



Governor's Office of
Health Transformation









Episode-Based Payment Summary of Ohio Activity

November 2, 2013

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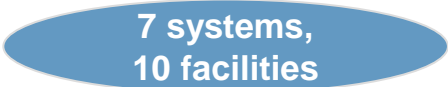
Overview of episode-based payment pilots

■ Ohio specific

Pilot	Initiator	Year	# of providers involved	# of episodes	Payment model	Details
	Geisinger	2006	1	8	Prospective	<ul style="list-style-type: none"> Developed best-practice path Reduced readmits 20% Initial demonstration - CABG
	Robert Wood Foundation	2007	19	21 developed	Prospective	<ul style="list-style-type: none"> Patient specific bundle Part of payment tied to quality metrics
	Medicare	2009	5 health systems	10	Prospective	<ul style="list-style-type: none"> Post-discharge not included Share savings w/ beneficiary 5 cardiac, 5 ortho
	Integrated Healthcare Association	2011	California hospitals	1 live; 10 developed	Prospective	<ul style="list-style-type: none"> Non-profit multi-stakeholder groups Span multiple payers
	State	2012	1000 providers w/ first 5 episodes	5 live; 10 additional developed	Retrospective	<ul style="list-style-type: none"> Span multiple care types Principal accountable provider identified for each
	Medicare	2013	> 500 providers nationwide	48	Pro- and retrospective	<ul style="list-style-type: none"> Four models, includes both retro- and prospective
	Cleveland Clinic	2010	1	1	Prospective	<ul style="list-style-type: none"> D2E partnership for cardiac care No additional fee to patient
	United	2010	5 oncology groups	19	Prospective	<ul style="list-style-type: none"> Upfront fee covers 6 – 12 months of care All cancer related

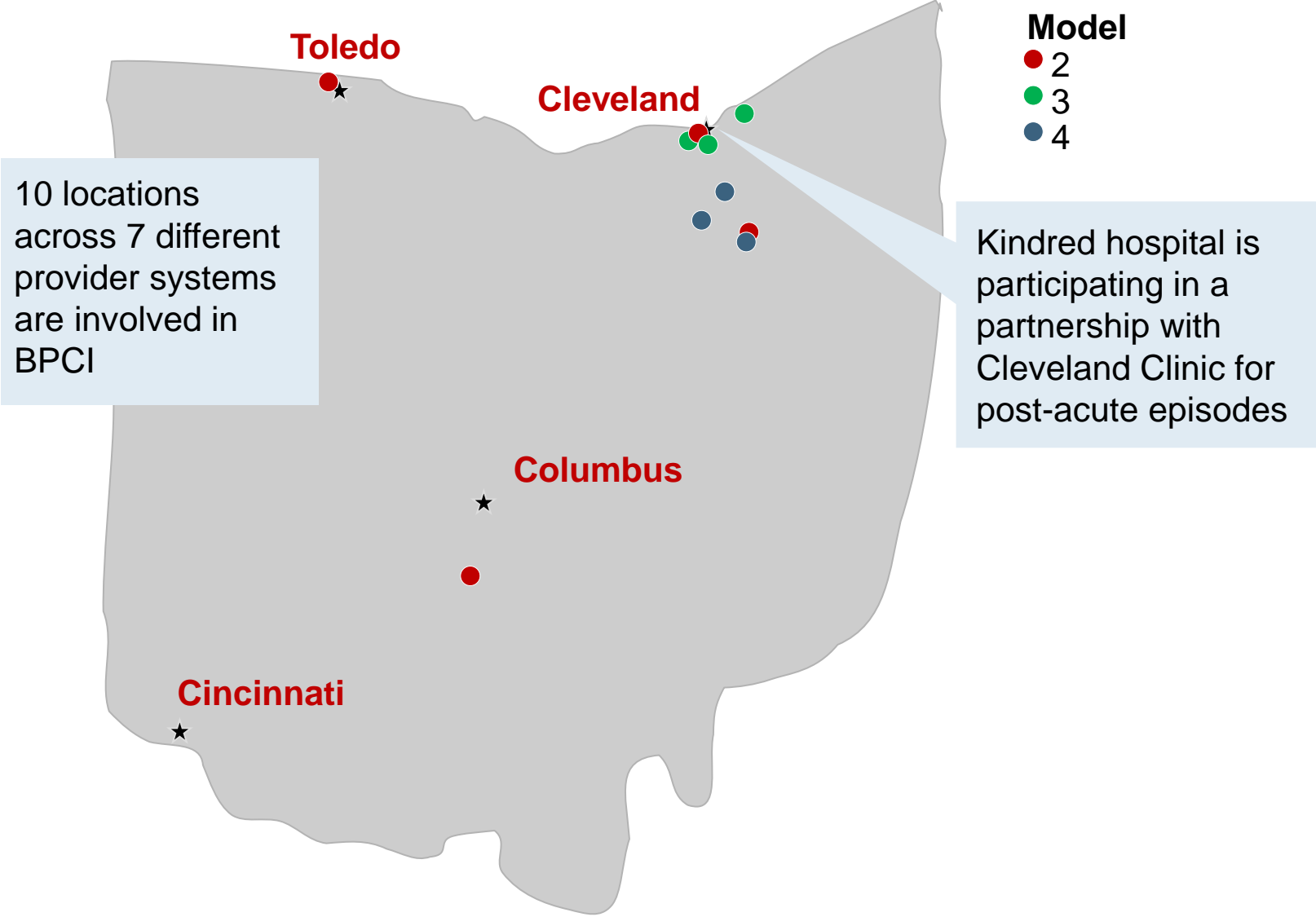
SOURCE: See appendix pages for details and sources

Multiple Ohio hospitals are participating in the CMS Bundled Payment for Care Improvement (BPCI) initiative

Model #	Description	Hospitals participating	# of Episodes
Model 1	<ul style="list-style-type: none"> Retrospective Acute care only 	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> N/A
Model 2	<ul style="list-style-type: none"> Retrospective Acute care + post-acute time window (e.g., 30, 60, 90 days) 	<ul style="list-style-type: none"> Aultman Berger CCF Mercy St. Vincent (Toledo) 	<ul style="list-style-type: none"> 1 4 1 4
Model 3	<ul style="list-style-type: none"> Retrospective Post-acute care only 	<ul style="list-style-type: none"> Kindred (3 facilities) 	<ul style="list-style-type: none"> 7
Model 4	<ul style="list-style-type: none"> Prospective Acute care + 30 day post-acute window 	<ul style="list-style-type: none"> Mercy (Canton) Summa (Akron and Barberton) 	<ul style="list-style-type: none"> 2 6
TOTAL		 <p>7 systems, 10 facilities</p>	

SOURCE: CMS CMMI website, May 2013

Locations across Ohio involved in the Bundled Payment for Care Improvement Initiative (BPCI)



SOURCE: CMS CMMI website, May 2013

Joint replacement is the most frequently chosen episode for Ohio providers

Service line	Episodes in Ohio	Model 2	Model 3	Model 4	Number of providers
Orthopedics	▪ Joint replacement – Upper extremity	✓			1
	▪ Joint replacement – Lower extremity	✓	✓	✓	4
	▪ Dual joint replacement – Lower only			✓	1
	▪ Hip / femur, excludes joint replacement		✓		1
Pulmonology	▪ COPD, bronchitis / asthma	✓	✓		2
	▪ Simple pneumonia & respiratory infections	✓	✓		2
	▪ Other respiratory infections		✓		1
Cardiology	▪ CABG	✓		✓	2
	▪ Chronic heart failure		✓		1
	▪ Percutaneous coronary intervention			✓	1
	▪ Pacemaker replacement / revision			✓	1
	▪ Pacemaker			✓	1
	▪ Cardiac Valve			✓	1
	▪ Cardiac defibrillator			✓	1
Neurology	▪ Stroke	✓			1
Other	▪ Sepsis		✓		1

SOURCE: CMS CMMI website, May 2013

Additional examples of payer or provider specific episode-based payment models in Ohio



- Direct to employer partnership for cardiovascular care
- To date at least 7 companies, including Kohl's, Walmart, Lowes, and Boeing are participating
- Care is provided at no fee to patient



- Partnership with 5 oncology groups (one Dayton-based), to offer bundled payment rate for cancer care
- Each group chooses standard chemotherapy regimen across 19 clinical presentations
- Bundle renewed every 4 months if cancer returns



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

- 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

- 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

- Model rolled out to all major markets
- 50% of patients are enrolled

- 20 episodes defined and launched across payers

Year 5

- Scale achieved state-wide
- 80% of patients are enrolled

- 50+ episodes defined and launched across payers