



Transforming Payment for a Healthier Ohio

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Columbus Medical Association
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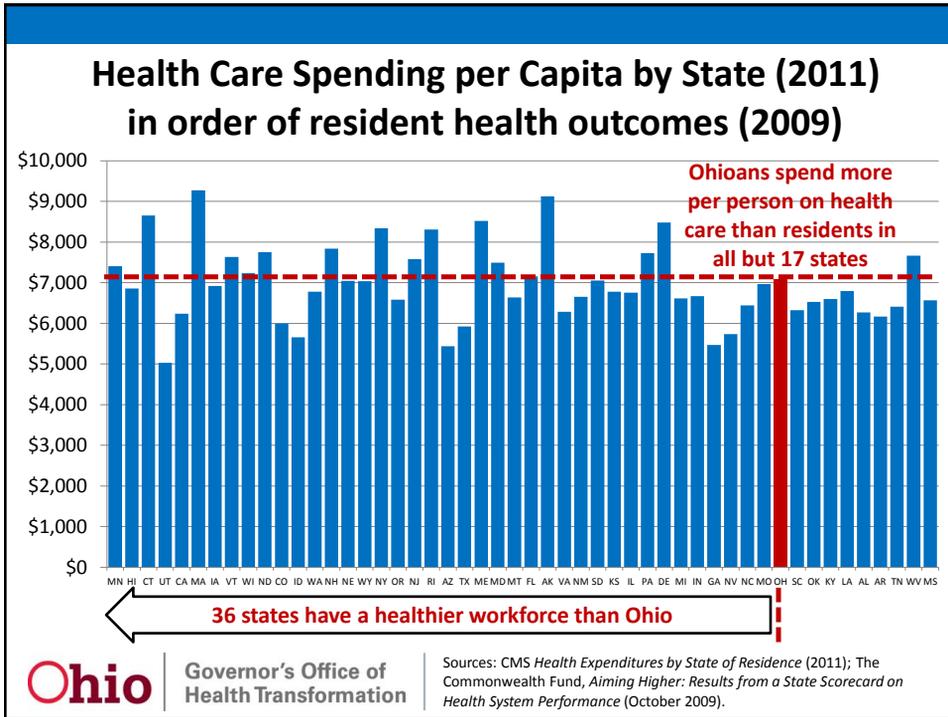
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Innovation Framework

Modernize Medicaid	Streamline Health and Human Services	Pay for Value
<i>Initiate in 2011</i>	<i>Initiate in 2012</i>	<i>Initiate in 2013</i>
<i>Advance the Governor Kasich's Medicaid modernization and cost containment priorities</i>	<i>Share services to increase efficiency, right-size state and local service capacity, and streamline governance</i>	<i>Engage private sector partners to set clear expectations for better health, better care and cost savings through improvement</i>
<ul style="list-style-type: none"> Extend Medicaid coverage to more low-income Ohioans Eliminate fraud and abuse Prioritize home and community services Reform nursing facility payment Enhance community DD services Integrate Medicare and Medicaid benefits Rebuild community behavioral health system capacity Create health homes for people with mental illness Restructure behavioral health system financing Improve Medicaid managed care plan performance 	<ul style="list-style-type: none"> Create the Office of Health Transformation (2011) Implement a new Medicaid claims payment system (2011) Create a unified Medicaid budget and accounting system (2013) Create a cabinet-level Medicaid Department (July 2013) Consolidate mental health and addiction services (July 2013) Simplify and replace Ohio's 34-year-old eligibility system Coordinate programs for children Share services across local jurisdictions Recommend a permanent HHS governance structure 	<ul style="list-style-type: none"> Participate in Catalyst for Payment Reform Support regional payment reform initiatives Pay for value instead of volume (State Innovation Model Grant) <ul style="list-style-type: none"> Provide access to medical homes for most Ohioans Use episode-based payments for acute events Coordinate health information infrastructure Coordinate health sector workforce programs Report and measure system performance



In fee-for-service, we get what we pay for

- **More volume** – to the extent fee-for-service payments exceed costs of additional services, they encourage providers to deliver more services and more expensive services
- **More fragmentation** – paying separate fees for each individual service to different providers perpetuates uncoordinated care
- **More variation** – separate fees also accommodate wide variation in treatment patterns for patients with the same condition – variations that are not evidence-based
- **No assurance of quality** – fees are typically the same regardless of the quality of care, and in some cases (e.g., avoidable hospital readmissions) total payments are greater for lower-quality care



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Source: UnitedHealth, *Farewell to Fee-for-Service: a real world strategy for health care payment reform* (December 2012)

Ohio | Governor's Office of Health Transformation | **5-Year Goal for Payment Innovation**

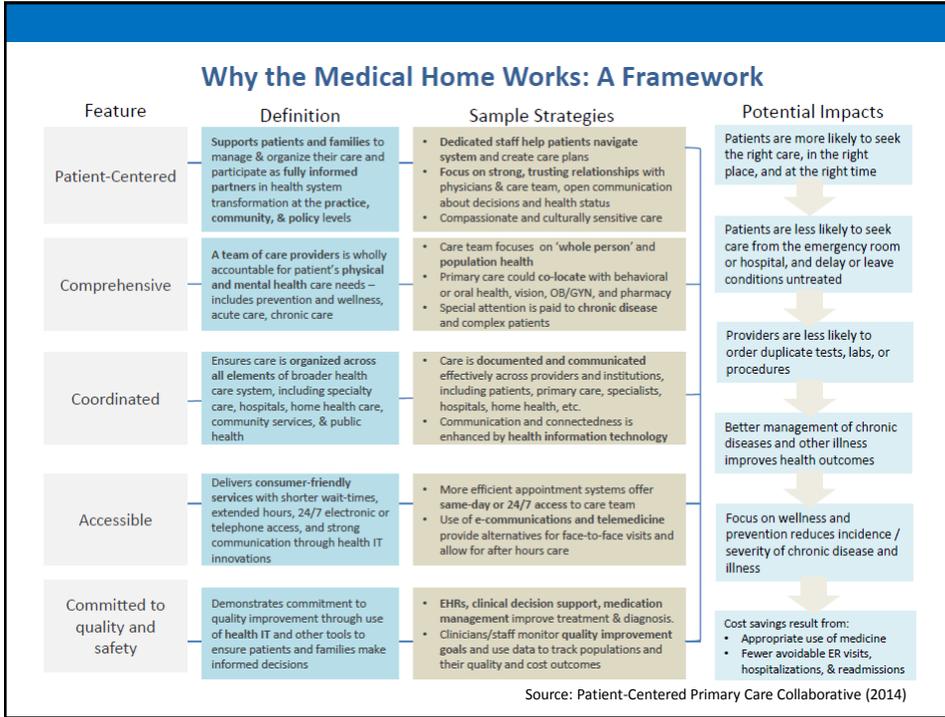
Goal 80-90 percent of Ohio's population in some value-based payment model (combination of episodes- and population-based payment) within five years

- State's Role**
- Shift rapidly to PCMH and episode model in Medicaid fee-for-service
 - Require Medicaid MCO partners to participate and implement
 - Incorporate into contracts of MCOs for state employee benefit program

	Patient-centered medical homes	Episode-based payments
Year 1	<ul style="list-style-type: none"> ▪ In 2014 focus on Comprehensive Primary Care Initiative (CPCI) ▪ Payers agree to participate in design for elements where standardization and/or alignment is critical ▪ Multi-payer group begins enrollment strategy for one additional market 	<ul style="list-style-type: none"> ▪ State leads design of five episodes: asthma acute exacerbation, perinatal, COPD exacerbation, PCI, and joint replacement ▪ Payers agree to participate in design process, launch reporting on at least 3 of 5 episodes in 2014 and tie to payment within year
Year 3	<ul style="list-style-type: none"> ▪ Model rolled out to all major markets ▪ 50% of patients are enrolled 	<ul style="list-style-type: none"> ▪ 20 episodes defined and launched across payers
Year 5	<ul style="list-style-type: none"> ▪ Scale achieved state-wide ▪ 80% of patients are enrolled 	<ul style="list-style-type: none"> ▪ 50+ episodes defined and launched across payers

Ohio's Health Care Payment Innovation Partners:





Regional Health Improvement Collaboratives

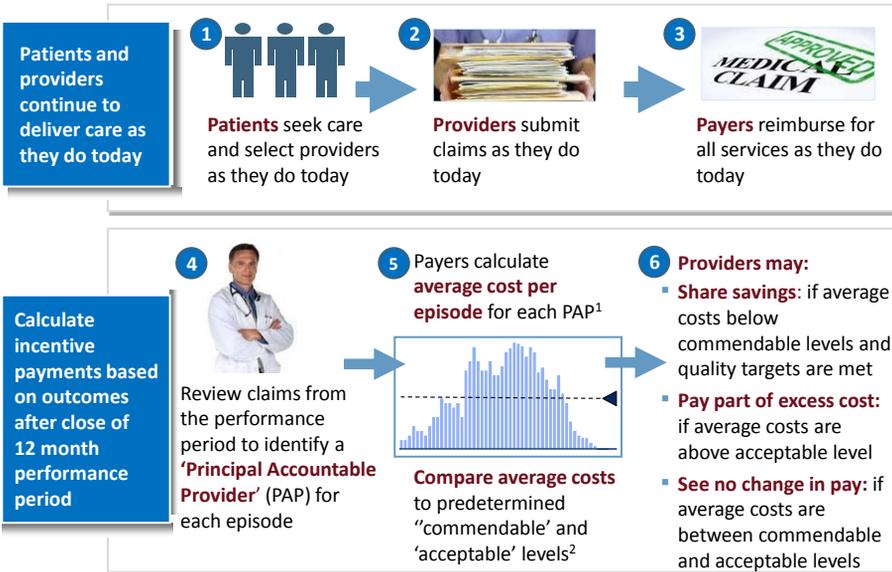
**Better Health
Greater Cleveland**
An Alliance for Improved Health Care

Healthcare Collaborative
of Greater Columbus

**the Health
Collaborative**
where collaboration creates transformation

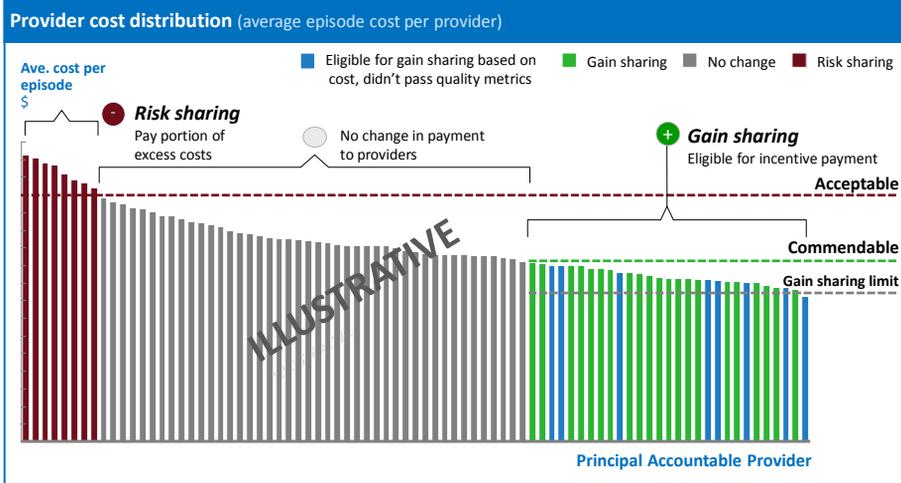
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Retrospective episode model mechanics



SOURCE: Arkansas Payment Improvement Initiative

Retrospective thresholds reward cost-efficient, high-quality care

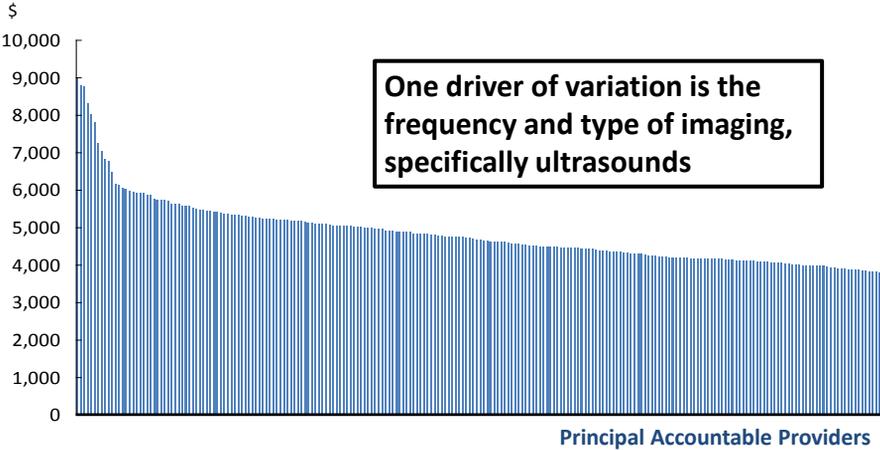


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SOURCE: Arkansas Payment Improvement Initiative; each vertical bar represents the average cost for a provider, sorted from highest to lowest average cost

Variation across the perinatal episode

Average cost per episode, risk adjusted, excluding outliers

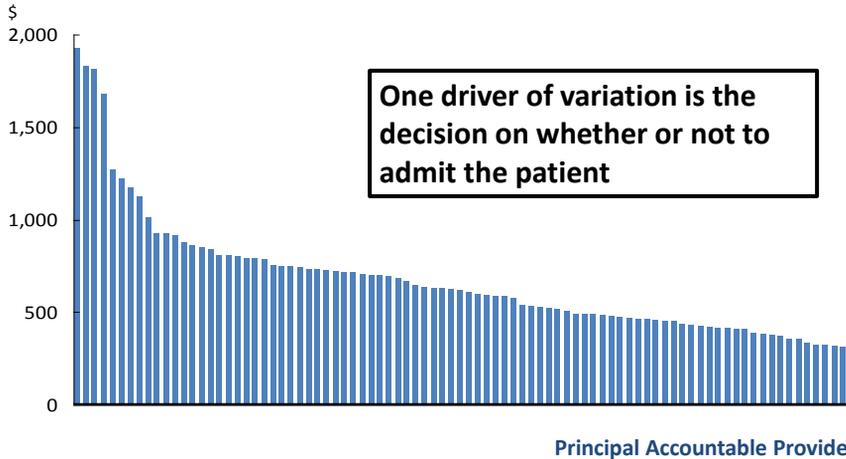


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NOTES: Average episode spend distribution for PAPs with five or more episodes; each vertical bar represents the average spend for one PAP. SOURCE: Analysis of Ohio Medicaid claims data, 2013-14.

Variation across the asthma episode

Average cost per episode, risk adjusted, excluding outliers



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NOTES: Average episode spend distribution for PAPs with five or more episodes; each vertical bar represents the average spend for one PAP. SOURCE: Analysis of Ohio Medicaid claims data, 2013-14.



This is a sample report; the actual report is under development

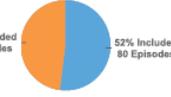


EPISODE of CARE PAYMENT REPORT

PERINATAL Jul 1, 2013 to Jun 30, 2014

Reporting period covering episodes that ended between July 1, 2013 and June 30, 2014
 PAYER NAME: Ohio - Medicaid FFS PROVIDER CODE: 1234567 PROVIDER NAME: XYZ Women's Health Center

You would be eligible for gain or risk sharing of **N/A¹**

Episodes inclusion and exclusion	Risk adjusted average spend per episode								
<p>Total episodes: 154</p> <div style="text-align: center;">  <p>48% Excluded 74 Episodes</p> <p>52% Included 80 Episodes</p> </div>	<p>Distribution of provider average episode spend (risk adj.)</p> 								
Episodes risk adjustment	Quality metrics								
<p>95% of your episodes have been risk adjusted</p>	<p>Your performance on quality metrics that will be ultimately linked to gain sharing</p> <table style="width: 100%; font-size: x-small;"> <tr><td>HIV screening</td><td style="text-align: right;">53%</td></tr> <tr><td>GBS screening</td><td style="text-align: right;">71%</td></tr> <tr><td>C-section</td><td style="text-align: right;">31%</td></tr> <tr><td>Follow-up visit</td><td style="text-align: right;">30%</td></tr> </table>	HIV screening	53%	GBS screening	71%	C-section	31%	Follow-up visit	30%
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GBS screening	71%								
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Follow-up visit	30%								
Potential gain/risk share									
N/A ¹									

¹ Not applicable during reporting-only period
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Transforming Clinical Practices Initiative

- **Practice Transformation Networks**
 - Peer-based learning networks designed to coach, mentor and assist clinicians in developing core competencies specific to practice transformation
 - CMS will award funding to applicants who have pre-existing relationships with multiple clinician practices that include data sharing capabilities
 - Letter of Intent (11/20/2014) and application (1/6/2015)
- **Support and Alignment Networks**
 - Provide a system for workforce development utilizing national and regional professional associations and public-private partnerships that are currently working in practice transformation efforts
 - CMS will award funding to medical professional associations, specialty societies, and other organizations
 - Letter of Intent (11/20/2014) and application (1/6/2015)



Source: CMS Funding Opportunity Announcement:
<http://innovation.cms.gov/initiatives/Transforming-Clinical-Practices/>

Health Transformation Next Steps

- Communicate next steps on payment innovation to health care provider associations (Nov 12) and all stakeholders (Nov 20)
- Expect Ohio to receive federal SIM Test Award (Nov/Dec)
- Announce the official release date for episode reports (Nov/Dec)
- Coordinate Ohio’s Provider Transformation Network application (Nov 20 LOI and Jan 6 application)
- SIM Test Award activities (Jan 2015 – Dec 2018)
- Launch reporting for first six episodes (Q1 2015)





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CURRENT INITIATIVES | BUDGETS | NEWSROOM | CONTACT | VIDEO



Current Initiatives

Ohio’s Innovation Model Test Grant Application

- Population Health Plan
- Delivery System Plan
- Payment Models
- Regulatory Plan
- HIT Plan
- Stakeholder Engagement
- Quality Measurement

Multi-Payer PCMH Charter

- Multi-Payer Episode Charter
- Detailed Episode Definitions

Modernize Medicaid
 Extend Medicaid coverage to more low-income Ohioans
 Reform nursing facility reimbursement
 Integrate Medicare and Medicaid benefits
 Prioritize home and community based services
 Create health homes for people with mental illness
 Rebuild community behavioral health system capacity
 Enhance community developmental disabilities services
 Improve Medicaid managed care plan performance

Streamline Health and Human Services
 Implement a new Medicaid claims payment system
 Create a cabinet-level Medicaid department
 Consolidate mental health and addiction services
 Simplify and integrate eligibility determination
 Coordinate programs for children
 Share services across local jurisdictions

Pay for Value
 Engage partners to align payment innovation
 Provide access to patient-centered medical homes
 Implement episode-based payments
 Coordinate health information technology infrastructure
 Coordinate health sector workforce programs
 Support regional payment reform initiatives
 Federal Health Insurance Exchange