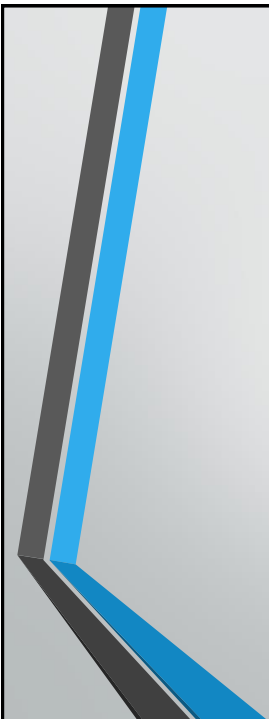


Emergency Medicine in a Value-based World

William Jaquis, MD, MSHQS, FACEP
President-elect, ACEP

1



Conflicts

I have no conflicts to declare

2

Objectives

- Describe health system forces that impact emergency care
- Discuss the current state of the characteristics of the ED patient
- Determine present and future directions for ED physicians to meet the needs of the acute patient

3

Value

- The regard that something is held to deserve – importance, worth, or usefulness
- A person's principles or standards; one's judgement of what is important in life.

4

Macro Health

5

Consolidation in the insurance? market

MAR 27 MORE ON MERGERS & ACQUISITIONS

Centene to acquire WellCare for \$15 billion

The deal will enable Centene to build out its Medicare and Medicaid offerings, company officials said.

Nathan Eddy



Healthcare enterprise Centene will purchase smaller rival WellCare Health for \$15.27 billion in a cash-and-stock deal, with the combined company to have approximately 22 million members across all 50 states.

Healthcare Finance 2019

6

Consolidation of Insurers

- Five for profit insurers control 43% of the market (Becker's, August 7, 2018).
- The two largest insurers have 70 percent of the market or more in one-half of all local insurance markets (Gaynor, Feb 14, 2018).
- Vertical integration with CVS-Aetna, Cigna-Express Scripts
- WWJ do

7

Consolidation in Health Systems

STRATEGY

Blue Cross NC, Cambia Health Combine Management Services

JOHN COMMINS | MARCH 12, 2019

The 'strategic affiliation' will share management and administrative services with the aim of improving quality, lowering costs, and improving the...

STRATEGY

Rush Discussing Possible Merger with Swedish Covenant Health

STEVEN PORTER | MARCH 11, 2019

The reports come after significant mergers and acquisitions, such as those by AMITA Health and Advocate Aurora Health, have affected...

STRATEGY

Beth Israel Lahey Health Completes Merger: 'Just the Beginning'

STEVEN PORTER | MARCH 01, 2019

Some had worried the merger would drive prices higher and reduce healthcare access, so state regulators imposed a seven-year price...

8

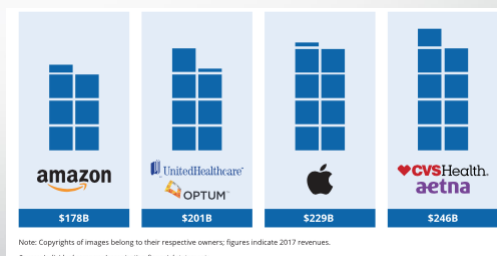
Health System Mergers and Acquisitions

- Big get bigger – seven transactions in 2018 sellers had revenue > \$1 billion, most across state lines
- Not-for-profits are 75% of the acquirers
- Growth is strategic, move toward population health – cost efficiency, care efficacy, care management
 - Kaufman Hall, 2018

9

Other Entrants into the Health System

- Targeting the "front door" of the hospital
 - Takes away the expense of the hospital facilities
 - Hospitals remain cost centers
 - Health plans are participating
- Boundaries between entities are disappearing
 - Kaufman Hall, 2018



10

Vertical Integration



- "The arrangement is a different kind for Optum, which has been buying up doctor practices, outpatient clinics, surgery centers and urgent care facilities across the country."

- Forbes, July 17, 2019

11

Consolidation in Emergency Medicine

- Since 2008, 90 "notable" transactions in the EM market
- Consolidation is outpacing other specialties
- Many independents likely to be acquired or merge in the next 5 years

- Swearingen, 2018

12

Federal Efforts on Payment Policy

“Medicare for All”

- Medicare-for-all, a single national health insurance program for all U.S. residents:
 - Medicare for All Act of 2019 by Rep. Jayapal, [H.R. 1384](#)
 - Medicare for All Act of 2019 by Sen. Sanders, [S. 1129](#)
- A new public plan option, based on Medicare, that would be offered to individuals through the ACA marketplace:
 - Keeping Health Insurance Affordable Act of 2019 by Sen. Cardin, [S. 3](#)
 - Medicare-X Choice Act of 2019 by Sen. Bennet and Sen. Kaine, [S. 981](#) and Rep. Delgado, [H.R. 2000](#)
- A Medicare buy-in option for older individuals not yet eligible for the current Medicare program:
 - Medicare at 50 Act by Sen. Stabenow, [S. 470](#)
 - Medicare Buy-In and Health Care Stabilization Act of 2019 by Rep. Higgins, [H.R. 1346](#)
- A Medicaid buy-in option that states can elect to offer to individuals through the ACA marketplace:
 - State Public Option Act by Sen. Schatz, [S. 489](#) and Rep. Luján, [H.R. 1277](#)

13

Federal Efforts on Payment Policy

Out of Network

- Senate, House, White House all discussing/addressing
- Three leading theories for action
 - Arbitration
 - Payment methodologies
 - Bundling
- Will cover ERISA plans

14

Out of Network

House Bill (Ruiz)

- Out of Committee as well (HEC)
- Has arbitration but threshold \$1250
- Not passed by August recess

Senate Bill (HELP)

- Passed out of Committee
- Sets payment at median in-network rate
- No arbitration
- Cassidy group continue to work on language
- Not passed by August recess

15

Micro Emergency Medicine

16

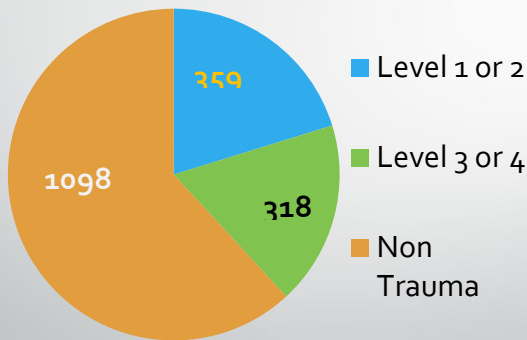
The EDDBA

- Collecting ED operation data since 1994
- A 501c6 Not-for-Profit group to support professionals who manage ED's
- Promotes operations research and best practice identification and learning

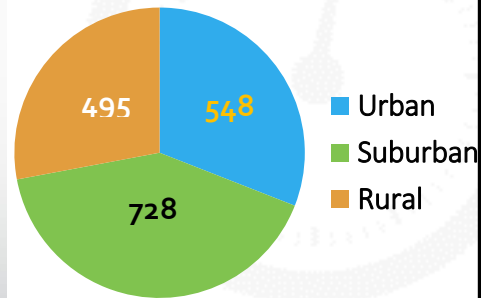


EDBA Membership

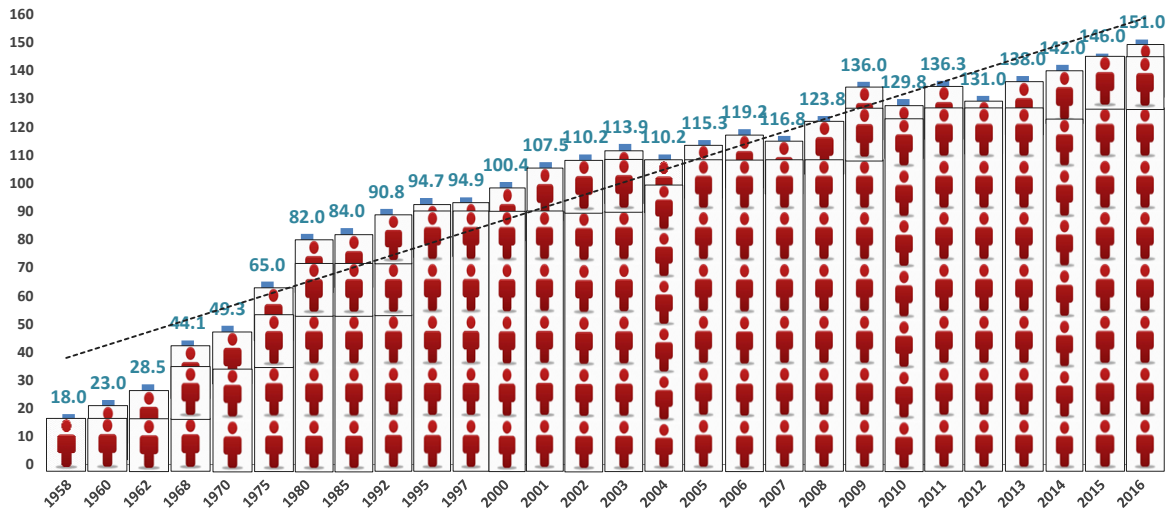
Trauma Designation



Metro Status



US ED Visits 1958 – 2017



How are ED's Performing?

- Lower volume (0-40K) EDs continue to operate efficiently
- The high acuity patients and EMS are bypassing them
- The EDs 40K to 60K are the crux of ED leadership now
- The EDs in the 60K to 100K cohorts are stressed
- Added a cohort for EDs over 120K



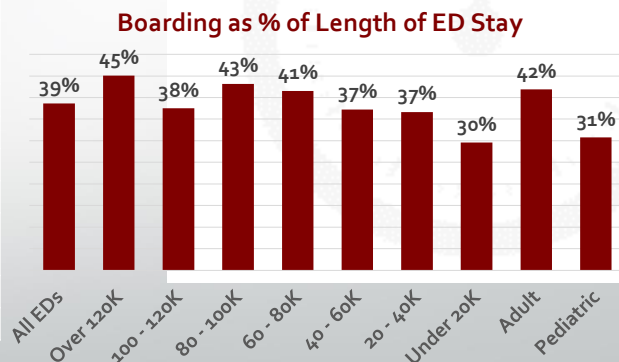
The Evolution of Emergency Medicine

Your Likes	Your Practice	Your Time
If you like Trauma	You should have practiced in the	1970's
If you like Defibrillating and Acute MIs	You should have practiced in the	1980's
If you like Airways and Peds Injuries	You should have practiced in the	1990's
If you like reading x-rays and Admitting Patients	You should have practiced in the	2000's
If you like reading EKGs, geriatrics, urgent care, case management, and palliative medicine	You are practicing in the	2010's
If you like Community Unscheduled Care, and out of hospital medicine, and more geriatrics	Wait till you practice in the	2020's

21

Boarding is the ED's Burden

ED Type	Admission or Observation, as % of ED Volume	Admitted Patient Median Length of Stay (Minutes)	Median Length of Boarding (Minutes)
All EDs	16.9%	303	117
Over 120K	21.0%	415	187
100 - 120K	22.0%	437	164
80 - 100K	23.6%	403	174
60 - 80K	21.4%	364	151
40 - 60K	20.3%	333	124
20 - 40K	15.7%	273	100
Under 20K	10.8%	233	69
Adult	25.4%	387	162
Pediatric	10.0%	270	83



22

Current and Near Future

- Low acuity going elsewhere for care (driven by payment policy, opportunity and consumerism)
- Aging populations bringing higher acuity to ED, mostly medical (higher volumes?)
- Downward pressure on pricing from multiple sites

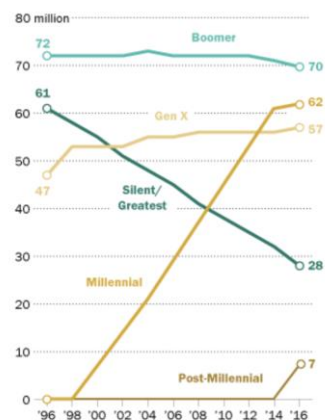
23

Aging? Population

- Baby boomers hitting 65 rapidly
- Those over 65 higher utilization of EDs traditionally
- Millennials passing baby boomers in size
- How will they utilize acute care services?

Number of Millennials eligible to vote approaching that of Boomers

Eligible voters by generation, 1996-2016




Note: Eligible voters are U.S. citizens ages 18 and older. Millennials refers to population ages 20 to 35 as of 2016. Source: Pew Research Center tabulations of the 1996-2016 Current Population Survey November Supplement (IPUMS).


PEW RESEARCH CENTER

24

Project Overview


2018/2019 Value & Pricing Study





Research Goals

Identify a framework that provides current and prospective members an opportunity to engage based on what is accessible and affordable and provides the best opportunities to help individuals meet their professional goals.




Multi-phased approach:

Qualitative - discussion with ACEP staff; review of past research; 10 interviews key stakeholders

Quantitative – e-survey sent to member, former members, and never-been-members



- January 15, 2019 - February 2, 2019.
- 2,065 respondents; 90% completion rate; 9% response rate
- Overall response rate of 9%. Margin of error of +/-2% at 95% confidence level



Survey Bias and Cross Tabulations

To identify differences within important groups, survey results were cross-tabulated along a number of different survey variables.

25

Demographics of respondents

82% Member
17% Non-member

67% Male

31% Female

28% Hospital employee

19% Physician group employee student

18% Physician group owner/partner

14% Ind. Contractor

13% University employee

63% Attending physician

15% Academic faculty

12% Resident

79% Board certified in EM

12% Still in residency

8% Not board certified in EM

22%

Up to 5 years in the field

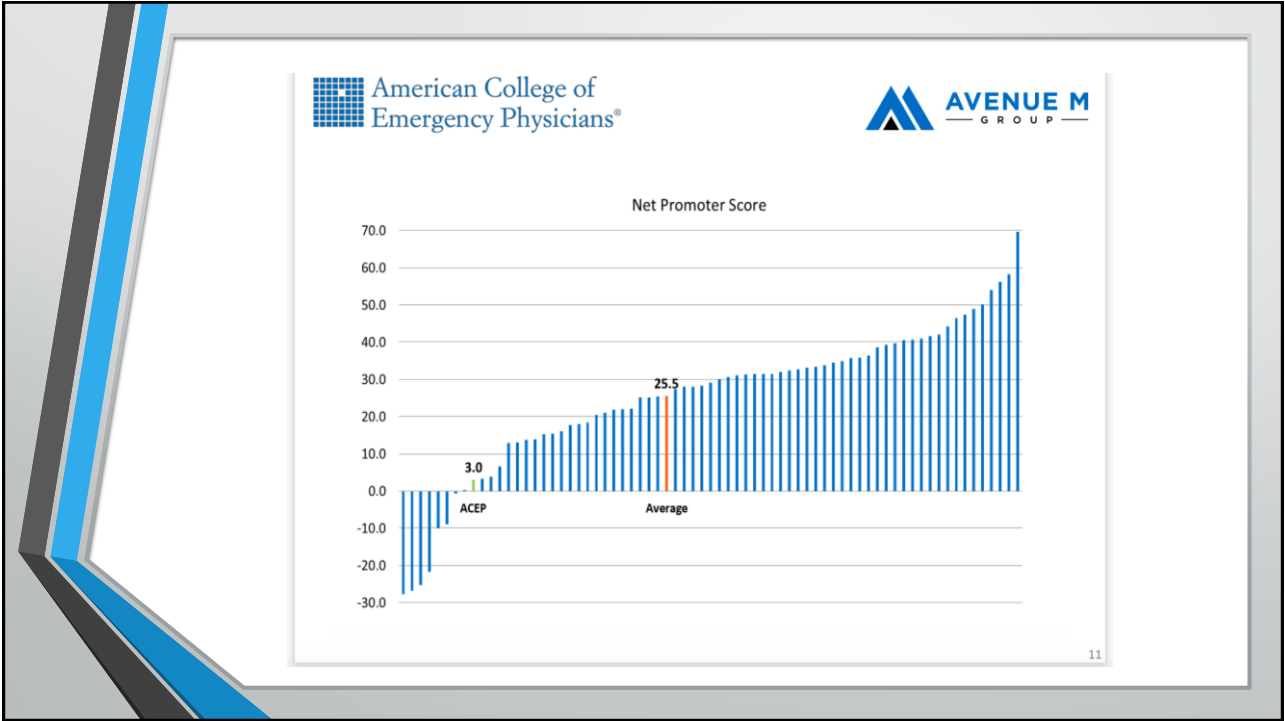
20% 6 – 10 years

15% 11 – 15 years

11% 16-20 years

33% more than 20 years

26



27

Increasing administrative burden (e.g., EMR/EHR) and too much regulation/paperwork hinder emergency physicians' ability to achieve their own professional goals and best serve their patients.

Top Professional Challenges by Years in the Field (including residency)	Overall	5 years or less	6 to 15 years	16 to 25 years	26 years or more
Administrative burden (including EMR/EHR)	44%	43%	40% ↓	46%	50% ↑
Too much regulation/paperwork	39%	38%	38%	42%	38%
Experiencing burnout	30%	28%	37% ↑	32%	21% ↓
Keeping up with a growing patient load	25%	26%	26%	27%	20%
Complying with new government healthcare regulations and policies	23%	16% ↓	22%	30% ↑	27%
Lack of personal time or work/life balance	23%	30% ↑	25%	18% ↓	16% ↓
Loss of clinical autonomy	18%	16%	19%	18%	20%
Paying off student debt	15%	37% ↑	19% ↑	3% ↓	1% ↓
Professional liability	15%	18%	19% ↑	11% ↓	10% ↓
Staying up to date on the latest clinical practices	12%	12%	10%	16%	13%
Inadequate salary/compensation	12%	12%	13%	12%	10%
Meeting certification or recertification requirements	12%	6% ↓	14%	11%	15%
Developing/improving clinical skills	10%	18% ↑	7% ↓	6% ↓	10%
n =	1791	396	612	387	393

28

Opportunities

29

Reimbursement Strategy

- Optimize performance and reporting under MACRA
- Continue to provide education on reimbursement for emergency physicians at the state and national levels (reimbursement fellows)
- Develop new payment strategies
 - AUCM – leverages our expertise in decision making with appropriate support systems
 - Extend to other payers – tools in development
 - AACM – extends our expertise outside the walls of the ED

30

Workforce

- Understand our current workforce needs given additional training program
 - Initial survey done – task force to give preliminary report to Board ACEP¹⁹
- Better define the role of PAs and NPs in emergency medicine
 - Task force in progress
- Improve the workplace
 - HIT Summit, Advisory Council in July
- Rural EM

31

Membership (Avenue M)

- Leverage and expand advocacy efforts to create more perceived value
- Create and test offerings which are easily accessible and mobile
- Range awareness of the tangible value of ACEP – track KPIs

32

Population Health

- Our value does not stop with walls or with the acute episode
 - Opioid use disorder
 - High utilizer programs
 - Telehealth and community paramedicine

33

Advocacy

- Teach someone
- Tell someone your story
- Support those who do
- This may be the biggest opportunity in your career to affect our ability to care for our patients and value our people
- Be civil

34

References

- Gaynor, M. February 14, 2018. Examining the impact of health care consolidation. *Statement before the Committee on Energy and Commerce Oversight and Investigations Subcommittee U.S. House of Representatives*. Retrieved from <https://docs.house.gov/meetings/IF/IFo2/20180214/106855/HHRG-115-IFo2-Wstate-GaynorM-20180214>.
- Kaufman Hall and Associates, 2018 M&A in review: A new healthcare landscape takes place. Retrieved from https://mnareview.kaufmanhall.com/2018-m-a-in-review?_ga=2.49568998.115256536.1555166425-1913249455.1555166425
- Resnick, L. August 7, 2018. Get ready for a future of rampant healthcare consolidation. *Becker's Hospital Review*.
- Swearingen, J. 2018, April 2. Market reports: Trends in EM practice consolidation. *Emergency Physicians Monthly*. Retrieved from <http://epmonthly.com/article/market-report-trends-in-em-practice-consolidation/>