

Laboratory Data is Essential for Your Value-based Contracts: Here's Why & How

Matt Modleski

Executive Vice President of Corporate & Business Development

Orchard Software Corporation

October 12, 2021



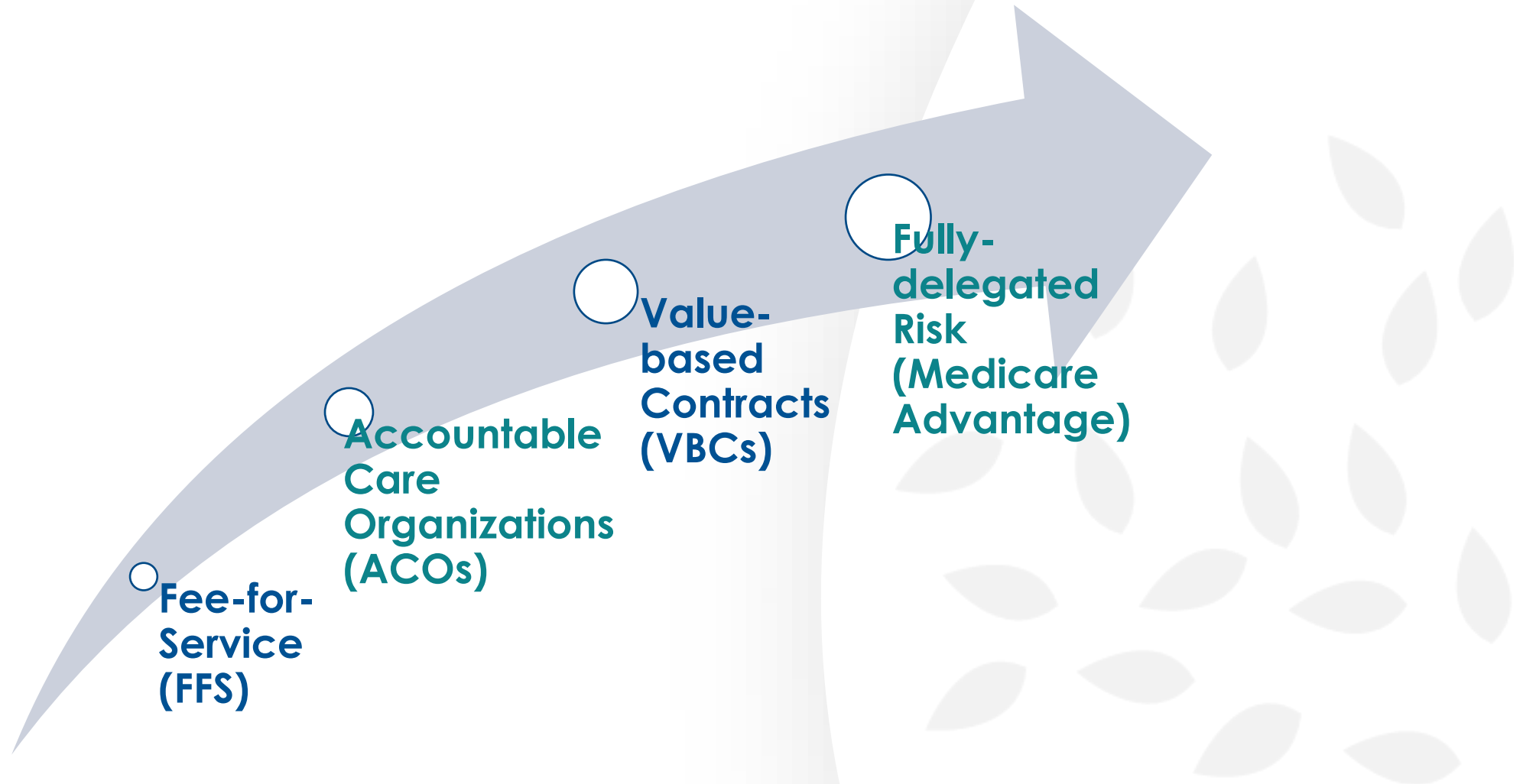
Learning Objectives

1. Illustrate healthcare's payment model progression—from fee-for-service to fully-delegated risk as it relates to value-based contracts.
2. Outline the role of laboratory data in successful payor contract performance & for proper documentation of patient health status and risk.
3. Explain how laboratory data applies to quality performance metrics.
4. Appraise the value that point-of-care testing and lab metrics bring to value-based contracts, including specific data mining examples.

Value-based Contracts



The Continuum of Payment Models



Terms Explained

Fee-for-Service (FFS)

- Providers are paid for services provided on transactional basis
- More transactions = more revenue

Shared Savings (Upside Risk)

- Rewards providers for reducing healthcare spending below an expected target

Shared Risk (Downside Risk)

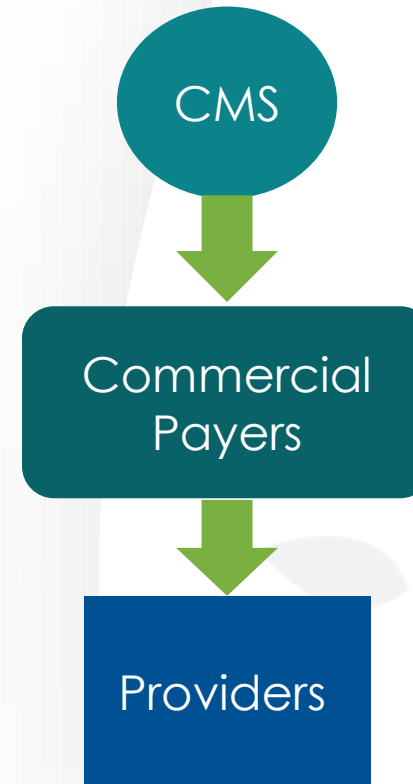
- Performance-based incentives
- Share costs savings + disincentives for overspending

How the \$\$ Flows

Medicare



Medicare Advantage



Examples

- UHC
- Aetna
- Humana

Successful Alignment with Payors



Tips for Aligning Value with Payors

1. Maximize your service

- Not likely to win on higher FFS pricing
- Show how your lab will provide value-based services

2. Make a reasonable offer to:

- Understand the payer's financial pain points and objectives
- Present a fair offer that helps both parties succeed

Use Data to Show Value

Actively monitor diabetic & chronic kidney disease (CKD) populations to identify patients who:

- Have not been seen for at least a year
- Are undiagnosed (do not have a Dx code that correlates with lab results that indicate CKD or diabetes)

For those patients:

- Prioritize patients by disease severity
- Schedule lab tests before the next visit
- Work with providers to document proper Dx codes
- Communicate to providers patients that need follow-up

Benefits

- Patients
 - Better manage their disease
 - Avoid dangerous complications
 - Avoid hospitalization

- Payers/ACOs
 - Avoid negative financial effects of missing Dx codes
 - Realistically estimate costs
 - Achieve higher shared savings

- Providers
 - Improve their PQRS scores
 - Receive financial bonuses for delivering quality care
 - Improve patient outcomes

Measuring Payor Performance



HEDIS

Healthcare Effectiveness Data and Information Set

“HEDIS is a comprehensive set of standardized performance measures designed to provide purchasers and consumers with the information they need for reliable comparison of health plan performance.”

- HEDIS performance tools are used as part of the Medicare Star Rating system.
 - Help determine if medical services are improving patient outcomes

HEDIS® includes more than 90 measures across 6 domains of care:

1. Effectiveness of Care
2. Access/Availability of Care
3. Experience of Care
4. Utilization and Risk Adjusted Utilization
5. Health Plan Descriptive Information
6. Measures Collected Using Electronic Clinical Data Systems

HEDIS Example - CDC

CDC – Comprehensive Diabetes Care*

Members 18 to 75 with type 1 and 2 diabetes who received proper testing and care for diabetes during the measurement year

*Medicare
Medicaid
Commercial

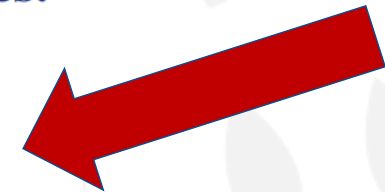
Documentation needed:

1. Hemoglobin A1C*
2. Blood pressure*
3. Nephropathy: Urine tests, ACE/ARB prescription, or visits to nephrologists during the measurement year
4. Dilated retinal eye exam (during the measurement year or year prior)

Common chart deficiencies:

- Incomplete information from consultants in the PCP charts
- Incomplete information related to yearly lab testing and results

* Note: Date and result of last screening in the measurement year.



HEDIS Example

Comprehensive Diabetes Care (CDC)

Assesses adults 18–75 years of age with diabetes (type 1 & 2) who had each of the following:

- Hemoglobin A1c (HbA1c) testing
- HbA1c poor control (>9.0%)
- HbA1c control (<8.0%)
- HbA1c control (<7.0%) for a selected population
- Eye exam (retinal) performed
- Medical attention for nephropathy
- BP control (<140/90 mm Hg)

Hgb A1C > 9

Selected Tests: POC A1C

Run Date/Time: 07/12/2021 8:48AM

Excluded Order Choices: None Specified

Selected Patients: All Patients

Dates: None Specified

Results Shown: Critical, Abnormal, Normal, STAT, ASAP, ROUTINE, Only Active Patients

Total Rows: 8

Mean: 11.225

Standard Deviation: 2.140594

Coefficient of Variation: 19.06988

Patient DOB (MM/dd/YYYY)	Patient First Name	Patient Last Name	Patient ID	Sample ID	Test Name	Result	Order Choice Diagnoses	Result Approval Date	Ordering Provider First Name	Ordering Provider Last Name
3/31/1985	Gale	Gavins	16-201-006	18155-CU-016	POC A1C	9.3	E11.9	06/04/2018 11:50AM	Billie	Harris
1/23/1981	Gina	Haflich	16-146-014	18155-CU-014	POC A1C	12.8	E10.9	06/04/2018 11:50AM	Jane	Provider
2/12/1990	Mary	Andrews	19-124-183	18155-CU-011	POC A1C	15.0	E11.9	06/04/2018 11:50AM	Jane	Provider
6/30/1982	Hannah	Hanover	16-201-004	18155-C1-015	POC A1C	9.9	E10.9	06/04/2018 11:51AM	Michelle	Anderson
4/21/1985	Melissa	Gabel	16-146-011	18155-C1-013	POC A1C	13.0	E11.8	06/04/2018 11:51AM	Michelle	Anderson
4/1/2013	Kain	Kartinelli	16-202-003	18155-C1-012	POC A1C	9.3	E10.9	06/04/2018 11:51AM	Michelle	Anderson
4/2/1951	Jerome	Abrams	J123A	18155-C1-017	POC A1C	11.0	E10.8	06/04/2018 11:51AM	Michelle	Anderson
7/27/2000	Brad	Tuttle	0000066678	18086-ry-008	POC A1C	9.5	E11.9	08/07/2018 1:30PM	Jane	Provider

Hgb A1C <8

Selected Tests: POC A1C

Run Date/Time: 07/12/2021 9:08AM

Excluded Order Choices: None Specified

Selected Patients: All Patients

Dates: None Specified

Results Shown: Critical, Abnormal, Normal, STAT, ASAP, ROUTINE, Only Active Patients

Total Rows: 11

Mean: 5.9

Standard Deviation: 1.0601888

Coefficient of Variation: 17.969301

Patient DOB (MM/dd/YYYY)	Patient First Name	Patient Last Name	Patient ID	Sample ID	Test Name	Result	Order Choice Diagnoses	Result Approval Date	Ordering Provider First Name	Ordering Provider Last Name
12/5/1985	Louise	Babcock	16-202-002	16203--1-005	POC A1C	5.0	E08.00	07/21/2016 8:40AM	Michelle	Anderson
2/1/1977	Isabella	Ians	16-201-003	16203-iv-020	POC A1C	6.1	E10.9	07/21/2016 10:51AM	Michelle	Anderson
6/30/1982	Hannah	Hanover	16-201-004	16203-iv-050	POC A1C	5.2	E11.9	07/21/2016 1:25PM	Michelle	Anderson
6/30/1982	Hannah	Hanover	16-201-004	16203-iv-050	POC A1C	5.2	E11.9	07/21/2016 1:25PM	Michelle	Anderson
12/5/1985	Louise	Babcock	16-202-002	16203-HB-082	POC A1C	5.0	E10.9	02/26/2018 9:09AM	Patricia	Bolding
12/5/1985	Louise	Babcock	16-202-002	16203--1-013	POC A1C	5.2	E08.00	02/26/2018 1:01PM	Michelle	Anderson
12/5/1985	Louise	Babcock	16-202-002	16203-HB-082	POC A1C	5.0	E10.9	02/26/2018 9:09AM	Patricia	Bolding
12/5/1985	Louise	Babcock	16-202-002	16203--1-012	POC A1C	5.9	E08.21	02/26/2018 1:39PM	Michelle	Anderson
4/1/2013	Kain	Kartinelli	16-202-003	18155-CU-007	POC A1C	7.8	E10.8	06/04/2018 11:39AM	Jane	Provider
6/30/1982	Hannah	Hanover	16-201-004	18155-C1-004	POC A1C	7.4	E10.9	06/04/2018 11:40AM	Michelle	Anderson
2/12/1990	Mary	Andrews	19-124-183	18155-C1-008	POC A1C	7.1	E10.9	06/04/2018 11:41AM	Michelle	Anderson

Hgb A1C <7

Selected Tests: POC A1C

Run Date/Time: 07/12/2021 8:40AM

Excluded Order Choices: None Specified

Selected Patients: All Patients

Dates: None Specified

Results Shown: Critical, Abnormal, Normal, STAT, ASAP, ROUTINE, Only Active Patients

Total Rows: 8

Mean: 5.3250003

Standard Deviation: 0.4301163

Coefficient of Variation: 8.077301

Patient DOB (MM/dd/YYYY)	Patient First Name	Patient Last Name	Patient ID	Sample ID	Test Name	Result	Order Choice Diagnoses	Result Approval Date	Ordering Provider First Name	Ordering Provider Last Name
12/5/1985	Louise	Babcock	16-202-002	16203--1-005	POC A1C	5.0	E08.00	07/21/2016 8:40AM	Michelle	Anderson
2/1/1977	Isabella	Ians	16-201-003	16203-iv-020	POC A1C	6.1	E10.9	07/21/2016 10:51AM	Michelle	Anderson
6/30/1982	Hannah	Hanover	16-201-004	16203-iv-050	POC A1C	5.2	E11.9	07/21/2016 1:25PM	Michelle	Anderson
6/30/1982	Hannah	Hanover	16-201-004	16203-iv-050	POC A1C	5.2	E11.9	07/21/2016 1:25PM	Michelle	Anderson
12/5/1985	Louise	Babcock	16-202-002	16203-HB-082	POC A1C	5.0	E10.9	02/26/2018 9:09AM	Patricia	Bolding
12/5/1985	Louise	Babcock	16-202-002	16203--1-013	POC A1C	5.2	E08.00	02/26/2018 1:01PM	Michelle	Anderson
12/5/1985	Louise	Babcock	16-202-002	16203-HB-082	POC A1C	5.0	E10.9	02/26/2018 9:09AM	Patricia	Bolding
12/5/1985	Louise	Babcock	16-202-002	16203--1-012	POC A1C	5.9	E08.21	02/26/2018 1:39PM	Michelle	Anderson

HEDIS Example – COL

COL — Colorectal Cancer Screening*

Members age 50 to 75 who had appropriate screening for colorectal cancer

* Medicare and Commercial

Documentation needed:

Date and result of one of these screenings:

- Colonoscopy (within last 10 years)
- Fecal occult blood testing (FOBT) in measurement year
 - FOBT tests performed in an office setting or on a digital rectal exam do not count
- Flexible sigmoidoscopy (within last five years)
- CT colonography (within last five years)
- Fecal immunochemical DNA test (FIT-DNA) a.k.a. Cologuard®, (within the last three years)

Patient reported data noted on a medical record is sufficient evidence with *date and results noted*.

Common chart deficiencies:

- Colorectal screenings are not consistently documented in health histories.
- Typically this information is included on health history forms; however, this information is not always provided as part of the record submissions.

Patients 50-75 years old with FOB within last year

Excluded Tests: None Specified

Run Date/Time: 07/12/2021 10:20AM

Selected Order Choices: POC FOBT

Selected Patients: All Patients

Dates: None Specified

Results Shown: Critical, Abnormal, Normal, STAT, ASAP, ROUTINE, Only Active Patients

Total Rows: 7

Mean: NaN

Standard Deviation: -0.0

Coefficient of Variation: NaN

Patient DOB (MM/dd/YYYY)	Patient First Name	Patient Last Name	Patient ID	Sample ID	Test Name	Result	Order Choice Diagnoses	Result Approval Date	Ordering Provider First Name	Ordering Provider Last Name
2/1/1977	Isabella	Ians	16-201-003	17101-YN-004	POC FOBT	Negative	D72.829	02/26/2018 1:42PM	Michelle	Anderson
4/2/1951	Jerome	Abrams	J123A	21193-FM-006	POC FOBT	Negative	R36.1	07/12/2021 10:16AM	Michelle	Anderson
6/28/1939	Janice	Cain	16-202-001	21193-FM-003	POC FOBT	Negative	K92.1	07/12/2021 10:16AM	John	Doe
6/28/1939	Janice	Cain	16-202-001	21193-FM-003	POC FOBT	Negative	R36.1	07/12/2021 10:16AM	John	Doe
4/30/1966	Morgan	Marx	M123M	21193-FM-004	POC FOBT	Negative	K92.1	07/12/2021 10:16AM	Allen	Weber
4/30/1966	Morgan	Marx	M123M	21193-FM-004	POC FOBT	Negative	R36.1	07/12/2021 10:16AM	Allen	Weber
7/16/1957	Nancy	Bacon	16-146-176	21193-FM-005	POC FOBT	Positive	R36.1	07/12/2021 10:16AM	Michelle	Anderson

Calculating Risk Scores

- Obesity
- Exercise
- Smoking
- Nutrition
- Stress
- Allergy

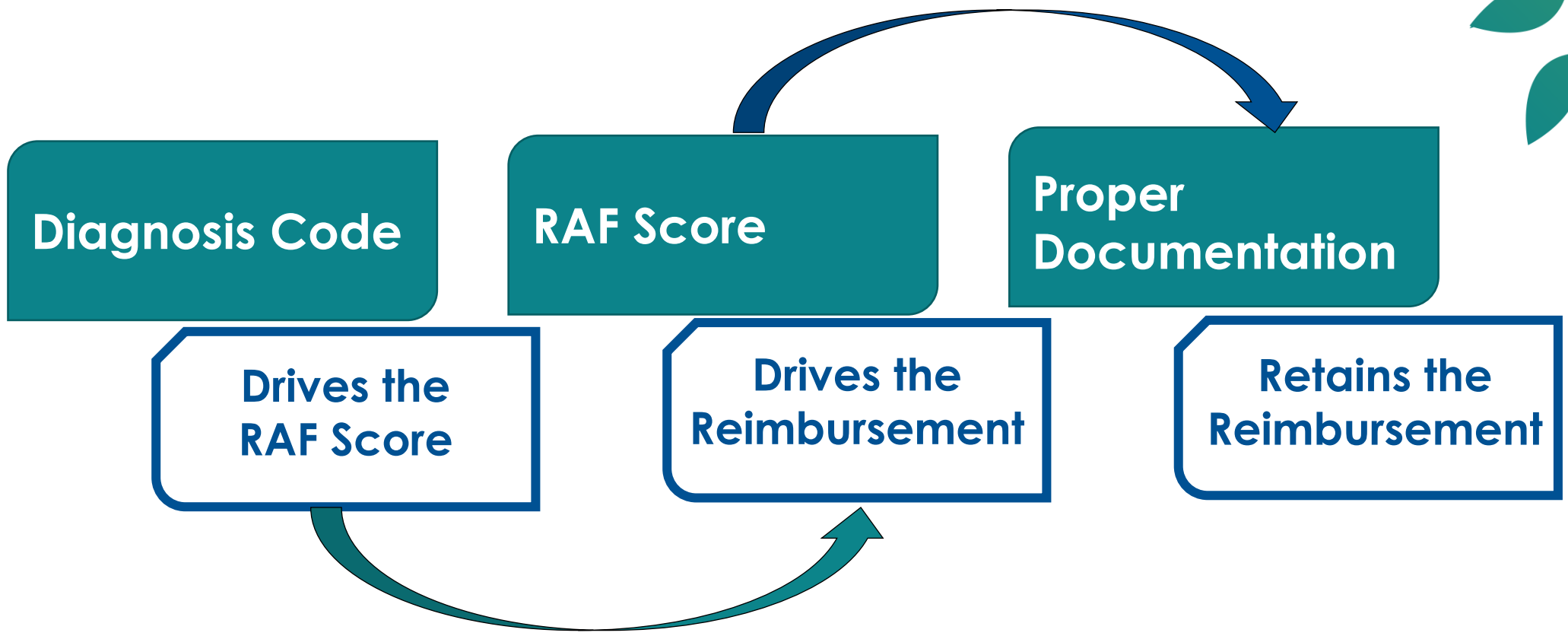
How RAF Affects Reimbursement

Risk Adjustment Factor

- Average Medicare patient RAF = 1.0
- Starting RAF score determined by demographics
 - age, race, etc. + a market-based adjustment
- CMS reimburses 1% **HIGHER** for every 0.01 RAF increase
 - ~ \$100 PMPM for every 0.1 RAF increase

Example: \$1,000 PMPM (\$12,000 annually)

- With RAF increase, payment for that member would increase to \$1,100/month (\$13,200 annually)



Valid HCC Documentation Requires 3 Points

Hierarchical Condition Codes

1	Diagnosis	Face-to-face visit with NP or higher (pandemic has created changes here)
2	Status or Condition	Stable condition, worsening, labs/ tests ordered, medications adjusted
3	Plan of Action	COPD, Stable, continue current medications

The Importance of M.E.A.T

Documentation for Every Diagnosis must have the M.E.A.T.

<u>M</u>onitor	signs, symptoms, disease progression, disease regression
<u>E</u>valuate	test results, medication effectiveness, response to treatment
<u>A</u>ssess/ <u>A</u>ddress	order tests, discussion, review records, counseling
<u>T</u>reat	medications, therapies, other modalities

Documentation is Critical for MA

“Every patient with diabetes should be evaluated for the many manifestations, co-morbidities of the disease, and complications with the progress notes and tests showing that this evaluation was done.”

Diagnosis	ICD-10	HCC Weight
Without complications	E11.9	0.104
DM w/Kidney Comp.	E11.2X	0.318
DM w/Ophthalmic Comp.	E11.3X	0.318
DM w/Neurologic Comp	E11.4X	0.318
DM w/Circulatory Comp.	E11.5X	0.318
DM w/Oral Comp.	E11.6X	0.318
DM w/CKD	E11.22	0.318

No Documentation = No \$\$\$\$

Chronic Kidney Disease

Stage	Severity	GFR(mL/min)	ICD-10	HCC Weight
Stage 1		90	N18.1	0
Stage 2	Mild	60-89	N18.2	0
Stage 3	Moderate	30-59	N18.3	0
Stage 4	Severe	15-29	N18.4	0.237
Stage 5	Kidney Failure	<15	N18.5	0.237
ESRD	Code w/renal dialysis status Z99.2	Requiring chronic dialysis or transplant	N18.6	0.422
CKD Unspecified			N18.9	0

Financial Impact of Poor Documentation

E11.0 Diabetes without complications

Diabetes without complications (HCC 19)	RAF 0.121
\$1000.00 PMPM X 0.121	= \$121/ PMPM
X 12 months	= \$1452/ year
X 500 members	= \$726,000/ year

Financial Impact of Proper Documentation

E11.51 Diabetes with Diabetic Peripheral Angiopathy

Diabetes with complications (HCC 18)	RAF 0.374
Vascular Disease (HCC 108)	RAF 0.319
\$1000.00 PMPM X (0.374 + 0.319)	= \$693/ PMPM
X 12 months	= \$8316/ year
X 500 members	= \$4,158,000/ year

Without the right documentation, \$3,432,000 unavailable for patient resources

How to Get an A+



Medicare STAR Rating System

Medicare reviews plan performance yearly & releases new star ratings each fall...

MA Plans are rated on how well they perform in 5 different categories:

Staying healthy: screenings, tests, & vaccines

Managing chronic (long-term) conditions

Plan responsiveness & care

Member complaints, problems getting services, & choosing to leave the plan

Health plan customer service

HEDIS, STAR Performance Metrics

Measure Level Performance

STAR Ratings by Plan

Measure Description		STAR Ratings by Plan			
ID	Measure Name	Type	Weight		
ABA	Adult BMI Assessment	Hybrid	1.0	4.00	4.00
CDCEYE	Diabetes Care – Eye Exam	Hybrid	1.0	3.00	3.00
CDCNEP	Diabetes – Kidney Disease	Hybrid	1.0	4.00	4.00
CDCA1C9	Diabetes – Blood Sugar	Hybrid	3.0	4.00	5.00
MAD	Med Adherence – Diabetes	Acumen	3.0	3.00	4.00
CBP	Controlling Blood Pressure	Hybrid	3.0	3.00	2.00
MAH	Med Adherence – Hypertension	Acumen	3.0	4.00	5.00
MAC	Med Adherence - Cholesterol	Acumen	3.0	3.00	4.00

CMS Star Ratings - Examples

Star Rating Measure	Description
Diabetes Care: Blood Sugar Controlled	Percent of plan members with diabetes who had an HbA1c test during the year that showed their average blood sugar is under control (< 9%)
Diabetes Care: Kidney Disease Monitoring	Percent of plan members with diabetes who had a kidney function test

HEDIS Comprehensive Diabetes Care + Medicare Star

Date range - April 1 to Sept 30

Dx of diabetes (type 1 and type 2)

Hgb A1c >9

GFR <30

CMS Star Rating – Kidney disease

MA plan members with diabetes

With a kidney function test (creat/GFR, kidney function panel, etc.)

% of MA Plan Members with Controlled Diabetes

Hgb A1C <9

Excluded Tests: None Specified

Run Date/Time: 07/12/2021 3:16PM

Selected Order Choices: POC Hgb A1C

Selected Patients: All Patients

Dates: None Specified

Results Shown: Critical, Abnormal, Normal, STAT, ASAP, ROUTINE, Only Active Patients

Total Rows: 4

Mean: 6.9999995

Standard Deviation: 0.7874008

Coefficient of Variation: 11.248584

Insurance Name	Patient First Name	Patient Last Name	Patient ID	Sample ID	Test Name	Result	Order Choice Diagnoses	Result Approval Date	Ordering Provider First Name	Ordering Provider Last Name
Medicare A	Jerome	Abrams	J123A	21193-FM-007	POC A1C	7.9	E10.9	07/12/2021 2:48PM	Michelle	Anderson
Medicare A	Janice	Cain	16-202-001	21193-FM-008	POC A1C	6.0	E10.9	07/12/2021 3:09PM	Michelle	Anderson
Medicare A	Allison	Gillespie	16-146-042	21193-FM-009	POC A1C	7.2	E11.9	07/12/2021 3:16PM	John	Doe
Medicare A	Clark	Kent	16-146-189	21193-FM-010	POC A1C	6.9	E10.9	07/12/2021 3:16PM	John	Doe

% of Plan Members with Diabetes who had Kidney Function Test

DX = Diabetes and GFR <30

Selected Tests: POC GFR calc

Run Date/Time: 07/28/2021 2:37PM

Excluded Order Choices: None Specified

Selected Patients: All Patients

Dates: None Specified

Results Shown: Critical, Abnormal, Normal, STAT, ASAP, ROUTINE, Only Active Patients

Total Rows: 5

Mean: 24.0

Standard Deviation: 3.391165

Coefficient of Variation: 14.129855

Collection Date	Patient Last Name	Patient First Name	Patient ID	Sample ID	Order Choice Diagnoses	Test Name	Result	Ordering Provider First Name	Ordering Provider Last Name
07/28/2021 11:04AM	Abrams	Jerome	J123A	21209-SC-001	E11.9	POC GFR calc	23	Michelle	Anderson
07/28/2021 11:06AM	Ling	Lily	L123L	21209-SC-002	E10.8	POC GFR calc	22	Ralph	Redwood
07/28/2021 11:05AM	Marx	Morgan	M123M	21209-SC-003	E11.9	POC GFR calc	28	Allen	Weber
07/28/2021 2:26PM	Haflich	Gina	16-146-014	21209-SC-004	E08.22	POC GFR calc	27	Dan	Allen
07/28/2021 2:27PM	Gabel	Melissa	16-146-011	21209-SC-005	E10.9	POC GFR calc	20	Allen	Weber

% of Plan Members with Diabetes who had Kidney Function Test

Dx=Diabetes and Elevated Microalbumin/Creat Ratio

Selected Tests: Alb/Creat Ratio

Run Date/Time: 07/30/2021 1:26PM

Excluded Order Choices: None Specified

Selected Patients: All Patients

Dates: None Specified

Results Shown: Critical, Abnormal, Normal, STAT, ASAP, ROUTINE, Only Active Patients

Total Rows: 6

Mean: 87.666664

Standard Deviation: 39.20034

Coefficient of Variation: 44.71522

Collection Date	Patient Last Name	Patient First Name	Patient ID	Sample ID	Order Choice Diagnoses	Test Name	Result	Ordering Provider First Name	Ordering Provider Last Name
07/30/2021 8:51AM	Marx	Morgan	M123M	21211-SC-001	E11.22	Alb/Creat Ratio	109	Michelle	Anderson
07/30/2021 9:45AM	Ling	Lily	L123L	21211-SC-002	E10.22	Alb/Creat Ratio	138	Allen	Weber
07/30/2021 9:47AM	Ubl	Richard	R123U	21211-SC-003	E10.29	Alb/Creat Ratio	117	Michelle	Anderson
07/30/2021 9:48AM	Cain	Janice	16-202-001	21211-SC-004	E10.21	Alb/Creat Ratio	45	Allen	Weber
07/30/2021 1:21PM	Haflich	Gina	16-146-014	21211-SC-006	E10.44	Alb/Creat Ratio	46	Michelle	Anderson
07/30/2021 1:23PM	Andrews	Mary	19-124-183	21211-SC-007	E08.22	Alb/Creat Ratio	71	Allen	Weber

% of Plan Members with Diabetes who had Kidney Function Test

Dx = Diabetes and Elevated BUN/Creat Ratio

Selected Tests: BUN/Creat Ratio

Run Date/Time: 07/28/2021 2:47PM

Excluded Order Choices: None Specified

Selected Patients: All Patients

Dates: None Specified

Results Shown: Critical, Abnormal, Normal, STAT, ASAP, ROUTINE, Only Active Patients

Total Rows: 5

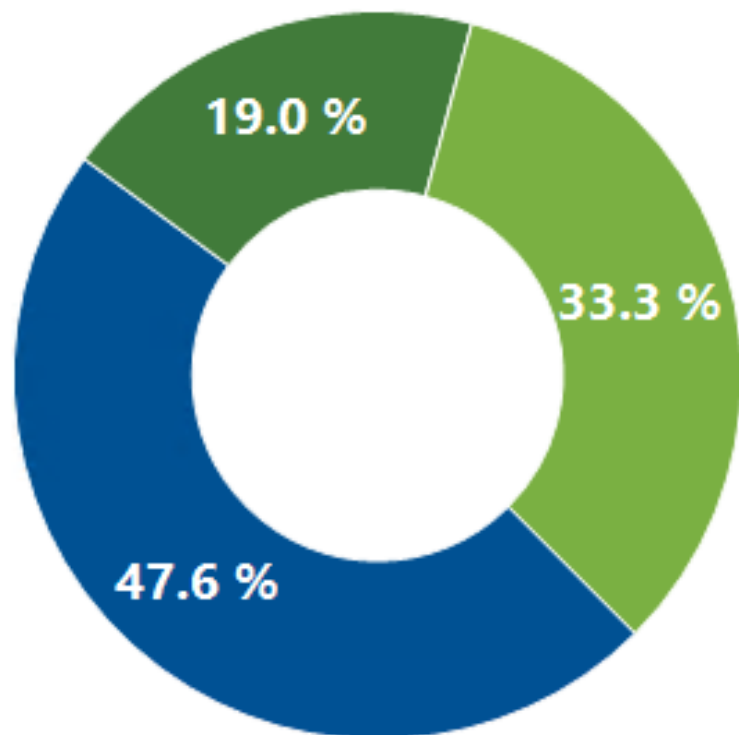
Mean: 30.2

Standard Deviation: 3.49285

Coefficient of Variation: 11.565728

Collection Date	Patient Last Name	Patient First Name	Patient ID	Sample ID	Order Choice Diagnoses	Test Name	Result	Ordering Provider First Name	Ordering Provider Last Name
07/28/2021 11:04AM	Abrams	Jerome	J123A	21209-SC-001	E11.9	BUN/Creat Ratio	28	Michelle	Anderson
07/28/2021 11:06AM	Ling	Lily	L123L	21209-SC-002	E10.8	BUN/Creat Ratio	32	Ralph	Redwood
07/28/2021 11:05AM	Marx	Morgan	M123M	21209-SC-003	E11.9	BUN/Creat Ratio	26	Allen	Weber
07/28/2021 2:26PM	Haflich	Gina	16-146-014	21209-SC-004	E08.22	BUN/Creat Ratio	30	Dan	Allen
07/28/2021 2:27PM	Gabel	Melissa	16-146-011	21209-SC-005	E10.9	BUN/Creat Ratio	35	Allen	Weber

Diabetes Patients - Kidney Disease Screening



Patients with Kidney Screening

GFR Less
Than 30

176

GFR Greater
Than 30

308

Patients without Kidney Screening

441

Total Diabetic Patients

925

Key Takeaways

Knowledge is power. Knowing what your payers are trying to achieve and how that impacts your lab customers is step 1.

The next step is to meet with the people in your organization who know how those payer elements are cascaded into your value-based contracts. This will help you focus on meaningful lab data that affects your contracts.

Pull reports like the examples in this presentation and set up time with your CMO, VP of Quality, or whomever measures contract performance, and share the types of data you have (or could get) that help move the needle.

You don't have to be an expert to bring value. Be proud of your lab data. It's REALLY valuable 😊!



Thank you

Confidential & Proprietary