



2018 Fall – “All Members Meeting”

10/27/2018

Doctors ACO, LLC All Member Meeting October 2018

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The Fate of the Independent Physician

Presented by:

Dr. Subodh Agrawal, Chairman

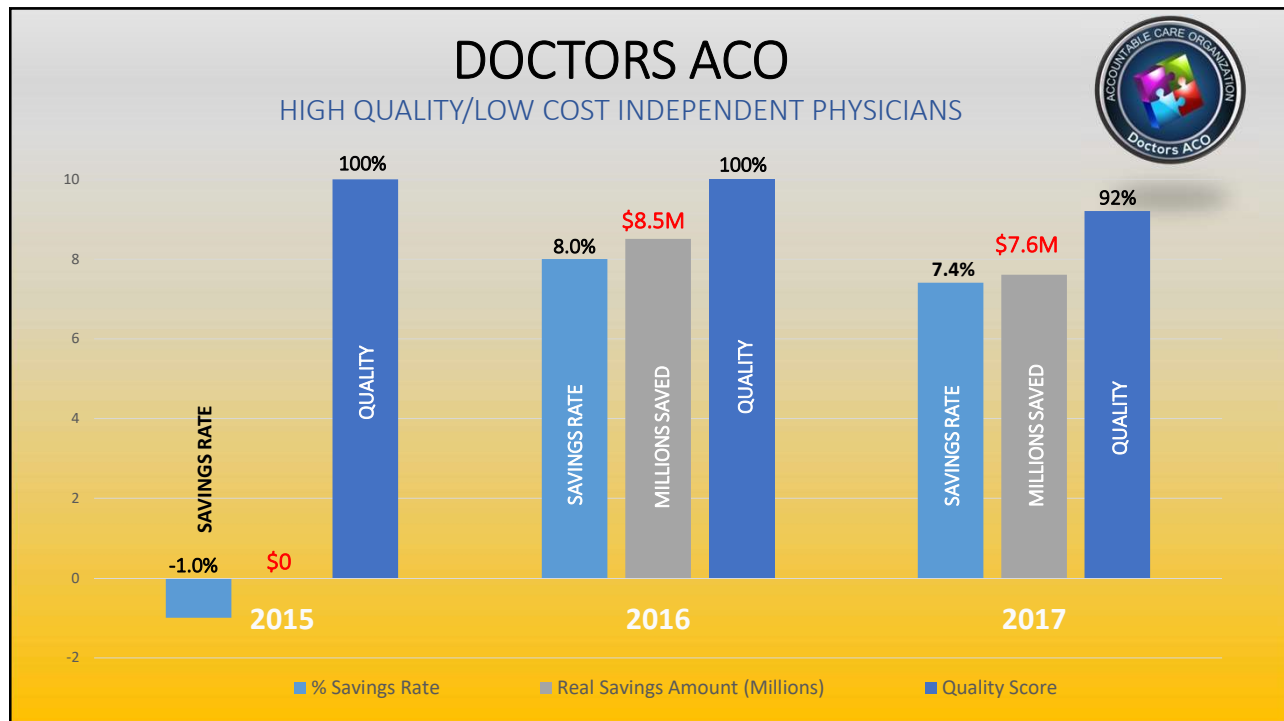
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Independent Physicians Prosper in an ACO

- Dr. Bansal started the first ACO in the country
- We have grown from 2012
- Investors (mostly independent physicians) had all of their capital contributions returned along with 41% returned on top of their initial investment.



What We've Learned in 4 years:

1. AWV and Preventive Services
2. Keep Your Patients Close: frequent appointments, remote pt monitoring, CCM
3. TCM and Hospital Portals for discharges
4. Increase revenue by doing the right thing (not by just doing MORE things)
5. Freedom from Hospital Employment

Overall Lesson:

We have learned how to be BETTER than the average physician. Doctors ACO physicians rank near the top of the High-Quality, Value-Based physicians that make up ACOs.





Your 2019 Opportunity

Presented by:

Dr. Raj Bansal, Board Member

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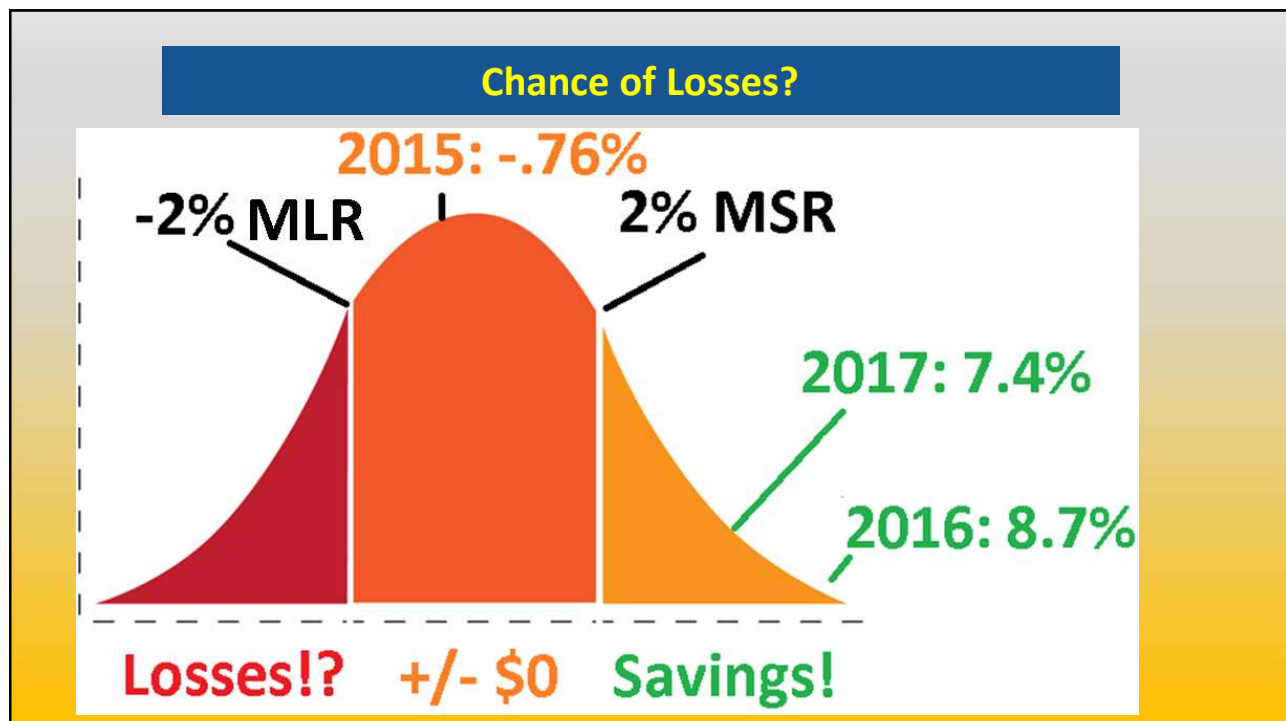
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Medicare Shared Savings Program Proposed “Pathways to Success Rule”

Medicare is revamping the Shared Savings Program

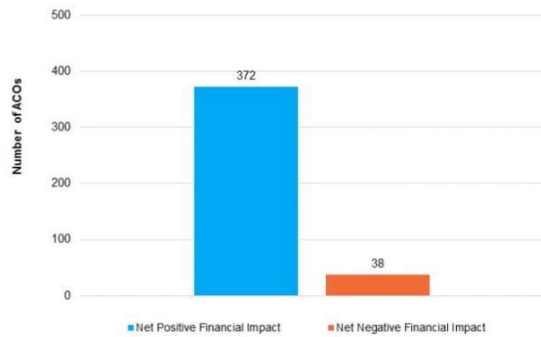
- CMS proposes to sunset existing tracks and replace with new **Basic Track** (with Levels A-E) and **Enhanced Track**
- Move from **3-year** agreement periods to **5-year** agreement periods
- Enhanced track up to **75% Sharing Rate** and losses not to exceed 15% BM
- Qualifies for MIPS Advanced APM and **5% Annual Bonus** for 4 Years
- Upside only track lowers Sharing Rate from 50% to 25%

OLD vs. NEW	
Track 1 (Current)	<u>*Enhanced*</u>
<ul style="list-style-type: none"> • 50% Shared Savings <ul style="list-style-type: none"> • 0% Shared Loss Rate • Limit on Losses 0% • 3 Year Agreement • No SNF 3 Day Waiver • No MRA Increase 	<ul style="list-style-type: none"> • 75% Shared Savings <ul style="list-style-type: none"> • Minimum Shared Loss Rate of 40% and Maximum of 75% • Limit on Losses 15% • 5.5 Year Agreement • SNF 3 Day Waiver • Allow MRA Increases of Up to 3%



Many should have gone risk sooner!

Figure 1: Simulated Impact of Shifting from MSSP Track 1 to Track 1+ (2016 Performance Year)



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Source: Avalere



*Track 1+ (50% savings) not Enhanced (75% Savings)

Risk-Averse MSSP ACOs Missed \$966M By Not Assuming Downside Risk

MSSP ACOs in non-risk bearing Track 1 would have benefited financially from assuming downside risk and collecting the Advanced APM incentive payment in 2016, an analysis showed.



Source: Thinkstock

By Jacqueline LaPointe



January 19, 2018 - Accountable care organizations (ACOs) in the non-risk bearing track of the Medicare Shared Savings Program (MSSP) could have boosted their bottom lines by an additional \$966 million in net payments in 2016 if they had assumed downside risk in the new MSSP track, a new Avalere analysis revealed.

Old vs. New: PROJECTIONS

Model 1 - Track 1		Model 2 Enhanced	
DACO Total Savings	\$8,000,000	DACO Total Savings	\$8,000,000
Shared Savings to Aco	\$4,000,000	Shared Savings to Aco	\$6,000,000
Expenses	\$700,000	Expenses	\$700,000
Profit	\$3,300,000	Profit	\$5,300,000
		20% Investors 2	\$1,060,000
30% Investors	\$990,000	30% Investors 1	\$1,590,000
70% physicians	\$2,310,000	50% physicians	\$2,650,000
Per Physician Payment	\$18,480	Per Physician Payment	\$21,200

Summary

- Which would you choose?

	OLD Track	NEW Track
2015	\$0	\$0
2016	\$ 4,262,838	\$ 6,394,258
2017	\$ 3,444,734	\$ 5,167,101
Total	\$7,707,572	\$11,561,358

2019 Distribution Formula

1. 5% Individual Physician Meeting Attendance
2. 15% Base Payments
3. 20% Panel
4. 60% Quality Adjusted Savings

2019 Risk Operating Expenses: \$6MPM





Investment Opportunity

Presented by:
Louis Morgenier, CFO

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CONGRATULATIONS!

2017 Performance Payment



\$3,444,734

❖ **Increased Efficiency of Patient Care**

❖ **92% Quality Score!!!**

Thank you for all your great efforts!

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Shared Savings Distributions

\$ 3,444,734	MSSP 2017 Payment
<u>(679,632)</u>	Operating Expense Reserve
2,765,102	Net Shared Savings
1,935,571	70% Distribution to Participant TINS
829,530	30% Distribution to Investors

Payment to Physicians is 14% higher than last year

ACO Success



5 Performance Periods

7 ACOs

Over \$475 Million in Medicare Savings

\$234.2 Million ACO Performance Payments

ACO Success



Palm Beach ACO, LLC

\$27 Million Performance Payment – 1st Performance Year 2013
 \$22 Million Performance Payment – 2nd Performance Year 2014
 \$36 Million Performance Payment – 3rd Performance Year 2015
 \$42 Million Performance Payment – 4th Performance Year 2016
\$29 Million Performance Payment – 5th Performance Year 2017
 \$156 Million Total

Doctors ACO - Georgia, Ohio and Indiana

\$4.2 Million performance payment – 2nd Performance Year 2016
\$3.4 Million performance payment – 3rd Performance Year 2017
 \$7.6 Million Total

ACO Success



Physicians ACO, LLC - Ocala, FL

\$2.9 Million Performance Payment – 1st Performance Year 2015
 \$2.3 Million Performance Payment – 2nd Performance Year 2016
\$6.5 Million Performance Payment – 3rd Performance Year 2017
 \$11.7 Million Total

Citrus ACO, LLC - Citrus County and Leesburg, FL

\$2.2 Million - ACO Investment Model Funds from CMS/Medicare in 2016
 \$3.8 Million Earnings and \$2 Million Performance Payment – 1st Performance Year 2016
\$5.2 Million Earnings and \$2 Million Performance Payment – 2nd Performance Year 2017
 \$9.0 Million Total

ACO Success



Nature Coast ACO, LLC – Citrus and Hernando Counties, FL

\$1.4 Million - Advanced Payment Funds from CMS/Medicare in 2013

\$7.5 Million Performance Payment - 3rd Year Performance 2015

\$8.9 Million Total

Orange ACO of South Florida, LLC

\$14 Million Performance Payment - 2nd Performance Year 2015

\$13 Million Performance Payment – 3rd Performance Year 2016

\$27 Million Total

Orange ACO of New York – NYC

\$5.0 Million Performance Payment – 2nd Performance Year 2015

\$4.0 Million Performance Payment – 3rd Performance Year 2016

\$2.8 Million Performance Payment – 3rd Performance Year 2017

\$11.8 Million Total

Hundreds of Happy Doctors



Track 1 vs. Enhanced Track The Difference!

Track 1

\$14.0M Total Savings
 x 50% Sharing Rate – Track 1
\$ 7.0M Shared Savings – Track 1

Enhanced Track

\$14.0M Total Savings
 x 75% Sharing Rate – Enhanced Track
****\$10.5M**** Shared Savings – Enhanced Track



Enhanced Track generates 50% more Shared Savings than Track 1!

Doctors ACO – Financial Distribution Example

- \$14.0M Total Savings
- \$10.5M Shared Savings (75% Savings Rate)
- \$(500K) Expenses
- \$10.0M Net Earnings

Net Earnings Distribution

- \$2.0M RM Investors (20%)
- \$3.0M DACO ACO Management Group (30%)
- \$5.0M DACO Physician Members (50%)



Doctors ACO - Participating Physician Contribution

Medicare requires that DACO provide \$1.2 million as a Repayment Mechanism (a minimum guarantee) against possible DACO financial losses (“RM Investment”) as a two-sided risk - Enhanced Track ACO

Each physician participating in DACO will be required to make an RM Investment to DACO in the amount of \$3,500 by October 27, 2018

(65 Physicians x \$3,500 = \$227,500)

In addition, we call for another \$372,500 in Participating Physician Pledges

The original investors agree to match up to \$600,000



Pledge & Investment Timelines

- **October 27** \$3,500 Per Physician Member (“First Payment”)
- **November 15** 50% of Additional Pledged Investment Amount
Signed Preliminary RM Agreement
- **December 15** 50% Balance of Additional Pledged Investment Amount
Signed Final Investment Document



How do I pledge \$20,000?

- **October 27** **\$3,500:** Per Physician Member (“First Payment”) **PAID**
- **November 15** **\$8,250:** Additional Pledged Investment Amount
- **December 15** **\$8,250:** Balance of Additional Pledged Investment Amount
- **Total Investment: \$20,000**



Pledge & Investment Timelines

Based on \$1.2M RM Investment:

Eligibility for 5 Years!

The following provides the Annual Return on Investment (“ROI”) based upon:

\$2.0M Net Earnings Distribution = 166% ROI

\$1.0M Net Earnings Distribution = 83% ROI

\$500K Net Earnings Distribution = 41% ROI

But you could lose some or all your investment too.



Invest in Doctors ACO!

Now is the time to invest in your company – Doctors ACO!



Still not Sold? There's More!

Presented by:
David Klebonis

Why Take Risk Now?

1

It's **Required...**

2

50% More Shared Savings with a 100% track record

3

5% Advanced Alternative Payment Model Bonus
(5% AAPM Bonus)

5% Doesn't Seem like Much...

WHAT DOES 5% MEAN?

5% APM Bonus is Paid on Visits, Surgeries, Ancillaries, and Anything Paid by Medicare to Your Group

Largest Multi-Specialty Group:

\$131,000/year in 5% AAPM Bonus Alone!

Largest PCP Group:

\$21,000/year in 5% AAPM Bonus Alone!

Average PCP:

\$3,500/year in 5% AAPM Bonus Alone!

<https://graphics.wsj.com/medicare-billing>

~Any PCP over 150 pts is > \$3,500 per year 5% AAPM Bonus

What is YOUR 5% APM Benefit / Year? ATHENS

- Per year times
4 years!

Type	POD	Practice	Beneficiaries	2016 Total Payments	5%
PCP	Athens	Athens Family Medicine, Inc	586	\$263,926	\$13,196
PCP	Athens	Athens Medical Associates, P.C.	482	\$182,008	\$9,100
PCP	Athens	Athens Neighborhood Health Center Inc	321	\$8,641	\$432
PCP	Athens	Atlanta Prime Med	111	\$36,286	\$1,814
PCP	Athens	Commerce Adult And Pediatrics Medicine	229	\$40,938	\$2,047
PCP	Athens	George Cleland	117	\$53,995	\$2,700
PCP	Athens	Health Associates Of Georgia, Inc.	108	\$58,939	\$2,947
PCP	Athens	Madison Family Medicine, Ulp	795	\$148,008	\$7,400
PCP	Athens	Madison Medical Associates, P.C	427	\$119,316	\$5,966
PCP	Athens	Maysville Family Practice, Inc	286	\$52,711	\$2,636
PCP	Athens	Miguel E. Cossio, Md Pc	399	\$131,666	\$6,583
PCP	Athens	Our Family Health Center	1091	\$421,745	\$21,087
PCP	Athens	Pamela Hall Md, Pc	354	\$44,129	\$2,206
PCP	Athens	Prince Avenue Primary Care, L.L.C.	853	\$156,449	\$7,822
PCP	Athens	Sarah V. Mcbee, M.D., P.C.	476	\$238,452	\$11,923
PCP	Athens	Sreeroop Sen Md Llc	651	\$149,246	\$7,462
PCP	Athens	Tmb Medical Associates, P.C.	569	\$167,378	\$8,369
SPEC	Athens	Frank J Dipalma Dpm Ltd	357	\$130,125	\$6,506
SPEC	Athens	Jing Dong, M.D. PC	3497	\$915,289	\$45,764
SPEC	Athens	MANANI. SHAH, MD, PC	370	\$132,554	\$6,628
SPEC	Athens	Athens Gastroenterology Center, Pc	202	\$14,050	\$703
SPEC	Athens	Athens Heart Center	3301	\$2,626,933	\$131,347
SPEC	Athens	North Georgia Nephrology Consultants	557	\$313,910	\$15,695
	Athens Total			\$6,406,691	\$320,335

What is YOUR 5% APM Benefit / Year? ATLANTA

- Per year times
4 years!

Type	POD	Practice	Beneficiaries	2016 Total Payments	5%
PCP	Atlanta	Atlanta Medical And Aesthetic Center Inc.	167	\$106,401	\$5,320
PCP	Atlanta	Beena Patel, Md, Pc	130	\$48,441	\$2,422
PCP	Atlanta	Dr. B. Abraham, Pc	1016	\$281,163	\$14,058
PCP	Atlanta	East Metro Internal Medicine	149	\$74,541	\$3,727
PCP	Atlanta	Georgia Clinic, P.C.	3822	\$1,976,133	\$98,807
PCP	Atlanta	Magnolia Medical Clinic	650	\$154,432	\$7,722
PCP	Atlanta	New Horizons Family Clinic, Inc	131	\$47,572	\$2,379
PCP	Atlanta	R.V. Dronavalli, M.D., P.C.	705	\$196,511	\$9,826
PCP	Atlanta	Rohit Desai	206	\$204,413	\$10,221
PCP	Atlanta	Susan Leigh Jones Md Llc	193	\$76,833	\$3,842
SPEC	Atlanta	Arthritis & Rheumatology Center, PC	504	\$550,461	\$27,523
SPEC	Atlanta	Gwinnett Digestive Clinic	314	\$113,976	\$5,699
SPEC	Atlanta	Rockdale Newton Hematology/Onocology	150	\$155,071	\$7,754
SPEC	Atlanta	Walton Pulmonary & Sleep Medicine Pc	1064	\$323,550	\$16,177
	Atlanta Total			\$4,309,496	\$215,475

What is YOUR 5% APM Benefit / Year? OH/IN

- Per year times

4 years!

Type	POD	Practice	Beneficiaries	2016 Total Payments	5%
PCP	Dayton	Beavercreek Family Care Associates, Ltd.	232	\$52,914	\$2,646
PCP	Dayton	Center For Family Medicine, LLC	619	\$163,510	\$8,175
PCP	Dayton	Clem Kirkland, M.D., Inc.	402	\$178,029	\$8,901
PCP	Dayton	Dayton Internal Medicine Clinic, Inc.	215	\$65,223	\$3,261
PCP	Dayton	Mound Family Practice Associates, Inc.	1033	\$277,707	\$13,885
PCP	Dayton	Oza & Oza Mds Inc	473	\$221,255	\$11,063
PCP	Dayton	Progressive Internal Medicine, Inc.	133	\$58,181	\$2,909
PCP	Dayton	Ronald Kahn	273	\$130,190	\$6,509
SPEC	Dayton	Anil H. Jhangiani M.D., LLC	2614	\$313,069	\$15,653
Dayton Total				\$1,460,078	\$73,004
PCP	Indiana	N. Agrawal, M.D., PC.	484	\$400,749	\$20,037
PCP	Indiana	Pankaj Kumar, M.D., LLC	1129	\$229,970	\$11,498
Indiana Total				\$630,719	\$31,536
Grand Total			32947	\$12,806,984	\$640,349



DACO Distribution Formula

Presented by:

Derek J. Pauley, Chief Information Officer

Doctors ACO 2016 Distribution Methodology

- NSS – Net Shared Savings (ACO Performance Payment minus Operations Expenses)
- PCP Member Payments:
 - 20% Equal Distribution (PCP & Specialists) - \$340,001
 - 20% Panel (Pro-Rata according to Number of Assigned Patients) - \$340,001
 - 60% Savings / Cost Reduction (Avg Patient Cost 2014 vs 2017) - \$1,020,004



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Performance Distribution Methodology 2014 PMPY vs 2017 PMPY Example

Practice A

\$10,000	2014 PMPY (Average Patient Expense)
<u>\$ 9,000</u>	2017 PMPY
\$ 1,000	Savings/(Loss) PMPY
x <u>300</u>	Panel Size (Number of ACO Assigned Patients)
\$300,000	Savings



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Performance Distribution Methodology (con't)

- Assuming \$3,000,000 total savings for 2017 vs 2014 across all practices with savings (2017 vs 2014), Practice A represents 10% savings (\$300,000 of \$3 million).
- Assuming \$1,000,000 (2017 vs 2014) Performance Pool from Net Shared Savings, Practice A would receive 10% or \$100,000 performance payment.



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Specialists/Higher of the Two

1. If Specialist > 50 Patients/Physician

AND

2. Savings on Assigned Beneficiaries

= Specialist paid as a PCP

Don't Change your practice! Allows specialists who act as PCPs to be compensated: **1/22 Specialists Qualified**



Benchmark

Doctors ACO benchmark: \$9,099 Per Member Per Year (PMPY) or

AVERAGE \$758.25 Per Member Per Month (PMPM)

***Each Benchmark includes a claims completion/inflation adjustment**

Each Practice: Own benchmark based expense prior to when the ACO started.

Sample Practice: High Expense Benchmark: \$900 PMPM.

Sample Practice: Low Expense Benchmark: \$700 PMPM.



Example 1: High Performer/Low Benchmark

		2016		
Practice	PCP	Benchmark	Q4 2016	PY 2016 PMPM
PCP 1	1	\$ 684.25	539	\$ 621.01

Practice	PCP	PCP Base	Payment Lives	Payment Saving	Total
PCP 1	1	\$ 3,736.26	\$ 16,256.24	\$ 33,577.79	\$ 53,570.29



Example 2: Low Performer/High Benchmark

		2016		
Practice	PCP	Benchmark	Q4 2016	PY 2016 PMPM
PCP 2	1	\$ 909.00	234	\$ 1,049.78

Practice	PCP	PCP Base	Payment Lives	Payment Saving	Total
PCP 2	1	\$ 3,736.26	\$ 7,057.44	\$ -	\$ 10,793.70

- Medicare requires ACOs to have performance criteria and improvement policies
- Medicare Requires that the policies include termination for non-performance



Example 4: Specialist Payment

		2016		
Practice	Spec	Benchmark	Q4 2016	PY 2016 PMPM
Specialist 1	2	\$ 1,172.75	12	\$ 1,057.00

Practice	Spec	Specialist Base	Total
Specialist 1	2	\$ 7,472.52	\$ 7,472.52



Benchmark Summary

Medicare ONLY pays the ACO if practice improves PMPY

“DACO’s highest performers had a lower than average benchmark”

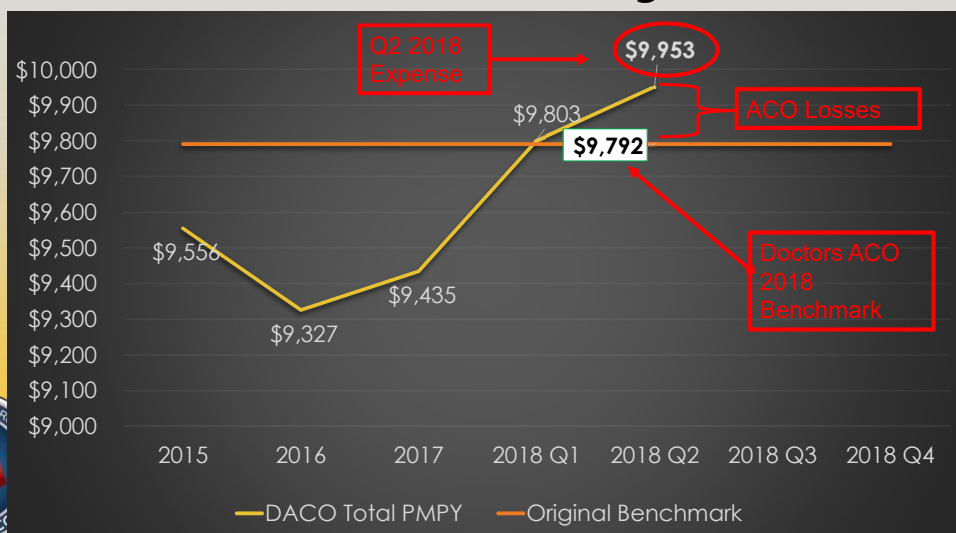
“Many high benchmark practices did NOT have savings”

“Benchmark is less impactful to payment as Participation”

Finish 2018 Strong!



Want a Performance Check Next Year? Finish Strong!






TIME



Amy Thompson
Director of ACO Operations

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Fall Time is Busy!

- CAHPS Survey starts in November.
 - How do your patients rate your practice?
 - Customer Service is key to good results
 - Ask your patients to fill out the survey
 - During patient check out ask, “How was your visit?”

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What can **YOU** do to decrease health care utilization during the holidays?

- Why is this important?
 - Don't quit before the end of the year!
 - Holidays bring different challenges to your clinic!



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- Geriatric population is often alone during the holidays
- Holidays are a difficult time of the year for special diets
 - No added salt and sugar free diets
- Added stress for the Holidays adds up!
- Caregiver strain

Money is tight (meds or gifts)

Busy time of the year (no time for appointments)



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Each Clinic should:

- Holiday Coverage
 - If you must be closed arrange coverage (ACO staff will help you)
 - Add the “Urgent Care” option to your answering machine
 - Specify which urgent care you prefer



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What can your clinic do?

- Finish your AWW - (think beneficiary assignment)
- Transitional Care Management
- ER Diversion
- COPD, CHF, and Diabetes patients
- “phone a friend”
- Holiday poster
- Physician Outreach program
- Day sick appointments



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ER Diversion

- Utilize Urgent Care
- Hang your ER Diversion Posters
- Schedule COPD, diabetic, and CHF patients often
- Address emergency room utilization every office visit, every patient, every time



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“Phone a Friend”

- Develop a phone a friend program for the holidays
- ACO staff can help you identify your list of patients
- Assign a medical assistant a specific number of patients to call
 - Each MA should have no more than 10 patients
 - Patients should be called on Monday and Thursday
- Remind these patients that your clinic has same day appointments
- Review symptoms and medications
- Friendly phone call reminds patients that your practice cares



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Annual Wellness Visits are Important for Assignment!

- Don't lose assignment for not seeing your patients often enough!
- Quality Scores- increase your quality scores through completing AWV
- Remember that the patient's that are difficult to keep assigned are the patients that are not sick!
- Utilize the AWV list recently delivered



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Transitional Cre Management Every Hospitalization Every Time

- Proven to decrease re-hospitalization
- TCM is billable for patients discharged from:
 - Observation
 - Hospital
 - Psych partial hospitalization
 - SNF
 - LTAC
 - Rehab hospital



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**Rock the 4th
Quarter!!**

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Congratulations on a Great 2017 ACO Performance!!!
LET's Do it again in 2018!



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