# NEGOTIATION AND ALIGNMENT WITH HEALTH CARE PAYORS

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# **OBJECTIVES**

- Define a DOFR and Risk Corridor
- Describe how integration of data metrics can leverage alignment with health payors

### Health plans are actively investing in provider services.

#### April 13

CareFirst (BSBC of Maryland) and MedChi announce partnership to provide small, independent physician groups access to telehealth platform.

#### April 27

Optum advances discussions to acquire remote mental health provider AbleTo for ~\$470 million.

#### May 22

Optum acquires post-acute care management platform Navihealth.

#### June 11

Independence Blue Cross and CHOP enter a five-year agreement to expand valuebased care initiatives.

#### June 22

Cigna partners with Spectrum Health of Michigan's health plan. Priority Health, to increase provider access.

#### April 8

March

13

The venture capital arm
of five BCBS plans
partners with primary
care provider Sanitas USA
to roll out advanced
primary care services
across the US.

#### April 14

BCBS of California acquires a 2,700-physician group.

#### May 1

CVS-Aetna opens
~1,000 drive-through
COVID-19 testing sites
in May as part of its
MinuteClinic
expansion strategy.

#### June 3

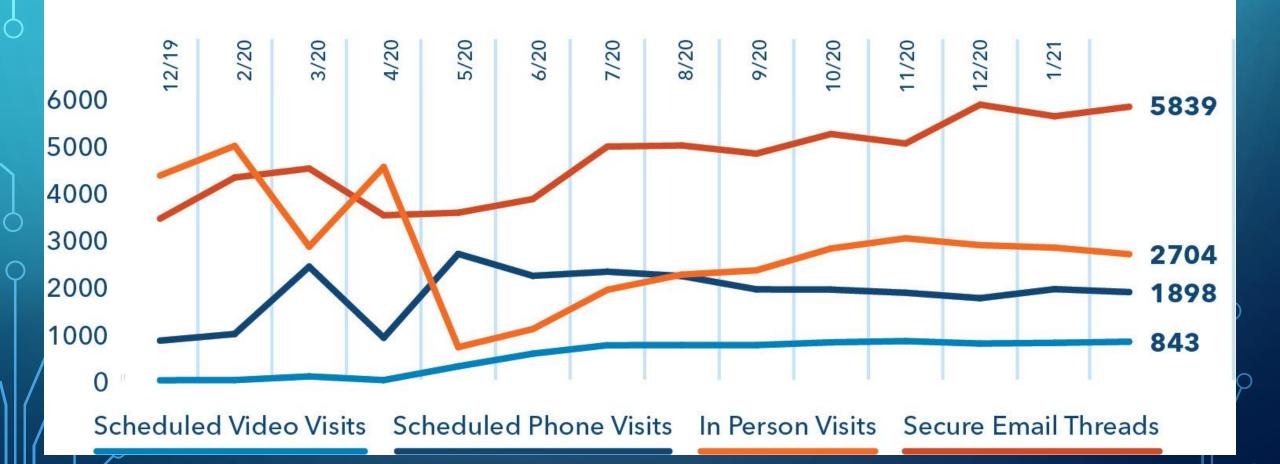
Partners in Primary Care, the Humanaowned medical gropu, opens 20 new primary care centers.

#### June 24

BCBS of North Carolina incentivizes primary care providers with advanced, lump-sum payments to participate in BCBS's value-based care program in 2021.

# Telehealth during the COVID-19 pandemic:

Email, phone, video, and office visits



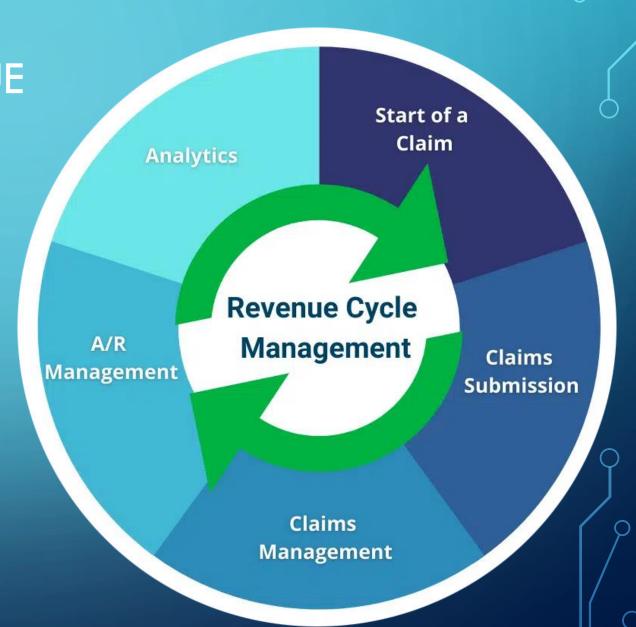
# GETTING THE DOFR...

- Who pays for what?
- Is there opportunity for value?

LIST OF BENEFITS/SERVICES  1 These services are either provided by or coordinated through Health Plan. Provider is not financially responsible for these services.  2 These services are not covered under Health Plan's MA-SNP programs as a Medicare benefit but are covered under Health Plan's Medi-Cal programs. There is no Medicare financially responsibility by Provider or Health Plan for these services.  3 The Medicare Program is financially responsible and will pay for these charges.	PROVIDER (MEDICAL GROUP/IPA)	HEALTH PLAN 1	MEDI-CAL PROGRAM 2
Nutrition/Diet Counseling	X		
Nutritional Supplements/Enteral Feeding Therapy (when Medically Necessary)	X		
Nurse Advice Line – Twenty-four (24) hour unlimited telephone access to live registered nurse to answer medical questions.		X	
Obstetrical Care Inpatient Facility Component Outpatient Diagnostic Services (including but not limited to	Х	X	
fetal monitoring, ultrasound, & observation) Total OB Care (Professional Component)	X		
Office Visit Supplies (i.e. Splints, bandages, casting, etc.)	X		
Organ Transplant (when a covered benefit i.e. Kidney and Cornea) (also refer to CCS) Inpatient Facility Component Inpatient Professional Component Investigational/Experimental Transplants are not covered.	X	X	
Organ Transplant Work Up Facility Component Professional Component	X	X	
Ostomy Supplies Inpatient Outpatient	X	X	
Outpatient Diagnostic Services	X		
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OPPORTUNITY FOR VALUE

Value = Quality/Cost



# CORPORATIONS ACQUIRING PRIMARY CARE AT RECORD PACE...





## > VERTICAL INTEGRATION

# Let's Get Vertical: Insurer + PBM + Specialty Pharmacy + Provider

Insurer

UnitedHealthcare\*

aetna



Anthem.





PBM













Specialty Pharmacy







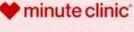






Provider Services







Cigna Collective Care<sup>1</sup>









<sup>2.</sup> AllianceRx Walgreens Prime is jointly owned by Prime Therapeutics and Walgreens Boots Alliance.

Source: Drug Channels Institute research; The 2019 Economic Report on U.S. Pharmacies and Pharmacy Benefit Managers, Chapter 5.



# HEALTH SYSTEM STRATEGIES

- Review physician compensation to identify at-risk providers
- Improve operational efficiency and financial performance, enable providers to boost compensation through increased productivity or risk sharing

# STRATEGIC OBJECTIVES

- Accept value-based risk and improve relationship with payers moving into your space
- Allign incentives to allow hospiutal to share in some of the gains and reduce utilization
- Optimize low-cost sites of care- ASC, Urgent Care
- Payers will likely push lower-cost settings, ensure your hospital has loc-cost alternatives to keep volume in the system

# PROVIDER OPPORTUNITIES

- Consider a professional services agreement partnership for clinical services
- Update provider need assessments to identify specialties that the hospital may need to expand in the coming years- consider employment/increased alignment with these providers to further growth strategies
- Offer nonproduction incentives to improve quality and performance of KPI
- Hospitals can also increase group compensation for quality-of-care improvement and program development

# COMPLEX INTEGRATION AGREEMENTS...

