Paying for Value: Accountable Care Networks for Public Employees

The Health Care Authority (HCA) is testing payment models designed to reward achievement of the Triple Aim: better health, better care, and lower costs. We call this the “Paying for Value” strategy within the Healthier Washington initiative.

HCA will pay providers based on value of care delivered, including patients’ satisfaction with their health care experience, and improved health outcomes. This strategy moves away from the traditional fee-for-service approach to health care in which providers are paid based on the number of services provided rather than on quality.

State legislation led this move to value-based contracting. In 2014, House Bill 2572, required HCA to increase value-based contracting and other payment incentives that promote quality, efficiency, cost savings, and health improvement. As the purchaser for nearly 2 million public employees and Apple Health (Medicaid) clients, HCA will lead change in the market by accelerating the use of value-based reimbursement in both Apple Health and the Public Employees Benefits Board (PEBB) Program.

In 2016, the PEBB Program began offering a new health benefit option called Uniform Medical Plan (UMP) Plus, which is comprised of two accountable care networks. Each UMP Plus network is a formal network of providers and health systems that:

- Provides ‘best in class’ patient service and experience – access to high-quality and timely service at lower costs,
- Delivers integrated physical, mental health and substance use services,
- Assumes financial and clinical accountability for a defined population of PEBB members.

The UMP Plus networks available to public employees are the Puget Sound High Value Network (led by Virginia Mason) and UW Medicine Accountable Care Network. They serve public employees in nine counties.

Regence BlueShield, the third-party administrator of the PEBB UMP, performs claims administration and preauthorization services for both UMP Plus networks.
What is the benefit design for UMP Plus network plans?

The networks offer a benefit design to improve member experience and promote the use of high quality health care services. Features include 30 percent lower monthly premiums than the UMP Classic plan, lower medical and prescription drug deductibles, and no cost-sharing for office visits to primary care network providers. The UMP Plus network plans offer the same monthly out-of-pocket limits, inpatient and emergency coinsurance rates, and covered services as the UMP Classic plan.

How will the UMP Plus Networks improve quality?

HCA will hold UMP Plus networks to measureable standards for both cost and quality.

Their contracts reflect four major health transformation components:

- Care transformation: providers have the data necessary to better coordinate care and will implement evidence-based care transformation strategies, including following recommendations from the Dr. Robert Bree Collaborative*
- Member access and experience, such as availability of after-hours appointments or the ability to see a provider quickly,
- Integrated financial and quality improvement model,
- Timely, relevant, and actionable data to help providers keep PEBB members healthy.

The contracts are also tied to a number of Healthier Washington projects, such as participation in pilots for using tools to assist clients and providers in shared decision-making.

How will the UMP Plus Networks achieve lower costs?

Each accountable care network has agreed to annual targets for financial trend guarantees. If the network exceeds its trend guarantee target – resulting in more savings than the target would have created – HCA will pay the network a share of the savings. If the network does not achieve its trend guarantee target – resulting in less savings than the target would have created – the network will pay HCA a share of the deficit.

The portion of the savings (or deficits) is determined by a reconciliation of (1) the trend guarantee, (2) the Quality Improvement (QI) Model (see below) and (3) the member experience.

HCA developed its own QI Model. The QI Model measures the quality of health care services that a network provides to PEBB members in its system and generates an overall QI score based on the weighted average of different quality measures. The overall QI score drives the share of savings and deficit payments or reduction of deficit between the HCA and the network. The QI score determines the percentage of the savings or deficit payments, up to an agreed amount.

Learn more about “Paying for Value” at the Healthier Washington website: www.hca.wa.gov/about-hca/healthier-washington/paying-value

*The Dr. Robert Bree Collaborative is a group of public and private health care stakeholders appointed by the governor to find ways to identify and promote strategies that improve patient health outcomes, health care service quality, and the affordability of health care.