

Summer 2018

Rural Health Value Issues Brief

What Are Rural Health Leaders Asking about Value-Based Care and Payment?

The transition from volume-based health care and payment to value-based health care and payment is underway. In rural health care, the transition is far from complete, in part due to a predominantly fee-for-service health care payment system. Nonetheless, many rural health care leaders wonder how best to navigate the transition to value-based care. These leaders face not only transition-related challenges, but also changing incentives that require engaging patients, community-based organizations, and other stakeholders in the goals of better care and healthier communities.

In February 2018, the Rural Health Value team surveyed a convenience sample of 60 rural health care leaders—hospital CEOs, rural network leaders, health services researchers, and national association leaders—about current value-based care priorities. The survey asked leaders to prioritize up to five issues related to health care value (*multiple choice*) and what additional supports and resources might help address those issues (*open-ended*). Nearly half of the sample (26) responded to the survey. The survey found that rural health leaders

- Understand the importance of population-based health care but wonder how to improve the health of their communities;
- Realize that improving population health cannot be the sole responsibility of one organization, and therefore seek resources to convene various community-based organizations in the interest of community health;
- Understand that to deliver value-based care, a health care organization must continue to be financially stable and profitable, and therefore question how to balance value-based care investments and short-term profit opportunities; and
- Recognize that they must learn to calculate and communicate the value of their services to patients, communities, partners, and those with whom they share financial risk.

This Rural Health Value Issues Brief summarizes health care value issues most frequently cited and given the highest priority by rural health care leaders. The brief groups survey responses into common themes. The numerical survey responses and necessary value-based care tools and resources are listed in the appendices. Survey findings also may be used to identify and develop tools and resources to assist rural health care leaders, and their organizations and communities, to transition from volume-based care to value-based care.

Higher Priority Rural Health Value Issues

How do I convene local organizations to improve health care value and address social determinants of health?

Rural health leaders seek strategies on how best to bring people together locally to improve health care value and address social determinants of health. These leaders are looking for community health improvement support, resources, and new approaches, including community organizing best practices that bring people together to strategize how to plan for population health improvement. Leaders are seeking guidance on how to administer community health needs assessments (CHNAs) facilitated by people who will challenge the community to recognize social determinants of health and make CHNAs actionable. Interestingly, multiple leaders described the need for community organizing best practices *not* dominated by hospitals or clinics.

“(We need) help looking at the range of health and social providers to define total cost of care and prevention and defining measureable outcomes for population health beyond hospital/clinic measures of cost, quality, efficiency and information.”

What data systems and analytics tools are available to improve population health and manage risk, and what are some ways to use them?

Rural health leaders frequently ask about guidance and resources to use data and data systems in new ways. Hospital CEOs in particular wish to learn more about risk-coding or risk-scoring tools that adjust for socioeconomic factors and the frequent low rural volumes. Several leaders seek more mature data systems and health information exchanges that could provide rural-appropriate predictive analysis and modeling. Managing cost and care through data sharing among peers is also of interest.

“For low-volume providers, how do we transition the data analytics into predictive models that work for rural areas?”

How do I balance the need for value-based care investment and the need for near-term profit? What value-based care investments are likely to be profitable right now?

Leaders question how to balance value-based care investments and short-term profit opportunities—in other words, how to prioritize value-based investments likely to be profitable now, or with a short return-on-investment horizon. These leaders are forward thinking and proactive, but also understand that fiscal prudence is critical, especially in the changing health care business environment or in times of low health care organization profits.

“(How can we) best present business cases on specific programs to payers in the way that connects with their needs and views?”

How do I assess my organization's contribution to the total cost of care?

Rural health leaders wonder about their organizations' contribution to the total cost of care, specifically how to influence that contribution cost. This issue is particularly germane for leaders participating in accountable care organizations, bundled payment programs, or other payment or contract relationships in which their organization costs increase the total cost of care yet controlling costs demonstrates value or earns rewards or incentives. Rural health leaders understand that new payment systems (e.g., shared savings and global payment) require new financial analyses. Thus, they are interested in tools and methods that account for prevention costs, social service costs, and anticipated cost savings.

Related to cost, several leaders seek resources to articulate cost and value-based care to patients. For example, leaders would like resources to help make health care cost and pricing more transparent and to help discuss and quantify value-based care with patients.

What are some examples of successful rural value-based care and payment models?

Multiple rural health leaders would like to review and learn from effective value-based care transition models and examples. Leaders seek best general practices for rural hospitals transitioning to value, and success stories or case studies of models that are working well. These leaders also seek specific examples, including the following:

- How critical access hospitals that do not employ physicians participate in various value-based models
- How to clinically integrate established health care networks and newer, "disruptive," services such as minute clinics or web-based providers
- How to provide efficient care delivery
- How to optimize cost-based reimbursement with the cost report
- How to be effective as an independent hospital or in non-hospital settings (e.g., clinic or nursing home)
- How to assist primary care providers and offices to improve work flow and embrace new care paradigms

Lesser Priority Rural Health Value Issues

The Rural Health Value team found that certain topics were not prioritized by rural health leaders as highly as expected. This does not imply that these issues are unimportant to rural health leaders, but when forced to prioritize, these were not among the top issues or questions.

How do I choose quality measures and improvement activities?

While there was some level of interest in demonstrating the importance of quality measure collection and reporting, rural health leaders appear less interested in how rural health care organizations choose which quality measures to collect, report, and focus improvement efforts on. Not surprisingly, some leaders report that better

“We really need better measures of ‘quality.’ We are counting too many things that may or may not reflect quality if that is defined as better patient outcomes both in terms of disease control and overall quality of life.”

measures of quality are needed (the National Quality Forum’s Rural Measure Applications Partnership recommendations are pending), and have a sense that current measures are too numerous and may not accurately reflect quality of life and quality of patient outcomes/disease control.

How do I engage my board in value-based care issues?

Somewhat surprisingly, rural health leaders do not identify board engagement on value-based care and payment as a top priority—neither in the preselected list of “top questions that you are currently grappling with” nor in the additional comments section. The few leaders that note board engagement as a top issue were from state and national hospital associations or consultants working with a range of clients across the nation.

How do I engage clinicians in value-based care issues?

Hospital CEOs (not exclusively rural) in national surveys have consistently identified physician engagement as high priority for over a decade. Yet only 6 out of 26 respondents to the rural health value survey identified physician engagement as a top five priority. It is unclear whether surveyed rural health leaders engage physicians more effectively than their peers or whether the physician engagement challenge is so persistent and pervasive that the issue has declined in priority.

Conclusion

This rural health value survey (convenience sample) suggests that rural health leaders seek tools and resources to help navigate the transition from volume-based health care and payment to value-based health care and payment. Specific high priority needs include tools and resources to assist rural health care leaders in engaging community-based organizations in community health improvement and using new financial accounting systems and predictive analysis tools that consider total cost of care. Survey findings will help the Rural Health Value team and others identify available value-based care tools and resources, and develop new tools and resources, to assist progressive rural health care leaders.

Appendix 1: Survey Results

Responses to question “What are five (or fewer) main questions related to health care value that you or those with whom you work are currently grappling with?”

| Main question | Number listing this in top five |
|---|---------------------------------|
| How should our organization invest in value-based care capacity building when there isn't an immediate return on investment? | 14 |
| How do I assess my organization's role in the total of cost of care for patients, and how can I influence that cost in the context of sharing financial risk? | 12 |
| How do I assess the opportunities and risks of formally affiliating with others (e.g., a larger health system, network, payer, or accountable care organization)? | 11 |
| How do I bring people together locally to work on health care value? | 10 |
| How can I assess and address my community's social determinants of health? | 9 |
| How do I demonstrate to others that my organization can deliver value-based care? | 8 |
| How can I better understand how my costs of delivering care are being calculated by different programs or demonstrations? | 6 |
| How can I demonstrate the importance of collecting and reporting quality measures when they may not be required or when the available measures aren't necessarily relevant? | 6 |
| How can I more effectively engage physicians in a shared organizational vision? | 6 |
| How do I engage patients to understand the health care choices available to them? | 6 |
| What are the factors I need to consider when developing a value-based provider contract? | 5 |
| How can I more effectively engage my board to help them guide my organization with respect to value, even if our value-based revenue is currently limited? | 3 |
| How can my organization care for patients with complex conditions in cost-effective ways? | 3 |
| How do I communicate pertinent value-based care information to my organization's employees? | 3 |
| How do I understand and accurately account for my organization's cost of delivering care? | 3 |
| How do I reconcile differences between care quality requirements and patient preferences? | 2 |
| When I have choices, how do I select which quality measures to report? | 2 |

Appendix 2: Tools and Resources to Address Highest Priority Health Care Value Issues

[Value-Based Care Assessment Tool](#)

Comprehensive Value-Based Care Strategic Planning Tool (VBC Tool) that assesses 121 different value-based care capacities in eight categories. (Online assessment tool, various additional resources)

[Critical Access Hospital Financial Pro Forma for Shared Savings](#)

Excel-based financial modeling tool to help critical access hospitals assess the financial implications of joining a Medicare Shared Savings Plan Accountable Care Organization. (378 KB Excel)

[Demonstrating Critical Access Hospital Value: A Guide to Potential Partnerships](#)

Using a market-based approach, this guide assists CAH leadership in identifying ways to demonstrate the value they bring to potential partners, including networks, affiliations, payers, community-based organizations, or accountable care organizations. (5-page Word Doc)

[Guide to Selecting Population Health Management Technologies for Rural Care Delivery](#)

Guide walks through a six-step process to plan for and implement technology to manage the health of existing patient populations. (6-step webpage with associated PDF, Word, and Excel downloads)

[How Hospital Leaders Can Build Good Working Relationships with Physicians](#)

Explore potential barriers to physician engagement and understand strategies to help hospital leaders build good working relationships with physicians. (4-page PDF)

[Profiles of Innovative Rural Providers](#): Brief reports that describe activities of rural health care innovators. Most innovations highlighted in the Profiles are in progress, and the Profiles focus on these exciting examples that show promise in improving health, improving care, and lowering costs. More than 20 profiles are available—a sampling is below:

- **[Integrated Care in a Frontier Community](#)**: Southeast Health Group has developed a fully integrated care model to support patients in frontier communities in southeastern Colorado. Its care coordination focuses on wellness and addresses nonmedical obstacles to overall health.
- **[Affiliation Partners Sought to Prepare Small Hospital for Value-Based Care](#)**: Grinnell Regional Medical Center, a rural Iowa hospital, sought affiliation partners so it could prepare to participate in risk-based reimbursement models.

[Understanding the Social Determinants of Health: A Self-Guided Learning Module for Rural Health Care Teams](#)

Developed to help rural health care organizations learn more about the concept of social determinants of health, and encourage rural leaders and care teams to support activities that help address these issues and improve health in their communities. (15-page PDF)