



# **Better health, better care, lower costs:**



## **Transformation and innovation in 2015 and 2016**

Washington State  
Health Care Authority



# A note from the director

Washington's uninsured rate has dropped from 14% in 2013 to 5.8% in 2016.

2013



14%

2016



5.8%

Source: American Community Survey, U.S. Census, September 2016

## MISSION

Provide high quality **health care** through innovative health policies and purchasing strategies.

## VISION

A **healthier** Washington

## VALUES

People first  
Innovation  
Respect  
Public service  
Collaboration  
Service excellence  
Leadership  
Stewardship

## Better health, better care, lower costs.

It is our mantra at the Health Care Authority, as we transform the way health care is delivered and performance is measured in our state.

No longer is it enough to simply be the largest health care purchaser in the state. We buy care for more than 2 million people—which is nearly a third of Washington residents—through the Public Employees Benefits Board (PEBB) Program and Apple Health (Medicaid). Thanks to the Affordable Care Act, we have decreased the uninsured rate from 14 to 5.8 percent in Washington, including adding 600,000 adults to Apple Health.

But we can't stop there. We must use our purchasing power to move from volume to value-based health care, showing the marketplace that there is a better way to deliver and measure quality of care.

As we move, we must always keep an eye to health equity, ensuring everyone has a fair chance to lead a healthy life. And, effective management of our budget sits at the very core of our mission. Our mission is to provide high-quality health care through innovative health policies and purchasing strategies. Over the last 12 years, HCA has held the general fund-state share of its Medicaid expenditures flat while enrollment during that time has doubled. We have done this through increasing reliance on care coordination and population management; and maximizing federal funding opportunities.

We are well into our effort to build a healthier Washington, catalyzed by significant federal funding and a clear direction from our state Legislature.

In this report, we briefly highlight progress over the past two years, and signal key issues on the horizon. None of this work is achievable without strong partnership from the public and private sector. Building a healthier Washington is a team sport!

—Dorothy Frost Teeter, HCA Director

# Transforming to a healthier Washington

HCA and partners are transforming the way health care is delivered and measured in our state. Some of the ways we're achieving this:

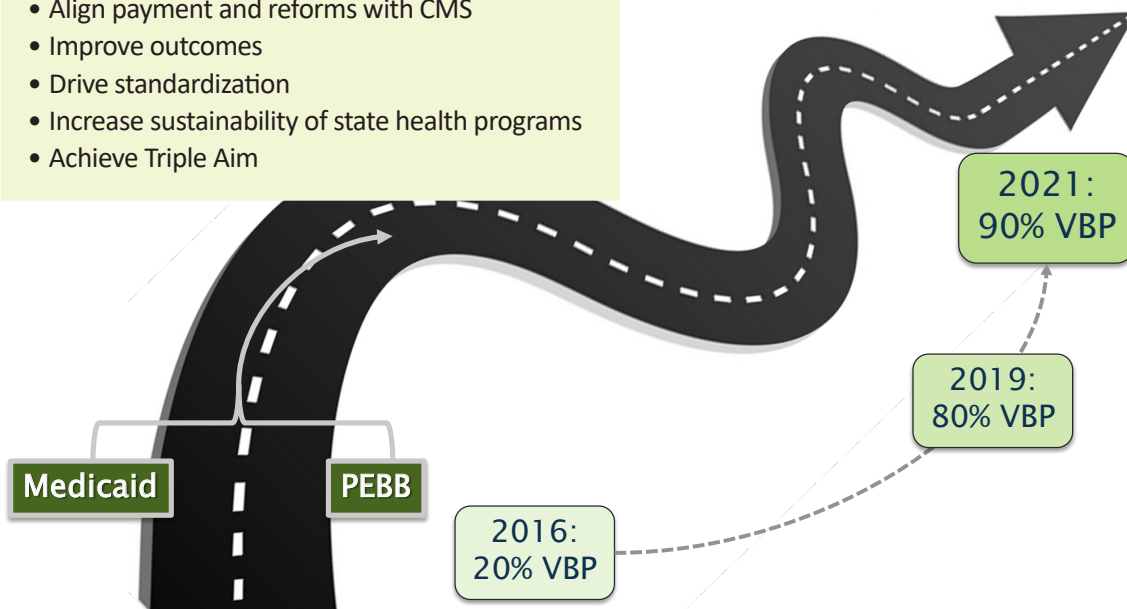
- **Purchasing for value.**

As the largest health care purchaser in the state, we are leading the way in reward delivery of patient-centered, high-value care and increased quality improvement. Value-based purchasing is the cornerstone of our health transformation efforts.

Our purchasing goals are meant to reward Apple Health (Medicaid) and Public Employees Benefits Board (PEBB) Program health plans and health systems for performance. By 2019, we want 80 percent of state-purchased health care, and half of commercial health care to be value-based. And we want our annual health care cost growth to hold steady at 2 percent less than the national health expenditure trend.

## HCA Value-Based Road Map

- Reward patient-centered, high quality care
- Reward health plan and system performance
- Align payment and reforms with CMS
- Improve outcomes
- Drive standardization
- Increase sustainability of state health programs
- Achieve Triple Aim



- **Launching a common measure set that defines health quality and performance.**

These measures provide the foundation for health care accountability and measuring performance, as envisioned by the Legislature. They measure progress toward achieving healthier outcomes for Washington residents in access to primary and behavioral health care; acute care; prevention; and chronic care. Our partners at the Washington Health Alliance are a trusted source of results.

- **Building Accountable Communities of Health.**

These nine regional coalitions bring together multi-sector leaders to work together on improving health in their region. Each ACH has identified regional priorities that tie to the state common measure set.

## What do the measures focus on?



### Access to primary care

Are children and adults visiting a primary care doctor at least once per year?

### Prevention

Are patients getting recommended health screenings and immunizations they need to help them stay well?

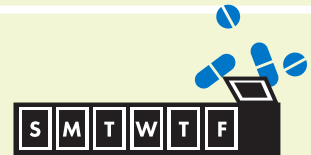


### Acute care

Are hospitals doing what they can to promote patient safety and the best outcomes for patients?

### Chronic care

Are patients with chronic conditions getting care from their doctor that is recommended to help them manage their health?



“We are trying to build this from the ground up and getting people working together who haven’t before.”

— ACH member

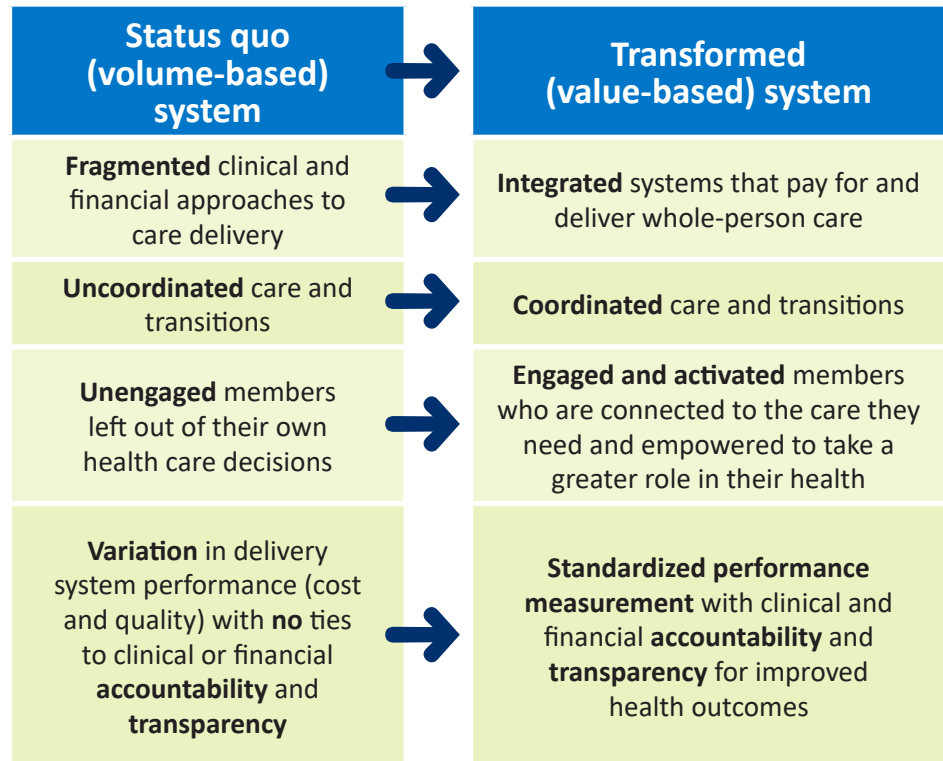
- **Using evidence-based recommendations from the Dr. Robert Bree Collaborative.**

In January 2017, HCA will launch a Centers of Excellence (COE) Program for PEBB Program members. The first focus of the COE Program helps members seeking total joint replacements, a medical procedure with significant variance in cost and quality. Virginia Mason Hospital & Medical Center will serve as the COE for these procedures, using evidence-based practices; providing coordinated care and shared decision-making with patients; and assuming financing risk for preventable surgical complications and infections. In future years, the COE Program will expand to include other services and procedures with significant cost and quality variance.

- **Fully integrating physical and behavioral health for Apple Health (Medicaid) by 2020.**

On April 1, 2016, we integrated physical health, mental health, and substance use disorder services in Clark and Skamania counties, our “early adopter” region. Apple Health clients in these counties choose one managed care plan that can meet all of their physical and behavioral health needs.

Whole-person care will be delivered through managed care plans responsible for ensuring physical and behavioral health services are well-coordinated. By combining the funding sources for all services and holding one organization (the managed care plan) accountable for delivering high-quality, whole-person care, incentives are better aligned to ensure effective delivery of services, improved quality of care, and interdisciplinary care teams that can more easily support clients in getting the care they need.





● **Accelerate care transformation through funding flexibility.**

We have reached agreement with our federal partners on a Medicaid transformation demonstration project that would give us up to \$1.5 billion in Medicaid funding to further accelerate health system transformation by:

- Reducing avoidable use of high-cost services such as acute care hospitals, psychiatric hospitals, and nursing home facilities.
- Improving population health, with a focus on prevention and proactive management of diabetes and cardiovascular disease, pediatric obesity, smoking, mental illness, and substance abuse.
- Accelerating Medicaid payment reform to pay providers for better health outcomes.
- Bending the Medicaid cost curve below national trend.





# Improving the health of Washingtonians

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Here are just a few of the ways we're working to improve the health and health care experience of those we serve:

## New tools and choices

- **Accountable care program.**

As part of Healthier Washington, we launched new health plan offerings for public employees in five counties around Puget Sound in 2016. More than 17,000 PEBB Program subscribers and their families have enrolled in one of the two networks in the new Uniform Medical Plan (UMP) Plus offering. GroupHealth has offered SoundChoice as a new accountable care program. UMP Plus will expand to four additional counties in 2017.

Accountable care programs are part of our strategy to change health care that pays for quality over quantity of services. It provides members with enhanced services, cost savings, and a local network of doctors, nurses, and specialists who work together and with you to improve your care.

- **Another way we are building a Healthier Washington is through SmartHealth, our wellness program for public employees.**

Healthy employees are present and motivated to contribute at work. In 2015, we launched a new online wellness portal, SmartHealth, where public employees can earn a \$125 financial incentive by taking a well-being assessment and participating in fun activities that improve nutrition, sleep, exercise and stress. More than 50,000 employees participated in 2015 and 2016.

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Smart[]Health

“I joined a 12-week fitness challenge through SmartHealth with a group of coworkers. I am now routinely active, eating more fresh veggies and losing weight. I have 30 more pounds to go to reach my weight-loss goal. SmartHealth helps me stay on track with my goals.”

— Chuck Hudgins, Washington Correctional Industries

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## Improving health literacy

We want Washingtonians to be active participants in their health and health care, making informed decisions that are true to their health goals and values.

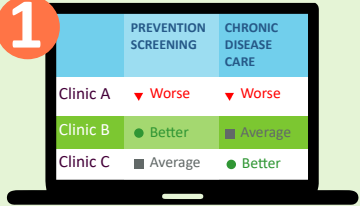
We work closely with the Washington Health Alliance to publish information and resources to support health literacy. We partnered with them to launch a refreshed Own Your Health website, including information for consumers called “Becoming a Savvy Health Care Shopper.” Our PEBB Program promoted the Savvy Shopper campaign materials to state employees in newsletters throughout 2016.

In 2016, we became the first state in the nation to formally review, certify and advocate use of aids to help patients make decisions about their care. Because HCA pays for 50 percent of births around the state through Apple Health (Medicaid) and the Public Employees Benefits Board (PEBB) Program, we began with patient decision aids (PDAs) relating to maternity, labor, and delivery. In August 2016, we certified four PDAs.

**The challenge: How to find a primary care provider now to help you stay healthy and care for you if things change**

**The solution: Become a savvy health care shopper**

**1**




	PREVENTION SCREENING	CHRONIC DISEASE CARE
Clinic A	▼ Worse	▼ Worse
Clinic B	● Better	■ Average
Clinic C	■ Average	● Better

**Compare care.**  
Shop for a clinic on the Community Checkup website to find out how providers in your network rate on quality measures.

**2**

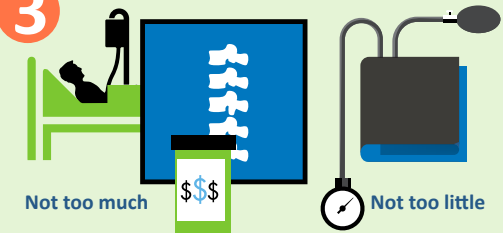
What are your hours?  
Do you accept my insurance?

Tell me about your providers.



**Make an informed choice.**  
By comparing scores, you can find the high scoring clinics in your neighborhood and contact them to see if they'd be a good fit for you.


**3**



Not too much      Not too little

**Make sure you get the right amount of care.**

- Unnecessary care costs money and can be harmful.
- Find the right provider and be **engaged** in your care.
- If you have a chronic condition, make sure you get the recommended care.
- You should also get regular screenings to help detect disease earlier.



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“ Patient decision aids allow me to have a very different discussion with my patients. Decision aids do a better job than I can at helping patients understand their options. I then have more time to explore the issues that matter most to them and understand how their condition impacts their lives. ”

— *Dr. Matt Handley, Group Health medical director for quality*

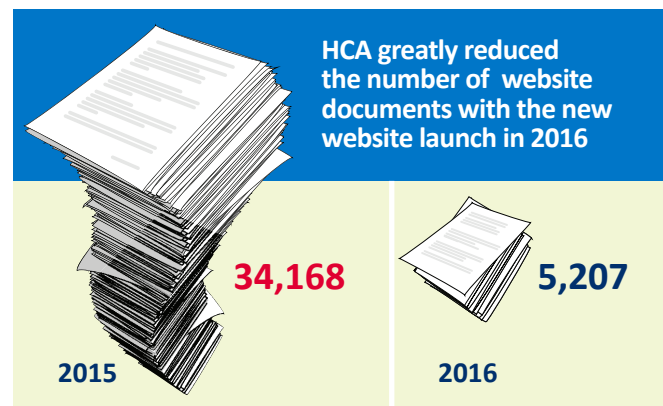
## Better customer service

- **We get thousands of calls each month from Apple Health (Medicaid) clients and PEBB Program members.**

We continue to make improvements to our call centers so that our customers can get the information and answers they need quickly. For example, this year, we cross-trained Apple Health call center staff so that they are able to answer questions from both clients and providers, and instituted a new system that requires less paperwork for our staff, allowing them to answer more calls.

- **New website.**

In 2016, we launched an updated agency website, after extensive research about what our customers most need when they visit our site. We rewrote all web content to be more user-friendly, and removed thousands of redundant and outdated documents and pages to streamline our web users' experience.





# What the future holds

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**We have achieved so much on behalf of Washington residents over the past two years, but there is more to do. In the coming years, we plan to:**

- **Reprocure the UMP third-party administrator contract.**

We are gearing up to take new bids on our Public Employees Benefits Board (PEBB) Program Uniform Medical Plan (UMP) contract for the first time since 2009. The contractor administers the self-insured UMP on HCA's behalf, managing such activities as paying claims and contracting with providers. We are restructuring the contract to reflect value-based purchasing standards, and requiring the bidders to use evidence-based standards such as those offered through the Dr. Robert Bree Collaborative.

- **Behavioral health integration.**

By 2020, physical and behavioral health will be integrated for Apple Health clients statewide. This means that Apple Health clients will get whole-person care coordinated among providers, breaking down the artificial divide between care for the mind and the body.

- **Cost drivers.**

Pharmaceutical prices continue to be a major focus for us in both Apple Health (Medicaid) and the PEBB Program. While it will take a national conversation to make changes to the current market for drug pricing in the United States, we are doing what we can to control drug costs in Washington. We are leveraging drug rebates to the extent possible; ensuring appropriate use of medications through prior authorization and care management; and exploring innovating multi-state purchasing strategies through conversations convened by the Oregon Health & Science University.

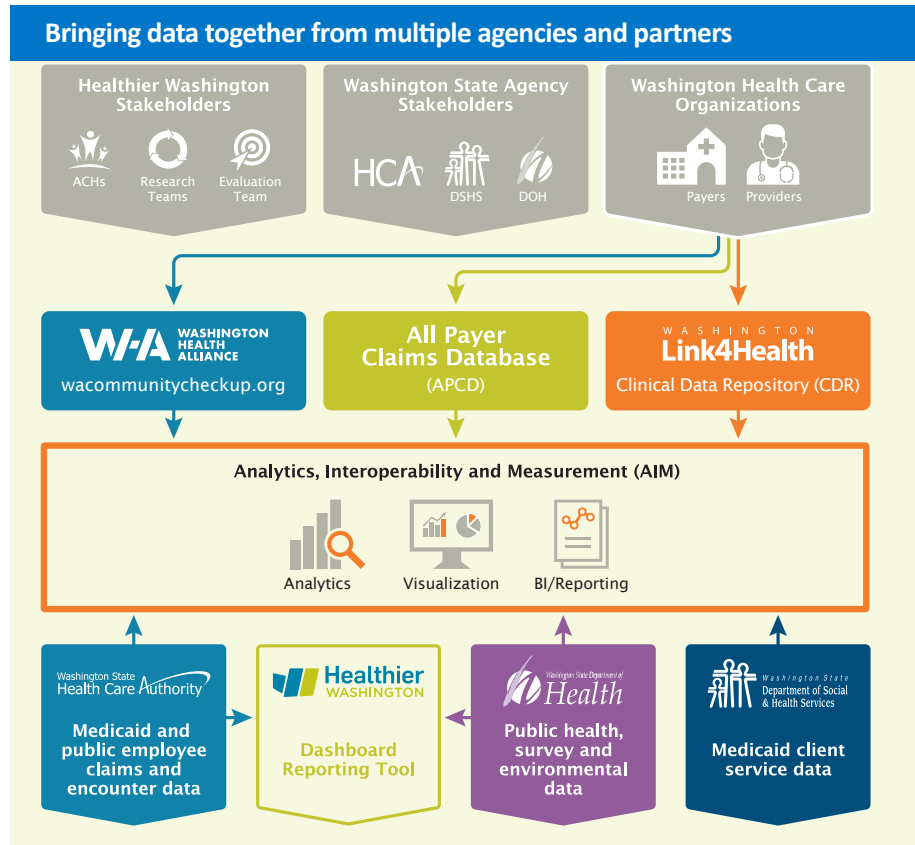
- **Increased linkage between delivery system and communities.**

It is important to move “upstream” by addressing the social determinants that help people live healthier lives, such as adequate housing, employment and nutrition. We want to move people out of state hospitals and into appropriate community-based settings for behavioral health services. And we must focus on new methods of delivering care, such as telemedicine and team-based approaches to primary care.

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- **Data/analytics.**

As a purchaser of health care for 2.2 million Washingtonians, we sit on a wealth of administrative and clinical data, critical to our decision making and that of our partners. Supporting decisions with data is a critical element of improving service delivery and accountability in the health system. We are building out new tools and systems to effectively use data while protecting sensitive health information. We also are building our infrastructure to make data available for clinicians, communities and state partners to inform how care is delivered and to measure performance.



- **Access to services.**

Now that we have succeeded in getting hundreds of thousands more Washington residents covered, the next step is making sure people get timely access to services, including dental care, and help ensure they are accessing quality care. Ensuring people who are coming out of jails and prisons have immediate access to Apple Health (Medicaid) coverage is a critical support in successful community re-entry.

- **Continue moving toward a healthier Washington**

Even as health care policy changes are contemplated at the federal level, our health transformation vision for Washington is more important than ever. We will continue to strive for better health, better care, and lower costs for all Washingtonians.



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