



Health Innovation in Pennsylvania Plan

Frequently Asked Questions

Governor Wolf is leading an exciting Health Innovation in Pennsylvania initiative. To learn more, please see below.

Q. What is the Health Innovation in Pennsylvania (HIP) Plan?

A. In December 2014, Pennsylvania was granted a \$3 million award by the Center for Medicare and Medicaid Innovation (CMMI). CMMI was created as a part of the Affordable Care Act to test innovative payment and delivery models that result in better health, better care, and smarter spending. Pennsylvania is one of 38 awardees in this CMMI program (known as the State Innovation Models Initiative), which includes 34 states, three territories, and the District of Columbia. Under this initiative, CMMI enters into cooperative agreements with states to design and implement plans for multi-payer, health and health care delivery system transformation. Through these awards, states explore ways to develop innovative payment and delivery models, improve population health, develop the health care workforce to support new care models, and leverage health information technology to accelerate transformation.

The Commonwealth will be utilizing this funding to develop a comprehensive plan – known as **the Health Innovation in Pennsylvania (HIP) Plan** – that will address health care delivery transformation, payment reform, the use of health information technology, population health, and workforce planning across Pennsylvania. HIP Planning is led by Governor Wolf with strong engagement across state agencies as well as private sector stakeholders.

Q. Why is Pennsylvania engaged in health innovation planning?

A. The current health care delivery and payment system is not sustainable. Achieving better health, better care, and smarter spending is a national imperative. There is also an imperative in the Commonwealth to develop effective approaches to innovation. Pennsylvania spends more than the national average on health care while health outcomes and performance on quality of care measures fall behind high-performing states.

States serve as excellent incubators to test innovative payment and delivery models. State governments are purchasers of health care for their employees. Medicaid is a large payer of health care services. States also have regulatory and policy levers that can be used to accelerate innovation.

The CMMI funding will support Pennsylvania to work with multiple stakeholders to conceive a roadmap that will ultimately achieve better health, better care, and smarter spending for all Pennsylvania residents.

Q. What are the HIP Plan priorities?

A. Pennsylvania is exploring multiple areas to improve the health of Pennsylvanians. The guiding principles include:

- **Increase value-based payment for health care services.** PA will promote the transition from fee-for-service, volume-based health care to value-based payments that reward quality outcomes. The move will incentivize health care providers to focus on improving population health as well as health care delivery.
- **Enhance price and quality transparency.** PA will explore ways to inform health care consumers regarding the price and quality of health care services. Like other states, PA will examine consumer-friendly tools that provide consumers with data on price and quality in order to allow for informed health care decisions.
- **Improve rural health care services.** PA will explore ways to improve health care for residents living in rural areas in a manner that is sustainable and better serves the health needs of local populations.

Q. How will the HIP Plan be developed?

A. Pennsylvania will convene multi-stakeholder work groups from across the state to inform the plan. The work groups will focus on a variety of initiatives, including:

- Exploring the implementation of multi-payer bundled payments for high-cost procedures over the next four years. The work groups will explore ways to build upon the efforts of Pennsylvania providers and insurers currently engaged in Bundled Payments for Care Improvement and the Centers for Medicare and Medicaid Services mandatory hip and knee bundled payment program.
- Reviewing current patient-centered medical home efforts within Pennsylvania and developing recommendations to move toward advanced primary care models that include integration of behavioral health.
- Recommending strategies to accelerate quality improvements in health care services.

Q. What is the timeline to develop the HIP Plan?

A. Key milestones for the HIP Plan include:

- 2015
 - July: Gov. Wolf launched this initiative at a three-day health care summit in Harrisburg entitled “Pennsylvania Pathway to Better Health and Lower Costs”. The program featured presentations from national health policy leaders as well as industry executives. Multiple health care executives from across the Commonwealth attended the meeting.
 - September: McKinsey & Company was contracted as the project management consultant to assist the PA Department of Health with the development of the HIP Plan.
 - November and December: Five work groups on payment, price and quality transparency, population health, health information technology, and health care transformation met to begin HIP planning.
 - December: Catalyst for Payment Reform was engaged to help determine the current level of value-based payment in Pennsylvania and inform future goals regarding the volume- to value-based payment transition.
- 2016
 - January - April: Work groups will continue to meet and review HIP Plan drafts and provide input.
 - May: Final HIP Plan will be submitted to CMMI.
 - July: Pennsylvania will begin HIP Plan implementation.

Q. Who is involved in the HIP planning?

A. Pennsylvania’s health innovation work is being led by Governor Tom Wolf and has broad support from several state agencies and multiple stakeholders across the state. In addition to state agencies, PA will engage health care providers as well as representatives from commercial payers, foundations, consumer groups, and other health care related associations. A steering committee comprised of diverse health care leadership guides the initiative. The steering committee sets the overall direction for the HIP Plan, and five work groups develop strategies for each respective topic area. After the HIP Plan is complete, steering committee and work group leaders will help support the implementation of the HIP Plan in their local communities and respective agencies.

Q. Where can I go to get more information or to ask questions?

A. Please visit our website at [www](http://www.health.pa.gov) for regular updates. You may also contact:

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