

Disrupting for Value

June 16 | 2:00 PM - 2:45 PM ET



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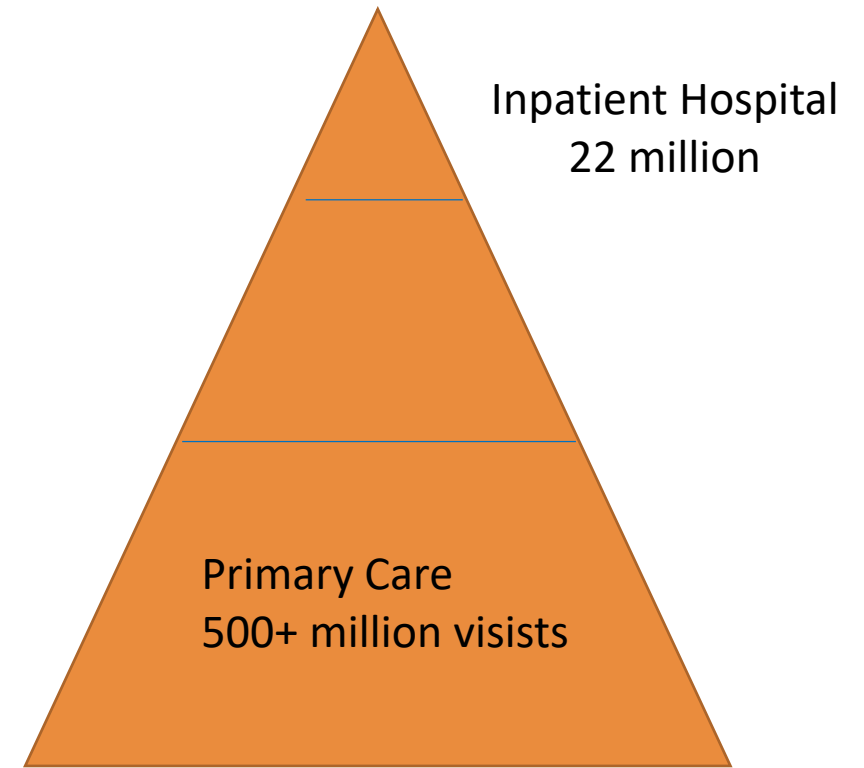
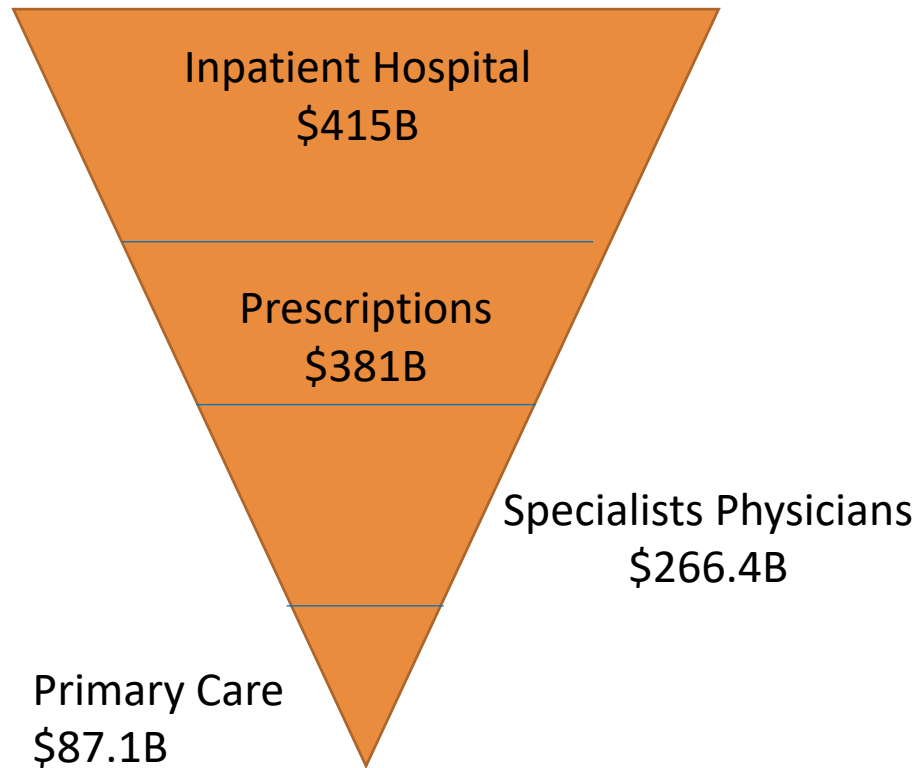
Shawn Martin, CEO, American Academy of Family Physicians

Primary Care At Risk

The nation's primary care system is collapsing

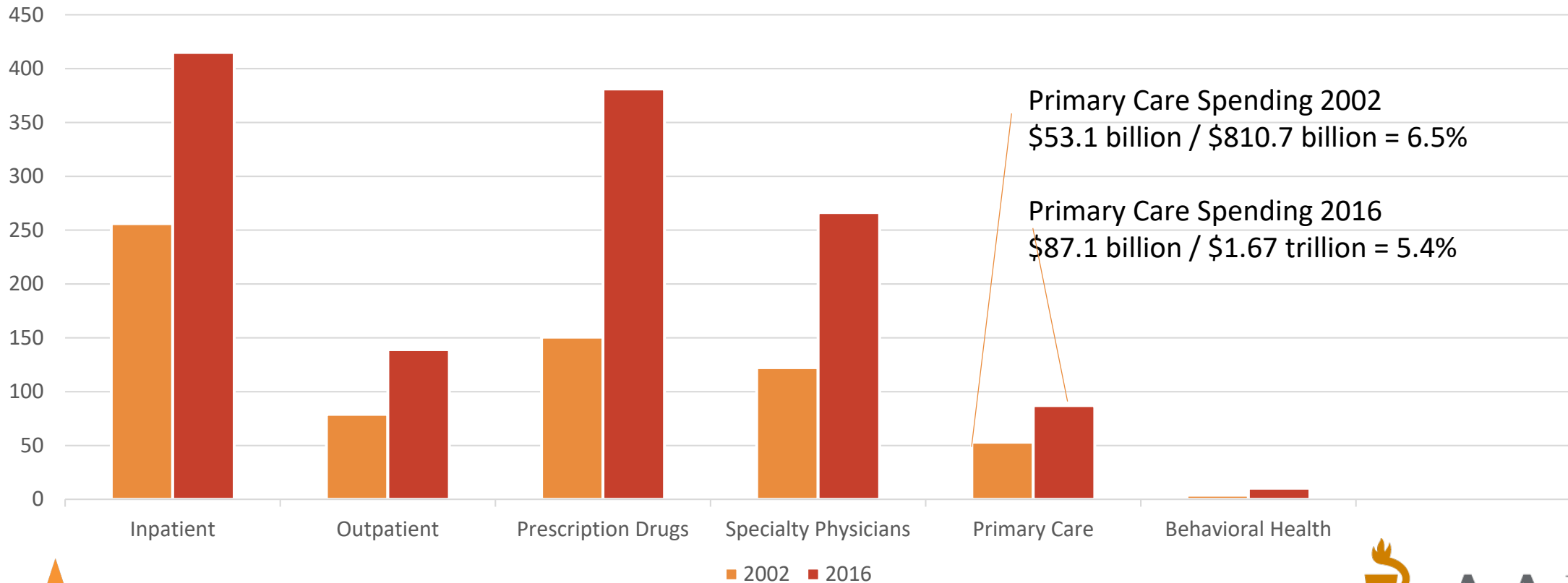
- 70% of primary care practices report a greater than 50% reduction in patient volume
- 80% of primary care practices report that their practice is under severe or near severe economic strain
- 35% of primary care physicians believe most independent practices will be eliminated after the first wave of the [COVID] pandemic
- 40% of primary care practices have laid off or furloughed staff

Investment versus Utilization



Primary Care Spending in the United States

The percentage investment in primary care decreased between 2002 and 2016



Primary Care Is Foundational to Better Health

Advanced primary care is comprehensive, continuous, coordinated & connected

- If you pay for units of time, units of care and sites of service, you will get care that is focused on units of time, units of care and delivered at the most expensive site of service.
- If you eliminate “units” of time and care and become agnostic on the site or modality of care, you will get patient-centered, longitudinal primary care.
- If you achieve longitudinal primary care, patients will be healthier and purchasers will spend less on a per capita basis.

The Future of Primary Care

Moving beyond delivering services to delivering care

- Fee-for-service is incapable of supporting the primary care system that our health care system needs and that patients deserve.
- The whole construct of fee-for-service, and especially the resource-based relative value system (RBRVS), has failed primary care.
- Primary care is comprehensive, continuous, holistic, portable and patient-centered.
- The RBRVS is, by design, the complete opposite. It is focused on units of care, units of time and sites of service.
- Fee-for-service has always been an illogical payment structure for primary care. The COVID-19 pandemic simply put a giant spotlight on its deficiencies.
- **It is time that we demand a more equitable and appropriate financing structure for primary care. Primary care is best supported by a financing structure that provides prospective, risk-adjusted payments for an attributed population of patients.**

Ryan Catignani

**VP Managed Care & Accountable Care Services,
Beaumont Health**



8 acute care campuses



145 outpatient locations



3,429 beds



38,000 employees



5,000 physicians



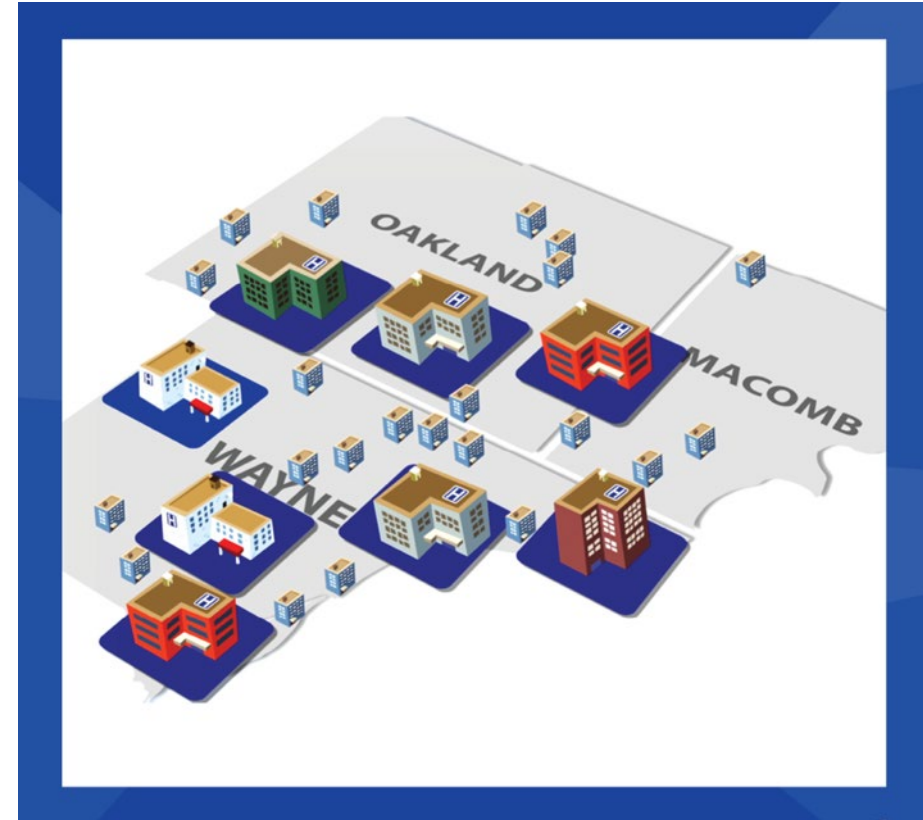
\$4.7B net revenue (2018 unaudited)



572,000 emergency room visits



18,000 births



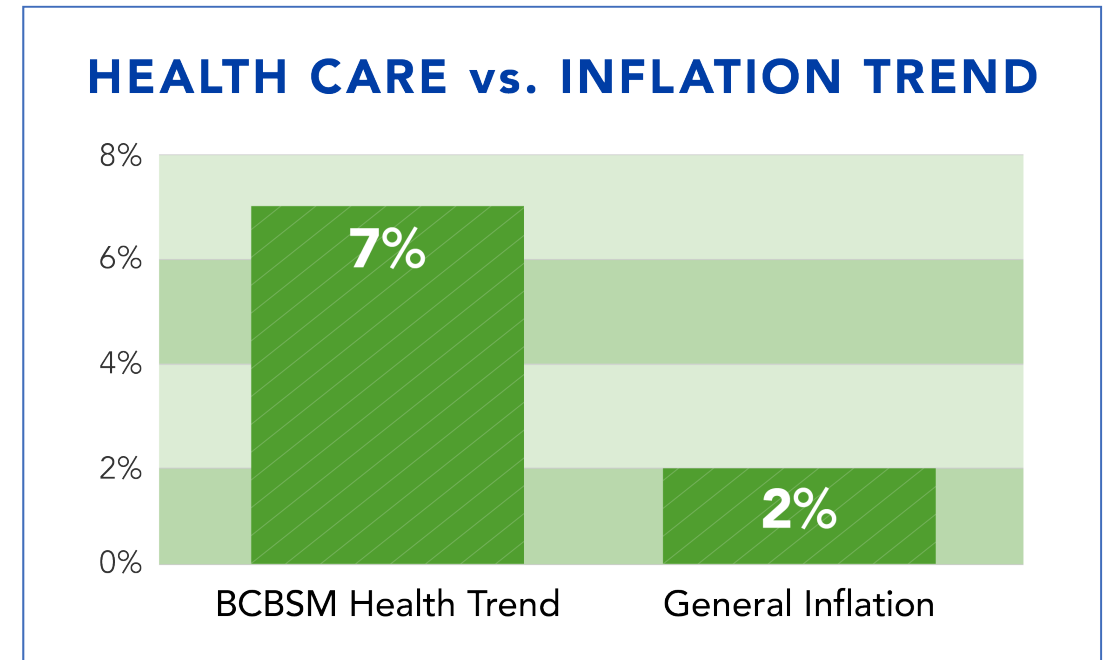
National Alliance
of Healthcare Purchaser Coalitions
Driving Innovation, Health and Value

Beaumont

The Problem: Rising Costs & The BCBSM Experience

BCBSM and its customers have experienced **health cost trends in the 6-7% range** over the past five years:

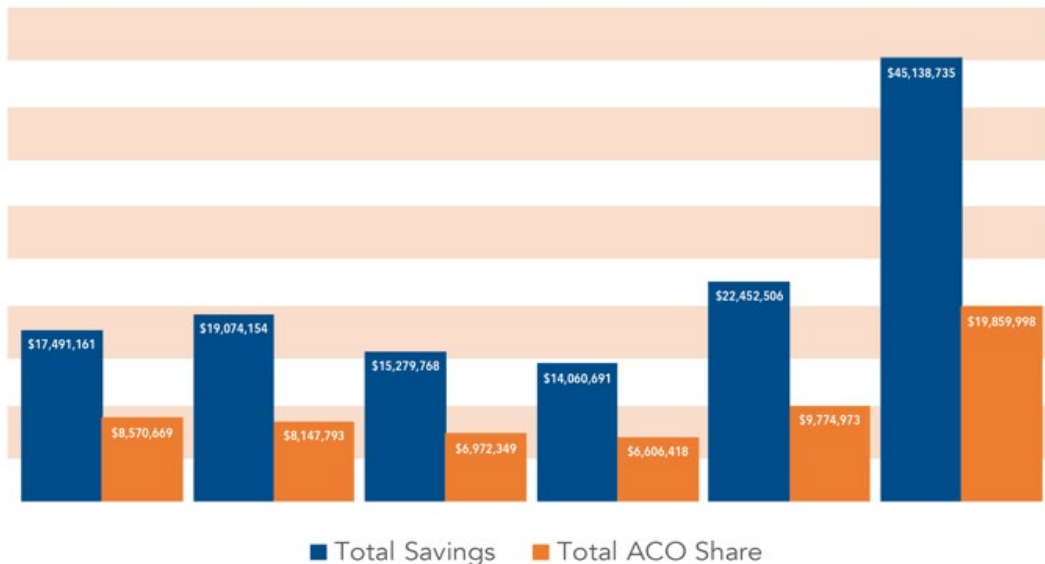
- higher than the national average of 3.6%
- exceeding general inflation levels of 2-2.5%



Why Beaumont is Well-Positioned: Beaumont ACO

MSSP Performance 2013-2018

	PY1 2013 (18 mo.)	PY2 2014	PY3 2015	PY4 2016	PY5 2017	PY6 2018	Average/ Total
Beneficiaries	14,082	13,838	12,165	13,160	13,412	23,957	15,355
Overall Quality Score	100% (P4R)	87.20%	93.10%	95.90%	88.40%	89.79%	91%
Total Savings	\$17,491,161	\$19,074,154	\$15,279,768	\$14,060,691	\$22,452,506	\$45,138,735	\$133,497,015
Total ACO Share	\$8,570,669	\$8,147,793	\$6,972,349	\$6,606,418	\$9,774,973	\$19,859,998	\$59,932,200



October 13, 2019 12:03 AM

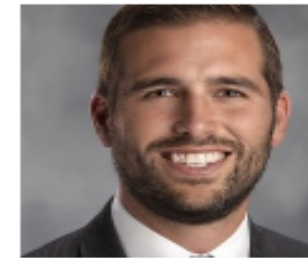
Michigan health groups reap increasing profits for Medicare, doctors, hospital systems

JAY GREENE

TWEET SHARE SHARE EMAIL

PRINT

- Michigan's 20 accountable care organizations earned back nearly \$97.5 million last year, compared with \$72 million in 2017
- 65 percent of Michigan ACOs earned money in Obamacare program
- Quality of care to patients improved by doctors and hospitals working together



Michigan-based accountable care organizations continue to cut costs for traditional Medicare

How Beaumont became the No. 1 ACO in Michigan

Beaumont ACO has earned savings for six straight years with 2018 becoming one of its best years, said Walter Lorang, its executive director and COO. The ACO, which includes now includes all eight Beaumont hospitals and 1,700 physicians, generated \$45.1 million in total savings, earning \$19.9 million in 2018.

"These accelerated unnecessary care, by William Mayer, M.D., success speaks to the health systems to cut cost."

The Federation ACO clinically integrated Peninsula. Partners Ford Allegiance Hea

Why Beaumont is Well-Positioned: Early Successes in CMS BPCI-A

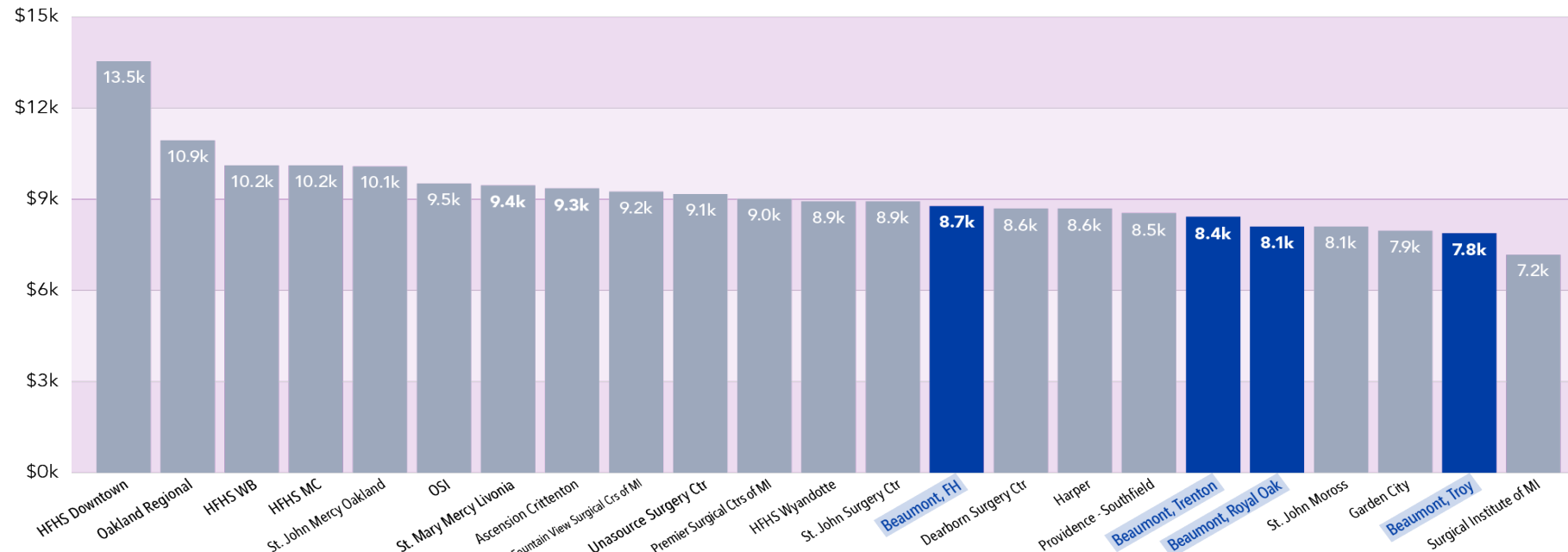
CMS BPCIA Model Years 1 & 2 - Performance Forecast

Episode End Dates Oct 2018 - Sep 2019 for Claims paid through Dec 2019

Hospital	# of Episodes	Total Target Price	Total Spend	Gross NPRA (Includes 3% CMS Discount)	Net Savings Rate (Net NPRA/Target)
Dearborn	1,261	\$42,710,067	\$40,960,229	\$1,477,733	3.1%
Farmington	628	\$23,433,115	\$21,381,632	\$1,923,654	7.4%
Grosse Pointe	273	\$8,558,910	\$7,516,175	\$992,905	10.4%
Royal Oak	1,667	\$51,007,097	\$48,998,641	\$1,882,280	3.3%
Taylor	426	\$13,457,407	\$12,264,747	\$1,019,735	6.8%
Trenton	466	\$14,675,975	\$14,618,082	\$5,525	0.0%
Troy	1,076	\$27,430,392	\$26,687,826	\$762,709	2.5%
Wayne	412	\$13,197,588	\$12,432,914	\$645,091	4.4%
TOTAL	6,209	\$194,470,551	\$184,860,246	\$8,709,632	4.0%

Why Beaumont is Well-Positioned: Lower Episodic Cost Now

SE MICHIGAN PROVIDER COMPARISON **KNEE ACL**

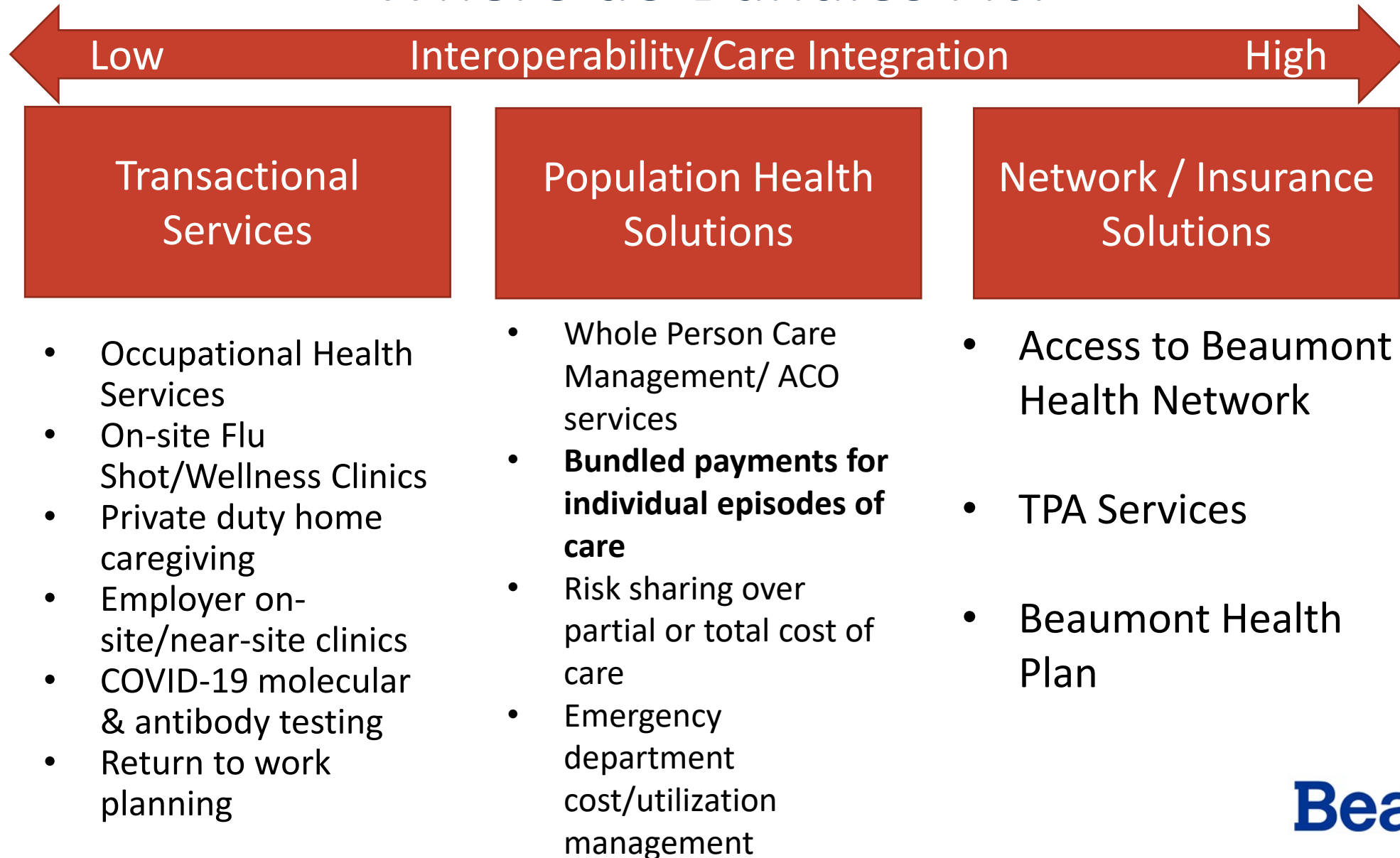


Cost estimate by facility name and clinical condition. Clinical condition = knee ACL.

Beaumont Employer Program and Services: Where do Bundles Fit?



Beaumont Employer Program and Services: Where do Bundles Fit?



Steve Tremitiere

Founder & CEO GrayHare Ventures

Chief Development Officer - Brivation



GrayHare Ventures

The Innovation Imperative

The COVID-19 crisis has created a situation where innovation is no longer a luxury:

- The US Healthcare system was already broken – that has been exacerbated in nearly every area of healthcare
- Those who were already at risk are bearing the brunt of the virus' impact
- Overall costs must be lowered
- More investment needs to be made in health & wellness to reduce healthcare costs
- Proven alternative care approaches must be dramatically expanded – ex telehealth
- Proactive / Preventative health & wellness is essential
- Providers & Payers must become more efficient and address the Big Issues together

We are seeing Provider and Payers implementing strategic plans now that were projected for 2025!

Powerful Opportunities for Health Transformation

Myriad of opportunities to leverage innovation to address critical needs – many provide additional benefit of lowering short and long term costs:

- Address Social Determinants of Health & Health Equity
- Focus on Low Tech – Low Cost solutions for health & wellness & pop health whenever possible – learn from those who have never had the luxury of large budgets
- Prioritize Mental & Behavioral Health and eliminate stigma
- Empower health behavior change – new systems and tools
- Patients / consumers need to be more accountable/responsible for their health and need help to do so

Employers can have a dramatic impact on the success of these programs with real commitment to change, and fully engaging their employees in long term health improvement

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