



Where Are We Now? HCA's Value- based Purchasing

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HCA: The state's largest health care purchaser

We purchase care for
1 in 3 non-Medicare
Washington residents.

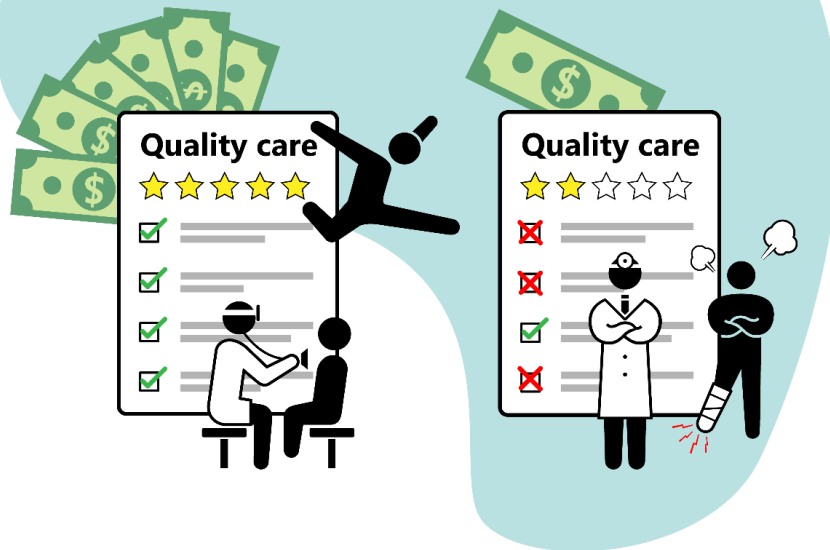


- ▶ We purchase health care for more than 2 million Washington residents through:
 - ▶ Apple Health (Medicaid)
 - 1.8 million people
 - ▶ The Public Employees Benefits Board (PEBB) Program
 - 380,000 people
 - ▶ The School Employees Benefits Board (SEBB) Program
 - 250,000 people
- ▶ Driving change through incentives
 - ▶ Reward patient-centered, high-quality care
 - ▶ Reward health plan and system performance
 - ▶ Drive standardization

Changing the incentive structure

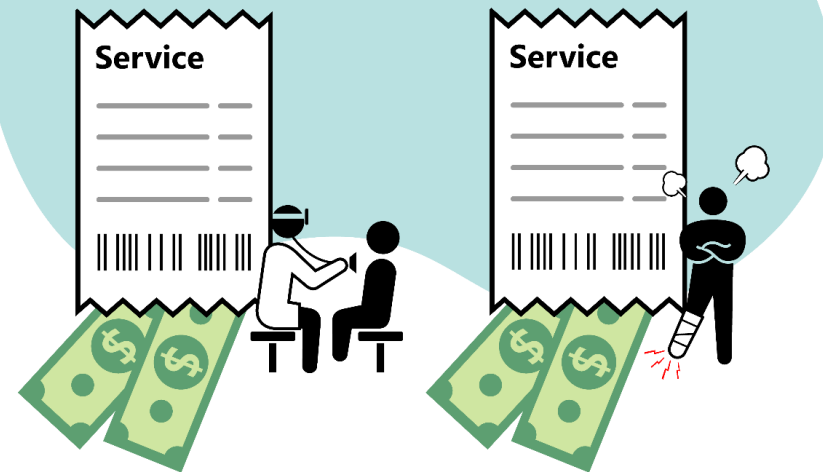
Value-based Payment

When a health care provider is paid for providing high-quality and high-value care to their patients.

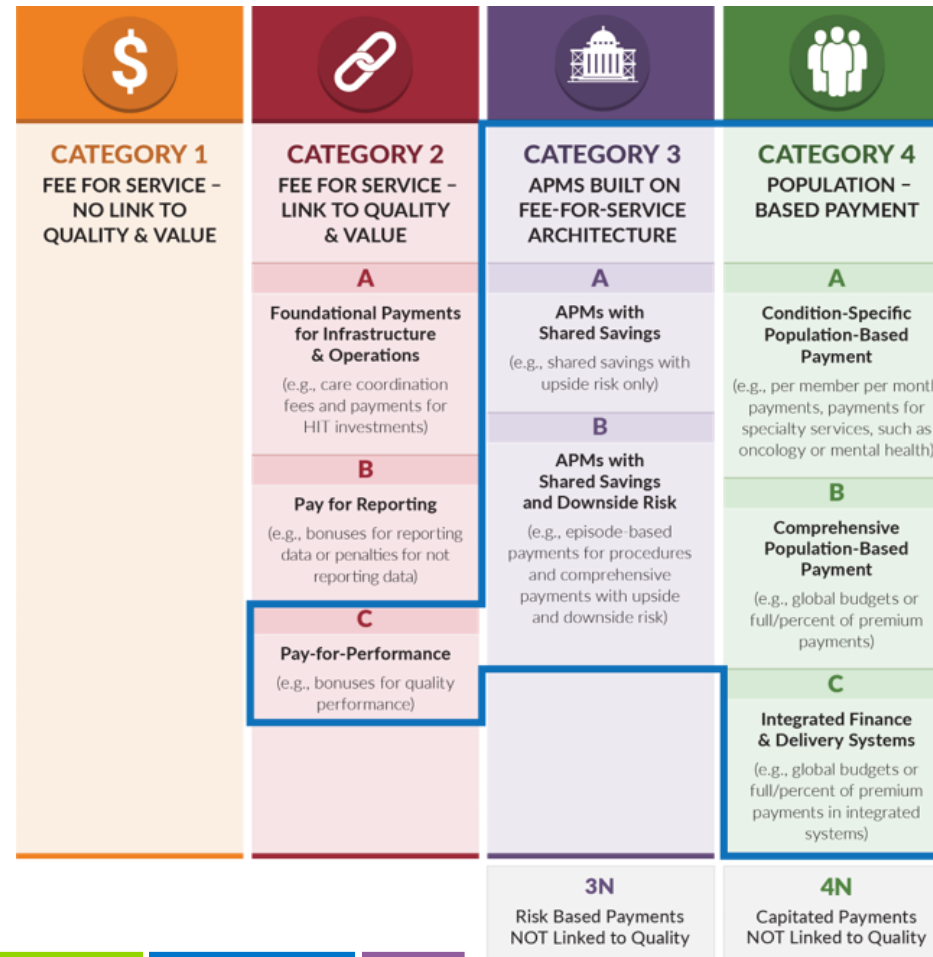


Fee-for-service

When a health care provider is paid for each service they provide, regardless of the quality or patient's need for that service.



Health Care Payment Learning & Action Network Alternative Payment Models (APM) framework

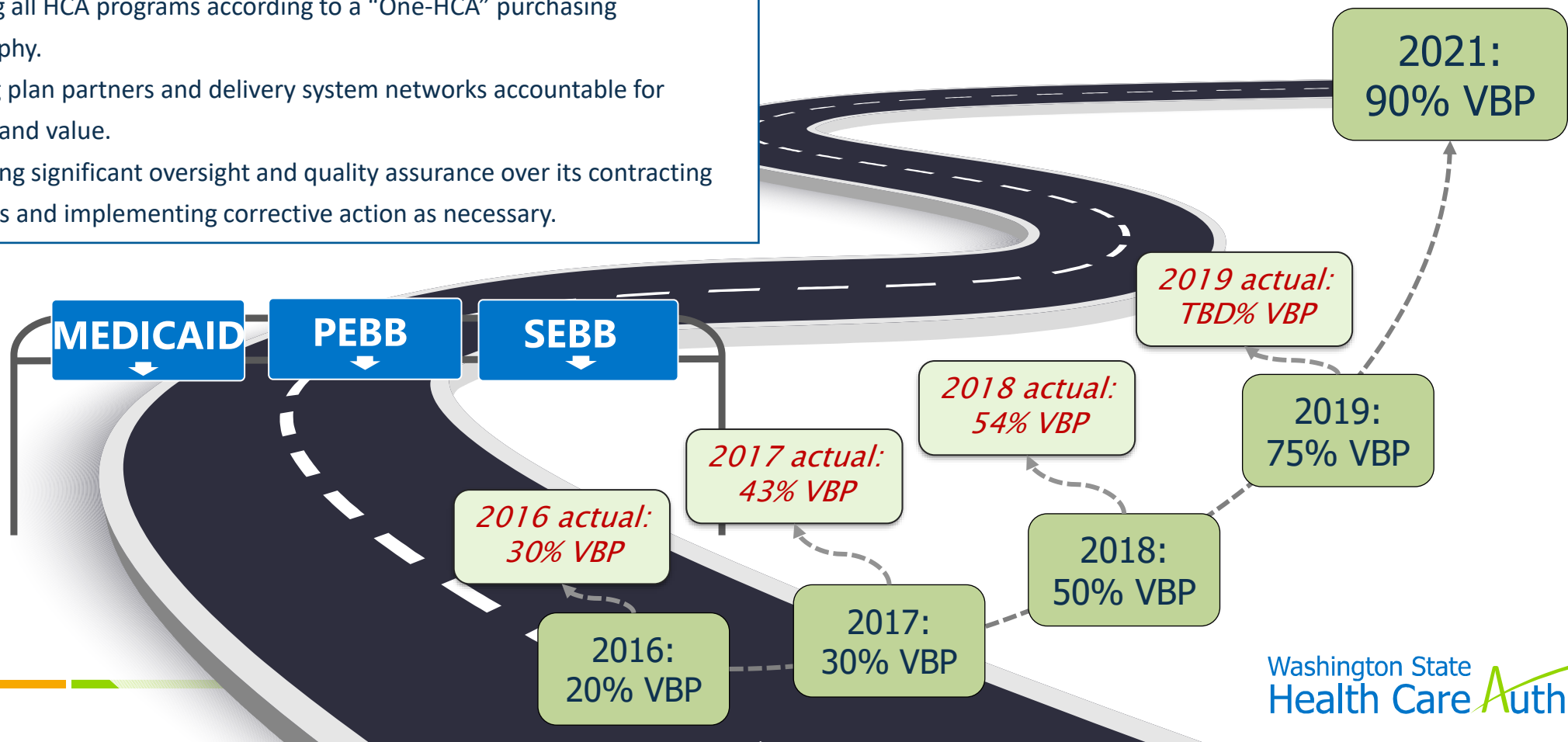


State's VBP standard: categories 2C and above

VBP roadmap

HCA's vision is to achieve a healthier Washington by:

- Aligning all HCA programs according to a "One-HCA" purchasing philosophy.
- Holding plan partners and delivery system networks accountable for quality and value.
- Exercising significant oversight and quality assurance over its contracting partners and implementing corrective action as necessary.



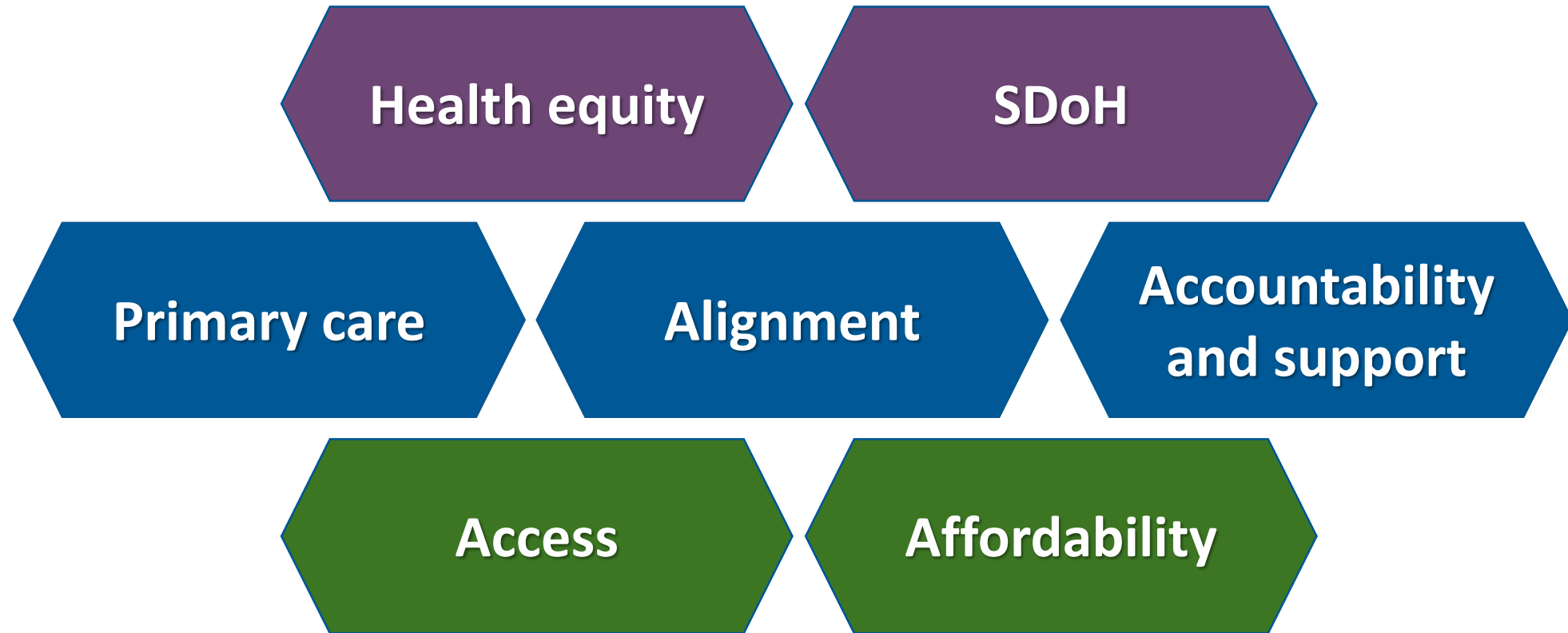
HCA's long-term VBP roadmap: 2022-2025

- ▶ Published October 2020, HCA's long-term VBP roadmap outlines HCA's vision for health system transformation through 2025
 - ▶ Continuing the shift from *paying for volume* to *paying for health and value*
 - ▶ Ensuring payment drives:
 - Higher quality services
 - Lower costs
 - Greater health equity
 - Improved access
 - Improved patient and provider experience

HCA's vision for VBP in 2025

- ▶ VBP arrangements will be aligned across all public purchasing programs and advance multi-payer primary care models where appropriate. We will leverage HCA's purchasing power to continually drive the health care system toward improved outcomes, patient and provider experience, and equity while containing costs.
- ▶ VBP arrangements will be rooted in data-driven policy making, requiring HCA to collect and utilize actionable data to:
 - ▶ Reinforce accountability among delivery system networks as well as provider and MCO partners.
 - ▶ Exercise significant oversight to identify priorities, monitor progress, and improve performance.

2022-2025 Key priorities



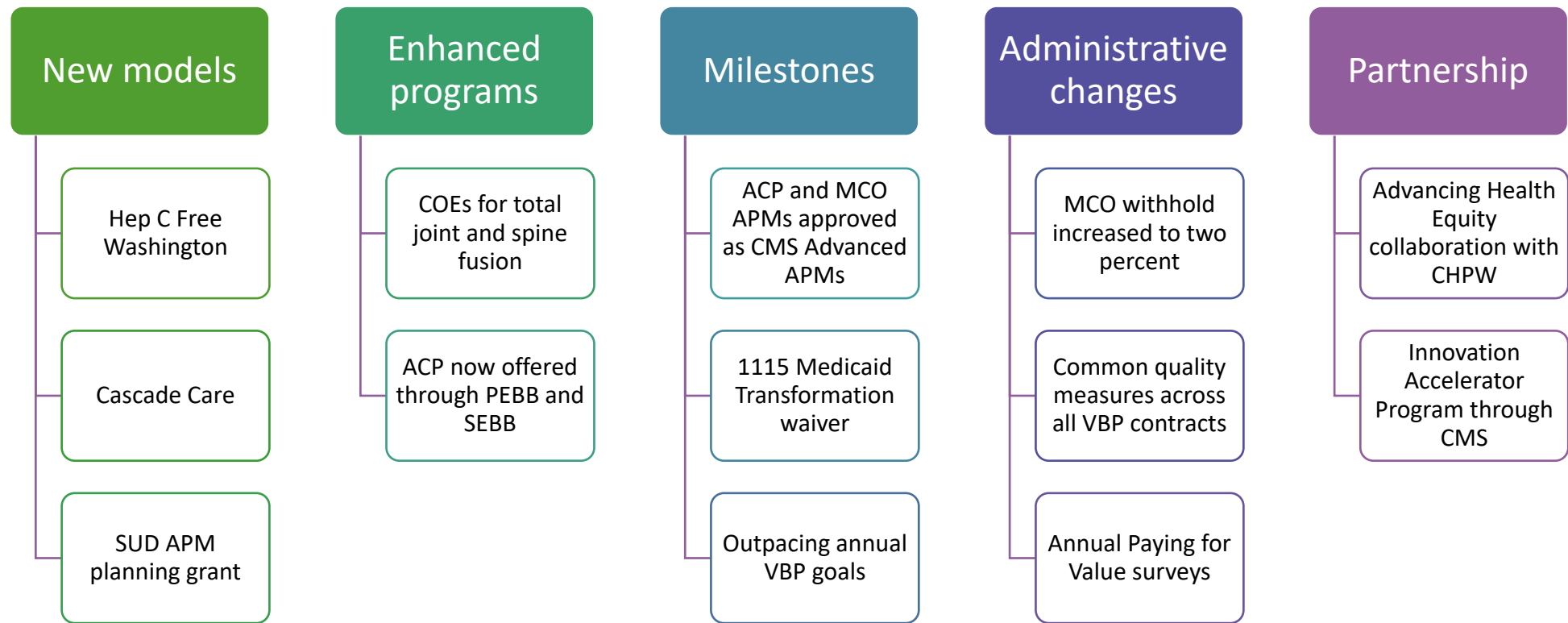
Revised foundational principles

1. Continually strive for smarter spending, better outcomes, and better consumer and provider experience, and hold HCA's programs and contracted partners more accountable to meeting these shared goals.
2. Reward the delivery of person- and family-centered, high-value, affordable, and accessible care.
3. Support the delivery of whole-person care, centered on robust primary care and other prospective payment APMs. This allows all members to receive a coordinated set of services that meets their physical health, behavioral health, and social needs.
4. Approach all purchasing with a health equity lens to continually improve health equity for all Washington residents across rural and urban regions, and proactively address social determinants of health.

Revised foundational principles (cont.)

5. Leverage purchasing power to drive improved performance of HCA's Medicaid, PEBB, and SEBB programs and their contracted health systems.
6. Align payment and delivery reform approaches with other purchasers and payers, where appropriate, for greatest impact and to simplify implementation for providers.
7. Engage in data-driven policymaking to advance standardization and care transformation.
8. Increase the long-term financial sustainability of state health programs.

VBP successes



HCA Centers of Excellence program

- ▶ Available to Uniform Medical Plan (UMP) Classic, CDHP, Achieve 1 and Achieve 2 (both PEBB and SEBB)
- ▶ Based on Bree Collaborative Standards
 - ▶ Site and care team, indications for surgery, fitness for surgery, payment model and warranty
- ▶ Contract for episode of care, with COE bearing financial risk and quality requirements
- ▶ Cost share is waived for participating members
- ▶ Total Joint Replacement (2017-present): Virginia Mason
- ▶ Spine Care (2019-present): Virginia Mason and Capital Medical Center
 - ▶ Includes spinal fusion and non-surgical evaluation pathway

HCA COE experience to date

Total Joint Replacement (launched 2017):

- ▶ 268 surgeries since 2017
- ▶ 63% knee, 37% hip
- ▶ Participants from most of Washington's counties

Spine Care (launched 2019):

- ▶ 11 lumbar fusions, 35 evaluation-only
- ▶ Anticipated volume buildup in Year 2 impeded by COVID-19

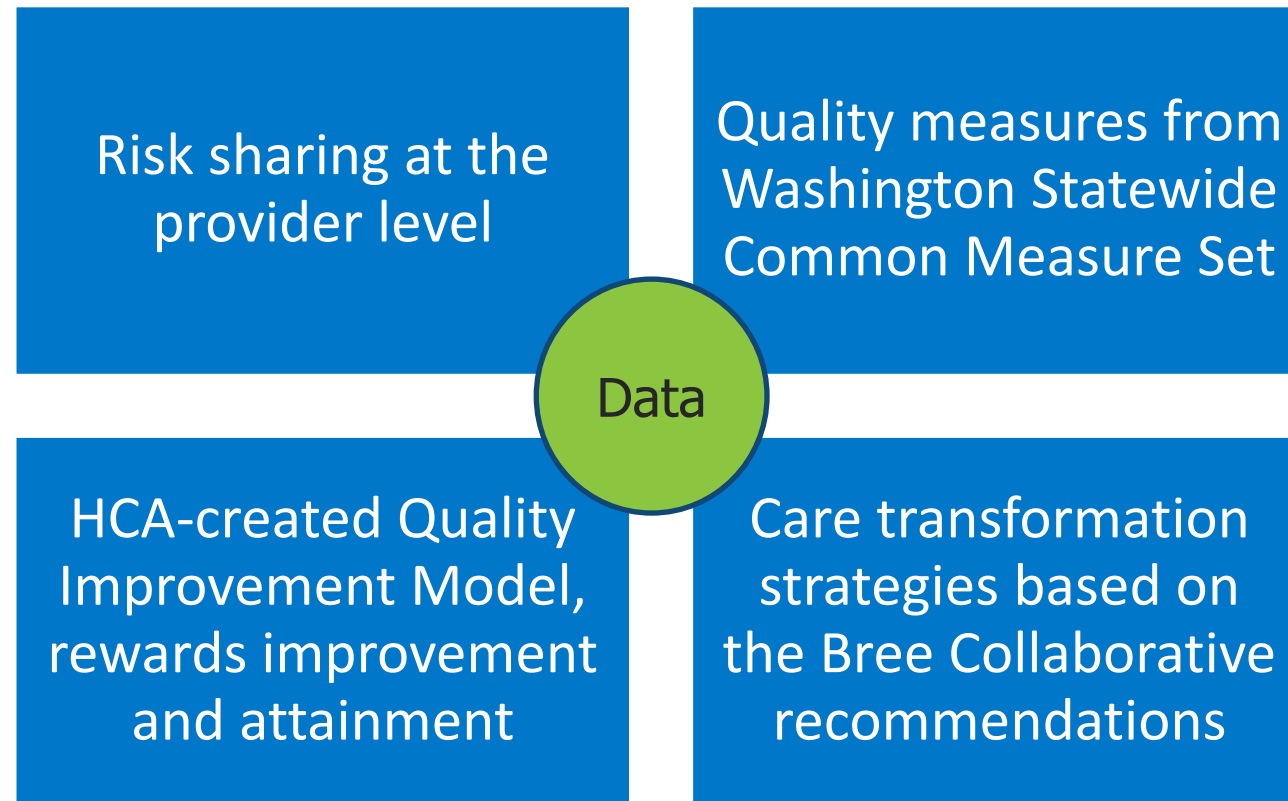
Results:

- ▶ Saved UMP members over \$275,000 to date
- ▶ Very high quality results and very high patient satisfaction
 - ▶ Mean satisfaction score 9.5/10

COVID-19 pandemic

- ▶ “HCA’s approach to advancing VBP and achieving our goals must be responsive to and informed by the pandemic. In many ways, the pandemic has exposed the challenges Washington’s health care system faces, and makes HCA’s work toward a more equitable, affordable, and high-quality health care system even more urgent.” – HCA’s 2020 long-term VBP roadmap
- ▶ Considerations HCA has enacted and is exploring:
 - ▶ Expanding telehealth and virtual care
 - ▶ Developing a multi-payer primary care-focused APM
 - ▶ Adjusting VBP targets for 2021 in MCO contracts

Driving common elements in all HCA's new models of care



Roles & expectations

■ Primary Role ■ Secondary Role

Stakeholder	Defining VBP	Delivering VBP	Measuring VBP	Reinforcing VBP
State	<ul style="list-style-type: none"> Define VBP vision, targets & expectations of stakeholders 	<ul style="list-style-type: none"> Enable VBP through MCO contracting & direct purchasing Guide and support aligned investments for VBP enabling platforms 	<ul style="list-style-type: none"> Issue and compile results from annual VBP surveys Define key metrics 	<ul style="list-style-type: none"> Incorporate MCO contract incentives Allocate MCO & ACH DSRIP VBP Incentives Oversee ACHs & contractors
MCOs / ERB contractors	<ul style="list-style-type: none"> Define provider contract options 	<ul style="list-style-type: none"> Contract with providers through APMs Provide timely and actionable data to providers Provide appropriate attribution information 	<ul style="list-style-type: none"> Provide VBP adoption data through annual MCO survey Provide qualitative report in quarterly meetings 	<ul style="list-style-type: none"> Expand VBP adoption based on lessons learned, across LOBs Deliver VBP contract training and support to providers
ACHs	<ul style="list-style-type: none"> Articulate business case for DSRIP projects in VBP terms 	<ul style="list-style-type: none"> Support VBP-enabling clinical practice transformation Facilitate VBP-enabling population health partnerships & investments 	<ul style="list-style-type: none"> Encourage provider survey participation 	<ul style="list-style-type: none"> Allocate DSRIP funds to support and/or reward VBP adoption Implement DSRIP projects consistent with VBP readiness
Providers	<ul style="list-style-type: none"> Define clinical practice value in VBP terms 	<ul style="list-style-type: none"> Deliver high value care Assess / develop readiness Enter into APMs w/ MCOs Reporting & QI Engage patients 	<ul style="list-style-type: none"> Participate in provider survey 	<ul style="list-style-type: none"> Reinvest DSRIP funds & APM revenue for greater VBP readiness Downstream provider incentives (if in ACOs)

Current Primary Care efforts – Spring 2019 and ongoing

- ▶ Coordinating all WA payers and primary care providers to support health system transformation, not just HCA MCOs and commercial plans
- ▶ Building on Medicaid transformation, ACH, PCMH and pediatric payment work
- ▶ Goals are to seek agreement on a quality performance structure and a payment model that can be endorsed by primary care providers and payers in WA
- ▶ Basic components:
 - ▶ 1) a primary care payment methodology that supports delivery of an integrated, whole person model of care; and
 - ▶ 2) an aligned approach that will ensure both the progress of transforming primary care, and its outcomes, are measurable.

Primary Care transformation proposed components

Payers work to:

Align payment and incentives across payers to support the model

Finance primary care
(% of spend on primary care)

Providers work to:

Improve provider capacity and access

Apply actionable analytics (clinical, financial, social supports)

In support of:

Primary care as integrated whole person care, including BH and preventive services

Shared understanding of care coordination and providers in that continuum

Resulting in:

Aligned measurement of "value" from the model
(triple aim outcome measures)

Payment workgroup recommendations

Proposed payment model

- ▶ The payment model will be comprised of three components:
 - ▶ 1) a **transformation of care fee (TCF)** paid to support the transformation to a coordinated delivery model that integrates behavioral and physical health care provided in a range of settings to ensure access;
 - ▶ 2) a **comprehensive primary care payment (CPCP)** to cover costs of basic primary care services; and,
 - ▶ 3) **performance incentive** available after three years with performance measured according to a combination of quality of clinical care and utilization measures.
- ▶ To begin to receive TCFs, practices will be required to agree to make progress toward transformation as defined by specified transformation measures.
- ▶ TCF will be provided up to three years before transitioning to PIPs
 - ▶ The transition period within the three years may vary based on individual practices' progress on transformation measures.

Current activities & next steps

- Public comment completed; integrate feedback
- Payer MOU signing celebration held early October
- Cross-walk with related work to maximize alignment
- Additional payer and provider meetings over the next few months, starting in November
- Work with state-financed health plan partners on implementation (the 'how') for 2022

CMS/CMMI Community Health Access & Transformation (CHART) Model

Voluntary model that will test whether **aligned financial incentives**, **operational & regulatory flexibility**, and **robust technical support** will help rural providers transform care on a broad scale to achieve the following goals:

- ▶ Improve access to care in rural areas
- ▶ Improve quality of care and health outcomes for rural beneficiaries
- ▶ Increase adoption of alternative payment models (APMs) among rural providers
- ▶ Improve rural provider financial sustainability

CHART model opportunities

- ▶ Partner with CMS to sustain access to care in rural communities
- ▶ Regional approach
 - ▶ North Central
 - ▶ Greater Columbia
 - ▶ Spokane
- ▶ CHART funding (\$5 million) will bring additional support to participating hospitals' capacity building and transformation activities
- ▶ Additional flexibility needed and will be explored
 - ▶ Proposed capitated model needs examining, puts CAHs at risk for sustaining access to care
- ▶ Medicaid will evolve its existing purchasing strategy and expectations of partners, including ACHs
- ▶ Multi-payer, not just Medicaid, will incentivize primary care, affordability and accountability regionally

HCA is moving the market

- ▶ As Washington's largest purchaser, HCA is moving to value-based purchasing arrangements
- ▶ Aligning with the national movement away from fee-for-service to payments based on value
- ▶ As of 2019 we've exceeded our goal of 50% value-based purchasing in contracts
- ▶ Providers and patients are counting on us to continue leading, and that translates to the programs and the work we do everyday
- ▶ End result is better care, healthier people, improved provider experience, and lower costs for Washington residents

Questions?
