



Working Together for a Healthier Washington

Health Innovation Leadership Network Quarterly Meeting

April 15, 2016



Better Health, Better Care, Lower Costs



Today's Objectives

- Understand our multisector leadership role in accelerating our shared goal to incent and deliver quality and value in Washington health and health care systems.
- Provide an update and receive Leadership Network feedback on the design and early results of the Healthier Washington evaluation.



Better Health, Better Care, Lower Costs

A Healthier Washington

Build healthier communities through a collaborative regional approach

Ensure health care focuses on the whole person

Improve how we pay for services

Implementation tools: State Innovation Models grant, state funding, potential federal waiver, philanthropic support
Legislative support: HB 2572, SB 6312



Better Health, Better Care, Lower Costs

Spotlight On: Healthier Washington and Paying for Value

Hugh Straley, Dr. Robert Bree Collaborative
Al Fisk, The Everett Clinic
Diana Birkett Rakow, Group Health Cooperative
David Rolf, SEIU 775 NW
Chris Barton, SEIU Nurse Alliance NW
Rachel Quinn, Health Care Authority
Jeff White, The Boeing Company



Spotlight On: Paying for Value

The United States health care system is perfectly designed to get the outcomes it does currently...



Better Health, Better Care, Lower Costs

Leading the Change to Value, Together

Rick Cooper, CEO

Al Fisk MD, CMO

The Everett Clinic

*Moving the Health Care Market to
Value: Leveraging the Power of
Purchasers*
Seattle, WA
April 15, 2016

The “Burning Platform”

- Healthcare is too expensive
- Consolidated markets
- Healthcare transformation
- Increasing demand for transparency
- Pricing confusing, variable, and not understood
- **Rewards to those who deliver value with a lower total cost of care**



We want the same thing

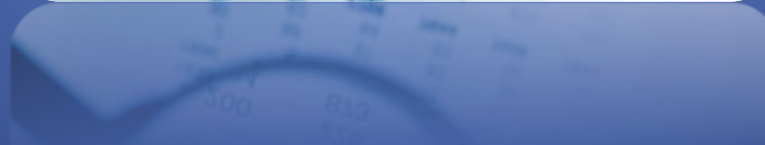
- What *purchasers* want: high quality, affordable care that keeps their employees healthy.
 - Not the pressure of paying more and more for care
- What *patients* want: high quality, affordable care that keeps themselves and their families healthy.
 - Not the pressure of paying more and more for care
- What *providers* want: high quality, affordable care that keeps their patients healthy.
 - Not the pressure of doing more and more to get paid

Key Levers

- Transparency
- Clinical models
- Benefit design and financing

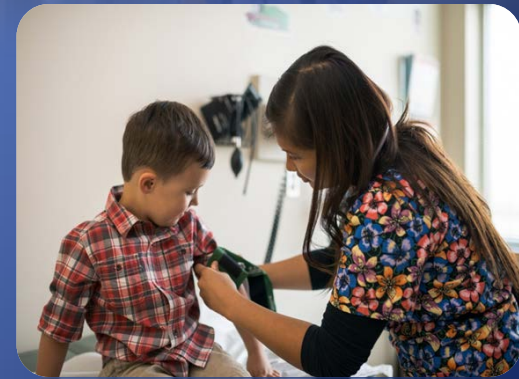


Transparency – demand it



Transparency = Informed \$ Decisions

- Patients are increasingly paying a bigger share of their healthcare bill
- Patients can make informed decisions when they know cost
- Competition will help drive down prices if patients can see prices in advance



Transparency = Informed Quality Decisions

2015 Washington Health Alliance Community Checkup

KEY FINDINGS



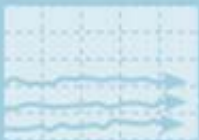
Washington has a long way to go to consistently be in the top 10 percent of performance nationally in the delivery of high-quality health care.



Variation by county, medical group and clinic is a persistent problem in the delivery of health care.



Too many patients in Washington are not receiving the evidence-based care that they need to remain healthy and manage their conditions.



For many measures, there has been little improvement over time.



Local successes prove that delivering high-quality health care is an achievable goal here in Washington.



The Common Measure Set and transparency helps us to collectively understand our current performance and target areas for improvement.

Originally published Monday, November 3, 2014 at 5:00 PM

Editorial: State should follow Everett Clinic's lead and create transparency in health-care prices

The Everett Clinic's decision to be more transparent about its pricing helps consumers make better choices for their own health care.

Seattle Times Editorial

MOST Americans won't shell out money for goods until they have shopped around for the best deals. Something about following doctors' orders prevents many of us from applying that rule to health-care costs.

READER COMMENTS

[Read all 4 comments](#) ▶

Insist on the right clinical models



Integrated Behavioral Health

- Patients with chronic health issues are more prone to mental health challenges (i.e. depression, anxiety)
- Integrated BH means interventions are more accessible, more acceptable and more actionable for patients.
- Unfortunately copays for behavioral health services are higher than for primary care services even though....

It works!

- Boeing healthcare pilot: team care approach for employees who were highest users of healthcare services
- Integrated behavioral health into care team
- Results: 20% reduction in costs, 50% reduction in missed work days

[Click to Print Now](#)

Boeing health care pilot project cut costs 20 percent – and improved care

➔ SUBSCRIBER CONTENT: Apr 25, 2010, 9:00pm PDT Updated: Apr 24, 2010, 12:32am PDT

An innovative health care pilot quietly completed by the Boeing Co. in the Puget Sound region shows promise as a model for treating patients with multiple conditions — improving their health, cutting the cost of their care, and changing how care is paid for.

Boeing's pilot project was so successful that the company



Prescription Management

- Science, not marketing, influences prescribing
- Generic drugs save money
- At TEC generics are prescribed 92% of the time
- Savings: \$100 million a year

Savings Scale



Imaging Management

- Before providers order imaging (i.e. MRI) protocols must be met
- Protocols are based on scientific evidence
- At TEC unnecessary scans were reduced by 39%
- Savings: \$3.2 million annually

Savings Scale



Care Programs for Complex Patients

- 20 percent of patients consume more than 70 percent of healthcare resources
- Innovative care programs control costs
- Innovative care programs improve outcomes and prevent unnecessary trips to the hospital:
 - Partners in Palliative Care
 - Boeing Intensive Outpatient Care Program
 - Advanced Care Coordination

Savings Scale



Demand better benefit design and care financing



Benefit Design

- Benefit design needs to be aligned with value based reimbursement, out of pocket costs and selection of tiered networks
- Behavioral Health needs to be part of primary care benefits
- Innovative care programs for complex patients need to be part of benefit design

We need to change how providers get paid

- Move away from payment system based on volume (fee for service)
- Pilot contracts that pay providers for value (keeping patients healthy)
- Incentivize for reaching highest quality standards

If I were you....

- Insist on transparency
- Use your market power to pay for value, not volume
- As purchasers, you can demand it. Providers can't make this change on our own.
- Insist on more from the delivery system, it needs to perform

Value: everyone benefits

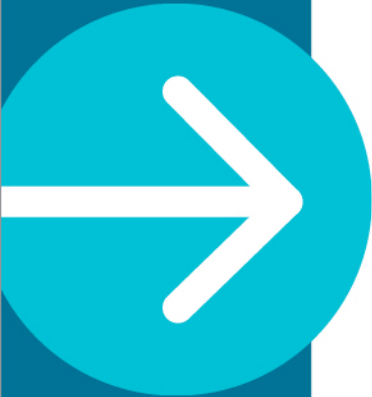
- **Employees/patients** get high-value care
- **Purchasers** get reduced costs and improved productivity
- **Providers** get to focus on keeping their patients healthy instead of constant pressure to do more



Thank you



GroupHealth®



Value-Based Insurance Design (VBID)

April 15, 2016

Diana Birkett Rakow

Executive Vice President
Marketing & Public Affairs
Group Health Cooperative

David Rolf

President
SEIU 775

Chris Barton

Director
SEIU Nurse Alliance Northwest



What & why VBID

Meet people where they are to make good decisions for health

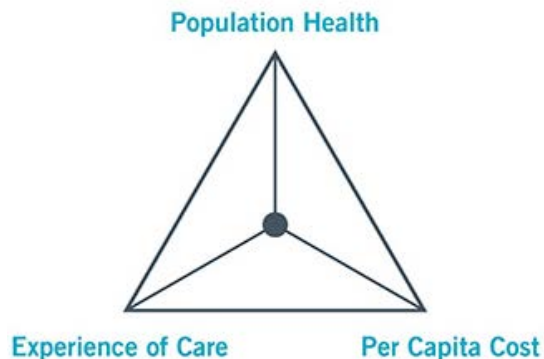
Value-Based Insurance Design

v.

Value-Based Purchasing

complements in service of

The Triple Aim



Design Principles

Incentives for preventative care

Higher cost shares for expensive services to encourage sensible use

Best benefits and coordinated care when using primary care

Evidence-based chronic condition management

No cost shares for diabetes monitors, tobacco cessation, or phone/e-mail consultations

No prescription cost shares for chronic disease maintenance drugs





Example Quote

BENEFIT	TYPICAL QUOTE	VBID
PREVENTATIVE	\$20 copay	\$0
HOSPITAL INPATIENT	deductible / coinsurance	\$200 copay with deductible / coinsurance
HOSPITAL OUTPATIENT	\$50 copay	\$200 copay
<i>Primary Care</i> OFFICE VISIT	\$20 copay	\$10 copay
<i>Specialty</i>		\$30 copay
PHARMACY	\$10 / \$20 copay	\$5 / \$30 / 50% by value tier Chronic illness Rx \$5/\$0
EMERGENCY ROOM	\$75 copay	\$150 copay



Working for Home Care Aides

The SEIU 775 Benefits Group works to help **REINVENT HEALTH CARE AS A GOOD JOB** and **PREVENT THE COMING CARE CRISIS**, through training, health, and retirement, with research and evaluation methods.

THE ENGAGED SPONSOR PROGRAM was developed in 2010-2011, with goal of providing population-based, fully integrated care to improve health outcomes and reduce overall costs.





SEIU 775
BENEFITS GROUP

Engaged Sponsor Program

OUR PEOPLE'S HEALTH ISSUES include diabetes, depression, arthritis, heart disease, tobacco use, and chronic pain.

INTEGRATED CARE keeps costs low with a focus on educating and encouraging members use all avenues for care (e.g., Consulting Nurse Services, virtual visits, etc.).

SUCCESS

- PMPM 4-year trend is 1.5%
- Good use of Consulting Nurse
- Urgent care use is increasing
- Improving use of primary care services
- Excellent Quit for Life enrollment of 83 people in the past year!
- Good diabetes management



Managing For Results

Through our partnership with our carriers, we have controlled costs.

Member ER visits
reduced by

↓ **27%**

Member hospital
admittance reduced by

↓ **14%**

Member primary care
visits increased by

↑ **24%**



Member Engagement

- Members encouraged to take ownership of their personal health
- Members educated, become informed consumers of healthcare
- Through **Care Begins with You** campaign, members share personal health improvement stories related to accessing mental health and dental care, avoiding unnecessary emergency room use, and choosing wisely where to access care





Other Examples of VBID Success

SEATTLE UNIVERSITY (*enrollment = 804*)

- GH coverage since 1973
- Incorporates proactive, preventive, and low-cost activities—such as primary care, cancer screening, consulting nurse, online resources
- Decreases high-cost activities, such as ER visits—ER utilization extremely low (only 3%)

PUGET SOUND ENERGY (*enrollment = 4,200*)

- VBID added in 2013—Rx benefits & \$400 out-of-network deductible
- ER use is consistently low (~8%)
- Primary care, preventative screenings, & consulting nurse usage is appropriate and high
- Excellent use of mail order over retail Rx and MyGroupHealth



GroupHealth®

Washington State Health Care Authority

The logo for the Washington State Health Care Authority features the text "Washington State Health Care Authority" in a dark blue, sans-serif font. A large, stylized red swoosh underline is positioned behind the word "Authority", starting from the top of the letter 'A' and curving upwards and to the right.

Paying for Value Overview

Rachel Quinn
Special Assistant for Health Policy and Programs
Office of Paying for Value
Washington State Health Care Authority

Health Innovation Leadership Meeting
April 15, 2016

HCA: Purchaser, Convener, Regulator, Policy Maker



Purchase health care
for over 2.2 million
people through Medicaid
and PEBB



\$10 billion annual
spend

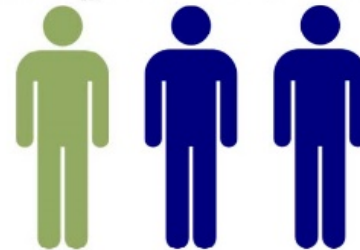


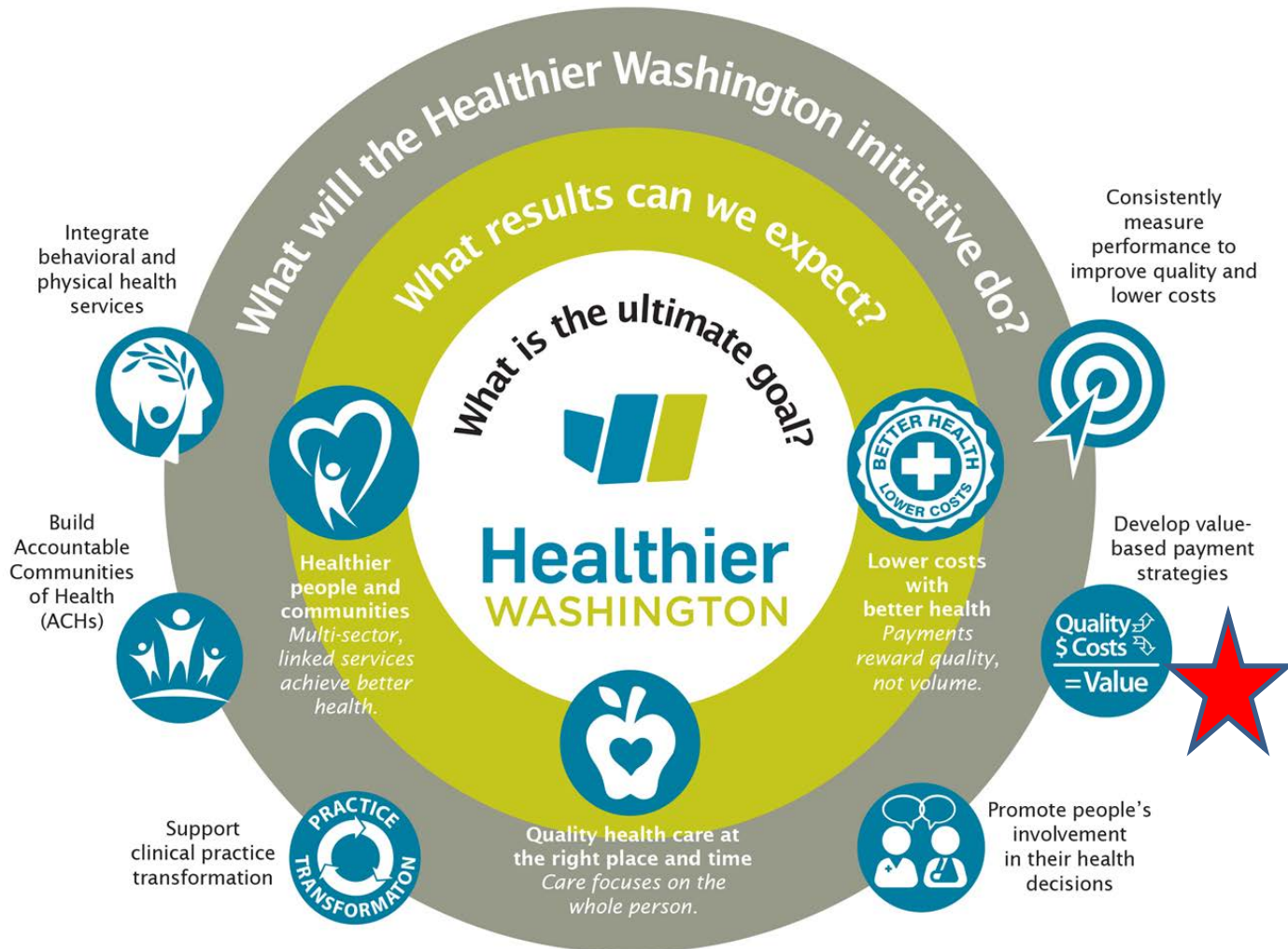
Large network overlap
between both programs



Innovative wellness
approaches in place &
mandates

HCA purchases healthcare
coverage for 1 in 3 in WA





Payment Drives System Transformation

Status Quo (Volume-Based) System	Transformed (Value-Based) System
Fragmented clinical and financial approaches to care delivery	Integrated systems that pay for and deliver whole person care
Uncoordinated care and transitions	Coordinated care and transitions
Unengaged members left out of their own health care decisions	Engaged and activated members who are connected to the care they need and empowered to take a greater role in their health
Variation in delivery system performance (cost and quality) with no ties to clinical or financial accountability and transparency	Standardized performance measurement with clinical and financial accountability and transparency for improved health outcomes

HCA Purchasing Goals

By 2019:

- 80% of state-financed health care & 50% of commercial health care will be in value-based payment arrangements (measured at the provider level)
- Washington's annual health care cost growth will be 2% less than the national health expenditure trend

Key Strategies

- Purchase high-value care for Medicaid and PEBB
 - Group Health/Kaiser
 - Accountable Care Program (ACP) for PEBB members, 2016
 - Total Joint Replacement COE for PEBB members, 2017
- Engage purchaser, provider and payer partners to accelerate transformation
 - Spread and scale ACP program to other purchasers
 - Convene multi-payers to encourage alignment
- Align with federal efforts
 - Highly engaged in national committees
 - Adopted Alternative Payment Model Framework
 - Help accelerate payment models

UMP Plus

Our Accountable Care Program for Public Employees

Shared Risk Model

- Multi-year Trend
- Quality Model subset of Statewide Core Measure Set
- Quality Model rewards improvement and target achievement

Member experience

- Timely care
- Expanded service hours, dedicated call center and website

Care Transformation

- Patient Centered Medical Home & IT requirements
- Annual QI plans based on Bree Collaborative
- Shared Decision Making

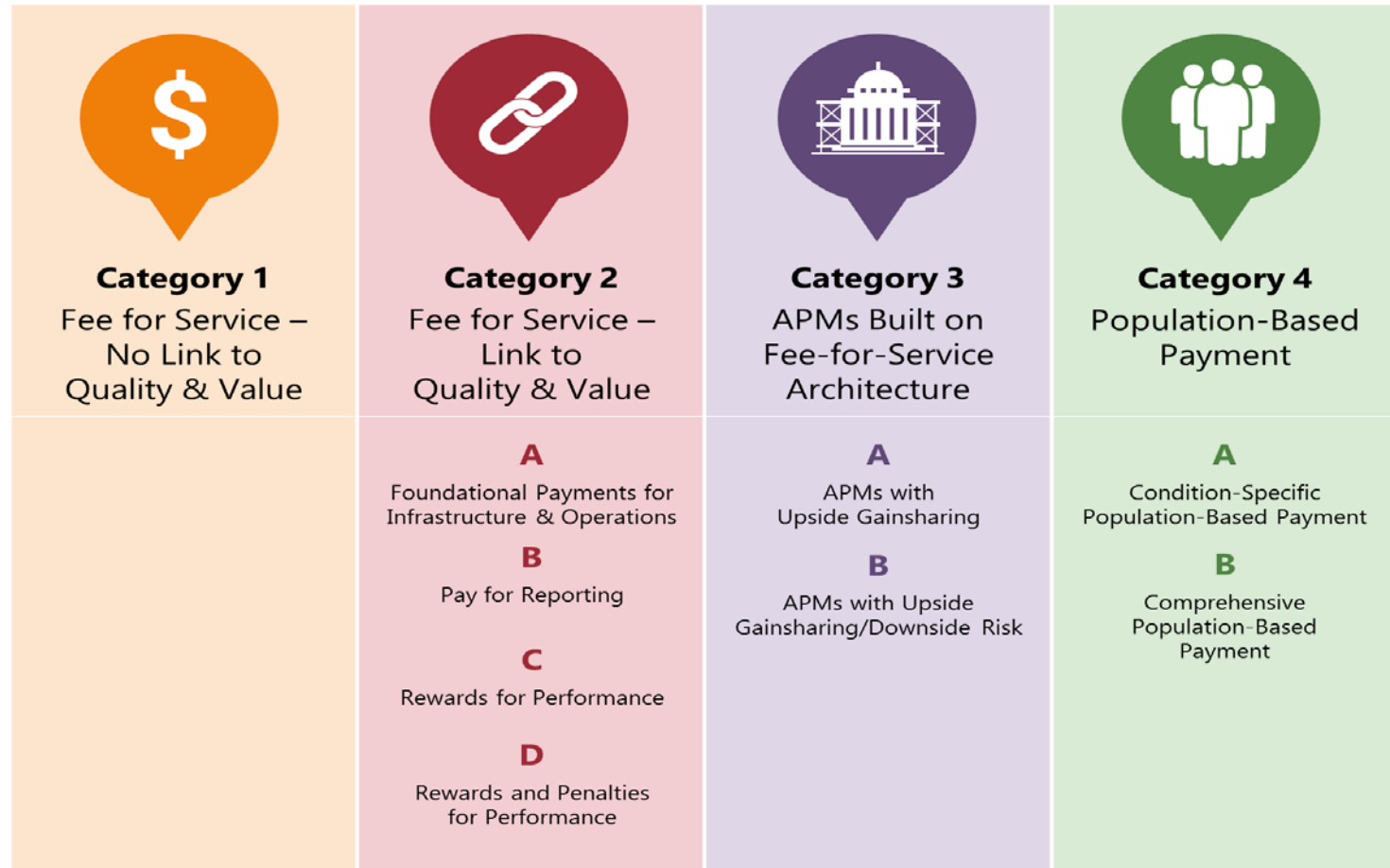
Timely Data

- Daily inpatient and monthly Medical and Rx data feeds on members

Benefit Design

- 30% reduced premium from UMP PPO plan
- Preventive and in-network primary care visits covered at 100%; most specialty and hospital care at 85%
- No medical deductible if wellness plan and follow up completed

CMS Alternative Payment Model Framework



Thank You



Preferred Partnership

Boeing's Accountable Care Program

April 2016

Business Environment

Business Realities

- Emerging Competition
- Supply Chain Management
- Productivity Requirements

Health Care Profile

- \$2.6B in annual spend
- 500K lives covered
- 48 States
- Top Preventable Conditions – Annual Spend & Patient Count:
 - Cancer - \$128M (15K)
 - Osteoarthritis - \$84M (15K)
 - Back - \$76M (54K)
 - Heart Disease - \$72M (25K)
 - Diabetes - \$66M (15K)



Overview of the Model

Preferred Partnership (ACO)

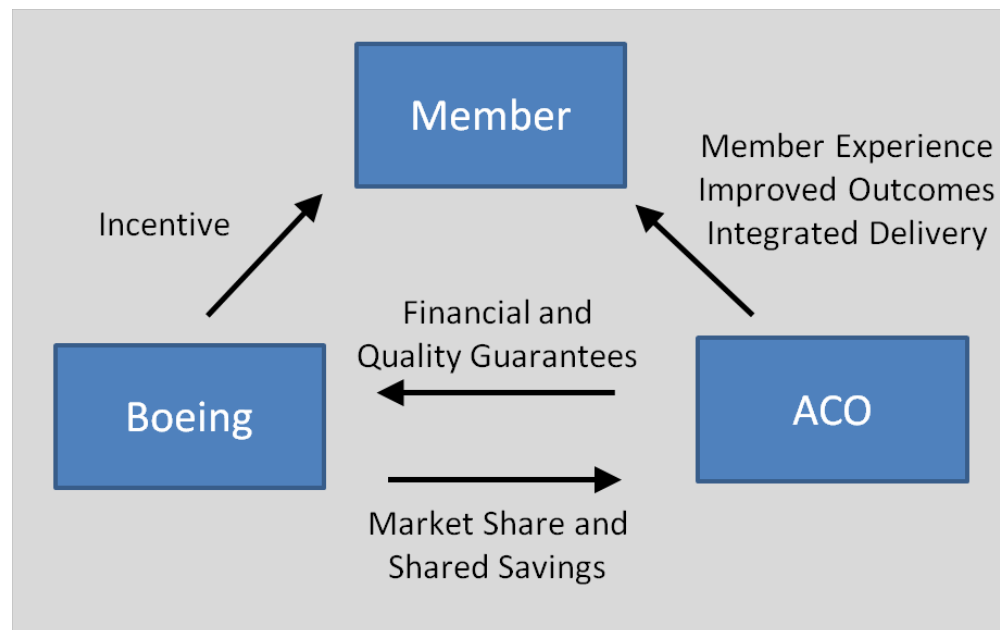
- Improve Quality
- Enhance Member Experience
- Reduce Cost

Delivery Goals

- Incentive Only
- Maintain Employee Choice
- Simplified Approach

Markets

- Puget Sound (2015):
 - *Providence-Swedish Health Alliance* & their partners
 - *UW Medicine Accountable Care Network* & their partners
- St. Louis (2016): *Mercy Health Alliance* & their partners
- Charleston (2016): *Roper St. Francis* & their partners
- Currently exploring future markets



Triple Aim

Improve Quality

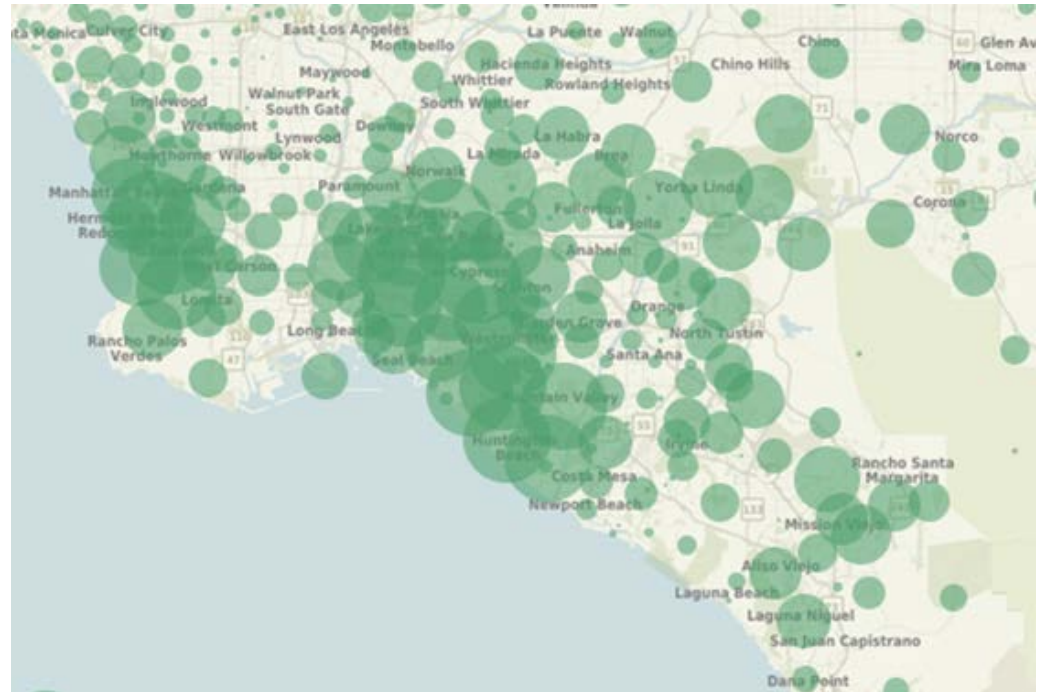
- Clinical Outcomes
- Preventive Screenings
- Health Status
- Member Satisfaction

Enhance Member Experience

- Access to PCPs & Specialists
- After hours care
- Call Center Triage
- Electronic Communication

Reduce Cost

- Aligned Financial Incentives
- Shared Savings with Quality Gates
- Medical, Prescription Drug and Behavioral Health in scope
- Medical Home



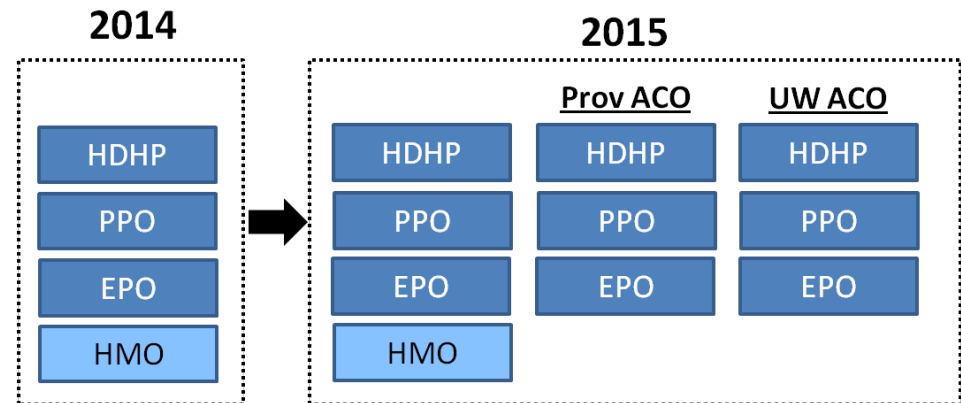
ACO Plan Structure

Program Design

- Mixed Model
 - Designated – Employee elects program during Annual Enrollment
 - Attributed – Majority of care is delivered at ACO Partner
- ACO Network is ‘In-Network’
- PCP encouraged, but not required
- No Gatekeeper

Financial Incentives for Employees

- Lower Employee Premiums
- Higher Company Funded HSA
- \$0 Primary Care Office Copay
- \$0 Generic Drugs



Preliminary Results

Improve Quality

- Improvement in most metrics
- Better controlling Blood Pressure, Diabetes, Cholesterol
- Increased Screening Rates
- Performance Improving on Depression Management
- Higher Generic Fill Rates

Enhance Member Experience

- 15% - 35% employees enrolled
- Rating of 8.5 out of 10

Reduce Cost

- Results available later in 2016
- Partner Commitment
- Long term Investment



Preferred Partnership

A new approach to health care

Puget Sound employee

Boeing has entered into an innovative partnership with leading health care providers offering health plan options designed to improve quality, provide a better experience for you and your family, and be more affordable.



Learn
More



Find
Providers



Decide
For Yourself



Spotlight On: Healthier Washington and Paying for Value

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Break

Healthier Washington Quarterly Update: Paying for Value

Nathan Johnson, HCA Chief Policy Officer
& Healthier Washington Coordinator



Quarterly Update: Paying for Value

A National Perspective on Paying For Value:
Reflections from Stephen Cha, Center for
Medicare and Medicaid Innovation



Better Health, Better Care, Lower Costs

Quarterly Update: Paying for Value

Early Adopter of Medicaid Integration

- Successful launch of fully integrated managed-care on April 1. 120,000 Medicaid clients enrolled in fully integrated plans in Southwest Washington.
- Released a timeline and memo in February 2016 setting forth key milestones for regions to pursue fully integrated managed care between now and 2020.
- Received a non-binding letter of intent in April 2016 from Chelan, Grant, and Douglas Counties to pursue fully integrated managed-care prior to 2020. HCA will begin engaging the counties in transition planning this month.



Quarterly Update: Paying for Value

Encounter-based to Value-based

Federally Qualified Health Center/Rural Health Clinic APM 4

- Convened FQHCs, RHCs and MCOs in a working session to address common issues around APM 4.
- Refining a potential APM 4 with stakeholders and beginning to look at quality metrics.

Critical Access Hospital Payment and Delivery

- HB 2450 addressing CAH flexibility to pilot a new payment and delivery model was passed by the Legislature and delivered to the Governor for signature.
- Held a conference call with CAH CEOs to discuss potential model financial and delivery components, outlined next steps and targets.



Quarterly Update: Paying for Value *Accountable Care Program & Multi-Purchaser Spread and Scale*

- 11,085 PEBB members enrolled – but ACPs at risk for providing quality care to over 50,000 members
- ACP contracts online for use by other purchasers
- March 1: KC/WHA/HCA/WRT sponsored Purchaser Conference, positive response & significant turnout
- April 11: Successfully launched monthly Paying for Value Webinar Series, starting with *ACP: Concept to Contract*
- ACP expansion with ACPs in progress, for 2017
- Developing partnerships with brokers



Quarterly Update: Paying for Value

Multi-Payer VBP Alignment

- To test whether increasing providers' access to patient data accelerates VBP engagement
- Request for Applications for lead organization released last fall, no responses received, revised approach
- Currently working with multi-payers and providers to finalize revised approach and to potentially leverage federal opportunities

Healthier Washington Quarterly Update: Paying for Value

Nathan Johnson, HCA Chief Policy Officer
& Healthier Washington Coordinator

Healthier Washington Evaluation

Erin Hertel, Center for Community Health and Evaluation

Doug Conrad, University of Washington

David Mancuso, Department of Social and Health Services

Tao Kwan-Gett, University of Washington

Building the Foundation for Regional Health Improvement: Evaluating Washington's Accountable Communities of Health

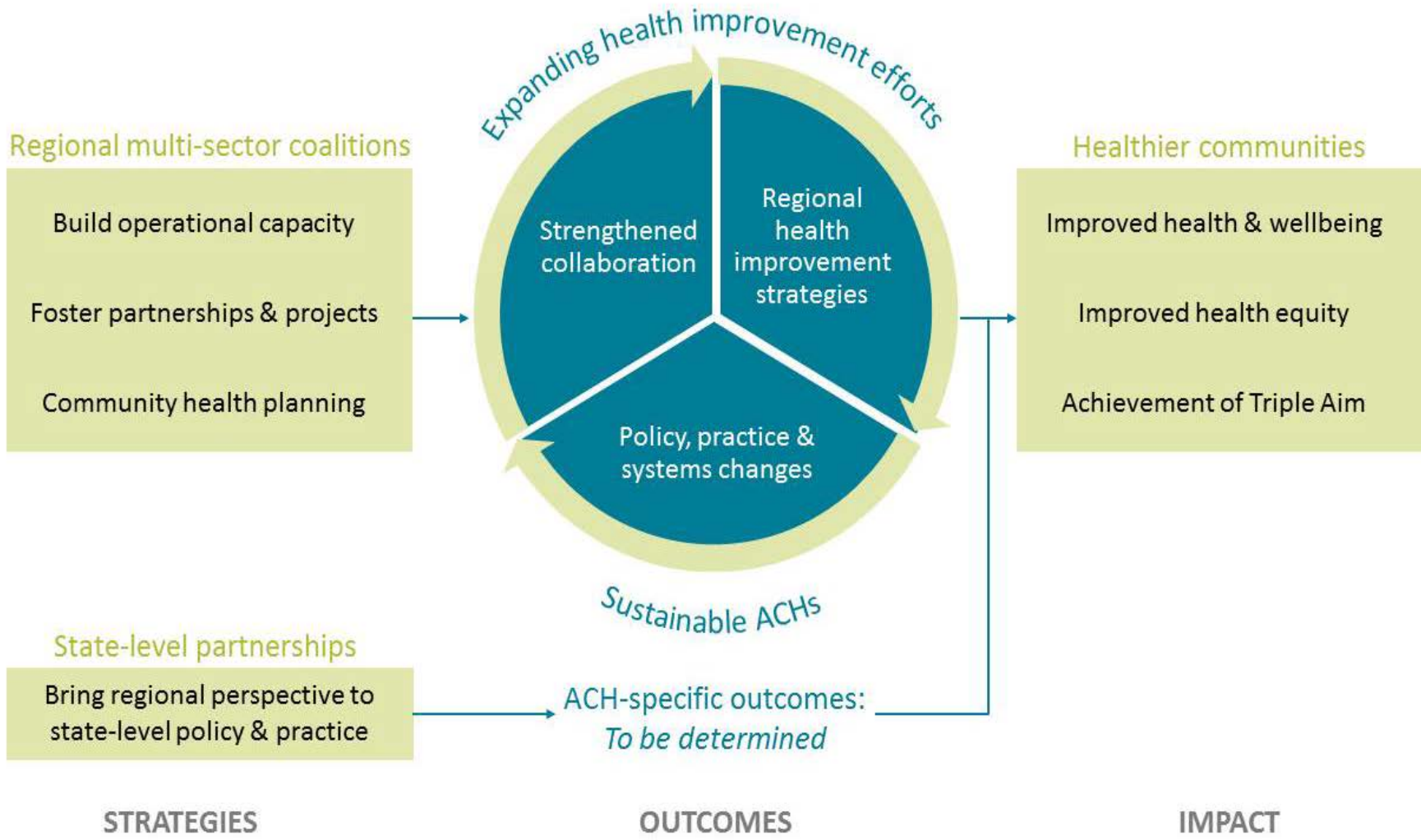


Center for Community Health and Evaluation

April 2016

www.cche.org

ACH Theory of Change



Key Findings from Year 01



→ Successful first year

All nine regions were formally designated as ACHs

- HCA encouraged community-driven development, which resulted in variation.



Regional priorities and projects are emerging

- ACHs are identifying health priorities & moving toward projects.
- It is challenging and fulfilling to build multi-sector collaboration.



ACH Development: Governance & Backbone

ACHs are building the infrastructure for collective action

- **Governance:** variation in size, structure and decision-making processes
- **Backbone organizations:** three key types of organizations; will continue to evolve with the ACHs

“We have a group of great people on the governing body, but it took a while to get there with pre-planning, planning, and establishing. But now... there’s consensus on how to move forward.”



ACH Development: Multi-sector Representation & Community Engagement

ACHs building relationships & getting people to the table

- **Multi-sector representation:**
ACHs are fostering collaboration and partnerships across sectors
- **Community engagement:**
ACHs will continue to strengthen this in 2016

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

→ ACH Momentum: Progress towards year 2

Next steps : collaborative regional health improvement priorities, planning & projects

- **Priorities:** regional health priorities are being identified and preparing for regional health improvement plans
- **Projects:** undertaking regional projects to achieve “early wins”, demonstrate the ACHs value, & aid sustainability

“I think we have a good understanding of the key issues, but I think it’s going to be a challenge when we start talking about breaking down silos and barriers. We need to find small projects where they can collaborate and build trust more.”



Evaluation Framework

Key Evaluation Questions

- Have the ACHs built the operational foundation of multi-sector regional coalitions?
- Are ACHs developing effective regional health improvement projects?
- Are ACHs participating in broader Healthier Washington?
- What lessons have been learned that can help shape the future direction of the ACH program?
- To what extent have ACHs advanced the Triple Aim?

Data Collection

- Site visits
- Interviews
- ACH participant survey
- Meeting observation
- Document review
- Cross-ACH observation
- Project Measurement



ACH Evaluation Team

Erin Hertel, Allen Cheadle,
Lauren Baba, Carly Levitz & Lisa Schafer

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UW Evaluation Plan for the Washington State Innovation Model (SIM)

Presentation to the Health Innovation Leadership Network
(HILN)

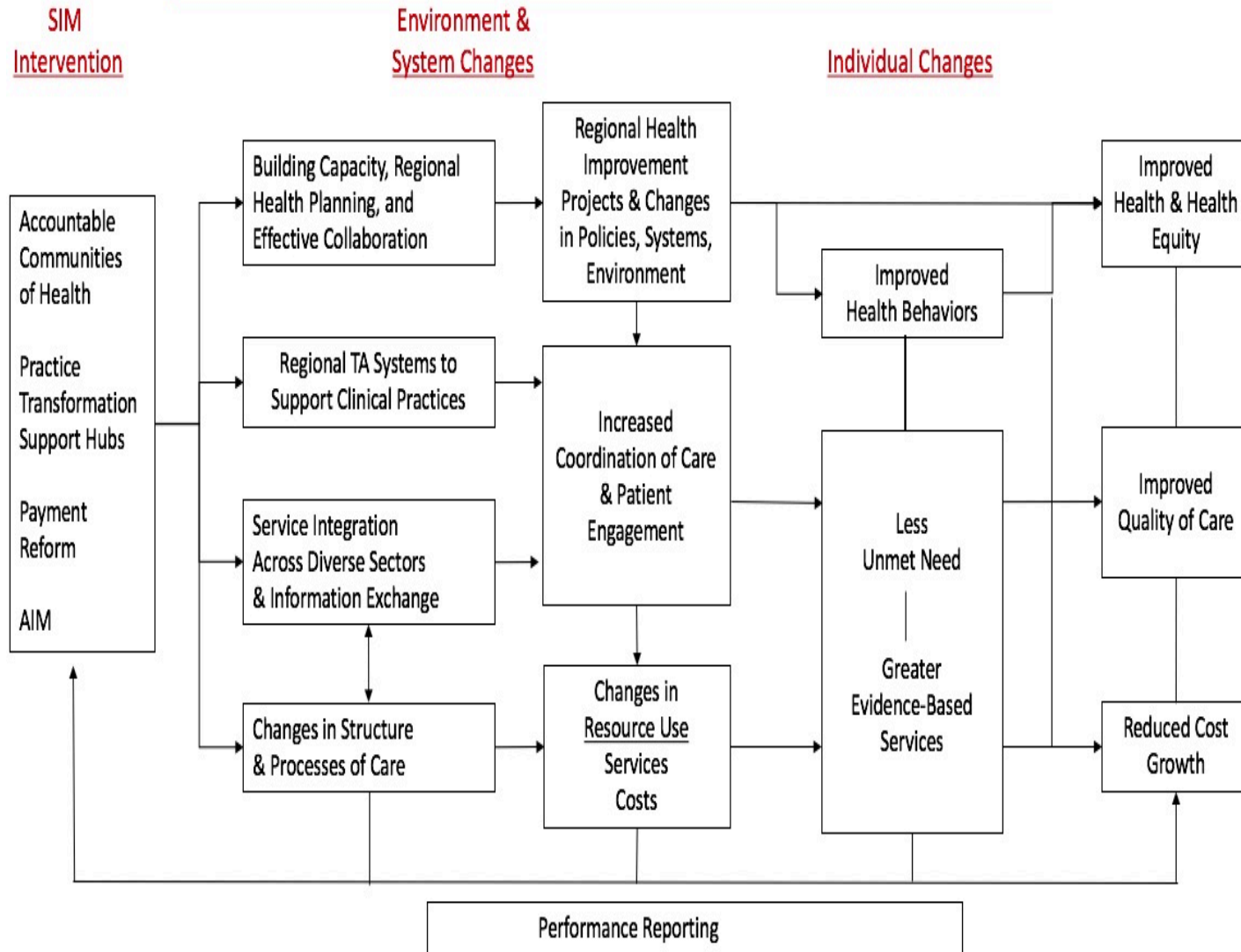
April 15, 2016

Douglas Conrad, PhD, MHA, MBA, Principal Investigator
on behalf of the University of Washington SIM Evaluation Team

Overall Scope of Work for the UW SIM Evaluation Team

- Conduct Formative and Overall Impact Evaluation of SIM
- Lead the Evaluation of the Practice Transformation Support Hub and Related Activities
- Lead the Evaluation of Three Different Payment Redesign Models:
 - Model 2 (Encounter-Based to Value-Based)
 - Federally Qualified Health Centers
 - Rural Health Centers
 - Critical Access Hospitals
 - Model 3 (Accountable Care Program)
 - Model 4 (Greater Washington Multi-Payer Data Aggregation Solution)

Conceptual Model of Washington's State Innovation Model (SIM)



Cross-Cutting Formative Evaluation Questions (e.g., for “KIIs”)

- (1) Your ultimate desired outcomes for the SIM (component or overall, depending on the interviewee)
 - What do you expect to happen as a result of SIM?
- (2) What strategy (ies) are you pursuing to realize those outcomes?
- (3) What is the “logic model” behind your strategy?
 - What changes in inputs or resources (capital, labor, information, ...) are required to implement your strategy?
 - What structures, behaviors, and processes will be changed because of your strategy?
 - How do you expect those changes in structure, behavior, or processes to affect the ultimate outcomes you seek to achieve?
 - What intermediate outcomes are necessary on the path to achieving the ultimate outcomes?

Cross-Cutting Formative Evaluation Questions (continued)

- (4) What (internal and external) factors facilitate your success in achieving the ultimate outcomes?
- (5) What factors act as barriers to your success in achieving the ultimate outcomes?
- (6) What results are you seeing so far:
 - Changes in inputs or resources (capital, labor, information, ...) required to implement your strategy
 - Changes in structure, behavior, or processes
 - Early “wins” on ultimate outcomes
- (7) Lessons learned: e.g., changes you might make in your strategy, approaches that you will continue or even intensify and reinforce that are proving successful, “surprises”

Overall SIM Impact: Primary Evaluation Questions

(1) What is the effect of the Washington State Innovation Model on population health in Washington State?⁹

(2) What is the effect of the Washington State Innovation Model on health equity across population groups in Washington State?

(3) What is the effect of the SIM on quality of care in Washington State, particularly for those persons living with physical and behavioral health comorbidities?

(4) What is the effect of the Washington State Innovation Model (SIM) on the annual growth of health care costs per capita in Washington State?¹⁰

Payment Redesign Model Impacts: Primary Evaluation Questions

What are the effects of the Payment Redesign Models 2, 3, and 4 on their target populations with respect to:

- (1) Population health outcomes?
- (2) Quality of care?
- (3) Health services utilization – in particular, potentially avoidable utilization?
- (4) Patient experience?
- (5) Annual growth of health care costs?

Were there unintended consequences -- either beneficial or harmful – attributable to the Payment Redesign?

Payment Redesign Model Impacts

Payment Redesign Model 1 – Adoption of Medicaid
Integration of Physical and Behavioral Health

Healthier Washington Evaluation: Dialogue

- Are there elements we're missing in framing the State Innovation Models evaluation?
- What's important to you in the evaluation of the achievement of the Triple Aim in Washington state?

Practice Transformation Support Hub: Primary Evaluation Questions (Tao Kwan-Gett)

- Have PTSH activities advanced clinical community linkages (i.e. connections between primary care and behavioral health practices with community resources)?
- Have PTSH activities advanced bi-directional behavioral health and primary care clinical integration?
- Have PTSH activities advanced volume-based to value-based payment systems?
- What have been the success factors (facilitators) and barriers for achieving the PTSH objectives?
- What lessons have been learned in the process of PTSH implementation that can help improve PTSH services and shape the future direction of the program?

Next Steps



Next Steps

Any items for the good of the order?

Meeting evaluation

- What's working?
- What can we improve upon in future meetings?

Next meeting:

- 9 a.m.-noon July 29 at Cambia Grove
 - Spotlight on physical-behavioral health integration
 - Washington's health and health care landscape and how it impacts HILN priorities for acceleration

Thank you

Learn more:

www.hca.wa.gov/hw
healthierwa@hca.wa.gov

