



Value-based Purchasing

Olympic Community of Health Board
of Directors Meeting

JD Fischer
Value-based Purchasing Manager, HCA

Background

HCA's roles and our value-based roadmap

The state's largest health care purchaser

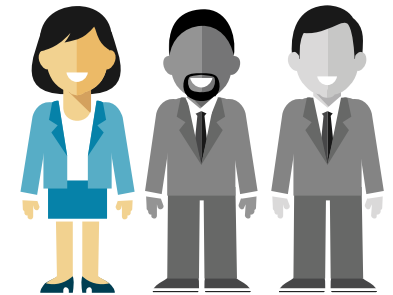
▶ We purchase health care for more than 2 million Washington residents through:

- ▶ 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

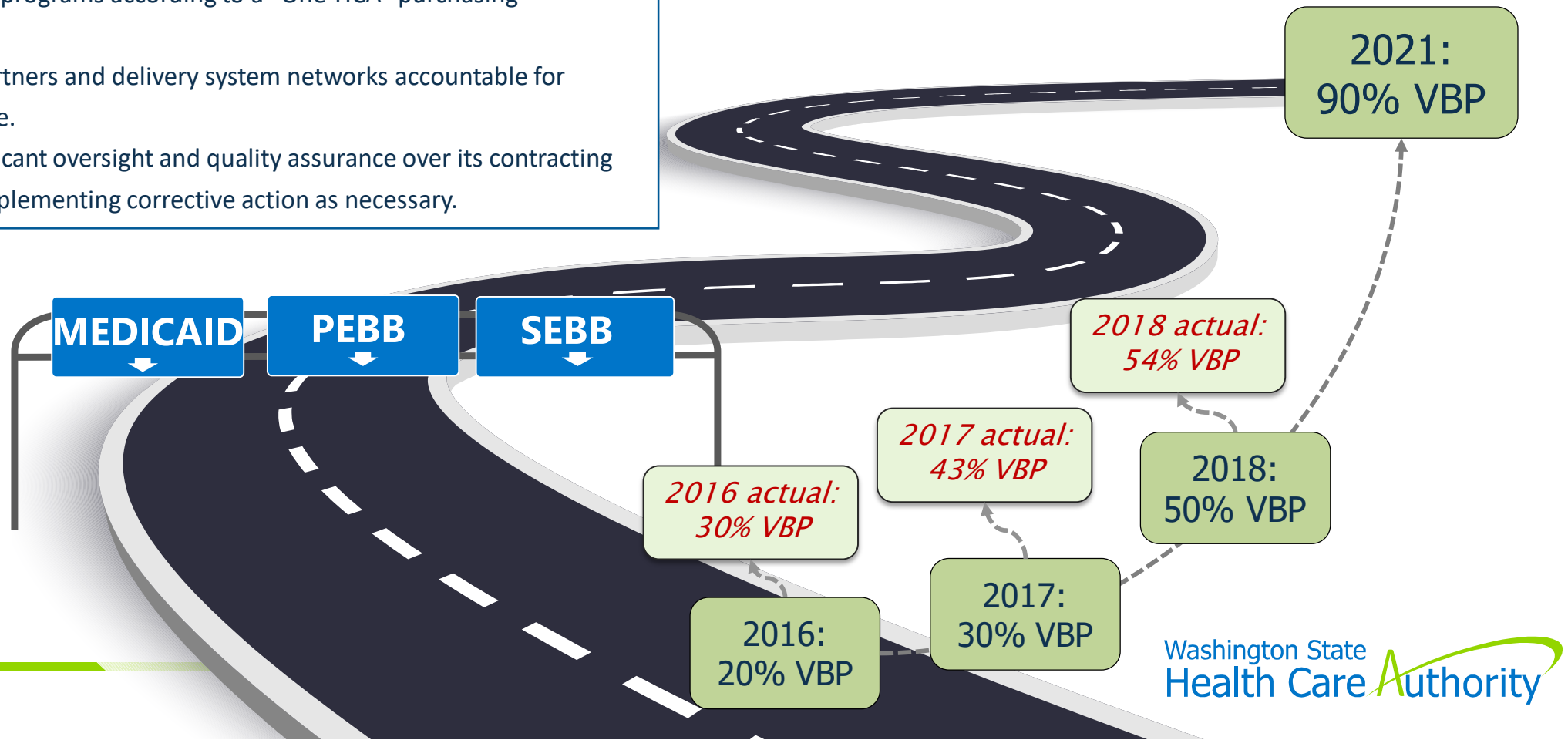
We purchase care for
1 in 3 non-Medicare
Washington residents.



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.



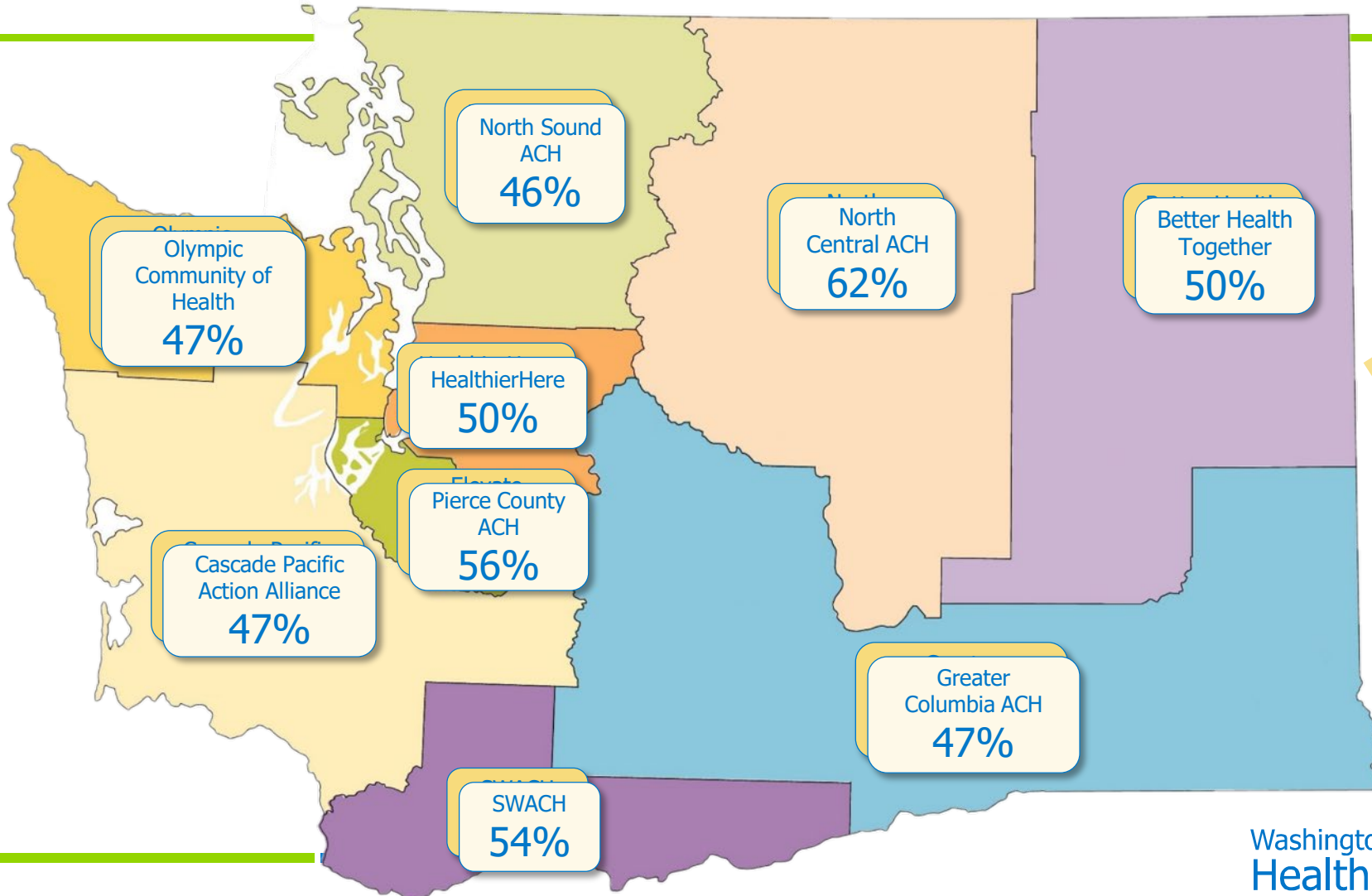
Future priorities

- ▶ Achieve our 90% goal through “One-HCA” vision
- ▶ Increase focus on social determinants of health (SDoH) and health equity
- ▶ Strengthening primary care and behavioral health integration
- ▶ Rural health transformation
- ▶ *Consider: where should HCA be more prescriptive?*

HCA's Paying for Value Survey – results

Tracking progress in calendar year 2018
Informing current and future strategy

MCO VBP by Accountable Community of Health



--2018 survey data--

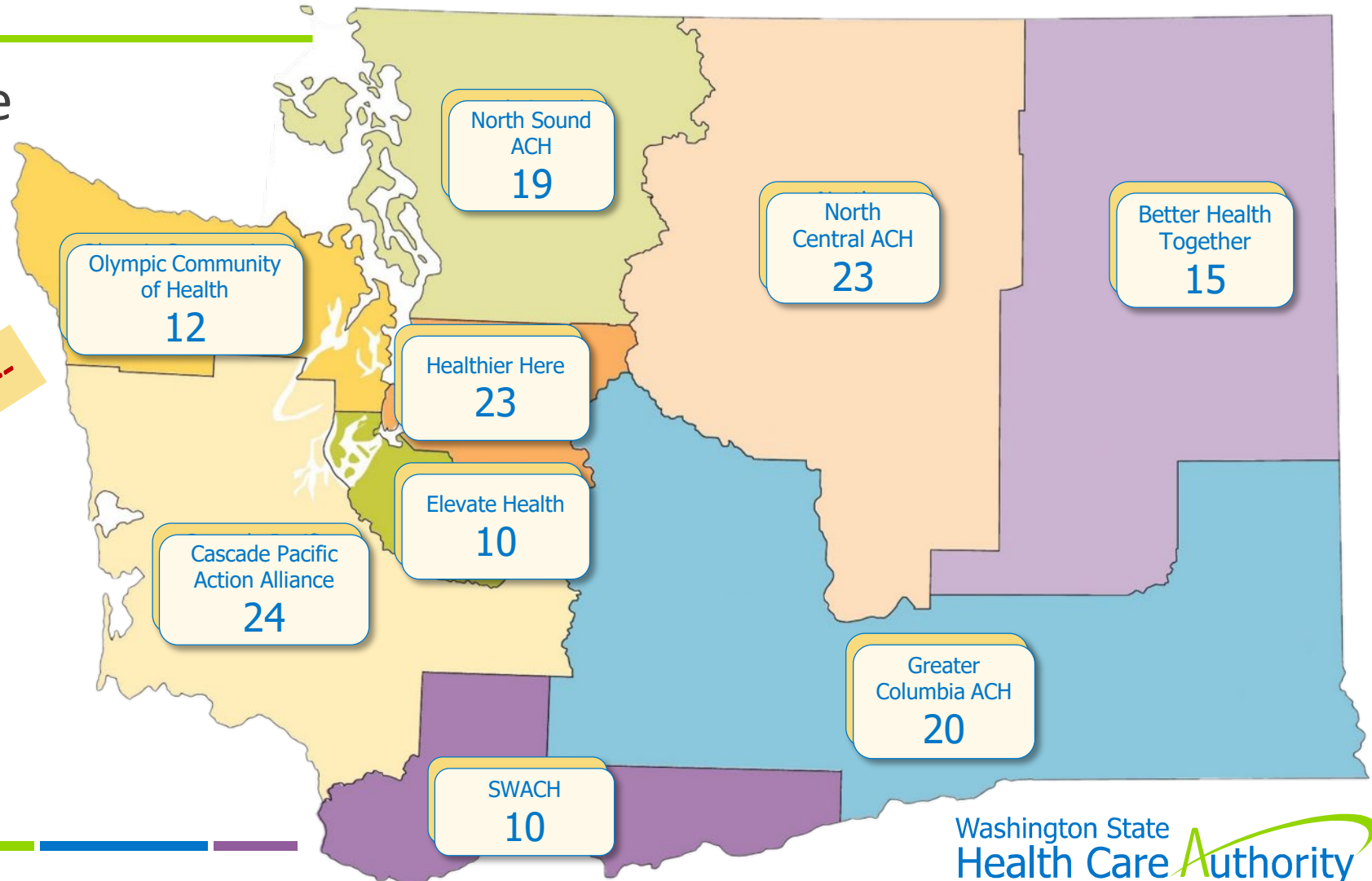
Provider survey

▶ Respondent service area by ACH

- ▶ (multiple regions per respondent possible)

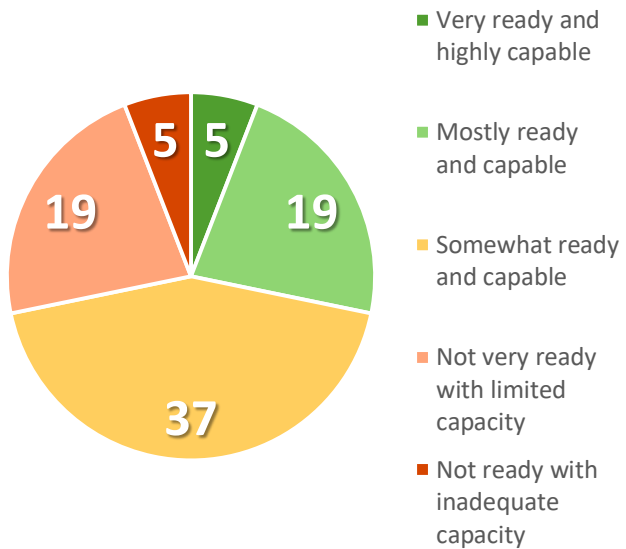
--2018 survey data--

n=148

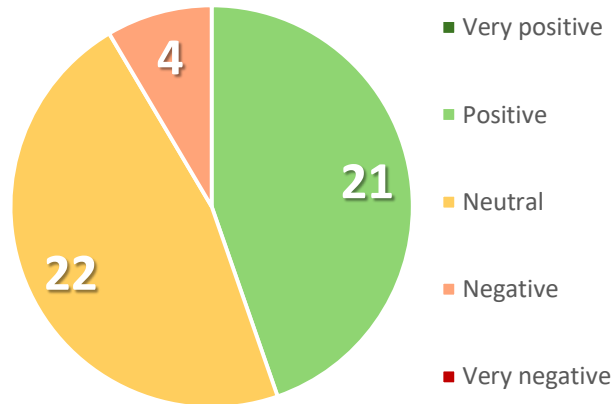


Provider survey (cont.)

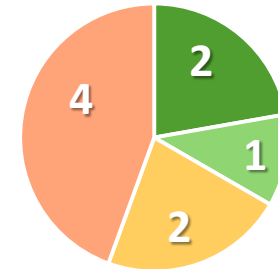
▶ Respondents' VBP readiness and capability



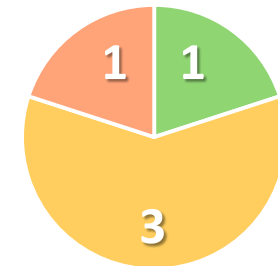
▶ Respondents' organizational experience with VBP



▶ Respondents' VBP readiness and capability



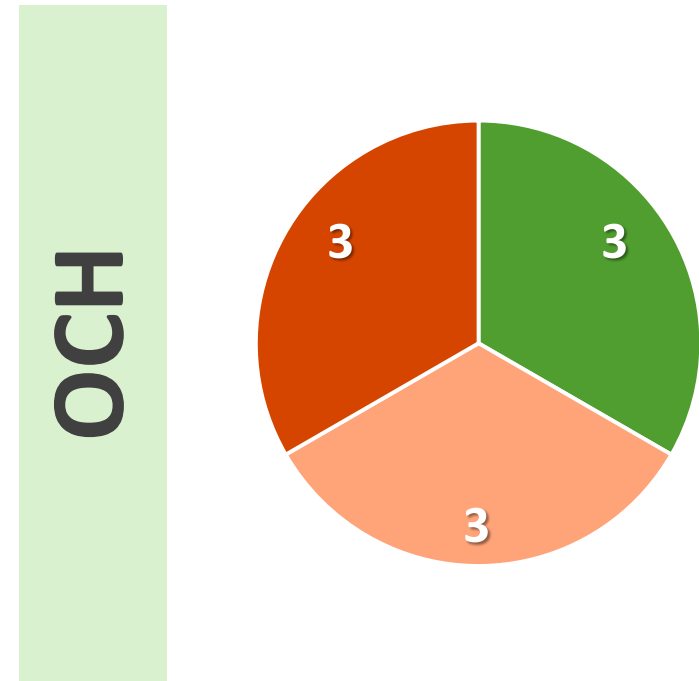
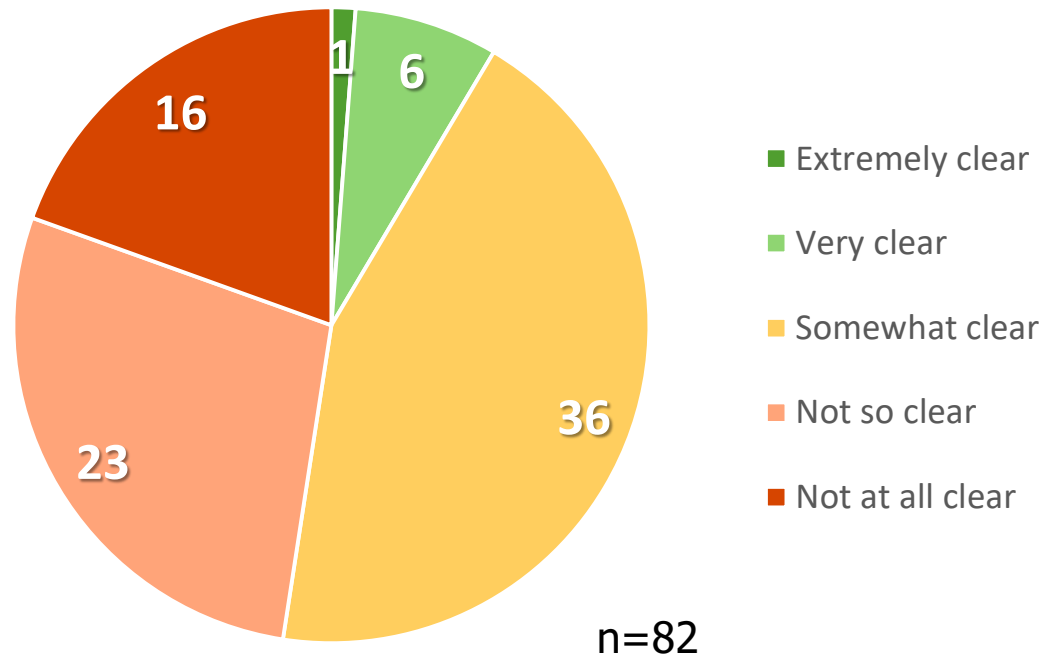
▶ Respondents' organizational experience with VBP



OCH

Provider survey (cont.)

- ▶ Respondents' perceived role clarity of HCA, payers, ACHs, and providers



Summary findings

Provider and health plan surveys

Summary findings

- ▶ Health plans' VBP adoption increased from previous year, outpacing targets.
- ▶ Providers' organizational and clinician experience with VBP has been generally positive, albeit limited.
- ▶ Providers generally plan to increase VBP participation and desire technical support (most technical support received to-date has been for practice transformation and behavioral health integration while VBP and HIT are most-desired technical support).
- ▶ Health plans and providers are facing the same top barriers, respectively, year to year.
- ▶ To facilitate further progress:
 - ▶ Improve timeliness and comprehensiveness of data shared to providers (multi-payer)
 - ▶ Improve role clarity
 - ▶ Align quality measures and incentives
 - ▶ Foster collaborative and trusting relationships
 - ▶ Invest in interoperability
 - ▶ Support providers with HIT/HIE and VBP technical support
 - ▶ Support small to medium-sized providers and invest in improving provider experience

Tying survey data to accountability

- ▶ The MCO and provider surveys generate data for a number of accountability metrics relating to VBP attainment:
 - ▶ MCO survey:
 - Medicaid managed care capitation withhold
 - Determines the MCO's earn-back of the VBP portion of the withhold
 - ▶ Medicaid Transformation project
 - Determines the state's earned Delivery System Reform Incentive Payment (DSRIP) funding from the amount of at-risk funds (statewide accountability)
 - Determines earned DSRIP VBP incentives for MCOs and ACHs
 - ▶ Provider survey:
 - Some ACHs provide incentives to organizations that complete the survey

Questions & discussion

Thank you!

For more information:

JD Fischer

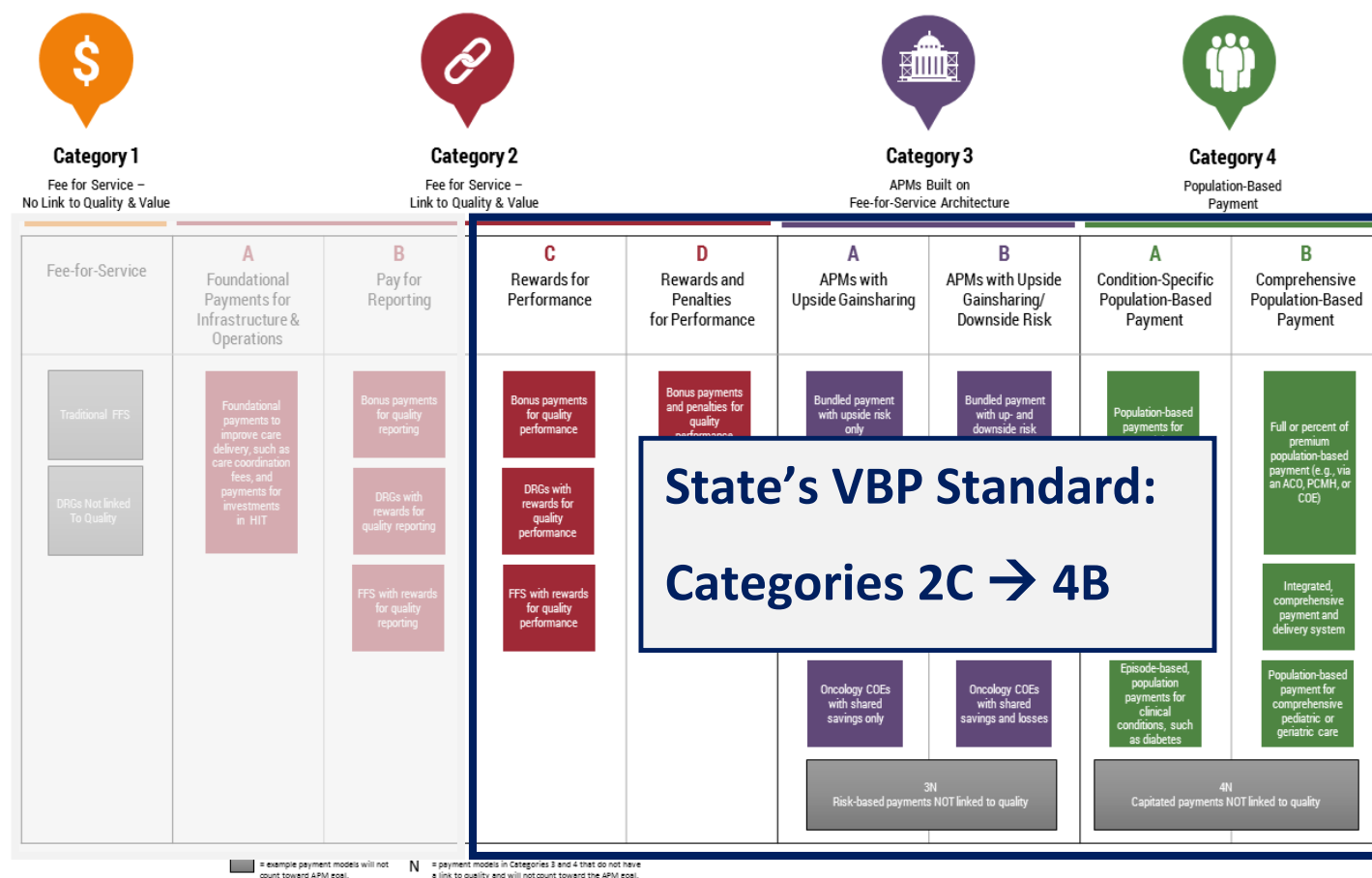
Value-based Purchasing Manager

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APPENDIX

Alignment with CMS Alternative Payment Models (APM) framework



VBP vs FFS

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 plan survey respondents

▶ MCOs (n=5):

- ▶ Amerigroup
- ▶ Community Health Plan of Washington
- ▶ Coordinated Care
- ▶ Molina
- ▶ United

▶ Medicare & commercial health plans (n=11):

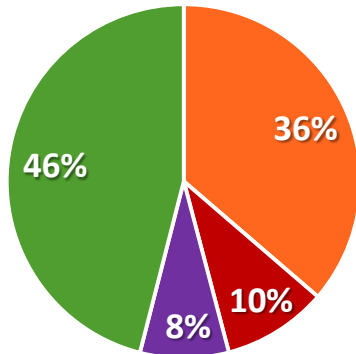
- ▶ Aetna
- ▶ Amerigroup*
- ▶ Community Health Plan of Washington*
- ▶ Coordinated Care*
- ▶ Humana
- ▶ Kaiser Permanente North West*
- ▶ Kaiser Permanente Washington*
- ▶ Molina*
- ▶ Premera*
- ▶ Regence*
- ▶ United*

**Current HCA contractor*

Health plan surveys (cont.)

▶ Payments by APM category

Medicare Advantage



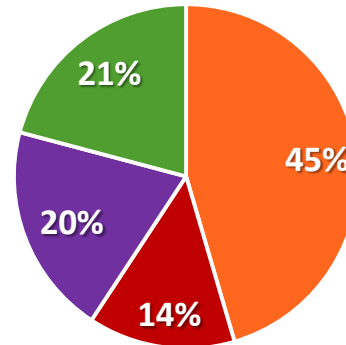
1-2B 2C-2D 3A-3B 4A-4B

n=10

Total payments = \$3.9B

VBP = \$2.50B (64%)

All Commercial



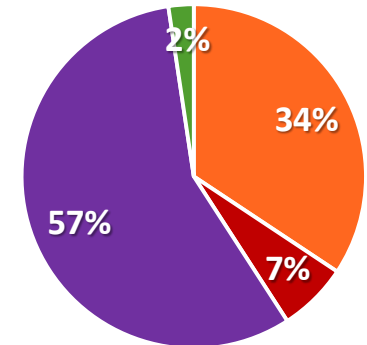
1-2B 2C-2D 3A-3B 4A-4B

n=7

Total payments = \$12.7B

VBP = \$6.9B (55%)

Medicaid Managed Care



1-2B 2C-2D 3A-3B 4A-4B

n=5

Total payments = \$3.8B

VBP = \$2.5B (66%)

Statewide VBP = \$20.3B (58%)

2018 survey results = 55%

2017 survey results = 37%

2016 survey results = 30%

Summary: top enablers

Providers

Top four enablers
Aligned quality measurements and definitions (23)
Trusted partnerships and collaboration with payers (21)
Development of medical home culture with engaged providers (20)
Aligned incentives and/or contract requirements (19)

Health plans

All payers: top four enablers
Trusted partnerships and collaboration
Aligned incentives/contract requirements
Interoperable data systems
Aligned quality measures/definitions

Summary: top barriers

Providers

Top four barriers
Lack of timely cost data to assist with financial management (51)
Lack of access to comprehensive data on patient populations (33)
Misaligned incentives and/or contract requirements (33)
Lack of interoperable data systems (31)

Health plans

All payers: top four barriers
Payment model uncertainty
Disparate incentives/contract requirements
Attribution
Disparate quality measures/definitions

VBP Roles

- ▶ **As we consider VBP roles for various stakeholders, consider roles related to:**
- ▶ **Defining VBP:** Expression and articulation of VBP programs & goals
- ▶ **Delivering VBP:** Actions seeking to achieve stated VBP goals, directly or through influence
- ▶ **Measuring VBP:** Identification of measures to assess achievement of VBP goals and support for processes of measurement
- ▶ **Reinforcing VBP:** Levers assuring progress toward VBP goals

Summary of VBP roles & expectations

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)

VBP in Apple Health

MCO contracts and Medicaid Transformation

VBP accountability – MCO contracts

MCO Contract Withhold Components

Percentage Targets by Year

VBP Share: 12.5%		Provider Incentives Share: 12.5%		QIS Share: 75%	
Performance Year	Target Percentage	Performance Year	Target Percentage	Performance Year	Target Score
2017	30%	2017	.75%	2017	0.2
2018	50%	2018	1%	2018	0.2
2019	75%	2019	1%	2019	0.2
2020	85%	2020	1.25%	2020	Target -OR- Improvement
2021	90%	2021	TBD	2021	TBD

MCO VBP quality measures

	IMC Quality Measure Description	Measure Steward	Measure Weight	AMG	CCW	CHPW	Mol	UHC
Common Measures	Antidepressant Medication Management (AMM) – Acute Phase	HEDIS®	7.14%	X	X	X	X	X
	Antidepressant Medication Management (AMM) – Continuation Phase	HEDIS®	7.14%	X	X	X	X	X
	MH Treatment Penetration-Broad Definition - Total (Ages 6+, All Eligible Apple Health Enrollees, including IMC, BHSO, AHMC, AHFC)	RDA	14.29%	X	X	X	X	X
	Prenatal and Postpartum Care (PPC) – Timeliness of Prenatal Care	HEDIS®	7.14%	X	X	X	X	X
	Prenatal and Postpartum Care (PPC) – Postpartum Care	HEDIS®	7.14%	X	X	X	X	X
	Asthma Medication Ratio (AMR) - Total	HEDIS®	14.29%	X	X	X	X	X
MCO-specific Measures	Substance Use Disorder Treatment Penetration - Total (Ages 13+, All Eligible Apple Health Enrollees, including IMC, BHSO, AHMC, AHFC)	RDA	14.29%	X	X	X	X	X
	Well-Child Visits in the Third, Fourth, Fifth, and Sixth Years of Life (W34)	HEDIS®	14.29%	X	X	X	X	X
	Follow-Up Care for Children Prescribed ADHD Medication (ADD) – Initiation Phase	HEDIS®	14.29%		X	X		
	Comprehensive Diabetes Care (CDC) – Hemoglobin A1c Poor Control (HbA1c >9%)**	HEDIS®	14.29%				X	X
	Comprehensive Diabetes Care (CDC) – Medical Attention for Nephropathy	HEDIS®	14.29%	X				

VBP accountability – Medicaid Transformation

Statewide accountability

Percentage Targets by Year

	VBP adoption target (HCP LAN 2C-4B)	Scoring weights	
		Improvement Score	Achievement Score
DY 3	75%	50%	50%
DY 4	85%	45%	55%
DY 5	90%	40%	60%

Pay for Performance MCO DSRIP VBP incentives

Percentage Targets by Year

	Performance targets	
	HCP LAN 2C-4B Performance target	HCP LAN 3A-4B Performance subtarget
DY 1	30%	N/A
DY 2	50%	10%
DY 3	75%	20%
DY 4	85%	30%
DY 5	90%	50%