

Washington State Health Care Authority

The logo for the Washington State Health Care Authority features the text "Washington State Health Care Authority" in a dark blue, sans-serif font. A large, stylized red "A" is positioned between "Health Care" and "Authority". A thick, dark red swoosh or underline starts under the "A" and curves over the top of the word "Authority".

Paying for Value Webinar Series: From Concept to Contract

Nathan Johnson, Chief Policy Officer, HCA

Lou McDermott, PEBB Director, HCA

Jeff White, Director of Health Care Strategy, The Boeing Company

Moderator: Rachel Quinn, Special Assistant, HCA

April 11, 2016

Connect online

- 2 options for audio: Select “Use Mic & Speakers” or “Use Telephone”
- Please use the online question pane to submit questions during the webinar
- We will answer questions at the end of the presentation
- The slides from this presentation and others in this series are available from the handouts tab of your screen and on the Healthier Washington website.

Sound Check

If you cannot hear us now, check to see if:

- Your speakers/headphones are turned off or plugged in
- Your PC is muted or the sound settings are correct
- Your GotoWebinar sound settings are correct
- Go to www.GoToWebinar.com for support **OR** join us via telephone. Locate the dial-in number in your email, click the + in Audio then select Use Telephone.

Agenda

- HCA Paying for Value Journey
- Boeing Perspective
- Tips & Resources for Purchasers
- Q&A
- Feedback survey

Don't forget to complete the survey!



Payment Drives System Transformation

Status Quo (Volume-Based) System	Transformed (Value-Based) System
Fragmented clinical and financial approaches to care delivery	Integrated systems that pay for and deliver whole person care
Uncoordinated care and transitions	Coordinated care and transitions
Unengaged members left out of their own health care decisions	Engaged and activated members who are connected to the care they need and empowered to take a greater role in their health
Variation in delivery system performance (cost and quality) with no ties to clinical or financial accountability and transparency	Standardized performance measurement with clinical and financial accountability and transparency for improved health outcomes

National Movement & Commitment to Value

Healthier WA

50%

In **2019** at least 50% of **commercial** health care payments are linked to quality and value in Alternative Payment Models (APMs) or VBP arrangements.

80%

In **2019** at least 80% of **state-financed** health care payments are so linked.

Medicare

30%

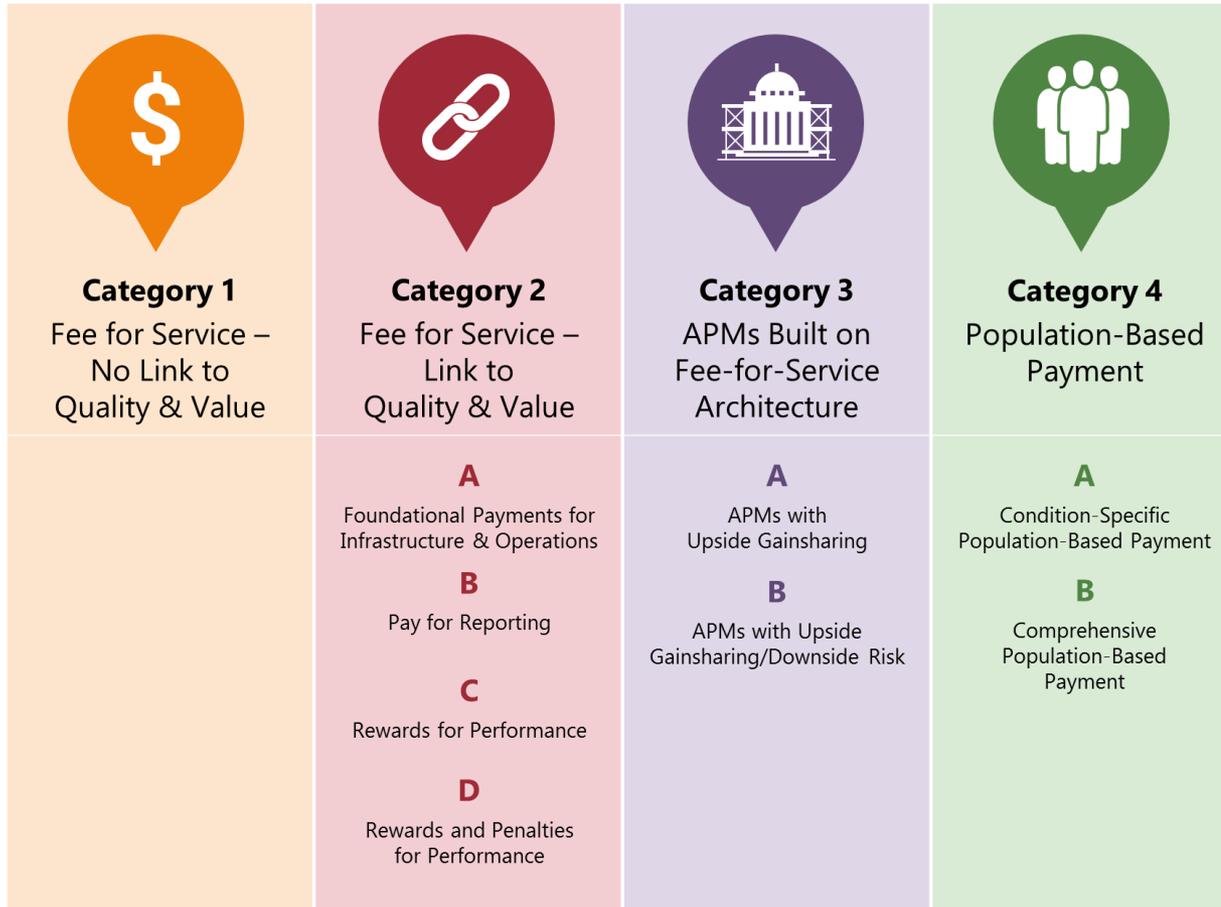
In **2016** at least 30% of **Medicare** payments are linked to quality and value in Alternative Payment Models (APMs) or VBP arrangements.

50%

In **2018** at least 50% of **Medicare** payments are so linked.

These payment reforms are expected to demonstrate **better outcomes** and **lower costs** for patients.

HCA Adopted CMS Alternative Payment Model Framework



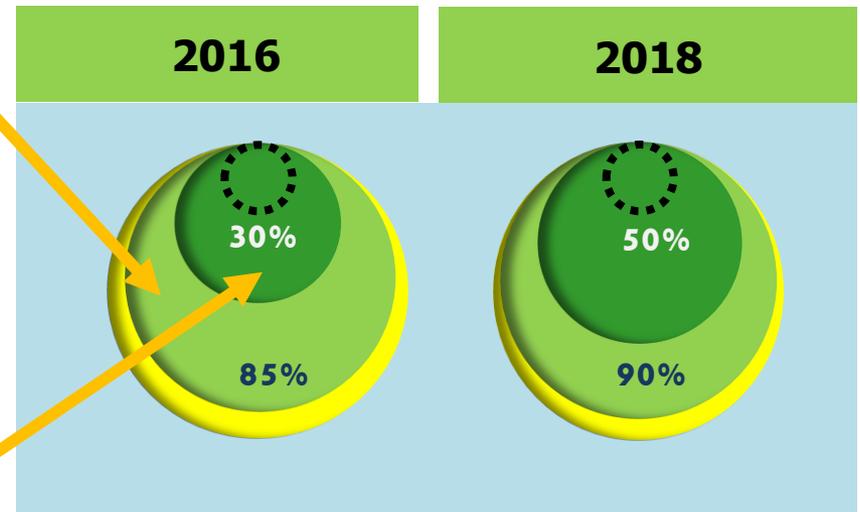
- Pay for Value survey released end of March
- To track payer and provider transition to value in Washington
- Public results available early summer

MACRA: Accelerating movement to Value

The new Merit-based Incentive Payment System helps to link **fee-for-service payments** to quality and value.

The law also provides incentives for **participation in Alternative Payment Models** in general and bonus payments to those in the most highly advanced APMs

New HHS Goals:



All Medicare fee-for-service (FFS) payments (Categories 1-4)



Medicare FFS payments linked to quality and value (Categories 2-4)



Medicare payments linked to quality and value via APMs (Categories 3-4)



Medicare-Payments to those in the most highly advanced APMs under MACRA

Value-Based Purchasing Options for State Employees

Changing the way we pay for care:
value-based health options and innovative programs

- Group Health/Kaiser
- Accountable Care Program (UMP Plus)

UMP Plus - Accountable Care Program for State Employees

Goals

- Improved patient experience
- Integrated “head and body” care
- Financial and clinical accountability

2016 Partners

- Puget Sound High Value Network LLC
- UW Medicine Accountable Care Network

2017

- Expand statewide
- Recruit more employers and purchasers to join and implement approach

Both Networks at clinical risk for over 50,000 PEBB members

UMP Plus

Our Accountable Care Program for Public Employees

Shared Risk Model

- Multi-year Trend
- Quality Model subset of Statewide Core Measure Set
- Quality Model rewards improvement and target achievement

Member experience

- Timely care
- Expanded service hours, dedicated call center and website

Care Transformation

- Patient Centered Medical Home & IT requirements
- Annual QI plans based on Bree Collaborative
- Shared Decision Making

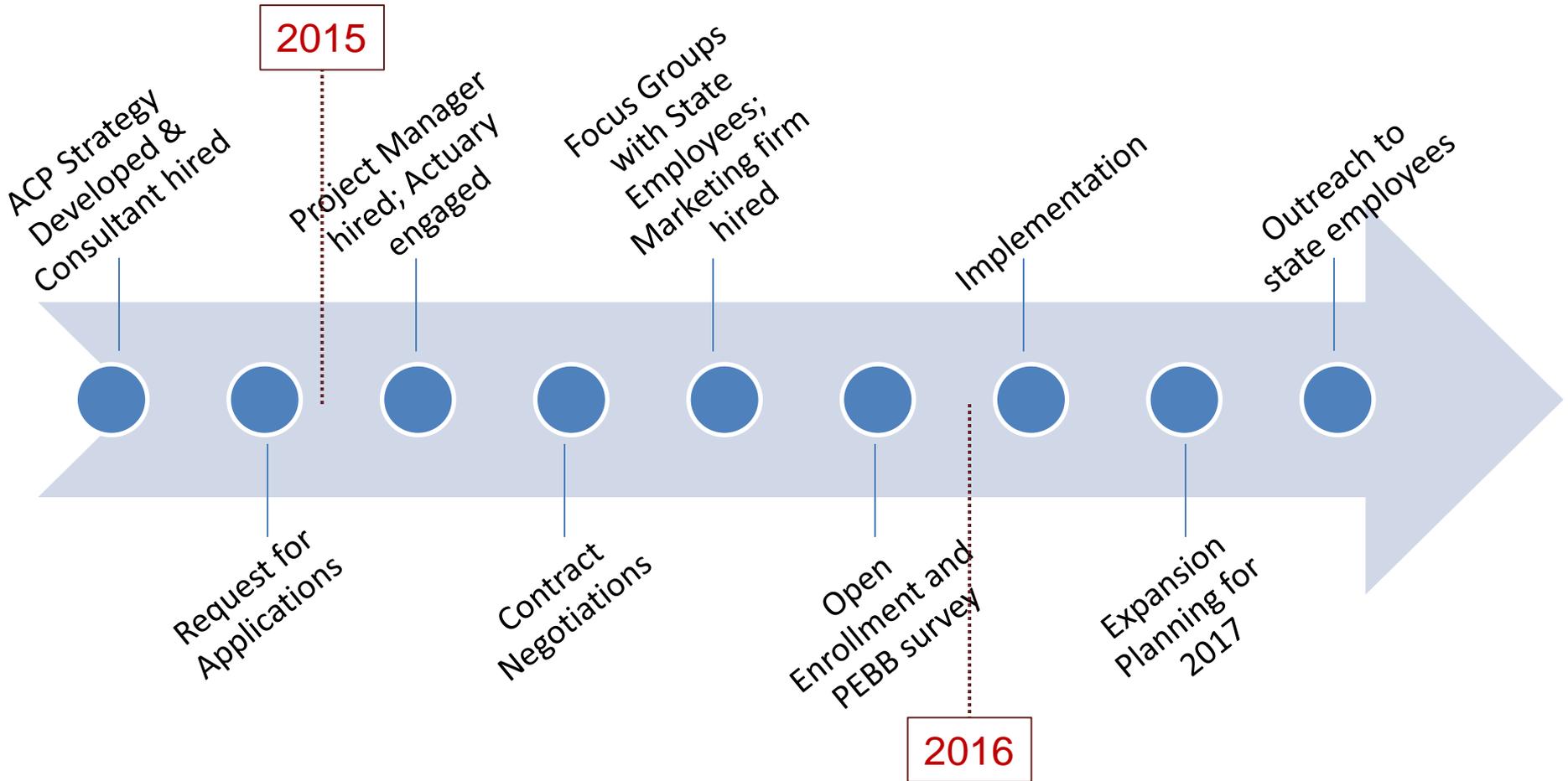
Timely Data

- Daily inpatient and monthly Medical and Rx data feeds on members

Benefit Design

- 30% reduced premium from UMP PPO plan
- Preventive and in-network primary care visits covered at 100%; most specialty and hospital care at 85%
- No medical deductible if wellness plan and follow up completed

UMP Plus Timeline



Lessons Learned

- New way of purchasing – and necessary
 - HCA
 - Delivery systems
 - State employees
- New level of transparency
- Building custom networks is challenging
 - High amount of data needs
 - Providers and risk-sharing
- Open lines of communications are critical
- Establishing the data channels takes time and frequent adjustments
- Early results shared on future webinars



Preferred Partnership

Boeing's Accountable Care Program

April 2016

Business Environment

Business Realities

- Emerging Competition
- Supply Chain Management
- Productivity Requirements

Health Care Profile

- \$2.6B in annual spend
- 500K lives covered
- 48 States
- Top Preventable Conditions – Annual Spend & Patient Count:
 - Cancer - \$128M (15K)
 - Osteoarthritis - \$84M (15K)
 - Back - \$76M (54K)
 - Heart Disease - \$72M (25K)
 - Diabetes - \$66M (15K)



Overview of the model

Preferred Partnership (ACO)

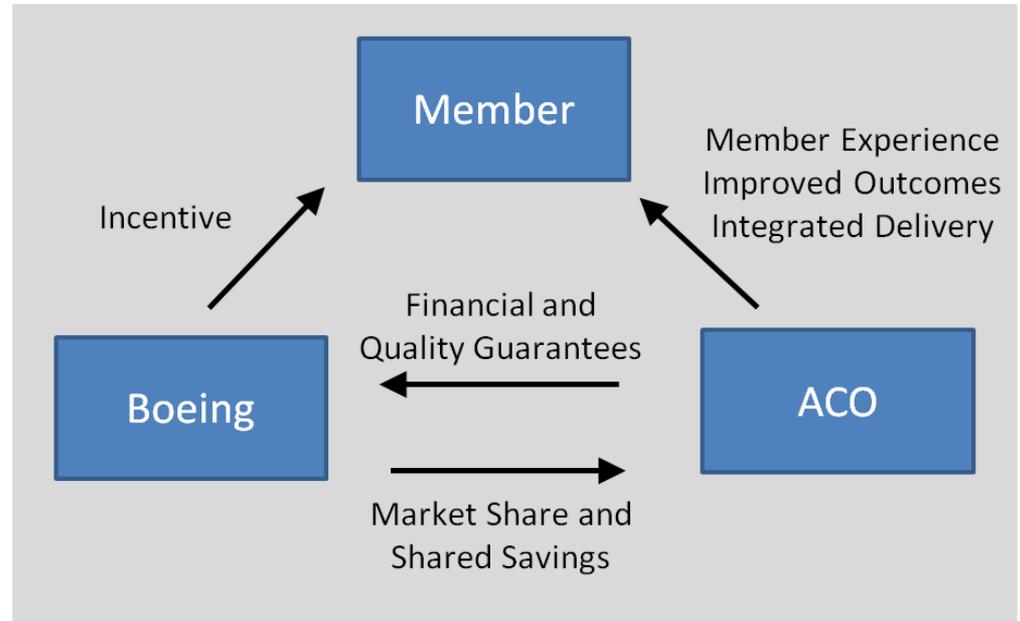
- Improve Quality
- Enhance Member Experience
- Reduce Cost

Delivery Goals

- Incentive Only
- Maintain Employee Choice
- Simplified Approach

Markets

- Puget Sound (2015):
 - *Providence-Swedish Health Alliance* & their partners
 - *UW Medicine Accountable Care Network* & their partners
- St. Louis (2016): *Mercy Health Alliance* & their partners
- Charleston (2016): *Roper St. Francis* & their partners
- Currently exploring future markets



Triple Aim – Improve Quality

- Agreed with Partners on 15 Standard National Metrics
- Quality targets must be hit in order to share in the savings
- Targets will increase year over year throughout the contract period
- Metrics/Targets can be changed to adapt to changing standards
- Types of Metrics:
 - 1) ***Clinical Outcomes***
 - Blood Pressure
 - Diabetes and Cholesterol Management
 - 2) ***Health Status***
 - Depression and Body Mass Index Assessment and Follow Up
 - 3) ***Preventive Cancer Screenings***
 - 4) ***Member Satisfaction***
 - Overall Provider Rating
 - Provider Communication and Office Staff Attitude
 - Timely Access to Care

Triple Aim – Enhance Member Experience

- Expectation that Partners will invest in technology to enhance experience
- Key focus areas:
 - ***Timely Access to Physicians*** – Contract standards for Urgent and Non Urgent needs
 - ***After Hours Care*** – Mutual interest to keep members out of ER
 - ***Dedicated Contact Center***
 - Scheduling, Nurse Advice, Triage
 - ***Website and Electronic Communication***
 - Provider Directories
 - Electronic Medical Records
 - Email/Chat communication with Providers
 - ***Care Transformation***
 - Medical Home – Coordination for our sickest members
 - Readmission Reduction

Triple Aim – Reduce Cost

- Specific contract terms are confidential; agreements are multi-year
- Boeing and the Partner have aligned incentives for lowering cost and improving quality
- All covered services are in scope including Prescription Drugs and Mental Health
- Boeing has shared the savings prospectively with our employees in the form of lower medical plan costs
- Boeing's insurance administrator continues to pay claims, provide care management function and manage the network
- ***Financial Model:***
 - Financial targets are established in contract
 - A reconciliation will be done after the plan year
 - If the partner meets both the Financial Target and Quality Targets, they will have the opportunity to share in the savings of the program

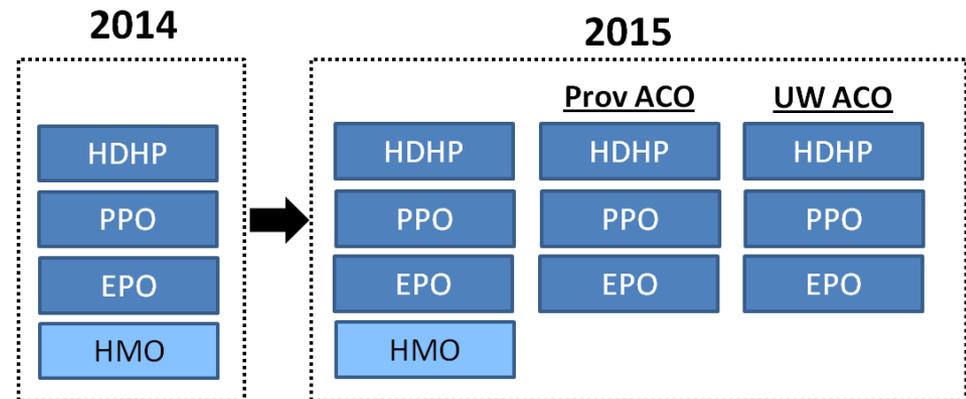
ACO Plan Structure

Program Design

- Mixed Model
 - Designated – Employee elects program during Annual Enrollment
 - Attributed – Majority of care is delivered at ACO Partner
- ACO Network is 'In-Network'
- PCP encouraged, but not required
- No Gatekeeper

Financial Incentives for Employees

- Lower Employee Premiums
- Higher Company Funded HSA
- \$0 Primary Care Office Copay
- \$0 Generic Drugs



Early Learnings

Significant Work Effort

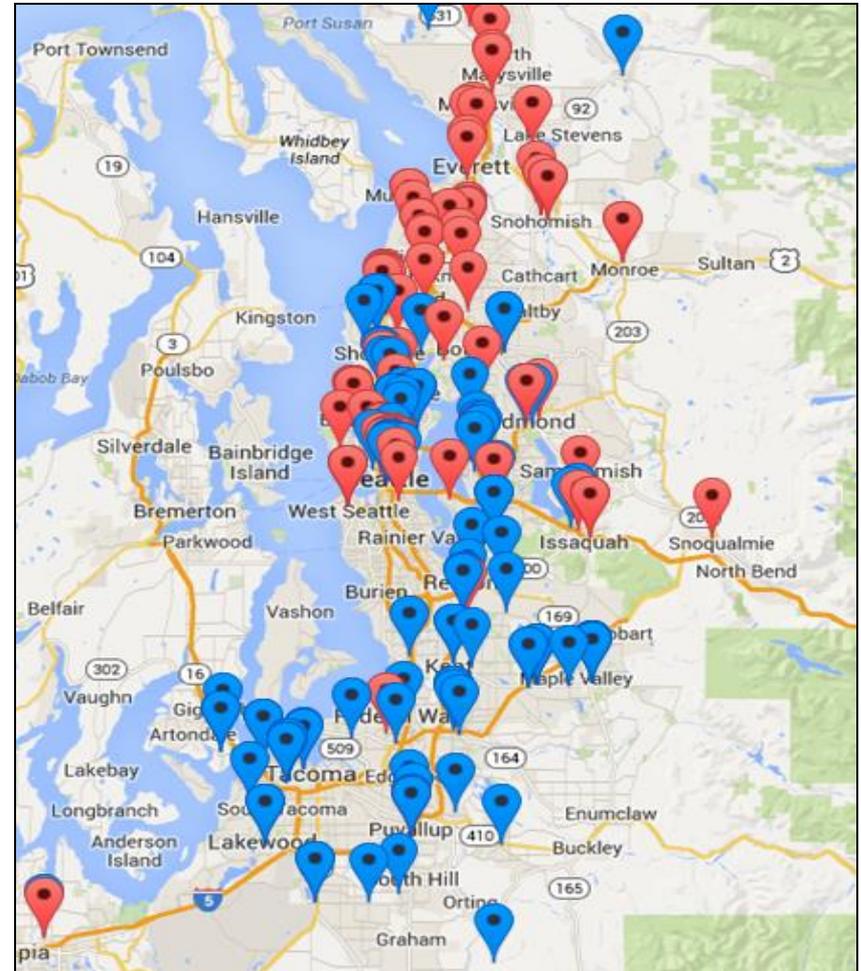
- Contracting
- Network Configuration
- Data Flow and Vendor Integration

Early Communication

- Provider Search Functionality
- Plan Design Incentives
- Member Experience
- External Communication

Care Transformation

- Embedded Medical Home
- Transition of 'Centralized Programs' (e.g. Disease Mgmt.) to ACO



Preliminary Results

Improve Quality

- Improvement in most metrics
- Better controlling Blood Pressure, Diabetes, Cholesterol
- Increased Screening Rates
- Performance Improving on Depression Management
- Higher Generic Fill Rates

Enhance Member Experience

- 15% - 35% employees enrolled
- Rating of 8.5 out of 10

Reduce Cost

- Results available later in 2016
- Partner Commitment
- Long term Investment



Preferred Partnership

A new approach to health care

Puget Sound employee

Boeing has entered into an innovative partnership with leading health care providers offering health plan options designed to improve quality, provide a better experience for you and your family, and be more affordable.



Learn
More



Find
Providers



Decide
For Yourself



We All Want the Same Thing; Join Us!

As a purchaser, you can make a difference!

- Ask your health plan how they are rewarding providers who are delivering value
- Talk to providers with integrated networks
- Ask to see data on quality



Available Resources

- Healthier Washington – ACP Resources can be found on the [Paying for Value web page](#), which includes the following documents:
 - Fact sheet
 - RFA for Accountable Care Program
 - Redacted contracts, attachments and exhibits
 - Webinar series schedule
- 1:1 Purchaser consultation
- National Purchaser conference
www.lansummit.org



Thank You

- Next Webinar: ACP Contracts – Financial Approach and Risk Sharing
 - May 9, 1 to 2 p.m.
 - [Register](#)
- Feedback survey
- For more information, please contact:

JD Fischer
Health Care Authority
jd.fischer@hca.wa.gov
(360)725-1061