



Accountable Delivery and Payment Strategies under Healthier Washington

Technical Advisory Group Presentation

December 10, 2014

Washington State
Health Care Authority

 **Healthier**
WASHINGTON



Today's Topics

- **Healthier Washington Initiative**
- **Responses to Joint HCA**
- **Accountable Delivery & Payment**
- **Purchasing Vision**



Healthier Washington

State Health Care Innovation Plan

Washington State Health Care Innovation Plan



The Washington Way



DECEMBER 2013

Goal – a Healthier Washington

- **Pay for value and outcomes** starting with the State as “first mover”
- **Empower communities** to improve health and better link with health delivery
- **Integrate physical and behavioral health** to address the needs of the whole person

Critical – Legislation Enacted

- **ESHB 2572** – Purchasing reform, greater transparency, empowered communities
- **ESSB 6312** – Integrated whole-person care

Strategies, Investments & Goals

Achieving the goal of a “Healthier Washington” requires an integrated strategic investment plan.

WASHINGTON’S APPROACH TO INNOVATION

STRATEGIES:

1. Healthy communities
2. Integrated care & social support
3. Pay for value – State as first mover

INVESTMENTS:

1. Community empowerment & accountability
2. Practice transformation support
3. Payment redesign
4. Analytics: Interoperability and measurement
5. Project management

GOALS:

- Improve population health
- Transform delivery systems
- Reduce per capita spending

A HEALTHIER WASHINGTON

Legislative Support – HB 2573, SB 6312



Paying for Value

- State as First Mover
 - Common framework and alignment for 2016 procurement cycle (Medicaid and PEB)
 - VBP emphasizing primary care, care coordination, appropriateness, and EBM
 - Encourage members to pursue quality care
- State as Market Convener and Organizer
 - Create statewide core measure set
 - All payer claims database
 - Engage stakeholders in payment and benefit redesign and consumer engagement



Paying for Value Activities

- Purchasing
 - RFI issued in April 2014
 - New purchasing strategies
- All payer claims database
 - Legislatively created, 2014
 - Includes Medicaid and PEBB populations
- Statewide core measure set
 - Legislatively created, 2013 & 2014
 - Measure Committee and 3 workgroups currently convened (Prevention, Acute and Chronic Illness)
 - Recommendations due by January 2015

Responses to Joint HCA & King County RFI



RFI Responders Breakdown

Providers (13)

- Major providers and hospital systems
- One FQHC, and Community Health Centers Association

Health Plans/TPAs (15)

- Most WA commercial health plans including dental
- All Medicaid Managed Care Plans

Others (6)

- Individual providers
- Labor
- DMEs
- Associations



RFI Responses

- **Identified a rapid adoption of value-based reimbursement (VBR)**
 - All respondents involved in VBR now with plans to expand over the next five years
 - Consistent quality measures tied to value based purchasing
- **Acknowledgment of the importance of Accountable Care Organizations/Network**
 - Establish a long term partnership with Accountable Care Organization/Network
 - ACO partner must be able to manage risk



RFI Responses

- **Other common responses:**
 - Clear patient attribution methods that deliver a critical mass of patients
 - Develop meaningful plan designs resulting in higher quality of care, reduced cost and increased access
 - Require selection of a PCP/primary care medical home



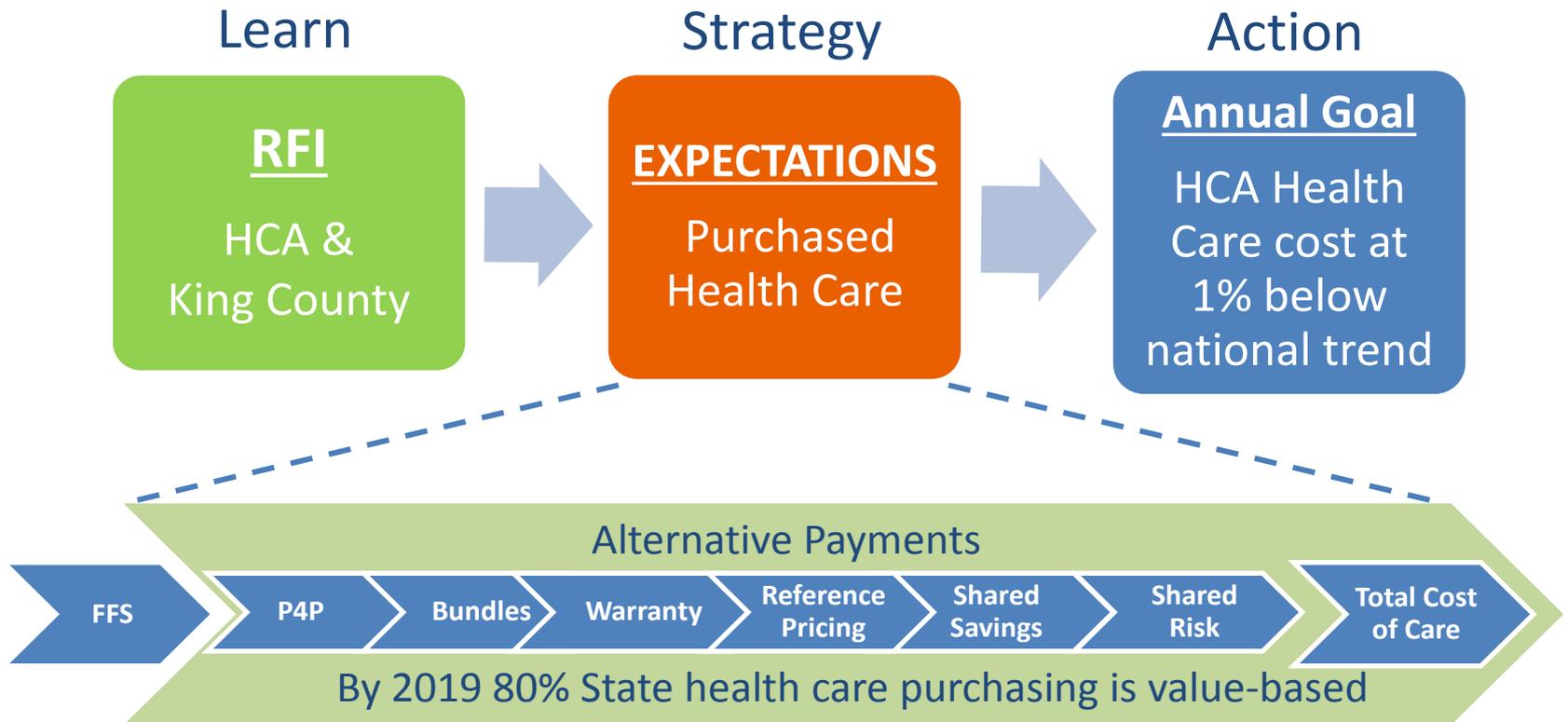
RFI Responses

- **Other common responses:**
 - Recognize care management costs
 - Patient engagement is key
 - Integrate medical and behavioral health
 - Provide provider transformation support
 - Partner must have population management data infrastructure

Accountable Delivery and Payment

Paying for Value and Outcomes

The Health Care Authority/King County RFI validated the market's readiness for change and helped set HCA's strategic focus and execution plan.

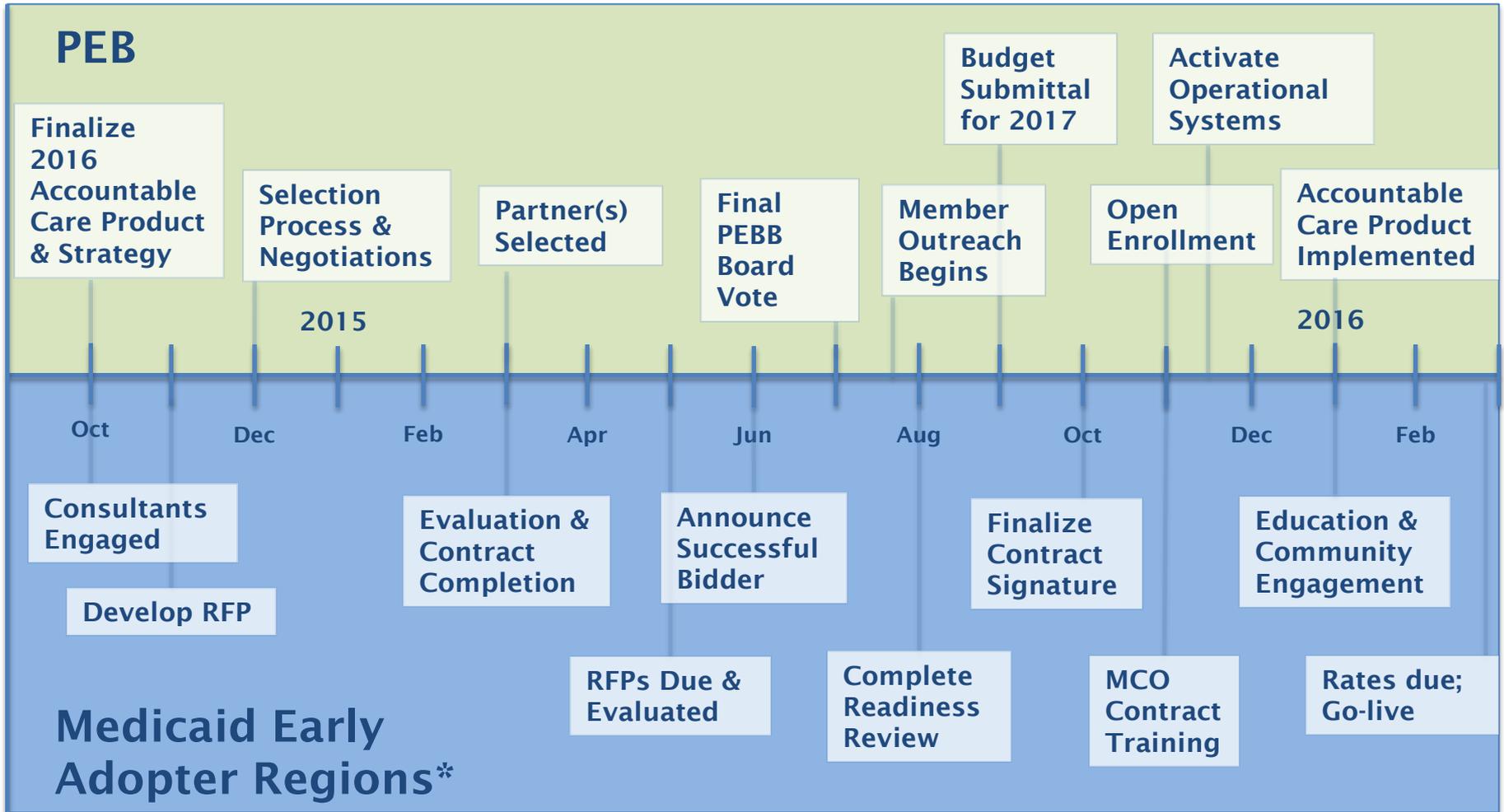




Delivery & Payment Models

- **MODEL 1:** *Early Adopter of Medicaid Integration*
- **MODEL 2:** *Encounter-based to Value-based*
- **MODEL 3:** *Puget Sound PEB and Multi-Purchaser*
- **MODEL 4:** *Greater Washington Multi-Payer*

HCA Purchasing Timeline



*Not including non-early adopter regions

Joint Expectations for ACOs

Partnerships with health care providers and payers, focused on five specific outcomes:

- Accountability for costs of care and for annual cost increases
- Ensuring optimized quality for a defined population
- Appropriate level of care, emphasizing evidence-based primary care
- Care coordination strategies resulting in better integrate care
- Design benefit plans that incentivize patient engagement, education, and experience

Additional expectations:

- Clear quality and performance measures
- Alternative payment models leading to total cost of care and shared risk with providers
- EHR, Health IT and data analytics focused on care management and system improvement



Questions & Comments