ACAView: Impact of the Affordable Care Act on Providers

Dan Haley
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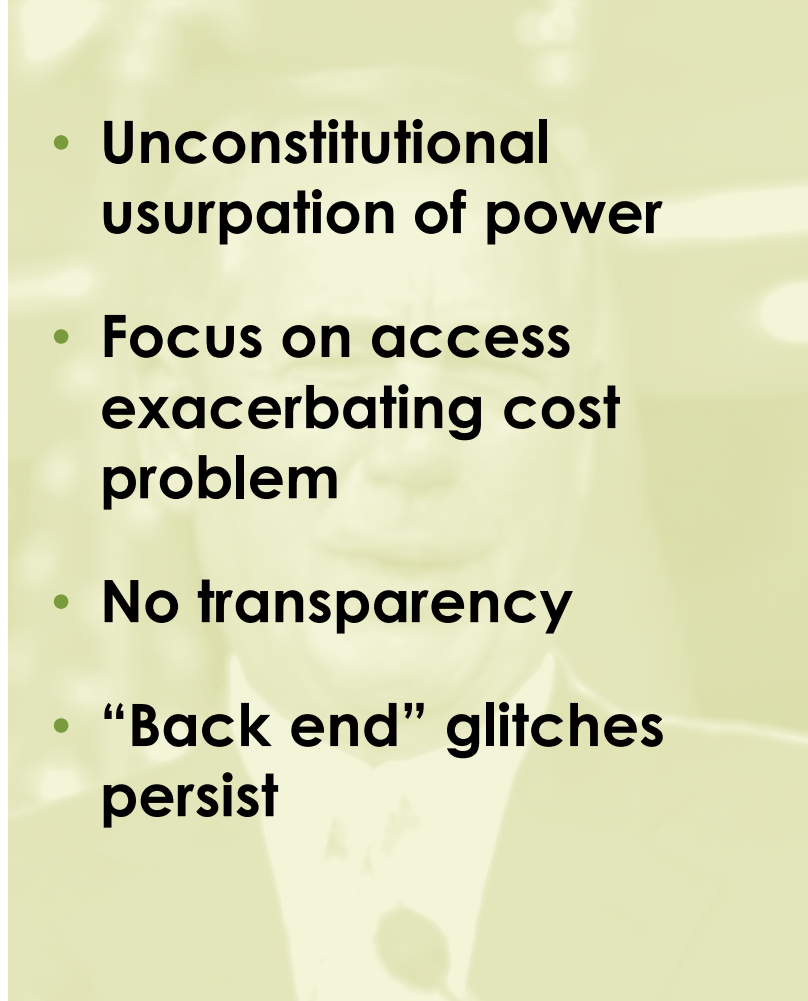
athenahealth
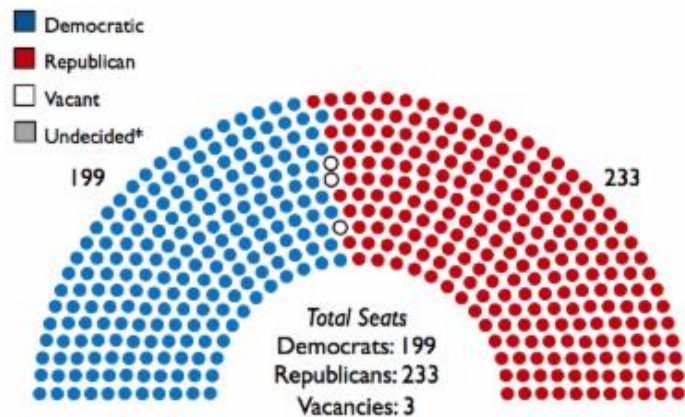**Webinars**

This event is live as of XYZ

August 2014: Depends on who you ask...

- **Surge in coverage**

- **Exceeding expectations**

- **Technical hurdles cleared**

- **Costs remaining level**

- **Unconstitutional usurpation of power**

- **Focus on access exacerbating cost problem**

- **No transparency**

- **"Back end" glitches persist**

Control of the 113th House (2012-2014)
- Democratic
- Republican
- Vacant
- Undecided*

199 — 233

Total Seats
Democrats: 199
Republicans: 233
Vacancies: 3

Control of the 114th House (2014-2016)

17

175 — 243

Total Seats
Democrats: 175
Republicans: 243
Undecided: 17
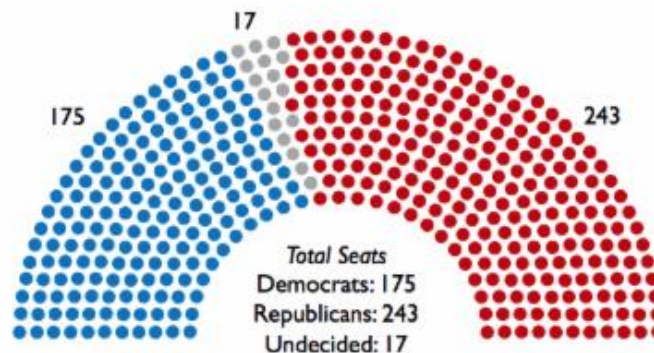
Control of the 113th Senate (2012-2014)
- Democratic
- Republican
- Independent
- Undecided

2

53 — 45

Total Seats
Democrats: 53
Republicans: 45
Independents: 2
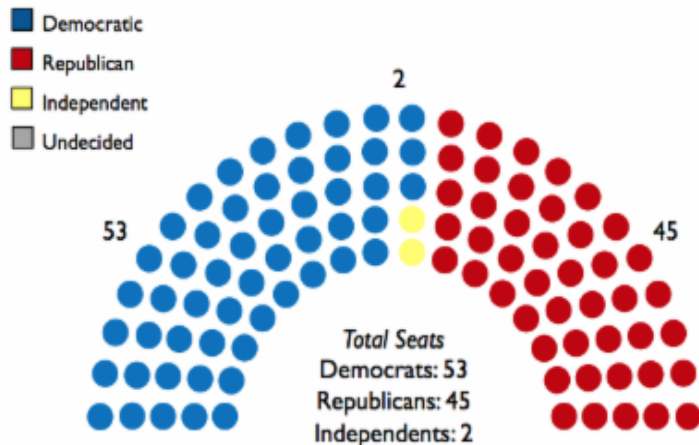
Control of the 114th Senate (2014-2016)

2

44 — 52

Total Seats
Democrats: 44
Republicans: 52
Independents: 2
Undecided: 2
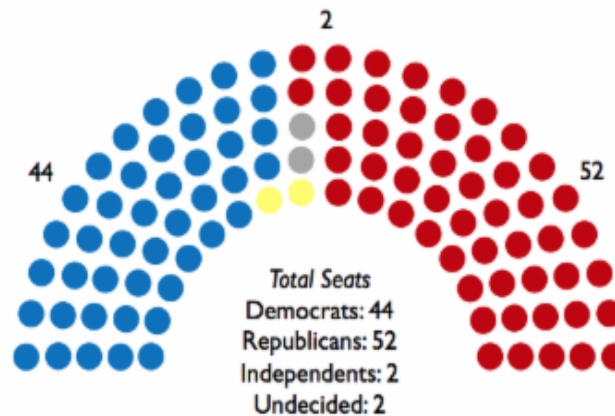
King v. Burwell

- Challenge to legality of federal subsidies

- Statute provides for subsidies via exchanges set up "by the state

- 5 million patients in more than 30 states

- Decision expected early summer

We have a lot more data than we had in August…
So what does it show?

Broad mission for the Affordable Care Act

Near-Universal Coverage, Sustainable Cost Growth

Fiscal Controls

- **Slower Medicare cost increases**
- **Disproportionate Share Hospital** (DSH) reductions
- **Independent Payment Advisory Board** empowered to reduce Medicare outlays above specified threshold

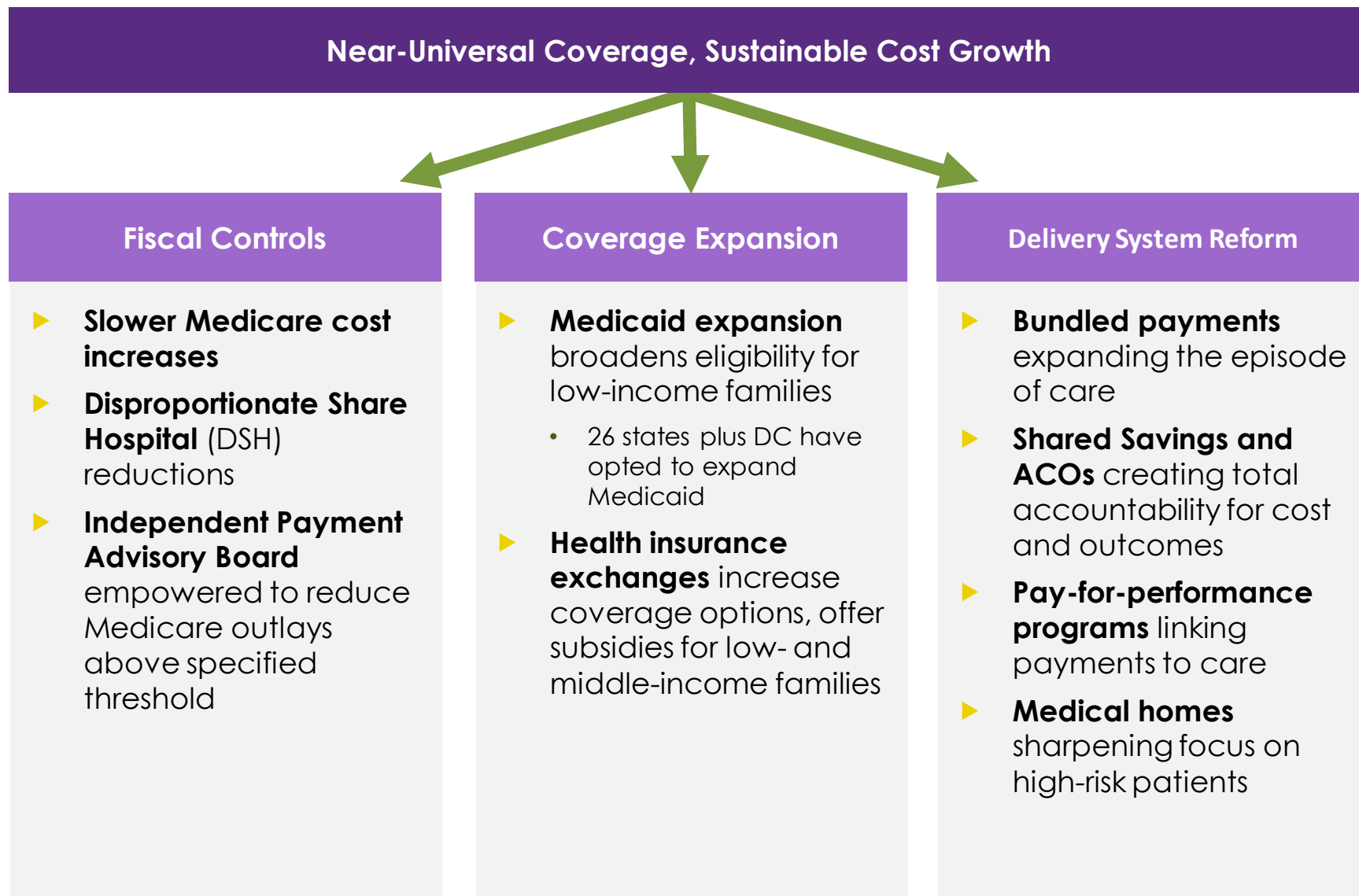### Coverage Expansion

- **Medicaid expansion** broadens eligibility for low-income families
  - 26 states plus DC have opted to expand Medicaid
- **Health insurance exchanges** increase coverage options, offer subsidies for low- and middle-income families

Delivery System Reform

- **Bundled payments** expanding the episode of care
- **Shared Savings and ACOs** creating total accountability for cost and outcomes
- **Pay-for-performance programs** linking payments to care
- **Medical homes** sharpening focus on high-risk patients

Source: The Advisory Board Company

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Lowest Uninsured Rate on Record
Percentage of U.S. Adults Without Insurance, by Quarter
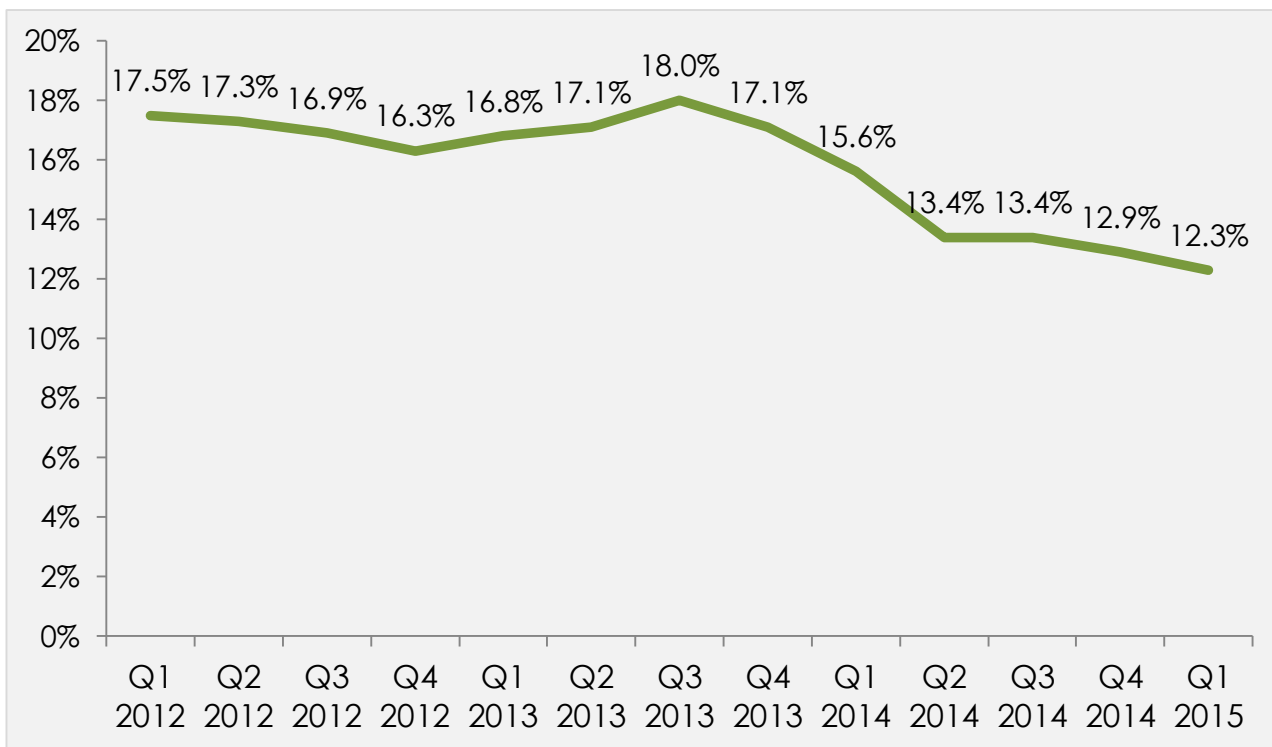
34%

Decrease in Proportion of Uninsured Visits on athenaNet[1], *Expansion States*

10%

Decrease in Proportion of Uninsured Visits on athenaNet[1], *Non-Expansion States*

[1] December 2013 to September 2014.

Source: Gallup, "In U.S., Uninsured Rate Holds at 13.4%," ACA View.

28
States plus DC

Expanding
Medicaid

5
States

Considering
Expansion

17
States

Not Expanding
Medicaid

Source: The Advisory Board Company.

Coverage expansion not uniform

Change in insured Americans, 2013-14

+4   +6   +8   +10 pct. pts.
more insured

Source: The New York Times.
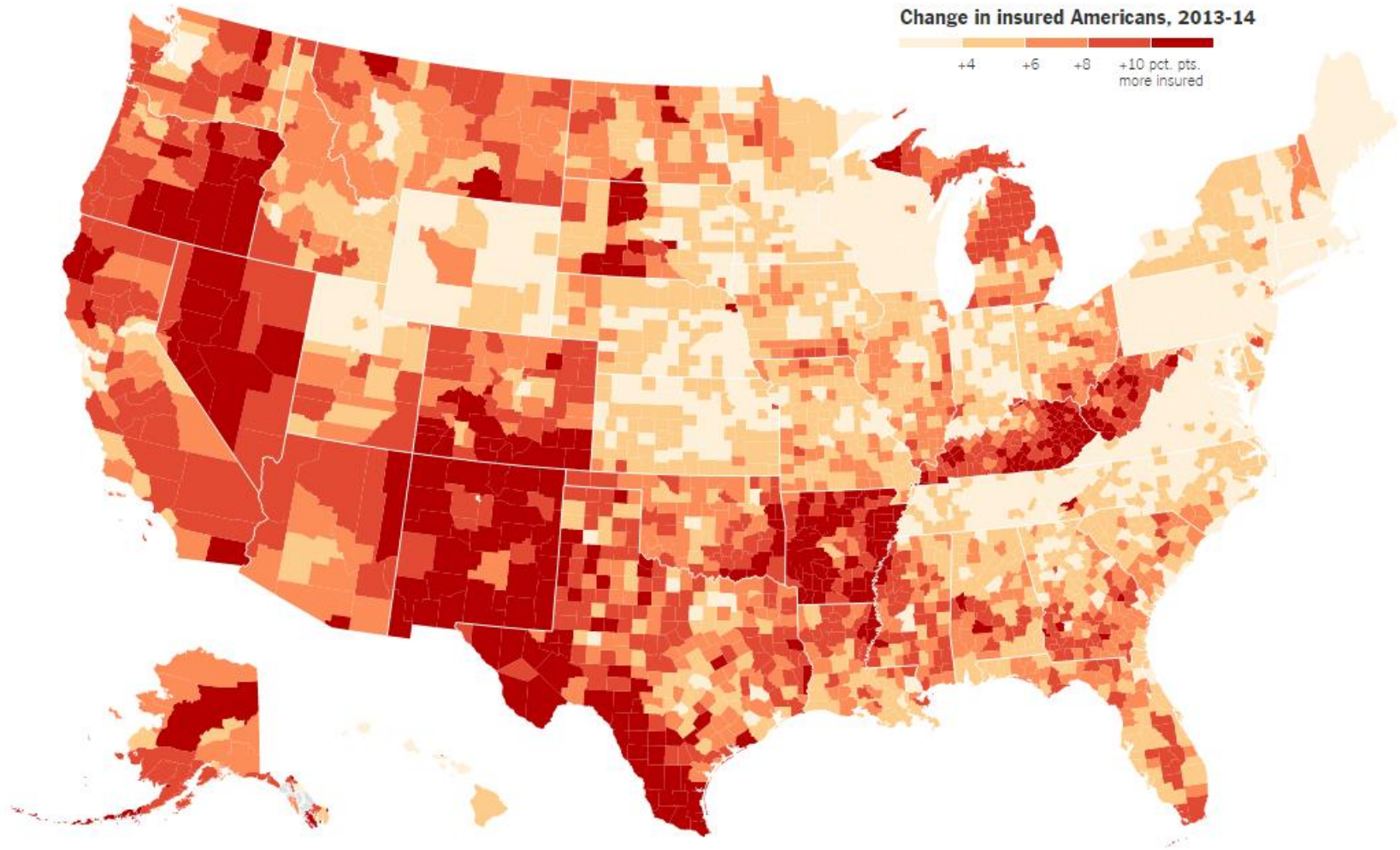
Coverage expansion transformational in some areas, a non-event in others

County	Uninsured Rate		Relative Reduction
	2013	**2014**	
Los Angeles, CA	21%	12%	**43%**
Cook Country, IL	17%	10%	**41%**
King Country, WA	11%	7%	**36%**
Miami-Dade, FL	28%	19%	**32%**
Houston, TX	27%	19%	**30%**
Dekalb, GA	22%	16%	**27%**
Cumberland, ME	11%	10%	**9%**
York County, PA	12%	12%	**0%**

Hampshire, WV	**Frederick, VA**
2013: 22%	2013: 11%
2014: 11%	2014: 10%
Reduction: 50%	**Reduction: 9%**

Near-Universal Coverage, Sustainable Cost Growth

Fiscal Controls

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- **Disproportionate Share Hospital** (DSH) reductions
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Coverage Expansion

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Bundled payments shift risk for episodes of care

Shifting Risk for an Episode of Care
Charges for an Illustrative Knee Replacement

| Pre-Admission | Inpatient Surgery | Post-Discharge | Readmission |

Ortho. visit

Diagnostic imaging

Operating room and surgical supplies

Surgical consult

Follow-up ortho. visit

Revision of knee replacement

Outpatient rehab

Surgeon's professional fee

Surgeon's professional fee

Fee-for-Service

| Part B | Part A | Part B | Part B | Part B |
| Part B | Part B | Part B | Part A | |

Bundled Payment
Single Rate for Entire Episode of Care

Bundled Payment Off to a Solid Start

Medicare Moving Quickly

Bundled Payments for Care Improvement
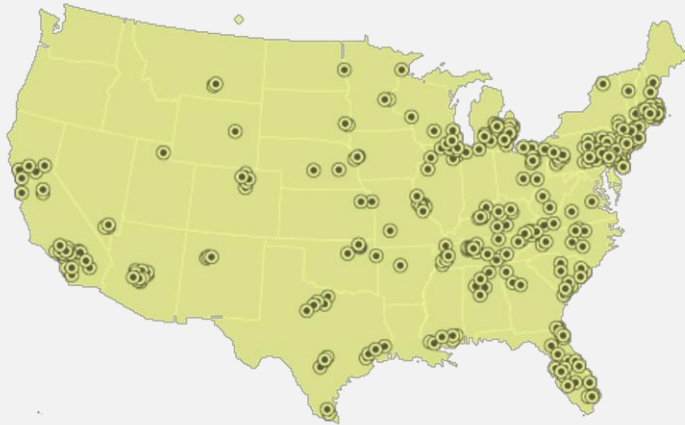
▶ National initiative launched in 2011 by the Center for Medicare and Medicaid Innovation (CMMI)

▶ Offers 48 standardized bundles, including cardiac surgeries, orthopedics, diabetes, and CHF

▶ Covers pre-admission, inpatient, and (in some cases) post-discharge care

▶ Several hundred actively participating, 6,000 more have expressed interest

Example Surgical Bundles

▶ Spinal fusion
▶ Major joint replacement of the lower extremity
▶ Pacemaker
▶ Coronary artery bypass graft (CABG)
▶ Major cardiovascular procedures
▶ Percutaneous coronary intervention (PCI)
▶ Cardiac valve

Example Medical Bundles

▶ Diabetes
▶ Sepsis
▶ Urinary tract infection
▶ Congestive heart failure
▶ Atherosclerosis
▶ Renal failure
▶ COPD
▶ Acute myocardial infarction

Source: Centers for Medicare and Medicaid Services.

Accountable Care Organizations

▶ Patients attributed to ACOs based on geography, health plan, or site of primary care services

▶ ACOs accountable for overall cost of care patient, with bonuses for low costs and penalties for excess expenditures

▶ Bonuses depend on meeting quality targets

▶ Typically allow patients to access wider network, often transparent to patients

Scope of ACO Responsibilities

✓ Primary care   ✓ Tele-monitoring

✓ Chronic disease management   ✓ Wellness clinics and education

✓ Inpatient procedures   ✓ Post-acute rehabilitation

✓ Post-discharge monitoring   ✓ Post-discharge monitoring

Primary Care Physicians

Imaging Centers

Hospitals & Inpatient Care

Telephone Monitoring

ACO

Ambulatory Surgery Centers

Chronic Disease Management

Rehab and Skilled Nursing

Urgent Care Centers

Providers embracing greater accountability

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# of ACOs

Quarter	Value
Q4 2010	41
Q1 2011	65
Q2 2011	81
Q3 2011	97
Q4 2011	138
Q1 2012	146
Q2 2012	208
Q3 2012	334
Q4 2012	356
Q1 2013	458
Q2 2013	479
Q3 2013	489
Q4 2013	606

ACOs in Brief

- Employers steering employees to quality health systems
- >50% of US population lives in markets served by ACOs
- 260 ACOs sponsored by medical groups
- ACOs cover 18 million individuals

Source: Leavitt Partners Center for Accountable Care Intelligence.

athenahealth provides five integrated cloud-based services

athenaClinicals®
Clinical Performance

athenaCommunicator®
Patient Engagement

athenaCoordinator®
Care Coordination

athenaCollector®
Revenue Cycle Performance

Epocrates®
Point of Care Medical Applications

Improved clinical care and patient outcomes

Population Health Management

Revenue cycle management

Documentation and workflow efficiency

The Nation's Largest Cloud-Based Network

60,000+ providers (45,000 MDs)

60+ million patient records

107 million visits per year (68 million clinical)

2 billion+ electronic transactions per year

670 million + payer transactions per year

39,000+ pharmacies, 1200+ labs, 780+ imaging centers

161,000+ interfaces with 56,000 trading partners

Office Visit Characteristics: Physician Demographics
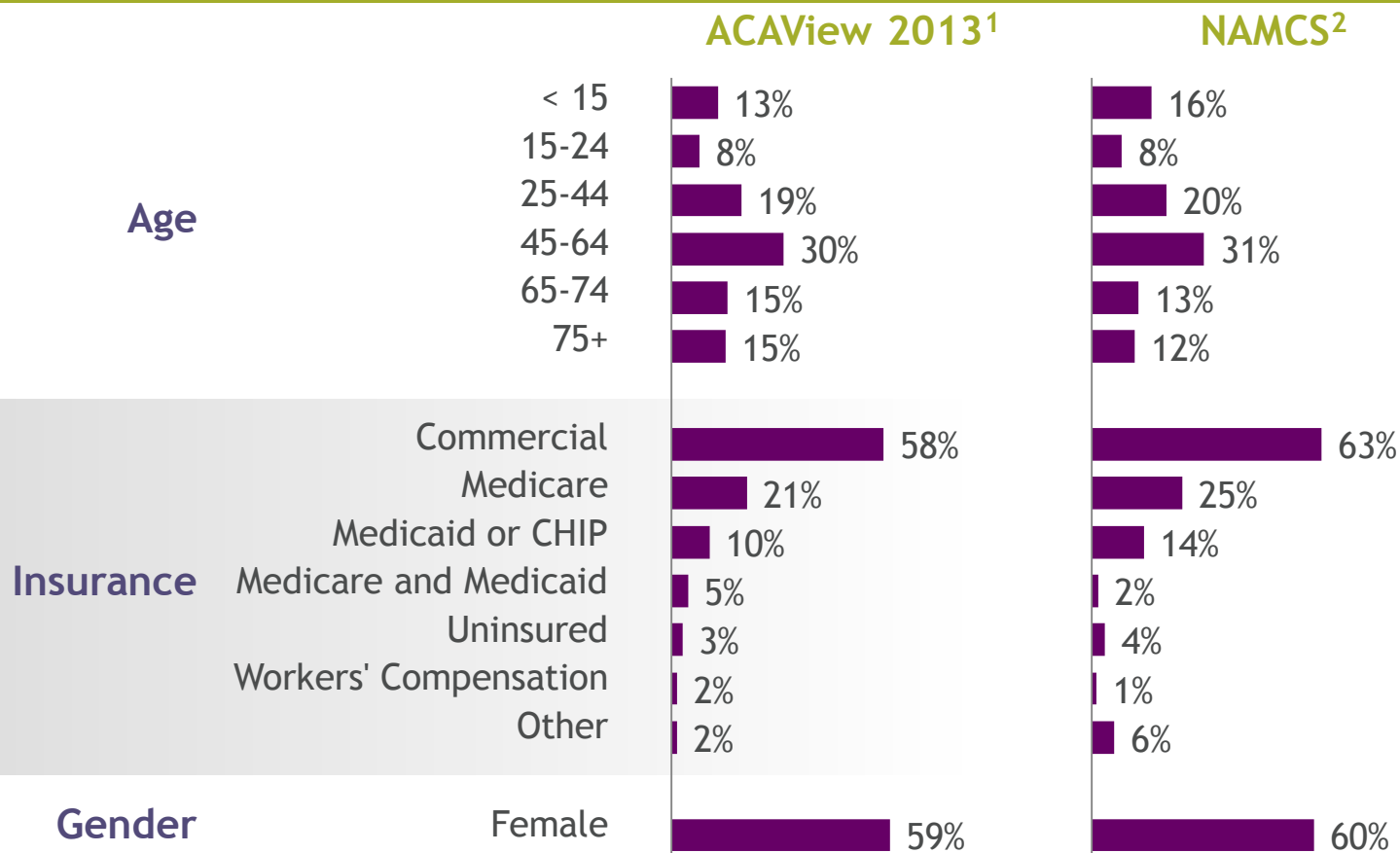## Athenahealth ACAView Practices vs NAMCS
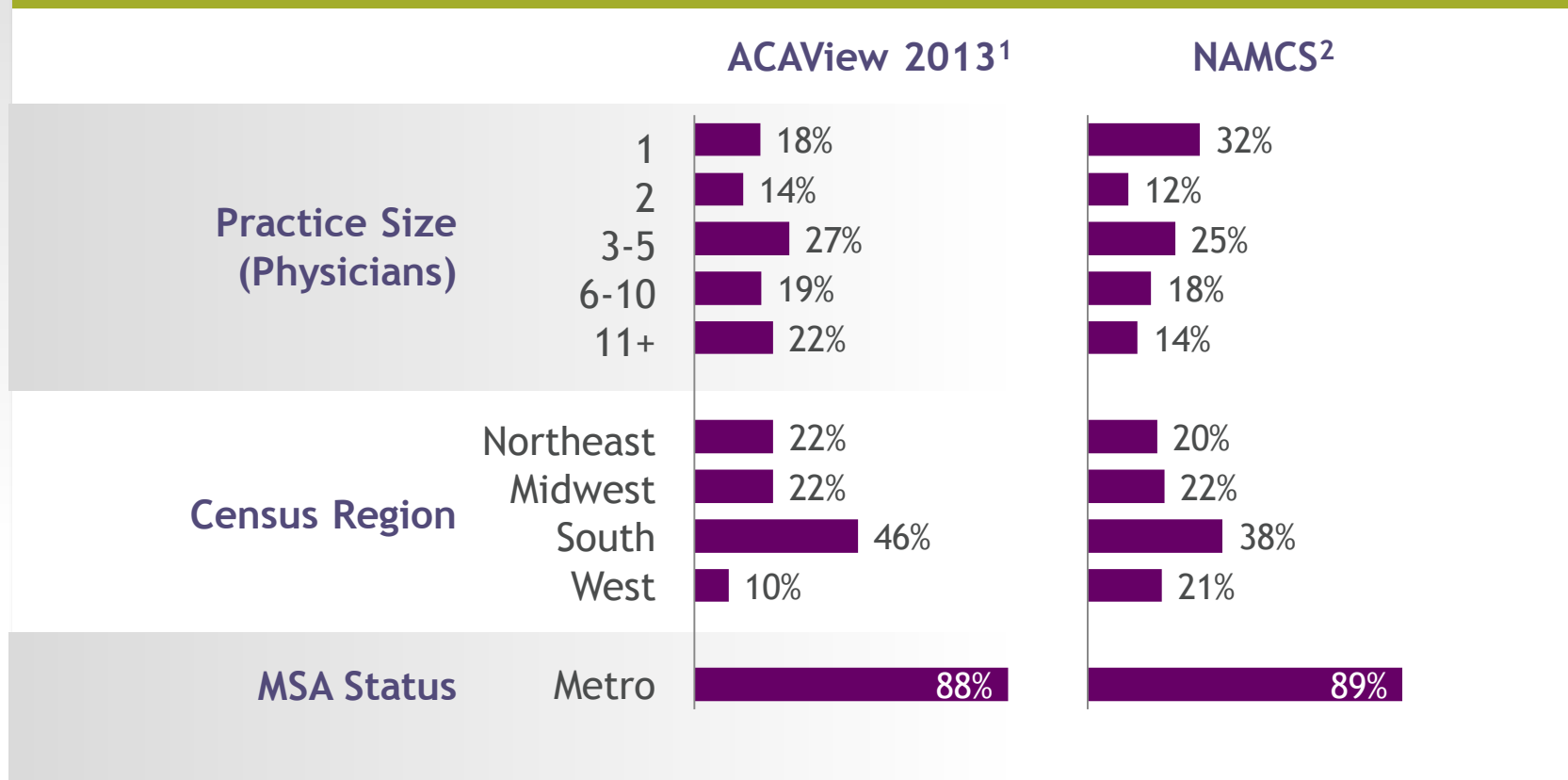
		ACAView 2013[1]	NAMCS[2]
Practice Size (Physicians)	1	18%	32%
	2	14%	12%
	3-5	27%	25%
	6-10	19%	18%
	11+	22%	14%
Census Region	Northeast	22%	20%
	Midwest	22%	22%
	South	46%	38%
	West	10%	21%
MSA Status	Metro	88%	89%

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Office Visit Characteristics: Patient Demographics
Athenahealth ACAView Practices vs NAMCS

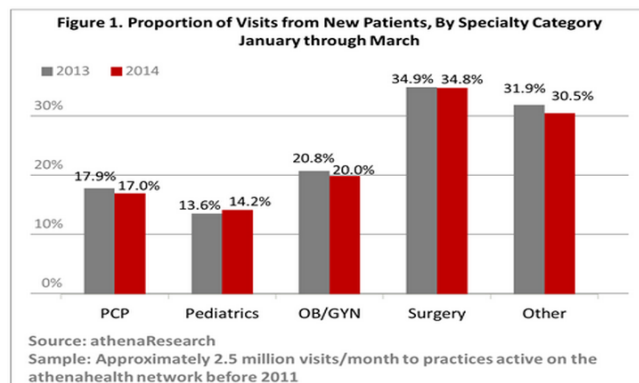|		ACAView 2013[1]	NAMCS[2]
Age	< 15	13%	16%
	15-24	8%	8%
	25-44	19%	20%
	45-64	30%	31%
	65-74	15%	13%
	75+	15%	12%
Insurance	Commercial	58%	63%
	Medicare	21%	25%
	Medicaid or CHIP	10%	14%
	Medicare and Medicaid	5%	2%
	Uninsured	3%	4%
	Workers' Compensation	2%	1%
	Other	2%	6%
Gender	Female	59%	60%

The Health Care Blog

Measuring the Impact of Health Care Reform on Day-to-Day Physician Practice

By IYUE SUNG & JOSH GRAY

23 Responses

Figure 1. Proportion of Visits from New Patients, By Specialty Category January through March

- 2013
- 2014

Specialty	2013	2014
PCP	17.9%	17.0%
Pediatrics	13.6%	14.2%
OB/GYN	20.8%	20.0%
Surgery	34.9%	34.8%
Other	31.9%	30.5%

Source: athenaResearch
Sample: Approximately 2.5 million visits/month to practices active on the athenahealth network before 2011

With this post, we are pleased to introduce *ACAView*, a joint initiative between the Robert Wood Johnson Foundation (RWJF) and athenahealth.
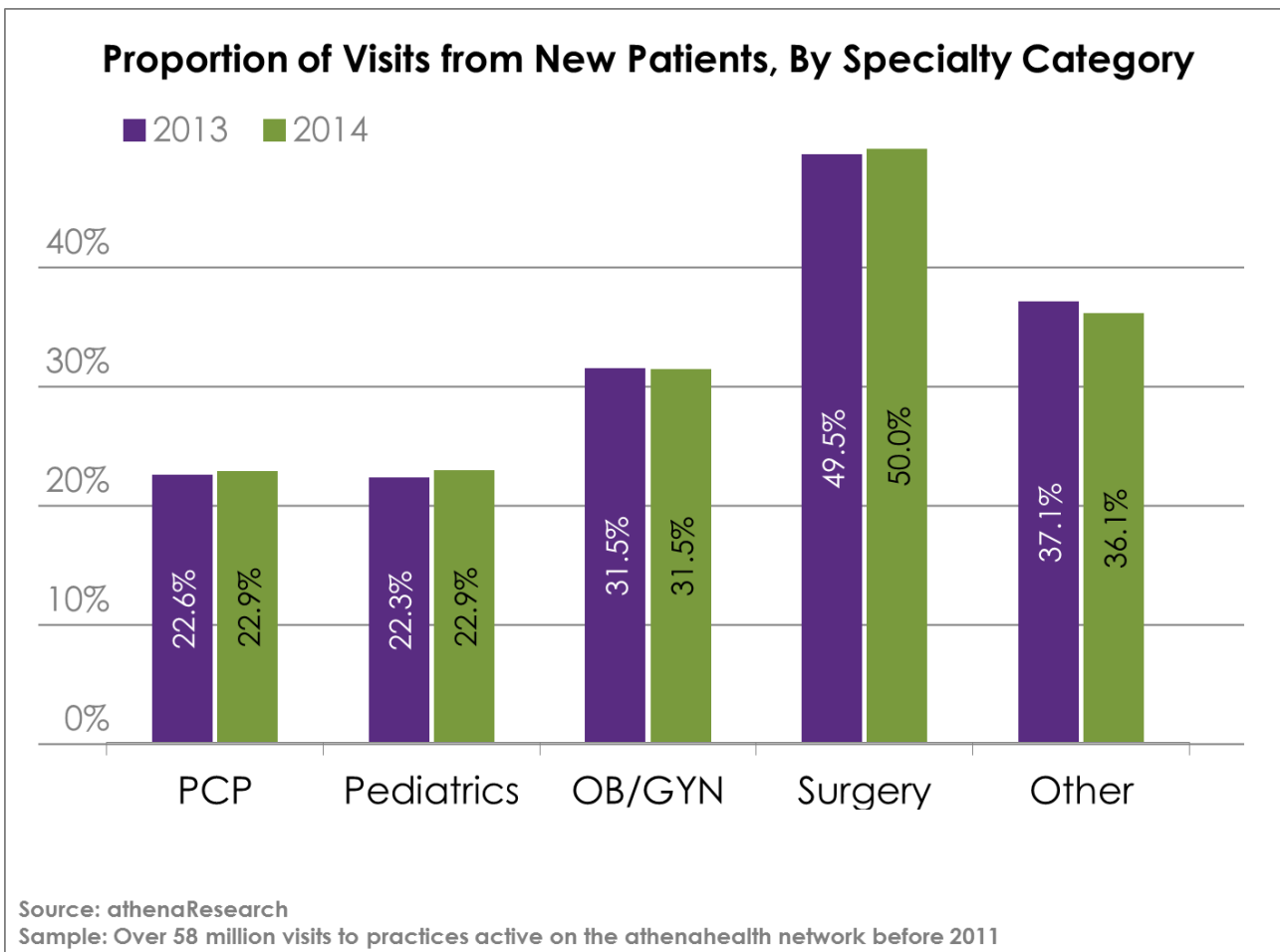
Robert Wood Johnson Foundation

+

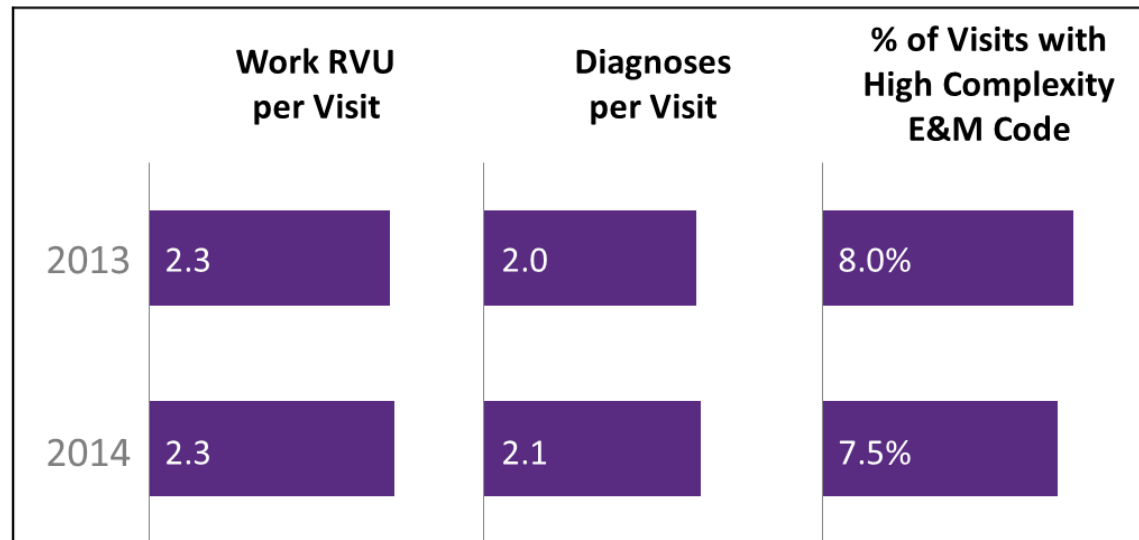athenahealth

Metrics include...

- Percent of total visits from new patients

- Percent of new patients with chronic disease

- Patient copays

- Bad debt

- Provider reimbursement levels

- Appointment wait time

- Work RVUs per visit

Proportion of Visits from New Patients, By Specialty Category

Legend: ■ 2013 ■ 2014

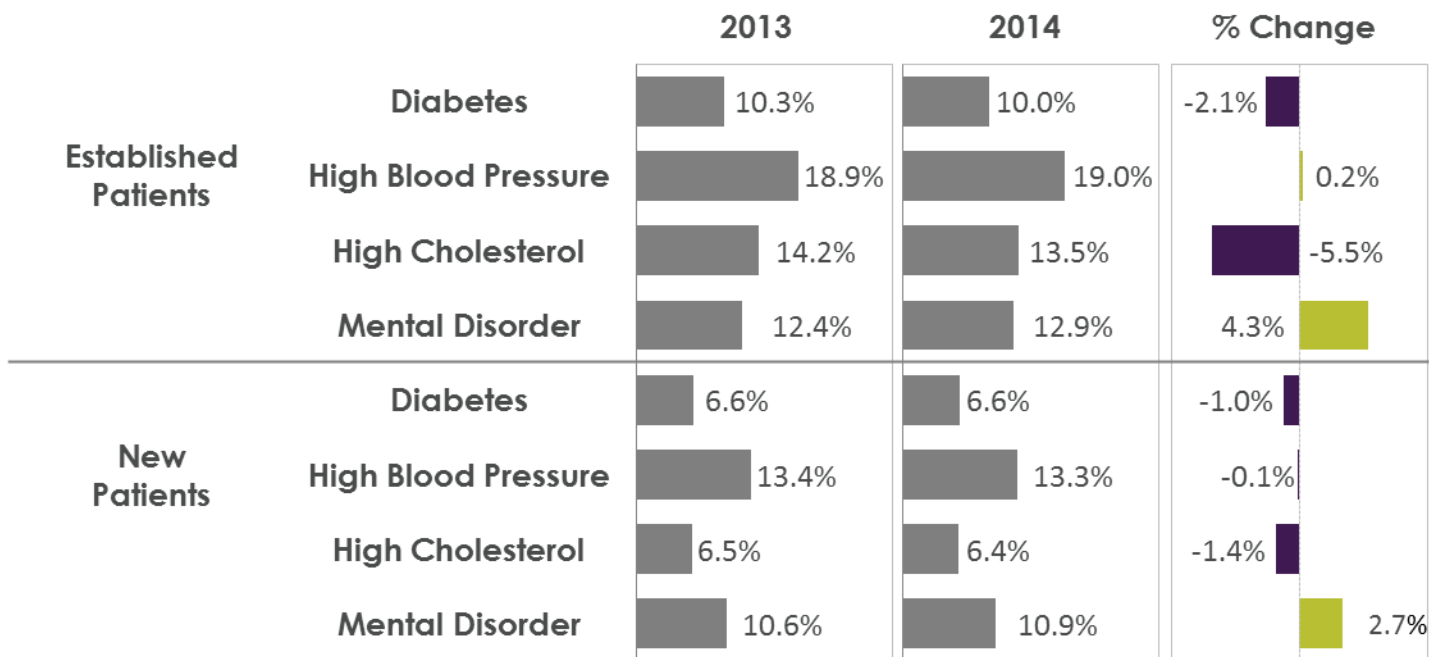| Specialty	2013	2014
PCP	22.6%	22.9%
Pediatrics	22.3%	22.9%
OB/GYN	31.5%	31.5%
Surgery	49.5%	50.0%
Other	37.1%	36.1%

Source: athenaResearch
Sample: Over 58 million visits to practices active on the athenahealth network before 2011

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Work Intensity Metrics for New Patients
2013 vs 2014, January through September

|	Work RVU per Visit	Diagnoses per Visit	% of Visits with High Complexity E&M Code
2013	2.3	2.0	8.0%
2014	2.3	2.1	7.5%

Source: athenaResearch
Sample: Over 17 million visits to practices active on the athenahealth network before 2011

Chronic Disease Rates*
**PCP, Adults 18-64**

		2013	2014	% Change
Established Patients	Diabetes	10.3%	10.0%	-2.1%
	High Blood Pressure	18.9%	19.0%	0.2%
	High Cholesterol	14.2%	13.5%	-5.5%
	Mental Disorder	12.4%	12.9%	4.3%
New Patients	Diabetes	6.6%	6.6%	-1.0%
	High Blood Pressure	13.4%	13.3%	-0.1%
	High Cholesterol	6.5%	6.4%	-1.4%
	Mental Disorder	10.6%	10.9%	2.7%

Source: athenaResearch
Sample: Over 14 million visits to practices active on the athenahealth network before 2011

*% of encounters with diagnosis

Uninsured patient volumes down dramatically in expansion states

Uninsured Visit %* for Adult (18-64) PCP Visits, Medicaid Expansion States vs Non-Expansion States

Legend: 2013, 2014

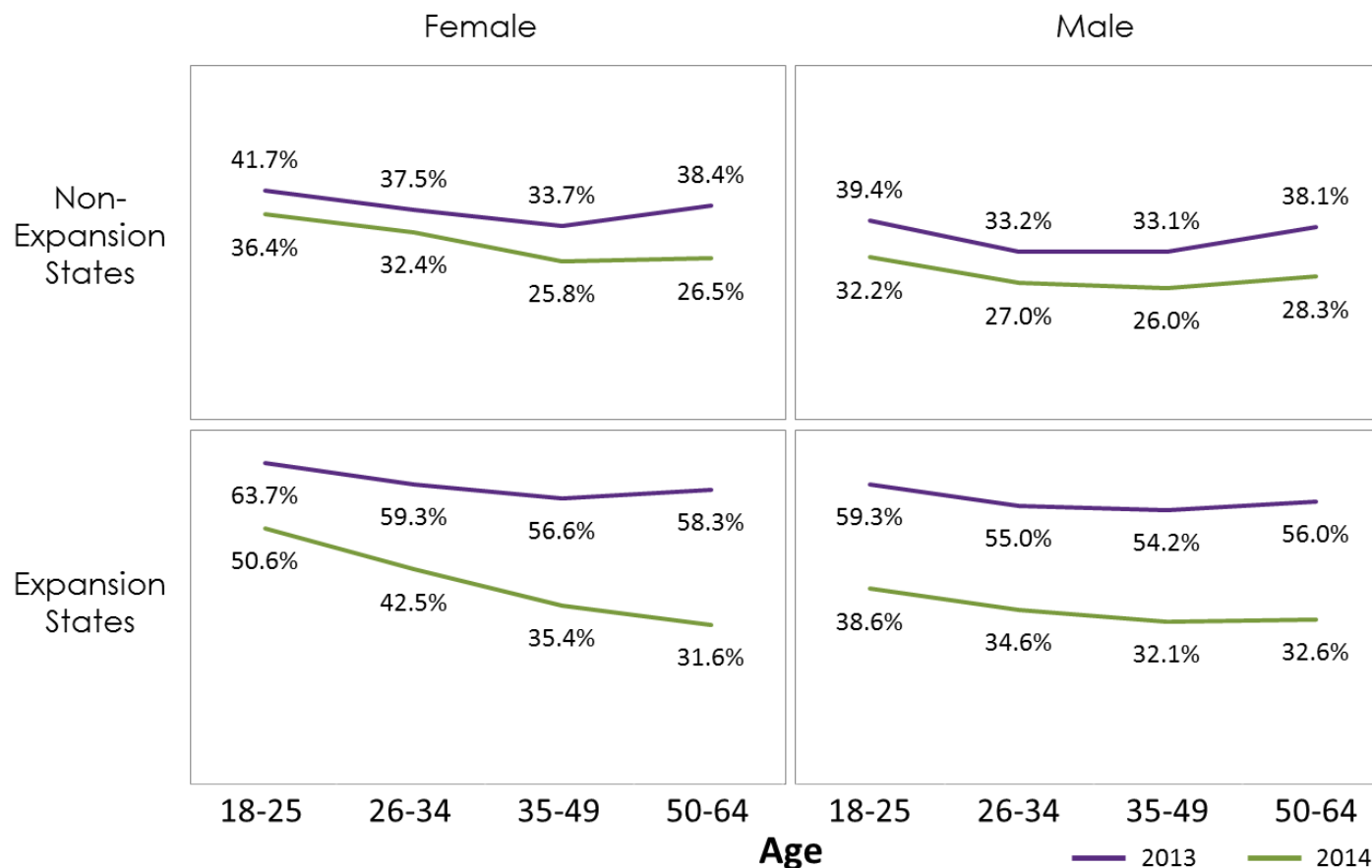|	Uninsured Visit %	Year over Year % Point Change
Non-Expansion States	2013: 7.0%, 2014: 6.2%	-0.8%
Expansion States	2013: 4.6%, 2014: 2.8%	-1.8%

* Proportion of visits from uninsured patients
Source: athenaResearch
Sample: Over 14 million visits to practices active on the athenahealth network before 2011
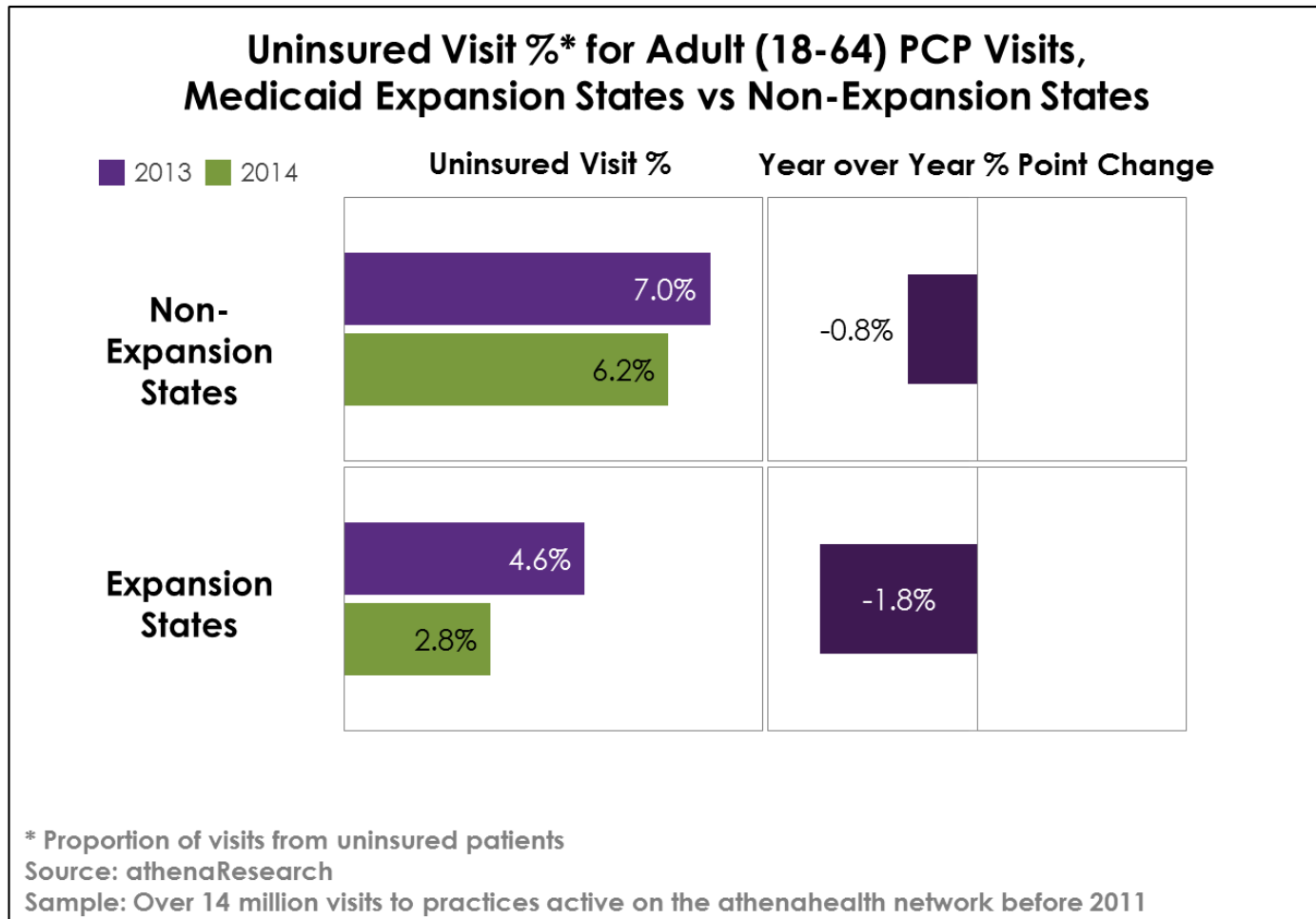
Payer Mix for Adult (18-64) PCP Visits
Medicaid Expansion States vs Non-Expansion States
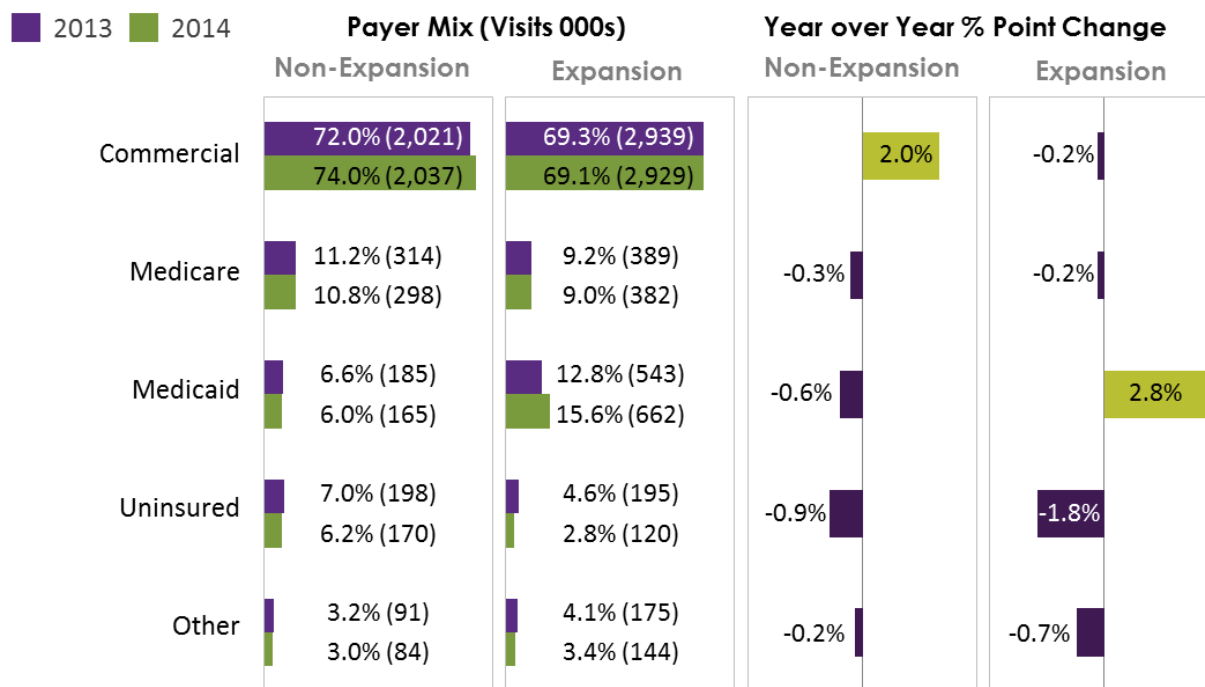
Source: athenaResearch
Sample: Over 14 million visits to practices active on the athenahealth network before 2011

Proportion of Adult (18-64) PCP Visits From Medicaid and Uninsured Patients, Medicaid Expansion States vs Non-Expansion States

Source: athenaResearch
Sample: Over 21 million visits to practices active on the athenahealth network before 2011
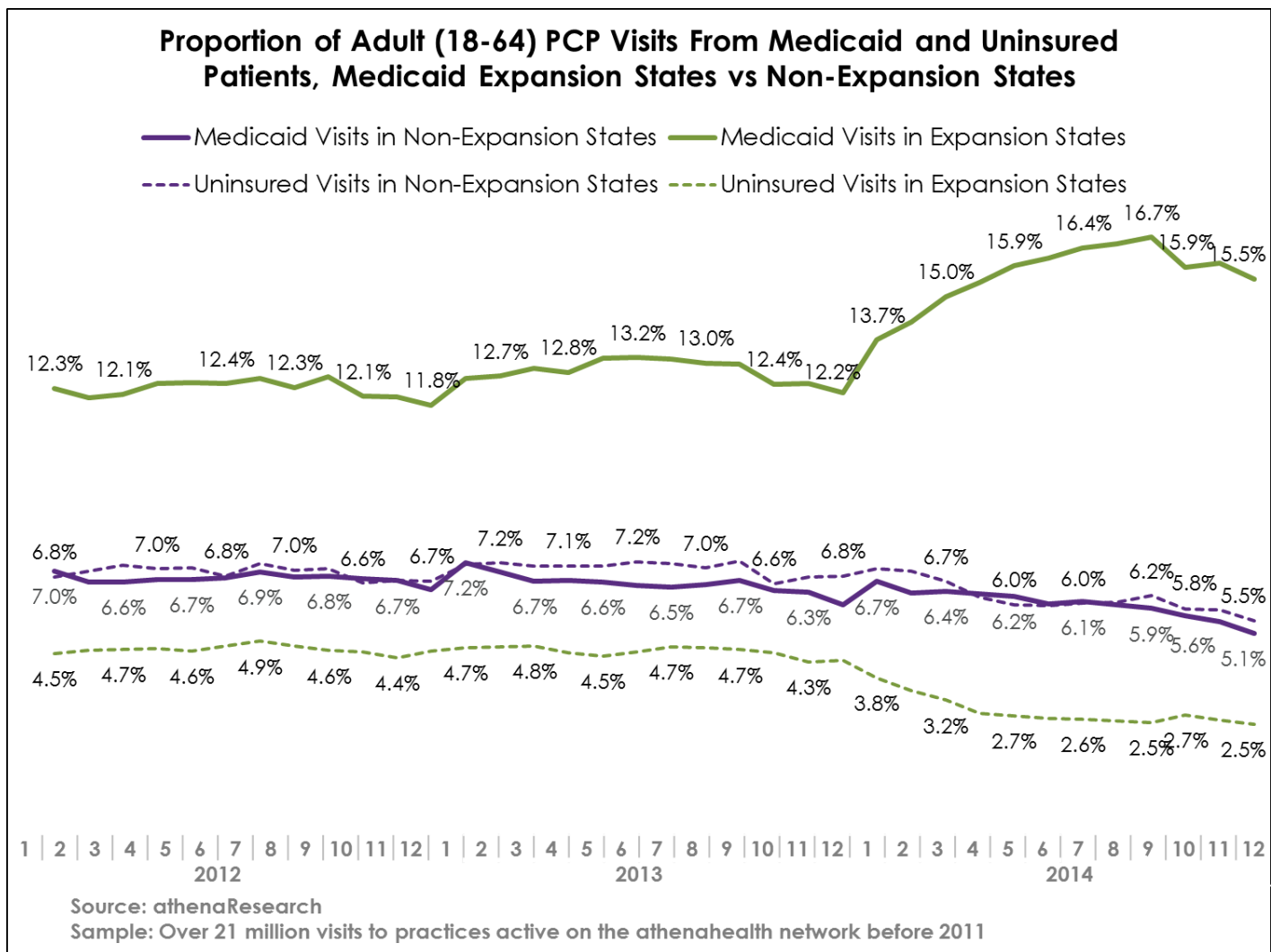
Proportion of Adult PCP Patients Uninsured in the Prior Year Who Gained Insurance in 2013 and 2014, by Gender and Age Group

Female / Male

Non-Expansion States — Female: 41.7%, 37.5%, 33.7%, 38.4% (2013); 36.4%, 32.4%, 25.8%, 26.5% (2014)

Non-Expansion States — Male: 39.4%, 33.2%, 33.1%, 38.1% (2013); 32.2%, 27.0%, 26.0%, 28.3% (2014)

Expansion States — Female: 63.7%, 59.3%, 56.6%, 58.3% (2013); 50.6%, 42.5%, 35.4%, 31.6% (2014)

Expansion States — Male: 59.3%, 55.0%, 54.2%, 56.0% (2013); 38.6%, 34.6%, 32.1%, 32.6% (2014)

Age: 18-25, 26-34, 35-49, 50-64

2013 — 2014

Source: athenaResearch
Sample: Approx 100K patients per year, practices active on the athenahealth network before 2011

More patients switching from Medicaid to Commercial coverage

Medicaid Patients as a Proportion of Commercially Insured in Prior Year

Non-Expansion States

2013 — 0.4%
2014 — 0.5%

Expansion States

2013 — 1.1%
2014 — 1.8%
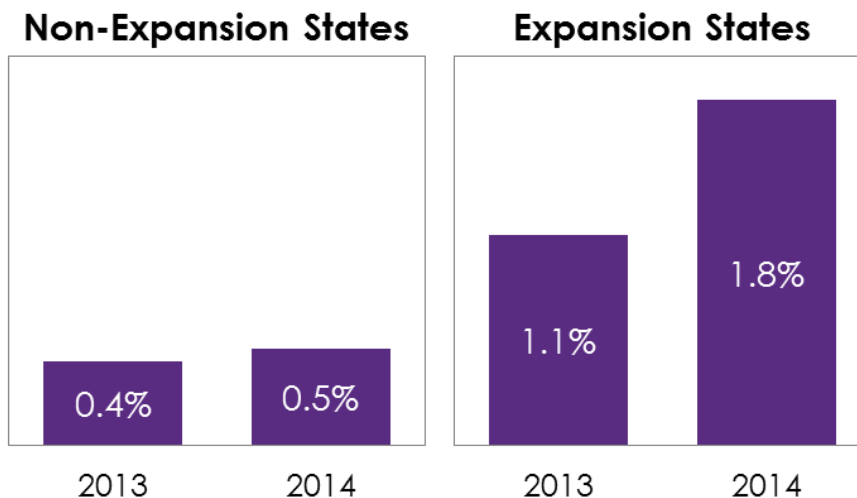
Source: athenaResearch
Sample: Approximately 1.5M patients of practices active on the athenahealth network before 2011
* 18-64 Years Old

What is happening to patient financial obligations?

What is the net effect of the ACA on physician reimbursement levels?

What are the health characteristics and utilization patterns of patients that have received coverage through the health insurance exchanges?

Are patients who switch insurance migrating to plans with higher patient obligations and lower physician reimbursement?

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- Clients ranging from 1 to 5,000+ providers

- 50 states and 112 medical specialties

- $14 billion in client collections per year

- Acquired Epocrates March, 2013

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Forbes Fast Tech 25
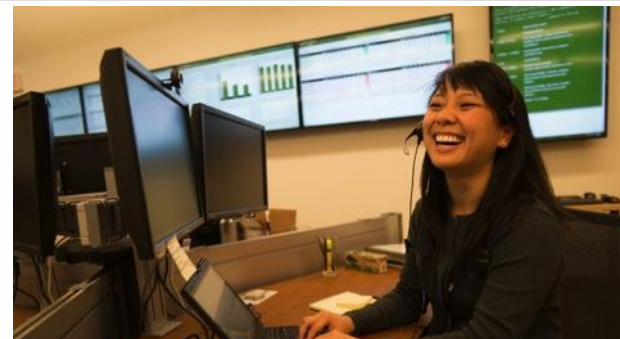
2014 Best in KLAS

BEST IN KLAS 2014

#1
Practice
Management
System

(1-10, 11-17 physicians)

#2
Practice
Management
System

(over 75 physicians)

#2
EHR

(over 75 physicians)

#2
Patient Portal

#2
Overall
Physician
Practice
Vendor