



STATE OF WASHINGTON  
**HEALTH CARE AUTHORITY**

626 8th Avenue, SE • P.O. Box 45502 • Olympia, Washington 98504-5502

April 21, 2017

Dear Provider Community:

As we continue our efforts to transform our state's health care purchasing strategies, we need your help. Specifically, we are seeking your input on the development and implementation of bundled episodes of care.

The Health Care Authority (HCA) took a first step into offering bundled episodes of care in 2016, when we launched the Centers of Excellence for joint replacement program. In this program, we pay an agreed-upon price for the entire episode of care, and our contracted partner agrees to specific quality and outcome measures. HCA intends to procure at least one new bundled episode of care to offer as a benefit starting in 2019.

We know that provider organizations around the state are developing or offering bundled episodes of care and participating in bundled payment programs. To help inform our future procurements, we are relying on you to share with us:

- What bundled episodes of care programs you're currently offering or developing.
- What evidence-based criteria you use to select these programs.
- The experience you have with creating and operating bundled payment programs.
- Innovative strategies you've tried as you design and implement these programs.
- Whether and how you are addressing social determinants of health (e.g., education, nutrition, and housing) in your program.

Washington continues to focus on high-quality care that focuses on patient safety and outcomes, not volume of services provided. HCA's goal is that by 2021, 90 percent of HCA provider payments under Washington Apple Health (Medicaid) and the Public Employees Benefits Board program are linked to quality and value. And, when other purchasers adopt a value-based approach, we will truly transform care in our state.

This value-based purchasing journey will be most successful if we're all on it together. Please take the time to respond to this request for information, and help us create future bundled episodes of care that best serve our state's residents.

Sincerely,

Dorothy F. Teeter, MHA  
Director



Request for Information:  
Bundled Episodes of Care Programs

RFI 2232  
Washington State Health Care Authority

April 21, 2017

## Section 1: RFI Goals and Objectives

By issuing this Request for Information (RFI), the Washington State Health Care Authority (HCA) seeks input from the Washington State provider community to inform its value-based purchasing and payment strategies, specifically those related to bundled episodes of care models where providers are at financial risk for clinical quality. Future bundles implemented by HCA may be offered through both the Public Employees Benefits Board (PEBB) and Washington Apple Health (Medicaid) Programs.

HCA is collecting information from the provider community on its knowledge, experience, and expertise offering and implementing bundled episodes of care and related approaches, and the role payers play in such arrangements. HCA is particularly interested in Medicare-led bundles, bundles that are based on the Dr. Robert Bree Collaborative (Bree Collaborative) Alternative Payment Model (APN) recommendations, the Health Care Learning Action and Payment Network (LAN) Clinical Episode Payment work product recommendations, and other bundles that align with clinical best practices.

HCA intends to use this information to develop a well-informed bundled episode of care roadmap, which will guide HCA's procurement and implementation efforts over the next few years. HCA expects to procure and design at least one (1) new bundled episode of care in 2018, to offer as a benefit starting in 2019.

The goals of this RFI are to:

- Inform the health care community of HCA's purchasing goals, priorities, expectations, and intentions to implement bundled episodes of care as an approach to purchasing services, aligned across both the PEBB and Apple Health Programs;
- Learn the following from the provider community:
  - What bundled episodes of care and related care models are currently being offered or developed by health care providers;
  - What evidence-based criteria, if any, are being used in such models;
  - What experience health care providers have with the development, implementation, and operation of prospective bundled episodes of care;
  - Criteria used to select bundled episodes of care (e.g., utilization volumes, evidence-based standards, quality improvement, cost, etc.);
  - How providers implement and continuously improve their bundled episodes of care or related care model;
  - What innovative strategies are health care providers attempting to develop and implement around bundled episodes of care designs and alternative payment programs; and
  - What modifications may be required if the Medicaid eligible population is integrated into bundled episode of care designs, if any.
  - Any other feedback or advice for HCA's consideration.
- Refine the development of future competitive solicitations for bundled episodes of care payment models.

## Section 2: Background

### A. HCA Purchasing for Value & HCA Value-Based Roadmap

As a purchaser and state agency, HCA is working with providers and payers to transform the health care system. HCA purchases care for over 2.2 million Washington residents through the Apple Health and the PEBB Programs. Annually, HCA spends \$10 billion between these two programs. HCA announced its transformation vision and market expectations in the HCA Value-Based Roadmap released in June 2016. HCA is fundamentally changing how health care is provided by implementing new models of care that drive delivery systems reforms such as better coordination of care and patient-centered care.

Through the adoption of value-based payment approaches, HCA will:

- Reward the delivery of patient-centered, high-value care, and increased quality improvement;
- Reward performance in the Apple Health and PEBB Program health plans and their contracted health systems;
- Align payment and delivery reform approaches with Centers for Medicare & Medicaid Services (CMS) for greatest impact and to simplify implementation for providers;
- Improve outcomes for patients and populations;
- Drive standardization based on evidence;
- Increase the long-term financial sustainability of state health programs; and
- Continually strive for the Triple Aim of: better care, smarter spending, and healthier people.

HCA is looking to implement bundled payments and episodes of care in order to meet its 2021 purchasing goal. Bundled payment approaches may include:

- Expanding HCA's existing Center of Excellence (COE) Program for new episodes of care (see Section D below);
- Using internal mechanisms to steer care to providers that demonstrate delivery of high quality care for specific procedures; and
- Other mechanisms that may be discovered from reviewing responses to this RFI.

This fall, HCA will host a VBP Summit to bring together payers, purchasers, and providers to learn about value-based payment and purchasing strategies. At this summit, HCA will share high-level findings from the RFI as bundled episodes of care are of great interest to purchasers in Washington State.

### B. Types of Bundled Payments and Episodes of Care

HCA defines a "bundled payment" as "a single, negotiated fee for a defined episode of care; the beginning-to-end treatment path for a procedure or condition." However, respondents are encouraged to think broadly about what might constitute a "bundled payment", and to consider other episodes of care models and delivery mechanisms (e.g. the Center of Excellence model) where payers and providers are at financial risk for clinical quality. HCA recognizes that a one-size-fits-all approach is not appropriate for various clinical episodes and conditions, and that bundling of services and payments for episodes of care can vary significantly in complexity and comprehensiveness.

Different types of bundled payments have been implemented by various groups nationally, including the federal government and states. Arkansas and Tennessee have made a significant commitment to implementing bundled payments for episodes of care. Both states, have pursued bundled payment programs as part of their State Innovation Model (SIM) programs, (Washington's Healthier Washington is funded by SIM), and have implemented similar episodes of care bundled payment approaches for Medicaid-covered health care services. Defined as a specific procedure or treatment for an ailment or condition for a given length of time, episodes of care trigger established fee-for-service payments to providers according to established fee schedules, with a retrospective financial reconciliation. Accountable providers receive individualized reports detailing quality and cost performance, and over time may become eligible for shared savings. Arkansas<sup>1</sup> has implemented twelve (12) episodes of care comprising four (4) medical, six (6) procedural/surgical, and two (2) behavioral health episodes. Tennessee<sup>2</sup> is launching episodes of care in eleven (11) waves, which began in 2013, and will continue to roll out through 2019 with the goal of implementing a total of seventy-five (75) episodes of care bundles.

### C. HCA Member Populations

HCA is interested in implementing an aligned bundled episode of care through the PEBB Program and Apple Health. The PEBB Program provides medical benefits to over 350,000 members, including state and other public employees, pre-Medicare retirees, Medicare retirees, and their dependents.

Currently, over 240,000 of PEBB Program members are enrolled in the self-insured Uniform Medical Plan (UMP), making it largest PEBB Program health plan.

Apple Health is the Medicaid entitlement program administered by HCA for qualified Washington state residents. Apple Health covers over 1.9 million Washington state residents. HCA contracts with five (5) Managed Care Organizations (MCOs) to deliver care to Washington residents with Apple Health. It is HCA's intent to work with and through the MCOs on any future bundled episodes of care strategies.

### D. Center of Excellence Program

HCA created the COE Program in 2016 for PEBB Program members enrolled in UMP Classic and UMP Consumer-Directed Health Plan (CDHP), in order to provide high-quality health care at lower costs. Through the COE program, which is administered by Premera Blue Cross, HCA contracts with providers who specialize in treating certain medical conditions. In 2016, Virginia Mason Medical Center was the first COE selected to provide a total joint replacement (hip and knee) surgery bundled episode of care based on recommendations from the Bree Collaborative to eligible PEBB UMP members starting in January 2017.

If the COE Program is expanded, HCA does not intend the program to be limited to surgical procedures. As part of a larger, statewide initiative to transform the delivery of health care, HCA will consider bundled episodes of care that include non-surgical medical services (such as chronic pain management or perinatal care and infant care management). It is possible that HCA may also invite partners to participate in the COE Program. For example, the COE Program may be offered to injured workers seeking health care through the Washington State Department of Labor & Industries.

---

<sup>1</sup> <http://www.paymentinitiative.org/episodesOfCare/Pages/default.aspx>

<sup>2</sup> <https://www.tn.gov/hcfa/topic/episodes-of-care>

## Section 3: Responses Content & Format

HCA values providers' time, and does not want it spent on preparing an extensive response beyond what is needed for purposes of this process. *HCA would rather providers submit a brief response to some or all questions than no response at all.*

Please respond to all applicable questions in Section 4 in the response and reference where each item is addressed. Please use the subject areas defined below as a framework for preparing a response. For ease of use, providers may use the template provided in Exhibit 1.

Responses should be ordered using the same numbering as presented in Section 4 below. There is no need to reproduce the questions as part of the response. Responses may include any preprinted materials that would provide the information HCA requests.

After reviewing the responses, HCA may select one (1) or more providers for a presentation and a question and answer session, to be given in the Olympia area, or via the web, as part of this RFI.

HCA may also contact providers with follow up questions.

## Section 4: RFI Questions

### A. Development & Experience

Please describe your organization's knowledge and experience providing bundled episode(s) of care in Washington State.

1. What types of bundled episodes of care does your organization provide? In your answer, for each bundled episode, please include:
  - i. Program name
  - ii. Length of time your organization has been providing this program
  - iii. Best practices or guideline basis for the bundled episode (e.g., Bree Collaborative recommendations)
  - iv. Population offered and payer partners (commercial, Medicare, Apple Health)
  - v. Number of persons served under the bundled episodes, annually
  - vi. Rationale for developing a bundled episode of care
2. What, if any, actions have been taken over time to refine or improve the bundle?
3. If no bundled episode of care is currently offered by your organization, is one being developed?
  - i. If so, at what stage is the organization currently at in developing such bundled episode?
  - ii. Who is the intended purchaser/population?
4. What barriers to a successful implementation and operation have been encountered?
5. Does the bundled episode of care have a current commercial customer?
6. Have there been any unintended or unexpected consequences from implementing a bundled episode of care? This includes any consequences occurring outside the responding entity that have been observed.
7. Does your organization have a minimum threshold of volume for participation in a bundled care

program with an employer?

## B. Process

Please describe the established processes associated with the bundled episode(s) of care.

1. How does your organization engage the entire health care team around the member? How is leadership engaged? How are the efforts of care specialists both within and outside your organization integrated and coordinated?
2. Describe the patient support services offered as part of the bundled episode of care.
3. Does your bundled episode of care rates cover the costs of travel or lodging for the patient? Are any other persons (e.g., a care companion) also included?
4. How, if at all, are social determinants of health<sup>3</sup> and/or behavioral health needs identified and managed?
5. How does your organization manage patients who do not qualify for your bundle episode(s) of care?
6. If a patient comes from outside your service area, how does your organization coordinate with other providers to provide needed health care services to this patient?

## C. Clinical

Please describe the clinical criteria used throughout the bundled episode of care.

1. How does your organization define the bundled episode(s) of care? What services are included in the clinical episode of care?
2. How does your organization ensure and measure the patient's successful return to function?
3. What safety and appropriateness standards does your organization use for each surgical episode of care?
4. What medical episode(s) of care have you implemented or could be implemented in a bundled payment model?
5. If the level of requirements described in current standards (e.g., Bree Collaborative, Medicare, etc.) are not currently met, what sort of timeline is needed to meet these standards?

## D. Outcomes

Please describe the quality measures and results, both clinical and financial, of operating bundle(s).

1. How does your organization measure quality and outcomes for each bundle?
2. How does your organization use outcomes data to improve clinical care processes and bundled payment programs?
3. What processes does your organization use to improve quality outcomes? Describe your organizations continuous quality improvement processes.

## E. Payment and Finances

1. Is the program tied to prospective or retrospective payment? What additional feedback do you have or recommend in terms of prospective or retrospective payment?
2. How does your organization quantify costs for the bundled episodes of care to the purchaser?

---

<sup>3</sup> <http://kff.org/disparities-policy/issue-brief/beyond-health-care-the-role-of-social-determinants-in-promoting-health-and-health-equity/view/footnotes/#footnote-168746-6>

3. Does your organization provide a warranty for your bundled episode of care? If so, please describe the terms of the warranty?

F. Feedback for HCA

1. What services or modifications may be required for a bundle to assure high quality care to a Medicaid population? A worker’s compensation population?
2. What feedback or advice do you have for HCA as it considers implementing additional bundled episodes of care?

G. Contact Information

1. Please provide a name(s), email address and phone number of staff who can be contacted if HCA has follow up questions
2. Please provide names, email addresses and phone numbers of staff interested in receiving information on HCA’s purchasing strategies and future procurements.

## Section 5: Administrative Terms and Conditions

A. RFI Coordinator

Please submit responses to the RFI Coordinator at the following address and/or email:

Cendy Pfortmiller  
 RFI Coordinator  
 626 8<sup>th</sup> Avenue SE  
 Olympia, WA 98504  
[cendy.pfortmiller@hca.wa.gov](mailto:cendy.pfortmiller@hca.wa.gov)

B. RFI Schedule

|                          |                                    |
|--------------------------|------------------------------------|
| Release RFI              | Friday, April 21, 2017             |
| Pre-Response Conference  | Friday, May 12, 2017 at 10:30 a.m. |
| Submit Questions         | Friday, May 19, 2017               |
| HCA Answers to Questions | Friday May 26, 2017                |
| RFI Responses Due        | Thursday, June 15, 2017            |
| In-Person Presentations  | Optional/TBD                       |

C. Pre-Response Conference

A Pre-Response Conference will be held at HCA’s headquarters in Olympia, Washington at the date and time listed in the RFI Schedule. The purpose of this conference is to provide potential respondents with more information regarding the COE Program, the VBP Roadmap, and what HCA is looking for in responses to this RFI. It will also be an early chance for potential respondents to ask questions of key



HCA stakeholders. While attendance at the Pre-Response Conference will not be required, parties are highly encouraged to attend.

Any potential respondents who would like to attend the Pre-Response Conference that cannot make it to the HCA's headquarters, can also attend via GoToMeeting.

- To join the GoToMeeting via computer, tablet, or smartphone: <https://global.gotomeeting.com/join/771468333>
- To dial in using a phone (within the United States only), call: +1 (872)-240-3311; Access Code: 771-468-333

#### D. Response Format

Please do not cut and paste responses into this RFI. Instead, provide a response as a separate document following the section numbering used in this RFI. The response may include a cover letter on your organization's letterhead providing any additional information about the organization not requested in Section 4 of this RFI. HCA's suggested length for this cover letter is three (3) pages.

Responses may also be submitted using the sample in Exhibit 1, for ease of use.

Responses should be provided in an electronic format, such as Adobe Acrobat or Microsoft Word. This will assist in HCA's review process. Only a single copy of a response needs to be provided. Responses may be provided in more than one file and submitted in more than one email. While HCA prefers that all responses be submitted via email to the RFI Coordinator, a physical copy of responses and materials will also be accepted. However, faxed responses will not be accepted.

**Please note that HCA will not accept zipped or compressed files in connection with this RFI.** HCA will not open any such file. If individual files to a response are too large, please send multiple emails instead of compressing files.

#### E. Oral Presentations

Following HCA's review of the written responses, one or more respondents may be invited to make a presentation to HCA staff involved in the COE Program. These presentations will be made during the time frame set forth in the RFI Schedule listed above. These presentations will be limited to two (2) hours. The content of these will be mutually determined by HCA and those entities chosen to present no later than one week prior to the scheduled presentation.

#### F. Cost of Response

You will not be reimbursed for costs associated with preparing or presenting any response to this RFI.

#### G. Response Property of HCA

All materials submitted in proposal to this RFI become the property of HCA. HCA has the right to use any of the ideas presented in any response to the RFI.

#### H. Public Records and Proprietary Information

Any information contained in the response that is proprietary or confidential must be clearly designated as such.

To the extent consistent with chapter 42.56 RCW, the Public Records Act, HCA shall maintain the confidentiality of your information marked confidential or proprietary. If a request is made to view


your proprietary information, HCA will notify you of the request and of the date that the records will be released to the requester unless you obtain a court order enjoining that disclosure. If you fail to obtain the court order enjoining disclosure, HCA will release the requested information on the date specified in its notice to you.


HCA's sole responsibility shall be limited to maintaining the above data in a secure area and to notify you of any request(s) for disclosure for so long as HCA retains your information in HCA records.

Failure to so label such materials, or failure to timely respond after notice of request for public records has been given, shall be deemed a waiver by you of any claim that such materials are exempt from disclosure.




**EXHIBIT 1 – RESPONSE TEMPLATE**

|   |  |
|---|--|
| <p><b>Bundle Name/Description:</b></p>  |  |
| <p><b>A. Development and Experience.</b> Please describe your organization’s knowledge and experience providing bundled episode(s) of care in Washington State.</p>   |  |
| <p>1. What types of bundled episodes of care does your organization provide? In your answer, for each bundled episode, please include:</p> <ul style="list-style-type: none"> <li>i. Program name</li> <li>ii. Length of time your organization has been providing this program</li> <li>iii. Best practices or guideline basis for the bundled episode (e.g., Bree Collaborative recommendations)</li> <li>iv. Population offered and payer partners (commercial, Medicare, Apple Health)</li> <li>v. Number of persons served under the bundled episodes, annually</li> <li>vi. Rationale for developing a bundled episode of care</li> </ul> |  |
| <p>2. What, if any, actions have been taken over time to refine or improve the bundle?</p>  |  |
| <p>3. If no bundled episode of care is currently offered by your organization, is one being developed?</p>  |  |

|   |  |
|---|--|
| <ul style="list-style-type: none"> <li>i. If so, at what stage is the organization currently at in developing such bundled episode?</li> <li>ii. Who is the intended purchaser/population?</li> </ul>                               |  |
| <p>4. What barriers to a successful implementation and operation have been encountered?</p>   |  |
| <p>5. Does the bundled episode of care have a current commercial customer?</p>  |  |
| <p>6. Have there been any unintended or unexpected consequences from implementing a bundled episode of care? This includes any consequences occurring outside the responding entity that have been observed.</p>                    |  |
| <p>7. Does your organization have a minimum threshold of volume for participation in a bundled care program with an employer?</p>   |  |
| <p><b>B. Process.</b> Please describe the established processes associated with the bundled episode(s) of care.</p>   |  |
| <p>1. How does your organization engage the entire health care team around the member? How is leadership engaged? How are the efforts of care specialists both within and outside your organization integrated and coordinated?</p> |  |
| <p>2. Describe the patient support services offered as part of the bundled episode of care.</p>   |  |

|   |  |
|---|--|
| <p>3. Does your bundled episode of care rates cover the costs of travel or lodging for the patient? Are any other persons (e.g., a care companion) also included?</p>           |  |
| <p>4. How, if at all, are social determinants of health and/or behavioral health needs identified and managed?</p>  |  |
| <p>5. How does your organization manage patients who do not qualify for your bundle episode(s) of care?</p>   |  |
| <p>6. If a patient comes from outside your service area, how does your organization coordinate with other providers to provide needed health care services to this patient?</p> |  |
| <p><b>C. Clinical.</b> Please describe the clinical criteria used throughout the bundled episode of care.</p>   |  |
| <p>1. How does your organization define the bundled episode(s) of care? What services are included in the clinical episode of care?</p>   |  |
| <p>2. How does your organization ensure and measure the patient's successful return to function?</p>  |  |
| <p>3. What safety and appropriateness standards does your organization use for each surgical episode of care?</p>   |  |
| <p>4. What medical episode(s) of care have you implemented or could be implemented in a bundled payment model?</p>  |  |

|  |  |
|--|--|
| <p>5. If the level of requirements described in current standards (e.g., Bree Collaborative, Medicare, etc.) are not currently met, what sort of timeline is needed to meet these standards?</p> |  |
| <p><b>D. Outcomes.</b> Please describe the quality measures and results, both clinical and financial, of operating bundle(s).</p>  |  |
| <p>1. How does your organization measure quality and outcomes for each bundle?</p>   |  |
| <p>2. How does your organization use outcomes data to improve clinical care processes and bundled payment programs?</p>  |  |
| <p>3. What processes does your organization use to improve quality outcomes? Describe your organizations continuous quality improvement processes.</p>   |  |
| <p><b>E. Payment and Finance</b></p>   |  |
| <p>1. Is the program tied to prospective or retrospective payment? What additional feedback do you have or recommend in terms of prospective or retrospective payment?</p>                       |  |
| <p>2. How does your organization quantify costs for the bundled episodes of care to the purchaser?</p>   |  |
| <p>3. Does your organization provide a warranty for your bundled episode of care? If so, please describe the terms of the warranty?</p>  |  |
| <p><b>F. Feedback for HCA</b></p>  |  |

|  |  |
|--|--|
| <p>1. What services or modifications may be required to a bundle to assure high quality care to a Medicaid population? Worker's compensation population?</p>           |  |
| <p>2. What feedback or advice do you have for HCA as we consider implementing additional bundled episodes of care?</p>   |  |
| <p><b>G. Contact Information</b></p>   |  |
| <p>1. Please provide a name(s), email address and phone number of staff who can be contacted if HCA has follow up questions.</p>                                       |  |
| <p>2. Please provide names, email addresses and phone numbers of staff interested in receiving information on HCA's purchasing strategies and future procurements.</p> |  |

