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The Realities of Medicare Advantage: Perspectives on Physician & Patient Outcomes

Announcer: You're listening to ReachMD, and this is a special edition of *Reaching the Potential of Value-Based Care*, entitled: The Realities of Medicare Advantage: Perspectives on Physician & Patient Outcomes, brought to you by the American Medical Association.

Here's your host, Dr. Jennifer Caudle

Dr. Caudle: Despite prospects of increasing administrative burdens on clinical practice, physicians remain supportive of efforts that improve patient care. But as healthcare moves towards value, physicians on the frontline will need effective pathways that actually work for *them* as well for their patients. On today's program, we'll sit down with two physicians looking to turn that need into reality through their experiences with Medicare Advantage.

Welcome to *Reaching the Potential of Value-Based Care* on ReachMD. I'm your host Dr. Jennifer Caudle, and joining me to discuss the opportunities and challenges of operating in a Medicare Advantage plan are Oak Street Health's Chief Medical Officer Dr. Griffin Myers and Mount Auburn Cambridge Independent Practice Association's President and CEO, Dr. Barbara Spivak. Dr. Myers, Dr. Spivak, welcome to you both.

Dr. Myers: Thanks so much for having me.

Dr. Spivak: I'm looking forward to the discussion.

Dr. Caudle: To kick off the discussion Dr. Spivak, can you briefly describe what Medicare Advantage is and what sets it apart from traditional Medicare?

Dr. Spivak: Traditional Medicare pays physicians and hospitals and providers of care when they see patients in what we think of as a fee-for-service world. In Medicare Advantage, it's a capitation payment system where you get a payment per patient per month generally that goes up or down based on the acuity of the patients that you have in your panel. Those capitation payments generally run through an insurance product. Those insurance companies will then often take a small portion of the capitation to run the product and give most of the risk to the providers which could be a combination of hospitals, primary care doctors, or specialists, and it could be any combination of those three. And for the patient, the main difference is that when they sign up with straight Medicare, they can see anybody in the Medicare network. When they're working in a Medicare Advantage plan, it's essentially a more limited network and they generally have to pick a network that they want to get their health care in. The advantage for the providers is that they usually get a significant amount of data or information about their patients which really helps them know more about what's happening to their patients, and it provides them the ability to have some extra dollars to really pay for extra services for patients, which gives them better care.

Dr. Caudle: Now, unfortunately, as AMA's recent research with the RAND Corporation on payment models has shown, the promises of these value-based models don't always match the reality, especially for front-line physicians. So, Dr. Spivak, coming back to you, why did your practice ultimately choose this type of arrangement and how has that decision played out over time?

Dr. Spivak: My organization and my doctors have really enjoyed the benefit of capitation. We have taken some of the dollars in this capitation model and put it into enhancing services for our patients. We have social workers who are not therapists but are care managers who connect patients who have issues with community services and they work, for example, to get patients the ride, to get patients food at home, to get patients any kind of service that they might need. We provide data to our primary care doctors about gaps in care. Taking the work away from the primary care offices and doing it through our organization allows the primary care offices time to

focus on other things that often primary care doctors and their staff just don't have time for. And patients really like it. They become very attached to the people who are working with them to get them better care patients are more engaged in their own care and actually do better just by virtue of having more people helping them. That was really why we went into it.

Dr. Caudle: Dr. Myers, turning to you now. What's your experience been like practicing under Medicare Advantage contracts, and has it affected your time with your patients?

Dr. Myers: Oak Street Health is a network of around 50 fully value-based primary care practices really focused in medically under-served communities. We're interesting at Oak Street in that we prioritize patient choice and our patients have the choice of now 15 different fully risk-based, fully value-based Medicare Advantage plans where we're their primary care provider. Reflecting on the RAND paper that was just mentioned, certainly there have been some challenges in the way that value-based plans have been administered to new providers. But for us at Oak Street, it's been quite an advantage and there are specific things I can speak to. Three things. Number one is around people, number two around process, and number three around technology. Every one of our primary care physician practices with a full team made up of a medical assistant, a nurse, a full-time scribe, a care manager, a behavioral health specialist, and that entire team is going to take care of about 500 people. We, on average, see our patients nine times a year and the sickest 5% about 19 times a year for visits that are somewhere a little less than double the overall visit length. From a people perspective, it's allowed us to invest on building far more into the practice. From a process standpoint, we're also able to add the highly complimentary services that we know our patients need. For us, that includes behavioral health and telepsychiatry, podiatry, in-house social work, and even, what we call, our complex care team, which is a team that does primary care in the home for our highest acuity patients and patients that transition. And then lastly, we can use the funds that this value-based model allows us to invest in technology that not only structure our workflows, in terms of delivering higher quality, higher safety work flows to our patients, but identify care gaps. We've built applications to help our teams round on their in-patients and saw 15% a year every year reduction in readmissions.

Dr. Caudle: From the patient's perspective, how have they reacted to being treated under Medicare Advantage? And what effect has it had on their outcomes?

Dr. Spivak: I think patients feel very cared for because they recognize the enhanced services that they're getting in the program and those benefits clearly outweigh the negative of having to generally stay within network. And The enhanced services, as people are getting sicker and need more care, really make a difference in their lives. Having all of these extra services to help them through the complicated system of health care really has an impact on their ability to stay home and stay in their environment. I think most patients really see the difference.

Dr. Myers: I think Dr. Spivak's comments are spot on. The Kaiser Family Foundation a few years ago did some really interesting work looking at what it feels like to be a senior trying to make these decisions. Medicare Advantage is, in the scheme of health care policy, pretty new. It really started in its first form in the 90s. Today, it's over 30% of Medicare beneficiaries who choose this and, what the Kaiser Family Foundation found was the number one reason people don't choose Medicare Advantage is that they don't know about it and the people that they most expect through surveys and focus groups, the people that are most expected to help them make this decision, are their providers, their doctors and nurses that take care of them. So, traditionally, aren't thinking about this very much so there's a real disconnect.

Dr. Caudle: For those of you who are just tuning in you're listening to Reaching the Potential of Value Based Care on ReachMD. I'm your host Dr. Jennifer Caudle and today I'm speaking with doctors Griffin Myers and Barbara Spivak about their experiences practicing under Medicare Advantage Plans. So lets stay on this beaten path of experience and really focus on your success criteria and the barriers you face along the way. Dr. Spivak starting with you, what key factors have enabled your practice to thrive under Medicare Advantage?

Dr. Spivak: I think the practices thrive partly because we have an organization in IPA that handles many of these backend and patient-friendly programs. We live in an environment where most of our docs, particularly in primary care, are in practices of 1 to 5 primary care physicians with only one practice actually that has 10 primary care doctors and those practices are too small to support many of the programs that we put in place for everyone. But, by being able to share the cost and run the program centrally, we can run them centrally but have them deployed into the primary care doctor's offices. I think it provides a service that they could not manage on their own and even just doing the contracting is somewhat complicated in this model. There are other parts, if you're going to take risk in this type of a model, you have to be able to afford having years where you may not do well, not because you don't manage well, but because of the confluence of patients that cost a lot of money. And so, you have to be able to have a reinsurance program, which will cover some of the costs for patients who spend a lot of money in one year, but also in the unfortunate event that you have a deficit and have to pay the health plan or the government back. Having a group of people to work with you on this really gives the individual practices a lot of safety and security.

Dr. Caudle: Let's look at the other side of this coin as in the challenges of working within Medicare Advantage contracts. Dr. Myers, what issues have you dealt with and how are you able to overcome them or are they issues you're still dealing with?

Dr. Myers: Obviously, there are day-to-day challenges but they are things we look forward to taking on. This model works, frankly, extraordinarily well and I appreciate some of the technical commentary from Dr. Spivak. For us at Oak Street, we are actuarially large enough and, at this point, after having done this for seven years, we are sophisticated enough from a clinical and actuary long process standpoint, we've run a surplus in every combination of county and plan that we run. Medicare Advantage has become the laboratory for innovation in health care in this country in so many ways because it's allowed flexibility, and we see the opportunity to serve more and more patients who deserve it and, historically, have not had that access. So, from the perspective of our team at Oak Street, it's really less issues and there is a lot of opportunity and what so many of us signed up to do when we went to medical school was to take really great care of patients who need it the most and that's what we're trying to do.

Dr. Caudle: And how about you Dr. Spivak?

Dr. Spivak: I think one of the biggest challenges of working in Medicare Advantage and many other health plans these days is that in order to be properly paid, doctors need to make sure that they've put the correct diagnoses for patients and needing to do that very detailed level of risk coding is somewhat of a burden for physicians. If you don't have some kind of a systemized approach to coding, you won't be keeping up with what everyone else is doing and I think that's one of the biggest challenges we have today. And most groups put some of their resources into helping the physicians do that coding and I think that's really the biggest challenge. Its' not always about the quality of care you deliver, It's about what you document.

Dr. Caudle: And lastly, to you both, what advice would you give other physicians who are considering a Medicare Advantage plan now?

Dr. Spivak: I think that the care in capitation models is and can be, if you're willing to organize yourself and put the money into developing the infrastructure that we've talked about in various ways, is really the best way to deliver care. I think, if you're not willing to take the risk and put the money into these extra kinds of services, programs, getting data, data analysis, the technical challenges, it can be very frightening and may not be financially beneficial. But, it is definitely better care for your patients. It definitely improves quality and definitely can save overall in total medical expense, and the physicians themselves under those circumstances will feel better about the work that they're doing; there'll be significantly less burnout in your group and, overall, I think it can be a very positive experience for both staff, patients, and providers.

Dr. Caudle: And Dr. Myers you get the last word.

Dr. Myers: I really like Dr. Spivak's comments there because what we're doing in a value-based model is really aligning the interest of the patient with the interest of the physician and it means that what we all signed up to do is what we're going to go do - take really good care of patients who need the care and that's what patients want. Just to speak specifically to Medicare Advantage, I would say three things; number one, it's growing incredibly quickly and it's highly bipartisan. It's one of the very few things that virtually everyone in Congress agrees on. This is not a red state blue state thing, so I think we should anticipate, as practitioners, that this is going to become more and more important over time. The second thing is there has been really important literature demonstrating that Medicare Advantage has been a crucial component to improving equity and access to care, especially primary care in the older population, so this is another thing worth celebrating and, I think, puts momentum behind the program. The third is Medicare Advantage being laboratory for innovation in so many models like Oak Street and others are developing around this idea that within Medicare Advantage we can try new paying mechanisms that drive us to the results we want.

Dr. Caudle: Well with that I'd really like to thank my guests for joining me to discuss the current realities, opportunities, and challenges physicians face under Medicare Advantage Plans. Dr. Myers and Dr. Spivak it was great having you on the program today.

Dr. Myers: Thanks for including myself and Oak Street.

Dr. Spivak: It was my pleasure. It was fun to do this and I hope it helps people make their decision.

Announcer: This was *Reaching the Potential of Value-Based Care*, sponsored by the American Medical Association. To access other episodes of this series, visit ReachMD.com/ValueBasedCare, where you can be part of the knowledge.