



Paying for Value

Laura Kate Zaichkin
Deputy Chief Policy Officer
September 22, 2016

HCA: purchaser, convener, innovator



Purchases health care for over 2.2 million people through Medicaid (Apple Health) and Public Employees Benefits (PEBB) Program



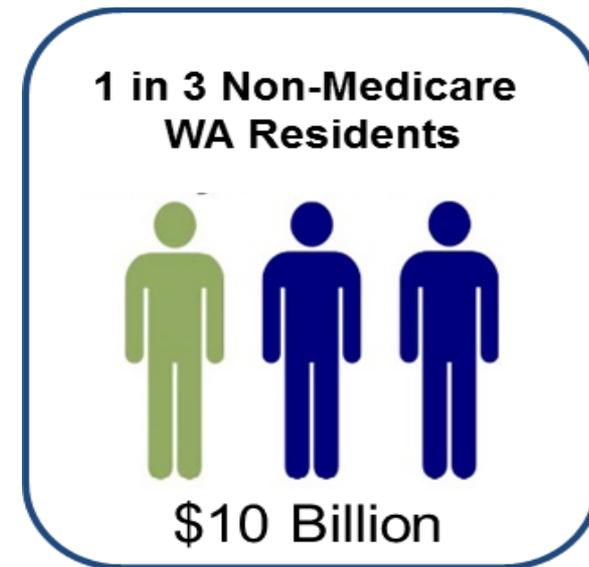
\$10 billion annual spend



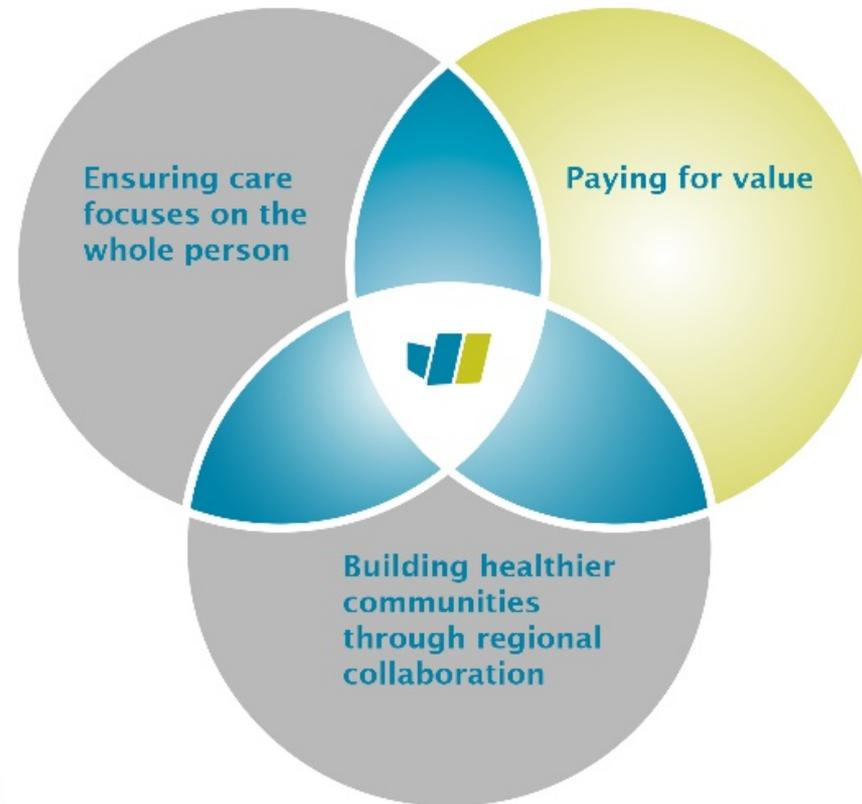
Large network overlap between both programs



Value-based purchasing mandate



Healthier Washington



What is "Paying for Value?"



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

HCA purchasing goals

By 2021:

- 90 percent of state-financed health care and 50 percent of commercial health care will be in value-based payment arrangements (measured at the provider/practice level).
- Washington's annual health care cost growth will be below the national health expenditure trend.

Key strategies



HCA Value-Based Road Map

- Reward patient-centered, high quality care
- Reward health plan and system performance
- Align payment and reforms with CMS
- Improve outcomes
- Drive standardization
- Increase sustainability of state health programs
- Triple Aim

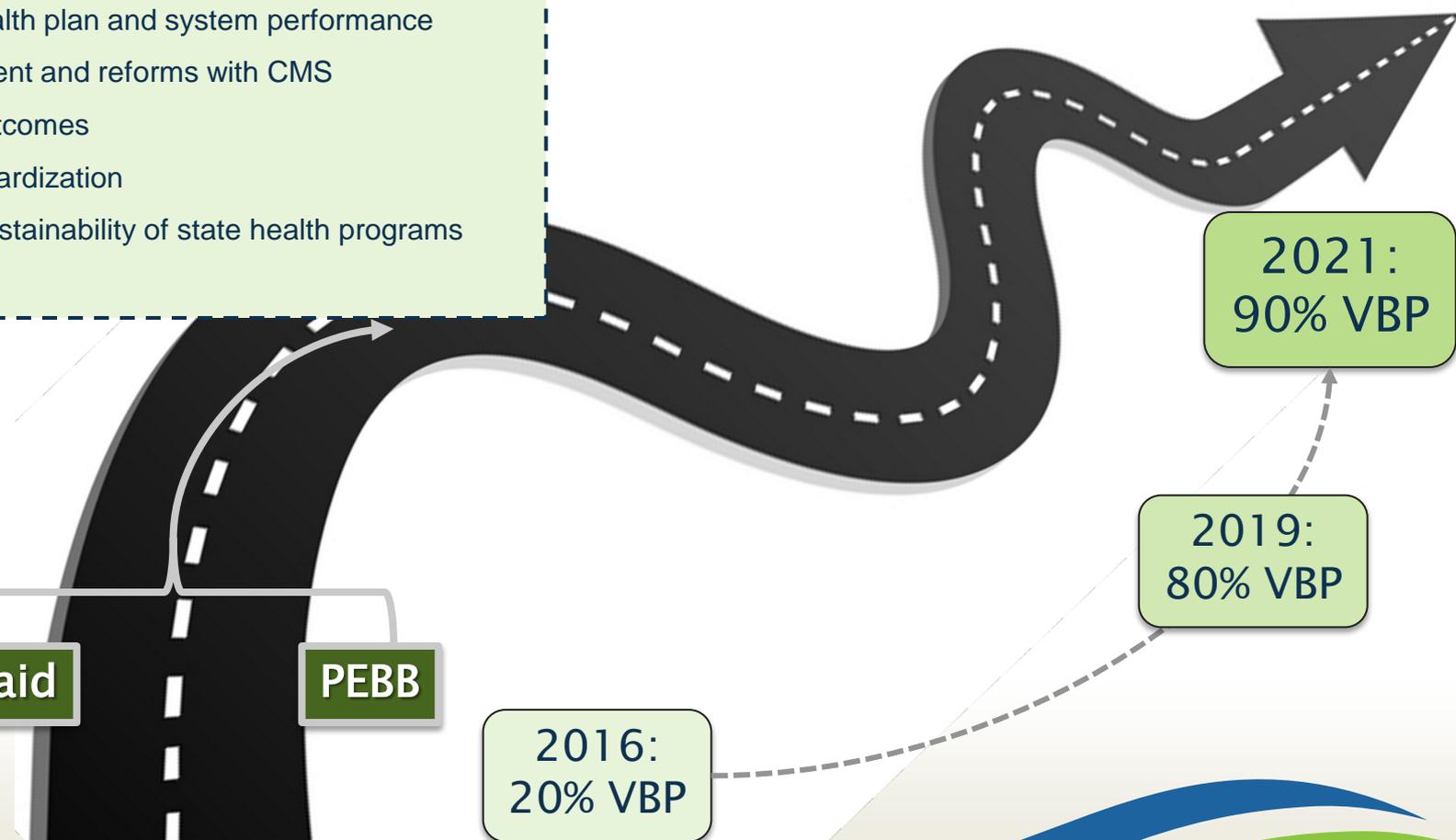
Medicaid

PEBB

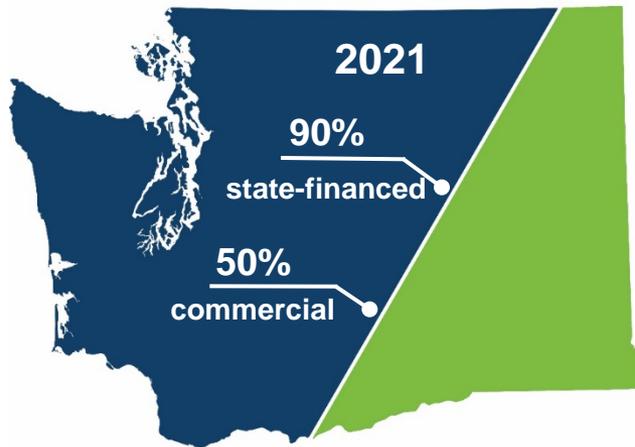
2016:
20% VBP

2019:
80% VBP

2021:
90% VBP

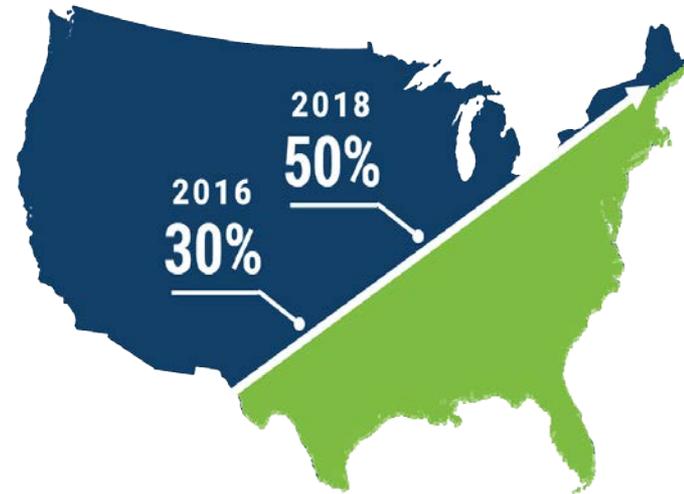


HCA and Medicare's VBP goals



2021
90%
50%

In 2021, at least **90%** of state-financed health care payments and **50%** of commercial health care payments are linked to quality and value through APMs (Categories 2c-4b)



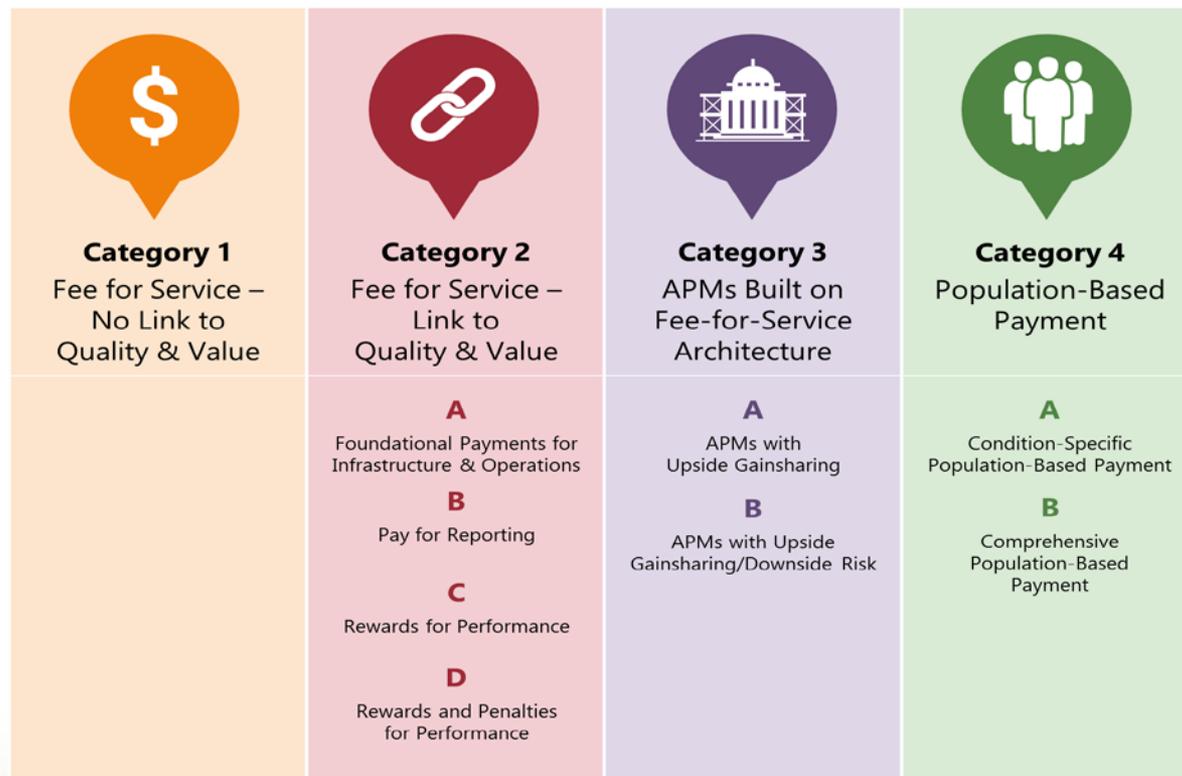
2016
30%

In 2016, at least **30%** of Medicare payments are linked to quality and value through APMs

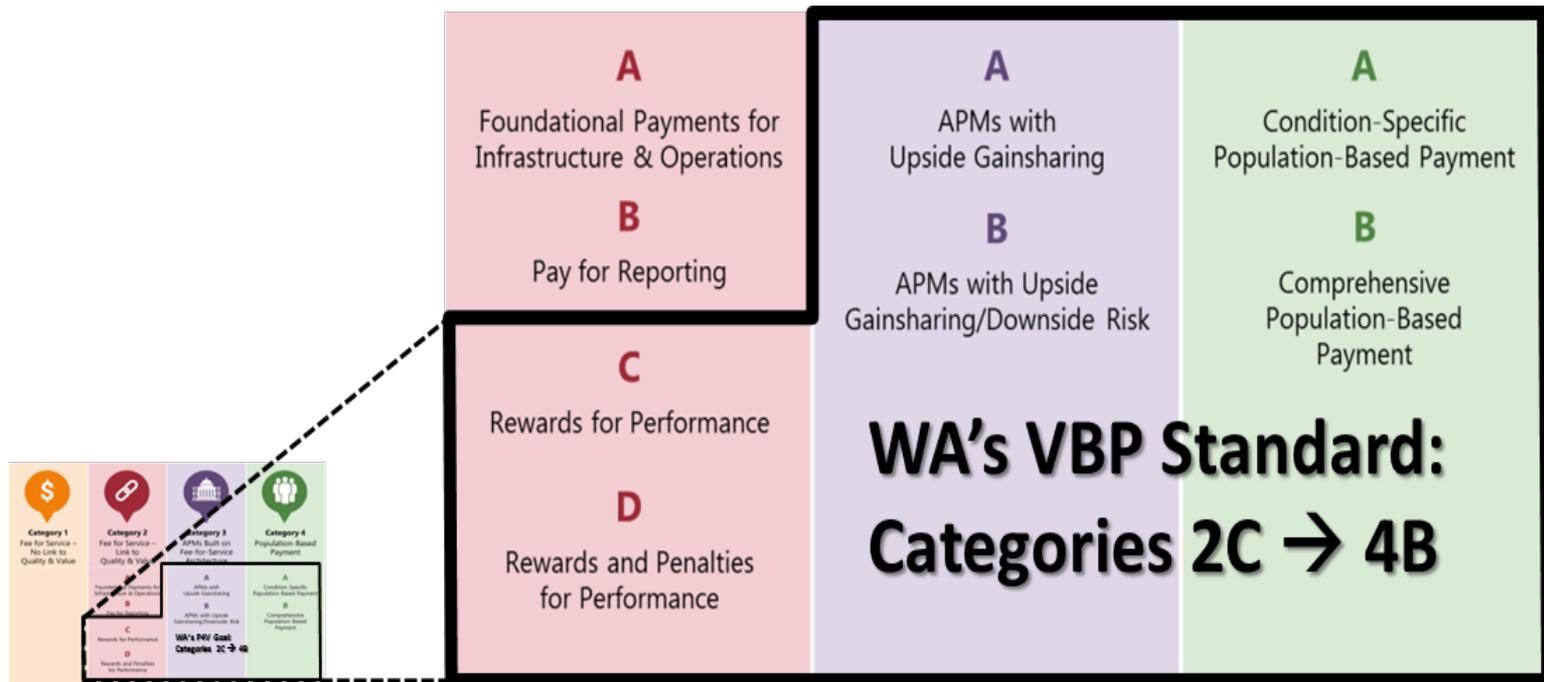
2018
50%

In 2018, at least **50%** of Medicare payments are linked to quality and value through APMs

Defining Value-Based Payments using CMS' Alternative Payment Model Framework



Alignment with CMS' Alternative Payment Models Framework



Prescription Drug Costs Included in State's VBP Strategy

Accountable Care Program for Public Employees – 2016

- Alternative Payment Model: Upside and downside risk for a defined population
- Two networks accountable for public employees' costs and quality
 - Costs include prescription drug costs
- Quality – improvement and achieving targets for Rx related quality measures
 - CAD statin prescribed and adherence
 - Depression medication management

Paying for Value Take-aways

- HCA is transforming the way it purchases health care.
- HCA is aligning its business with national movement away from fee-for-service to payments based on value.
- End result is better care, healthier people, and lower costs for Washington residents.

Questions & Dialogue

More Information:

www.hca.wa.gov

Laura Kate Zaichkin, Deputy
Chief Policy Officer

laura.zaichkin@hca.wa.gov

Tel: 360-725-1635