Washington Rural Multi-Payer Model

Overview

The Rural Multi-Payer Model seeks to transform health care in Washington's rural regions to ensure care focuses on whole-person health, build healthier communities through regional and collaborative approaches, and ensure sustainable access to health care in rural areas. By leading with the way providers are paid, and aligning with incentives to transform the delivery system, Washington can build sustainable solutions for payers and providers that increase health access across rural communities.

Currently, access to care is limited in rural regions and rural populations tend to have higher risks of morbidity and mortality. Rural providers face thin margins and underutilization. Providers face recruitment and retention challenges and relationships with larger systems have not benefited rural providers. The Rural Multi-Payer Model seeks to address these issues through fundamental transformation of the rural health delivery system.

Goals

There are four key goals of the Rural Multi-Payer Model:

1. *Value-based payment reform –* focusing on patient-centered solutions that will reward rural providers for the value of care delivered, not for the volume of care delivered, by aligning payment to providers with improved outcomes for patients and populations.
2. *Sustainable solutions for maintaining and increasing access –* addressing the unique challenges of rural health delivery and helping to maintain and increase access to essential health services. These solutions will allow rural providers to be successful under value-based purchasing arrangements.
3. *Delivery system transformation –* incentivizing delivery system integration and seeking to streamline provider requirements. This will include aligned payment systems, cross-cutting incentive structures, consistent quality metrics, and regulatory flexibility.
4. *Patient engagement –* delivering the right care, at the right place, at the right time, and ensuring that each patient is engaged with the local health care delivery system.

Opportunity

The opportunities to health plans and providers are:

- *Access to data –* Providers will have access to integrated, multi-payer, population health data to manage their attributed population to drive care pathways.

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- *Flexibility –* Providers will be given flexibility in the way care is delivered and will have sustainable financing for new innovations that reduce cost and improve care. Primary care teams can be developed that are built outside of the 'visit.'
- *Predictability –* Providers will have a predictable budget that they will manage to and will not be forced to manage to the number of visits. This budget will include allocated payments from all participating payers to help to create sustainability over time.
- *Care transformation –* By addressing primary care in the model, providers will be incentivized to coordinate across the care continuum and will be able to drive better health outcomes by moving care upstream and outside of the walls of the hospital. With established budgets, providers will be able to scale services without being financially penalized.
- *Shared accountability –* Accountability will be shared between providers and payers. It will not be entirely on the provider to perform, but will be a partnership between payers and providers.
- *Incentive payments for quality –* Providers will have the opportunity to receive incentive payments for improved outcomes and reduced costs.

Model construct

The core provider in rural regions tends to be the local hospital, however, cross staffing and value creation relies on creating more timely interventions that push outside of the brick and mortar of the hospital. Based on this, the Rural Multi-Payer Model addresses primary care and hospital services under a budgeted approach that rewards for value. The basic construct of the proposal is:

Quality Performance	Total cost of care pool (TCOC)	
	Hospital Services (IP/OP, including ER, observation, ancillary, swing-beds)	• Baseline budget – Total patient revenue (TPR) • Trending of the budget • Payer allocation of the budget • Retrospective adjustments and reconciliation of the budget • Prospective adjustments of the budget • Encounter-based payments (EBP)
	Primary Care (RHCs and PCP related services)	• Per-member-per-month (PMPM) • Prospective quality adjustments • Encounter based payments (EBP)

This construct:

- Does not require changes to current billing and is a 'budget true-up.'
- Aligns payers and providers across rural regions and focuses efforts on improved outcomes for shared benefit.
- Provides market stability for payers and providers.