



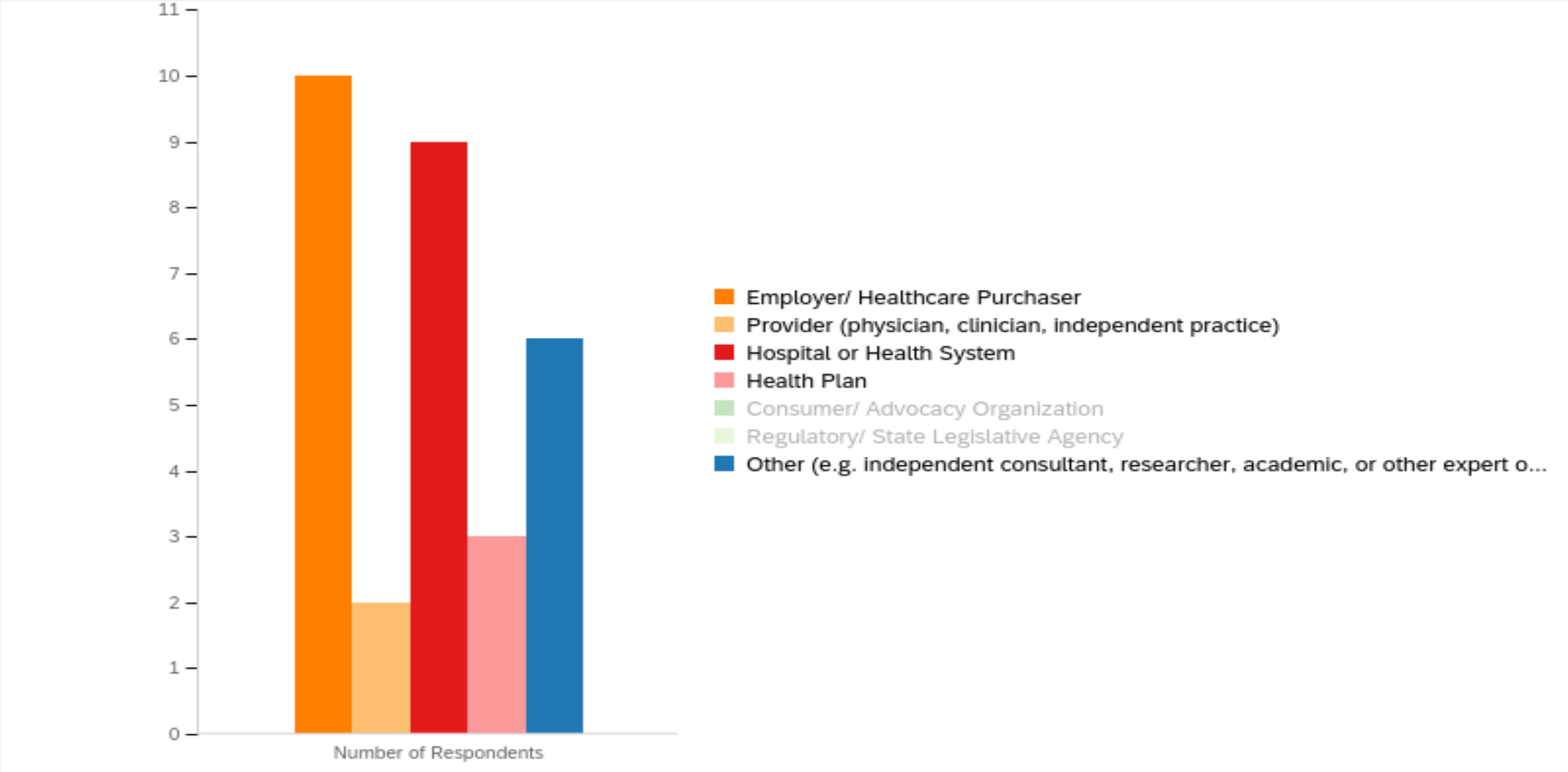
PRELIMINARY FINDINGS

Categorizing Florida's Opportunities and Potential Challenges for Tampa and Orlando

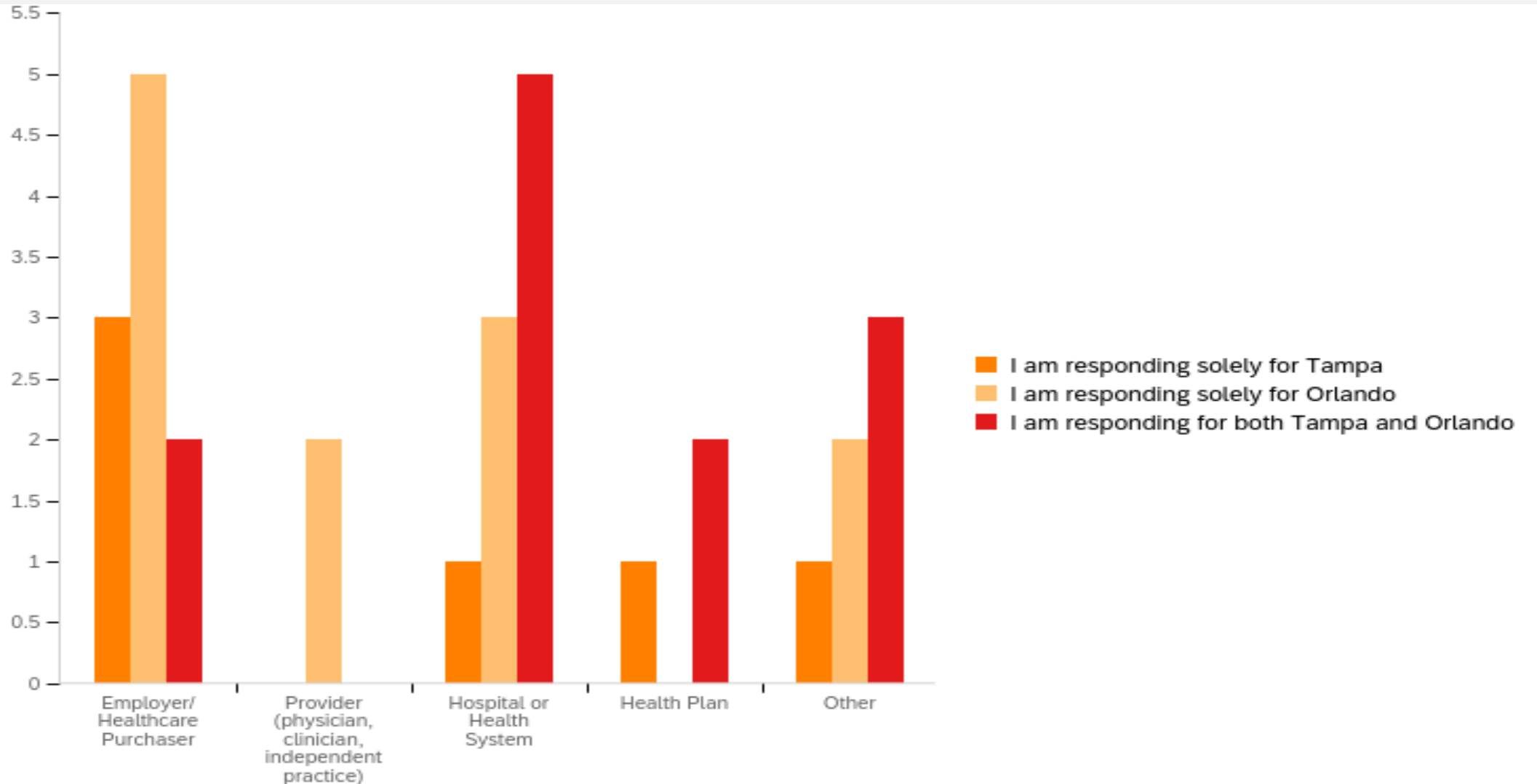
AGENDA

1. Review Participants by Stakeholder and Location
2. Review General Preliminary Findings by Stakeholder:
 - Purchasers
 - Providers
 - Health Plans
3. Introduce CPR's Market Assessment Typology

Online Survey Participation: Stakeholder (to date)



Online Survey Participation: Location (to date)



Market Power / General Notes:

- Health plans have market power due to anti-competitive practices.
- Hospitals are dominant and leverage their significant market power.
 - They are also part of the community and need to be a part of the solution.
- Purchasers (especially self-insured) have market power if big enough or act as a group (i.e. to advance negotiations with providers)
- Public purchasers more limited in terms of ability/speed to innovate.
 - Strategies that rely on steering are challenging.
- FFS dominant reimbursement method. Prices are very expensive. Little control.
- Orlando and Tampa markets homogenizing as Orlando systems move west toward Tampa.

Impact of COVID-19:

- Independent hospitals might be more willing to do capitation due the guaranteed revenue.
- COVID-19 has been catalyst for change in many ways.
- Massive growth in telehealth.

Purchasers (Combined Market Findings)

Opportunities:

- Collective action by purchasers & Efforts led by FL Alliance.
- Take full advantage of APCD data.
- Bundled payment programs in place already; further interest in bundles.
- Tiered networks are occurring / promising (including ACOs + tiers).
- Health systems are gradually moving toward more ACO-type structures.
- Consolidation might create health systems more willing to take on risk.

Potential Challenges:

- Bundles are operationally challenging and require coordination.
- Direct contracting comes with unique challenges.
- Independent systems may be less willing to take on downside risk.
- Full capitation unlikely to work.
- Opportunities to reward health systems for quality improvement, but also must meet them where they are in terms of advancement in payment reform.

Market Power / General Notes:

- Health plans as a barrier to reform:
 - Display least amount of innovation.
 - Can contribute to inefficiencies.
 - Negotiations challenging due to lack of trust between plans and providers.
- Large private employers have market power to demand action from providers and health plans.
- Some consolidation as health plans absorb physician practices.

Impact of COVID-19:

- Telehealth is becoming essential in any payment reform model.
- COVID-19 overall impact low, but its long-term economic impact may speed underlying trends:
 - Employers looking to value-based models.
 - Health systems accelerating path to reform.
 - Health plans realize old ways won't work anymore and look for success with providers on VBP (i.e. shared savings).

Providers (Combined Market Findings)

Opportunities:

- Bundled payment growing rapidly, but not mature.
- Providers' belief in profitability through value-based payment.
- Continue to advance CMS MSSP program / ACOs / P4P.
- Upside risk is a winning strategy, downside risk presents opportunities.

Potential Challenges:

- Recognize strategic value of bundles, but face scaling and operational issues.
- FFS has been so profitable for so long, very low motivation for providers to change.

Health Plans (Combined Market Findings)

Market Power / General Notes:

- Providers have market power and leverage it against health plans.
- FFS (and its incentives) still reigns.
- Negotiations very challenging – plans need providers in network, providers need revenue.

Impact of COVID-19:

- Payment reform initiatives unlikely to change due to COVID-19.

Opportunities:

- **Bundled payment is promising.**
- **More ACOs and building on ACO success.**
- **Tiered networks are promising.**
- **Have P4P upside already; see risk as an opportunity.**

Potential Challenges:

- **Bundles are operationally challenging.**
- **ACOs require providers to have an integrated business model.**
- **Hard to measure/tier individual provider quality using only claims.**
- **Contract provisions limit risk.**
- **Managing risk is a learning curve for providers.**
- **Reference pricing is a non-starter.**

Providers

		Market-Shaping	Not Market-Shaping
Purchasers	Market-Shaping	HP + Purchasers, providers and health plans are market-shaping 1	Purchasers and health plans are market-shaping, providers are not 2
	Not Market-Shaping	HP - Purchasers and providers are market-shaping, health plans are not 3	Purchasers are market-shaping, providers and health plans are not 4
	Market-Shaping	HP + Providers and health plans are market-shaping, purchasers are not 5	Health plans are market-shaping, purchasers and providers are not 6
	Not Market-Shaping	HP - Providers are market-shaping, purchasers and health plans are not 7	Purchasers, providers and health plans are not market-shaping 8