Transforming Payment for a Healthier Ohio

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Ohio can get better value from what is spent on health care

Health Care Spending per Capita by State (2011) in order of resident health outcomes (2014)

Ohioans spend more per person on health care than residents in all but 17 states.

29 states have a healthier workforce than Ohio.

Sources: CMS Health Expenditures by State of Residence (2011); The Commonwealth Fund, Aiming Higher: Results from a State Scorecard on Health System Performance (May 2014).
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.

Source: UnitedHealth, *Farewell to Fee-for-Service: a real world strategy for health care payment reform* (December 2012)
Most payers have implemented some form of pay for performance and at least begun to consider PCMH, episode or ACO alternatives.
Ohio’s State Innovation Model focuses on (1) increasing access to patient-centered medical homes and (2) implementing episode-based payments.

- **Fee for Service**: Payment for services rendered.
- **Pay for Performance**: Payment based on improvements in cost or outcomes.
- **Patient-Centered Medical Home**: Payment encourages primary care practices to organize and deliver care that broaden access while improving care coordination, leading to better outcomes and a lower total cost of care.
- **Episode-Based Payment**: Payment based on performance in outcomes or cost for all of the services needed by a patient, across multiple providers, for a specific treatment condition.
- **Accountable Care Organization**: Payment goes to a local provider entity responsible for all of the health care and related expenditures for a defined population of patients.
Multi-payer participation is critical to achieve the scale necessary to drive meaningful transformation.
Ohio’s State Innovation Model (SIM) progress to date

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<th>Comprehensive Primary Care</th>
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This is an example of the multi-payer performance report format released in 2016.
Ohio’s episode timeline

Wave 1
- Perinatal, asthma exacerbation, COPD exacerbation, Acute PCI, Non-acute PCI, total joint replacement

Wave 2
- URI, UTI, cholecystectomy, appendectomy, upper GI endoscopy, colonoscopy, GI hemorrhage

Wave 3

Wave 4
- Design work begins on behavioral health episodes in July 2016...

Ohio Governor’s Office of Health Transformation
Ohio’s State Innovation Model (SIM) progress to date

### Episode-Based Payment
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### Comprehensive Primary Care
- **Care model and payment model** design in place for model to reach 80 percent of Ohio’s population
- **Statewide provider survey** gauged readiness for PCMH (570 responses)
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- **PCMH performance report** designed with provider/payer input
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Ohio’s Comprehensive Primary Care (CPC) Model

Requirements

1. **8 activity requirements**
   - Same-day appointments
   - 24/7 access to care
   - Risk stratification
   - Population management
   - Team-based care management
   - Follow up after hospital discharge
   - Tracking of follow up tests and specialist referrals
   - Patient experience

2. **5 Efficiency measures**
   - ED visits
   - Inpatient admissions for ambulatory sensitive conditions
   - Generic dispensing rate of select classes
   - Behavioral health related inpatient admits
   - Episodes-linked metric

3. **20 Clinical Measures**
   - Clinical measures aligned with CMS/AHIP core standards for PCMH

4. **Total Cost of Care**

Enhanced payments begin January 1, 2018 for any PCP that meets the requirements.

Payment Streams

- **PMPM**
  - Scoring weight shifts from standard processes and activities...
  - ...to efficiency and clinical quality over time

- **Shared Savings**
  - Must meet activity and efficiency targets

- **Quality gate**
  - Based on self-improvement & performance relative to peers
The Centers for Medicare & Medicaid Services (CMS) announced an initiative to transform how primary care is delivered and paid.

The CPC+ model will be implemented in up to 20 regions and include up to 5,000 practices, 20,000 doctors and clinicians, and the 25 million people they serve.

CMS will select regions for CPC+ where there is sufficient interest from multiple payers to support practices’ participation.

Under the CPC+ model, Medicare will partner with commercial and state health insurance plans to financially support primary care practices in delivering advanced primary care.

Application Process for CPC+

April 15 – June 8
Payers submit applications
- Preference given to CPCi and MAPCP participants, and Medicaid SIM states
- States may need additional waivers/SPAs to apply
- **State created a template for payers to apply**

June 8 – July 15
20 Regions Selected
- CMS evaluates payers and selects regions based on payer footprint
- 20 regions to be selected – intent to award to the 7 current CPCi regions plus 13 new regions
- Regional size and boundaries to be determined

July 15 – Sept. 1
Practices submit applications
- Practices in selected regions eligible to apply
- Application includes program integrity check, questions regarding care model, and letters of support including from IT vendor
- **State will create a template for practices to apply**

Sept. 1 – Dec. 31
5,000 practices selected
- Evaluation based on practice diversity (e.g., size, location)
- CMS-selected practices eligible for CPC+ Medicare payments beginning January 1, 2017
Ohio’s State Innovation Model (SIM) Partners

- Anthem
- Medical Mutual
- Aetna
- UnitedHealthcare
- CareSource
- Molina Healthcare
- Paramount Advantage
- Buckeye Health Plan
State Innovation Model:

• Overview Presentations
• Comprehensive Primary Care (CPC) payment model
• Episode-based payment model
• Population health plan
• Health IT plan