

2017 Annual Report and Strategic Plan Update



Michael T. Lundberg
Executive Director

October 17, 2017

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VHI Annual Report & Strategic Plan Update

Connecting with All Healthcare Stakeholders

- VHI is an independent, nonprofit, 501(c)(3) health information organization established in 1993
- Formed to administer Virginia Healthcare Data Reporting Initiatives to benefit Virginians
- Today's Presentation
 - VHI background
 - Existing efforts
 - Newly underway

BUSINESS REPRESENTATIVES


Beth Bortz
 Virginia Center for Health Innovation



Lynn Ellis
 WestRock



Bill Murray
 Dominion Energy



Scott Schoenbom
 Indivior Inc.


D.C. (David) Ward
 BWX Technologies, Inc.

CONSUMER REPRESENTATIVES


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 VCU


Charles "Rusty" Maney
 Walgreens


Bill Pardo, MBA
 Dupont Protection Technologies

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 VHI President

Timothy McManus
 VHI Vice President

David W. Tucker
 VHI Treasurer

Beth Bortz
 VHI Secretary

Charles "Rusty" Maney
 VHI President Elect

Kay W. Lewis, RN, MS, CPHQ
 VHI Past President

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 VCU


HCA Healthcare
Timothy McManus
 HCA Healthcare


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Maureen E. Dempsey, MD, MSc, ACC, FAAP
 Anthem Blue Cross and Blue Shield


Kay W. Lewis, RN, MS, CPHQ
 Kaiser Permanente

NURSING FACILITY REPRESENTATIVES


Thomas S. Dodson
 Birmingham Green Nursing Facility


David W. Tucker
 Commonwealth Care of Roanoke

STATE REPRESENTATIVES


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 Joint Commission on Health Care


Jacqueline K. Cunningham
 State Corporation Commission, Bureau of Insurance


Cindi Jones
 Department of Medical Assistance Services


Dr. Marissa Levine
 State Health Commissioner
 Virginia Department of Health

PHYSICIAN REPRESENTATIVES


Ibe Mbanu, MD, MBA, MPH
 Advocate Health Care


Kay Stout MD, MBA, CPE
 Virginia Women's Center



- Hospital Cardiac Care Mortality and Readmissions
- Hospital Quality and Performance Ratings
- Hospital Patient Satisfaction
- Geographic Healthcare Pricing Reports
- Chronic Care Prevalence and Costs
- Low Value Services, Prevalence and Costs
- All Payer Claims Database
- HMO Satisfaction, Cost and Quality
- Patient Satisfaction Data
- Nursing Facility Quality and Cost Reports
- Consumer Guide to Long Term Care
- Consumer Guide to Hospitals
- Consumer Guide to Health Insurance Options

www.vhi.org

Hospital Quality Measures

31 Measures encompassing

- Patient Safety
- Pneumonia
- Heart Attack
- Nursing Care
- Surgeries

Deaths or returns to the hospital

Heart attack and chest pain

Nursing care

Other surgeries

Patient safety

Pneumonia

Results of care

How often patients die in the hospital while getting care for pneumonia	Rating	Risk-Adjusted Rates
	BETTER THAN AVERAGE	c

Stroke

Summary Scores

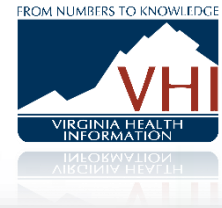
Surgical patient safety

Results of care

How often patients die in the hospital because a serious condition was not identified and treated	Rating	Risk-Adjusted Rates
	AVERAGE	113.1416 (86.2580, 140.0252)
How often patients in the hospital had to use a breathing machine after surgery because they could not breathe on their own	BETTER THAN AVERAGE	9.8437 (6.7081, 12.9793)
How often patients in the hospital get a blood clot in the lung or leg vein after surgery	BETTER THAN AVERAGE	6.0347 (4.7344, 7.3350)



HMO Cost and Quality



Compare HMOs on Cost and Quality

1. Choose Insurance Plan(s)

- Aetna Health Inc. (a Pennsylvania Corporation)
- CareFirst BlueChoice, Inc.
- Coventry Health Care of Virginia, Inc.
- HealthKeepers, Inc.
- Innovation Health Plan, Inc.
- Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.
- Optima Health Plan
- Optimum Choice, Inc.
- UnitedHealthcare of the Mid-Atlantic, Inc.
- UnitedHealthcare Plan of the River Valley, Inc.

Compare

2. Choose a Measurement

Access/Availability of Care

- Adult Access To Preventive/Ambulatory Health Services ⓘ
- Alcohol and Other Drug Dependence Treatment ⓘ
- Child Access to Primary Care Practitioners ⓘ
- Prenatal and Postpartum Care ⓘ

Effectiveness of Care

- Asthma Medication Management ⓘ
- Asthma Medication Ratio ⓘ
- Attention-Deficit/Hyperactivity Disorder (ADHD) Medication ⓘ
- Cardiovascular Disease Management ⓘ
- Common Childhood Illnesses ⓘ
- Diabetes Care and Management ⓘ
- Drug Therapy in Rheumatoid Arthritis ⓘ
- Immunizations ⓘ
- Mental Health: Care and Follow-up ⓘ
- Persistent Medications ⓘ
- Pharmacotherapy of COPD Exacerbation ⓘ
- Preventive Care ⓘ
- Spirometry Testing ⓘ
- Weight Assessment and Counseling ⓘ

Health Plan Stability/Descriptive

- Administrative Data ⓘ
- Board Certification Rates for Providers ⓘ
- Financial Data ⓘ
- Years in Business ⓘ

Member Satisfaction

- Member Satisfaction ⓘ

Overuse/Appropriateness

- Antipsychotics ⓘ
- Cervical Cancer Screening in Adolescent Females ⓘ
- Lower Back Pain ⓘ
- Respiratory ⓘ

Utilization

- Antibiotic Utilization ⓘ
- Child and Adolescent Well Child Visits ⓘ
- Mental Health Utilization ⓘ
- Plan All-Cause Readmissions ⓘ

Enhancing Hospital and ASC Financial Information in Hospital Industry Report



WHAT IS THE TRUE VALUE OF CHARITY CARE IN VIRGINIA?

WHAT IS CHARITY CARE?
 Charity care in general is free or discounted care provided to low-income people who qualify for financial assistance. The Virginia Department of Health, through the Certificate of Public Need program, may require hospitals and other facilities to provide charity care as a condition of having a project approved, such as a new MRI or CT machine or a new wing or facility.

During FY 2016, Virginia Acute hospitals reported over **\$62.5 BILLION** in gross patient revenue and **\$2.9 BILLION** in gross charity care.

In the same year, net patient revenue (money the hospitals received for patient services) was reported at **\$19.3 BILLION**, while charity care at cost was calculated at **\$736 MILLION**. Charity care at Medicare cost was calculated at **\$617 MILLION**.

WHAT IS THE APPROPRIATE MEASUREMENT OF CHARITY CARE?

\$2,560,393,771 Total Self-Reported Gross Charity Care	OR	\$736,426,865 Total Charity Care Calculated at Hospital Cost	OR	\$617,757,678 Total Charity Care Calculated at Medicare Cost
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$$\text{CHARITY CARE CALCULATED AT HOSPITAL COST} = \text{gross charity care} \times \left[\frac{\text{total operating expenses}}{\text{total gross revenue} + \text{other revenue and operating gains}} \right]$$

$$\text{CHARITY CARE CALCULATED AT MEDICARE COST} = \text{gross charity care} \times \left[\frac{\text{inpatient + outpatient Medicare gross revenue} + \text{contractual allowance}}{\text{total inpatient and outpatient Medicare gross revenue}} \right]$$

WHAT DO THESE NUMBERS IN THE 73 VIRGINIA HOSPITALS REPRESENT?

	In Dollars	Per Staffed Bed	Percent of Revenue
Self Reported Gross Charity Care	\$2.5 BILLION	\$18,433	4.1% of gross
Charity Care Calculated at Hospital Cost	\$736 MILLION	\$52,184	3.8% of net
Charity Care Calculated at Medicare Cost	\$617 MILLION	\$43,775	3.2% of net

*All of the financial data included was developed from data supplied by hospitals as specified by VHI operating under contract to the Virginia Department of Health and as part of independently audited financial statements.

Website: www.VHI.org | Statewide
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A Transparency Collaboration

- **Review/Revise Current Data Fields**
 - Align financial fields collected
 - Expand Medicaid DSH payment information collected
- **Expand Collection of Financial Data** from Parent Companies and Subsidiaries
- **Update Definitions and Indicators** for Charity Care, Bad Debt and Taxes as well as Cash Debt Coverage

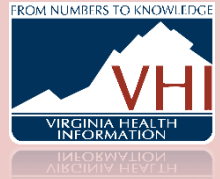
Revisions implemented with collection of FY2017 data

Charity Care

- **A new report was developed which presents**
 - Gross charity care
 - Charity care calculated at hospital cost and
 - Charity care calculated at Medicare cost for

Virginia acute hospitals in dollars, by staffed bed and percent of revenue

Assisting ConnectVirginia HIE



As of June 1, 2017, VHI began providing management services to ConnectVirginia HIE (*the statewide Health Information Exchange established in 2014*)

The HIE effort was initially established through the 2010 VDH and ONC State HIE Cooperative Agreement to develop/advance resources to facilitate the exchange of health information within Virginia.

ConnectVirginia provides the legal and governance framework for hospitals and health systems connected to eHealth Exchange (*the national health information Exchange*)

Existing Services include:

The Public Health Reporting Pathway – two way immunization and newborn screening

Virginia's Advance Healthcare Directives Registry

Streamline Provider Portal

Encounter Alert Service

Virginia's Emergency Department Care Coordination Program (EDCCP) Established by § [32.1-372](#) in 2017

The program will :

Connect all Virginia emergency departments (ED) with primary care physicians managed care organizations, and others when high risk patients arrive at an ED for treatment

Help ED continue established care coordination plans for patients for the right care , with the right providers, at the right time and the right price

Aid the coordination of needed follow up care when a patient leaves the ED

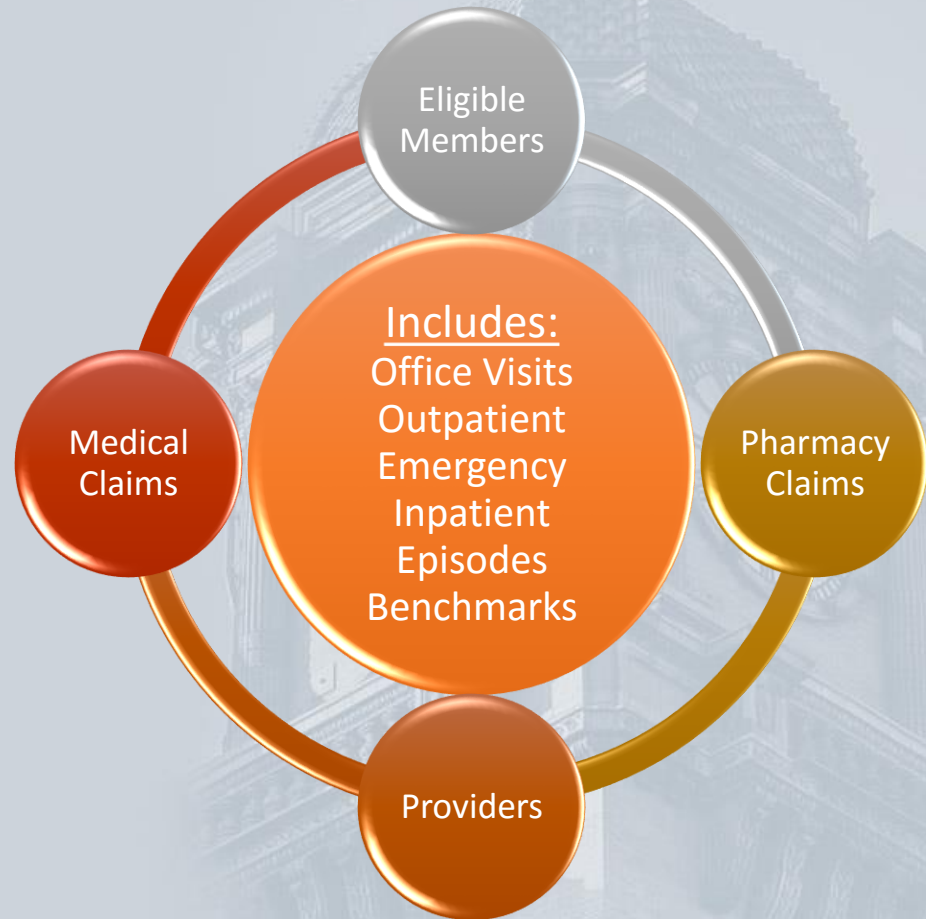
Integrate with prescription monitoring program and advance directives registry

Operate under the authority of VDH under contract with ConnectVirginia and assisted by VHI



All Payer Claims Databases (APCD)

- Aggregation of paid health insurance claims
- Provides wider view of healthcare than elsewhere available
- A tool for employers and consumers, public health, policymakers, health plans, providers
- Mandatory in 14 states, implementing in 5, strong interest in 16, voluntary in 7

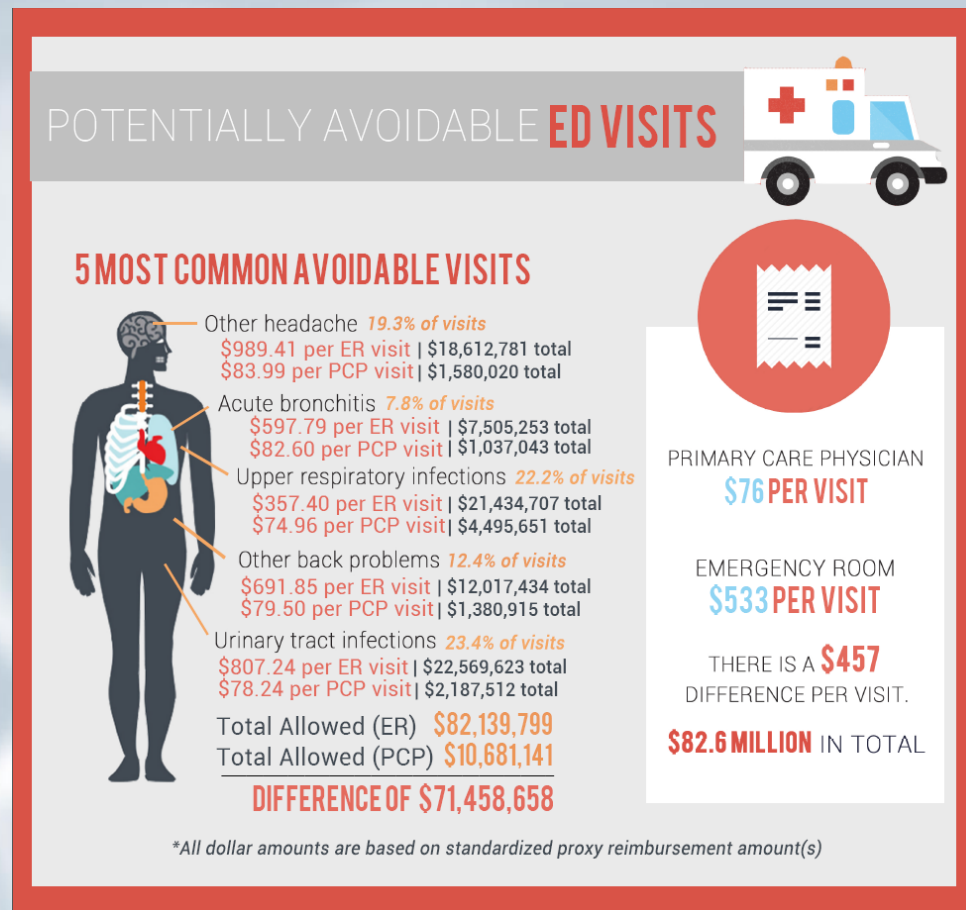


Source: APCD Council

Virginia's voluntary APCD was established in 2012

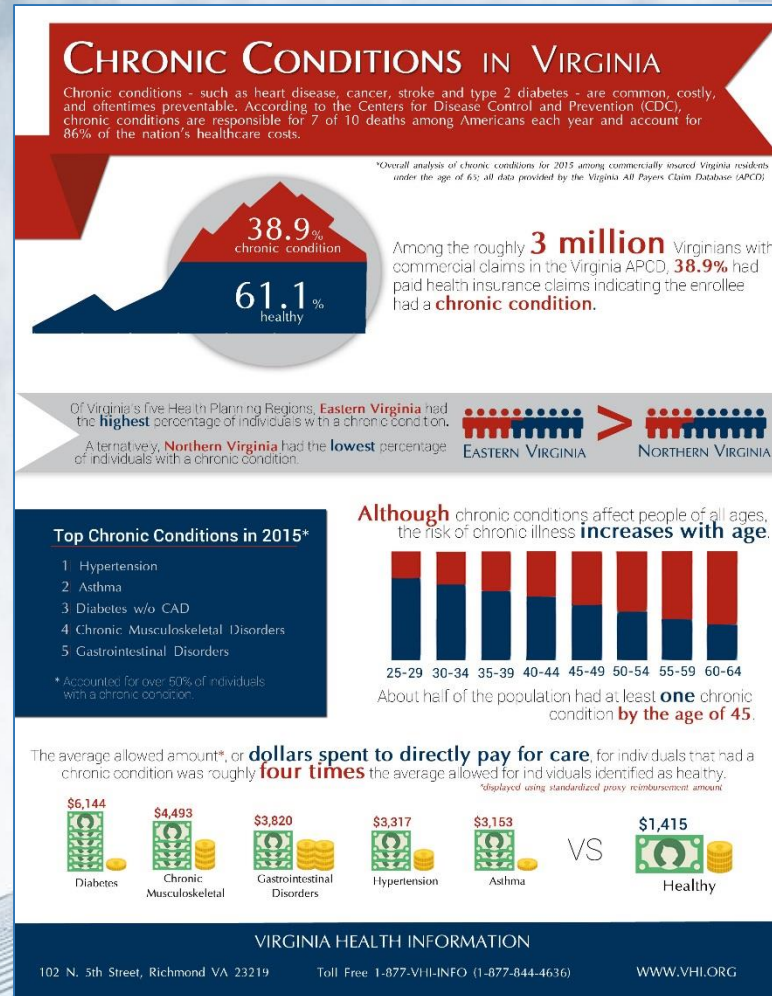
Understanding Drivers of Cost and Quality

- Using the APCD a population health infographic on potentially preventable ED visits was created
- A more detailed analysis on the impact of Asthma in Virginia is underway

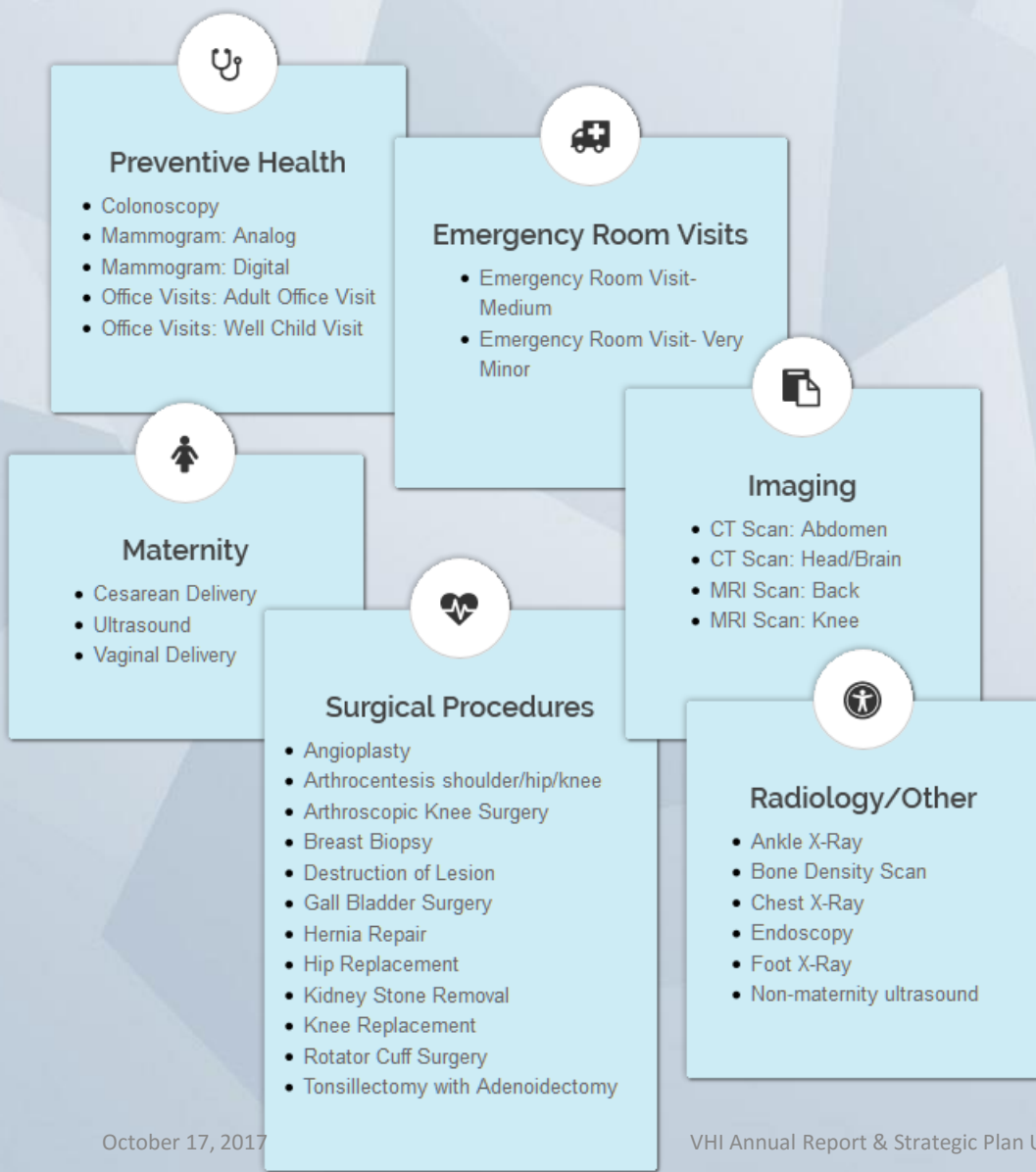


Impact of Chronic Conditions

A Chronic Care Conditions paper details the scope of chronic conditions in Virginia. The infographic summarizes the top conditions



Healthcare Pricing



Includes frequently performed services that contrasts prices on geographical regions and site of care; ambulatory surgical center, inpatient, hospital outpatient, and physician office.




APCD In Action:

Supporting Virginia Center for Healthcare Innovation (VCHI) to accelerate the adoption of value-driven models of wellness and healthcare




Choosing Wisely®

An initiative of the ABIM Foundation



A campaign to encourage physician and patient conversations about overuse and misuse of tests and procedures to help make smart care choices



Milliman, VHI's APCD vendor applies Choosing Wisely logic to clinical or claims data to quantify and report on these potentially wasteful services.

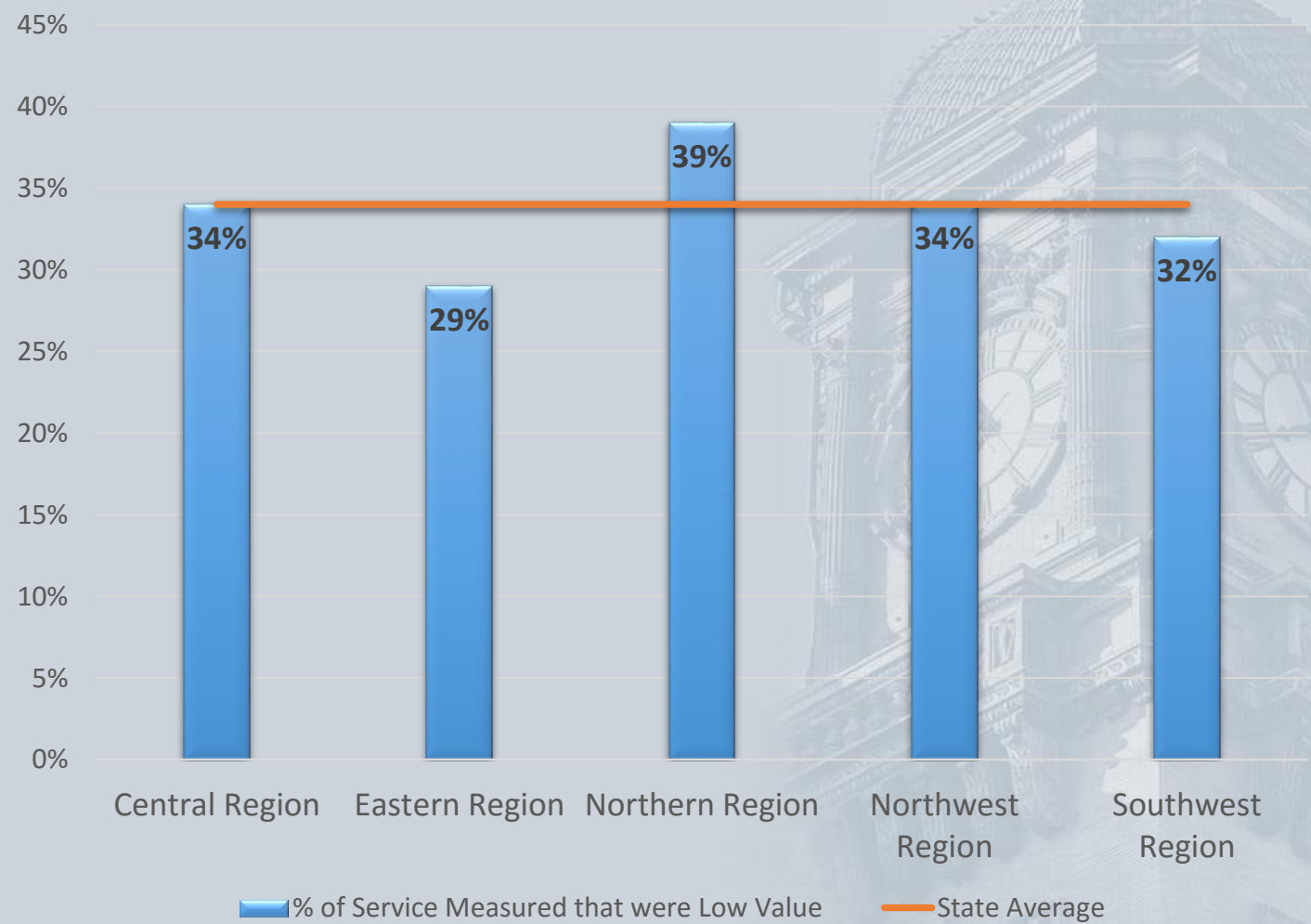


MedInsight Health Waste Calculator

VHI provides VCHI with statewide and regional reports detailing types of potentially wasteful services and costs. These calculations are based in information submitted for payment to providers and are not used for medical necessity determinations

Don't Do Imaging for Uncomplicated Headache

Percent of Low Value Services for 2014



A 50% reduction could result in potential cost savings of over 6 million dollars per year
 Includes Commercial, Medicaid and some Medicare Advantage Data

Health Affairs

October 2017

AT THE INTERSECTION OF HEALTH, HEALTH CARE, AND POLICY

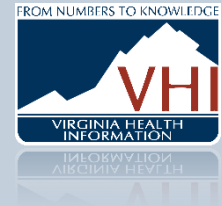
By John N. Mafi, Kyle Russell, Beth A. Bortz, Marcos Dachary, William A. Hazel Jr., and A. Mark Fendrick

DATAWATCH

Low-Cost, High-Volume Health Services Contribute The Most To Unnecessary Health Spending

An analysis of data for 2014 about forty-four low-value health services in the Virginia All Payer Claims Database revealed more than \$586 million in unnecessary costs. Among these low-value services, those that were low and very low cost (\$538 or less per service) were delivered far more frequently than services that were high and very high cost (\$539 or more). The combined costs of the former group were nearly twice those of the latter (65 percent versus 35 percent).

APCD Stakeholder Support



Optima Health

“Optima is an enthusiastic supporter of Virginia’s voluntary All Payer Claims Database. Optima contributes claims and provides funding to ensure we and many others have access to this important information to better understand and improve the quality of healthcare in Virginia.” David Neuwirth Director, Medical Economics & Data Analytics

United HealthCare

“VHI continues their leadership role among state All Payer Claims Databases and is a strong proponent of national standards for data submission. VHI shares the vision of data standardization across APCDs to reduce the administrative burden of data submission amongst plans while increasing the value by enabling the regional and cross-state comparisons of healthcare data. VHI's strategy includes providing health insurance companies with the analytical tools to effectively use APCD data in support of our joint efforts to improve health and reduce costs.” Bernie Inskeep, United HealthCare

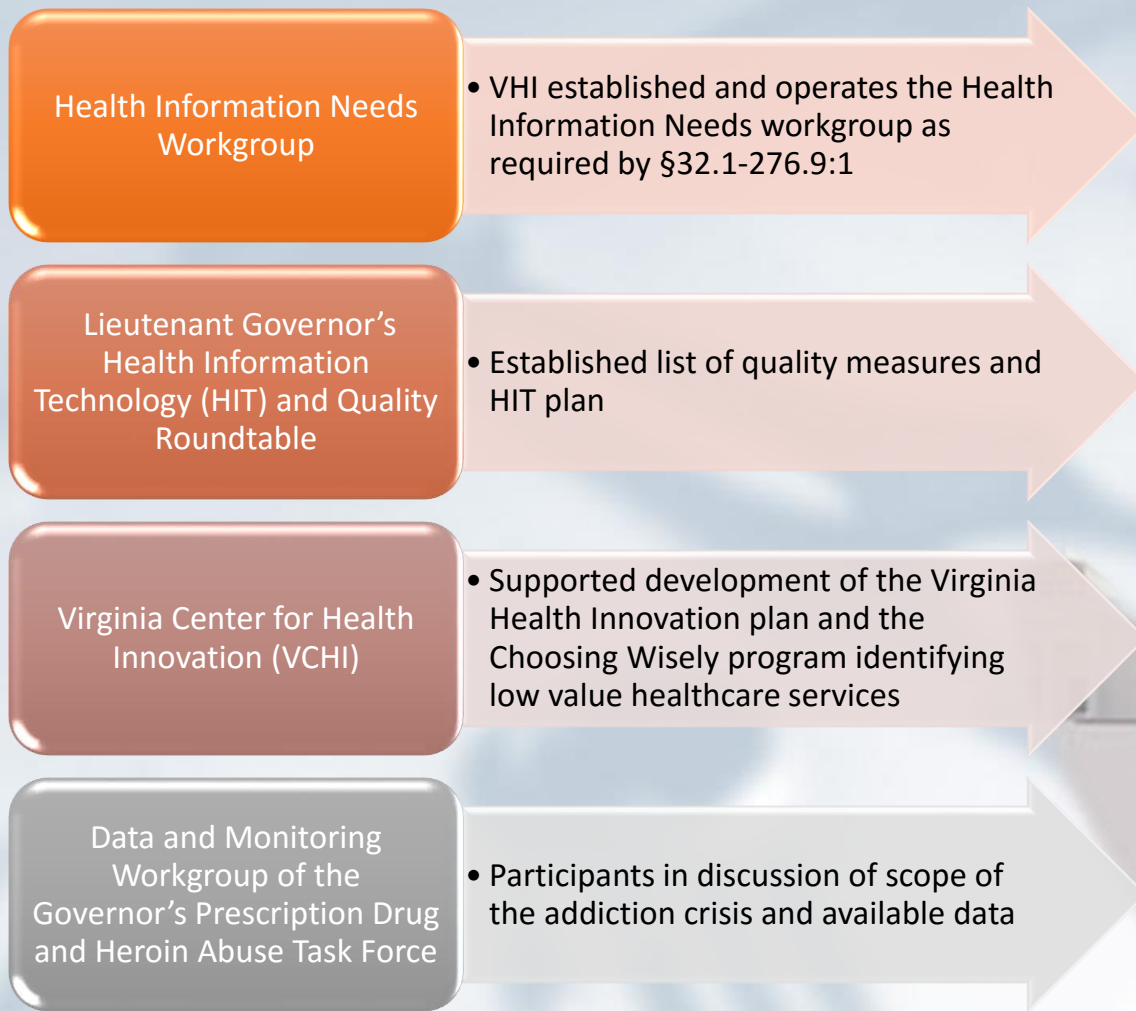
Inova Health System

“MedInsight provides significant flexibility and capability for our data analysis and reporting.” Paul Dreyer, Director of Strategic Planning

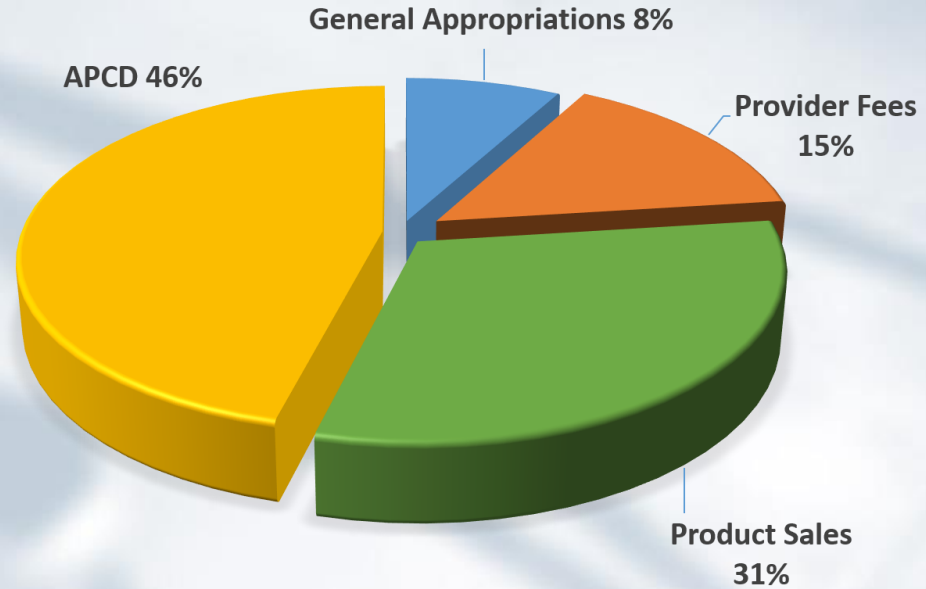
University of Virginia

“Data from the Virginia APCD is helping us better understand the impact of the opioid crisis in medically underserved areas of the state.”- Virginia LeBaron, Ph.D, Assistant Professor UVA School of Medicine

Healthcare Reform Efforts



FY2017 Diversified Revenues Reflect the Value of Information to Stakeholders



Closing Comments and Questions



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