2024 Top 10 Environmental Challenges Facing The CV Team

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President/CEO, Cardiovascular Management of Illinois
THERE ARE 7 FACTORS THAT WILL SHAPE THE INDUSTRY MOVING FORWARD

The 7 Cs of Health Care

1. Compression of margins
2. Contraction of inpatient volume
3. Changing care models
4. Consolidation
5. Consumerism
6. Connectivity
7. Competing on value

- The health care industry of the future will be fundamentally different in how it is organized, how and where care is delivered, and how it is funded.
- There will likely be fewer hospitals and more access points (both physical and virtual). Of the hospitals that remain, they will have higher levels of acuity and be more specialized (with few “general” facilities).
- Technological advances will make the industry more personalized, more precise, and more predictive.

Top 10 Environmental Trends

- Value-based care
- Team-based care
- Sub-specialty CV clinics
- Compression of hospital margins
- Site neutrality
- Rapidity of change in physician alignment
- Workforce shortage
- AI/Digital transformation
- Care delivery redesign
- Equity and access to care
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<tr>
<th>1</th>
<th>Rising Healthcare Costs</th>
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<td>Driven by Technology, Aging Pop, inflation, Construction, and Chronic Diseases</td>
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<th>2</th>
<th>Scaling in Competitive Markets</th>
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<td>Horizontal and Vertical Consolidation, Private Equity, Volume-Outcome Challenges</td>
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<th>Evolving Regulatory Landscape</th>
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<td>Antitrust, Insurance Regulations, Privacy Laws, Price Transparency, Nonprofit Status, Cyber security and Data Protection Standards</td>
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<th>Workforce Shortages</th>
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<td>Recruiting, Retaining, Skill Acquisition, Training, Turnover, Burn-out, Work-Life Balance</td>
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<th>Population Health Management</th>
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<td>Preventive Care, Chronic Disease Management, SDOH, Care Coordination, and Community Engagement</td>
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<th>Health Equity and DEI</th>
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<td>Discrimination, Physical Environment, Workplace Conditions, Health Literacy, Food Insecurity, Homelessness, Wealth Gaps</td>
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<td>Considering Patient Preferences &amp; Values in Treatment Decisions, Improved Satisfaction and Adherence</td>
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<th>Digital Technological Advancements</th>
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<td>AI Solutions (Virtual Command Center), EHR, Scheduling Platforms, Telemedicine and Remote Monitoring</td>
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<th>Clinical Technological Advancements: Personalized Medicine &amp; Targeted Therapies</th>
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<td>Genetic Profiling, Molecular Diagnostics, Device-Intensive Interventions, Immunotherapies, 3D Imaging, Augmented Reality</td>
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<th>Collaborative Care Models</th>
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<td>Interdisciplinary Care, Team-Based Approach, Enhanced Recovery After Surgery (ERAS) Protocols</td>
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**IT'S TIME!**

Uniting to Build a New Board of CV Medicine
Value-Based Care

Medicare Population
2022: 65M
2032: 82M

Medicare Advantage
Enrollment now exceeds 50%

As of September 2022, 65,103,807 people are enrolled in Medicare. This is an increase of 160,823 since the last report.

- 34,984,295 are enrolled in Original Medicare.
- 30,119,512 are enrolled in Medicare Advantage or other health plans. This includes enrollment in Medicare Advantage plans with and without prescription drug coverage.
- 50,574,579 are enrolled in Medicare Part D. This includes enrollment in stand-alone prescription drug plans as well as Medicare Advantage plans that offer prescription drug coverage.

2023: 65,748,297 enrolled in Medicare
30.8M in Medicare Advantage - $454B

Circulation .... October 3, 2023

Value-Based Payment for Cardiovascular Care: Getting to the Heart of the Matter
Rich K. Wachter, MD, MPP, MPhil

The US health care system has undergone unprecedented payment transformation since the passage of the Affordable Care Act in 2010. Numerous value-based payment models have been launched by the Centers for Medicare & Medicaid Services (CMS) over the past decade, with the goal of reducing health care spending and improving quality of care. Cardiovascular disease has been a major focus of value-based measurement reforms.

BPCI-A is on pace to cost Medicare $2B
Did You Know?

1% of population | 21% of spending
5% of population | >50% of spending

Source: AHRQ 2017

2023 MN: 1.1M in Medicare
640,000 in Medicare Advantage

Cost of CVD Care

$320 B annually and growing

Expected growth in spending by disease

Association Between Aging of the US Population and Heart Disease Mortality From 2011 to 2017

October 30, 2019

Stephen Sidney, MD, MPH (1), Alan S. Go, MD, MPH (1), Marc S. Jaffe, MD, MPH (1), et al.
Did You Know?

According to an AMA analysis of the Medicare Trustee data, Medicare payments to clinicians have declined 22% from 2001-2021 (adjusted for inflation).
Aug. 1 Release from CMMI

**Drive Accountable Care**
- **Aim:** Increase the number of beneficiaries in a care relationship with accountability for quality and total cost of care.
- Accountable care reduces fragmentation in patient care and cost by giving providers the incentives and tools to deliver high-quality, coordinated, team-based care. Models should increase the number of beneficiaries in accountable care relationships with providers, such as advanced primary care providers and ACOs. Quality of care and outcome measures should be measures that matter and include patient values and perspective.

**Measuring Progress:**
- **All Medicare** fee-for-service beneficiaries will be in a care relationship with accountability for quality and total cost of care by 2030.
- The vast majority of Medicaid beneficiaries will be in a care relationship with accountability for quality and total cost of care by 2030.

**Advance Health Equity**
- **Aim:** Embed health equity in every aspect of CMS Innovation Center models and increase focus on underserved populations.

We have heard that CMMI plans to release a proposed rule soon after the completion of this RFI.
Value………..

- BPCI-A is on pace to COST Medicare …… $2B
- Medicare vs Medicare Advantage
  - Almost 2300 diagnoses previously mapping to an HCC - like chronic angina and protein-calorie malnutrition – no longer will.
  - This move from HCC v24 > HCC v28 is projected to save $11B in 2024 alone.
ACC’s Value Based Forum – 11/30/23

• CMMI Director – Dr. Fowler – presented an update
• Mandatory Hospital focused episode models coming
  – Will be presented Spring 2024 – w 2026 as target
• Using knowledge gained from BPCI-A
• How successful will this be?
  – Won't be the first time CMMI has proposed
  – Congressional oversight

Current CV Groupings
• Cardiac Care
  o Acute Myocardial Infarction (AMI)
  o Cardiac Arrhythmia
  o Congestive Heart Failure
• Cardiac Procedures
  o Cardiac Defibrillator (Inpatient)
  o Cardiac Defibrillator (Outpatient)
  o Cardiac Valve
  o Coronary Artery Bypass Graft (CABG)
  o Endovascular Cardiac Valve Replacement
  o Pacemaker
  o Percutaneous Coronary Intervention (PCI - Inpatient)
  o Percutaneous Coronary Intervention (PCI - Outpatient)

You are the people you’ve been waiting for

Leadership:
• Not making a decision is a decision
• Cultivate a culture where experimentation is rewarded
• Embracing uncertainty brings about agility
• Never say no…..never say yes unless you are sure you will complete “it”
Benefits of team-based care

- Effective team dynamics can improve patient care coordination between physician colleagues
- Team-based care can improve patient perception of confidence in care, care quality and coordination
- Team-based care is fundamental in evidence-based models of care delivery that show improved outcomes for patients
- Effective teams associated with lower burn-out and increased satisfaction scores for physicians and staff
- Good team dynamics can increase physician work satisfaction

Team-Based Care

Traditional MIPS slated to convert to mandatory MVPs
After 2026

2024: based on 2022 Performance
75 Points (vs 82) - 9% penalty
Care Organized Across The Continuum

Cardiovascular services organized the way patients experience them.

Consolidated Strategy – Budget – Operations - Management

Sub-Specialty Clinics

- AFib
- Cardio-Onc
- Cardio–OB
- Pulmonary HTN
- Cardio-metabolic
- HF/AHF
- Remote Monitoring/RPM/Device
Goal: Patient access points for HF

ED
Admit Hospitalist

PCP
Refer to Cardiology
Discharge Primary Care

PCP
Retain Patient Medical Management

Cardiologist
Consult - Heart Failure

Cardiologist
Refer to Heart Failure

Cardiologist
Heart Failure Clinic Advanced Therapies

Reality.....
THE SOLUTION...

Development of Alignment and Navigation to create order

CARE PLAN ACROSS CONTINUUM

Engaged Patient

ORGANIZED SYSTEM TO MEET DEMANDS

Essential Program Elements

Physician Champion

Service Development
- Scheduling & intake – Right patients, Right time
- Clinic access
- Referral management

Shared Clinical Decision Making
- Care Pathway development
- Risk stratification and Patient identification

Disease Management
- Developing a network wide disease management strategy

Performance Management
- Process measures
- Accessibility/Productivity
- Outcome measures
- Clinical parameters
- Patient/Physician satisfaction

Each component is addressed in the development phase and implemented through a collaborative approach between administration and physician leadership.
#4: Compressed Hospital Margins

Hospitals’ and health systems’ median operating margins declined by 11.8% in February and 26.7% year over year, according to a new report from Kaufman Hall based on data from more than 900 hospitals.

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Site Neutrality

<table>
<thead>
<tr>
<th>Payment Type</th>
<th>Inpt Hosp #21</th>
<th>On-campus HOPD #22</th>
<th>Off campus HOPD #19</th>
<th>Office #11</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRG Hosp Payment</td>
<td>*</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>APC Hosp Payment</td>
<td></td>
<td>*</td>
<td></td>
<td></td>
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<tr>
<td>CPT codes – PFS – Prof Physician Pay</td>
<td>*</td>
<td>*</td>
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<td>*</td>
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Politico......September 20, 2023

Transforming Healthcare: Site-Neutral Payments

Bipartisan legislation in the House and Senate would align costs for services across hospitals and doctors' offices and could reduce out-of-pocket spending and potentially save the federal government billions of dollars.

At Politico panel, AHA highlights why site-neutral proposals would jeopardize access to patient care

Payment methodology/site of service

Site “intended to provide outpatient procedures to patients who do not require an overnight stay after the procedure.”

<table>
<thead>
<tr>
<th>Medicare Payment Model</th>
<th>Inpatient</th>
<th>Outpatient</th>
</tr>
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<tbody>
<tr>
<td>DRG (MV/ASC)</td>
<td>HOPD</td>
<td>ASC</td>
</tr>
<tr>
<td>RVU</td>
<td>RVU</td>
<td>RVU</td>
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<table>
<thead>
<tr>
<th>Facility payment</th>
<th>DRG rate or bundle rate</th>
<th>OPPS rate</th>
<th>ASC rate</th>
</tr>
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<tbody>
<tr>
<td>Office-based Lab</td>
<td>RVU*</td>
<td></td>
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The Site-based Invoicing and Transparency Enhancement (SITE) Act (S. 1869) would impose site-neutral payment cuts for items and services in grandfathered off-campus HOPDs. Starting in 2025, all services furnished in grandfathered off-campus HOPDs, other than evaluation and management (E&M) services, which are already paid at a site-neutral rate, would be subject to site-neutral payment.
### Site of Service reimbursement differences

While we expect this to normalize, we have been waiting a long time now – and it won’t change in 2024 – but when it does will we be ready?

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<tr>
<th></th>
<th>MPFS</th>
<th>HOPPS</th>
<th>Diff</th>
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<tr>
<td>CCT</td>
<td>$222.64</td>
<td>$180.34</td>
<td>$(42.30)</td>
</tr>
<tr>
<td>CMR</td>
<td>$262.63</td>
<td>$368.43</td>
<td>$105.80</td>
</tr>
<tr>
<td>Carotid</td>
<td>$155.88</td>
<td>$233.52</td>
<td>$77.64</td>
</tr>
<tr>
<td>Echo</td>
<td>$130.80</td>
<td>$503.13</td>
<td>$372.33</td>
</tr>
<tr>
<td>EKG</td>
<td>$6.44</td>
<td>$57.48</td>
<td>$51.04</td>
</tr>
<tr>
<td>LHC</td>
<td>$765.85</td>
<td>$2,958.46</td>
<td>$2,192.61</td>
</tr>
<tr>
<td>Nuc</td>
<td>$368.35</td>
<td>$1,327.27</td>
<td>$958.92</td>
</tr>
<tr>
<td>PET</td>
<td>$1,489.35</td>
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Medicare pays approximately $6,500 for the placement of a coronary stent as an outpatient in a free-standing ambulatory care facility and $10,600 for the same procedure performed in a hospital.

### Developing an Ambulatory Based Procedural Care Strategy

- Endovascular
- Interventional Radiology
- Veins
- Coronary Catheterization
- Vascular Access
- Cardiac Rhythm Management

CardioVascular Center
CMS OPPS/ASC rule impacts

Off Campus Provider Based Departments (PBDs)

CMS implemented a payment policy whereby non-excepted off-campus PBDs receive 40% of the APC payment; Excepted off-campus PBDs receive 100% of the APC payment.

CMS is concerned about the continued growth in outpatient services, and believes that payment differentials between the OPPS and PFS may be a driver of this growth.

CMS finalized a policy change for G0463, Hospital outpatient clinic visit:
- This will be paid at the same discounted rate regardless of excepted status.
- This was challenged in the courts – and is now in place.
  - Approx $115 – on campus
  - Approx $46 – off campus

CMS did not finalize the proposal Payment for excepted off-campus Provider Based Diagnostic services:
- CMS will continue to monitor this.

Physician Alignment

- Academia
- Independent
- Employed
- Private Equity
- Multi-state MSO’s
- Unionization
Trends in PE

Figure 2: Cumulative Number of Private Equity Acquisition Deals of Physician Practices by Specialty, 2012-2021

$17B in 2021
$14.5B in 2022

Follow the Heart
An aging population and rising obesity rates are contributing to private equity’s interest in cardiology, as is an uptick in outpatient procedures approved by Medicare.

Webster
Ares
Lee Equity & Cardiovascular Logistics

Unions and Cardiology??

2023 – nearly ¾ of all physicians are now considered employees

Northwestern Medicine physicians file to unionize

Doctors Unionize at Big Health Care System
The physicians, at Allina Health in Minnesota and Wisconsin, appear to be the largest group of unionized doctors in the private sector.

Physician unionization is gaining traction.
Workforce Issues

• Does anyone want to work?
• Shortage of most clinical and support staff

The reality is ....this will not improve

The American Hospital Association estimates that the industry will face a shortage of up to 124,000 physicians by 2033.

Meanwhile, it will need to hire at least 200,000 nurses a year to meet rising demands. Among support personnel, a shortage of home health aides is most acute.
Bottom Line: We MUST Redesign Care Delivery

Value-Based Incentives
Patient-Centered Care
Wellness Prevention (Well Care)
Population/Community Health
Innovation
Team-Based Integrated Care
Digital Transformation

AI: The New Clinical Landscape

- Asynchronous Communication: PROMs, Electronic Consultation
- Blended Care: In-person and Virtual synchronous visits
- Clinical remote monitoring, medical grade devices
- Digital tracking and wearables, healthcare and social data
- Education: digital transformation, remote learning, virtual training
AI: Within the Practice of Cardiology

- Optimize administrative processes
- Accelerate the dissemination of new science
- Foster patient engagement AND optimize patient care
- Improve patient outcomes
- Enhance clinician education

The perfect physician compensation model is one that rewards physicians for providing high quality care and for adhering to evidence-based practice guidelines. It should also account for operational and administrative duties, as well as student and resident teaching activities. In addition, the model should take into account physician goals, preferences, motivations, and specialties. Physician autonomy and professional satisfaction should also be factors in the model. Finally, the compensation model should strive to promote collaboration, leadership.
Re-Design...Innovation?

1962 ----------------------- 2023

Out-Patient Care - Then

Out-Patient Care - Now

Courtesy of John Rumsfeld, MD, PhD, FACC

Remember Care Transformation

Care Transformation = Value

Value-Based Incentives
Patient-Centered Care
Wellness Prevention (Well Care)
Digital Transformation
Team-Based Integrated Care
Innovation

Population/Community Health
IMPACT OF SOCIAL DETERMINANTS OF HEALTH

Social determinants of health have tremendous affect on an individual’s health regardless of age, race, or ethnicity.

SDOH Impact

20% of a person’s health and well-being is related to access to care and quality of services.

The physical environment, social determinants and behavioral factors drive 80% of health outcomes.

ACC HEALTH EQUITY STRATEGY

VISION
Achieve a culture of health where every person reaches their full cardiovascular health potential as a natural right.

GOALS

CREATE A CULTURE OF HEALTH EQUITY IN CARDIOVASCULAR MEDICINE
- Execute change management to create a mindset that health equity is an essential component of quality cardiovascular care
- Commit to cardiovascular health equity principles and develop policies for action
- Support and pursue partnerships with organizations committed to addressing health equity

PRIORITIZE HEALTH EQUITY IN ALL ACC ACTIVITIES
- Embed health equity in educational curriculum and programming and guidelines development
- Provide clinical programs and guidance to identify and evaluate disparities and social determinants of health
- Integrate health equity into compliance requirements

ELIMINATE DISPARITIES BY ENSURING EQUITABLE CARDIOVASCULAR CARE FOR ALL
- Provide actionable data and tools that empower cardiovascular professionals to address health disparities and social determinants of health
- Partner with public health and community stakeholders to ensure availability of resources for optimal patient care that eliminates disparities
- Drive innovation to address health equity
## Internal Strategies for Advancing Health Equity

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<th>People and Culture</th>
<th>Data and Analytics</th>
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<td>Setting the Tone for Combating Structural Racism and Advancing Health Equity</td>
<td>Building and Supporting a Diverse, Culturally Competent Workforce</td>
<td>Measuring Progress and Impact</td>
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### Board and leadership team to:
- Define, and affirm importance of, health equity for the organization
- Adjust performance dashboards and compensation models to promote equity
- Diversify the board and leadership teams
- Ensure leaders of equity initiatives are appropriately recognized and resourced

### People and Culture
- Strengthen diversity recruitment efforts (See External Strategies → Purchasing Power)
- Enhance diversity retention and leadership development programs
- Shape an inclusive culture through mandatory training and facilitated conversations about cultural competency, humility and implicit bias

### Data and Analytics
- Refine the data collection and reporting tools to support goal setting and tracking of equity measures in support of other strategies, e.g.,
  - Care Delivery Strategy (a) Embed health equity metrics into quality improvement strategy
  - Governance Strategy (b) Adjust performance dashboards and compensation models to promote equity
- Harness the power of big data, AI and ML to root out bias in health care

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## Did You Know?

### 8 Steps to Drive Organizational Change

1. **Establish Urgency**
2. **Build Guiding Team**
3. **Develop the Vision**
4. **Communicate for Buy-in**
5. **Empower Action**
6. **Generate Short-Term Wins**
7. **Accelerate towards Vision**
8. **Institute the Change**

*Adapted from Kotter*
Key Take-Aways

- Keep an open mind to innovation
- Prioritize workforce flexibility
- Dyad Leadership
- Solve practice problems, meet strategic needs
- Monitor Trends

“We will meet the future not merely by dreams but by concerned action and inextinguishable enthusiasm.”

Franz Groedel, MD, MACC