


DaVita Medical Group

August 31, 2017

Prepared for the NM Economic and Rural Development Committee

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Our New Look



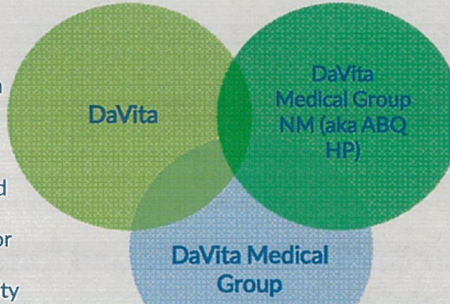
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★ Value Based Care – The Heart of Who We Are

- Fortune 200 health care organization known for its innovation in care and **operational** and **clinical excellence**
- Leading provider for kidney care in the U.S. based on quality metrics



- National provider group with **30 years of experience** creating affiliate programs
- One of the country's largest operator of medical groups and affiliate networks
- Manages 750,000 managed care patients
- 800 employed providers, 4,000 PC affiliates, 6,000 specialty affiliates

Local provider group comprised of:

- 50 Primary Care providers and over 100 Specialists
- Management services infrastructure (management, capital, data, resources)
- > \$20M invested in population health capabilities to date

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★ DaVita Medical Group Overview



Operate in eight states: **CA, CO, FL, NV, NM, PA, WA**

Patients: **1.8 M**

Employed Physicians: **> 1,923**

PC Physicians/Specialists: **> 13,309**

Affiliated Hospitals: **> 200**

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DaVita Medical Group **New Mexico Economic Impact**

Salaries, Wages, and Benefits for Teammates	\$108,018,031
Gross Receipts Taxes Paid	\$1,292,192
Claims expenses paid to other providers in NM	\$4,778,265
Payments to New Mexico Vendors for:	
• Services provided and Goods Purchased	\$5,971,143
• Rent	\$5,494,496
• Utilities	\$531,342
• Travel, Meals, Entertainment	\$150,475
Total New Mexico Economic Impact	\$126,235,942

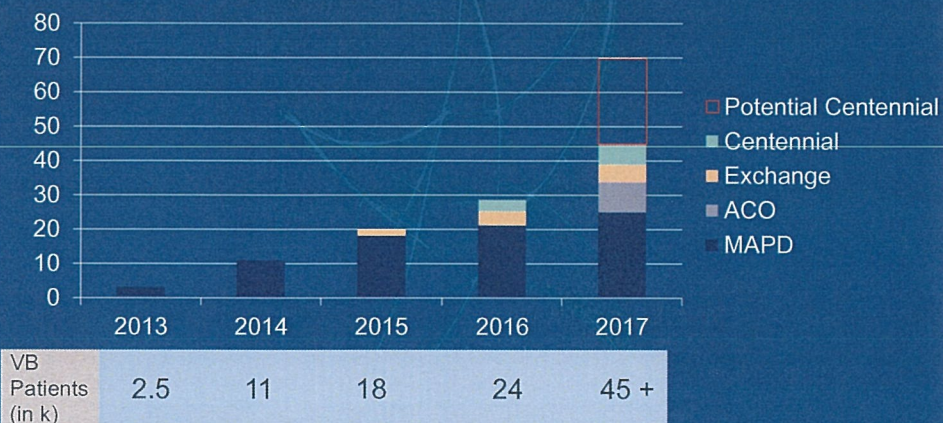
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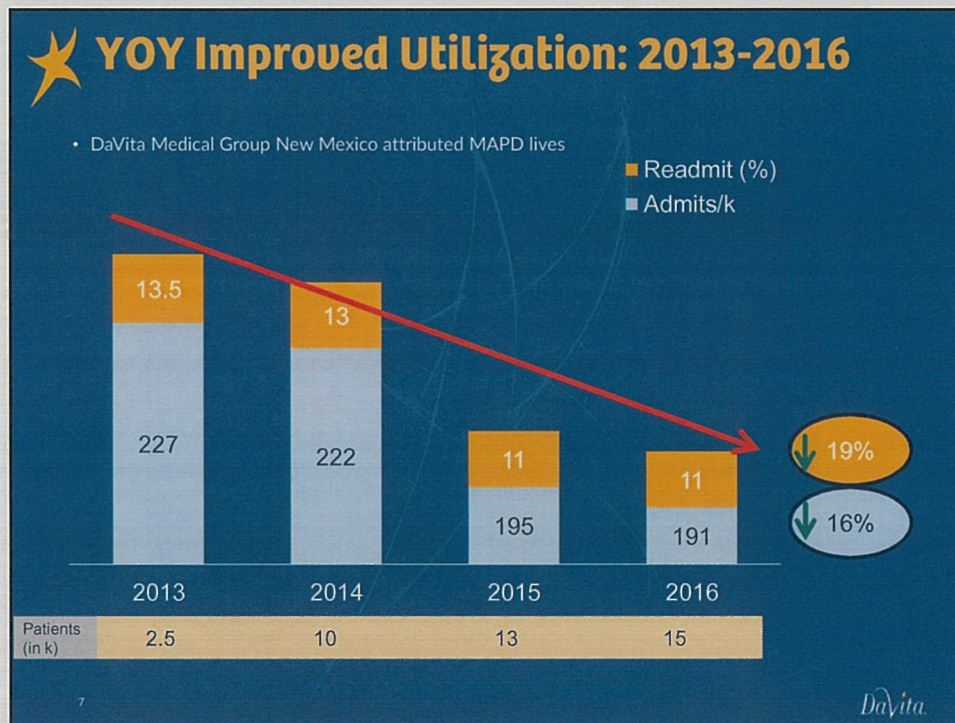
New Mexico Story: 2013 to 2017

- DaVita Medical Group New Mexico: lives in thousands, includes affiliates beginning 2015
- 'Value products' include any type of risk, capitation, or shared savings



Note: 2012: ~180k FFS patients





★ Continued Growth

- Desire to serve NM communities while facing reimbursement that can be prohibitive
 - Higher Medicaid mix in NM
 - 43% versus 23% nationwide (Medicaid.gov & U.S. Census Bureau)
 - Direct impact on administrative allocation and physician compensation
 - Low Medicaid reimbursement + Higher number of Medicaid patients = difficult physician recruitment

Moving to Value-Based Arrangements

- **Capitation**
 - Healthcare Provider receives a Per-Member-Per-Month (PMPM) flat payment from Payer to take care of a population
 - Provider at risk if costs are greater; rewarded if costs are lower
- **Shared Savings**
 - If savings and quality measures are achieved, the savings are split between Provider and Payer

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NM Care ACO (Accountable Care Organization)

- Shared savings arrangement with CMS for Medicare Fee-for-Service (FFS) patients
- DaVita has formed the only active New Mexico-based ACO
 - Allows for more collaboration with ACO partners

Primary Care	Specialty
<ul style="list-style-type: none"> • Aspen Medical Group • Hospice of NM • Rio Abajo Family Practice 	<ul style="list-style-type: none"> • NM Heart Institute • NM Oncology Hematology Consultants • Southwest Gastroenterology Associates

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 **Questions?**

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