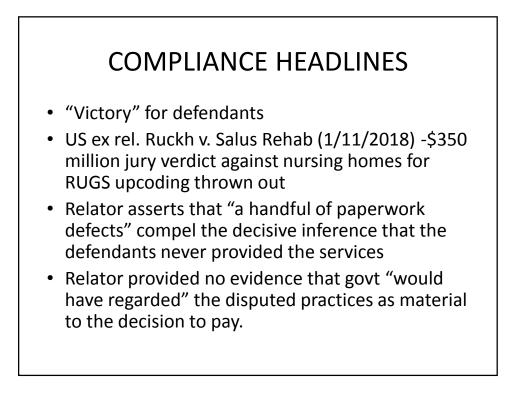
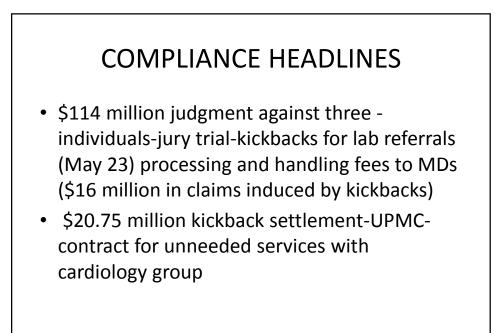
HCCA REGIONAL PROGRAM PHILADELPHIA TRENDS IN THE FUTURE OF HEALTH CARE AND COMPLIANCE JAMES G. SHEEHAN CHIEF, CHARITIES BUREAU NEW YORK ATTORNEY GENERAL'S OFFICE JAMES.SHEEHAN@AG.NY.GOV



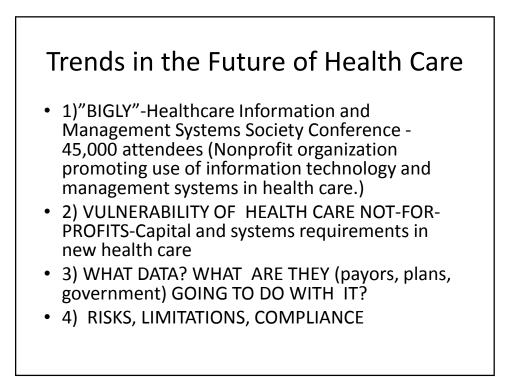
COMPLIANCE HEADLINES

- UnitedHealth –claim for upcoding as part of consultant record review-risk adjustment payments
- California case (Swoben) dismissed
- Minnesota case (Poehling) goes forward (March 2018)
- UnitedHealthcare v. Price-still pendingchallenge to Medicare overpayment rule-(duty to report, refund, explain)



COMPLIANCE HEADLINES-other 2018 cases

- Fla. Hospice settlement-patients not terminal-\$2.5 million
- Insys Therapeutics FCA complaint-speaker programs, meals and entertainment to MDs and NPs to prescribe opioid painkiller
- Mercy Health-Ohio-self-disclosure of payments to six employed physicians which exceeded fair value of services-\$14.25 million
- Charles Cole hospital-Pa.-self-disclosure-failure to use modifier for pa's;failure to perform face-to-face on recerts. of hospice patients \$373K



"BIGLY

- Critical mass in health care
- bargaining power of large systems
- Capital requirements for IT, data, telemedicine, analytics, billing, outcome capture, data reporting
- Value based reporting and payment



"BIGLY"

- Jefferson Health-so big it now runs ads during the Super Bowl
- Penn Medicine
- Temple

SAVINGS/PROFIT OPTIONS for BIGLY

- High volume, high cost surgeries-CABG, angioplasty, knee and hip replacement, caesarians-2-6 times comparable countries
- Administrative costs 3-5 times comparables
- Medical imaging procedures –up to 10 times cost in comparables
- Drugs spending 3 times comparables
- E. Emanuel editorial in JAMA 3/13/2018

VULNERABILITY OF NOT-FOR-PROFITS

- Gradual disappearance of not-for-profit nursing facilities
- Effect of metrics-driven managed care payment systems – and managers- on not-for-profit custodial care-developmental disabilities, mental health, substance abuse (state Medicaid and ACA)
- Weaker funding, management, board, IT, finance structures
- Consensus based institutions at risk in period of rapid change
- Hospitals remain outlier: 2849 NFP vs. 1,035 FP

WHERE DOES BIG DATA COME FROM? (some sources)

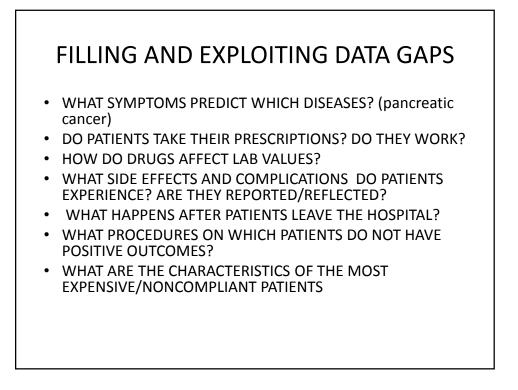
- Electronic medical records
- Photos and images
- Prescription records
- Adverse event/near miss reporting
- Appointment records/Patient communication records
- Billing records (coding for ICD-10 and CPT)
- Email and text records
- Wearable technology/body sensor/remote monitoring records
- Social determinant/demography data
- Care coordination records
- Laboratory value records
- Insurance interaction records

WHAT CAN ALL THIS DATA BE USED FOR?

- Predictive Analytics
- Machine Learning/ Artificial Intelligence
- Doppelganger searches/reports
- Integration of pharmacologic, therapeutic care, monitoring, followup, custodial care
- · Patient learning and behavior modification
- Provider learning and behavior modification
- Outcomes improvement
- INTEGRATING PHARMA AND MEDICAL/CUSTODIAL CARE

Machine Learning/ Artificial Intelligence

- Machine Learning-the Watson approach
- "Scalable and accurate deep learning for electronic health records" Rajkomar, A. et al (January 2018) (Stanford, UCSF, U Chicago, Google study, not yet published)
- "We propose a representation of patients' entire, raw EHR records based on the Fast Healthcare Interoperability Resources (FHIR) format."
- ""Deep learning models achieved high accuracy for tasks such as predicting in-hospital mortality (AUROC across sites 0.93-0.94), 30-day unplanned readmission (AUROC 0.75-0.76), prolonged length of stay (AUROC 0.85-0.86), and all of a patient's final diagnoses (frequency-weighted AUROC 0.90). These models outperformed state-of-the-art traditional predictive models in all cases."



IF DATA ANALYSIS AND GAP ANALYSIS IS SUCH A GOOD IDEA, WHY HASN'T IT HAPPENED ALREADY?

- INCENTIVES
- HOW DOES EACH INDUSTRY SEGMENT MAKE MONEY?
- Pharmaceuticals
- PBMs
- Labs
- Physicians/ancillaries
- Hospitals
- Custodial care

IF DATA ANALYSIS AND GAP ANALYSIS IS SUCH A GOOD IDEA, WHY HASN'T IT HAPPENED ALREADY?

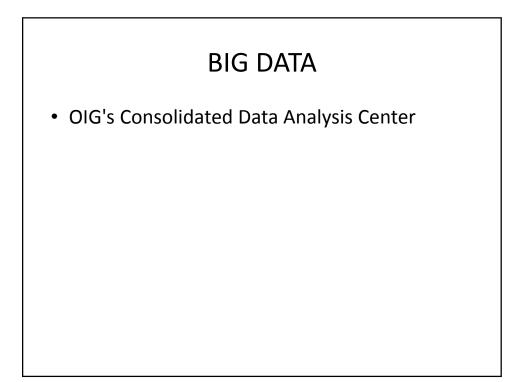
- Data aggregation
- Data quality/accuracy
- Interoperability of data systems
- Ownership/licensing issues
- Lawyers
- Regulators

HOW "BIGLY" ADDRESSES THE DATA ISSUES

- Change in Incentives
- Deep Data Aggregation
- Data standards and quality
- interoperability
- Common ownership
- Profit motive

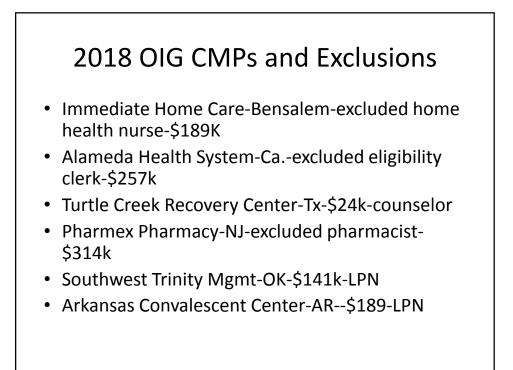
NEW RISKS FROM BIGLY AND BIG DATA

- Big Brother aspects of data aggregation-do we want private companies with this much personal information about us?
- Required consents from patrients?
- Access and breaches
- Moving expensive patients to high cost drug tiers to encourage migration
- Should data generated algorithms be protected intellectual property?
- Are data generated algorithms disclosed or black box? Can providers rely on black box in malpractice actions? In medical necessity or privilege reviews?



2018 OIG CMPs and Exclusions

- Patient dumping:
 - NC hospital-patient dumping-4 cases-\$200k
 - Iowa hospital-patient dumping \$90,000
 - NC hospital \$52K
 - FL. Hospital \$42,500
 - Ohio hospital-\$50K
 - Ga. Hospital-\$52K
 - Tenn. Hospital-\$40k
- ARC of Anchorage (AK) \$2M false claims-individual and group services at same time, overlapping times, retention of overpayments
- Fla. Drug and Alcohol Rehab-\$95k-kickbacks (point of care test cups) from Millenium Health LLC



UPCOMING COMPLIANCE ISSUES TO WORRY ABOUT

- HIPAA and privacy issues
- Ransomware and system vulnerabilities
- Secondary payor
- Risk Assessments-data and claims systems