Value-Based Payment for Delivery:

Optimizing Outcomes for Patients, Providers, and Payers

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MemorialCare’s NTSV Experience

ANNUAL NTSV CS RATES
MEMORIALCARE HOSPITALS

Plot Area

- MemorialCare
- LBMCWH
- LBMCWH Private
- LBMCWH Residents
- SB
- OC

MemorialCare’s NTSV Experience

ANNUAL NTSV CS RATES FOR SPONTANEOUS LABOR
MEMORIALCARE HOSPITALS

Year:
- 2012: MemorialCare 21.8, LBMCWH 18
- 2013: MemorialCare 21.6, LBMCWH 18
- 2014: MemorialCare 18, LBMCWH 11.9
- 2015: MemorialCare 14.2, LBMCWH 11
- 2016: MemorialCare 10.8, LBMCWH 5.8

Legend:
- MemorialCare
- LBMCWH
- LBMCWH Residents
- SB
- OC
- CA MDC
ANNUAL NTSV CS RATES FOR INDUCED LABOR MEMORIALCARE HOSPITALS
MemorialCare’s NTSV Experience

ANNUAL UNEXPECTED NEWBORN COMPLICATIONS (VAGINALLY DELIVERED NTSV CASES) MEMORIALCARE HOSPITALS


- MemorialCare
- LBMCWH
- SB
- OC
- CA MDC
Our Focus: Doing the Right Thing for the Patient

• Strong focus on reducing NTSV C-section rates through our Women’s Health Best Practice Team
• Evolving payment models to drive improvement in quality and to lower cost
  • Transition from per diem contracts to DRG-based payment, incentivizing shorter LOS (and therefore less C/S)
  • ACO participation
  • Blended rate contract with one major plan
Blended Rate Plan

• Merged C/S rate and NSVD Rate for the hospital
• Group of physician providers identified
• MDs negotiated separately to maintain same payment, but with bonus for achieving a C/S efficiency measure
Our Advice to Payers

• Blended rate is the best way to proceed
• The rate has to be reasonable, and the methodology should not penalize those who have already succeeded in lowering C/S rates
• Even if payors use a blended rate based on historical C/S percentage, they benefit from the reduction in NICU days as providers are incentivized to reduce C/S rate further
Other Considerations

• Laborists can impact repeat C/S rate by allowing trial of labor with prior C/S
• Watch for “balancing measures”, e.g. increase in chorioamnionitis due to allowing longer labor curves, potential for more maternal hemorrhage
• ACO models incentivize providers to reduce total cost (OB + NICU), so better care for the patient, lower cost
• Carefully construct incentive programs for physicians to enable them to benefit from the work they are doing