

Washington State Health Care Authority

High-level Summary of RFI 2232 Bundled Episodes of Care Programs

Pre-Response Conference - Friday, May 12

Please note:

- *This is a high-level, comprehensive summary of the pre-response conference, not a transcript.*
- *No slides were used during the pre-response conference.*
- *Links to materials cited during the conference have been added to this summary for responders' convenience.*
- *Responses to questions made during pre-response conference will be considered unofficial and non-binding.*

Recording of conference can be found at: <https://youtu.be/HCbRLLAfK-w>

I. Introduction (Cendy Pfortmiller, RFI Coordinator)

Cendy Pfortmiller, RFI coordinator, welcomed attendees and proceeded with introductions. She reiterated the goals of the Request for Information, or RFI: to gather information to inform future purchasing strategies for PEB and Apple Health (Medicaid), and to create a conversation with and among providers. This is not a competitive solicitation or procurement. As a reminder to responders, please label proprietary information appropriately.

II. RFI Overview and Alignment with HCA Purchasing Strategy and Vision (Nathan Johnson, Chief Policy Officer)

- Nathan Johnson gave a brief overview of the RFI and how it aligns with HCA's broader purchasing strategy. All information presented by Nathan is in the RFI.
- On April 21, HCA issued the RFI to solicit input from the Washington State provider community on its knowledge, experience, readiness and expertise offering and implementing bundled episodes of care and related approaches, and to inform the health care community of HCA's purchasing goals, priorities, expectations, and intentions to implement bundled episodes of care across both the PEB and Apple Health (Medicaid) Programs.
- HCA, as the largest purchaser of health care in Washington, has an ambitious purchasing goal: by 2021, move 90% of state-financed health care into value-based payment arrangements, defined as category 2c-4b of the Health Care Learning and Action Network, or LAN, Alternative Payment Model, or APM, Framework.
- Bundled payments and episodes of care with upside and downside risk – Category 3b in the LAN Framework - is one approach that will assist HCA in reaching its purchasing goal.
- HCA will use RFI responses to help inform and 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. Future bundles implemented by HCA may be offered through both the PEB and Apple Health (Medicaid) programs (in partnership with the Medicaid Managed Care Organizations).

- HCA is particularly interested in Medicare-led bundles, bundles that are based on the Dr. Robert Bree Collaborative (Bree Collaborative) APM recommendations, the LAN Clinical Episode Payment work product recommendations, and other bundles that align with clinical best practices.
- What is a bundled episode of care?
- As stated in the RFI, 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.”
- 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, or COE, model) where payers and providers are at financial risk for clinical quality.
- HCA could add bundles to PEB’s existing COE program, or create a different bundled approach.
- 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.
- Two points emphasized in closing:
 1. Providers, health plans, associations, behavioral health providers, other stakeholders are all encouraged to respond to the RFI. While the RFI is geared towards learning about providers’ readiness and experiences associated with bundled episodes of care, we welcome any and all responses and advice on the mechanics and implementation of bundles.
 2. HCA appreciates any and all feedback on bundles; HCA rather organizations submit a brief response to some or all questions than no response at all.

III. Overview of PEB Center of Excellence Program (Marcia Peterson, Benefits and Strategy Manager)

PEB currently has a COE of Total Joint Replacements, or TJR, which was implemented in January 2017. At the end of 2015 PEB issued a Request for Proposal for the TJR COE and an RFP for a third party administrator, or TPA, to administer the COE product. Virginia Mason Medical Center was selected as the COE and Premera Blue Cross as the TPA. The TJR COE is offered to PEB members in the Uniform Medical Plan (administered by Regence Blue Shield), or UMP, Classic (the preferred provider organization plan) and Consumer Directed Health Plan options. To date, 21 PEB members have had surgery at the COE. The TJR COE is built on the Bree Collaborative recommendation, has a prospective payment arrangement, and care is integrated throughout the bundle and seamless from the patient’s perspective.

To reiterate, results of this RFI will be shared at a one day, HCA-sponsored conference, “A Commitment to Value” (<https://www.hca.wa.gov/about-hca/healthier-washington/healthier-washington-symposium>). Our intent is to use information gathered from the RFI to design a bundle roadmap for HCA.

IV. Overview of Apple Health (Medicaid) (Karen Wilson, Medicaid Nursing Consulting Advisor)

Apple Health serves 1.9 million residents, most of which (1.6 million) receive care via managed care. The five managed care organizations (MCOs) are Amerigroup, Community Health Plan of Washington, Coordinated Care, Molina and United Health Care. The Apple Health population includes children, pregnant women, disabled children and adults, elderly, formerly foster care adults, and Washington state residents now eligible through the Medicaid expansion. Apple Health's budget is \$8 billion annually. Apple Health requirements of MCOs include: must be NCQA accredited, have an adequate provider network, and offer quality improvement and utilization management programs. Current MCO contracts have the same benefits as Fee-for-Service Medicaid, however each MCO can have different utilization management and prior authorization processes. Apple Health's mission and goals are focused on implementing Value-Based Payments (VBP), improving outcomes, rewarding health care, and increasing sustainability of health programs. For example, Apple Health implemented a 1% withhold to its MCO contracts in February 2017. To receive the 1% withhold, MCOs must show that 70% of incentive payments that are actually paid out to providers for quality attainment, 30% of their payment arrangements are in 2c-4b of the LAN Framework, and providers in their networks attain quality improvement across 7 quality measures.

V. RFI Schedule (Cendy Pfortmiller, HCA Contracts)

Cendy Pfortmiller reviewed the RFI schedule:

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

VI. Questions and Answers – Open Discussion from Pre-Response Conference held Friday, May 12

Below is a summary of the question and answer session.

Q1: Will HCA offer bundles beyond the current Total Joint Replacement bundle? Are other bundles under consideration?

HCA: Yes, our intent is to explore other bundled episodes of care, such as spine, maternity and others.

Q2: Is HCA interested in retrospective experience bundles like CMS bundles?

HCA: Yes, we are interested in hearing input on retrospective and prospective bundles and any other financial arrangements related to bundles. We are interested in learning how providers integrate care across the bundle stages, how an assessment period is addressed, e.g., is it included in the bundle, and

how providers are approaching it. We also are interested in bundle approaches that would apply to different books of business (e.g., Medicaid and commercial).

Q3: Will you share information/results on PEB's TJR bundle/COE program?

HCA: Results will be shared at the Healthier Washington Symposium and Purchaser Conference in October (<https://www.hca.wa.gov/about-hca/healthier-washington/healthier-washington-symposium>). Results to date have been, and will be, shared with the PEB Board throughout 2017 (all PEB Board presentations are posted on HCA's website). The most current TJR presentation to the PEBB board can be found here: <https://www.hca.wa.gov/assets/pebb/board-agenda-170412.pdf>.

Q4: Will you expand the current TJR bundle/COE program so there's more than one COE in addition to Virginia Mason Medical Center?

HCA: At this time, the HCA does not anticipate including additional Centers of Excellence for the Total Joint Replacement program.

Q5: Do you anticipate creating one bundles roadmap for each population, Medicaid and public employees, or one roadmap for HCA?

HCA: We anticipate one bundles roadmap for HCA, but the approaches and timelines may be different for each program.

Q6: When we respond, should we differentiate between the two populations (Medicaid and public employees), or are you assuming the products available for one population will be available for both?

HCA: It would be helpful to delineate. While we are interested in administrative simplification and maximizing economy of scale, we are interested in approaches that would and would not work for each populations and provider experiences with payers. It has been an internal challenge to HCA on how the current PEB COE approach could apply to Medicaid.

Q7: We look at the following when designing bundle or episode of care approaches: the customer needs, which could include aggregate costs, direct costs, volume, loss productivity, and disability. Does HCA plan to make that type of information available so providers can identify the biggest opportunities? What are HCA's priorities? Is there something that jumps out in terms of high spend? Where should providers focus vs. we guess? We want to align with the customer, focus on what problems we can solve together.

HCA: HCA performed a similar exercise, but did not review data on sick day/leave usage or disability as part of the analysis. Bree Collaboration recommendations are a good starting point, as are the HCP-LAN recommendations, as most of those are applicable across business lines. We appreciate the notion for more data to inform strategies and we will consider profiling at the Healthier Washington Symposium and Purchaser conference.

Q8: For Medicaid, will HCA work directly with providers to negotiate the rate, with the MCOs acting in the middle as the TPA?

HCA: From a Medicaid purchasing perspective, we are not looking to carve out risk from MCOs. We want to keep risk at MCO level. We are interested in a variety of approaches, including multi-payer bundles, and if there are many ways to approach this with care transformation strategies. We welcome a response if a carve-out is recommended, but our bias is approaches that keep risk within MCO.

Q9: Medicaid currently has a bariatric Center of Excellence, but it's not a bundle. Do you anticipate ending that program and moving towards a bundled approach?

HCA: Discontinuing the Medicaid bariatric COE is an option that HCA will consider, but no decision point has been reached at this time.

Q10: In regards to Section C, Question 4, is the intent of that question to ask if responders are providing medical episodes that occur outside of surgical bundles?

HCA: HCA is interested in what medical episodes of care bundles have been implemented, or could be implemented as a bundle. HCA is interested in hearing what other bundles are being created, outside of the operating room.

Q11: In regards to Section A, Question 6, can you provide more clarity around what information you are seeking about unintended consequences? Under the current TJR COE, has HCA experienced any unintended consequences? Did the volume of procedures increase over historical utilization?

HCA: There can be unintended consequences in value-based purchasing and payment strategies including bundles. HCA is interested in hearing about experiences or any input on unintended consequences and solutions that would be applicable to HCA's books of business. It's too early to tell if HCA will experience any unintended consequences in its COE program. Utilization has increased at VMMC, as expected, but again, it's too early to report on results.

Q12: Is HCA interested in applying future bundles or extending the current COE program to other plans like PEB UMP Classic, UMP Plus, or Kaiser plans?

HCA: We are interested in spreading all types of bundles across all plans. The current COE program applies to UMP Classic and CDHP because of ease of implementation (versus the other plans). That said, we welcome input on how to apply future bundles in the COE program to all plans, including payer arrangements where bundles have been successfully implemented.

Q13: Is HCA exploring other models of bundles beyond the Bree Collaborative Alternative Payment Models recommendations, e.g., bundles that may not include features like appropriate standards, well-vetted evidence-based tables, and warranties. Some providers already have defined evidence-based episodes of care, but they aren't market ready. Is HCA interested in learning about those arrangements?

HCA: Yes, we are very interested in learning about all types of bundles and episodes of care approaches that are built on a strong evidence base, has a reimbursement model, and improve quality. We have a bias towards the Bree Collaborative recommendations given the Bree was created by Washington State (via legislation), HCA and the Washington Agency Medical Directors group actively participates, and they (the recommendations) have significant community buy-in. We are interested in add-on features as well, though.

Q14: Can HCA provide its perspective on the role of provider selection in a non-surgically related bundle (e.g., a patient could be mandated or incentivized to choose a provider)?

HCA: Yes, HCA is interested in hearing ideas and how it would be operationalized. Currently, under the Medicaid program, patients are auto assigned to a provider.

Q15: What is the benefit package for the TJR COE program?

HCA: Benefits are: 1) \$0 out of pocket for UMP Classic members, and \$0 out of pocket for CDHP members after their deductible is met; 2) Travel is free for patient and companion (within WA),

including hotel and parking; meals are not covered. Travel is not included in the bundled fee that is administered by Premera, however, Premera invoices HCA monthly for this cost.

Q16: How do we join the RFI mailing list? Will notes be posted?

HCA: To receive notices about this RFI and future HCA procurements, please email HCA contracts at contracts@hca.wa.gov. A summary of this conference will be posted on HCA's contracts website and on Washington Electronic Business Solution, or WEBS. Interested parties can register with WEBS here: <https://fortress.wa.gov/ga/webs/>.

VII. Questions and Answers – Open Discussion from Pre-Response Conference held Wednesday, May 17

Q1: Has the RFI been sent out yet?

HCA: Yes; it was posted to WEBS and the HCA website on April 21, 2017. If you are not registered on WEBS you may want to do so in order to stay updated on future opportunities here: <https://fortress.wa.gov/ga/webscust/>.

Q2: What is the State's intent to work with the Managed Care Organizations (MCOs) in the future? Is the plan to implement these bundles in the MCOs or as a carve-out?

HCA: HCA started out not desirous of carving out value-based purchasing from the MCOs. However, we are interested in learning about what approaches can be taken. Apple Health is excited to receive responses so we can determine how to implement value-based purchasing opportunities within the MCOs.

Q3: What overlap is there between the MCO and PEBB Program populations? Are they combined strategies or separate?

HCA: Our interest is in purchasing approaches that cross both programs. At the same time though, we are not being exclusionary, so if there are programs that only target one (1) population, we want to hear about those. We are interested in rewarding provider delivery systems as it relates to both programs.

Q4: Would like clarification on Question 3 in Section C. What are appropriateness and safety standards?

HCA: This would include the safety and appropriateness standards identified in the Bree Collaborative Recommendations, could also include InterQual, Milliman, Medicare, etc. We want to know what standards you are using. These could even be standards you have created internally, and we are interested in knowing what those standards are.