



Governor's Office of
Health Transformation

Transforming Payment for a Healthier Ohio

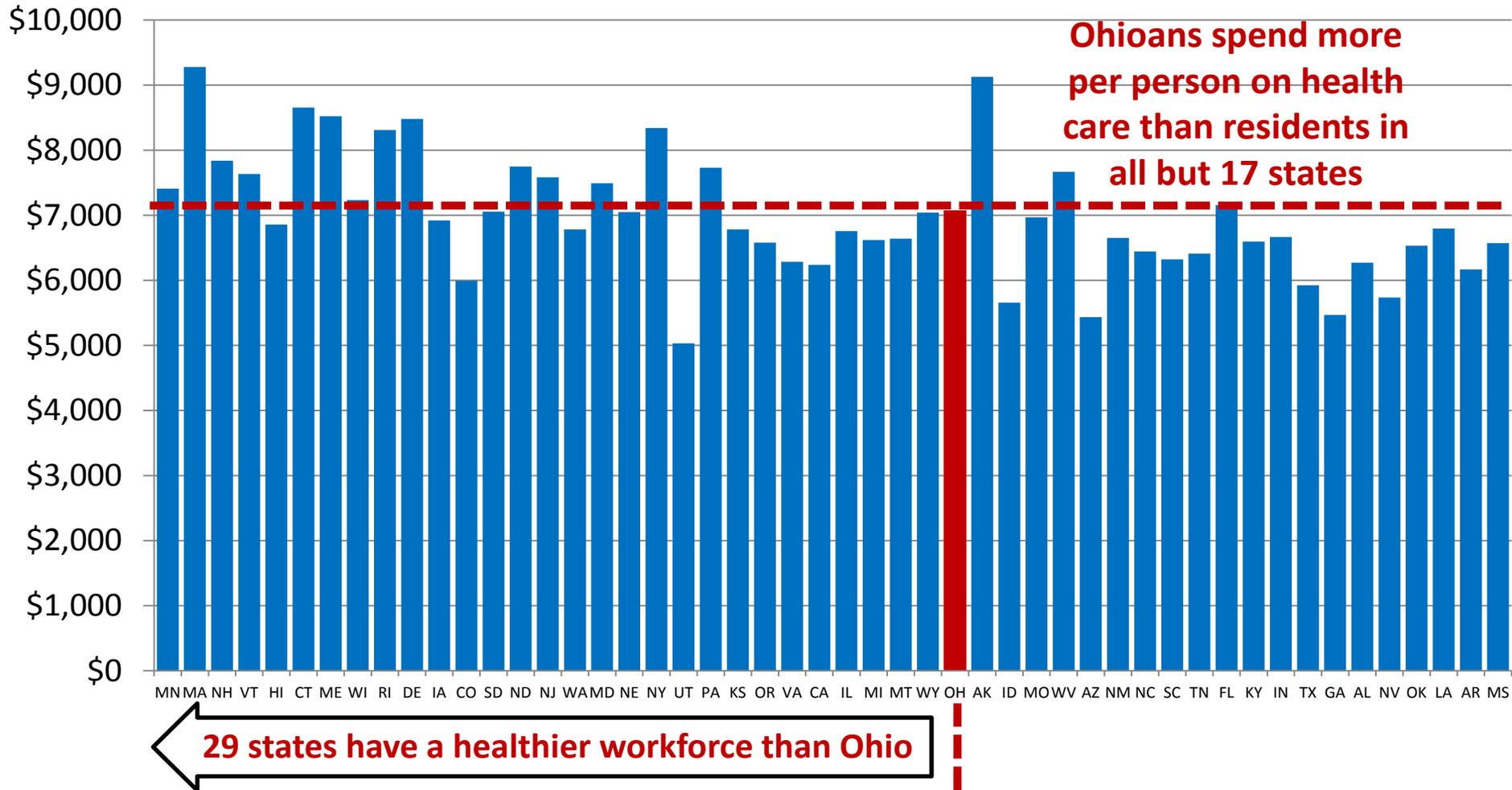
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Governor's Office of Health Transformation

OPERS Forum for Employers
June 6, 2016

www.HealthTransformation.Ohio.gov

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)



Governor's Office of Health Transformation

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

Value-Based Alternatives to Fee-for Service

Fee for Service

Incentive-Based Payment

Transfer Risk

Most payers have implemented some form of pay for performance and at least begun to consider PCMH, episode or ACO alternatives

Fee for Service

Pay for Performance

Patient-Centered Medical Home

Episode-Based Payment

Accountable Care Organization

Payment for services rendered

Payment based on improvements in cost or outcomes

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

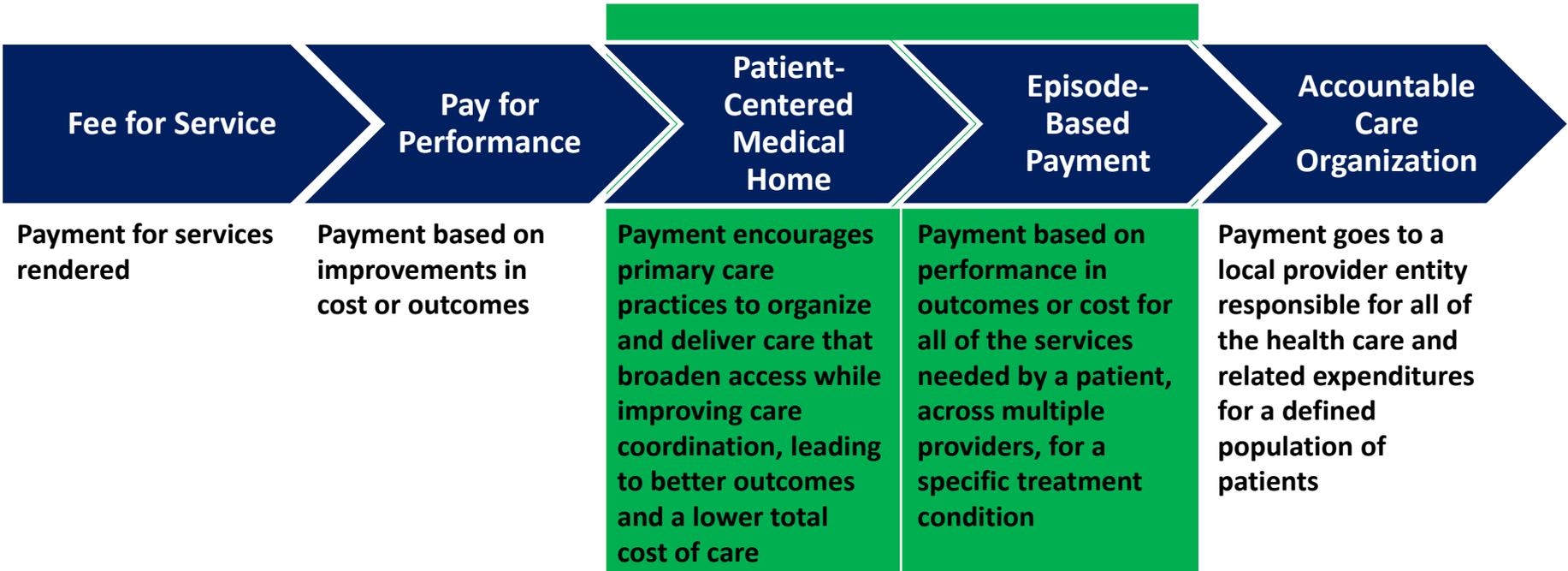
Payment based on performance in outcomes or cost for all of the services needed by a patient, across multiple providers, for a specific treatment condition

Payment goes to a local provider entity responsible for all of the health care and related expenditures for a defined population of patients

Ohio's Value-Based Alternatives to Fee-for Service



Ohio's State Innovation Model focuses on (1) increasing access to patient-centered medical homes and (2) implementing episode-based payments



Multi-payer participation is critical to achieve the scale necessary to drive meaningful transformation



Ohio's State Innovation Model (SIM) progress to date

Episode-Based Payment

- **13 episodes** designed across seven clinical advisory groups (CAGs)
- **30 additional episodes** under development to launch in 2017
- **Nine payers** released performance reports on first wave of 6 episodes
- State set **thresholds for performance** payments across Medicaid FFS and MCPs on first wave of episodes
- State released **performance reports** aggregated across Medicaid FFS and MCPs on second wave of 7 episodes
- **Executive Order** and rule require Medicaid provider participation

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)
- **Infrastructure plan** in place for attribution, enrollment, scoring, reporting, and payment
- **PCMH performance report** designed with provider/payer input
- **State provided a template for payers to apply for CPC+** (a similar template is under development for providers)

EPISODE of CARE PROVIDER REPORT

EPISODE NAME

Q1 + Q2 YYYY

Reporting period covering episodes that ended between Start Date to End Date

PAYER: Payer Name

PROVIDER ID: PAP ID

PROVIDER: Provider Name

Eligibility requirements for gain or risk-sharing payments

- ✓ **Episode volume:** You have at least 5 episodes in the current performance period.
- ✓ **Spend:** Your average risk-adjusted spend per episode is below the commendable threshold.
- ⚠ **Quality:** You are not currently eligible for gain-sharing because you have not passed all quality metrics linked to gain-sharing.
- ⓘ **This report is informational only.** Eligibility for gain or risk-sharing will be determined at the end of the performance period and any applicable payments will be calculated at that time.

Episodes included, excluded & adjusted

Total episodes#

■ Included
■ Excluded



% of your episodes have been risk adjusted

Quality metrics

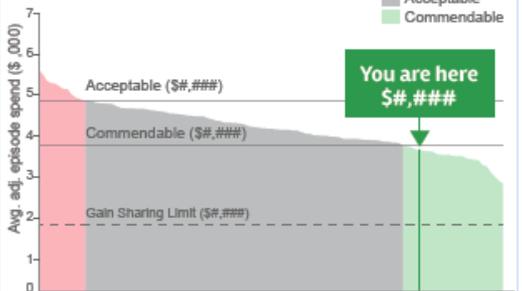
You achieved # of # quality metrics linked to gain sharing

Quality metric 01	##%	✓
Quality metric 02	##%	✓
Quality metric 03	##%	✗
Quality metric 04	##%	✗

Risk adjusted average spend per episode

Distribution of provider average episode spend (risk adj.)

■ Not acceptable
■ Acceptable
■ Commendable



Key performance

Rolling four quarters

■ Performance period 2016
■ Reporting period 2015

Avg adjusted episode spend (\$,000)	##,###	##,###	#,###	#,###	#,###
# of included episodes	#	#	#	#	#
Your spend percentile	##%	##%	##%	##%	##%

This is an example of the multi-payer performance report format released in 2016

DISCLAIMER: The information contained in these reports is intended solely for use in the administration of the Medicaid program. The data in the reports are neither intended nor suitable for other uses, including the selection of a health care provider. The figures in these reports are preliminary and are subject to revision. For more information, please visit <http://medicaid.ohio.gov/Providers/PaymentInnovation.aspx>.



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Ohio's episode timeline



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

Timeline: 2015 (Design), 2015 (Reporting only), 2016 (Performance Y1), 2017 (Performance Y2), 2018 (Performance Y3)

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

Timeline: 2016 (Design), 2016 (Reporting only), 2017 (Performance Y1), 2018 (Performance Y2)

Wave 3 | *Preliminary:* HIV, Hepatitis C, Neonatal, Hysterectomy, Bariatric surgery, Diabetic ketoacidosis, Lower back pain, Headache, CABG, Cardiac valve, congestive heart failure, Breast biopsy, Breast cancer, Mastectomy, Otitis, Simple pneumonia, Tonsillectomy, Shoulder sprain, Wrist sprain, Knee sprain, Ankle sprain, Hip/Pelvic fracture, Knee arthroscopy, Lumbar laminectomy, Spinal fusion exc. Cervical, Hernia procedures, Colon cancer, Pacemaker/defibrillator, Dialysis, Lung cancer, Bronchiolitis and RSV pneumonia, ADHD, Oppositional defiant disorder

Timeline: 2016 (Design), 2016 (Reporting only), 2017 (Performance Y1)

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

Timeline: 2016 (Design), 2017 (Reporting Only)

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Ohio's Comprehensive Primary Care (CPC) Model



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

Federal Comprehensive Primary Care Plus (CPC+) Model

- 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



www.HealthTransformation.Ohio.gov

CURRENT INITIATIVES

BUDGETS

NEWSROOM

CONTACT

VIDEO



Current Initiatives

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

- Support Human Services Innovation
- 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 Marketplace Exchange

State Innovation Model:

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