

Healthcare CEO Forum

<azhealthcareceo.com>

7:30 am Tuesday, November 5 , 2019

Meeting at Scottsdale Place 5635 N. Scottsdale Road Suite 170 Scottsdale, AZ 85250

Overview									
 Introductions/Housekeeping Introductions/Update Exercise provide a solution 									
– Forum, personal goals									
 2019 Schedule Tue, November 5, 2019 									
 Further comments on "Range", by David Epstein 									
 Medicare updates ACO performance Payment updates 									
 World Series post mortem—how about the Nats? 									
 Strategy review—where's/how's Rita these days? 									
 Next meetings, 2019-20 									
 Tuesday, December 3 									
• Tuesday, January 7, 2020									

ACO Performance

ARIZONA ACO PERFORMANCE 2018										Quality
Name	State I	Vibrs	Т	otal \$\$	Sav %	Tgt %	\$\$	Sav	Bonus	Score
PRIME ACC CARE WEST, LLC	AZ, IL	4.8	\$	54.0	8.9%	4.0%	\$	4.8	\$ 2.3	1.00
Abacus Health LLC	AZ	29.1	\$	254.3	8.7%	2.4%	\$	22.2	\$10.6	0.98
ASPA-Connected	AZ, N	4.6	\$	45.2	4.3%	4.1%	\$	1.9	\$ 0.8	0.80
Arizona Care Network (Tr 1+)	AZ	7.9	\$	85.6	3.9%	0.0%	\$	3.4	\$ 1.4	0.84
Commonwealth Primary Care ACO	AZ	14.5	\$	147.1	3.5%	2.7%	\$	5.1	\$ 2.4	0.97
Scottsdale Health Partners, LLC (Tr 2)	AZ	28.5	\$	260.5	1.4%	0.0%	\$	3.7	\$ 2.1	0.97
Arizona Connected Care, LLC	AZ	9.8	\$	92.5	1.2%	3.0%	\$		\$-	0.86
Banner Health Network (Tr 3)	AZ	49.9	\$	516.2	1.2%	1.0%	\$	6.3	\$ 4.5	0.96
No Central Arizona Acc Care, LLC (Tr 1+)	AZ	13.6	\$	139.1	1.0%	2.8%	\$		\$-	0.86
CHSPSC ACO 8, LLC	AZ, N	17.3	\$	150.4	0.7%	2.6%	\$		\$ -	1.00
PathfinderHealth, LLC (Tr 1+)	AZ	8.5	\$	87.7	0.0%	3.1%	\$		\$ -	1.00
John C. Lincoln ACO, LLC	AZ	16.2	\$	158.2	-5.0%	2.7%	\$	(7.9)	\$ -	0.95

2019 ACO Benchmark Changes

ARIZONA ACO BENCHMARKS A	Benchmarks:									
Name	State N	Vibrs	Т	otal \$\$	U	odated	Н	istorical	Inc/	(Dec)
PRIME ACC CARE WEST, LLC	AZ, IL	4.8	\$	54.0	\$	11,629	\$	11,723	\$	(94)
Abacus Health LLC	AZ	29.1	\$	254.3	\$	8,892	\$	8,053	\$	839
ASPA-Connected	AZ, N	4.6	\$	45.2	\$	9,951	\$	9,606	\$	345
Arizona Care Network (Tr 1+)	AZ	7.9	\$	85.6	\$	11,032	\$	10,493	\$	539
Commonwealth Primary Care ACO	AZ	14.5	\$	147.1	\$	10,405	\$	9,706	\$	699
Scottsdale Health Partners, LLC (Tr 2)	AZ	28.5	\$	260.5	\$	9,328	\$	9,255	\$	73
Arizona Connected Care, LLC	AZ	9.8	\$	92.5	\$	9,634	\$	9,121	\$	513
Banner Health Network (Tr 3)	AZ	49.9	\$	516.2	\$	10,521	\$	10,033	\$	488
No Central Arizona Acc Care, LLC (Tr 1+)	AZ	13.6	\$	139.1	\$	10,438	\$	10,032	\$	406
CHSPSC ACO 8, LLC	AZ, N	17.3	\$	150.4	\$	8,903	\$	8,532	\$	371
PathfinderHealth, LLC (Tr 1+)	AZ	8.5	\$	87.7	\$	10,485	\$	10,511	\$	(26)
John C. Lincoln ACO, LLC	AZ	16.2	\$	158.2	\$	10,021	\$	9,244	\$	777

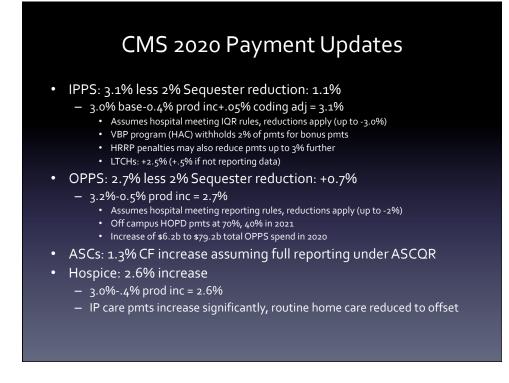
Overall 2018 ACO Performance

• Total number: 548 ACOs

- 205 saved \$2.1b vs benchmark, got \$1.0 in bonuses
- 343 spent more than \$400m vs benchmark, got no bonuses
- Net savings to CMS: \$600 million, 0.5% of covered spending

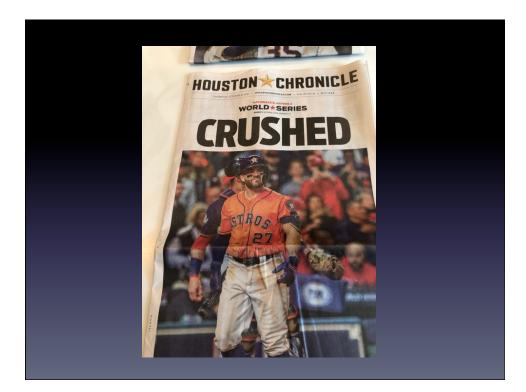
• Top of the heap:

- Top 10 ACOs in savings: 24% of all bonuses, \$229m
- Top 25 ACOs in savings: 40% of all bonuses, \$388m
- On the bottom:
 - 11 ACOs owe CMS \$18m



CMS 2020 Payment Updates

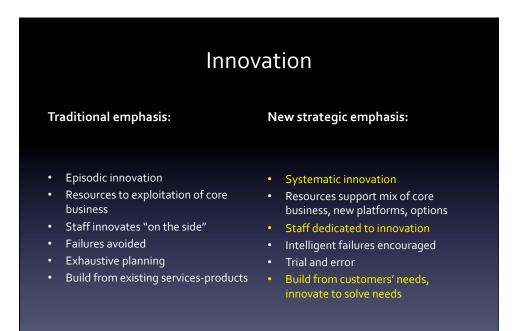
- PFS (Final due soon): Conv Factor +.05 to 36.09, +.14%
 - RVU adjustments:
 - Ophthalmology -4%, Optometry -2%, Vascular Surgery -2%
 - Neurology +2%, Clinical SW +2%, Clinical Psychology +2%
 - MIPS quality measures
 - Minimum reporting threshold: 45% 2020, 60% 2021
 - Exception perf threshhold: 80% in 2020, 85% in 2021
 - Quality wt: 40% 2020, 35% 2021, 30% 2022
 - Cost wt: 20% 2020, 25% 2021, 30% 2022
 - Transition to MIPS Value Pathways (MVPs) in 2021
 - Chronic Care (CCM) and Principal Care Mgmt (PCM)
 - CCM: Total care mgmt over longer term
 - PCM: Single chronic condition mgmt over short term



Runner Interference or Bad Throws?

You decide:

- Game 5 2019 WS: Trea Turner safe or out? https://www.youtube.com/watch?v=Ulwo5mWu3sM
- Game 6 2004 ALCS: Alex Rodriguez safe or out? https://www.youtube.com/watch?v=lxPNcrvR46Q

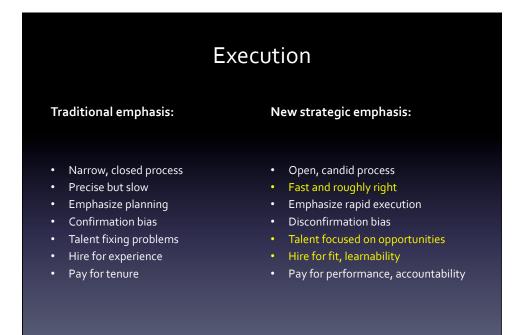


Organization

Traditional emphasis:

New strategic emphasis:

- Downsizing, restructuring
- Exploit core business
- Build it yourself, Ownership is key
- Investment intensive, NPV
- Stable OR dynamic
- Narrowly defined jobs and roles
- Continuous morphing, changing
- Support all phases of strategy: Core, New Platforms, Options
- Rent it, leverage external assets key
- Real options mindset, parsimony
- Stable WITH dynamism (agility)
- Fluid use of talent (athletes)



Forum Approach

• Goals

- Become a stronger leader...with others you respect
- Learn new leadership skills, tools...validate existing ones
- Reinforce commitment to work/life balance
- Meetings
 - Presentation/Discussion format
 - MITs
 - Occasional speakers
 - Handouts, books, homework
 - Blueberry muffins

