ORGANIZING FOR SUCCESS IN A VALUE-BASED PAYMENT WORLD

Spring 2017 – SYLLABUS

COURSE INFORMATION
Instructor: Howard Tarre, Principal, Mercer
Email: howard.tarre@mercer.com
Meeting days/times: Mondays: 4:55 – 6:35
Location: 60 5th Avenue, Room 161
Credits 1.5 points
Pre-requisites TBA
Office hours: On request (by email)

COURSE DESCRIPTION
The goal of this course is to prepare you for the challenges and organization transformation required in a value-based payment world. Managers will need not only an understanding of the total patient view, care integration and population risk management techniques required to meet new reimbursement requirements, but the change management issues and the IT/data management infrastructure and reporting environment required for success. This course outlines the issues and challenges from all stakeholder perspectives: payors and plan sponsors, healthcare system managers, clinicians, IT department, patients and communities. Key success criteria for disease and care management explored in models such as Accountable Care Organization (ACO) and Patient Centered Medical Homes (PCMH).

COMPETENCIES ADDRESSED IN THE COURSE:
Assignments and participation in the class will be used to assess progress against the competencies listed below. No student will receive a B or higher without demonstrating satisfactory progress toward mastery of each competency. The level of competency expected to be achieved is denoted in brackets according to the following key:

[1] = Basic: Foundational understanding of knowledge/skill/competency

[2] = Intermediate: Student demonstrates greater depth of understanding of this knowledge/skill/competency and can use this ability to analyze a problem

[3] = Advanced: Student demonstrates expertise in this knowledge/skill/competency and can use this ability to evaluate, judge, and synthesize information
• The ability to manage teams, projects and people; to work in change-oriented healthcare organizations (TP)
• The ability to measure, monitor and improve safety, quality, access and system care delivery processes in healthcare organizations (IP/CP)
• The ability to assess population and community health needs from a process perspective (CP)
• The ability to draw implications and conclusions to develop an evolving vision that leads to organizational viability (IP/TP/CP)
• The ability to use information systems and evidence-based management principles for problem-solving, strategic planning and decision-making, and measuring change (TP/CP)
• The ability to synthesize evidence, and apply statistical, financial, economic and cost effectiveness methods in organizational analysis (TP)
• The ability to communicate and interact productively in a diverse and changing industry, workforce and citizenry (TP/CP)
• The ability to present convincingly to individuals and groups the evidence to support a point of view, position or recommendation (IP/TP)

\[1\) TP – Team Paper and Presentation; IP – Individual Paper (memo); CSD – Case Study Discussion; CP – Class Participation

COURSE OBJECTIVES
The primary objectives of the course are to (1) introduce the scope of organizational transformation required to meet the demands of value-based payment, in management and workflow processes IT and reporting infrastructure and (2) apply the understanding through assessment of organization readiness and comprehensive analysis of process improvement. Students who successfully complete this course will be able to:

• Describe:
  o Population, disease and care management techniques, approaches, risk stratification and other models for identifying those who would likely benefit from proactive intervention, behavioral change models, metrics, data requirements, evidenced based guideline engines, challenges and critical factors for success
  o Pay-for-performance arrangements and CMS/carrier methodologies for executing these arrangements including attribution techniques.
  o The Accountable Care Organization (ACO)/Primary Care Medical Home (PCMH) environment – care coordination and transitions of care in a network care model, statutory requirements, how carriers and employers are working to develop ACO/PCMH benefit strategies and their potential impact on the healthcare delivery system, and how ACOs and PCMHs are being evaluated
  o The information and reporting system requirements and challenges for supporting multiple reimbursement arrangements such as pay-for-performance, bundled
payments and capitation. The change management issues of implementing system and process changes to support pay-for-performance and ACO arrangements

- Evaluate:
  - A health system’s readiness as an ACO and likelihood it will achieve Triple Aim goals with its current infrastructure and proposed population health management plan
  - A carrier’s strategy for implementing ACOs and PCMHs into its benefit offerings from a Triple Aim and employer/private exchange market perspective

- Identify:
  - Key success criteria for EMR ACO support, including stakeholder/change management issues

**READINGS**

Students are expected to be prepared for class discussions and participate fully. They will be encouraged to share their own experiences relevant to the topics and cases being explored. All readings for the course are available on the course Classes site.

**COURSE REQUIREMENTS**

There are three basic requirements for the course:

**Class participation (20%)**: Your active participation is critical. Productive discussion depends on students reading and analyzing the materials beforehand and coming to class ready to present a diagnosis of the problems presented and possible solutions. Students are expected to attend all classes, have thoroughly prepared the assigned cases and readings, participate fully in small group and class discussions, and act as group spokesperson for case presentations.

**Written case analyses (20%)**: each student will complete an individual written analysis or memo on Population Health Management. *The requirements for the analysis are described below as Assignment 1.*

**Team projects (60%)**: students will be assigned to work in teams and do an ACO readiness analysis and a process improvement analysis. Teams will present their process improvement analysis on the last day of the term. *The requirements for the team project are described below as Assignments 2 and 3.*

All submitted papers, whether individual or group, are to be original work with full and complete citations of any materials drawn from other sources [articles, books, interviews, etc.].

All assignments must be submitted by March 13th, 2017.

**COURSE POLICIES**

**Attendance.** You should arrive to class on time. Any absence must be explained and justified beforehand.

**Late assignments.** Extensions will be granted *only in case of an emergency*, out of
respect for those who abide by deadlines despite hectic schedules. Late submissions without prior permission will be penalized by ½ a letter grade per day (e.g., B+ to B).

**Students with disabilities.** Any students requiring accommodation should contact me to make proper arrangements. Please be prepared to share your documentation from the NYU disabilities office.

**NYU/Wagner grading policy:** [http://wagner.nyu.edu/current/policies/grading.php](http://wagner.nyu.edu/current/policies/grading.php)

**NYU/Wagner academic integrity policy:** [http://wagner.nyu.edu/current/policies/](http://wagner.nyu.edu/current/policies/)

**Course Session Calendar**
2. Organizational Structures: Evaluating ACO and PCMH readiness 1/30/17
3. Case Studies: Process Improvement 2/6/16
5. Stakeholder Perspectives and IT Considerations: The total patient view 2/20/17
7. Final project presentations 3/13/17

**COURSE SCHEDULE AND ASSIGNMENTS**

**Class 1: Framework: Value-Based Payments and Population Health**

The rise in information technology and data management science has enabled more accurate assessment of health outcomes and provider quality. ACA legislation accelerated IT deployment and pay-for-performance.

This class traces these steps, provides foundations on pay-for-performance, ACO’s and EMR’s and ends with taking stock of where we are today and where trends suggest we will be tomorrow.

**Learning Objectives**
- Understand the drivers, issues and implications of value-based payment
- Understand the issues involved in current pay-for-performance plans in health care
- Understand what population risk management means, its implications to value-based payments and to a healthcare organization.

**Readings**
- Damberg, Cheryl L., Melony E. Sorbero, Susan L. Lovejoy, Katharine Lauderdale, Samuel Wertheimer, Amber Smith, Daniel Waxman, and Christopher Schnyer, An
Evaluation of the Use of Performance Measures in Health Care, Santa Monica, California: *RAND Corporation*, TR-1148, 2011, pages xi-xviii


**Introduction.** The rise in information technology and data management science has enabled more accurate assessment of health outcomes and provider quality and with it—value-based payments. As CMS and carriers have implemented pay-for-performance contracts, population risk management has become essential to maximize reimbursement. But to say one does population risk management and to do it well, is something different—something we will investigate in this class.

**Class 2: Organizational Structures: ACO and PCMH Evaluation Criteria**

**Learning Objectives**
- Understand emerging health delivery structures and their importance to stakeholders (CMS, carriers, health systems, employers, providers, members) in the U.S. delivery system
- Understand how payors evaluate ACO/PCMH readiness
- Understand the implication of readiness to investments needed for IT/reporting internal processes and capabilities

**Readings**

**Introduction.** There are statutory requirements for what constitutes an ACO and PCMH. There are also market and practical requirements as well that constitute “best practices” on which these organizations are evaluated. The infrastructure and resources required to meet best practices is a good lens to perform gap analysis to understand the organization transformation required for value-based payment readiness.

**Class 3: Case Studies: Implementing Process Improvements toward Triple Aim**

**Learning Objectives**
- Understand how care processes can be examined, broken down and improved, with a focus on cost, quality and outcome
• Understand IT’s role in facilitating process improvement
• Understand the role of reporting and measurement in continuous quality improvement

Readings


Introduction. Implementing change requires not just good problem-solving skills, but an understanding of how change cascades through an organization and the structures needed to support, manage and measure the impact of change. The reading material on bar coding shows the promise and the potential hazards of making what would seem to be quality improvements.

We will review case studies and discuss the importance of stakeholders, IT integration, measurement and organizational change management for successful implementation of process improvement in areas such as:

• Diabetes management
• Post-joint surgery management
• ER on-boarding

Class 4: Methodologies: Population Health Risk, Disease and Care Management

Learning Objectives

• Understand the methodologies, approaches and mechanics of population health, disease and care management
• Understand its challenges, stress points and limitations
• Understand its IT infrastructure requirements
• Understand its workforce process and incentive requirements

Readings

• McAlearney, A.S., “Population Management: Strategies to Improve Outcomes”, *Health Administrative Press*, 2003, Chapters 4, 10

Introduction. Population health risk, disease management and integrated care management are approaches that seek to improve health and quality. Their efficacy is based on models such as “risk stratification” and “behavioral change.” Their effectiveness is only as good as the
underlying model and the organization’s ability to support the model with good information, process flow and incentives.

Class 5: Stakeholder Perspective and IT Considerations: The Total Patient View

Learning Objectives
- Understand the concept of a member centric view of healthcare delivery and its importance to clinical integration and value-based reimbursement
- Understand its IT infrastructure requirements
- Understand its workforce process and incentive requirements

Introduction. The total patient view is essential to clinical integration, population management and attaining value-based payment goals. But not all care is delivered in-system. What are the gaps? We will review of data sources and gaps (EMR, State collectives, carrier data, health risk assessments, etc) to see where and how the organization can create the most effective total patient view it can.

Class 6: Stakeholder Perspectives: Pay-for-Performance Contracts

Learning Objectives
- Understand the details of how a value-based contract works and the implications to the organization

Introduction. CMS and carriers have a long-term strategy for pay-for-performance contracts that is being rolled-out gently. In this class we will review how pay-for-performance contracts work, both under CMS and carrier contracting. We will review their complexity, such as how fragmented care requires attribution methodologies to hold providers accountable even though they are not the sole provider for a patient’s range of services.

Class 7: Class Presentations and Summary of Key Course Learnings
ASSIGNMENTS

Individual Assignment: Population Health Management (PHM) Analysis
You will complete a one page (two pages double spaced) review of one of the following population health management topics:

- Discuss an ethical or privacy issue around PHM
- Write a memo recommending why a targeted PHM program will address an organizational need, addressing how patients will be identified, the types of interventions and the monitoring process
- Write a memo assessing the capabilities of two PHM vendors with your recommendation for vendor selection
- A PHM analysis of your choosing

Team Assignment 1: ACO Analysis
You will complete an ACO readiness analysis that provides an opportunity to develop your skills in assessing an organizational situation and providing support for a course of action. This assignment will be in the form of power point slides (not to exceed 10) that demonstrate your assessment of the readiness and gaps of an interviewed ACO. Where there are gaps, you will bullet point the gaps and identify all the operational and IT requirements to fill those gaps. You will work with other teams to determine the top-rated ACO, developing a rating rubric.

Requirements
Page and format requirements: Not to exceed 10 pages. Bullet points.

Mechanics
Format, grammar, punctuation, spelling, and citation accuracy all count.

Team Assignment 2: Team Triple Aim Improvement Analysis
You and your team will define a healthcare condition or process to improve quality, member experience or population risk. You will outline steps to ensure that stakeholders, IT resources and measurement strategy are aligned to the proposed solution. You will discuss the impact on stakeholders and change management requirements.

Deliverables
- The team will present its analysis and recommendations, supported by a PowerPoint presentation, to the class. Be prepared to conduct a discussion of your analysis and, most importantly, your recommendations.
- The group will also submit a paper presenting its analysis and recommendations in detail along with its PowerPoint. Papers should be no more than 5 pages single-spaced [plus exhibits] in length (typed, double-spaced, minimum 12 point font). Papers are due at the close of class on the day on which the case is presented.
- Be certain to draw upon and make reference to course frameworks and materials in
your presentation and in your paper.