Unique Challenges (and Opportunities) in Rural ACOs

NAACOS Fall Meeting

September 21-22, 2023

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Today's Panel

Richard Cole MD, FAAFP – President and Owner of Patrick County Family Practice, Patrick County Urgent Care and Patrick Med Spa

Ann Roemen - Chief Executive Officer, ACO Collaborative LLC

Christian Gomes – Director, Population Health, Valley Health System

Facilitator: David Switzer MD, FAAFP – Medical Director, Population Health, Valley Health System

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Rural Problem #3: ACO implications differ for entities which own Critical Access Hospitals (CAHs) vs. entities whose patients are served by CAHs owned by others.

Cost (IE, Cost-Based Reimbursement)

- Critical Access Hospitals (CAHs)
- CAH Skilled Rehab (“Swing”) Beds
- Rural Health Clinics (RHCs)
  - Medicare Rural Health Clinic visits are paid at the same All Inclusive Rate (AIR)
    - Annual Wellness Visit $275
    - “TCM” $275
    - Acute sinusitis $275

Access

- Rural Health Clinic – by definition, in a health professional <u>shortage</u> area
- By regulatory requirement, the majority of billable services require a face-to-face provider visit
- In 1977, RHC policy requiring presence of an Nurse Practioner created access through a new pool of health care providers
- 1997 - PMH Family and Internal Medicine, Luray, VA – Physician : Nurse Practitioner = 4:1
- 2023 – Physician : Nurse Practitioner ~1:2 (and no applicants for two open NP positions)

Example: AWV in RHC

- Even CMS does not consider AWVs a top of scope service for providers
- Yet CMS requires face to face interaction with provider to bill AWV
- Good AWVs take a while to do
- AWVs pay the same AIR as any other visit
- The Choice:
  - Don't do them - provider time better spent providing top of license services
  - Do them – at the expense of access, higher level clinical services, provider satisfaction, ? financial success
  - Hybrid – Utilize other team members in collaboration with the provider

But…the real solution is a CMS **waiver**

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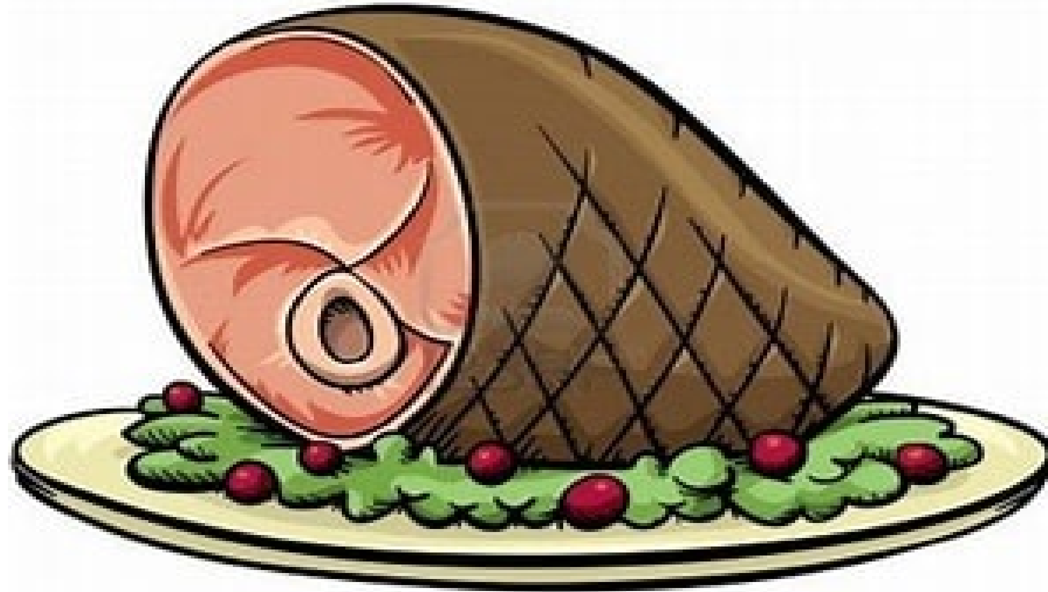
Culture/Social Determinants of Health

- Low health literacy
- Skepticism of preventive interventions
- Poverty
- Limited internet access
- Lack of transportation (no public or private fare-based options)
- Multi-generational beliefs and biases difficult to disrupt
- Reluctance to take advantage of behavioral health resources even when available *essentially for free*
- Hospital role/perception in the community

Example: ED usage – continuing to cut off the end of the ham?



Not So Long Ago At A Hospital Not So Far Away From Me…

- There were no dedicated ED physicians
- “On Call” for local PCPs meant seeing patients in the ED (and admitting them to the hospital if needed)
- When patients came to the ED during the day, their local PCP was called in to see them
- Is there a lasting cultural influence on the threshold to access the ED…..?

-Peter Drucker

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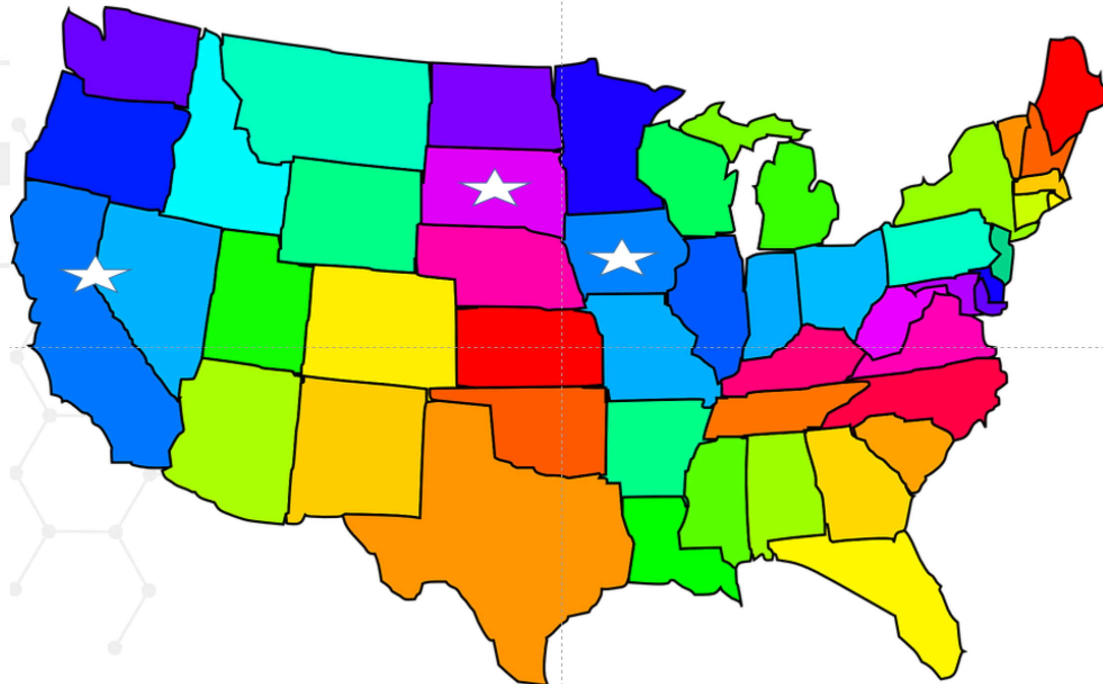
Collaborative LLC

Multi-state ACO

ACO Collaborative LLC

- Dakota Healthcare Partners, Sioux Falls, South Dakota
- Barton Health, South Lake Tahoe, California; Reno, Nevada
- Horizon Health Care, South Dakota
- Mahaska Health, Oskaloosa, Iowa



Composition

ACO Collaborative LLC

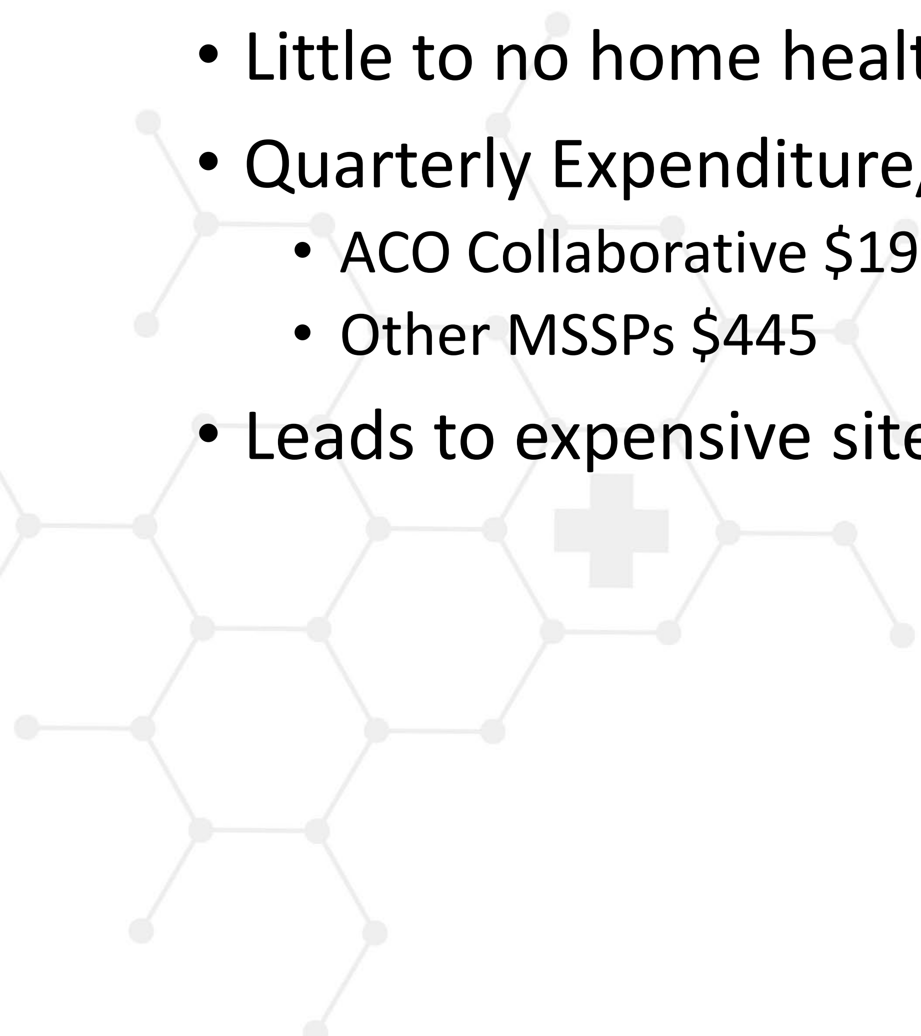
- FQHC
- RHC
- Private Clinics
- Acute Care Hospital
- Critical Care Hospital
- 6,000 + beneficiaries
- 180 providers
- More than half are APPs

Rural ACO Challenges

- Lack of post acute care options
- Provider shortages
- Staff shortages
- Attribution
- AWV vs. problem visit
- Transportation

Lack of Post-Acute Care Options

- Little to no home health available
- Quarterly Expenditure/Utilization Report
  - ACO Collaborative $197
  - Other MSSPs $445
- Leads to expensive sites of care



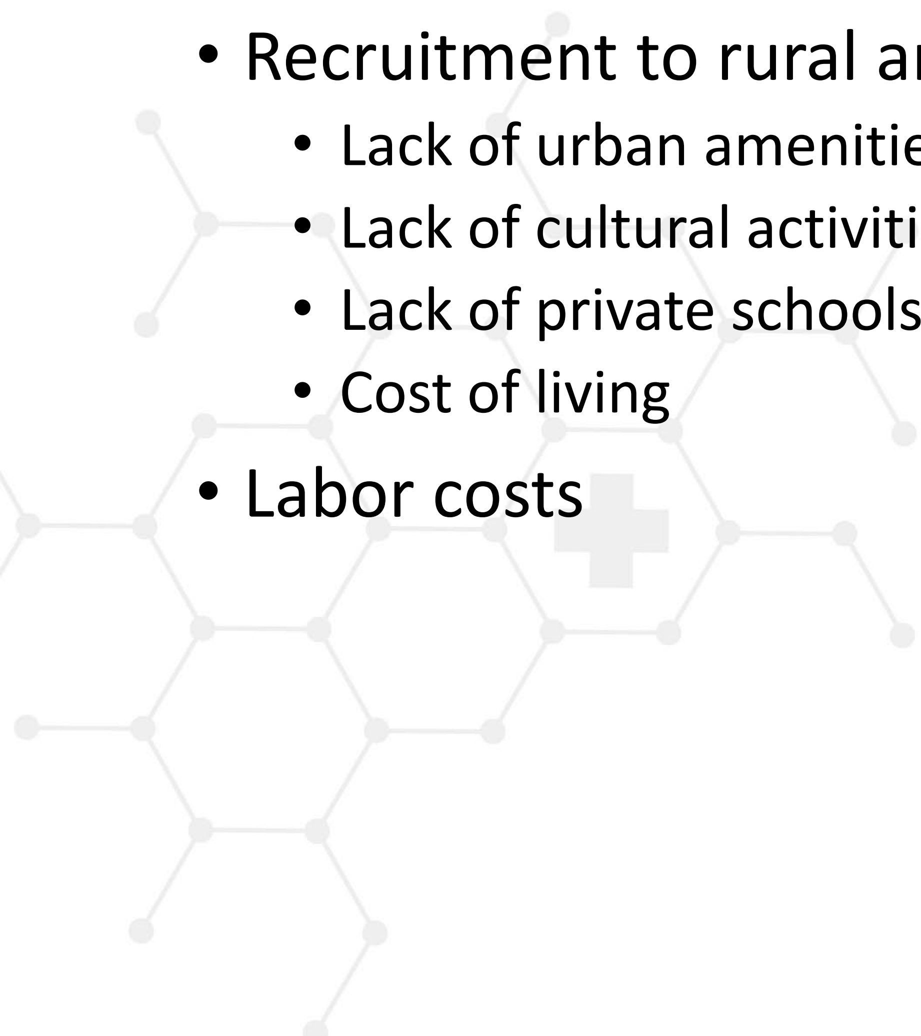
Nowhere Else to Go

- CAH Swing Bed
  - Up to $4,000/day
  - Competing objectives
- Quarterly Expenditure/Utilization Report
  - Hospital Outpatient Department (including (CAH)
  - Per assigned beneficiary
  - ACO Collaborative - $3,551
  - All MSSPs - $2,269

Swing Beds vs. SNF

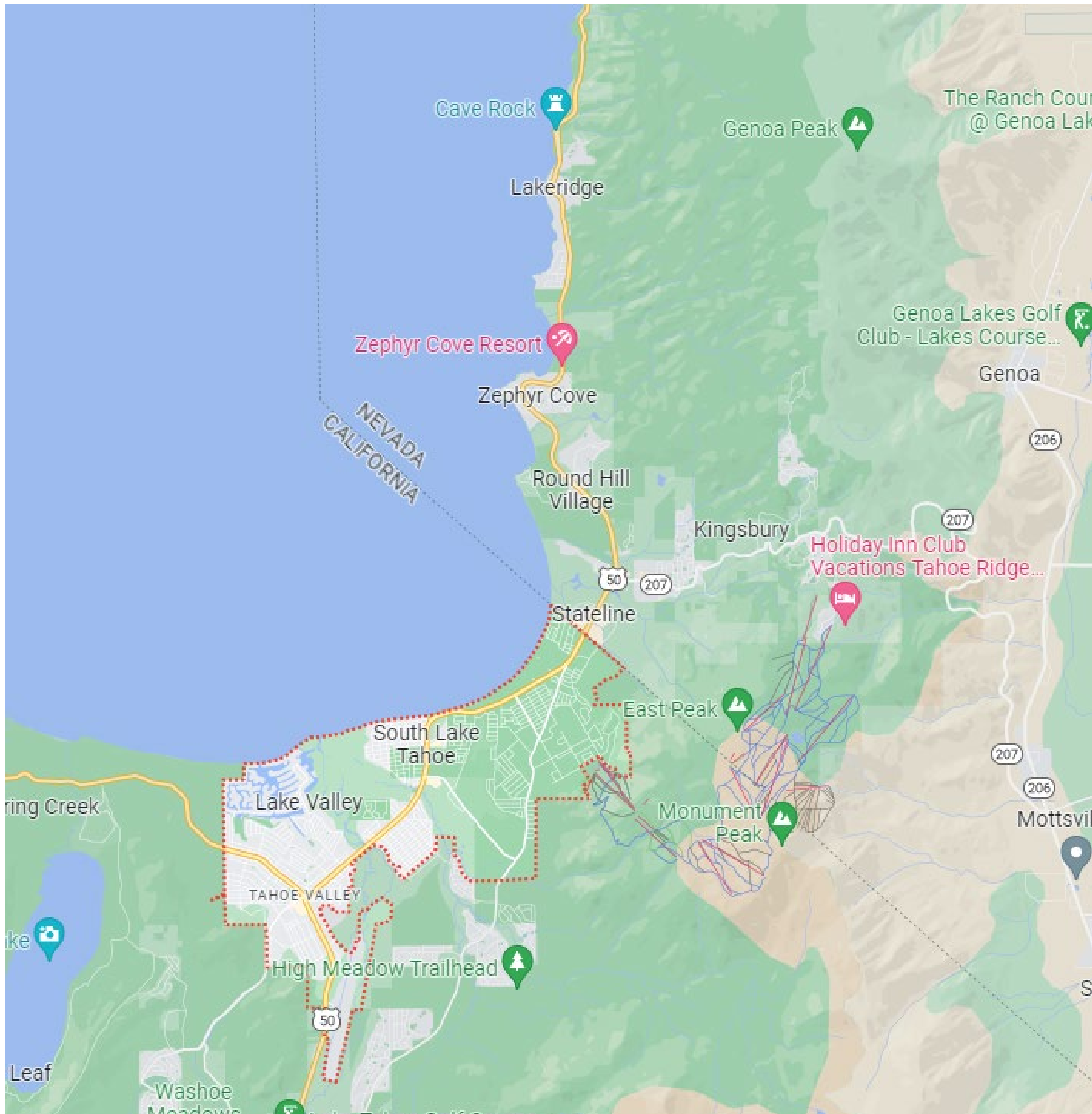
- One Community
- CAH Swing Bed ~$3,500/day
  - Average length of stay 7.5 days ($25,995)
- SNF $565/day
  - Average length of stay 17.75 days ($10,002)

Provider/Staff Shortages



- Recruitment to rural areas is a challenge
  - Lack of urban amenities
  - Lack of cultural activities
  - Lack of private schools
  - Cost of living
- Labor costs

Scranton
Hettinger
Lemmon
White Butte
Thunder Hawk
Watauga
Selfridge
Fort Yates
Strasburg
Hague
Ashley
Ellendale
Oakes
Hankinson
Pollock
Herreid
McLaughlin
Eureka
Frederick
Britton
Wheaton
Ludlow
STANDING ROCK INDIAN RESERVATION
Leola
Wakpala
LAKE TRAVERSE RESERVATION
Camp Crook
Buffalo
Reva
Mobridge
Selby
Graceville
Sky Ranch
Sorum
Timber Lake
Bowdle
Roscoe
Ipswich
Mina
Groton
Akaska
Warner
Webster
Summit
Ortonville
Waubay
Redig
Hoven
Milbank
Dupree
Ridgeview
Gettysburg
Faulkton
Eagle Butte
Redfield
Clark
Watertown
Agar
Tulare
Clear Lake
Newell
Onida
Canby
Belle Fourche
Hayti
Vale
Marcus
Howes
Cherry Creek
Spearfish
White Owl
Cow Creek
Blunt
Harrold
Highmore
Miller
Lake Norden
Wessington
Wolsey
Arlington
Deadwood
Sturgis
Pierre
Lake Preston
Brookings
Summerset
Rapid City
Wasta
Rapid Valley
Wall
Philip
Midland
Fort Thompson
Madison
Flandreau
Pipestone
Black Hills National Forest
Keystone
Hermosa
Badlands National Park
Kadoka
Murdo
Vivian
Presho
Kennebec
Chamberlain
Dell Rapids
Custer
Interior
Belvidere
Oacoma
Kimball
Mitchell
Salem
White Lake
Alexandria
Luverne
ROSEBUD OFF-RESERVATION TRUST LAND
Wanblee
Sioux Falls
White River
Rockyford
Kyle
Tea
Hot Springs
Winner
Platte
Parkston
Freeman
Harrisburg
Maverick Junction
Parmelee
Edgemont
PINE RIDGE RESERVATION
Porcupine
Gregory
Burke
Lake Andes
Rock Valley
Provo
ROSEBUD INDIAN RESERVATION
Oglala
YANKTON RESERVATION
Pine Ridge
Tyndall
Hawarden
Oglala National Grassland
Cody
Kilgore
Valentine
Spencer
Chadron
Springview
Gordon
Niobrara
Vermillion
Rushville
Crawford
Harrison
Nebraska National Forest
Wood Lake
Stuart
Hartington
Kennedy
Johnstown
Ainsworth
Atkinson
Sioux City



Cave Rock
Genoa Peak
Lakeridge
Genoa Lakes Golf Club - Lakes Course...
Zephyr Cove Resort
Genoa
Zephyr Cove
NEVADA
CALIFORNIA
206
Round Hill Village
Kingsbury
207
Holiday Inn Club Vacations Tahoe Ridge...
50
207
Stateline
East Peak
South Lake Tahoe
207
206
Lake Valley
Monument Peak
TAHOE VALLEY
High Meadow Trailhead
50
Washoe Meadows

Attribution

ACO Collaborative LLC

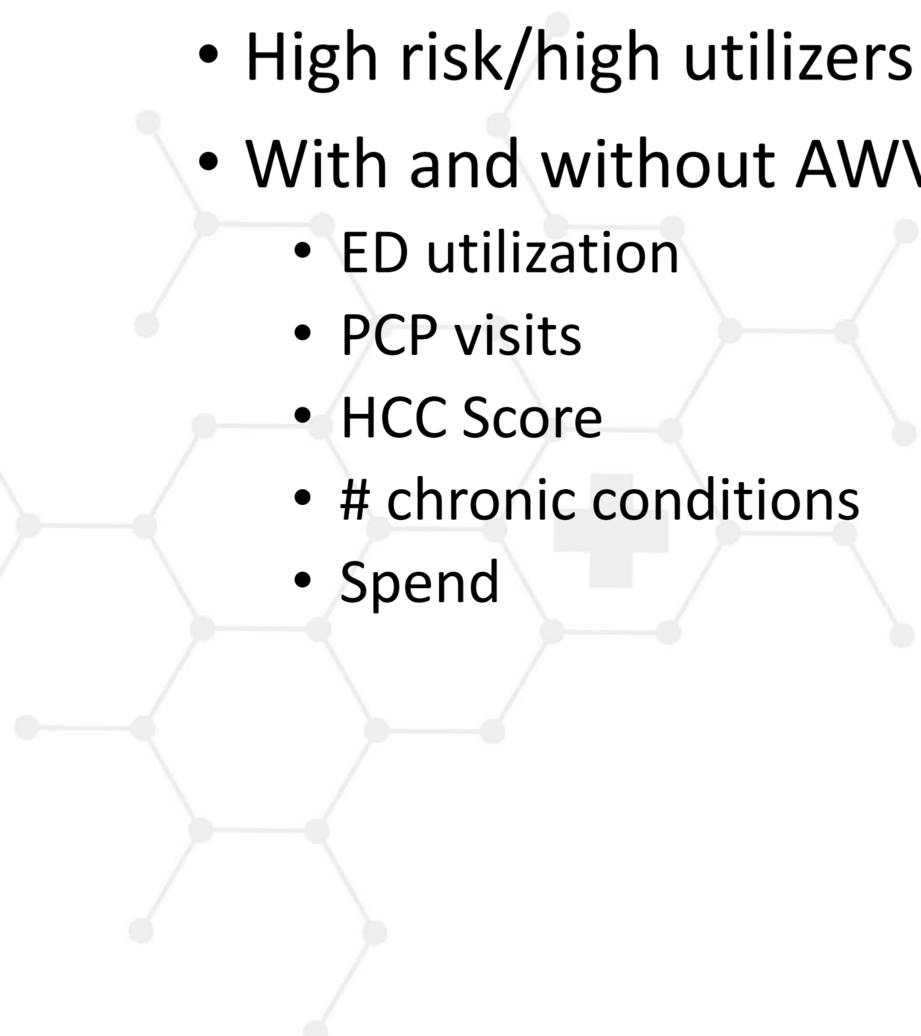
- Lack of population
- Minimum Savings Rate (MSR)
  - 3.4%

# Assigned Beneficiaries	MSR (Low end of Assigned)	MSR (High end of assigned)
5,000 – 5,999	3.9%	3.6%
6,000 – 6,999	3.6%	3.4%
7,000 – 7,999	3.4%	3.2%
8,000 – 8,999	3.2%	3.1%
9,000 – 9,999	3.1%	3.0%
10,000 – 14,999	3.0%	2.7%

CMS Challenges

- AWV vs. office visit
  - AWV G0438/G0468
    - Private Clinic - $162 - $171
    - FQHC/RHC - $235 - $252
  - 99214 - $125 - $132
  - AIR - ~$140 - $188
- CCM – 20% coinsurance

Making the Case for AWV/CCM



- High risk/high utilizers
- With and without AWV or CCM
  - ED utilization
  - PCP visits
  - HCC Score
  - # chronic conditions
  - Spend

Transportation

- Lack of transportation
  - Contributes to high no-show rate
  - High ambulance utilization in Western South Dakota
  - Quarterly Expenditure/Utilization report:
    - ACO Collaborative $144
    - Other MSSPs $117
  - 120 miles from one FHQC location to hospital

Performance Year 2022

- Total Savings - $1,987,486
- Minimum Savings Rate - $2,447,289 (3.4%)

Thank you!

Ann Roemen, MBA, FACMPE
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ACO Collaborative
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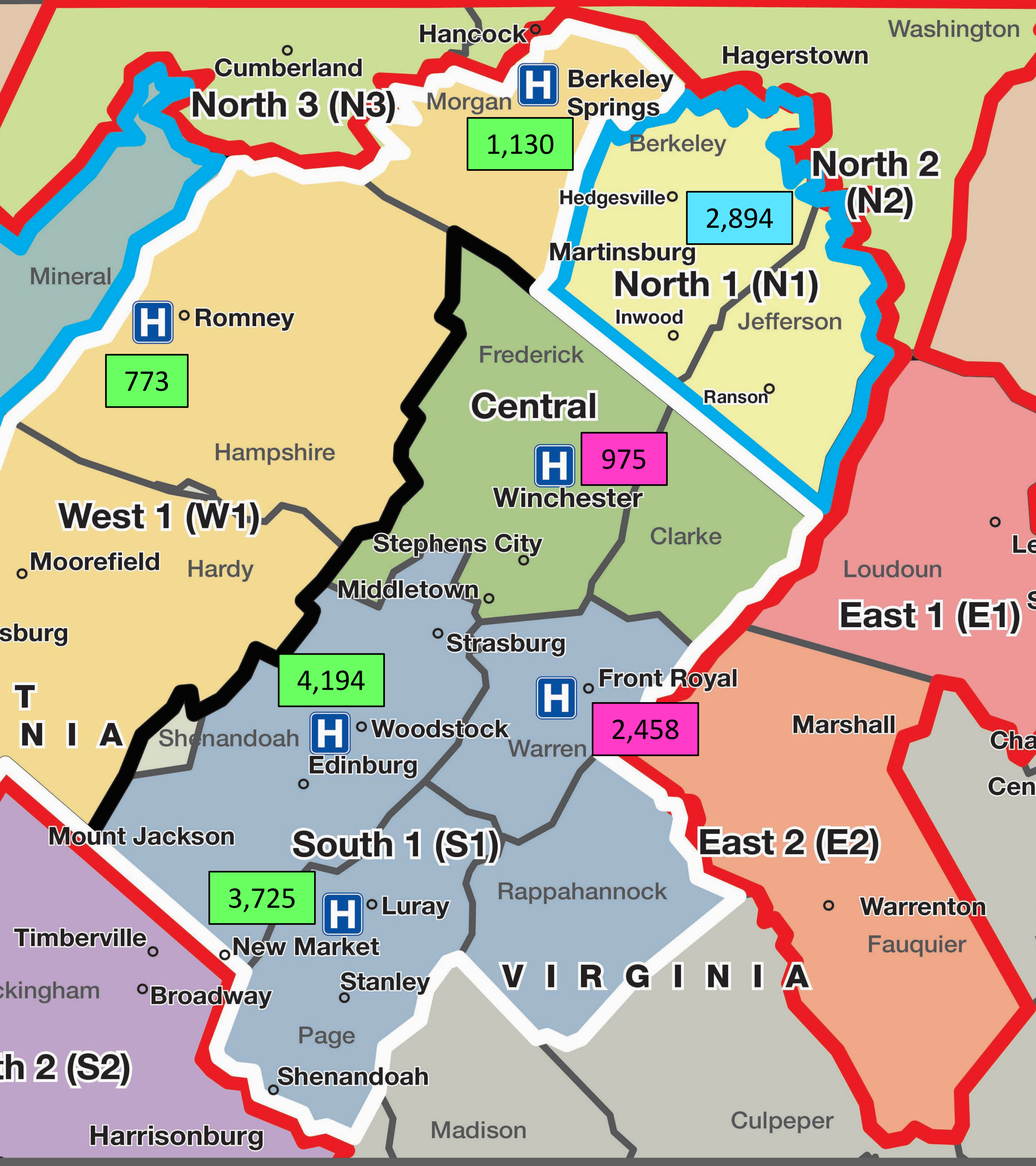

Hospital Type	ACO Beneficiary Assignment	% of Total
Valley Health Owned CAH	9,822	61%
Valley Health Owned Traditional	3,433	21%
Other Owned Traditional	2,894	18%

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Where ACO Participant Includes Primary Care but Hospital Owned by Other Entity…

- Better for ACO financial performance…
  - ER visit at traditional hospital or acute visit with PCP?
  - Outpatient surgery at hospital or ambulatory surgery center?
  - Readmission or transitional care management visit?

- Key to ACO success = remove as much avoidable hospital utilization as possible

Where ACO Participant Includes Some Primary Care and a Traditional Hospital…

- Better for ACO financial performance…
  - ER visit at traditional hospital or acute visit with PCP?
  - Outpatient surgery at hospital or ambulatory surgery center?
  - Readmission or transitional care management visit?

- Key to ACO success = focus on high-value services for ACO-assigned beneficiaries; all other beneficiaries are welcome to use the hospital as much as they would like

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61%

Where ACO Participant Includes Majority of Primary Care and a CAH…

- Cost-based reimbursement included in historical benchmark and current year's expenditures (little-to-no year-over-year change, no true regional comparator)

- Better for ACO financial performance…
  - ER visit at CAH or acute care visit with PCP in RHC?
  - Skilled rehab ("swing") bed at CAH or SNF (we don't own) bed?

- Key to ACO success = use as many CAH services as possible (that is why we are there, right?)

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Universal Truths…

- High-quality Annual Wellness Visits (as designed) are critical
- Beneficiaries need support and clarity during care transitions
- Providers are not coders, yet effective coding is essential
- “Culture eats strategy for breakfast.” – Peter Drucker

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Patrick County Family Practice

Established 1991

Privately Owned

Rural Health Clinic 1997

Patrick County, Virginia population 17,608

Practice population over 35,000

Staff

1 Physician

2 Physician Assistants

6 Family Nurse Practitioners

PATRICK COUNTY

FAMILY PRACTICE

18877 Jeb Stuart Hwy.

694-4466

Richard Cole MD	Ralph L. Kramer MD
Meagan Radford FNP	Kaitlyn Cobler FNP
Kim Compton PA	Jaime Whitlow PA
Brittney Dillon FNP	Dana S. Mabe FNP
Pam Wright FNP	LabCorp

PRIOR TO ACO

Mounting debt

AIR $87

Hospital and ER closed 2017

No other medical providers in the county

No incentive to do Annual Wellness Exam within RHC at $87 per visit

Struggling with Quality Measures

ACO Experience

Quality Measures coordinated with ACO

Greater emphasis on control of hypertension and diabetes

Massive increase in AWV’s

Massive increase in End of Life Planning

Shared savings every year

Retiring Debt

ACO has become part of our fabric

CHALLENGES AHEAD

Recruiting Physicians

Increasing Broadband

Controlling Costs

Distance to Hospital and Specialty Services

Billing and Collections

Opioid Epidemic

Government Regulations