Manatt Health is a multidisciplinary team of professionals who, through deep substantive knowledge and teamwork, support clients seeking to transform America’s health system by expanding coverage, increasing access and creating new ways of organizing, paying for and delivering care.

Interdisciplinary team with over 85 professionals with expertise in:
- Medicaid expansion and implementation strategies
- Multi-payer payment and delivery system reform and financing
- Provider risk-bearing strategies, including formation of ACOs and provider-sponsored plans
- Mergers, acquisitions, joint ventures
- Corporate structure and governance
- Privacy and data sharing
- Health information exchange, health IT
- Regulatory analysis and compliance

The National Healthcare Landscape
(Reframing the Conversation on Quality & Value)

U.S. Health Spending is Larger Than the GDP of Most Nations

Looking Back: What We Could Have Saved if We Had Matched the Next-Highest Country’s (Switzerland)

Health Care Costs Concentrated in Sick Few – Sickest 10% Account for 65% of Expenses
A 2015 Government Accountability Office (GAO) report determined that 5% of Medicaid beneficiaries accounted for nearly 50% of the program’s spending from 2009 to 2011. Further, 1% of patients accounted for about 25% of Medicaid costs. Of the highest cost beneficiaries:

- 52% had mental health conditions
- 19% had substance use disorders
- 18% had diabetes

Medi-Cal: 12.2 Million beneficiaries $64 Billion total spend

- 5% = 60,000 patients 50% of spend = $32 Billion
- 1% = 12,000 patients 25% of spend = $16 Billion

Eleven Health Industry Mega-Trends

- Consumers Take Charge  ▼ Consumers Take Charge
- More with Less: Volume to Value  ▼ More with Less: Volume to Value
- Mega Health Systems  ▼ Healthcare Everywhere
- Value through Data  ▼ Value through Data
- Predict, Prevent, Personalize  ▼ Predict, Prevent, Personalize
- Focus on Whole Person  ▼ Focus on Whole Person
- Centrality of the States  ▼ Centrality of the States
- The New Aging  ▼ The New Aging
- Healthcare Goes Global  ▼ Healthcare Goes Global

Today’s Focus: Transforming the Care Delivery System

- Consumers Take Charge  ▼ Consumers Take Charge
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Consumers pay more and make more care decisions, using social media/apps to acquire price/network data.

- Reduced employer subsidies and increased reliance on high-deductible health plans force consumers to pay more out-of-pocket, focusing policy attention on costs.
- Consumers will increasingly be able to compare gross and net prices; mounting frustration over apples-to-oranges plan design, coupled with emerging awareness of premium vs. out-of-pocket costs, and narrow network/out-of-network issues will lead to more regulation.
- Healthcare organizations will double down on the emotional factors that play into customer satisfaction (empathy, communication, etc.) in addition to tangible improvements to the patient experience.
There were 67 million U.S. women of reproductive age (13–44) in 2013; 37.9 million in need of contraceptive care—i.e., they were sexually active and able to become pregnant, but not pregnant and did not wish to become pregnant.

Of the 37.9 million women in need of contraceptive care in 2013:

- 20.1 million were poor or low-income adults in need of publicly funded contraceptive services.
- 4.7 million were younger than 20 years.
- 3 in 10 poor women of reproductive age had no insurance coverage.
- 4 out of 10 patients report that they visit Title X-funded community providers as their only source of care.

3.8 million Californians remain uninsured after the ACA.

Title X providers continue to have a vital role to play but face increasing competition and will need to consider new ways to communicate value to active consumers.

Considerations

- Primary care is a central focus of population health efforts.
- Connection points between care providers across transitions in care and across the continuum of care.
- Care management success depends on risk stratification, early intervention and patient-provider relationship.
- Quality measurement efforts related to family planning services are nascent and dispersed. As value-based care discussions evolve, Title X providers have an opportunity to advocate for broad adoption of quality measures that are payer-agnostic.

Providers take risk for population/patient/product outcomes, requiring new care models and contracts.

- Despite initial mixed results of ACOs, continued public and private payer demands for “more-with-less” will force providers and delivery systems to accept risk for patient and population health outcomes.
- Pressures for all-payer alignment on payment models.
- Imperative emerges for vendor/provider/plan rationalization of quality measures and reporting requirements linked to value-based payment models to ease burdens on providers, payers, and patients.
- New team-based care models and telemedicine will become the norm, placing a premium on systems that can transform their processes and attract, train and retain non-physician providers; develop e-health strategies; and target interventions to costly patients.

Primary care is a central focus of population health efforts.
Providers and payers consolidate to manage costs & enhance pricing power, fighting for the CM space.

- While big seems better to the C-Suite and investors, systems and payers that lose focus on the relationship between patient and provider do so at their peril.
- Increased demand for more-with-less creates a race for the middle ground of care management (CM), as payers battle it out with delivery systems for "ownership" of the chronic population who need active care coordination.
- Delivery system winners will lower costs by optimizing/re-engineering care/administrative process and will face strong pressure to reduce prices from plans/consumers.
- Clinical integration will become a more favorable and cost-beneficial approach to full mergers/acquisitions.
- Network development/management skills will be critical.

### Medical Neighborhoods – Broadening Coordination Across Spectrum of Care

#### Considerations
- Medi-Cal – continued expansion of managed care
  - New Medi-Cal 2020 waiver
  - Public Hospital Redesign and Incentives in Medi-Cal (PRIME) includes provision that 60% of all Medi-Cal beneficiaries will receive their care through systems paid via value-based payment methodologies
  - Global Payment Program (GPP) for uninsured patients
  - Dental Transformation Initiative (DTI)
  - Whole Person Care (WPC) Pilots
- Title X providers should:
  - Consider role in Primary Care continuum
  - CFHC: "A New Vision for Family Planning and Women’s Health Centers: Pathways for Success + Sustainability"
  - Develop partnership opportunities
  - Enhance third-party insurance contracting capabilities
Data on health status & effectiveness become widely available, changing practice and payment patterns.

- Legacy issues surrounding the interoperability/integration of clinical data across settings of care will persist, increasing the value of all-payer claims databases.
- Delivery systems will struggle in balancing between "big data" analytics for improved population health, and "small data" information for improved patient-care delivery.
- Doing more with less will require integrating patient-specific clinical, claims, pharmacy, "wearable" and demographic data for effective targeting/measurement of provider/patient-centric interventions.
- Evidence-based models that can link to new reimbursement and payment models will impact life sciences companies in an increasingly-scrutinized marketplace that rewards demonstrable value.

Considerations

- Data analytics, business intelligence and health information exchange will remain priority areas of focus for both delivery systems and policy makers.
- By 2018, 80% of health systems will use data analytics as a tool to predict/manage health.
- Title X providers must strike challenging balance - sharing data that can link to new reimbursement and payment models will impact life sciences companies in an increasingly-scrutinized marketplace that rewards demonstrable value.

Social determinants accepted as major cost driver, leading to increased focus on service integration:

- For high-cost populations, building effective "upstream" social service/safety net organizations as payers and delivery systems race to occupy the middle ground of care management.
- Effective adoption of data-driven and care management strategies to prevent avoidable patient visits and readmissions is the price of admission for the integrated delivery system or health plan.
- Managing social determinants and regulatory inhibitors to effective relationship behavioral, social, [e.g., housing], and medical services is an enterprise-challenging to any organization that has failed to develop and implement a broad and deep community-based outreach and engagement strategy.

Opportunities for CA Title X Providers

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"Entry Point for Care": Managing the Transition

**Surviving Near Term**

1. **Know and Communicate The Needs of Your Community**
   - "Get Your House In Order":
     - Insurance eligibility determination
     - Operational efficiencies
     - 3rd party billing and collections
     - Emr
     - Patient Education
   - Create Linkages to Primary Care
     - Primary care visit support
     - Seamless transitions
     - Possible care management or health home services
     - Address gaps in care
   - Become Part of an Integrated System of Care
     - Become part of an integrated care team
     - Participate in value-based contracting arrangements

**Long-Term Sustainability**

- Operational Enhancements "Within Your Four Walls"

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**Operational Enhancements “Within Your Four Walls”**

- Change made in March 12 months
- Changes expected to be made in the next 12 months

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**Imperative**

Define your role in the emerging systems of care and demonstrate your value...or risk being left out of them.

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**Thoughts on Leading Change**

**Lessons in Leadership: The Betty Irene Moore Speaker Series**

- "Showing up is a very key leadership strategy"
- "If you have a passion, follow it"
- "Take an occasion to look at yourself in the mirror and ask the question, ‘Now why did I get into this field? What was it that drove me to that?’” Go back and get in touch with yourself"
- "Use your voice everywhere it counts”  
  - We’ve been pounding on the door long enough; when we walk through, do we have something to say?"

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**Discussion**
Thank you!

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