WHITEPAPER

How an **Enhanced Medicare Annual Wellness Visit** Improves Clinical and Financial Performance

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Introduction

The Medicare Annual Wellness Visit (AWV) is an important contributor to value-based care transformation by focusing on early detection, encouraging positive lifestyle choices and increasing the utilization of preventive services to reduce downstream acute care episodes. Introduced in the Affordable Care Act, the AWV aligns with the Triple Aim of better care quality, better health outcomes, and reduced care costs.

Medicare has been urging beneficiaries to take advantage of the AWV and other preventive services for two key reasons. First, preventing chronic disease has been linked to improved health and quality of life. Second, these services represent a significant step toward reducing the estimated $3.8 trillion (in direct and indirect healthcare costs) that the U.S. spends annually to treat preventable long-term illnesses.[1]

Unfortunately, only 1 in 4 Medicare beneficiaries receive an AWV; those who don't tend to come from underserved populations, which only widens disparities in care. Moreover, AWVs can be used as a springboard to participate in health plan sponsored programs designed to capture accurate clinical documentation and close risk and quality care gaps. This expanded scope ensures appropriate care and reimbursement while enhancing performance under value-based care arrangements. This approach has been dubbed the "Enhanced Annual Wellness Visit" (Enhanced AWV) by Vatica Health, a pioneer in this arena.

An Overview of the Annual Wellness Visit

The Patient Protection and Affordable Care Act of 2010 included a provision that allowed all Medicare beneficiaries to receive an Annual Wellness Visit (AWV). The initial visit is offered 12 months after beneficiaries become eligible for Medicare Part B; after that, AWVs are covered once every 12 months.

The AWV does not require an extensive physical examination. Rather, it consists of health risk assessments (HRAs), cognitive screenings and other tests, and biometric measurements such as height, weight, and blood pressure. In addition, physicians and their care teams may discuss safety issues, such as fall risks or social needs such as food insecurity and transportation. Much of the evaluation can be done by non-physicians on the care team; as the American Medical Association puts it, "the physician's role is to synthesize the findings and provide recommendations."[2] The end goal of the visit is to develop personalized care plans and to encourage the use of preventive services.

The AWV is available to Medicare beneficiaries with no deductible or co-payment; physicians are reimbursed $174 for an initial AWV and $118 for subsequent AWVs. (These totals are for original Medicare; reimbursement for the AWV may vary under Medicare Advantage plans.) Visits typically last 30 to 40 minutes,[3] though technology and workflow enhancements can drive efficiencies and also identify other clinically appropriate preventive services and interventions. Importantly, certain evaluation and management (E/M) work that may be done during the visit is subject to copays, deductibles, and coinsurance; this could include a lipid or metabolic panel, an electrocardiogram, or certain vaccinations. A comprehensive encounter leads to better patient outcomes and improves physician's performance under value-based care arrangements.

How the AWV Can Benefit Physicians and Patients

Research has shown that more than 1.5 million Americans die every year from preventable chronic conditions that could be delayed or even prevented through lifestyle modifications such as quitting smoking or increasing physical activity.[4] It is estimated that up to 80% of Medicare beneficiaries have at least one chronic condition, and 50% have at least two.[5] Beneficiaries with chronic conditions account for 95% of all Medicare spending, or more than $759 billion of Medicare's total spending of $800 billion in 2019.[6]

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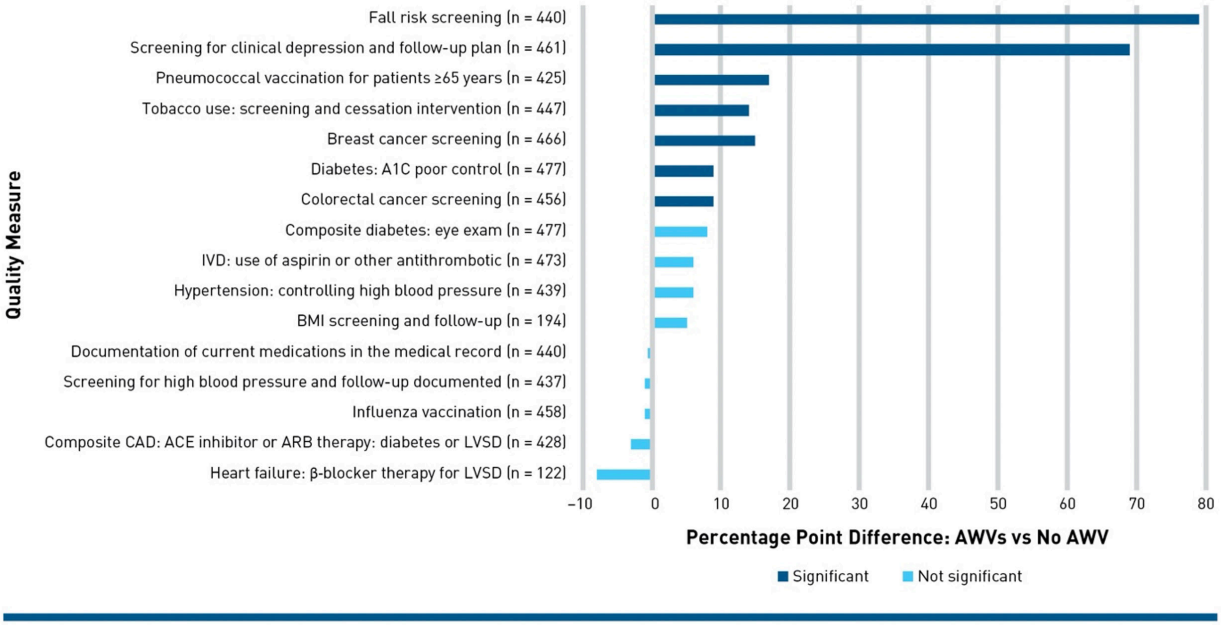
Technology and workflow enhancements can drive efficiencies to improve clinical and financial results.

The AWV was implemented with the intention of providing clinical and financial benefits in alignment with the Triple Aim established by the Centers for Medicare & Medicaid Services. AWVs have a substantive impact on quality-of-care delivery, health outcomes, and cost of care.

- **Better care quality.** As seen in the chart below, the initial AWV has been linked to improved performance on seven clinical quality measures – especially those associated with fall risk and depression screening, which are typically not covered in a standard E/M visit.[7] Screenings for conditions such as prediabetes, diabetes, and colon cancer have also been linked to early disease detection, enabling treatment that slows disease development.[8]

FIGURE 2. Association of AWVs With Performance on Clinical Quality Measures



A1C indicates glycated hemoglobin; ACE, angiotensin-converting enzyme; ACO, accountable care organization; ARB, angiotensin receptor blocker; AWV, Annual Wellness Visit; BMI, body mass index; CAD, coronary artery disease; IVD, ischemic vascular disease; LVSD, left ventricular systolic dysfunction.

Source: Authors' analysis of data reported for clinical quality measures as part of the ACO program.[24]

- **Better health outcomes.** The end result of the AWV is a personalized prevention plan that aligns with evidence-based, age-appropriate guidelines for screenings, vaccinations, and other services and gives patients guidance for preventive care decisions for years to come. In addition, visits are structured to allow physicians to close a range of National Committee for Quality Assurance's Healthcare Effectiveness Data and Information Set (HEDIS) and Medicare Shared Savings Program (MSSP) care gap measures.[9]
- **Reduced care costs.** The AWV has been associated with a $456 decrease in annual costs per member. This ranges in savings from $281 for the initial AWV to $338 for subsequent visits. In addition, patients who received an AWV experienced a 5.7% reduction in adjusted total healthcare costs in the 11 months following their visit.[10] Preventing the onset of chronic conditions also lowers care costs, with expenditures 230% higher for members with diabetes

and 1,000% higher for those with advanced chronic kidney disease.[11]

Physicians can realize additional financial benefits from conducting AWVs as well.

- Surveys have shown that more than 60% of patients who complete an AWV receive referrals for follow-up appointments, and 30% of those who receive referrals average three or more referrals.[12]
- Billing AWVs with associated preventive services and same-day problem-oriented services generates revenue that would not have been realized if the AWV had not taken place.
- Physicians participating in Merit-based Incentive Payment System (MIPS) improve their quality scores by conducting and documenting AWVs, which can contribute to higher Medicare payment adjustments.
- HRAs administered during an AWV offer a chance to report risk-adjusted diagnoses for Medicare Advantage beneficiaries, which can lead to increased payment rates for higher-risk patients.[13]

Why the AWV Is Often a Missed Opportunity

Despite the clear clinical and financial benefits of AWVs – including no cost to Medicare beneficiaries and full eligibility for everyone enrolled in Medicare – the visits remain a missed opportunity more than a decade after their introduction. There are two key reasons: utilization rates and visit workflows.

Low Utilization Rates

It is estimated that fewer than 25% of Medicare beneficiaries receive an AWV, with utilization rates lower among racial minorities than among Whites as well as those with low socioeconomic status. Geographic disparities also exist, as beneficiaries living in higher-income areas as well as urban areas are more likely to receive an AWV.[15] Finally, it is also estimated that more than 40% of patients do not show up for scheduled AWV appointments.[16] As improvements to health status among older Americans are generally concentrated among White, well-educated, and higher-income individuals, these utilization patterns only widen existing health disparities.[17]

Benefits for patients:

- Receive more complete + accurate risk assessments
- Identify + close care gaps for better health outcomes
- Greater access to AWV improves health equity
- Decrease care costs up to 5.7%

Benefits for physicians:

- Increase referrals + follow-up appointments
- More utilization of preventive + same-day services
- Improve quality scores + Medicare payment adjustments
- Document risk-adjusted diagnoses + higher payment rates

Research from AARP has suggested that enrollees in Medicare Advantage are more likely to receive an AWV than enrollees in traditional fee-for-service Medicare plans. The demographic gap persists, however; White enrollees had a higher rate of AWV utilization than Asian, Black, and Hispanic enrollees.

Overall, nearly 50% of AWVs are performed by just 10% of physicians, as one analysis has shown. These physicians tend to be affiliated with accountable care organizations, which are specifically designed to provide coordinated and preventive care. This suggests that utilization of AWVs is driven less by patients asking for them and more by medical practices encouraging them.

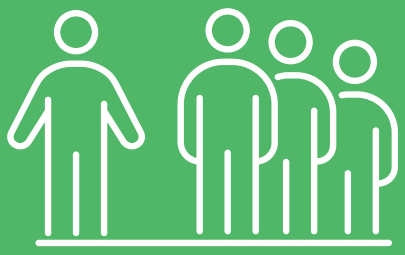
Inefficient AWV Workflows

Getting Medicare beneficiaries to their AWV appointments presents one challenge. In many cases, the visits themselves present another, largely because of inefficient workflows.

One problem is who sees the patient. Even though the majority of the components of the AWV do not require a licensed MD – such as biometric measurements, HRAs, and certain screenings – about 90% of AWVs are conducted solely by primary care physicians.[20] What's more, it's possible for patients to complete HRAs online, on paper, or over the phone prior to a visit, or using a kiosk or tablet at visit check-in.[21] Requiring physicians to do work that could be done by clinical or administrative staff further contributes to frustration and burnout. Fortunately, there are turnkey solutions to address these workflow impediments.

Coding the AWV can also contribute to inefficiency. As noted, a visit may need to be coded to meet HEDIS, MSSP, or MIPS quality measures, depending on which programs a practice participates in. Any preventive services provided during the visit will need to be coded separately; each preventive service will generate work relative value units that impact the productivity score as well as revenue for the AWV.[22] Forms that exist in electronic health record (EHR) systems are ill-suited for the complexities of AWV documentation – especially as they are unable to readily integrate with health plan data, quality reporting, and enhanced VBC performance.

Finally, there can be an element of patient frustration with the AWV. Because it is an atypical visit type, patients may be surprised about the breadth and depth of the HRA, and they may expect to see their PCP instead of an NP or MA. In addition, one study showed



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that more than 40% of patients received an unexcepted bill for what they thought was a “free” visit because the visit also included E/M services or preventive services that require a copay, coinsurance, or deductible. The inability to communicate the benefits of the AWV in advance, or to indicate what is and is not included during a visit, can lead patients to decline what has been proven to be a valuable service.

13 Ways an Enhanced AWV Prepares Practices for Success

CMS intends to transition all of its Medicare reimbursement to value-based care models by 2025. This puts significant pressure on physician practices to shift from volume-based, fee-for-service models. Increased utilization of the AWV can play a key role in hastening this shift – but it’s clear that many practices face an uphill battle in their efforts to conduct more AWVs.

That’s where the Enhanced AWV comes into play, which combines all the benefits of a standard AWV with a health plan sponsored risk and quality assessment. In an Enhanced AWV, physician practices aren’t on their own and the clinical and financial benefits are amplified. Support is provided at the point of care in six key ways:

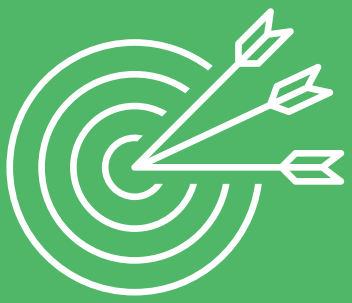
- Licensed nursing and administrative staff are embedded in the clinical setting help streamline the patient encounter, from outreach to intake to coding.
- EHR data is supplemented with health plan data and patient-generated data such as completed HRAs to give clinical teams a more comprehensive view of a patient.
- Potential care gaps are identified before an AWV takes place, which allows for prospective notification to the care team. This ensures a more thorough assessment and comprehensive exam.
- Point-of-care technology is integrated with EHR workflows enables quick and accurate assessments to reduce administrative burdens.
- AWV is integrated with the specific requirements of payer-sponsored programs for risk adjustment and/or quality measure gaps.
- All encounters are reviewed before submission to ensure accurate documentation, improve regulatory compliance, and reduce audit risks.

Physicians are under pressure to transition to value-based care, increased utilization of the AWV can play a key role in hastening this shift.

An Enhanced AWV can provide seven additional downstream benefits to physicians and health systems:

- Quickly and accurately capture all active medical conditions with appropriate documentation to ensure appropriate care and reimbursement.
- Additional financial incentives sponsored by health plans given the importance of accurate and complete coding and documentation for risk adjustment.
- Closing care gaps with same-day preventive services generates additional practice revenue, improves quality metrics, and decreases utilization of high-cost, high-acuity services.
- Patient satisfaction increases due to closed care gaps, more efficient AWV appointments, and a clear understanding of what services are and are not covered by insurance.
- Reimbursements from value-based care and shared savings programs increase as AWV participation rises, preventive service utilization increases, and care gaps are closed.
- Improved insight into overall AWV performance enables data-driven decision-making about pursuing additional government- or payer-led value-based incentive programs.
- Staff satisfaction increases, as physicians can practice to the top of their license while NPs and MAs spend more time with patients and less time completing administrative tasks.

With an Enhanced AWV program in place, practices can drive improvements to the Triple Aim metrics: care quality, health outcomes, and care costs. They can also increase access to preventive services for underserved populations, increase practice revenue at a time of financial uncertainty, and reduce the burden of unnecessary and repetitive administrative tasks. And if there's one silver lining to COVID-19, it's the rapid adoption of telehealth to deliver preventive services such as the AWV.



With an Enhanced AWV program in place, practices can drive improvements to the Triple Aim metrics: care quality, health outcomes, and care costs. While also improving revenue at a time of financial uncertainty.

Conclusion

Vatica Health's Enhanced AWV model of pairing clinical teams with technology at the point of care has helped physicians achieve an AWV utilization rate of more than 50% -- double the national average. This prepares them to succeed in value-based care arrangements, reduce the cost of care, while boosting the availability and visibility of preventive care – a critical need in health care after the use of preventive services dropped significantly in 2020 due to COVID-19. Contact us to learn more about Vatica Health's vision for supporting the Enhanced AWV and improving physician performance.

Vatica Health™

Founded in 2011, Vatica Health is a leading provider-centric risk adjustment and quality of care solution for health plans and health systems. By pairing expert clinical teams with cutting-edge, HITRUST-certified technology at the point of care, Vatica increases patient engagement and wellness, improves coding accuracy and completeness, identifies and facilitates the closure of care gaps, and enhances communication and collaboration between providers and health plans. The company's unique solution helps providers, health plans, and patients achieve better outcomes, together. Vatica Health is trusted by many of the leading health plans and thousands of providers nationwide. Vatica Health is a portfolio company of Great Hill Partners.

For more information, visit https://www.vaticahealth.com

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