SANTÉ PHYSICIANS

Growing and Thriving in Value-Based Care Era

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The healthcare industry is abuzz about Value-Based Care (VBC) and Pay for Performance (P4P). Santé is determined to help our providers thrive and prosper in this VBC era. What does it actually mean for all of us at Santé? How will it look in practice?

On average, employers spend over $20,000 to ensure a family and employees spend more than $5,000 for out-of-pocket costs. Avoidable ED use costs almost $32 billion more compared to appropriate use of urgent care centers. Surgical procedures at an ambulatory surgery center (ASC) are typically 43% less costly than hospital outpatient site (HOS). A local physician had a rude awakening when his out-of-pocket cost at ASC was $204 and his wife's out of pocket cost at HOS was $4,057 for an identical eye procedure.

Value-based care puts clinical authority and financial control back into physicians' hands. Because value- based models give providers the autonomy to direct how and where treatment happens, care teams can directly manage the level of care and total costs for their patients while benefitting from generous shared savings incentives from payors!

VBC designed to improve patient outcomes and reduce health care costs. VBC ties payments to higher quality and lower costs and rewards providers with quality and cost efficiency incentives. Specifically, improving preventative care, reducing unnecessary ED and hospital use, preventing readmissions, eliminating waste, and use of shared EMR to report results.

For Santé, this means that well-coordinated care coupled with the use of efficient health information systems, like our new NextGen-platform option, makes us more collaborative and valuable to patients and payers. Not only does it bring us proven returns, like the IPA's recent Four-STARS Quality Award (which we recently received for our MY 2020 performance), but it also puts us all in a great position and a more intimate relationship to negotiate with our insurance partners.

Moreover, if we then demonstrate the value of our collaborative model, we can move toward larger physician leadership in our community that is actually conducive to organizational member growth, physician recruitment and retention, as well as greater community benefit.

The specific benefits for our patients and providers in a value-based system include:

1. **Well-coordinated care** - whenever it is clinically appropriate, referrals are to be made to high-quality, cost-effective facilities, like ambulatory surgery centers (ASCs), imaging centers, endoscopy centers, urgent care centers, etc., in order to provide the right level of care in the right location at the right time. Santé Physicians

IPA is positioned very well to do just that, with more and more of our members already taking advantage of Site of Service and Episode of Care bundled arrangements. By focusing our referral practices to these efficient delivery models,

we can offer personalized, patient-centered care that is both convenient and more affordable, all while benefitting from shared cost savings and appealing to our prospective insurance partners.

2. **Interoperability of health information technology** — actively collecting, aggregating, assessing, and reporting data to make it actionable. EHR and the exchange of such information (aka "interoperability") have become one of the cornerstones of modern healthcare practice, built into the structure of regulations. To be compliant, a number of quality metrics must be tracked with the goal of improving the patient experience, improving population health, and reducing costs through such improvements. Moreover, quality success such as our Four STARS Award, qualifies us for additional incentive rewards. Santé Health System, our MSO, provides the administrative and technological infrastructure for risk-bearing groups like the IPA and other partner organization to function successfully in their relationship with payers and regulators. By providing the option of NextGen, with built-in quality reporting, we ensure ourselves a path to success as our landscape of healthcare changes.

We do not take for granted that our organization is this region's biggest and best, with the most patients, the most providers, and the most VBC revenue. Together, we form the largest pool of patients and providers so that each has access to one other. During the last two years, we have added over 600 providers to our organization. At the core of our mission is putting physicians in the best possible position to grow and thrive and influence positive change. We do this through outreach and education and transparency. The IPA allows us to broadcast a unified message encouraging collaborative patient care, high quality, and reasonable price. Membership in this club means engagement with our aspirations and belief in what we have accomplished and what lies ahead for our future. Be assured that we have fostered a culture of continuous improvement and growth for a better, stronger, brighter future.

Please join us in our upcoming Santé Quarterly Medical Membership Meeting for additional information regarding our plans for thriving together.

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Same surgery cost nearly 20 times more in HOPD than ASC in California

A retired orthopedic surgeon in Fresno, Calif., was charged nearly $4,000 more for a cataract surgery at a hospital outpatient department than his wife who received the same procedure at an ASC, Kaiser Health News reported June 27th.

In December 2021, 73-year-old Danilo Manimtim, insured by Anthem Blue Cross of California, went to the HOPD of Saint Agnes Medical Center to receive the cataract surgery. Overall charges ended up being $9,084 for surgery, anesthesia, medical supplies, pharmacy and clinical laboratory services. Anthem paid $5,027 and initially billed Mr. Manimtim $4,057.

Four months later, his 66-year-old wife, Marilou Manimtim, had the same procedure at Fresno-based Eye-Q. Both patients had the same insurance coverage and both providers were in network, but Ms. Marilou ended up owing only $204.

"This is ridiculous, and it feels very unfair," Mr. Manimtim told *Kaiser Health News*. "How can it be so much more expensive than the surgical center? It's walking distance away, and if I would have gone there, I would have saved myself a lot of money."

Mr. Manimtim's insurance plan, the California Public Employees' Retirement System, caps payment for outpatient cataract surgery at $2,000. After being contacted by Kaiser Health Network, Anthem reached out to the hospital seeking help for Mr. Manimtim.

Under Mr. Manimtim's insurance plan, the physician is responsible for requesting an exemption from the $2,000 limit, which didn't happen before the surgery. Anthem then asked the hospital and physician to consider the request after the surgery.

Saint Agnes spokesperson Kelley Sanchez told *Kaiser Health News* that the hospital later requested the exemption and that it was approved by Anthem.

The update would leave Mr. Manimtim with a $750 coinsurance bill, with Anthem covering a large portion of the remaining $4,057 bill.

Source: Becker's Healthcare