

# Value-Based Modifier Program

## Office of Value Based Performance

University Physicians, Inc.

### What is the Value-Based Modifier Program?

Medicare reimbursement to eligible Providers across the United States, including University Physicians, Inc. (UPI), is directly tied to Provider performance on quality measures and the total cost of care for attributed beneficiaries during a performance period. The "Value Modifier" refers to the adjustment factor applied to Medicare "Fee for Service" payments based on the quality and cost measures set by CMS.

Process improvement activities at UPI surround maximizing the adjustment factor so that all Medicare claims are reimbursed at a higher rate

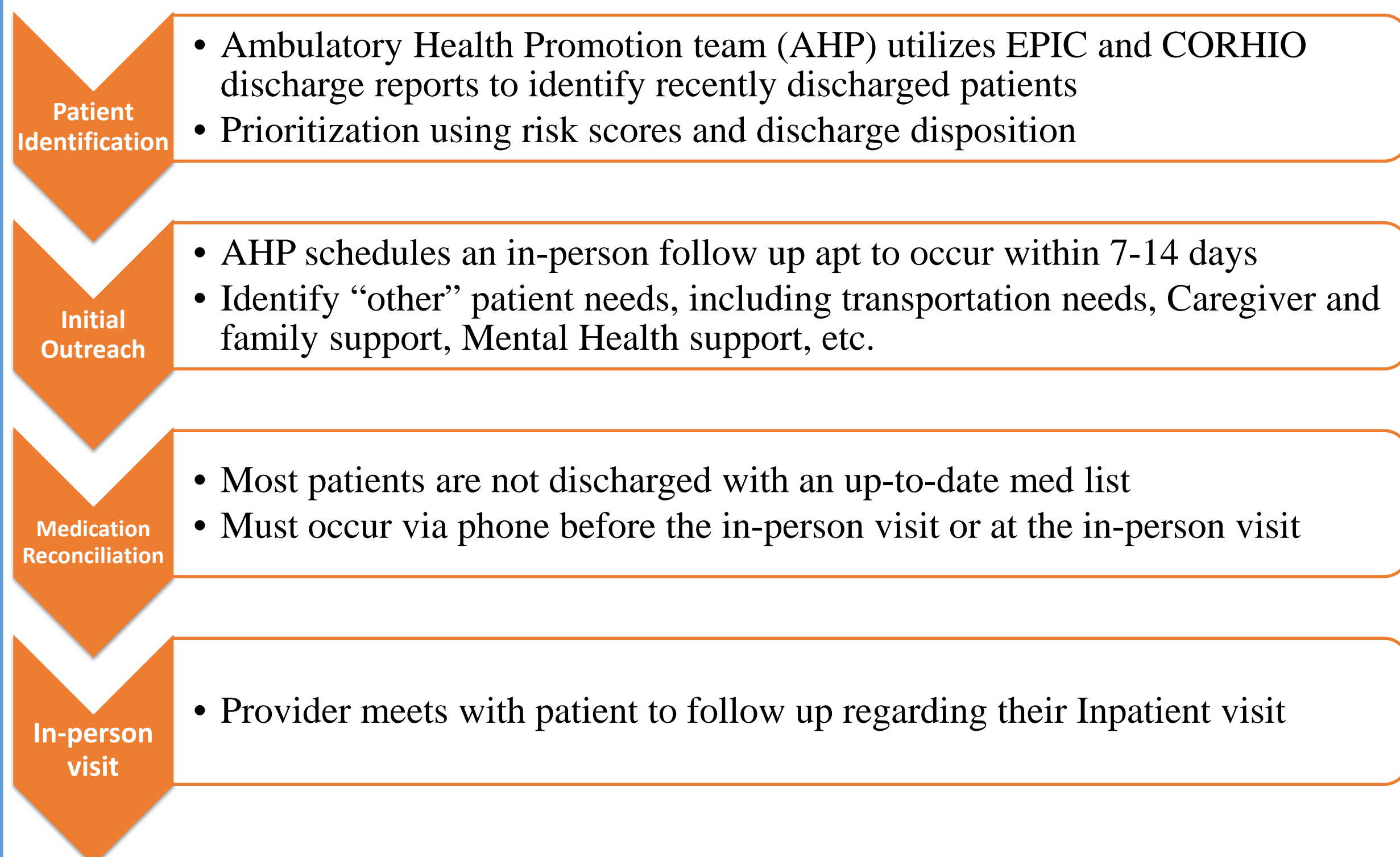
	Low quality	Avg Quality	High quality
Low cost	0.0%	+2.0x*	+4.0x*
Avg cost	-2.0%	+0.0%	+2.0x*
High cost	-4.0%	-2.0%	0.0%

\*TINS with 10 or more Eligible Providers

### Quality Improvement Activities

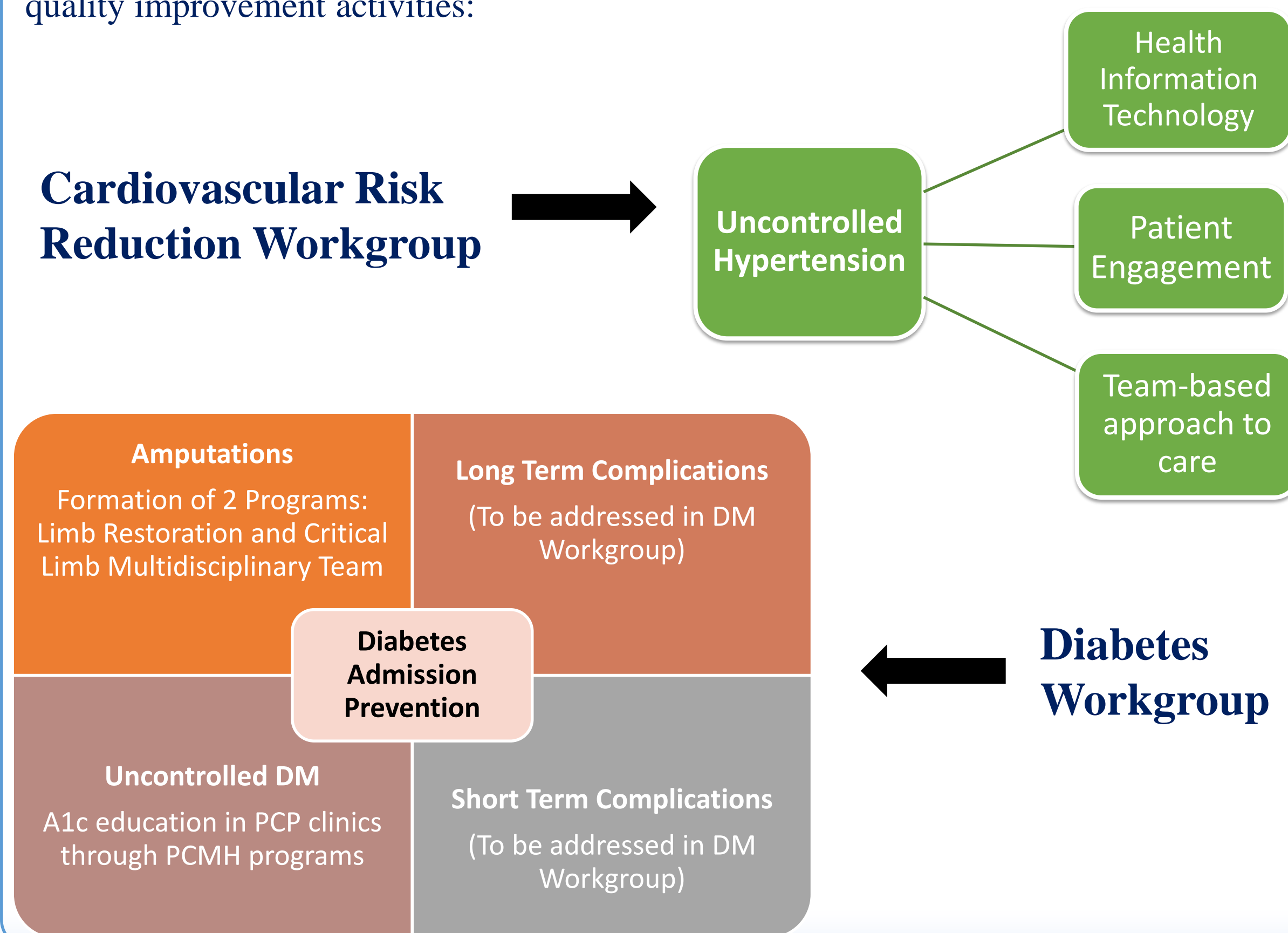
#### Quality Improvement #1 – Transitions of Care

- Goal: Reduce readmissions by following up with patients post-discharge



#### Quality Improvement #2 – Targeted Quality Interventions

Goal: Formation of multi-specialty, condition-specific workgroups for collaboration on quality improvement activities:



### Timeline of Payment Risk

Potential Incentives	2015	2016	2017	2018	2019-2021	2022
Mcare/Mcaid EHR Incentive <sup>a</sup>	Varies	Varies	Mcaid Only	Mcaid Only	Medicaid Only	--
Value-Modifier (Max incentive) <sup>b</sup>	+1.0(x)	+2.0(x)	+4.0(x)	+4.0(x)	--	--
MIPS	--	--	--	--	TBD – Bonus for Exceptional Performance	Same

Potential Reductions	2015	2016	2017	2018	2019	2020	2021	2022
Medicare EHR Incentive	-1.0% or -2.0% <sup>c</sup>	-2.0%	-3.0%	Up to -4.0% <sup>d</sup>	--	--	--	--
PQRS	-1.5%	-2.0%	-2.0%	-2.0%	--	--	--	--
Value-modifier (Max reduction) <sup>e</sup>	-1.0%	-2.0%	-4.0%	-4.0%	--	--	--	--
MIPS	--	--	--	--	-4.0%	-5.0%	-7.0%	-9.0%
<b>Total Possible Reduction</b>	<b>-4.5%</b>	<b>-6%</b>	<b>-9%</b>	<b>-10%</b>	<b>-4%</b>	<b>-5%</b>	<b>-7%</b>	<b>-9%</b>

### Cost Improvement Activities

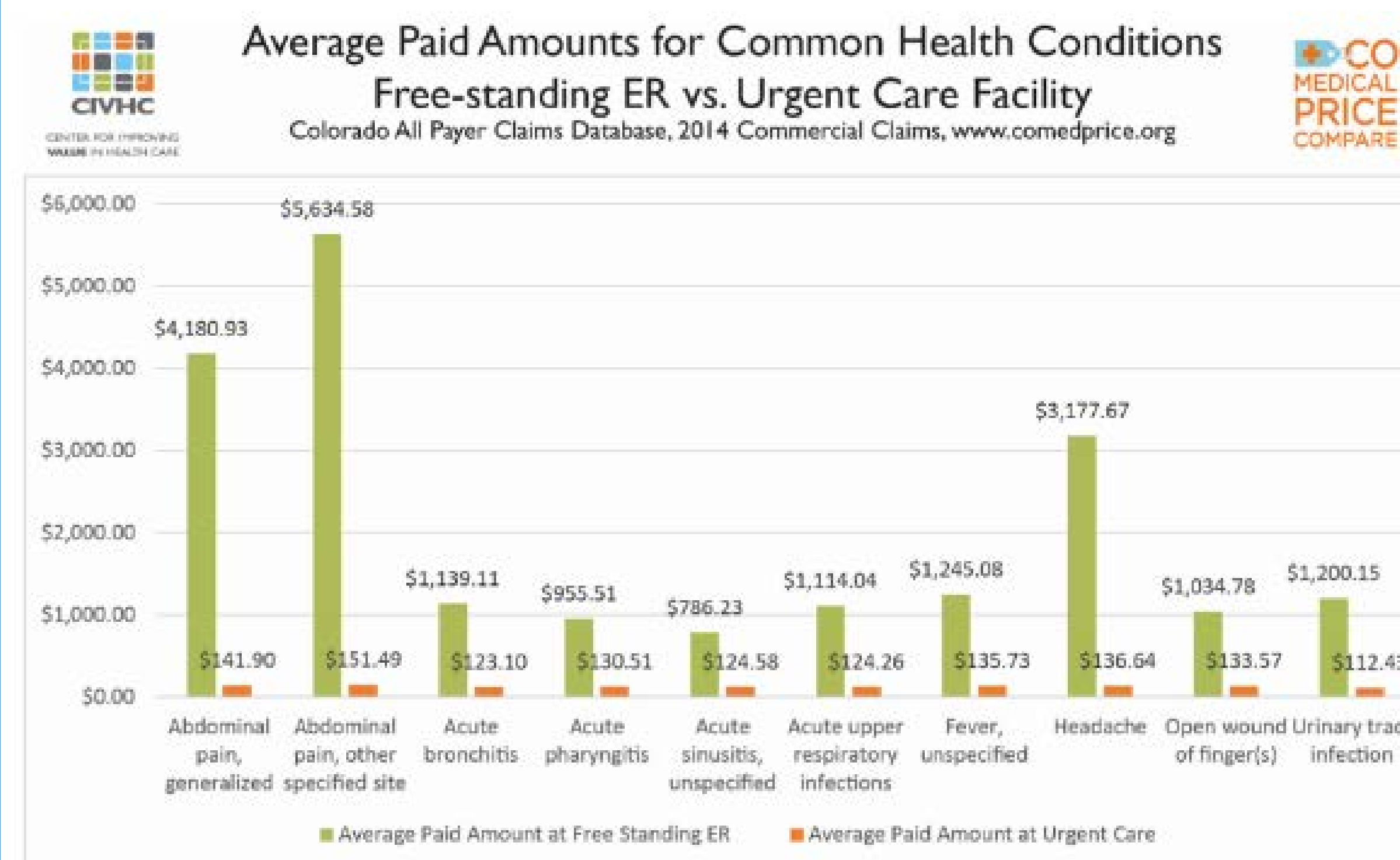
#### Improvement #1 – Reduce Avoidable ED visits

**Top Ten Visits, Descending Order**  
**CO Free-Standing Emergency Department, 2014**

1. Sore Throat
2. Finger Wound
3. Bronchitis
4. Respiratory Infection
5. Abdominal Pain
6. Headache
7. Urinary Tract Infection
8. Common Cold
9. Fever
10. Chest Pain

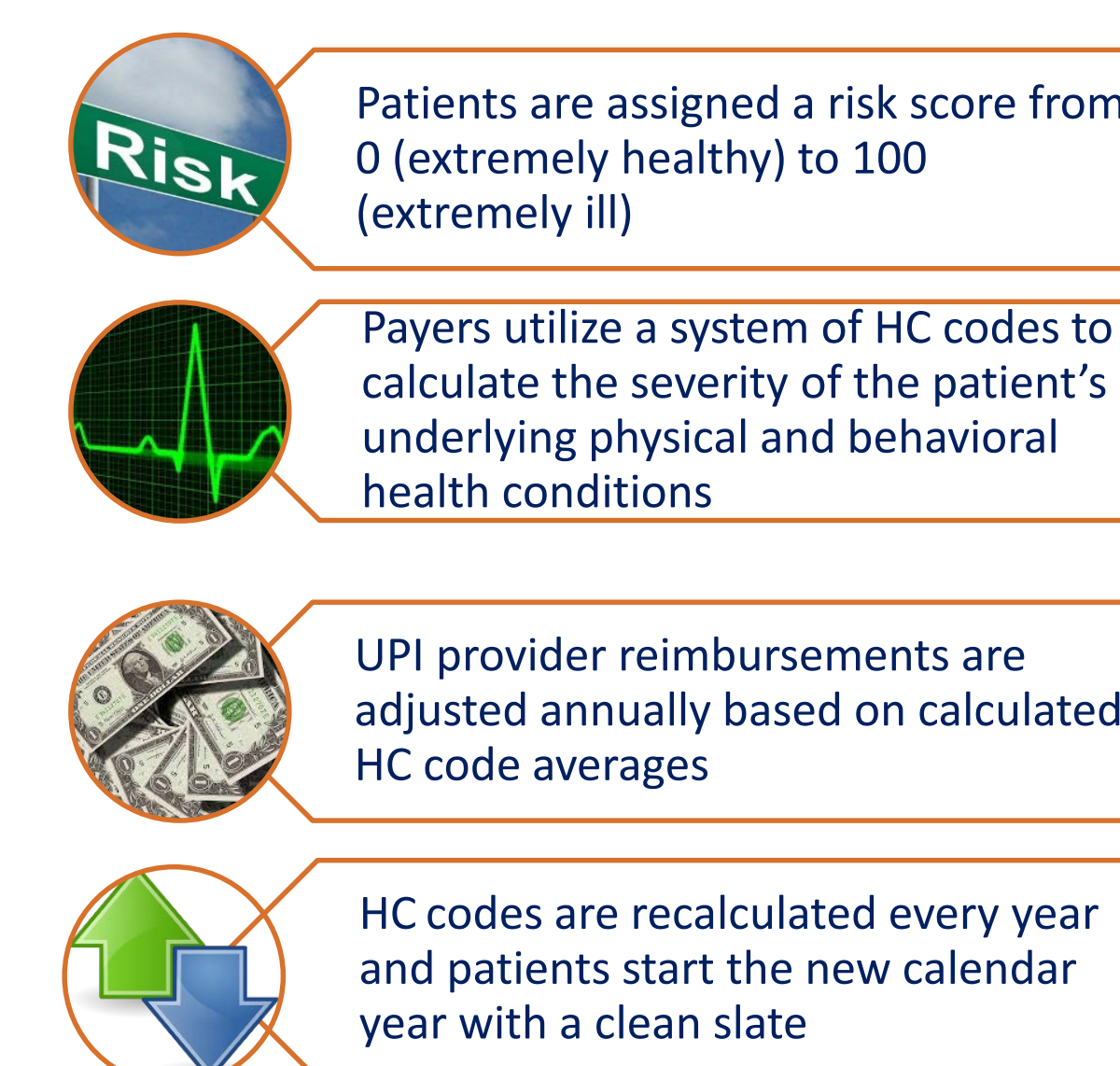
Conditions listed in descending order of volume from most frequent to least. Based on Colorado All Payer Claims Database analysis of 2014 commercial claims (except self-insured) for one Colorado Free-Standing ED.

- Goal: Educate patients regarding appropriate ED usage and when to use an ED facility vs. Urgent Care
- \$800 Million in potential savings if Colorado patients did not go to an ED for common conditions (Healthy Transitions Colorado)
- Knowing average paid amounts at Free-standing ERs vs. Urgent Care Facilities can help steer patients towards lower-cost options



#### Improvement #2 – Optimize Hierarchical Condition Code usage

- Goal: Ensure Providers document HCC codes when appropriate
- CMS adjusts the average cost of care per beneficiary metric for organizations based on average HCC scores
- CY 2014, the actual average cost of an attributed Medicare patient was \$12,073, but because UPI ranked in the top 25% for managing complex patients (i.e. high HCC scores), CMS adjusted the average cost to \$10,884 (decreased \$1,189).

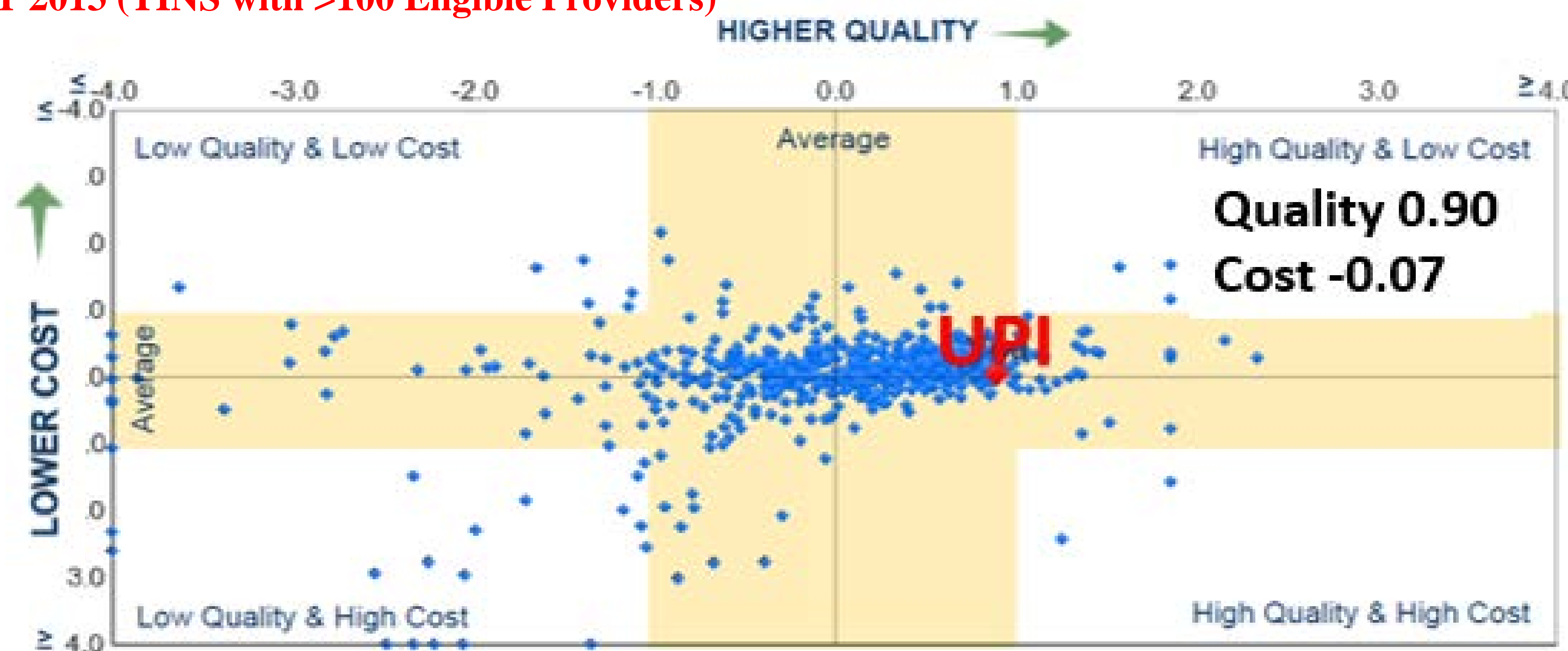


### Acknowledgements

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#### CY 2013 (TINS with >100 Eligible Providers)



#### CY 2014 (TINS with >100 Eligible Providers)

