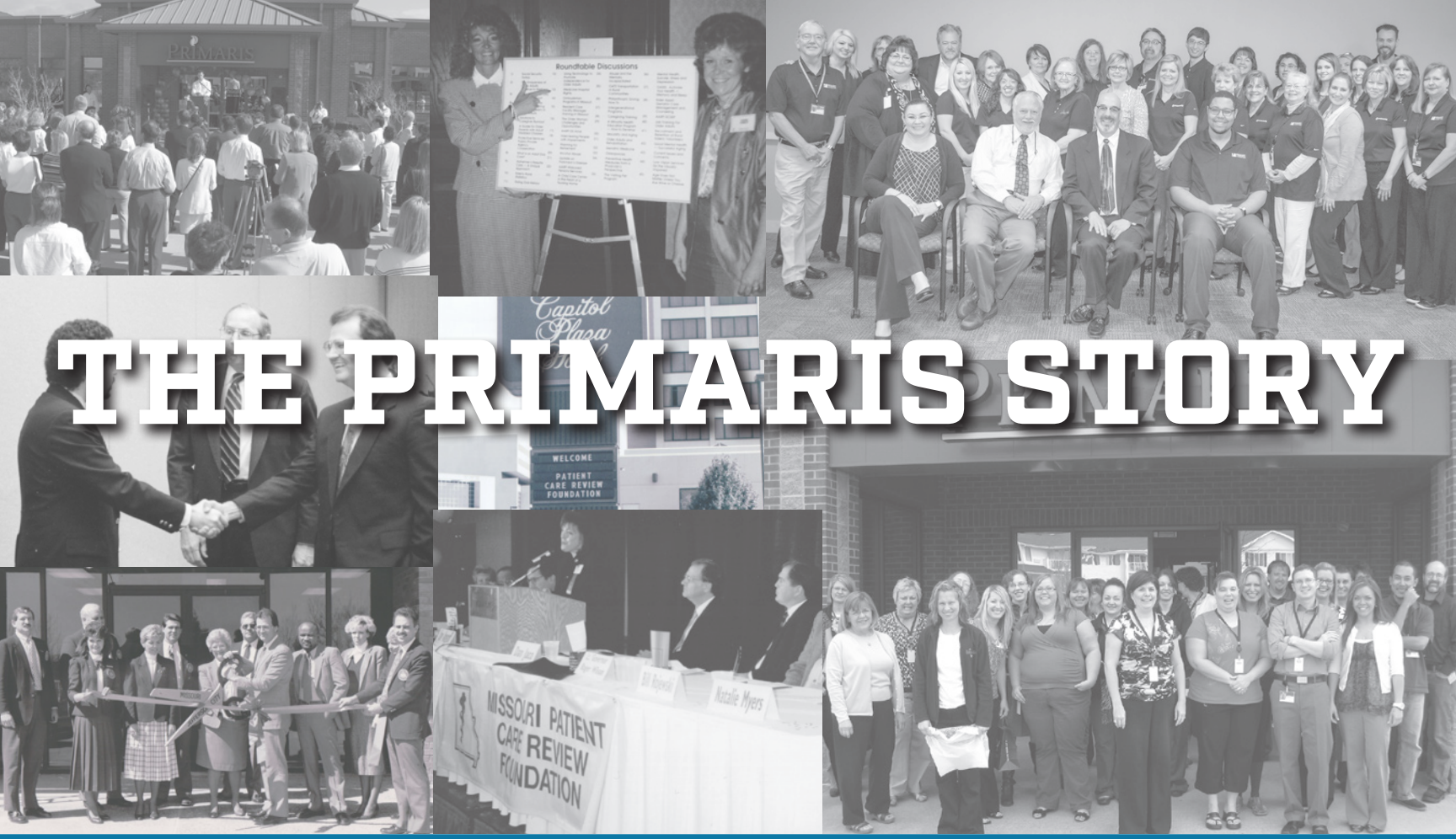
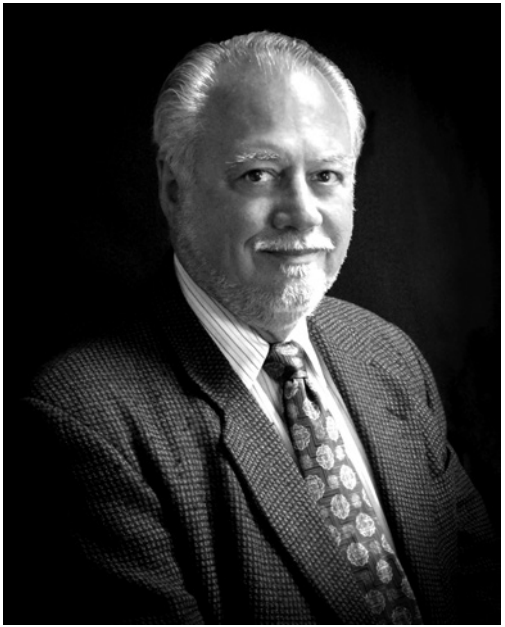


THE PRIMARIS STORY

OUR JOURNEY FROM PIONEER TO TRUSTED LEADER
IN AMERICA'S TRANSITION TO VALUE-BASED CARE

Primaris
Healthcare Business Solutions

AN EBOOK FROM THE EXPERTS AT



Primaris CEO, Rick Royer

Can you remember a time when the agency that administered Medicare and Medicaid wasn't called the Centers for Medicare and Medicaid Services (CMS)?

Primaris can. Nearly 20 years before the Health Care Financing Administration was renamed CMS – in June 2001 – Primaris was already a veteran, innovator and leader in quality improvement and healthcare consulting. And now as CMS rapidly moves away from the old fee-for-service payment model to value-based care and that lofty Triple Aim -- better care, healthier patients, lower cost -- Primaris is right there, helping physicians and healthcare systems safely hop on the speeding train and navigate the challenging terrain ahead.

Primaris CEO Rick Royer has watched as the transition from fee for service to value-based care has unfolded.

"We're in what you would consider the industrialized phase of medicine," Royer said, comparing health and medicine to other industries and businesses that have evolved. "When you look at what other parts of the economy did, it took 80 years to get from the horse and buggy economy to the industrial economy. We're now doing that in healthcare. "We're trying to move to the 21st century before it's over."

THEN

A brief history lesson is in order, starting with July 30, 1965, the day President Lyndon B. Johnson signed Medicare into law during a ceremony in Independence, Mo. Former President Harry S. Truman was issued the very first Medicare card. The Bureau of Health Insurance was created, to control the costs of the new government insurance program.

The Health Care Financing Administration (HCFA) was established in 1977 to administer Medicare and began building a national network of Peer Review Organizations (PRO) to review Medicare costs and patient care. Some rudimentary data mining was put in place to help HCFA see the full scope – as much as possible – of costs, procedures and general overall health in regions across the country.

No doubt the early days of hit-and-miss, pen-and-paper medical records was a precursor of the astonishing sea of health data that today is flooding physicians and health systems with extra work and costs.

In the early 1980s, HCFA's Medicare and Medicaid programs were growing even more rapidly, and with greater cost. HCFA made a decision to strengthen the PRO network by working with contractors throughout the country. Each state would have its own PRO.

In Missouri, the state and two medical groups – the Missouri Association of Osteopathic Physicians and Surgeons and the Missouri State Medical Association– formed a nonprofit corporation that became the federal contractor for the review work that took a greater interest in the qualitative performance of doctors and hospitals. The new venture was called Missouri Patient Care Review Foundation (MPCRF).

Medicare signed into law 1965

The Health Care Financing Administration (HCFA) established to administer Medicare 1977

HCFA builds national network of Peer Review Organizations 1982

MPCRF was tasked with two major functions: make sure patients were properly treated in hospitals (and didn't overstay) and review doctors, comparing them to their peers. The approach began to change during the next 10 years as some of the treatment quality standards became outmoded. For instance, the number of days a patient stayed in the hospital wasn't always directly related to quality of care and health outcomes. Also, the system sanctioned doctors who did not perform as well as their peers.

Royer recalled that the system was "regulatory, punitive and negative."

At the same time, the Sustainable Growth Rate hospital and physician payment method that was part of the original Medicare law was showing flaws in keeping up with the number of individuals on Medicare and the costs associated with their care. Additional steps were put in place to put the system on a trajectory toward value-based care. Another common theme began emerging. As the largest single healthcare payer in the country, Medicare often leads the private insurance industry toward change, too. Royer said that theme replays often.

When the calendar turned to the 21st century, the quality-over-volume approach to paying doctors and hospitals for Medicare was accelerating. Even the Medicare program got a face lift. On June 14, 2001, HCFA was relegated to the history books and was renamed CMS.

In 2004, MPCRF changed its name to Primaris.

Medicare & Medicaid Grow Rapidly Early 1980's

Missouri Patient Care Review Foundation forms (MPCRF, precursor to Primaris) 1983

Midwest Excellence Institute established 1992

"We became the trusted partners of the hospitals, then doctors and then nursing homes," Royer said. "Those areas came to know us as the experts in quality improvement because that had been our job for about 20 years."

CMS began to require that hospitals work on specific quality measures and report the data. At the same time, the Joint Commission, which provides coveted, valuable accreditation for hospitals, also began adopting some of the same quality measures in order for hospitals to earn accreditation.

During the course of Primaris's work as a Quality Improvement Organization with both CMS and Joint Commission core measures, the company's reputation and portfolio grew. Royer said the quality reporting work "started to pick up in terms of sophistication and demand."

Primaris was poised to step in and partner with the hospitals that were overwhelmed by the new requirements for quality measure reporting on a variety of treatments and procedures, from hospital acquired infections and ventilator-associated pneumonia to reducing readmissions and quality outcomes for both inpatient and outpatient charges.

"They'd say, 'Hey, this is getting a little more complicated than just having an employee in the medical records department do this. Can we outsource this?'" Royer recalled.

There was one client, then two, then four. The referrals reverberated throughout the industry and the Primaris portfo-

CLAIM forms and becomes the SHIP for Missouri
1993

Congress passes the Health Insurance Portability and Accountability Act, HIPAA
1996

Congress establishes the Children's Health Insurance Program (CHIP)
1997

lio soon included dozens of hospitals. Meanwhile, CMS began pushing hard for data to be abstracted and digitized. And CMS began taking steps towards requiring quality reporting from physicians' offices, not just hospitals.

It was another step – perhaps a giant leap – toward requiring the use of electronic health records. (EHRs).

Along with the coming flood of data was a new bevy of colorful but now-common programs and acronyms. The journey towards value-based care was in full steam, evolving into the Quality Payment Program, the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) and the Merit-based Incentive Payment System (MIPS).

NOW

MACRA – which birthed the QPP and MIPS – came along in 2015 in large part due to Congress's ongoing struggle with the old Sustainable Growth Rate method to control spending on Medicare services. By 2015, the SGR was going to result in a dramatic physician payment reduction of more than 20 percent. That reality would have had serious implications for doctors' ability to accept Medicare patients.

MACRA replaced the SGR, putting in place both incentives and penalties for physicians and health systems that fall short of quality measures. Now, more than ever, the need for data abstraction and accurate, reliable and actionable data must be a top priority for Medicare providers. The goal of MIPS is to tie 50 percent of Medicare reimbursements to a quality reporting and scoring system by 2019.

"MIPS is still fee-for-service," Royer said.

Health Care Financing Administration renamed Center for Medicare and Medicaid Services (CMS)
2001

MPCRF changes its name to Primaris
2004

Primars Foundation established
2005

"CMS would like to eliminate FFS medicine as we know it by the middle of the next decade. Tall order, but that's the direction they want to go. They want the medical world on a population health measurement. That's going to be strictly paying for value."

The train is certainly rolling. With quality measures and financial incentives driving improvement, there are now 2,100-plus measures for large health systems to track and report.

There are now dozens of specialty registries for reporting patient data. Large physicians groups and Accountable Care Organizations had reported their quality data to CMS via the Group Reporting Option – or GPRO, which also became a Primaris specialty. GPRO has now morphed into CMS Web Interface (CWI).

THE PRIMARIS DIFFERENCE

There's clearly a hefty compliance cost for both physicians and hospitals. EHRs slow down the process, at least initially, and one physician referred to modern health information technology as "death by a thousand clicks."

"Those are very valid points," Royer said.

"If I want to remain efficient, I've got to hire somebody else to do that kind of work."

Looking back at the horse-and-buggy to industrialized economy for healthcare, the evolution in healthcare is not so unique. "Every other industry goes through the same thing. Cars have evolved" as the result of environmental and safety rules. "They're not the same as they were in the 1950s."

And in multiple, perhaps still unseen ways, medicine and healthcare isn't either. ACOs, for instance, are part of the new reality.

"There's no doubt that physicians are being compelled to work in larger groups where they can share the additional overhead," Royer said. "The Marcus Welby days of solo doctors are pretty well over."

The future of payment models and quality care – the equation that equals value – will be increasingly tied to population health, social determinants such as transportation and societal factors, coordination of care, bundled payments, and more.

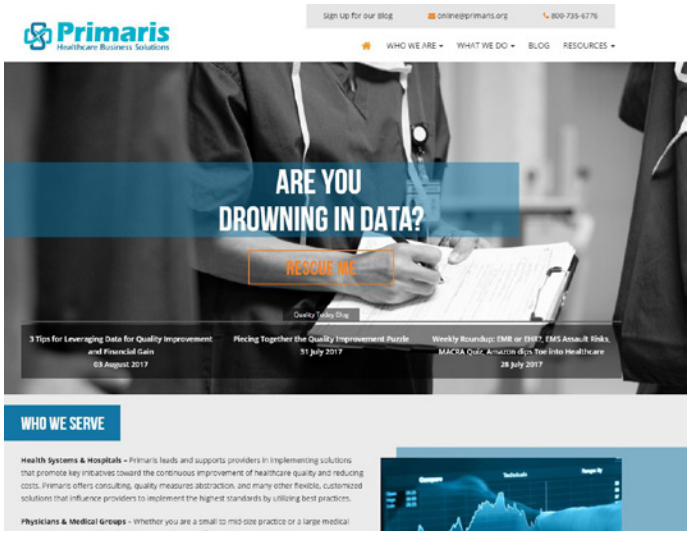
Center for Patient Safety established 2005

President Obama signs the Patient Protection and Affordable Care Act into law 2010

30 year anniversary MPCRF/Primaris 2013

During the past 35 years, Primaris has worked with thousands of providers – hospitals, nursing homes, ACOs and more - in a wide range of healthcare improvement initiatives, including quality monitoring, quality improvement, patient safety, care coordination, operational efficiency and meaningful use achievement.

As clinicians and former administrators, the Primaris team understands what it's like to be on the front lines of healthcare.



The healthcare industry continues to undergo dramatic, accelerating change. The rules around caring for patients – and being compensated for that care – are very different under the value- and outcome-based model that is becoming the norm. It is imperative that healthcare teams have a way to analyze their performance and leverage their data to improve quality, patient safety, and clinical and financial outcomes.

"Our expertise allows us to be knowledgeable on all of them," Royer said. "We know how to talk hospital and doctor. We've been doing it for 35 years."

Today, Primaris continues to help healthcare providers and hospital systems nationwide navigate the complex regulatory system that increasingly ties proven quality results to Medicare reimbursements, a model that commercial insurers are expected to adopt at some point. As a long-standing consultant and partner in the shift towards value-based care, Primaris has the lifeline to help rescue providers and executives who feel like they are drowning in the data that must be abstracted and reported to comply with new reimbursement roles.

As Primaris maintains its trusted role in helping shepherd the healthcare industry into the digital age, our company is now on the front lines of working with clinicians to optimize their MIPS scores by using data to improve healthcare quality while achieving maximum Medicare reimbursement rates. Primaris also is still part of the QIO network as a subcontractor for the TMF Quality Innovation Network.

Congress passes MACRA program
2015

CMS announces new goals for value-based care for Medicare, QPP/MIPS begins
2017

Primaris launches new branding and website
2017

FOOTNOTE

The Primaris Foundation

Founded in 2005, the Primaris Foundation is a Missouri not-for-profit organization dedicated to helping individuals maximize their access to healthcare and benefits. The Foundation empowers individuals to make informed decisions about their healthcare choices through outreach opportunities and education programs.

The Foundation directs two important programs. CLAIM and Insurance Counseling Services (ICS).

CLAIM has been the Missouri State Health Insurance Assistance Program (SHIP) since 1993, providing free and unbiased advocacy, education and assistance for Medicare beneficiaries through the work over more than 300 trained certified counselors and 180 community partners.

ICS helps inform mid-Missourians about their options under Affordable Care Act regulations. ICS is part of a member of the Cover Missouri coalition in partnership with the Primaris Foundation and Missouri Foundation for Health.

PRIMARIS AFFILIATES

Center for Patient Safety

The Center for Patient Safety, established in 2005, is an independent, not-for-profit organization dedicated to promoting safe and quality healthcare through the reduction of medical errors. One of the first federally-listed Patient Safety Organizations (PSOs) in November 2008, we are now one of the largest and most active PSOs in the country.

Midwest Excellence Institute

The Midwest Excellence Institute (MEI), established in 1992, is the Missouri and Kansas state level partner of the National Baldrige Performance Excellence Program. MEI is a Baldrige-driven company that helps businesses and organizations improve performance.

PRIMARIS FOUNDATION

CLAIM
State Health Insurance Assistance Program

PRIMARIS FOUNDATION WORKING TO HELP
COVER MISSOURI

Center for Patient Safety

MEI MIDWEST EXCELLENCE INSTITUTE

Primaris Staff, 2017

200 N. KEENE STREET, SUITE 101
COLUMBIA, MO 65201
PHONE: 800.735.6776
WWW.PRIMARIS.ORG