



WASHINGTON STATE HEALTH CARE AUTHORITY

Paying for Value Survey:

Measuring Health Care Payment and Delivery System Transformation in Washington State

2016

| SURVEY SCHEDULE | |
|--|--------------------|
| Survey Released | Monday, March 28 |
| Potential Respondent Questions Due by 3pm PDT | Monday, April 4 |
| Responses to Potential Respondents Questions posted to Paying for Value webpage, Healthier Washington website | Tuesday, April 5 |
| Potential Respondent Conference Call with HCA, 12 p.m. PDT | Wednesday, April 6 |
| *We are using webinar technology for this Conference Call. To register, go to: https://attendee.gotowebinar.com/register/2292146765709763076 | |
| Survey Responses Due by 3 p.m. PDT | Thursday, May 12 |

Survey Link: www.hca.wa.gov/hw/pages/paying_for_value.aspx

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Introduction

Traditionally, health care reimbursement has been based on the volume rather than the value of services provided, contributing to wasteful, unnecessary spending and fragmented care. New payments are necessary to drive delivery system reform and transform our health care system into one that pays for value. Over the past few years, there has been a national movement to transition away from Fee-for-Service (FFS) and adopt new payments that reward providers and hospitals for quality outcomes at a competitive price. The Washington Health Care Authority (HCA), as the largest purchaser of health care services in Washington State and a prudent steward of public tax monies, is committed to the 'Paying for Value' national movement by driving 80 percent of Washington state-financed health care and 50 percent of the commercial market into Value-Based Payments (VBPs)¹ by 2019. HCA has already begun its Paying for Value journey and expects providers, payers and purchasers will partner with us and other purchasers in Washington state to implement innovative provider payment and delivery strategies based on quality and efficiency over the next few years.

Survey Purpose

HCA is issuing this survey to obtain a *snapshot-in-time* to 1) measure payers' and providers' progress towards implementing VBPs and accountable health care delivery strategies, and 2) identify barriers impeding desired progress of VBPs and accountable delivery strategies.

Target respondents to this survey are:

- Providers (for example: independent primary care or specialty care practices, hospitals, clinically integrated networks, behavioral health providers, dental providers, Federally Qualified Health Centers, Rural Health Clinics, and Critical Access Hospitals)
- Payers (medical, dental, and pharmacy health plans, and Third Party Administrators)

This is the second survey HCA has issued to track movement towards VBP adoption and implementation of accountable payment and health care strategies. HCA issued a formal Request for Information (RFI) in partnership with King County in 2014. This survey process is less formal than the previous RFI to facilitate more effective and efficient communication between respondents and HCA staff while simultaneously safeguarding the same level of confidentiality and protection of proprietary information afforded by the RFI (See **Attachment A**).

Results from the 2014 RFI informed HCA's subsequent purchasing strategies, particularly the new PEBB Accountable Care Programs (ACPs), and helped identify potential partners. HCA intends to use information collected from this survey in the same manner, and will publically share an aggregated summary of responses.

HCA Paying for Value Goal:

By 2019, 80% of State-financed health care payments to providers and 50% of the commercial market health care payments to providers will be in Value-Based Payments

¹ **Value-Based Payments** means a payment reimbursement method for health care services aimed at rewarding value (quality of health care), not volume (Fee-for-Service)

Washington State’s Vision for Health Care Transformation

Washington State is transforming its health care ecosystem to one that delivers better care, better health, and lower costs through the Healthier Washington Initiative. Healthier Washington,² funded in large part by Washington’s State Innovations Model (SIM) Round Two federal grant, builds capacity to incentivize value through purchasing strategies, improve the health of state residents, and deliver coordinated whole-person care.

Washington State’s path for health care payment and delivery system transformation was solidified by the Legislature in 2014 with the passage of E2SHB 2572 (value-based purchasing and alternative contracting)³ and 2SSB 6312 (Medicaid integrated delivery reforms)⁴. Taken together, these efforts support Healthier Washington.

Healthier Washington

Build healthier communities through a collaborative regional approach

- Fund and support Accountable Communities of Health.
- Use data to drive community decisions and identify community health disparities.

Ensure health care focuses on the whole person

- Integrate physical and behavioral health care in regions as early as 2016, with statewide integration by 2020.
- Spread and sustain effective clinical models of integration.
- Make clinical and claims data available to securely share patient health information.

Improve how we pay for services

- Measure, improve and report common statewide performance measures.
- As purchaser for Apple Health and state employees, drive market toward value-based models.

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

² For more information on the Healthier Washington Initiative, see: <http://www.hca.wa.gov/hw/Pages/default.aspx>.

³ <http://apps.leg.wa.gov/documents/billdocs/2013-14/Pdf/Bills/House%20Passed%20Legislature/2572-S2.PL.pdf>.

⁴ <http://apps.leg.wa.gov/documents/billdocs/2013-14/Pdf/Bills/Senate%20Passed%20Legislature/6312-S2.PL.pdf>.

HCA and Paying for Value Strategy

Paying for Value is a core Healthier Washington strategy. As the largest purchaser of health care services in Washington State, HCA purchases health coverage for more than 2.2 million people through its Washington Apple Health (Medicaid) program and Public Employees Benefits (PEBB) program, or one in three non-Medicare state residents. While each have different rules and regulations and are administered separately, HCA's health care transformation strategies will be implemented across both programs.

HCA purchases healthcare coverage for 1 in 3 in WA



HCA is engaging multiple payers, providers, and purchasers in aligning common VBP strategies and basic delivery system requirements across Washington State to accelerate market transformation. To that end, HCA is testing four payment models⁵ through Healthier Washington that will:



1) Integrate the delivery of physical and behavioral health care services for Apple Health enrollees, beginning in Southwest Washington;

2) Transition reimbursement at Critical Access Hospitals, Federally Qualified Health Centers, and Rural Health Centers from an encounter-based framework to a value-based model;

3) Leverage clinically and financially accountable networks of providers to provide evidence-based, high quality, cost effective care to enrollees in a new benefit option offered through the Public Employees Benefits Board (PEBB); and

4) Engage multiple payers and provider systems to adopt VBP arrangements and integrate claims and clinical data into provider practices.

The state is pursuing additional value-driven payment strategies based on evidence and recommendations from the Dr. Robert Bree Collaborative⁶, including:

- Apple Health (Washington Medicaid) stopped payment for early elective deliveries with no medical reasons of Apple Health patients in July 2015.
- PEBB will implement a Total Joint (Knees and Hips) Replacement Bundled Episode of Care at designated Centers of Excellence for state employees starting in 2017, and intends to implement additional bundle payments recommended by the Dr. Robert Bree Collaborative in 2018 and beyond.

Additionally, HCA and the Department of Social and Health Services (DSHS) have submitted an application to the Centers for Medicare and Medicaid Services (CMS) for a five-year Medicaid

⁵ For more information on the four payment models, see: http://www.hca.wa.gov/hw/Pages/paying_for_value.aspx.

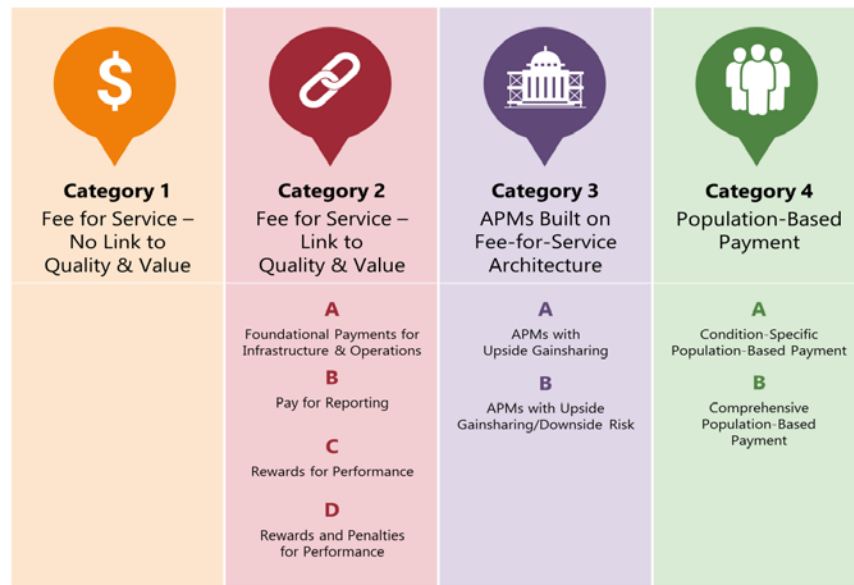
⁶ For more information on the Dr. Robert Bree Collaborative, see: <http://www.breecollaborative.org/>.

Transformation Demonstration Waiver⁷, through Section 1115 waiver authority, that would provide flexibility and Medicaid expenditure authority to further drive transformation.

Alignment with Federal Framework and Goals

Nationally, the Centers for Medicare and Medicaid Services (CMS), the largest purchaser of health care in the United States, is leading the way towards adoption of VBPs. Early last year CMS announced its own goals to phase out FFS. To assist states, public and private purchasers, providers, and payers in the reimbursement transition, CMS in January 2015 launched the Health Care Payment Learning and Action Network (LAN)⁸ to create a common framework to help advance the work being done across sectors, and to increase the adoption of VBPs (referred to as Alternative Payment Models (APMs)⁹ in the framework). *Note: HCA considers the terms VBP and APM to be aligned and interchangeable.*

The LAN consists of private payers, providers, employers, state partners, consumer groups, individual consumers, and many others working together to accelerate the transition to VBPs/APMs. HCA is aligning with the LAN-developed APM Framework¹⁰ below, for the purposes of defining and identifying VBP/APM strategies.



CMS (Medicare) aims to drive 30 percent of U.S. Medicare health care payments in VBPs/APMs or population based payments by 2016, and 50 percent by 2018. HCA will continue to encourage existing

⁷ For more information on Medicaid Transformation, see:

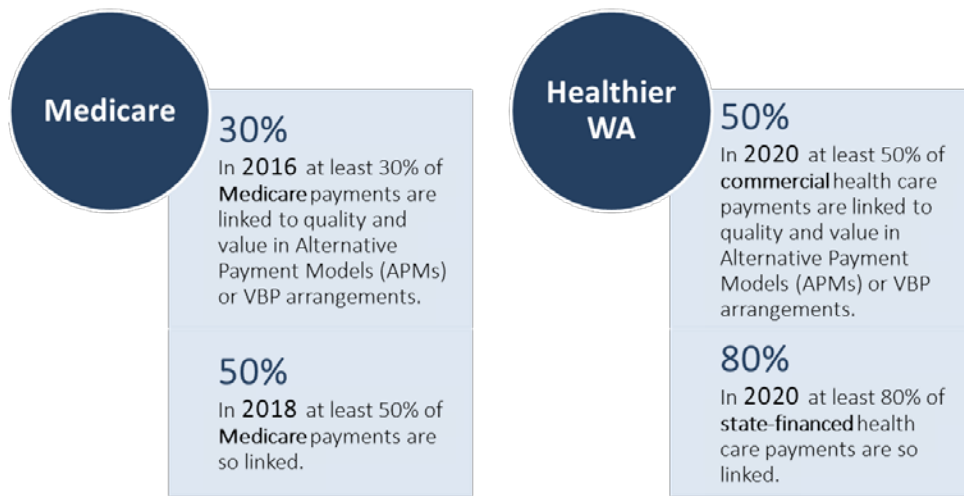
http://www.hca.wa.gov/hw/Pages/medicaid_transformation.aspx

⁸ For more information on the LAN, see: <https://hcp-lan.org/>

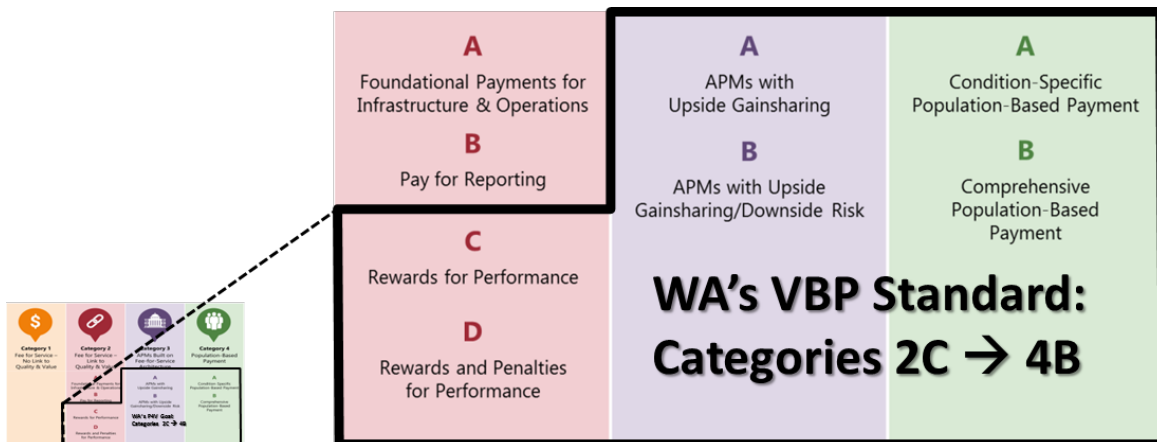
⁹ **Alternative Payment Models (APM)**, a term HCA considers interchangeable with Value-based Payments, has been used by the federal Health and Human Services agency to describe their framework of paying for services in which providers can voluntary choose to participate and that is different from the standard payment method used to pay those providers

¹⁰ For more information, including an addendum with APM examples, see the Health Care Payment Learning & Action Network: <https://hcap-lan.org/groups/apm-ftp/apm-framework/>

innovative efforts to flourish in the marketplace, while seeking regional and national alignment, in order to achieve successful market-wide transformation.



HCA’s expectation for its Paying for Value goal is for 80 percent of state-financed health care payments to providers, and 50 percent of commercial health care payments to providers, to be in **Categories 2C through 4B** (excluding Categories 3N and 4N) by 2019. Importantly, these categories, and respective sub-categories, include financial accountability for quality care and improved outcomes.



Survey Directions

HCA developed response templates in Excel for respondents to complete (**Attachments B and C**) in an effort to standardize the response process. Survey questions, as well as space to input responses, are contained in the response templates. This approach will ultimately result in simpler reporting for respondents, will provide clearer, more consistent response data, and will facilitate more efficient analysis by HCA.

How to complete the survey:

- **All respondents** please complete **Attachment A**
- If your organization is a **provider or delivery system**, please complete **Attachment B**
- If your organization is a **payer**, please complete **Attachment C**

Please note: If your organization represents multiple stakeholder views and perspectives (e.g., your organization is both a delivery system and a payer), please feel free to submit more than one response.

HCA has created the following files to assist respondents in completing their responses:

- Response Template Completion Guide – **Attachment D**
- A hypothetical example of a completed “Sheet 2 - APM Breakdown” response template, drawing from Case Study examples from the HCP-LAN APM Framework [Addendum](#)¹¹ – **Attachment E**
- A one-page summary of the HCP-LAN APM Framework – **Attachment F**

¹¹ To access the complete addendum with APM examples, visit the Health Care Payment Learning & Action Network: <https://hcp-lan.org/workproducts/apm-whitepaper-addendum.pdf>

Information for Survey Respondents

Proprietary Information/Public Disclosure

HCA is subject to the Public Records Act (Chapter 42.56 RCW) and all material and information provided in response to this survey shall be considered a public record and the property of HCA.

Any information in a response that a respondent considers to be protected from the disclosure requirements in the Public Records Act or other state or federal law because it is “confidential,” “proprietary,” or a “trade secret,” must be clearly designated as such. Specifically, in the respondent’s Excel spreadsheet response, for each answer it believes contains protected information, the respondent must indicate so in the column marked ‘Proprietary Information’. In addition, respondents must fill out a more detailed description of the protected information using **Attachment A**. *Designating an entire survey response as being protected is not acceptable.*

If a request is made under the Public Records Act to view a response to this survey, HCA will notify the affected respondent of the request and the date that the response, including any information the respondent had designated as protected from disclosure, will be released by HCA to the requester unless respondent obtains a court order from a court of competent jurisdiction enjoining that disclosure under RCW 42.56.540. If respondent fails to obtain the court order enjoining disclosure, the survey response will be released on the date specified in the notification.

HCA’s sole responsibility shall be limited to maintaining responses in a secure area and to notifying respondents of any request(s) for disclosure for so long as HCA is required to meet records retention requirements. Failure to designate information in a response that a Respondent considers to be protected or failure to timely respond after notice of request for public disclosure has been given shall be deemed a waiver by respondent of any claim that such materials are exempt from disclosure.

By submitting a response to this survey, respondent assents to the procedures outlined in this section and shall have no claim against HCA.

Only a limited number of HCA staff will be allowed access to individual survey responses, and those staff will be required to sign a confidentiality agreement.

Respondents Questions and Answers

Respondents may submit comments and questions by the date indicated in the survey schedule on the cover page. Responses to respondent questions will be posted to the Healthier Washington Paying for Value website by the date indicated in the survey schedule on the cover page.

Questions about the survey should be sent to P4Vsurvey@hca.wa.gov (which will be managed by a HCA staff who has signed a confidentiality agreement) in accordance to the survey schedule on the cover page.

Staff is also available to respond to technical questions (e.g., how to complete the spreadsheets) if assistance is needed. Please email P4Vsurvey@hca.wa.gov for assistance.

Survey Response Submission Instructions

Please use the Excel template for your response and complete **Attachment A**.

Responses (the completed Excel template and **Attachment A**) to this survey should be submitted to P4Vsurvey@hca.wa.gov (which will be managed by a HCA staff who has signed a confidentiality agreement) by the date indicated in the survey schedule on the cover page. All responses will receive an acknowledgement of receipt.

Survey Updates and Clarifications

HCA will post any updates and clarifications to the Healthier Washington Paying for Value website. It is the responsibility of respondents to check the website frequently for addendums and updates.

Response Property of HCA

All materials submitted in proposal to this survey become the property of the HCA.

Respondent Conference Call

HCA will hold a conference call for potential respondents via webinar as indicated in the survey schedule on the cover page. The purpose of the conference call will be for HCA leadership to discuss specific components of the survey, provide additional clarification on a select number of questions submitted by respondents, and perform a live demonstration on how to complete the survey spreadsheets if requested.