NATIONAL NURSE PRACTITIONER ENTREPRENEUR NETWORK
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THE ROLE OF THE AGGREGATOR

FEBRUARY 11 AFTERNOON & FEBRUARY 12 MORNING 2022

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VERONICA WILBUR, PHD, APRN

OWNER, NEXT CENTURY HEALTHCARE

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MEET OUR SPEAKERS

BRANDY SMUZESKI, LMSW, CADC
CLINICAL MANAGER, MEDICAL ADVANTAGE

Brandy Smuzeski is a Clinical Manager at Medical Advantage with formal training as a licensed master social worker and Certified Alcohol and Drug Counselor. She has extensive experience working with vulnerable populations in the hospital setting, as well as in the outpatient setting and has spent her career alleviating barriers and obstacles for those who are vulnerable and oppressed. Brandy assists large groups of independent practices with identifying opportunities for improving patient care, reducing hospital utilization, and enhancing preventative care.

MEGHAN SHERIDAN, RD, CDCES
DIRECTOR, POPULATION HEALTH SOLUTIONS & DELIVERY, MEDICAL ADVANTAGE

Meghan Sheridan is a registered dietitian and Certified Diabetes Care and Education Specialist with expertise in population health management and value-based care. She currently serves as the Population Health Director at Medical Advantage, where she oversees the development, implementation, and evaluation of care management, risk adjustment, and in practice support services. She works directly with provider groups to optimize performance in value-based arrangements.

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MEET OUR SPEAKERS

VERONICA WILBUR, PHD, APRN

OWNER AND NURSE PRACTITIONER NEXT CENTURY MEDICAL CARE WILMINGTON DE

Veronica Wilbur is board certified as a family nurse practitioner with over 27 years of experience in primary care and urgent care. In 2018,, she founded Next Century Medical Care in Wilmington, Delaware. While still in the early stages, the practice has since grown to include an NP specialty partnership as an integral part of our success. As a member of the Primary Care Committee for Delaware, she contributed to the ongoing creation of value-based care in the state. Since the passing of full practice authority for NPs in Delaware, she has been working to create statewide networks and provide information to other nurse practitioners creating their practices.

LORRAINE W. BOCK, DNP, CRNP - MODERATOR OWNER PEACEFUL BALANCE AND BRIGHTSTAR HEALTH AND CO-FOUNDER NNPEN

Lorraine Bock is board certified as both a family and emergency nurse practitioner. She is the owner of primary care practices in Pennsylvania and Massachusetts and a co-founder of the National Nurse Practitioner Entrepreneur Network. Her expertise helps NPs build businesses that are sustainable and deliver high-quality nurse-led care. She has worked with practices in all specialty areas, creating the largest network of NP practices in America. Her expertise in practice, business, and advocacy has been recognized by local, state, and national professional organizations. Her podcast on Xtelligent Media's Healthcare Strategies©, on NP business development and value-based care, was ranked the #1 most listened to podcast of 2021.

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SESSION OBJECTIVES

Explain the role of the aggregator

Acknowledge what we can learn from physician practice shifts over the past 30 years

Discuss the advantages and disadvantages of the aggregator as they address challenges of small independent practice

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THE AGGREGATOR

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WHAT IS AN AGGREGATOR

An entity who brings providers together for the purpose of generating value as a larger network

May provide administrative and management functions to aid in the success of the practice

Single function/service or many functions/services

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TYPES OF AGGREGATORS

- Accountable Care Organizations (ACO)
- Management Services Organization (MSO)
- Private Equity (PE)
- Health Systems (HS)
- Independent Physician Association (IPA)
- Physician Organizations (PO)
- Physician Hospital Organization (PHO)
- Group Purchasing Organization (GPO)

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ROLE OF THE AGGREGATOR

Payer Contracting

Information

Partnerships

EHR Support / Health Information Exchange

Back-Office Functions

Purchasing Power

Network

Performance Support

- Data / Reports
- Population Health

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PAYER CONTRACTING

1

Leverage in numbers

Payers are motivated to have a robust network of providers

2

The best contract terms

3

Participation in value-based contracting

4

Logistical support

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INFORMATION

Continuous updates, new programs, and changes

	2008	2010	2012	2014	2015	2018	2019	2020
Legislation Passed	MIPPA	ACA		PAMA	MACRA			
Program Implemented			ESRD-QIP HVBP HRRP	HAC	VM	SNF-VP	APMs MIPS	GPDC

MIPPA: Medicare Improvements for Patients & Providers Act
ACA: Affordable Care Act
PAMA: Protecting Access to Medicare Act
MACRA: Medicare Access & CHIP Reauthorization Act

ESRD-QIP: End-Stage Renal Disease Incentive Program
HVBP: Hospital Value-Based Purchasing Program
HRRP: Hospital Readmissions Reduction Program
HAC: Hospital Acquired Condition Reduction Program
VM: Value Modifier
SNF-VBP: Skilled Nursing Value-Based Purchasing
APMs: Alternative Payment Models
MIPS: Merit-Based Incentive Payment System
GPPDC: Global & Professional Direct Contracting

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PERFORMANCE SUPPORT: DATA

1. Foundation - driving force for where to focus your efforts to optimize performance
2. Aggregate data and create reports
3. Identify trends, opportunity, & actionable items

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PERFORMANCE SUPPORT: POPULATION HEALTH

- Care Management
  - Embedded/Remote
  - Social Worker
  - Dietitian
  - Nurse
- Behavioral Health
- Care Models/Guidelines
- Quality Program Design
- Utilization Management
- Risk Adjustment
- Practice Transformation
- Strategy

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EHR SUPPORT / HEALTH INFORMATION EXCHANGE

- Resources to help implement new EHRs
- Services to optimize configuration
- Setup, monitor, and maintain health information exchange
  - Ex: Admission, Discharge, and Transfer notifications for continuity of care

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BACK-OFFICE FUNCTIONS

- Claims Administration
- Compliance Management
- Credentialing
- Human Resources
- Staff Education
- Revenue Cycle Management

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PURCHASING POWER

- Power in numbers
- Preferred pricing – medical supplies to MPL insurance
- Contracted discounts
- Employee health insurance

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NETWORK

- Provides support
- Discuss processes/ideas
- Problem solve with others in the same field/experience as you

- New recommendations/best practices
- Increase efficiencies and effectiveness
- Changing health care regulations

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PARTNERSHIPS

- Hospitals
- Skilled Nursing Facilities
- Dialysis
- Hospice Care
- Palliative Care
- Home Healthcare

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A BIT OF HISTORY

"Those that fail to learn from history are doomed to repeat it"

Winston Churchill

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RISING HEALTHCARE COSTS

Mid 1970s

Healthcare expenditures rise from 7.4% to 8.6% of GDP

Mid 1980s

Nixon Administration attributes to fee for service reimbursement model and passes the HMO Act to curtail rising Medicare costs

- Allows Medicare beneficiaries to enroll in capitated HMOs

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EXPANSION OF MANAGED CARE

Mid 1980s

Late 1990s

Capitated Medicare enrollment grows from 1.3M to 6.8M

Managed Medicaid enrollment grows from 2.3M to 18.8M beneficiaries

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CONSOLIDATION

Early 1990s

Late 1990s

Consolidation among hospitals, health systems, providers, and Managed Care Organizations

- >900 hospital mergers and acquisitions
- 90% of metropolitan areas are considered “highly concentrated”

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CONSOLIDATION INTENSIFIES

2010 — 2019

Between 2014 and 2016

- 8,000 private practices acquired by hospitals
- 14,000 physicians left private practice to work in hospitals

By 2016, there are fewer physicians in private medicine than employed by health systems (1)

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WHERE ARE WE TODAY?

2019 — 2020

Healthcare expenditures represent 19.7% of GDP (2)

Value based care is gaining traction

- Almost 1/3 of commercial payer payments (3)
- 40% of CMS payments flow through Alternative Payment Models (4)

Increase in consolidation

- 48,400 physicians leave independent practice to become employed (5)

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WHAT CAN WE LEARN?

Physician satisfaction plummets after becoming employed

- 72% of independent physicians report job satisfaction
- After switching to employed status, only 40% report job satisfaction (6)

Providers fail with risk sharing when financial risk is spread over too few patients

- Risk sharing is back, but risk pooling typically required
  - MSSP ACO threshold of 5,000 Medicare beneficiaries
  - Commercial thresholds often set around 800 lives or more

PROVIDERS REQUIRE CAPABILITIES TO SUCCEED

Payment model	Provider Capabilities				
	IT infrastructure Information services	Business operations /administrative (RCM, claims mgmt. & processing)	Data collection, sharing, and analysis	Analytics (population health, cost & care coordination analysis)	Planning/understanding markets/populations needs
FSS					
Shared Savings					
Bundles					
Shared Risk					
Global capitation					

	Basic capability required
	Intermediate capability required
	Advanced capability required

Source: Deloitte

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PROVIDERS NEED A DOWN-SIDE RISK STRATEGY

1. Payers are limiting time in upside only models
2. Moving to contracts with downside risk requires capital to cover downside risk

Re-insurers will require providers to cover first 1.5% to 3.0% of annual budget overage before the excess is covered

- Ex: ACO with 5,000 members and $15,000 per member per year
  - Budget is $75M; organization is responsible for $1.1M - $2.2M

Policies have a cost (premium), deductible, and built-in attachment points

Purchasing downside risk insurance policies only viable at the group level

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NOT ALL AGGREGATORS ARE EQUAL

1. What type of aggregator is it? What are they focused on?
   - Ex: ACO, MSO, IPA, etc
2. Will they allow you to maintain independence?
3. Any clinical delivery requirements?
   - Ex: must use a specific EMR, must perform at certain quality level, etc
4. Any administrative delivery requirements?
5. What services do they provide to support your success?
   - Do these come at a cost?
6. What payer contracts do they have?
7. If you join one contract, must you join all?
8. How do they finance services?
   - Upfront capital or membership fees?
   - Percent of billed claims?
9. What are you financially responsible for?
   - Share of shared losses?
   - Down-side protection?
10. What are you entitled to?
    - Share of shared earnings?
    - Distribution model
    - Steering Committee or Board participation

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AGGREGATORS & INDEPENDENT PRACTICE

JOURNAL OF THE AMERICAN ASSOCIATION OF NURSE PRACTITIONERS (7)…

Table 2. Barriers to Participation in Value-Based Payment Models (N = 40)

Barriers	Number	Percent
Lack of Knowledge	29	76
Lack of Financial Protections	29	76
Lack of Payer Partnership	27	71
Insufficient Patient Volume	24	63
Lack of Support Staff	23	62
Limited Management Capabilities	17	48
Lack of IT Infrastructure	16	42
Lack of Adequate EHR	8	21

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CHALLENGES OF INDEPENDENT PRACTICE

- Payer Contracting
- Information
- Partnerships
- EHR Support / Health Information Exchange
- Back-Office Functions
- Purchasing Power
- Network
- Performance Support
  - Data / Reports
  - Population Health

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WHETHER YOU JOIN AN AGGREGATOR OR NOT, YOU NEED A STRATEGY FOR THE FOLLOWING:

- Payer contracting
- Revenue Cycle Management
- EHR / Information Technology
- Practice Marketing / Patient Acquisition & Retention
- Legal business documentation
- Office set-up
- HR/Payroll
- Vendor Management
- Operations/Processes
  - Documentation requirements
  - Credentialing
  - Regulatory compliance
- Quality Reporting
- Risk Adjustment
- Care Management

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THANK YOU

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