

Payment Work Group – Session 1		
1.28.2016	9:00 AM – 12:00 PM	Harrisburg, PA
Meeting called by	Secretary Karen Murphy	
Type of meeting	Payment Work Group – Session 2	
Convener	Secretary Karen Murphy	
Introduction, reminder of priorities, recap from last meeting		
9:00 – 9:30 AM	Secretary Karen Murphy	
Discussion / Conclusions	Secretary Murphy lead the work group through a recap of the goals for the second work group session, the work group charter and timeline, the objectives of Health Innovation in Pennsylvania (HIP), and what was discussed in the last meeting	
<p>As a recap, there are 4 main principles that PA will follow to payment innovation:</p> <ul style="list-style-type: none"> ▪ The work group should build on existing payment innovation in PA ▪ New payment models should incorporate a ramp-up time period to allow providers time to prepare ▪ Payment model innovation needs to be sustainable so that providers (and payers) invest in developing the necessary capabilities to be successful, but also flexible enough so that it can adapt and improve over time ▪ Different types of providers (e.g., geography, size) may require different payment models <p>Approach to payment model innovation:</p> <ul style="list-style-type: none"> ▪ Advanced primary care <ul style="list-style-type: none"> ○ Advanced primary care efforts, led by stakeholders throughout the Commonwealth, are currently in development or underway across Pennsylvania ○ Standardizing measures and definitions across payers may offer the greatest opportunity for impact and will be addressed through a combination of the transparency and payment work groups ▪ Episode-based payments <ul style="list-style-type: none"> ○ Input from stakeholders suggests that there is an opportunity for episode-based payments as a feasible and attractive model ○ The payment work group will focus on developing a plan to explore episode-based payment specific to the needs of the Commonwealth 		
Presentation from Center for Value-Based Insurance Design		
9:30 – 10:30 AM	Mark Fendrick	
Discussion / Conclusions	Mark Fendrick from the Center for Value-Based Insurance Design at the University of Michigan led the work through prepared materials and then a group discussion	
<p>Center for Value-Based Insurance Design (VBID) presentation focused on implementing clinically nuanced benefit design where consumer cost-sharing level is linked with clinical benefit/value (i.e., reduce or eliminate financial barriers to high-value clinical services and providers and increase cost sharing on lower value services and providers)</p> <ul style="list-style-type: none"> ▪ Presentation led to a group discussion on the value and benefits of both value-based benefit design and payment innovation ▪ There is an opportunity to marry/align benefit design with payment reform (especially for advanced primary care) ▪ As we determine the quality metrics and align on measures, it's a logical next step then to design plans that align incentives with the measures that we are looking to do ▪ There was some good conversation around this concept and payers are starting to develop strategies around value-based insurance design inside and outside of the Commonwealth 		

Episode-based payment review and discussion			
10:45 – 11:45 PM	Secretary Karen Murphy		
Discussion / Conclusions	The mechanics and design choices of episode-based payment models were discussed. Additionally, examples of episode-based payment models implemented in other states were referenced as relevant and useful		
<p>The dialogue on episode-based payment models included numerous questions related to the mechanics and design choices of different models as work group members discussed different considerations of the model</p> <ul style="list-style-type: none"> ▪ Stakeholders engaged around various options for episodes (e.g., mandatory vs. voluntary provider participation, level of standardization regionally or statewide, determination for who should be the principle accountable provider, what type of episodes should the model start with, should the model be prospective or retrospective) ▪ Some questions were specifically on recent episode-based payment model from other, including how other states dealt with the differences between systems with integrated vs. independent primary care physicians, the considerations of systems with employed physicians vs. independent physicians, challenges of engaging post-acute care services ▪ Episode-based payment is an opportunity to engage specialists (around specialty procedural episodes) whereas advanced primary care already engages primary care providers leading to a more comprehensive approach; episode-based payment models are additive to other payment arrangements in place (e.g., complimentary to total cost of care models) ▪ Results in other states for episode-based payment models have been promising. For example, in one state by just providing transparency in the variation of episode costs for asthma acute exacerbation (prior to any payment change), admission rates reduced by 2/3 <p>The work group also briefly discussed advanced primary care (APC)</p> <ul style="list-style-type: none"> ▪ As discussed before, the work group will work to determine / align-on quality measures for APC. As a logical next step, PA can then design plans (through value-based insurance design) that align consumer incentives with the payment strategies and corresponding measures 			
Closing and next steps			
11:45 – 12:00 PM	Secretary Karen Murphy		
Action Items	Person Responsible	Deadline	
Engage your organization to determine preliminary thoughts on episode approach design (e.g., where to standardize, align in principle, differ by design)	Work Group Members	February-March	
Participate in follow-up webinars or calls	Work Group Members	TBD	
Participate in third work group meeting to refine plan	Work Group Members	March 2016	

Note: Any policy suggestions included in the minutes do not reflect the Administration's position or intentions.