PPO Serve

Integrated Clinical Consortia™

IN COLLABORATION WITH

FPD FOUNDATION FOR PROFESSIONAL DEVELOPMENT

Introduction to the PPO Serve "Value Based Care" model

16 July 2022

Dr Visegan Subrayen

PPO Serve introduction

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- PPO Serve is a healthcare management company that organises practices to collaborate in local clinical teams.
- It manages multidisciplinary teams to support the practices to achieve success in attaining good outcomes for their patients. This translates into high rewards from Value Based Care Contracts with medical schemes.
- It is not a 'managed care organisation' because its VBC contract contains no financial risk transfer from the scheme to the clinical team.

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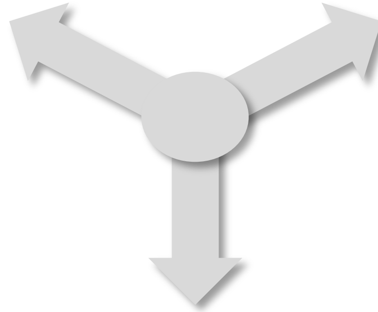
The current system is imbalanced

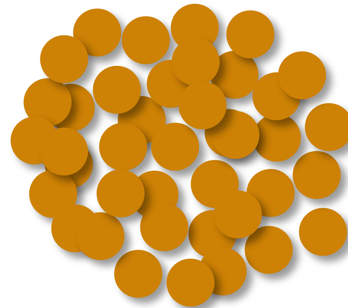
And clinicians work in isolation

Powerful funders

Powerful hospital groups



Patients are the ultimate losers

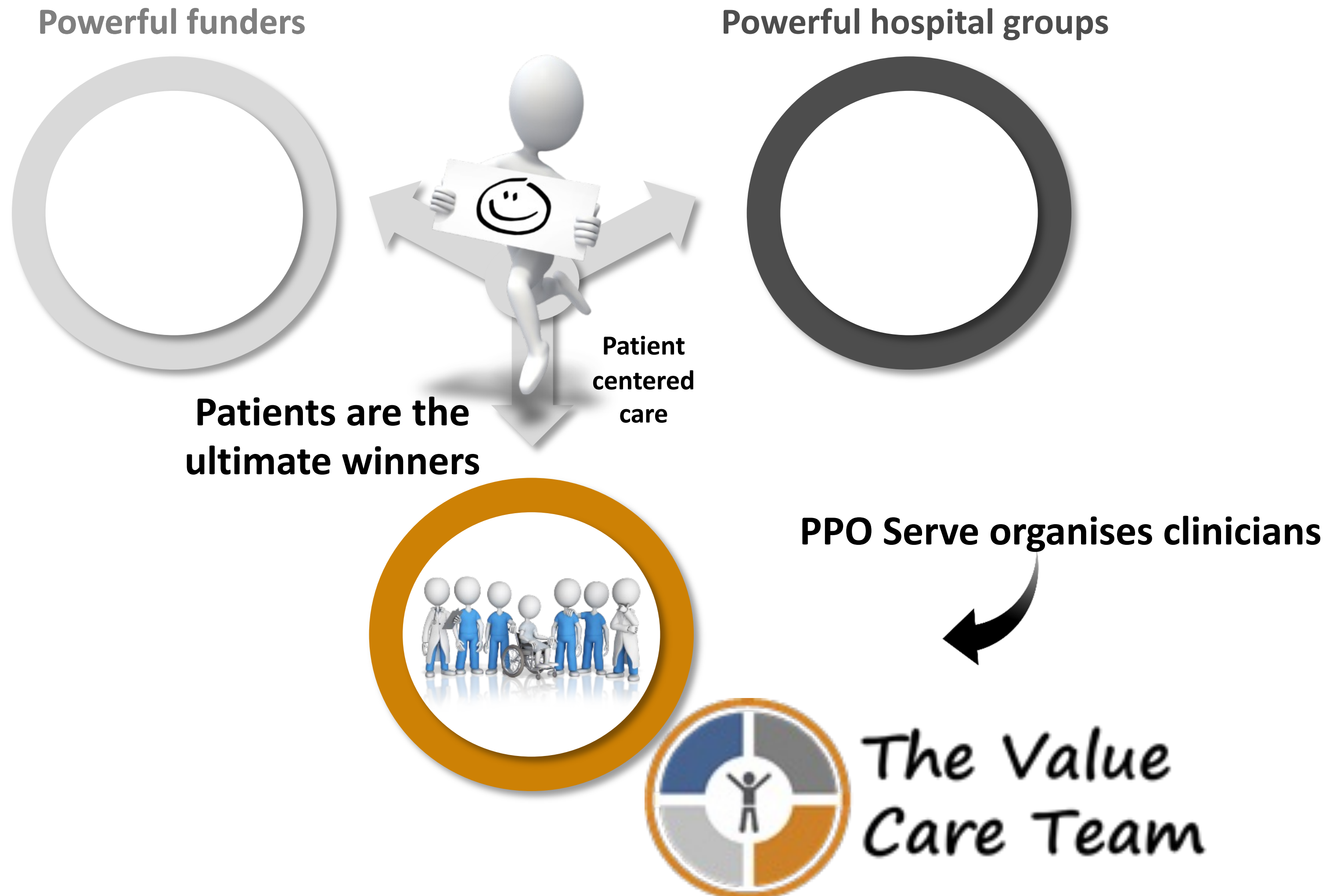


Practices lack capacity for VBC

Over 9,000 general practitioners

We put clinicians back in control

By creating integrated teams that contract to earn more from Value Based Care



We put clinicians back in control

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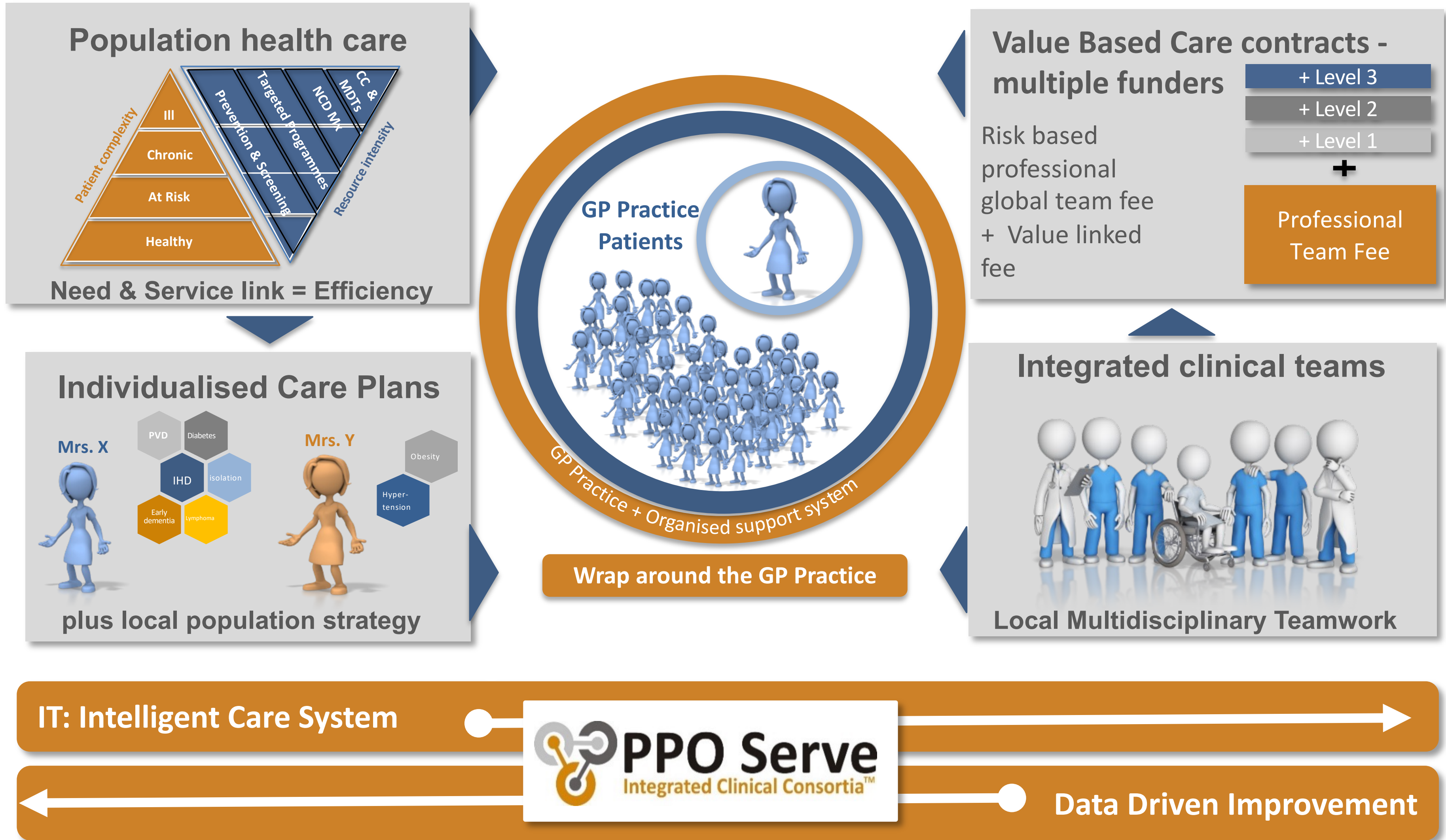
By creating integrated teams that contract to earn more from Value Based Care

PPO Serve organises clinicians

The Value Care Team

PPO Serve provides an enabling platform for independent GP Practices

PPO Serve's Value Based Care approach



Aim is to support the Practice to successfully earn VBC rewards

The Framework: to produce value by optimising care for practice populations

Market & Growth
6a. Competitive Brand
6b. Increased income

Organic growth

Team growth

1. Practice patient base
Is dynamic - aggregate needs / risks alter constantly

VCT Care Delivery System
Dynamic GP Practice centered team
2. MDT Structures
3. MDT Processes

4. Target Outcomes
VBC scores for quality care & service experience

VBC fees from Medical Scheme

5a. Team monthly fee + 5b. Value linked monthly fee

PPO Serve supports GP Practice

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- **Multidisciplinary Teams**: create and manage MDTs to produce good outcomes
- **VBC Contract:** PPO serve has VBC contracts with schemes for GP practices that support teamwork and reward performance
- **Organised link** between patient need and team services produces good ‘return on investment’
- **Tools:** clinical IT support plus data analytics drive better VBC scores
- **Framework:** practical, commercial system to support growth and VBC revenue

PPO Serve provides an enabling platform for independent GP Practices

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Population Medicine

An integrated Care Approach- Value Based Care

16 July 2022

Ms Lungile Kasopato

The Value Care Team

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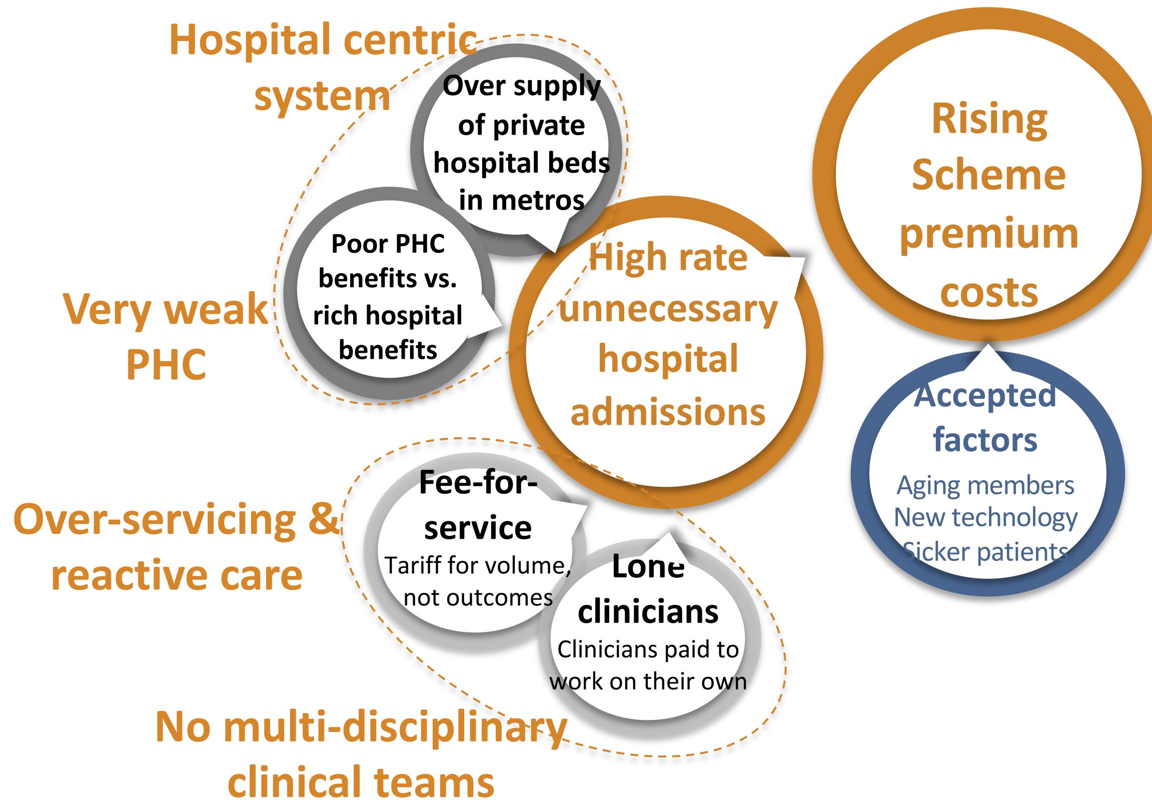
Problem Statement:

SA Private Healthcare sector characterized by:
Poor organization, high costs, sub-optimal outcomes



Rising Scheme premium costs

Accepted factors
Aging members
New technology
Sicker patients

Low volume, high-cost model - poor value

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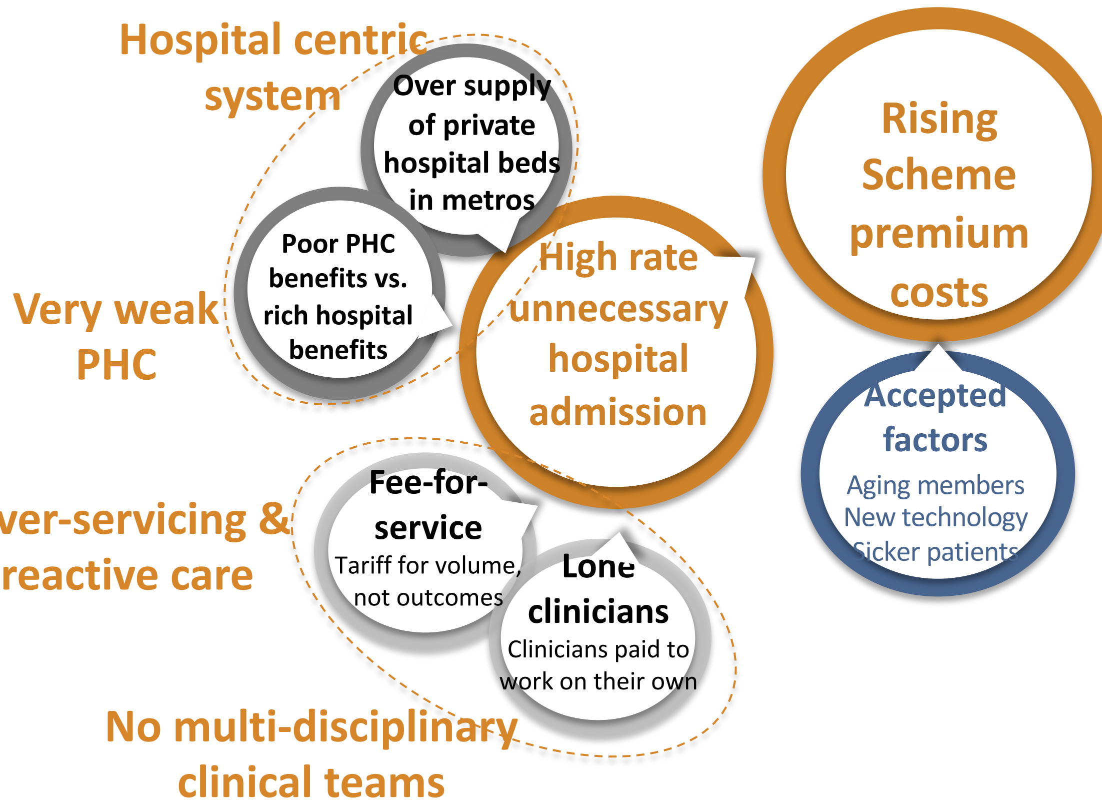
Problem Statement:

SA Private Healthcare sector characterized by:
Poor organization, high costs, sub-optimal outcomes



Solution: Healthcare is a team sport

The Value Care Team

"the only way to make quality healthcare affordable is to organise clinicians to actively work together in teams"

Low volume, high-cost model - poor value

The problem the Value Care Team solves

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The **major reasons** for the current frustrating situation are:

1. **The 'Fee for Service (FFS) payment system** pays clinicians to **work alone** – but healthcare is naturally **"a team sport".**

   FFS makes GP practices compete with specialists, allieds & clinical nurses - other professionals with whom they'd expect to collaborate. This is the wrong kind of competition.

   FFS destroys value for patients by:
   - creating gaps in care for complex patients
   - causes duplication & waste
   - creating a reactive system with no capacity for proactive care
   - rewards volume not value – there is no reward for quality or prudence by GP practices

The problem the Value Care Team solves

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The **major reasons** for the current frustrating situation are:

2. **Medical Schemes** have very **limited 'out of hospital' PHC benefits** – by huge contrast to unlimited hospital benefits:
   - The result is high admission rates and long 'lengths of stay' => costly hospital bed days, which high expenditure gets worse every year => high scheme costs => results in schemes constantly cutting benefits to keep premiums low, especially PHC benefits - which leads to even more hospitalisation – a race to the bottom….
3. **Social issues** are ignored

The Value Care Team response

- **The Value Care Team (VCT)** is our population medicine programme designed to fix the system dysfunction.

The Value Care Team response

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- GP- first point of call for patient, therefore:-
- Best positioned to coordinate the patient care

TVCT by design fixes the current dysfunction by:

1. Putting GP's back in their central PHC role in the private healthcare system, aligns them with the NHI vision
2. Recognising and rewarding the value that the GP contribution makes to the provision of quality healthcare by assisting them with data guided improvements

Result= Improved value for patients

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The Value Care Team response

1. Replaces the Fee for Service (FFS) payment system with **Team global fees** because healthcare is necessarily a team sport.
2. Replaces limited PMB out of hospital (OH) benefits with **comprehensive PHC benefits** to counterpoint unlimited hospital benefits – but well managed and controlled in the VBC contract.
3. Addresses the **social and environmental causes** of hospital bed days: scheme benefits don't cover social issues but these are nonetheless major causes of admissions and extended lengths of stays – within the control of the VBC contract.

Result= Improved value for patients

The Multi Disciplinary Team (MDT) is the Value Care Team Solution:

The Value Care Team

Structured to do proactive patient care

Strengthen PHC

- A **Team** of healthcare professionals from **different fields** that work together to organise, coordinate and **integrate** healthcare services to meet the needs of **individuals with complex care needs.**

Practice Transformation Coach manages the Team

Regular team meetings discuss complex patients

Social partners

Palliat care

Psychologist

Physician

Occupational Therapist

Social Worker

GP practice

Care Coordinator

Mr. P

Level 3

The Multi Disciplinary Team (MDT) is the Value Care Team Solution:

Structured to do proactive patient care

- **GP practices:** a local cluster of GP practices is the core - working with a Physician
- **A support clinical team:** a PPO Serve **VCT Coach** manages Nurse Care Coordinators, Allied associates, various clinical & social partners
- **MDT meetings** every 2 weeks to discuss patients and refine patient care plans.

The MDT is the nexus of local care for enrolled beneficiaries

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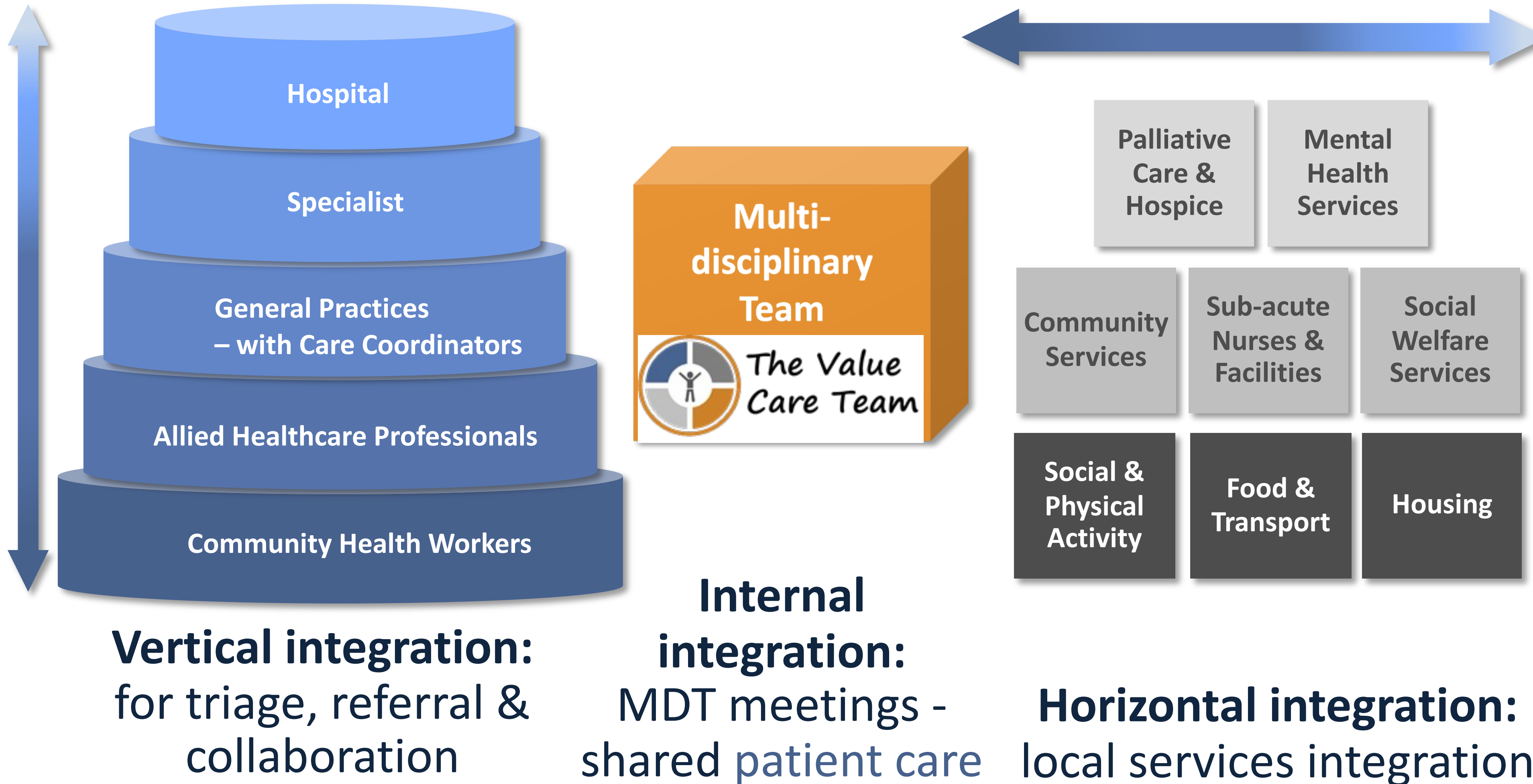

Vertical integration: for triage, referral & collaboration

Internal integration: MDT meetings - shared patient care

Horizontal integration: local services integration

Value Based Care contract

MDT Care Coordinators

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Care Coordinators don't diagnose or treat.

They assist the GP Practice to provide:

- optimal care for chronic and complex patients
- promote good health for everyone

They visit the patient and family to:

- **Collect new information** on disease severity, frailty and social challenges- **load on ICS**
- **Link the patient strongly** to the GP practice and the MDT support team for optimal clinical and social care – this is proactive care
- **Provide disease management support:** education, compliance
- **Guide patients through the system** - explain choices; facilitate useful referrals, follow up care

The Value Care Team Coach

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- **Interface between the Team and PPO Serve services:**
  - HR: staff appointment & management
  - VCT product and contract and ICS training
  - Operational focus and reporting
- **Support the medical practices with the VCT model requirements**
- **Manage the MDT support staff**
- **Liaise with the Scheme on behalf of the Team**
  - In lieu of applications
  - Pre authorisations
- **Undertake local ‘Marketing & Communication’**

Advantages of the VCT for the GP practice

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- **Consistent Benefits:** revenue doesn't vary by season nor run out towards year end
- **Collaboration & shared resources** with other local MDT Practices – but joint practices & facility sharing is not required.
- **Supported teamwork** is a better way to work, with less routine & more variation & less stress. Leads to constant quality care improvement
- **Simple Practice Admin:** there is no billing or bad debt because the global fee is linked to the combined patients 'disease burden' & not to services
- **Clinical IT support:**
  - Doctors need capture only minimal clinical data (new diagnoses, changes in severity) into the IT system
  - Detailed data capture is by the Nurse Care Coordinators
  - Captured information is used to improve patient care in proactive care plans – it also determines the global fee
  - The system provides useful summary patient information, based on all their scheme claims data
- **Team / Area specific solutions:** projects and referral networks

The VBC contract aligns the best interests of the patient, the practice & the scheme

Advantages for the Patients & Families

Patient centric care for Patients & their Families:

- **Broad based care** from their multi disciplinary clinical team
- **Shared understanding:** all the clinicians involved in each patient's care work together & have a shared understanding of their challenges & the planned therapy
- **Care Coordinators** understand patient challenges & explain their diseases, their treatment choices & guide them through the system
- **Out of hospital benefits** don't run out so there is less need for hospitalisation

The VBC contract aligns the best interests of the patient, the practice & the scheme

Advantages for the Medical Schemes

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Strong PHC system = less hospital bed days = lower costs

- **Integrated Local Care** reduces waste and unfunded gaps so there are happy beneficiaries and loyal customers
- **Simple admin** lowers costs and premiums resulting in more members
- **Appropriate accountability**: provider networks use PHC benefits rigorously & prudently to end intrusive MCOs. Instead Scheme supports their beneficiaries using the MDT model.
- **Preventive benefits** enable proactive clinical & social care
- **Better information** leads to better benefits & stronger contracts

The VBC contract aligns the best interests of the patient, the practice & the scheme

The GEMS / PPO Serve VCT Value Based Care contract

The Global Fee has 2 components:

1. Case Mix adjusted Global fee

- Demand side / patient need triggered fee
- Risk adjusted / patient / month [Disease Burden Index]

Total fee = the practice monthly enrolled patients x severity

2. Value Based Care fee is an additional fee - linked to outcomes for good routine PHC practice:

- **Chronic Disease care:** engagement to educate & remind
- **Reduce hospital bed days:** avoidable admits, readmits, shorter stays
- **Patient satisfaction:** respect, inclusion, shared knowledge

VBC contract aligns the best interests of the patient, the practice & the scheme

The Value Care Team contract

average GP Practice invoice vs. current FFS comparator

	Global fee		FSS equivalent		Diff	%
	PLPM	**ZAR per month**	**Visit rate pa**	**FFS per month (@450 per visit)**		
No. of active lives	**581**					
Practice DBI	**1.09**					
GP Global fee						
GEMS PLPM	115	66,792	3.17	69,075		
Practice DBI adjusted PLPM	125	72,741				
Plus high needs & accountable care boost	150	87,289				
Management fees (5%)	-7	-4,327	7%	-4,835		
Contingency fund (5%)	-7	-4,327				
Net Global fee	**135**	**78,636**		**64,240**	**14,397**	**22%**
VBC fee						
Max VBC fee	138					
Scenario 2: DBI adjusted VBC - 50% score	75					
Management fees (20%)	-15	-8,729				
Investment costs (30%)	-23	-13,093				
Net VBC	**38**	**21,822**				
Scenario 2: Total incl VAT per month	**173**	**100,459**		64,240		
Total ex VAT (per month)	**150**	**87,355**		55,861		
Total ex VAT (per annum)		**1,048,266**		**670,328**	**377,938**	**56%**

Practice lives and patient complexity

Base GEMS global fee x modifiers & fees

VBC linked income - less improvement investment & management costs

Total annual revenue difference

High scoring practices can almost double their revenue

The Value Care Team contract

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average GP Practice invoice vs. current FFS comparator

	Global fee		FSS equivalent		Diff	%
	PLPM	**ZAR per month**	**Visit rate pa**	**FFS per month (@450 per visit)**		
Scenario 1: DBI adjusted VBC - 25% score	38	21,822				
Management fees (20%)	-8	-4,364				
Investment costs (40%)	-15	-8,729				
Net VBC	**15**	**8,729**				
Scenario 1: Total incl VAT per month	**150**	**87,365**		64,240		
Total ex VAT (per month)	**131**	**75,970**		55,861		
Total ex VAT (per annum)		**911,639**		**670,328**	**241,311**	**36%**
Scenario 3: DBI adjusted VBC - 75% score	113					
Management fees (20%)	-23	-13,093				
Investment costs (25%)	-28	-16,367				
Net VBC	**62**	**36,007**				
Scenario 3: Total incl VAT per month	**197**	**114,643**		64,240		
Total ex VAT (per month)	**172**	**99,690**		55,861		
Total ex VAT (per annum)		**1,196,278**		**670,328**	**525,951**	**78%**

25% score for VBC measures

75% score for VBC measures

Remuneration model determines the service model

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	Fee for Service (FFS – status quo)	**'Crude' Capitation** (per diem/ month / episode)	**Value Based Care contracts**
Description	**Tariff /service /clinician**	**Price /patient/ period** (pre-set)	**Team 'risk adjusted' global fee + outcome linked %** (pre-set)
Advantages	• Huge income for hospitals & specialists • None for schemes or patients • ++ Admin fees	• Encourages Teamwork • Easy to understand & adopt	**Fair risk transfer & rewards outcomes =>** leverages Teamwork + drives production + accountability
Problems	**No risk transfer nor accountability => low productivity:** • Fragmented care => waste, gaps • Lone doctor => no team leverage	**Crude risk transfer => selection ++** (dump the sick) Little reform effect	**Complex** = > needs management, time & investment

Strategic Purchasing with VBC Contracts drives meaningful reform

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THANK YOU

QUESTIONS & ANSWERS