

HIP: Payment work group – session 3

Discussion document

March 28, 2016

March 28th Agenda: Payment

Workgroup 3



<u>Time</u>	<u>Session description</u>	<u>Session type</u>
1:00-1:10	Introduction and status update of HIP	Presentation
1:10-1:55	Payment strategic approach and path forward	Presentation and group discussion
1:55-2:15	Break	
2:15-2:50	Update of HIP strategy across work groups	Presentation and discussion
2:50-3:00	Closing and next steps	Presentation

Goal of work group session 3 is to refine the strategy and identify interdependencies across the broader plan



Purpose/principles

- Gather input from multiple stakeholders with the objective of building a plan with the highest likelihood of success
- Collaborate with stakeholders across the commonwealth to align around a set of guiding principles
- Share informed view of what initiatives are happening across the country

Session 1 Provide input and align on principles

Session 2 Test preliminary strategy

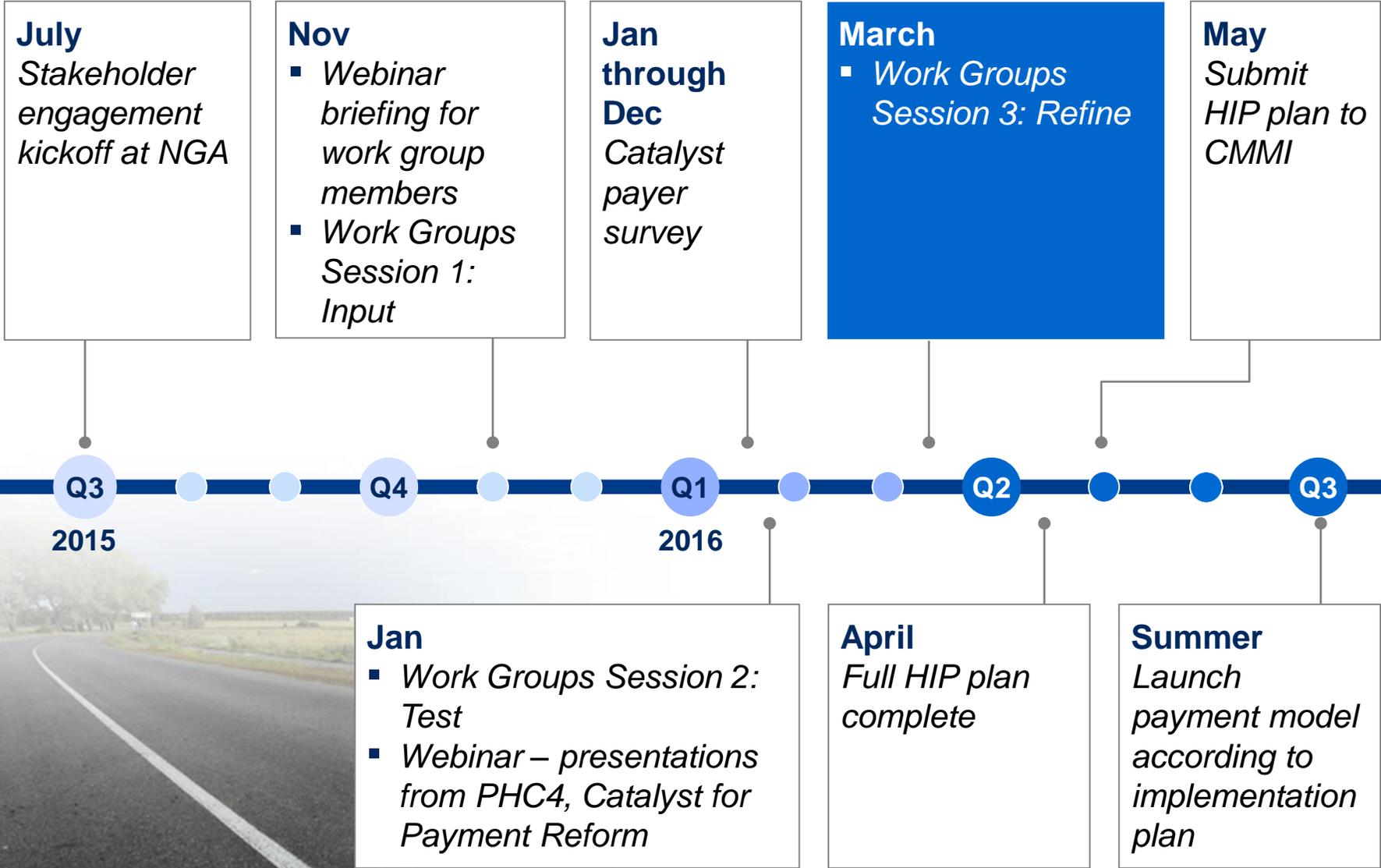
Session 3 Refine strategy and identify interdependencies across broader plan



Work group charter: Payment

Work Group title: Payment	Convener: Secretary Murphy
Problem statement: <ul style="list-style-type: none">▪ Current fee-for-service system is unsustainable, with health care costs taking an increasing share of state budgets, employer costs, and consumer pocket books▪ States are leading efforts to move public and private payers to value-based payment – PA will join federal efforts in establishing a four-year goal to move from volume to value▪ Set of multi-payer new models will be needed to drive quality and cost improvements, across types of care (i.e., episodic, advanced primary care / chronic) and care settings (in particular, recognizing unique needs of rural hospitals)	
Mandate for this group: <ul style="list-style-type: none">▪ Explore opportunities to implement a material number of multi-payer bundled payments at-scale (30-50+) for high cost procedures▪ Develop recommendations to accelerate moving to advanced primary care models▪ Develop methodology for multi-payer global budgets for rural hospitals	Types of decisions to provide input on for HIP Plan: <ul style="list-style-type: none">▪ Payment models to prioritize▪ Types of episodes to prioritize▪ Target areas for advanced primary care acceleration▪ High-level payment model methodology▪ Principles for payment models incentives (i.e., upside / upside-downside), role of quality metrics▪ Areas for multi-payer standardized approach, general alignment, differ by design▪ General pace of scale-up and rollout▪ Identify opportunities for shared infrastructure (if any)
Participation expectations: <ul style="list-style-type: none">▪ Join 3, 2-3hr work group meetings between now and HIP Plan submission (May, 2016)<ul style="list-style-type: none">– Webinar (Nov 5th, 2015)– Kickoff (Nov 9th, 2015)– Review / input on draft model design options (Jan, 2016)– Review / input on full draft of HIP Plan (Mar, 2016)▪ Potential ad hoc additional meetings▪ Communicate updates from work group within your organization & collect feedback to share back with the work group	

Milestones for HIP



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Payment path forward (1/2)

Priorities	Current state	Potential opportunities / options	Path forward
<p>Advanced Primary Care</p>	<ul style="list-style-type: none"> ▪ Commonwealth of Pennsylvania previously led a multi-payer Advanced Primary Care (APC) initiative, which was discontinued 12/2014 ▪ Since then, many payers have continued to evolve their own programs focused on APC and/or Accountable Care Organizations (e.g., Highmark, UPMC, Geisinger) ▪ Recently, CMS collaborated with the Association for Health Insurance Plans (AHIP) to establish common quality measures relevant to APC / ACOs, for adoption by 2018, although specific timetables for payer adoption have not yet been established 	<ul style="list-style-type: none"> ▪ Support existing payer efforts to drive adoption of value-based payment by primary care and/or ACOs ▪ Align stakeholders on common definitions of core elements for APC, including a common set of quality measures 	<ul style="list-style-type: none"> ▪ Commonwealth will support and monitor existing initiatives and current trends ▪ Over time, the Commonwealth may convene stakeholders to align on measures

Payment path forward (2/2)

Priorities	Current state	Potential opportunities / options	Path forward
Episode-Based Payments	<ul style="list-style-type: none"> ▪ About 200 PA providers are participating in Bundled Payments pilot with Medicare ▪ Medicare has mandated bundled payments for joint replacement in some parts of the country and may extend to other episodes and regions in the future ▪ Bundled Payments is one of the models that may be adopted by MCOs in response to Medicaid targets for value-based care ▪ Payers in PA have experimented with bundles but they are unlikely to achieve scale without state leadership as in Arkansas, Ohio, and Tennessee 	<ul style="list-style-type: none"> ▪ Establish common definitions for episodes of care ▪ Create multi-payer analytic and reporting capability that could power transparency, referrals, and/or payment ▪ Synchronize transition to episode-based payment across payers to increase alignment of incentives across the full patient panel treated by providers 	<ul style="list-style-type: none"> ▪ Commonwealth will continue to gauge payer interest in adopting common approach (and/or shared analytics/reporting) for episode-based performance measurement ▪ Commonwealth will also encourage the use of episode-based reporting to influence referrals for elective care ▪ Over time, the commonwealth may identify select regions and/or clinical episodes where payers may shift to episode-based payment

Potential questions for group discussion (payment)

For each strategic priority path forward:

- How would you refine the approach and the role of the commonwealth in the path forward? The role of stakeholders?
- How will additional stakeholders outside of the work group be engaged?
- How can we best use the commonwealth's assets to overcome the barriers and challenges to the strategic path forward?

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Drivers for achieving HIP objectives (1/2)

Aims

By the end of 2019, Pennsylvania will,

Improve Population Health

- Achieve or maintain top-quartile performance among states for adoption of best practices and outcomes in disease prevention and health improvement

Improve Health Care Quality and Care Experience

- Achieve high standards for quality and consumer experience, including a reduction in avoidable hospital admissions and readmissions by 20%

Reduce Costs

- Target a goal for the amount of care delivered in Pennsylvania utilizing payment models that promote and incent value-based care

Primary Drivers

Population Health

Price & Quality Transparency

Payment Reform

Secondary Drivers

Expanded Efforts:

- Target women ages 18-44 for tobacco cessation
- Promote the increase in physical activity in elementary school day
- Promote diabetes prevention and self-management
- Promote oral health for children
- Promote use of Prescription Drug Monitoring Program (PDMP) to track and monitor substance abuse

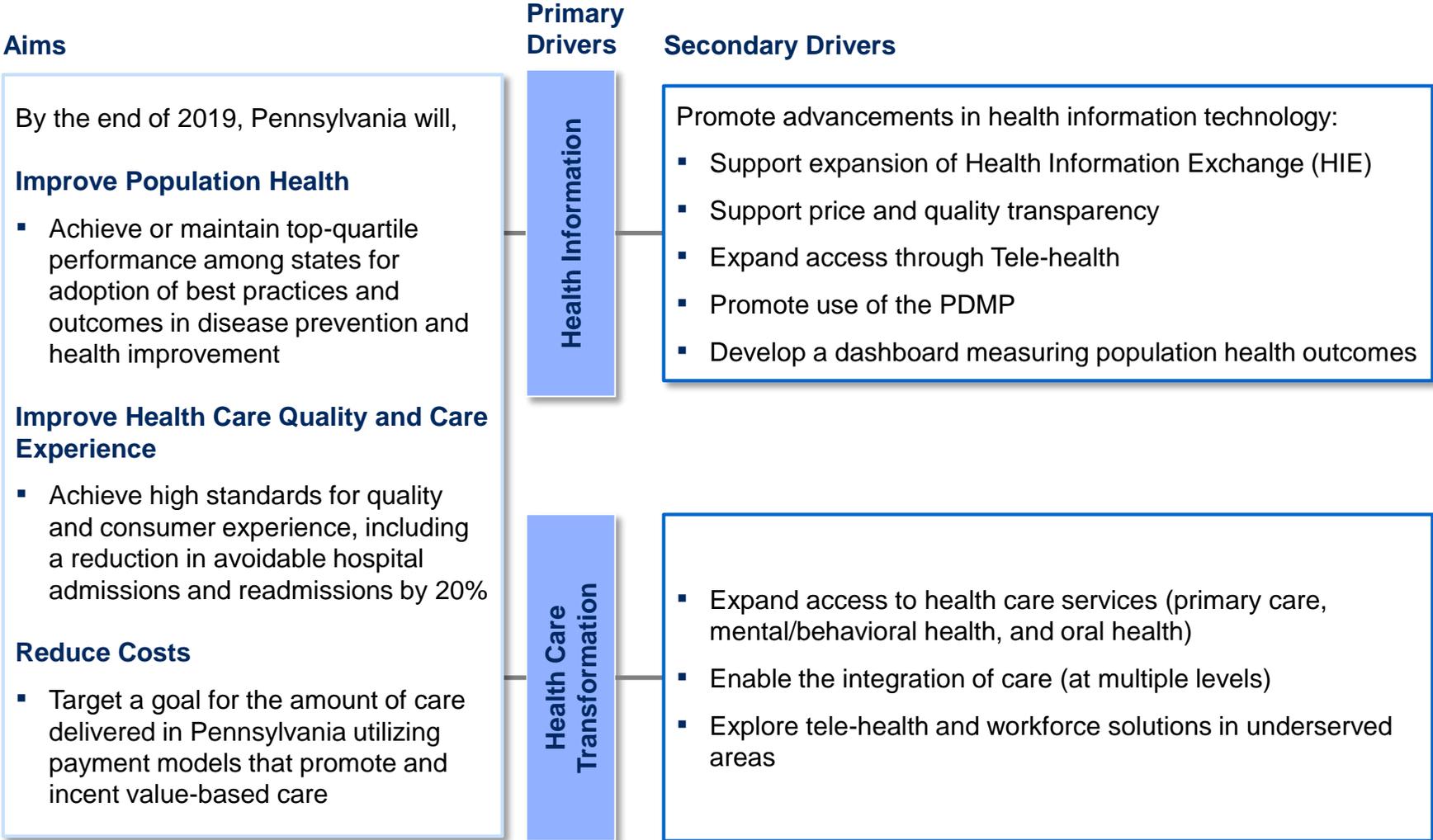
Promote price and quality transparency through:

- Broad primary care transparency for all data users
- Consumer health literacy
- “Shoppable” care transparency for both commodities and episodes of care

Establish a target for the commonwealth for the percent of care paid for under a value-based reimbursement structure through the use of:

- Advanced Primary Care
- Bundled Payments
- Global Payments

Drivers for achieving HIP objectives (2/2)



Overall HIP plan strategic initiatives (1/2)

— Driving - - - - - Convening

		2016		2017	
Strategic initiatives		Q3	Q4	Q1	Q2
Payment / Transparency	“Shoppable” care and episode-based payment and transparency	Continue to develop approach (e.g., organize work group, review findings from APCD council, etc)		Over time, drive increased cost transparency through identified strategy	
	▪ Commodity cost transparency	- - - - -		—	
	▪ Episode-based payment	- - - - -		—	
		Gauge stakeholder interest in adopting common approach; encourage use of episode-based reporting to influence referrals for elective care		Identify regions and/or clinical episodes where payers may shift to episode-based payment	
	Advanced primary care transparency and payment	Identify leaders interested initiative		Determine plan to drive transparency or payment innovation	
	APCD exploration	APCD council provides findings			
Payment	Other value-based payment initiatives				
Transparency	Consumer Health Literacy	Set-up sub-group to develop campaign strategy and content		Launch campaign	
Health care transformation	Community health workers	- - - - -		- - - - -	
	Behavioral health and primary care	- - - - -		- - - - -	
	Oral health / dental health access	—		—	
	Tele-health	Depends on sub-initiatives			
	Primary Care Pathway	—		—	
	Data analytics	—		—	

Overall HIP plan strategic initiatives (2/2)

— Driving - - - - - Convening

Strategic initiatives	2016		2017		
	Q3	Q4	Q1	Q2	
HIT	Support expansion / integration of HIE	Drive interoperability through centralization			
	Support “shoppable” care and episode transparency tool	Review findings from APCD council and develop approach			
	Develop public health dashboard				
	Deploy prescription drug monitoring program (PMDP)				
	Expand and enable tele-health	Convene stakeholders to provide recommendations		Amend regulations and remove barriers	
Popula- tion Health	Reduce childhood obesity				
	Improve diabetes prevention and self-management				
	Improve oral health for children				
	Reduce substance abuse				
	Decrease rate of tobacco use for women ages 18-44				

Opportunity for work group feedback on final SIM Plan

- Late April—Full draft of SIM plan sent to work group stakeholders for input
- Early May—Deadline for work group stakeholder feedback
- Mid-May—Completion of final draft of SIM plan
- May 30—Submission of final SIM plan

- Workgroup Session 3
 - March 28--Payments
 - March 28--Transparency
 - April 5--HIT
 - April 11--Population Health
 - April 11--HCT

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Next steps

- Look for communication with more details on accessing a preview draft of the entire SIM plan
- Submit feedback on SIM plan by May 2

Questions

