Rethinking Revenue Cycle in the Era of Value-Based Care & Emerging Payment Models

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LHC Group
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Our Discussion For Today

› Payment models we live in
› Payment models we envision
› Executing for success today
› Positioning for success tomorrow
Who We Are: Raj Shetye

- Senior Vice President and Chief Information Officer of LHC
  - Serving with LHC since 2010
  - Spearheading new IT/IS initiatives
  - Developing innovative solutions that improve business process performance and reduce costs.

- 20 years of executive and hands-on IT experience

- Master’s degree in computer engineering from George Mason University
  - Executive master’s degree in business administration from the Weatherhead School of Management at Case Western Reserve University

Who We Are: Keith Richards

- Group Product Manager of ZirMed’s RCM solutions since 2013
  - Oversees new product development for Claims Management, Payer Payments & Analytic based solutions

- Extensive HIT background
  - Developed and built a new product strategy for delivering analytics at a multibillion dollar data and analytics company
  - Experience includes: consulting implementation, project management, and product development for two large software HIT providers
  - Focused his energy working side by side with physicians to help them deliver quality of care, while focusing on revenue.

- Education
  - Bachelor of Science in Microbiology from Mississippi State University and a MBA from University of Colorado School of Business
Introducing LHC Group

- Service Lines:
  - Home Health
  - Hospice
  - Community Based
  - Long Term Acute Care

- 10,000 employees
- 33 States
- 750 Million in Revenue
LHC Group Overview of Operations

- Hub and Spoke Model
  - Core business functions centralized at the hub
  - Clinical operations at the Branches
  - Wrap around support consultant team

2010 – 2015 Evolution in Reimbursement Models at LHC
2016 and Beyond

- Very likely–
  - Outcomes will modulate payment
  - Bundled payments in some form will be in play
  - Population based payment models will be in play
  - Traditional Per Visit models will continue, but reduce
  - Baseline reimbursement will see compression
    - Opportunities for upside will be available
2016 and Beyond

Impact of Changes in Payment

<table>
<thead>
<tr>
<th>Volume</th>
<th>Value</th>
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<tbody>
<tr>
<td>Fee for Service</td>
<td>Payment to manage population</td>
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<tr>
<td>No rewards based on quality</td>
<td>Incentives and penalties for quality metrics</td>
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<tr>
<td>Individualistic performance is valued</td>
<td>Shared accountabilities and partnerships</td>
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<td>Technology is undervalued- little to no investment incentives</td>
<td>Technological advances are a key component to success and strategy</td>
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Process Improvements

- What worked well in the past.....
- May not.....
  - Will not......
  - Work as well in the future!

Getting ready – LHC Journey

- New yard stick(s)
- New Vocabulary
- New decision making models
- Data and Analytics
- Information dissemination
- Changes in the role clinical operations play
- New skill sets
- Process changes
Getting ready – LHC Journey

- New Competencies
  - Data interchange
  - Data Analytics
  - Working with “fuzzy” information
  - Building risk based contracts
- New Partnerships
- Role of our EMR vendor
- Connecting the dots
  - From intervention to outcome
  - Cause and effect

Getting ready – LHC Journey

- Time
- Resources
- Executive Sponsorship
- Continuous refinement
- Blurring the lines between
  - Finance
  - Revenue Cycle
  - Performance Improvement
  - Clinical operations
Future State of Value Based Care

- Future of value based care
  - Be smarter about measuring risks
  - Be aware of changing payment models
  - Be active with patient engagement
  - Be an expert on reporting, analytics and utilizing technology to gain richer data
  - Evaluate processes, resources, and technology constantly

Questions?

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Thank You!