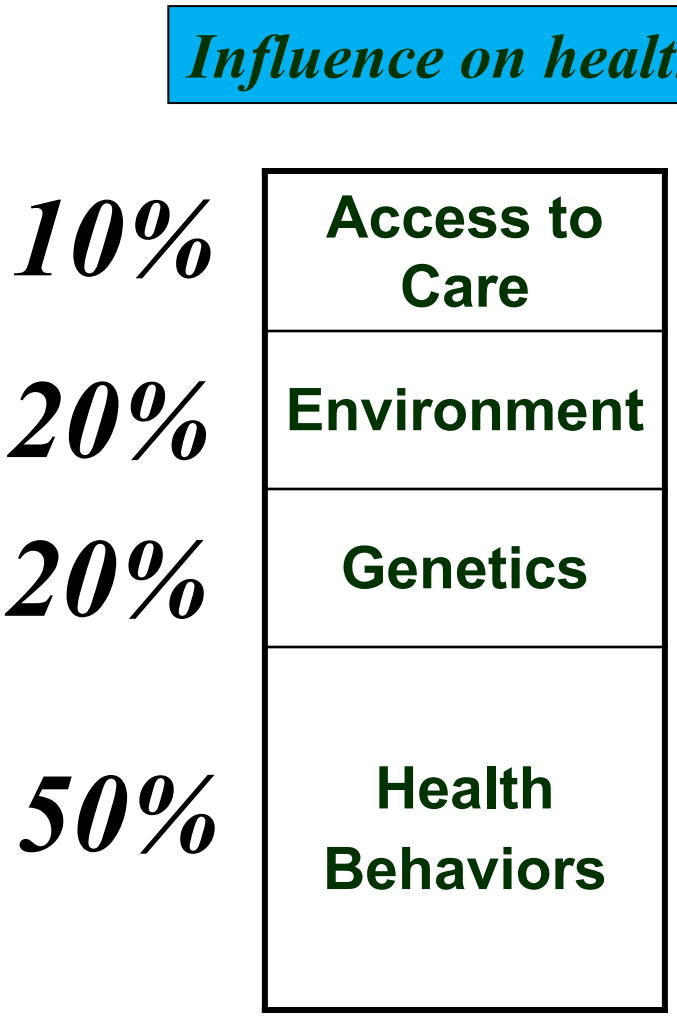
Oral Health Care Dollars Wasted

- 2016 Dental Expenditures = $124B
- 30% = $37.2B that could have been spent on care
- 2016 Medicaid Dental Costs = $14.9B
- 30% = $4.47B that could have been spent on care

Dental Expenditures



Health Status: Determinants of Health and Health Care Expenditures



Source: Centers for Disease Control and Prevention, University of California at San Francisco, Institute for the Future, http://www.cdc.gov/nchs/fastats/health-expenditures.htm

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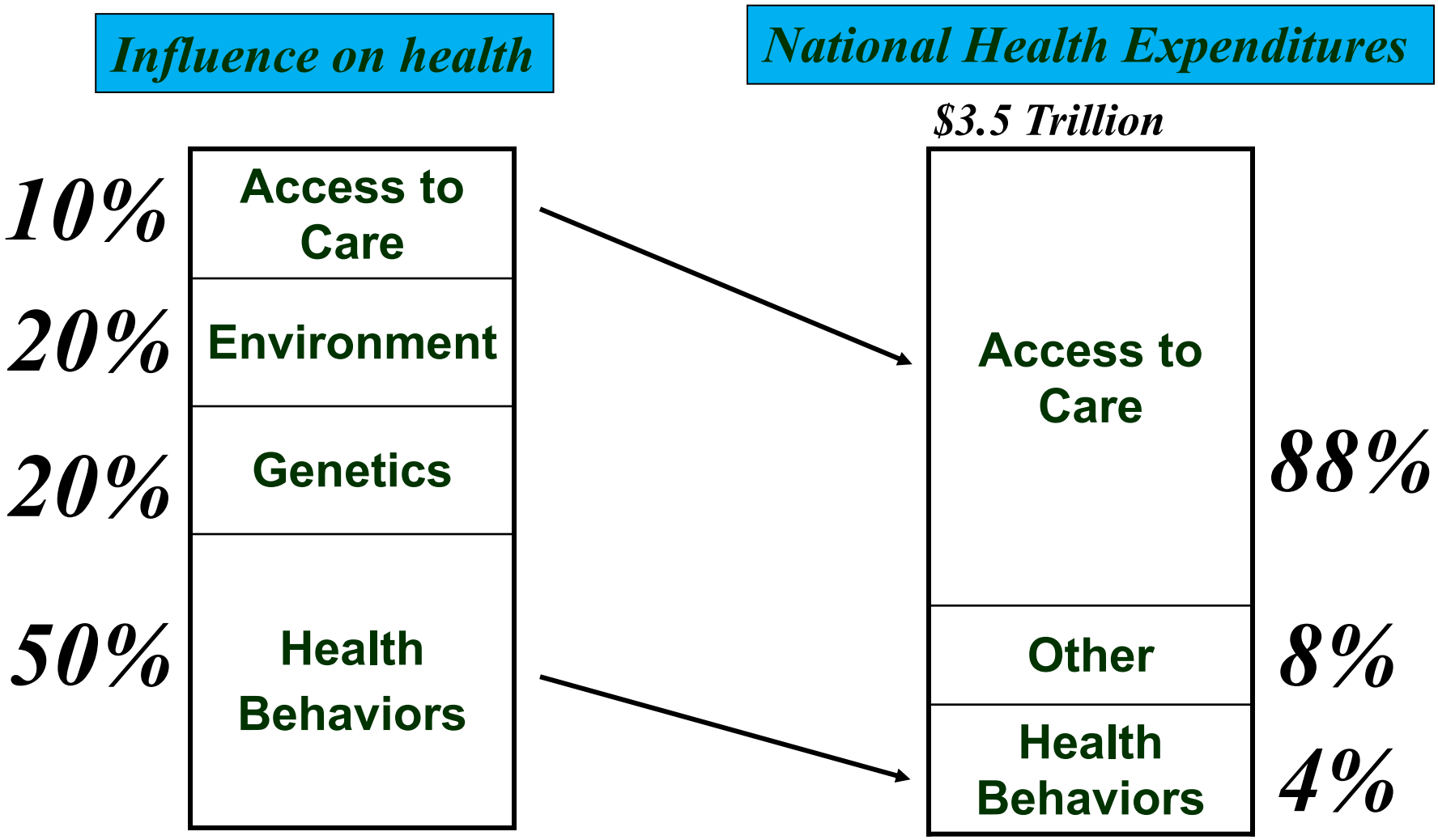


Source: Centers for Disease Control and Prevention, University of California at San Francisco, Institute for the Future, http://www.cdc.gov/nchs/fastats/health-expenditures.htm

Why Health Care Payment Reform?

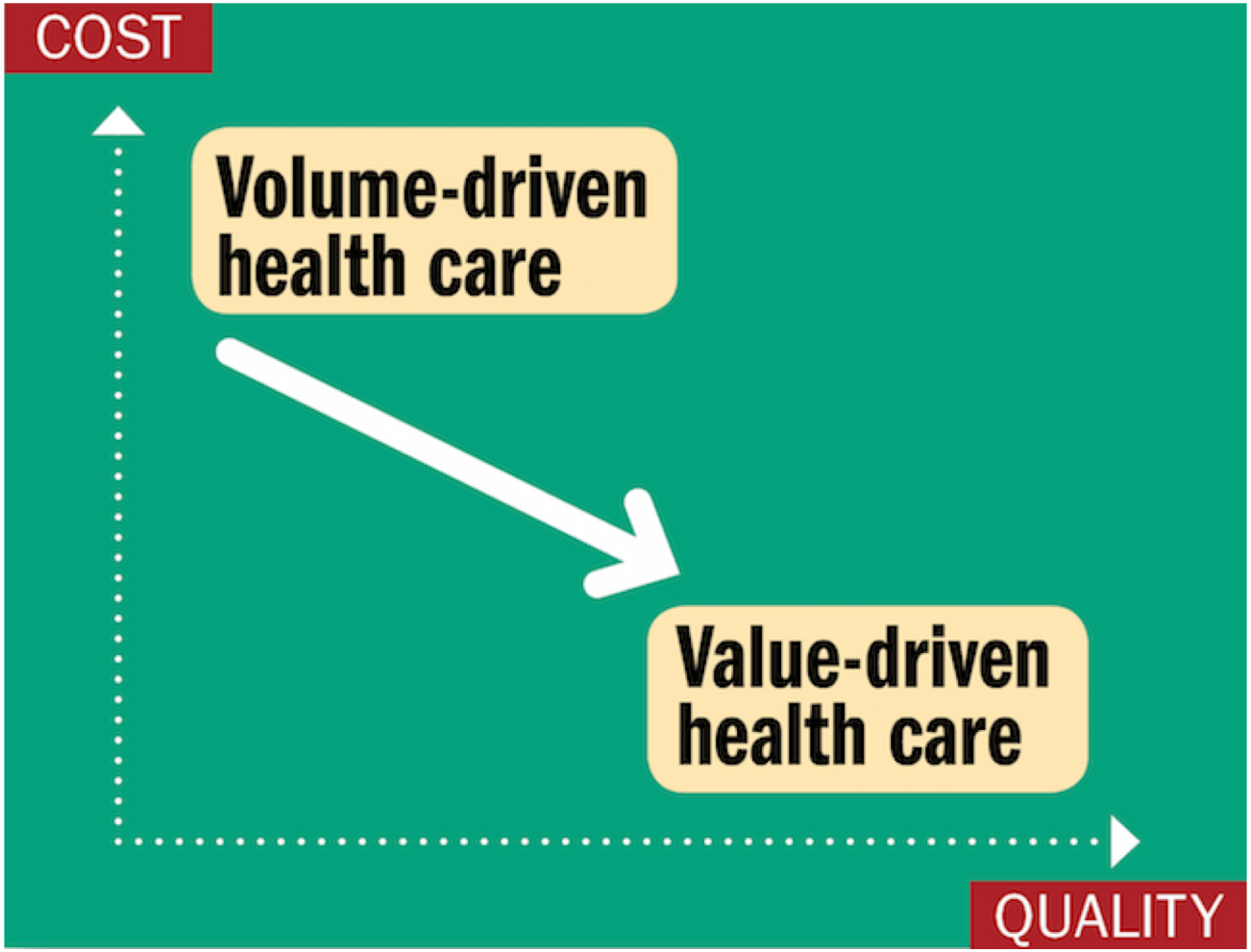
- 30% of health care expenditures is waste
- 88% of health care dollars is spent on Access
- 50% of Medicare $$ = last 6 months of life on only 6% of the population!
- Spend $3.5 trillion: > $10,000/ person per year

Houston we have a problem!
Something has to change

Value-based healthcare is a healthcare delivery model in which providers are paid based upon making patients healthy while reducing costs.

Value Equation

Value = Quality/Cost



Health Care Finance Terminology

- Fee for Service (FFS)
- Alternative Payment Methodology (APM)
- Prospective Payment System (PPS)
- Per Member Per Month (PMPM)
- Encounter or Cost based Payments
- Global Payments
- Capitation
- Value-based Purchasing (VBP) or Pricing (VBP)
- Pay 4 Performance (P4P)

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Fee For Service

What Works

- Providers are only paid when they provide a service
- Pays for more care when patients need it (volume)
- Payment does not depend upon variables the provider can`t control
- Predictable payment, Providers know what they will be paid before they provide a service

What Does not Work

- Care is not linked to quality or results
- Care provided is not predictable
- Cost of care can exceed the payment for care
- No fees for many needed services
- Costs for care are not predictable or comparable

The fact that an alternative payment model is different from fee-for-service does not necessarily mean it is better.

Pay For Performance

What Does not Work

- P4P services provided may not be the ones that a particular patient needs
- Payments may not be enough to cover the costs of care
- There may be needed services that are not covered by the P4P plan
- Costs for care are not predictable or comparable
- Providers still have to deliver services to be paid. P4P is just an adjustment to FFS provided
- Providers could get paid less for treating patients with greater needs
- Providers could get paid less for things they can`t control

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Creating the Win-Win

What Does Success Look Like for State Medicaid Dental Programs?

- Responsible and efficient program costs
- Budget predictability
- Improved Access & Use of Services -> More patients receive care
- Quality-based services delivered -> healthier patients
- Customer (beneficiary) satisfaction
- Adequate provider network

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What Does Success Look Like for State Medicaid Dental Programs ?

Improved Processes:

- Streamlined credentialing
- Efficient payments
- Reduced fraud, waste, and abuse
- Effective and equitable assignment, attribution, and management of patients
- Actuarial precision utilized and verified

What Does Success Look Like for Contract Vendors?

- Realistic and achievable goals
- Efficient program management yields profit
- General contract provisions are normal
- RFP includes contract performance requirements, program goals and terms and conditions that are clear, doable and measureable.

What Does Success Look Like for Contract Vendor?

- Ability to communicate with both providers and patients (members)
- Clarity related to expectations
- Pre procurement communication lines open
- Continued communication during implementation

What Does Success Look Like for Contract Vendors?

- Actuarial precision
- Ability to assign/attribute patients based on history and capacity
- Ongoing partnership in program improvement
- Outreach to members

Assessing a Value Based Payment System: Questions to Ask

- Are the operational metrics reasonable, measureable and achievable?
- Are the quality metrics reasonable, achievable and appropriate for the patients attributed? Do they really add value to the care of the patients?
- Is the agreed upon or proposed contract a win–win for the payer and the provider?
- Are providers accountable for appropriateness, high quality, and outcomes of services for each patient?
- Do payment rates match the cost of delivering quality care?

Assessing a Value Based Payment System: Questions to Ask

- Do providers have flexibility to deliver the highest value services?
- Are patients and purchasers able to determine the total amount they will pay?
- Are providers only paid when patients receive services?
- Will patients with greater needs be able to receive more services?
- Are providers only held accountable for things they can control?
- Will providers know how much they will be paid before services are delivered?


ANY
QUESTIONS
?

Mark J. Doherty, DMD, MPH

Dr. Doherty joined the DentaQuest Institute in 2005 as Director of the Institute's Safety Net Solutions (SNS) program. Dr. Doherty provides leadership and direction for the technical assistance consulting projects and regional trainings, ensuring that the program's work is of the highest caliber. Under his direction, the program has grown from a pilot in three New England community health centers to a nation program serving over 500 safety net dental programs across the United States. Dr. Doherty represents Safety Net Solutions and the DentaQuest Institute with state, regional and national audiences. For nearly 30 years, Dr. Doherty served as the Director of Oral Health Services at Dorchester House Multi-Service Center in Boston, MA, where he built a safety net dental program that included three separate treatment sites, 18 dental providers, several specialty services, and a staff of more than 40. He currently serves as the Chief Dental Officer for the Taunton Oral Health Center and for Commonwealth Mobile Oral Health Services, which provides portable oral health care at sites throughout Massachusetts. He has served as a consultant for multiple organizations, including the Massachusetts Department of Public Health, Massachusetts Department of Youth Services, and the University of Massachusetts Medical School. He has appointments at several institutions, including the Harvard School of Dental Medicine, Boston Medical Center, Boston University School of Dental Medicine and Lutheran Medical Center. Dr. Doherty received a Bachelor of Arts degree from the College of Holy Cross in Worcester, MA and a Doctor of Dental Medicine from the University of Pennsylvania. He completed a residency in general dental practice through the Massachusetts Veterans Administration Hospital and Harvard School of Dental Medicine and was awarded a Master of Public Health from Madison University.

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