



caravanhealth
traveling together for better care

**Welcome to Making Sense of
Accountable Care. What's in it
for you?**

cpsi



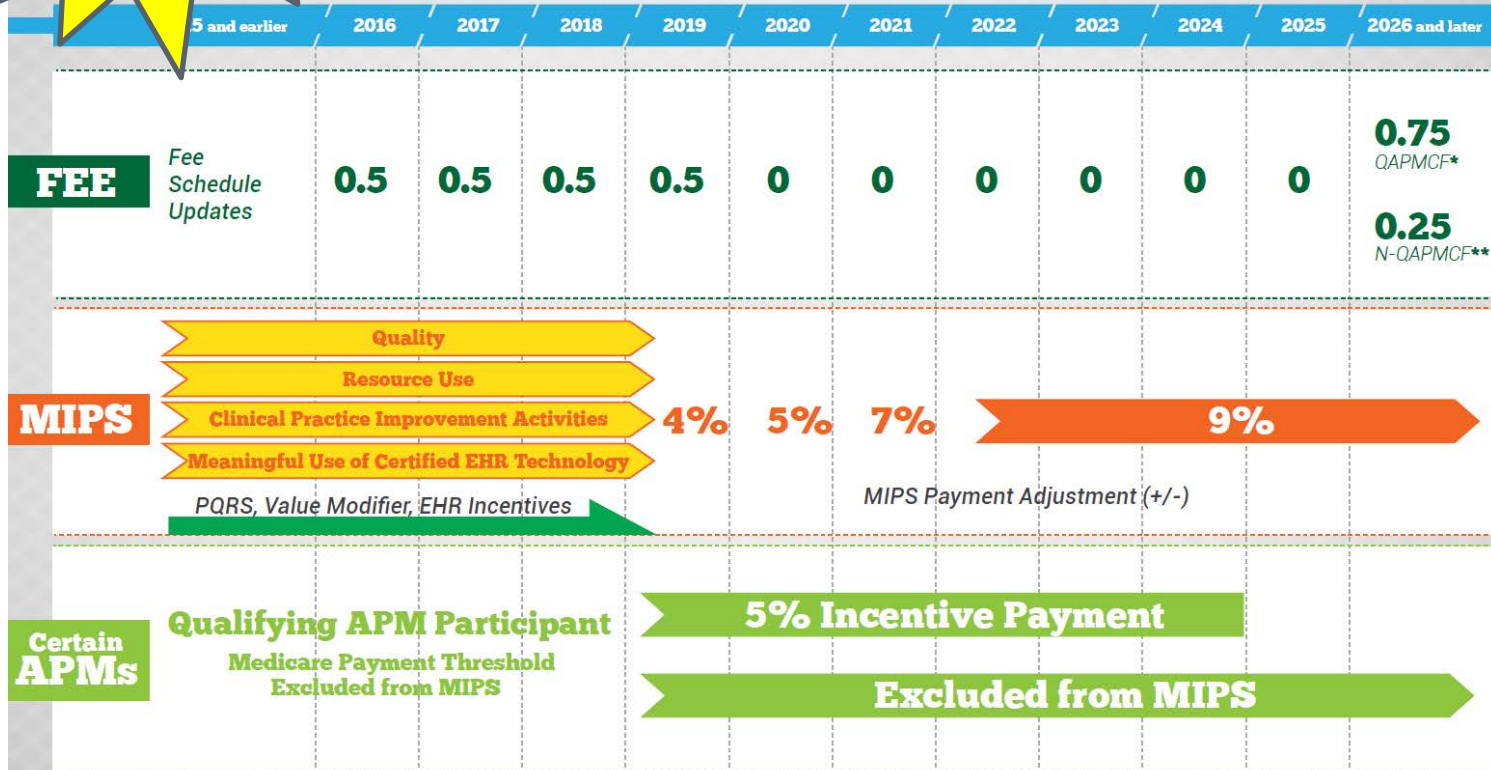
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Lynn Barr, CEO
Caravan Health

**Action
Required**

Timeline

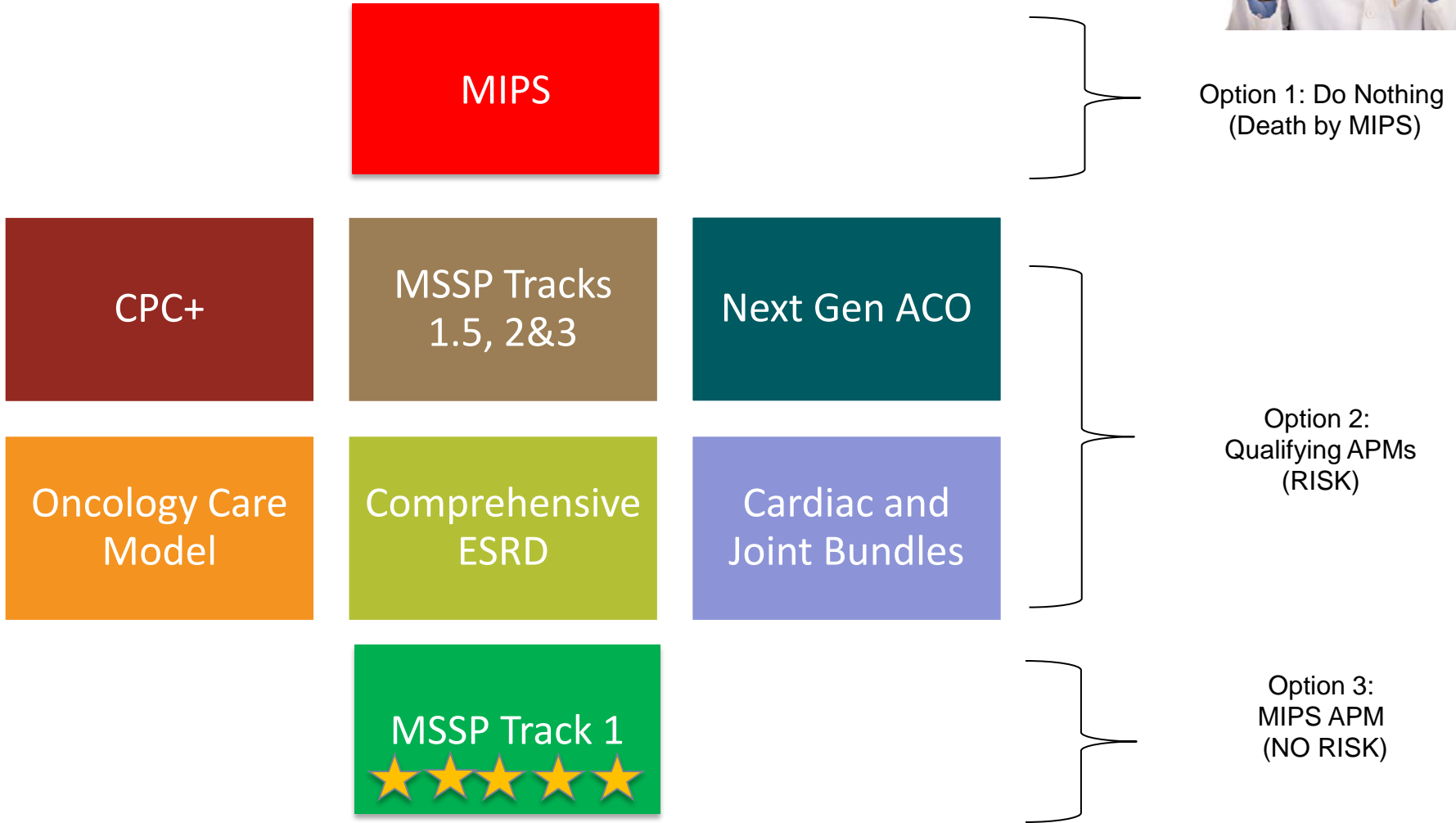
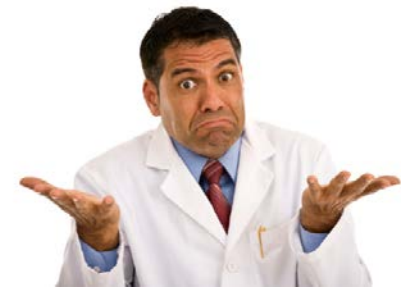


*Qualifying APM conversion factor

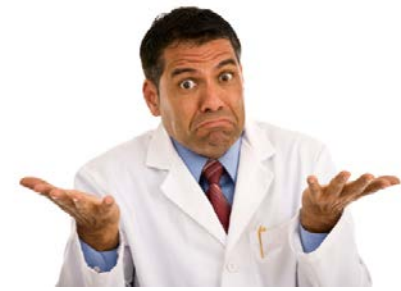
**Non-qualifying APM conversion factor

Source: CMS MACRA LAN Powerpoint, October 2015

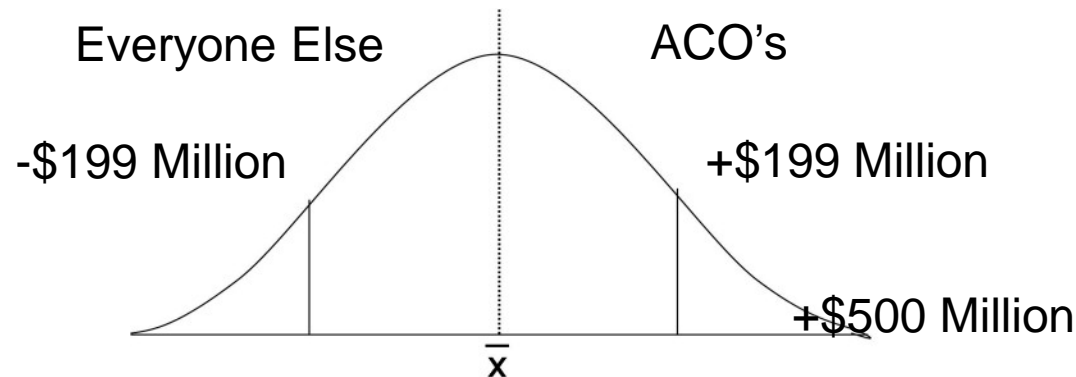
Step 1: Pick Your Destination



Who Wins and Who Loses?



- Program takes \$199 million from the bottom 50% and gives to the top 50%.
- For five years, the top 10% get another \$500 million.
- Everyone who takes risk is out of the pool.
- In 2018, ~40% of QPP providers will be in Track 1 ACO's.
- Track 1 ACO participants get special scoring:
 - Quality scores will average 92%.
 - Automatic 100% for Clinical Practice Improvement Activities.
 - Exempt from Resource Utilization Category.
 - Those that do well on Advancing Care Information will be in the top 10%.



I'm Rural, So I'm Exempt, Right?

- RHC's and FQHC's are exempt from the Quality Payment Program (QPP), except RHC Part B billing
- Providers that work in rural hospitals **are not exempt** from the QPP.
- Your hospital-based specialists' scores will be compared to high performing ACO Primary Care Providers.
- After the transition period, you should expect your hospital-based clinicians to pay the penalty.
- Use the MACRA Calculator to estimate the impact.
- If your providers are not employed, will you lose access to them?
- How will your community feel about your Physician Compare scores being in the bottom half, or missing?

Is Joining an ACO the Answer?



What Is A Medicare ACO?

- Primary Care Providers are accountable for the cost and quality of care of attributed lives (based on most allowed E&M charges).
- ACO must have at least 5,000 lives (~35 PCPs).
- ACO benchmark for spending is based on historic data and holds steady for three years.
- If costs go down compared to the benchmark you can get 50% of shared savings.
- **ALL EXISTING REIMBURSEMENT STAYS THE SAME.**

What Is the CPSI Caravan ACO Model?

- Community hospital and local providers group themselves as Participants.
- Minimum of three PCPs (~500 lives) per community.
- Caravan/CPSI will find other partners to achieve 10,000 lives under an ACO.
- Each community has a board seat, equal ownership and equal voting rights in the ACO.
- If ACO gets shared savings, funds are distributed based on each communities performance.
- Providers get ALL CLAIMS DATA and waivers of Stark, anti-kickback, anti-trust and patient inducement regulations.

Why ACO Track 1?

- 35 early adopter ACOs were comprised of rural, independent and primary care providers (like us).
- Comprised 5% of lives but 22% of savings.
- Average *shared savings* per ACO for Advanced Payment was \$4,045,616.
- 3-full years of data proves that the small, rural, independent providers like us can succeed!

	ALL MSSP	ALL Advanced Pay	Difference
Savings Per ACO Per Year	\$1,009,871	\$1,975,039	196%
Savings Per Beneficiary Per Year	\$58.64	\$241.40	412%
Average Savings/Year	0.58%	2.28%	393%
			Contribution
Total Beneficiary Years	16,275,327	850,880	5%
Total Savings	\$954,328,267	\$205,404,040	22%
Shared Savings Payments	\$1,298,712,390	\$141,596,556	11%

Step 2: Pick Your Traveling Buddies

Do It Yourself



DIY or CPSI?

- Creating or joining an ACO is expensive (legal fees, governance rules, comp models, CMS applications, etc.).
- Start up and infrastructure costs average \$3 - \$4 million. (www.naacos.com)
- Without proper support and accountability, many ACOs have failed to achieve results.
- Most rural providers do not have the required 5,000 lives on their own.
- **We can aggregate you with others and provide funding and support to make it work.**



Who Is Caravan Health?

- Experienced guides for advanced payment models
- Created and directed by rural hospital leaders
- Support population health programs in multiple models: MACRA, ACOs, CPC+, Million Hearts, etc.
- 23 ACOs
- 278 hospitals
- 17,000 providers



2016 ACO Preliminary Results

ACO	Projected Savings and Losses
A2876	\$10,670,487
A2860	\$7,348,727
A2861	\$5,247,899
A2856	\$4,086,807
A2680	\$3,668,965
A2869	\$3,018,470
A2864	\$2,273,492
A2866	\$2,217,864
A2858	\$1,612,997
A2872	\$1,453,786
A2895	\$1,422,149
A2852	\$1,077,165
A2862	\$696,171
A2871	\$693,927
A2867	-\$769,525
A2892	-\$1,078,800
A2880	-\$1,126,201
A2890	-\$1,144,699
A2882	-\$1,428,235
A2662	-\$2,291,442
A2879	-\$3,288,365
A2893	-\$3,331,775
A2622	-\$3,536,579
Total Savings Only	\$45,488,904
Total Net Savings	\$27,493,284
Average	\$1,195,360

- 14/23 ACO's showed savings
- Seven ACO's qualified for shared savings.
- Total savings \$27.5 million
- Average savings = \$99 per patient
- 3.8 times better results than all ACOs (\$26)
- 13.4 times better results than fee for service (\$7)

Better Margins – How?

1. **New Billings**: Utilize New Value-Based Strategy to implement pop health nurses combined with new billing codes: Annual Wellness and Prevention, Chronic Care Management, Transitional Care Management, Behavioral Health Integration, Cognitive Assessments, Preventive Screenings, etc.
2. **MIPS Bonus**: Higher scores = Higher MIPS bonuses, from 5-15% in 2018. Average Caravan Health quality score = 97%. ACOs are exempt from Cost, get 100% for Clinical Practice Improvement. All providers who bill under your TIN get benefit without additional work.
3. **Shared Savings Opportunity**: Average Shared Savings for Advanced Payment Participants = \$163.22 per patient per year.

Bad for the Hospital?

- In 2015, ACO inpatient spend was reduced 3%
- Caravan's 30 rural health system CFOs were surveyed continually about local financial impact.
- *“Should your rural health system _____ ?”*

? STOP = 0

? SLOW DOWN = 0

? KEEP GOING = 30

? BEST YEAR EVER = 6

CPSI-Caravan Rural ACO Program

- Comprehensive, **turn-key solution** to establish and succeed as an ACO.
- **Application and Start-Up:** Caravan has helped hundreds of communities to apply and enter ACOs. 100% success rate.
- **Governance:** Practice, community and ACO-level support.
- **Coaching:** Practice Improvement Coach, Program Manager, IT and Analytics Staff, CMO.
- **Education:**
 - Local quarterly workshops for managers and care coordinators.
 - Annual national symposium for leaders.
 - Evidence-Based Medicine Webinars.
 - Cohort calls.
 - One on one when needed.

CPSI/Caravan Rural ACO Program

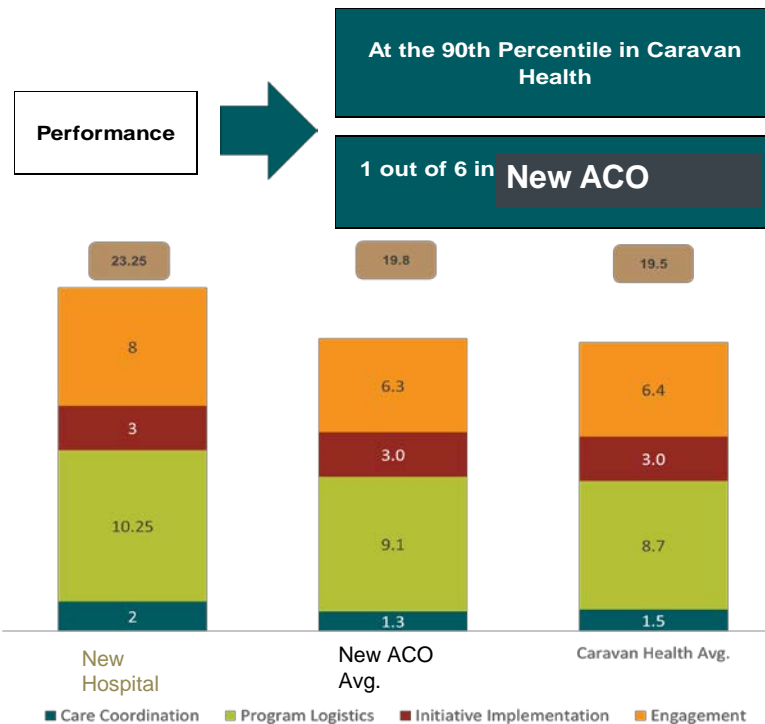
- **Analytics Platform:** Population health software uses claims for risk stratification, HCC coding, and true patient history
- **Access:** 24-Hour Advice Nurse Hotline.
- **New Coding Strategies:** More comprehensive Annual Wellness Visits, chronic care management and behavioral health integration.
- **Patient Satisfaction:** Provide e-tablets for each office to capture real-time surveys.
- **Reporting (Accountability):** Assemble all required documentation and report quarterly at practice and board level.

Mutual Accountability

- Simple Scorecards for Accountability
- Minimum engagement level of 80%
- Rarely used remediation process



Category	Metric	Current Status	Score	
Care Coordination	Care Coordinator Hired by 4/1/16	Completed	1	
	CC registered for ICCC Health Coaching Course by 4/15/16	Completed	1	
	Course Status as of 4/30/16	Registered	NA	
	Care Coordination Points		2	
Total Points Possible			2	
Care Coordination Score			100%	
Program Logistics	MSSP Application Responsiveness	Completed	1	
	Attended PreLaunch Webinar Series	Completed	1	
	Financial Consultant Questionnaire Completed by 10/12/15	Completed	1	
	Financial Consultant Selected by 11/15/15	Completed	1	
	Nursewise Survey Completed by 1/1/16	Completed	1	
	Demographics File submitted by 1/1/16	Completed	1	
	Nursewise Golive Date or have existing 24/7 coverage	03/01/2016	1	
	Pt Satisfaction Questionnaire Completed by 1/1/16	Completed	1	
	IT Systems Questionnaire Completed by 11/1/15	Completed	1	
	Received Lightbeam User List	Completed	1	
	Flat File Status as of 5/6/16	Development	0.25	
	Program Logistics Points			10.25
	Total Points Possible			11
Program Logistics Score			93%	
Initiative Implementation	Viewed Jan. TCM Billing Webinar	Completed	1	
	Viewed Feb. CCM Billing Webinar	Completed	1	
	Viewed March AWV/Prev Wellness Webinar	Completed	1	
Initiative Implementation Points			3	
Total Points Possible			3	
Initiative Implementation Score			100%	
Engagement	Viewed Jan. Marketing Training Webinar	Completed	1	
	Attended Annual Mtg in DC (Extra Credit)	Completed	1	
	CEO or Proxy Attended Q1 ACO Board Meeting	Completed	1	
	Hosted Launch Meeting	Completed	1	
	Viewed EBM AWV Webinar for Physicians	Completed	1	
	Viewed April Patient Satisfaction Webinar or have existing tool	Complete	1	
	Viewed May Lightbeam User Group Call (Extra Credit)	Completed	1	
	Attended April Quality Improvement Workshop	Completed	1	
	Engagement Points			8
	Total Points Possible			6
Total Extra Credit Points Possible			2	
Engagement Score			133%	
Total Points			21.25	
Total Extra Credit Points			2	
Total Possible Points			22	
Total Score			106.6%	



What does it cost?

- **Application Fee:**
 - \$10,000 per community hospital including all independent and employed affiliated physicians
 - Caravan provides 50% of application fee as a loan
- **Monthly Management Fee:**
 - \$5.00 per member per month
 - CPSI provides 40% of monthly fees as a loan
- **Interface Fees:**
 - \$6,000 per practice (may be covered by TCPI)
- **20% of Shared Savings**

Key Dates/Next Steps

- **Complete a Letter of Intent (LOI) – April 1st Deadline**
- **Complete Application – July 1st Deadline**
- **Caravan Health will walk alongside you (application, set-up, training)**
- **CPSI Program**
 - CPSI and Caravan Health partnering with you and your ACO
 - Available to ALL rural providers, not just CPSI clients
 - Not required to purchase any CPSI services
 - First 100 LOIs received are guaranteed acceptance in CPSI program

Questions?



What Did We Do & Why?

THE WALL STREET JOURNAL.

CPSI Launches Rural ACOs in Partnership with Caravan Health

Innovative Program to Help Rural Providers Transition to Value-Based Care

MOBILE, Ala.--(BUSINESS WIRE)--Jan. 9, 2017-- Healthcare solutions leader CPSI (NASDAQ: CPSI) today announced the creation of the CPSI Rural Accountable Care Organizations (“ACOs”) in partnership with Caravan Health. CPSI and its family of businesses are a leading provider of healthcare solutions for community hospitals and post-acute care facilities nationwide. CPSI now brings its leadership and experience to the value-based care arena through a strategic partnership with Caravan Health, the market leader in rural ACOs and value-based payments.

- Problem: Providers MUST shift from *sickness-volume* to *wellness-value* based care
- ACO Model - Track 1 works! (the data proves it)
- Biggest obstacle to ACO is ‘infrastructure investment’
- CPSI and Caravan Health are investing in new ACOs for the health of the community and the future of rural healthcare

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www.cpsi.com/aco
www.CaravanHealth.com
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Thank You