



RPA Guidance on Nephrologists' Relationships with Value-Based Commercial CKD Coordinated Care Entities

The RPA believes value-based care has potential to improve the services and care available to persons with kidney disease while lowering the overall cost of care for this complex population. As such, value-based care has the potential to benefit patients, payors, and nephrology practices. There are a growing number of companies seeking capitated risk or value-based care contracts with payors. These companies, in turn, will need to partner with nephrology practices to provide the coordinated care that will translate into low cost and high-quality care for the both the CKD and ESRD patient populations. Entering into a value-based care (VBC) relationship with such a company may offer the opportunity to enhance CKD care delivery and bring new revenue to the practice, but also introduces practice management complexities, financial risk, and other obligations that must be carefully considered. To assist nephrology practices in thinking about these VBC relationships, RPA has developed the following two lists of questions to consider before entering into a value-based care arrangement.

What a nephrology practice should ask itself when considering a value-based care contract partnership?

General/Market-Based Issues

- Do we believe value-based care contracting is good for our patients and practice?
- Within our nephrology practice's local or regional market, is there an appetite among the local payors and non-nephrology providers to participate in value-based models of care?
 - Does our community have the capacity and resources for our patients to obtain typical services for ideal CKD/ESKD/transplant management?
 - What bottlenecks in care or care delivery would still exist, even if we have a well-funded and organized VBC partner?
- Will a relationship with a company to provide value-based care provide a competitive advantage relative to other practices – or conversely will not participating create a competitive disadvantage?
- Are other practices in our market moving into value-based care contracts? Will our practice be left behind if we do not?

- Have we taken the time to understand what each potential VBC partner has to offer? What are the similarities and differences between various companies?
- Will the company be able to bring the practice payors or payor contracts? Does the company have a track record of successfully contracting with payors in nephrology or other areas of care?

Workflow/Capability Issues

- Are our practice partners willing to change our care models and processes to accomplish the quality/cost outcome goals? Are we capable of standardizing care activities and data collection amongst our group of providers?
 - This is critically important - practices will do very poorly in risk-based models without a practice-wide commitment amongst the physicians and advanced practitioners to harmonize workflows with best practices, engage in consistent data gathering, and monitoring with clear processes outcome metrics. To achieve this, the practice's clinicians must be willing to work within some standardized protocols. If the practice clinicians are not able to work within agreed boundaries and toward clear goals, the risk of losing significant revenue is real. Is our practice capable of this transition?
- What capabilities do we have within the practice to perform kidney disease education, care coordination, and data analytic activities?
- Where there are gaps in our capabilities, do we want to grow within the practice or utilize the VBC company's capabilities?
 - The infrastructure to perform these activities will be expensive. Therefore, clear delineation of who will pay for new infrastructure and overhead costs must be clearly defined.

Financial Issues

- Do we want to participate in upside (i.e., financial gain) and downside risk (financial loss)?
- What percentage of our gross revenue are we willing to risk with a single partner and in value-based care activities cumulatively?
- What will the VBC company invest in our partnership? What obligations does the investment create? What impact will recouping those dollars over time have on the financial outlook for the practice if the relationship is not successful?
- Who will pay the needed infrastructure costs for patient navigation and care coordination in both a shared profit or loss scenario?
- How will these arrangements with these Value Base companies be set up? Is this a joint venture (JV) or management services organization (MSO), or will the company buy part of your practice? How is the governance set up in these arrangements?

- Have we explored the legal risk of these new arrangements? Do we understand the implications of upfront payments, financial short falls, and administrative decision-making authority of any proposed VBC arrangement?
- Is our practice prepared to dedicate administrative, clinical support staff, and clinician time to VBC activities?
 - Will we compensate providers for non-RVU generating activities related to population health work required to be successful in a VBC arrangement?
 - Do we have the staffing capacity and skill set necessary to engage in population health activities, such as running reports, managing patients outside of face-to-face visits, and helping patients navigate barriers to CKD/ESKD/transplant care?

Data Management/Control Issues

- How much of our data are we willing to share – how extensively will we integrate with another company?
- Can the VBC company use our shared patient data in other ways? What does that mean if our arrangement ends or dissolves?
- At the conclusion of the contract who ‘owns’ the data (beyond the patient)?

Impact on Interactions with Dialysis Providers

- Given that these agreements will likely impact activities performed within the dialysis facility, it will be necessary to consider current relationships with dialysis providers. Does the practice believe that a new VBC relationship will affect its relationships with current dialysis partners, and if so, how?
 - How will you get data from your dialysis providers?
 - Who will bear the cost and technical needs of such data connections?
 - What does it mean if my dialysis providers are unwilling or unable to meaningfully share data with the VBC company or our practice?
 - Are our dialysis provider partners willing to provide resources to help with data collection as well as collecting other information such as patient surveys to achieve some of our metrics?
 - Are our dialysis provider partners willing to make cost adjustments to patient treatments in order to deliver more efficient care even if they are not part of the contract and will not be getting a direct financial benefit from it?
 - Are they also willing to change their protocols in order to adopt ER diversion strategies?

What a nephrology practice should ask the value-based care company when considering a contract?

- How does your company demonstrate that it values the nephrologist-patient relationship? For instance, how do you interact with patients on behalf of the practice?

- What is the strategy for patient enrollment and consent - what resources will your company utilize to ensure success?
- Will this contract bring new patients to our practice through a preferred provider arrangement or identification of those not receiving nephrology care?
- Will our practice be able to offer education, care coordination, and data analytic activities if we can do these things or must we use the company's tools and resources?
- Will this contract pay for some of our existing staff/infrastructure expenses thereby lowering practice overhead? Or can it be expected to increase practice overhead?
- How will this contract alter our existing fee for service or other revenue?
 - What is the timeline of payments or revenue from the VBC arrangement? Will we need to consider altered cash flow or think differently about revenue cycle management in light of the VBC relationship?
- Will the contract or the activities of your company affect the ability of our practice to bill for E&M, KDE, or other associated kidney care services?
- What revenue is available in quality outcome incentives, and are those both aligned with patient's best interest and within our capability?
- Do we have opportunity to take on (or be protected from) financial risk beyond those incentive payments?
- How long will this arrangement last and what requirements will the practice have regarding the assignment of contracts to either the VB company or the new JV/MSO? Can the practice terminate the new business arrangement if dissatisfied with services rendered by the VBC? What penalties will exist, if any?
- What is the opportunity for ownership or governance input in the value-based care entity?
 - What happens if the VBC company is purchased, sold, or dissolves?
- How can we exit if the contract relationship does not turn out to be advantageous?
 - What would be our practice threshold for wanting to leave the arrangement?
- Is this contract relationship exclusive or can we participate with other companies who might obtain contracts with patients in our market?
- How is provider credentialing managed?

In summary, RPA does believe that these companies have the potential to advance the care of persons with CKD and ESRD. That said, nephrology practices should purposefully consider both the positive and challenging ramifications of entering into contractual relationships with these entities.

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