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# The Value-Based Care Series

## Defining the Future of Payment and Quality

### Anthony Laflen

Senior Director, Industry Market Leader
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In this Value-Based Care Series interview, Laflen provides what he believes to be the best approach to positioning providers for success in the evolving skilled nursing landscape. He breaks down the critical roles of interoperability and data-sharing in the success of value-based care and emphasizes the importance of transparency as organizations align themselves with policy change around value-based care.

**Q: Skilled Nursing News:** Define what value-based care means to you.

**Anthony Laflen:** I see value-based care as a delivery model where providers are paid based on a patient's health outcome. I think it's helpful to understand the goal of value-based care which, in my mind, is managing to a lower cost of care for a patient while aiming to improve the outcome. It's all about incentivizing providers to achieve a certain outcome for the patient while trying to drive down cost.

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**Q: Skilled Nursing News:** What things have to be in place in order to have success with value-based care?

**Laflen:** First and foremost, understanding where everybody's going is key, so there needs to be a clear set of defined goals and a way with which to hold everyone accountable. Consistent, reliable live data that can measure performance is a critical part of that, and I see a lot of people making the mistake of using retrospective data like claims data to try and assess progress.

Obviously, you need a monetary incentive for all the providers — not just the hospitals and health plans, but for everybody across the continuum participating in the care of a patient. Monetary reimbursement is more effective if it's material and substantial.

Lastly, all the players need to have a collaborative spirit — patient included. They must all understand what they're driving toward to achieve a collaborative effort in providing value-based care.

**Q: Skilled Nursing News: What are the biggest hurdles to achieving value-based care?**

**Laflen:** The Pacific Northwest has a lot of managed care, and when I was with [senior living and assisted living provider] Marquis, maybe seven out of 10 patients were using managed care to cover their stay. We had very little straight Medicare, so we were already doing a lot of interaction with risk-varying entities, although we weren't really sharing in the risk.

One of the biggest hurdles I see is having agreements that don't include all of the stakeholders. Again, to my earlier point, if you're not sharing the wealth and the collaborative nature of value-based care, it's going to miss the mark. Making sure that everyone along the spectrum is sharing in the risk is key to avoiding a lopsided agreement.

Another big hurdle I see is our industry's siloed data, because we have an inherent inability to track a patient across the continuum. A lot of the discussions I'm drawn in today are "Okay, PointClickCare, you guys own that segment of the stay, that's fantastic, and you own a big piece of the home health pie, but what about the ambulatory? What about the pharmacy? What about all the other interactions that the patient may have? What about what's happening with the patient while they're in the home setting?"

When you start to draw a swath like that, you begin to realize that each segment has its own data silos. Tearing down those silos is key so that you can have a longitudinal view of the patient as they move across the continuum.

**Q: Skilled Nursing News: Do you see any downsides to value-based care?**

**Laflen:** I'm a big fan of value-based care and I think it's where we're all headed, but one downside I see right now is that a lot of the early adopters are trying to manage to a lower cost of care. By that I mean they are rushing the patient out of one set of the continuum — maybe it's a shortened hospital stay or pressure on a skilled nursing facility to get the patient out.

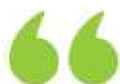
Yes, that's going to achieve a lower cost, but what does it do to the patient? I think aggressive bed-day management often translates to that lower SNF and hospital stay, but it makes the patient and the family feel rushed and uncared for, frankly, in one of their most vulnerable moments. I think patients who sometimes need a longer hospital or SNF stay are surprised when they're rapidly asked to leave one setting to go to the next.

Mismanagement of aggressive bed-day management, or unilaterally applying a predefined length of stay often leads to readmissions, which nobody wants. It drives cost up in the long run and is detrimental to the patient's outcome. It just misses the mark.

**Q: Skilled Nursing News: Historically, it has been difficult for SNFs to get a seat at the table when it comes to value-based care. Do you think that's true, and if so, why?**

**Laflen:** In my experience, it was true for about the first eight years of my post-acute journey. In the latter part of my career, I feel as though we turned a corner by being more transparent.

Marquis is a pretty forward-thinking organization. During my time there, we started to ingest our own data and build our own data models to hold our team to a higher standard. I often engaged with the payers in the market — be it Humana, Blue Cross, whomever — not only for Marquis, but also for our pharmacy and rehab clients in different parts of the country.



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I always encouraged our customers and Marquis to be transparent with data and hold ourselves accountable to showcase the ways we were benefiting the patient, the continuum, and in some cases, the payer. I think one of the mistakes skilled nursing home operators make is staying stagnant because they're fearful of change, and I get it.

For the longest time, negotiating with managed care entities has been a lopsided narrative. It has painted us as the redheaded stepchild of the care continuum, but by opening up and being more transparent about performance, and understanding what needs to be done on a day-to-day basis, it changes the direction. It changes the narrative and it changes the outcomes of negotiations.

**Q: Skilled Nursing News: What do you think SNF operators need to do in order to get a fair financial reward for their participation in value-based care?**

**Laflen:** Without violating antitrust laws, the Marquis Group came together and adopted a messenger model where they took their portfolio of facilities performance and whittled it down to show what they are doing with a particular payer, ACO or DCE.

By understanding who the members are, they could attribute performance to those members and integrate with other providers in the same market. It was a chance to use a third-party messenger to showcase the value they're creating and negotiate with the payer to get better rates.

That approach is more aligned with the payers' goals and the patients' wants. By being transparent and open, they set the table so that it's not a predefined "Here's what we're going to give you, Tim, for your reimbursement this year." It's "Hey, that's great but did you realize we did this, this and this in the last 12 months, and we've created this type of value for you, the stakeholder? We think that we are due a higher amount of reimbursement," or maybe we might want to be creative and go at risk.

**Q: Skilled Nursing News: What do you see as the role of a skilled nursing facility in the value-based care landscape?**

**Laflen:** Over here, we're doing specialization. We're trying to mitigate diversion and make maximize the value of what the SNF is doing. That's driven by what's happening in each individual market, and when I'm on a call with somebody in New Jersey, it's a very different set of pressures than what I might hear in San Diego.

Do I think that SNFs need to be nimble enough to pivot and understand the needs in their market? Absolutely. If I knew there was a heightened focus on disease prevention, be it COVID or any other type of infection, I might want to specialize my facility in alignment with where the patient volume is going to flow so I can ensure the financial viability of my operation.

There might be a need to pivot in one market, but another market might be completely different. Someone could decide they want to bypass the skilled nursing home altogether and embrace more of a home health stay. In those markets, patients who come to a skilled nursing home need those services. Nobody's raising their hand and saying, "I want to go to a skilled nursing home after my hospital stay." They need to be there.

Understanding that need will help flatten the cost curve, angst and acuity levels around patients. Maybe the approach is not an elongated length of stay, but rather to do bed-day management at the patient level. I want to be clear here — I'm not saying a skilled nursing home operator should go to a local hospital and say, "I'm going to guarantee a five-day length of stay." I'm saying that skilled nursing home operators have to get smarter about the specific needs of each patient and their journey.

Can they ambulate, can they toilet, can they transfer, can they thrive day-to-day in their continuum? Being able to hold myself accountable using live data to measure patient performance will allow me to be very transparent and open with my partner upstream, giving them a higher level of confidence in my ability to make an actionable assessment of that patient. I think that is the more appropriate approach for a market where someone is trying to divert around a SNF altogether.

You might save money in the short term, but in the long term, you're going to do damage to patients by causing an increase in angst and readmission rates. It's better to be able to say, "I am not your average skilled nursing home operator. I know how to use technology, I know how to assess my patient, and I know how to hold myself accountable to ensure they make it home to thrive."

I don't want to make too many generalizations here, but I will tell you that we have a resource at PointClickCare, just so you know. You can go to some of our tools and look at managed care enrollment.

I noticed that when we have an uptick in the percentage of seniors going with managed care, it adds another set of competing eyes on the patient's outcome. You have an outside party looking in at the length of stay, readmissions and cost.

When you have that scrutiny in an urban or even a rural market, you have an increase in some of the other things that we've been talking about. The need to diversify the offering, the need to hold yourself accountable and articulate the value you're creating at the patient level — that is often directly correlated to a higher percentage of patients associated with managed care enrollment.

**Q: Skilled Nursing News:** In your mind, is managed care and value-based care basically the same thing?

**Laflen:** I see enormous similarities. To be clear, I've never come across a managed care payer who is willing to give me a bonus payment for readmissions. That's the distinct nuance around value-based care, but the pay-to-play narrative and the way with which I would handle my annual contract negotiations was very much a value-based care-based arrangement.

It's being incentivized to deliver solid outcomes for a payer or a direct contracting entity for an ACO. It all falls into that same type of bucket. Yes.

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**Q: Skilled Nursing News:** Do you think the shift to value-based care is taking place fast enough, and is the pace of policy change aligned with that transition?

**Laflen:** Siloed data is impeding upon the growth of value-based care, in my mind. A lot of people start to get very enamored with it. They want to move forward. They realize very quickly that they have challenges in following the patient across the continuum, which frankly, is one of the major reasons why PointClickCare just acquired these two massive organizations. We wanted to move from just being a post-acute EHR to understanding the ecosystem at a greater depth so we can look broadly across hospitals, ambulatory, and so on and so forth.

I think the government is continuing to evolve their stance on data sharing. You've seen an expansion on United States Core Data for Interoperability (USCDI), and I believe on October 6 of this year, the government is going to mandate that any data in an electronic health record needs to be shared if requested.

It's becoming more liberal in their approach, and I think that that's going to drive down the silos. To my point about PointClickCare, there are other organizations trying to get in front of this. We're trying to position ourselves so that if a direct contracting entity wants to go at risk and embrace pop health management, they'll have the ability to look across the ecosystem and follow a patient and understand intuitively what they need in each setting. That's where a lot of people are racing to get to right now, PointClickCare included.

**Q: Skilled Nursing News: How is technology supporting the shift from fee-for-service to value-based care, and more specifically, how is PointClickCare supporting that shift?**

**Laflen:** Technology itself is becoming a little more nimble with things like SMART on Fast Healthcare Interoperability Resources (FHIR) and the ability to query specific data elements in real-time. There is a technological shift taking place right this second.

SMART on FHIR is a technology that allows you to not have to query an entire data record. You can pull pieces of it to understand exactly what you might need. It is a technological suggestion and a recommendation from the government on where the industry's headed. You'll see that a lot of hospitals have already begun to embrace this. We are embracing it. It's going to become one of the new standards with which data sharing is going to be made possible and more nimble.

PointClickCare is close to $1 billion in acquisitions, so Audacious Inquiry and Collective Medical are now a part of the family. When I put the map of the U.S. up on a screen, I can now confidently tell any hospital operator or skilled nursing home operator that we can follow a patient across the entire ecosystem. I would venture to guess we're probably one of the best-positioned U.S. organizations to follow value-based care because of those acquisitions.

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