

Executive Committee Planning & Evaluation Committee

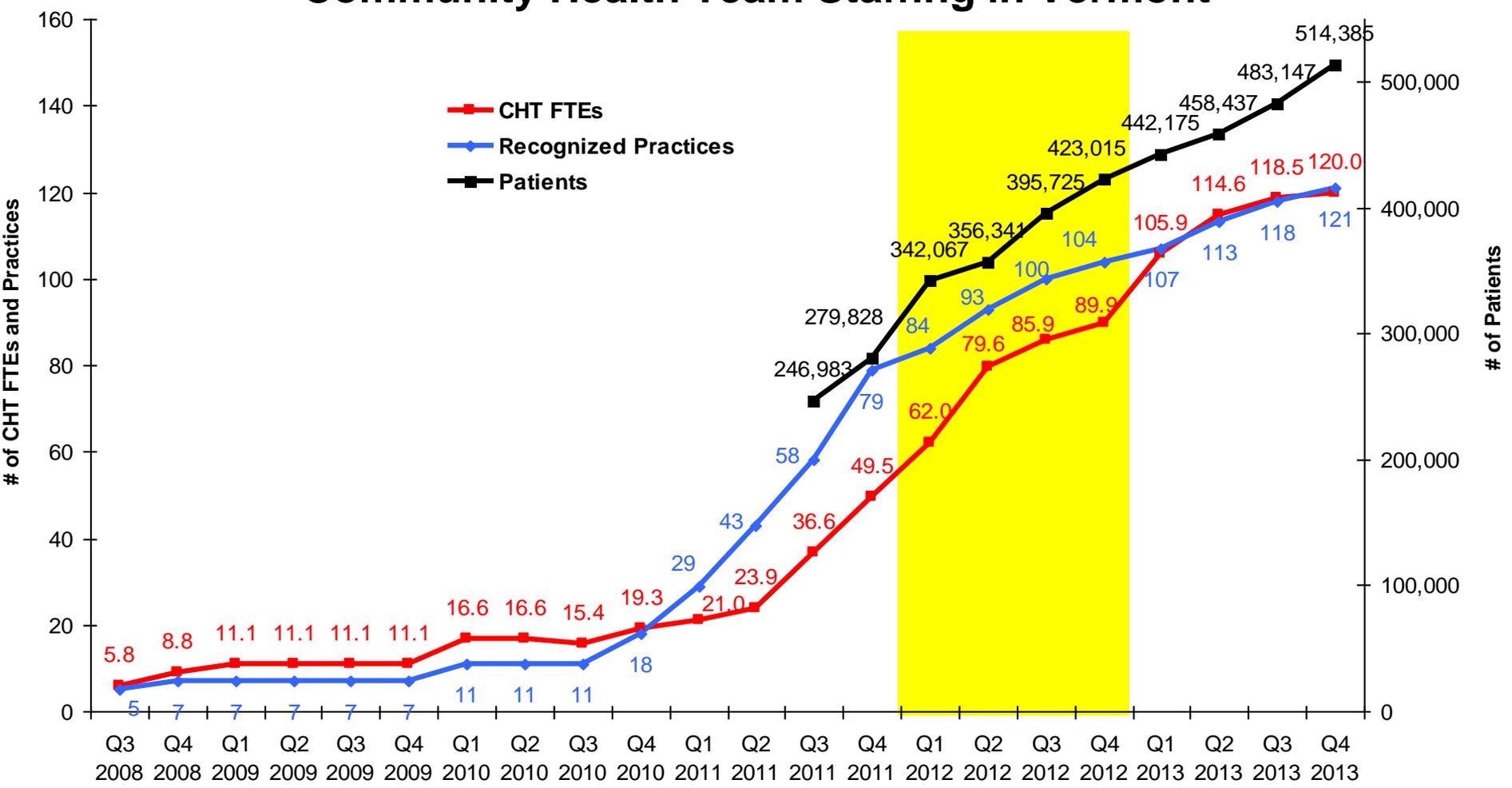
May 21, 2014

Agenda

- 1. Program Outcomes**
- 2. Variation & Comparative Reporting**
- 3. Composite Payment Model**
 - Increasing PCMH payments (Transformation)**
 - Increasing CHT payments (Capacity)**
 - Adding a P4P payment (Outcomes)**

Program Outcomes

Patient Centered Medical Homes and Community Health Team Staffing in Vermont



*Since joining the Blueprint, three practices have combined to form a new practice, one practice has joined an existing practice, and one practice has closed.

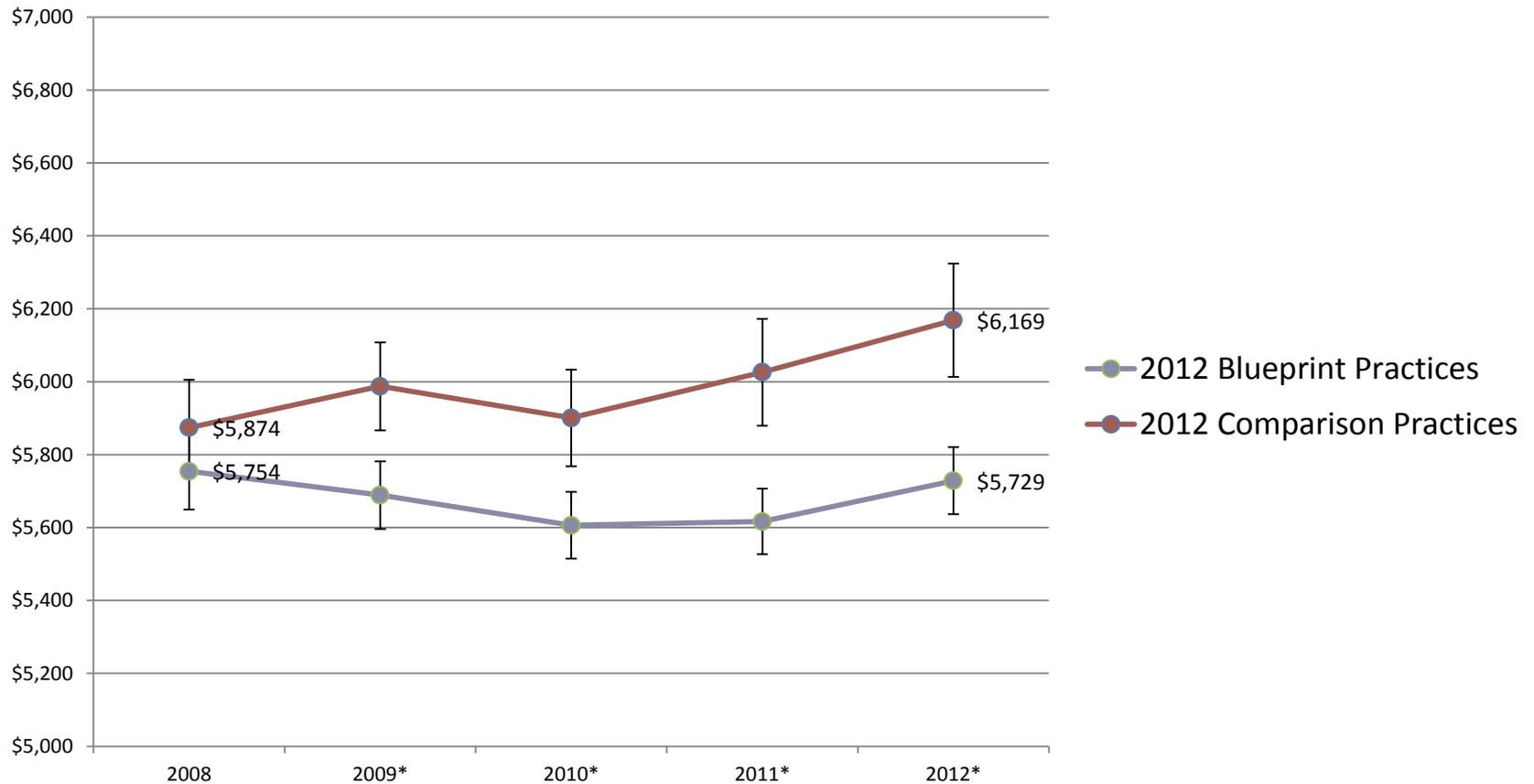
Study Groups by Age & Insurance Coverage

Demographic Measures	Commercial (Ages 1-17 Years)		Commercial (Ages 18-64 Years)		Full Medicaid (Ages 1-17 Years)		Full Medicaid (Ages 18-64 Years)	
	Blueprint 2012 Practices	Comparison 2012 Practices	Blueprint 2012 Practices	Comparison 2012 Practices	Blueprint 2012 Practices	Comparison 2012 Practices	Blueprint 2012 Practices	Comparison 2012 Practices
N								
2008	26417	32029	101919	105339	21714	19955	21417	17862
2009	29162	30675	117933	105811	24976	19515	27168	18993
2010	29260	27161	126593	95579	27562	18294	32313	18385
2011	29866	25082	135317	88880	29832	17189	35714	17321
2012	30632	22488	138994	83171	32812	15333	38281	16159

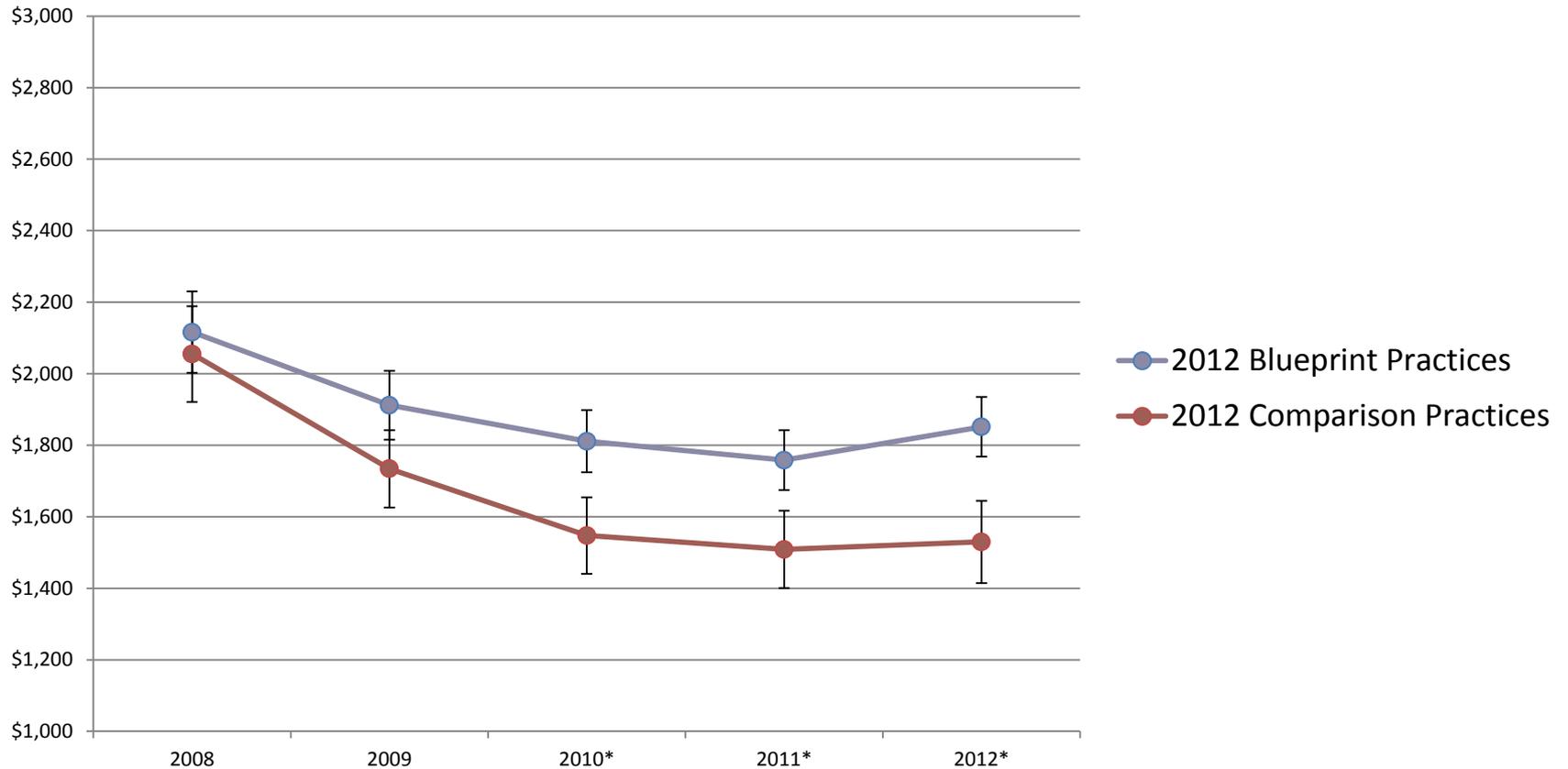
Total Expenditures Per Capita – Commercial Ages 18-64



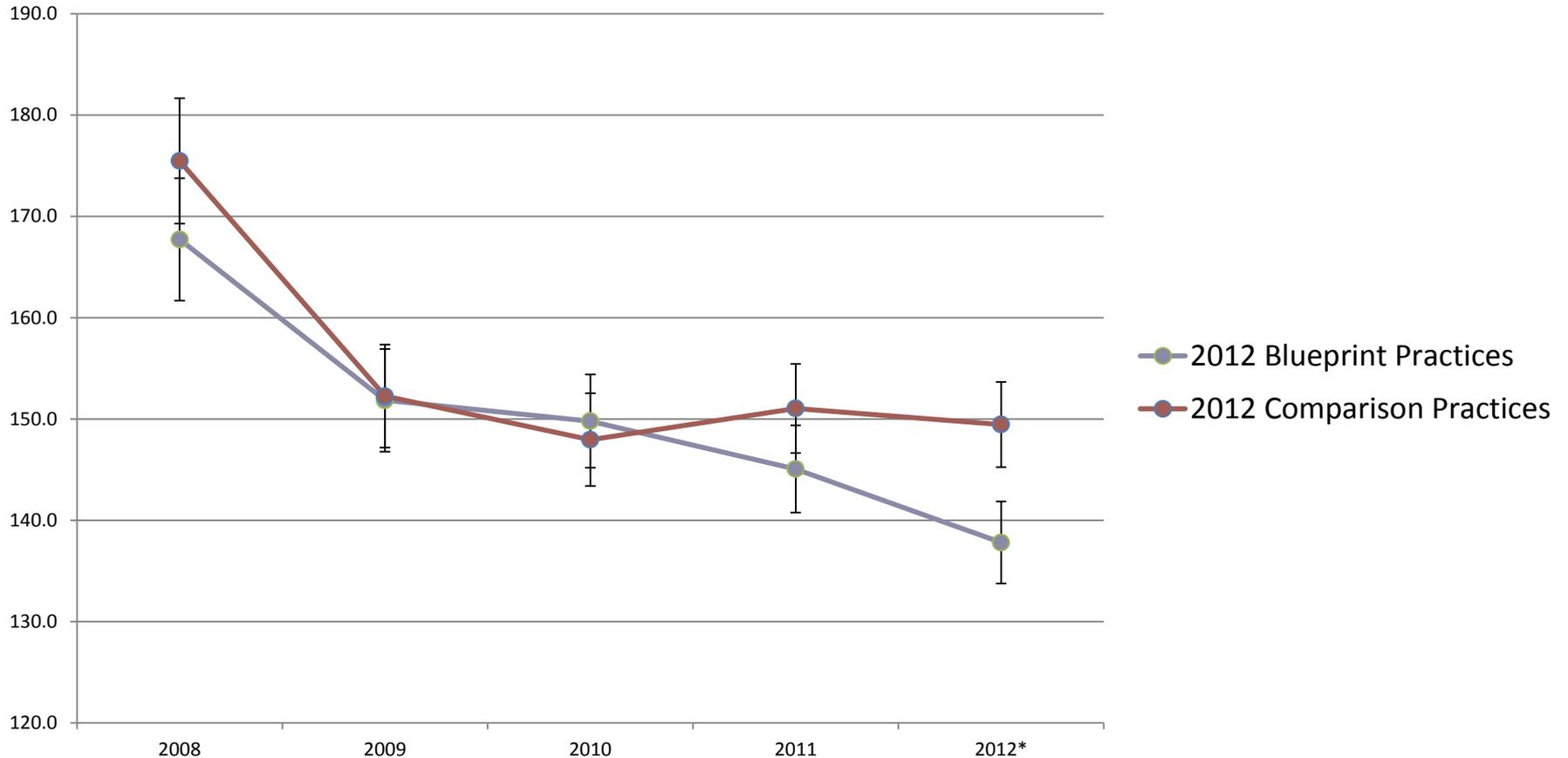
Total Expenditures Per Capita – Medicaid (minus SMS) Ages 18-64



Expenditures Per Capita on Special Medicaid Services Ages 18-64

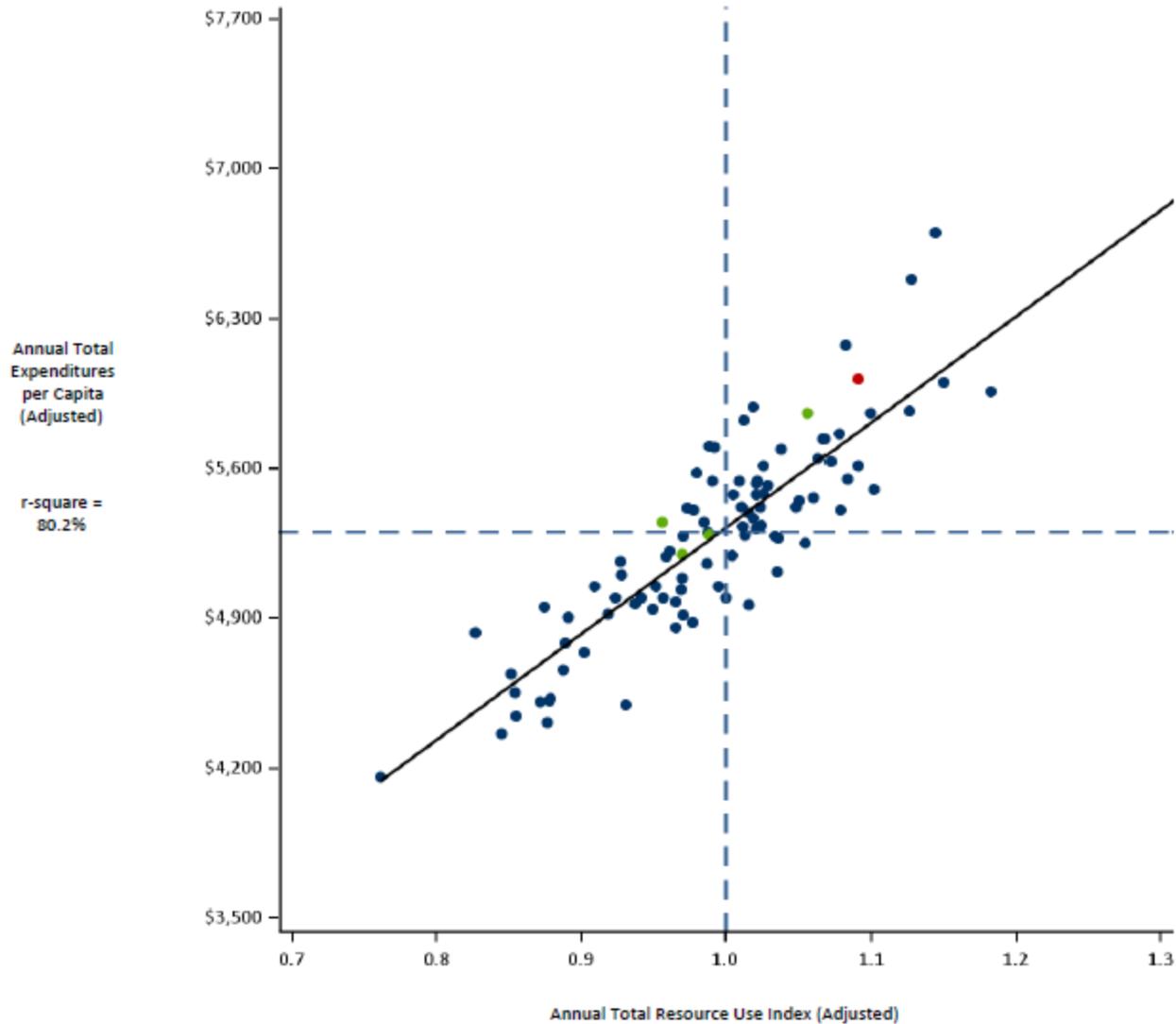


Inpatient Discharges Per 1000 Medicaid Ages 18-64



Variation & Comparative Reporting

Annual Total Expenditures per Capita vs. Resource Use Index (RUI)





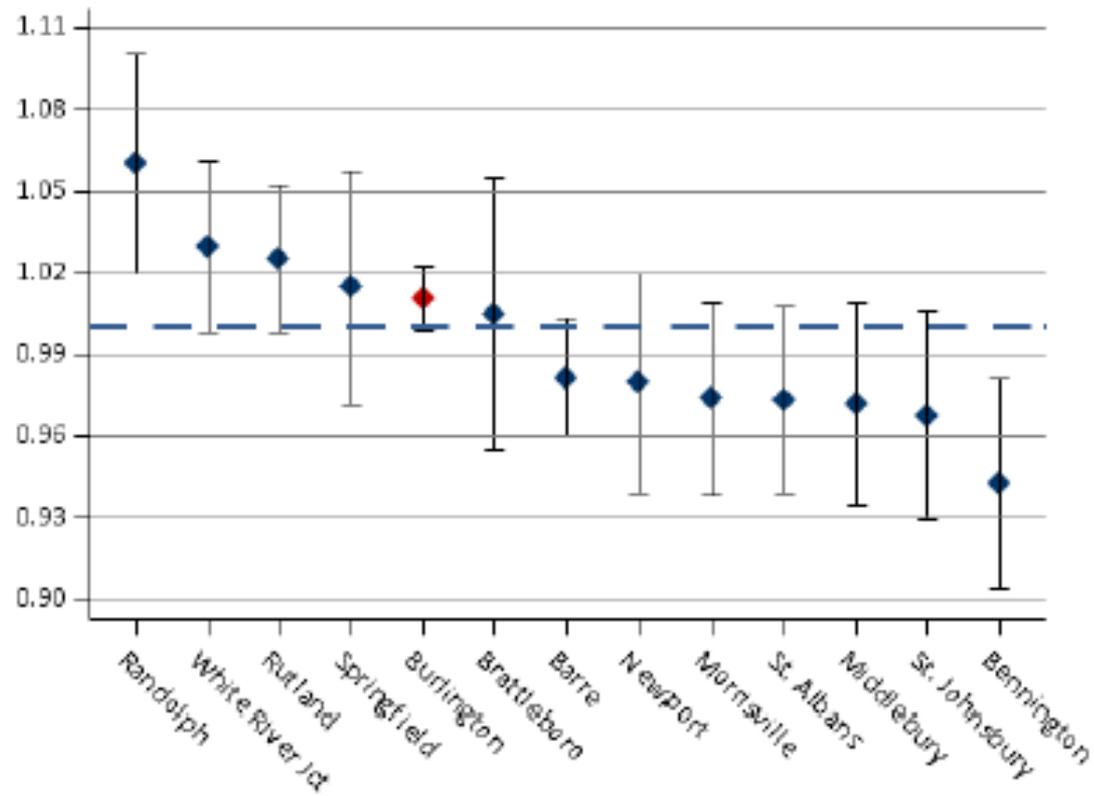
Smart choices. Powerful tools.

Practice Profile: Practice A

Period: 01/2012 - 12/2012 Practice HSA: ABC Profile Type: Adults (18-64 Years)

Measure	Practice			HSA			Statewide		
	Rate	95% LCL	95% UCL	Rate	95% LCL	95% UCL	Rate	95% LCL	95% UCL
Total	\$6,019	\$5,512	\$6,526	\$5,773	\$5,376	\$5,969	\$5,307	\$5,267	\$5,347
Inpatient Total	\$958	\$649	\$1,266	\$977	\$844	\$1,109	\$883	\$854	\$911
Inpatient Mental Health	\$80	\$14	\$151	\$90	\$58	\$122	\$72	\$66	\$79
Inpatient Maternity	\$128	\$61	\$193	\$113	\$92	\$133	\$108	\$104	\$111
Inpatient Surgical	\$385	\$193	\$577	\$453	\$360	\$546	\$443	\$420	\$465
Inpatient Medical	\$364	\$152	\$576	\$321	\$252	\$391	\$264	\$251	\$278
Outpatient Total	\$2,171	\$1,959	\$2,382	\$2,108	\$2,023	\$2,192	\$1,741	\$1,725	\$1,756
Outpatient Hospital Mental Health	\$36	\$25	\$48	\$33	\$27	\$38	\$21	\$20	\$22
Outpatient Hospital ED	\$236	\$194	\$278	\$242	\$224	\$260	\$237	\$233	\$241
Outpatient Hospital Surgery	\$692	\$564	\$820	\$619	\$567	\$672	\$421	\$413	\$430
Outpatient Hospital Radiology	\$474	\$351	\$596	\$507	\$455	\$558	\$402	\$392	\$413
Outpatient Hospital Laboratory	\$265	\$244	\$287	\$300	\$288	\$313	\$275	\$273	\$278
Outpatient Hospital Pharmacy	\$48	\$27	\$70	\$47	\$36	\$59	\$103	\$99	\$108
Outpatient Hospital Other	\$1,140	\$988	\$1,292	\$1,047	\$985	\$1,109	\$748	\$737	\$758
Professional Non-Mental Health Total	\$1,187	\$1,106	\$1,268	\$1,128	\$1,096	\$1,160	\$1,191	\$1,184	\$1,199
Professional Physician Total	\$924	\$851	\$998	\$872	\$843	\$901	\$899	\$893	\$906
Professional Physician Inpatient	\$146	\$95	\$197	\$154	\$130	\$177	\$141	\$136	\$146
Professional Physician Outpatient Facility	\$321	\$278	\$364	\$285	\$268	\$302	\$286	\$282	\$289
Professional Physician Office Visit	\$427	\$403	\$452	\$415	\$405	\$426	\$444	\$442	\$447
Professional Non-Physician	\$261	\$239	\$282	\$252	\$243	\$261	\$290	\$288	\$293
Professional Mental Health Provider	\$105	\$82	\$128	\$149	\$138	\$161	\$167	\$165	\$170
Pharmacy Total	\$973	\$863	\$1,084	\$864	\$823	\$905	\$835	\$827	\$844
Pharmacy Psych Medication	\$192	\$142	\$241	\$160	\$145	\$176	\$167	\$163	\$170
Other Total	\$173	\$129	\$217	\$159	\$140	\$179	\$140	\$137	\$144
Special Medicaid Services	\$390	\$187	\$592	\$384	\$310	\$459	\$347	\$331	\$362
Mental Health Substance Combined*	\$449	\$349	\$548	\$425	\$391	\$460	\$409	\$402	\$416

Total Resource Use Index (RUI)



Composite Payment Model

Basis for Proposed Payment Model

- Current payments have stimulated substantial transformation
- Improved healthcare patterns, linkage to services, lower expenditures
- Reduced expenditures offset investments in PCMHs and CHTs
- Proposed payment modifications are needed to maintain participation
- Proposed payment modifications stimulate continued improvement
- PCMHs, CHTs, Networks - ingredients for a value based health system

Composite Payment Model

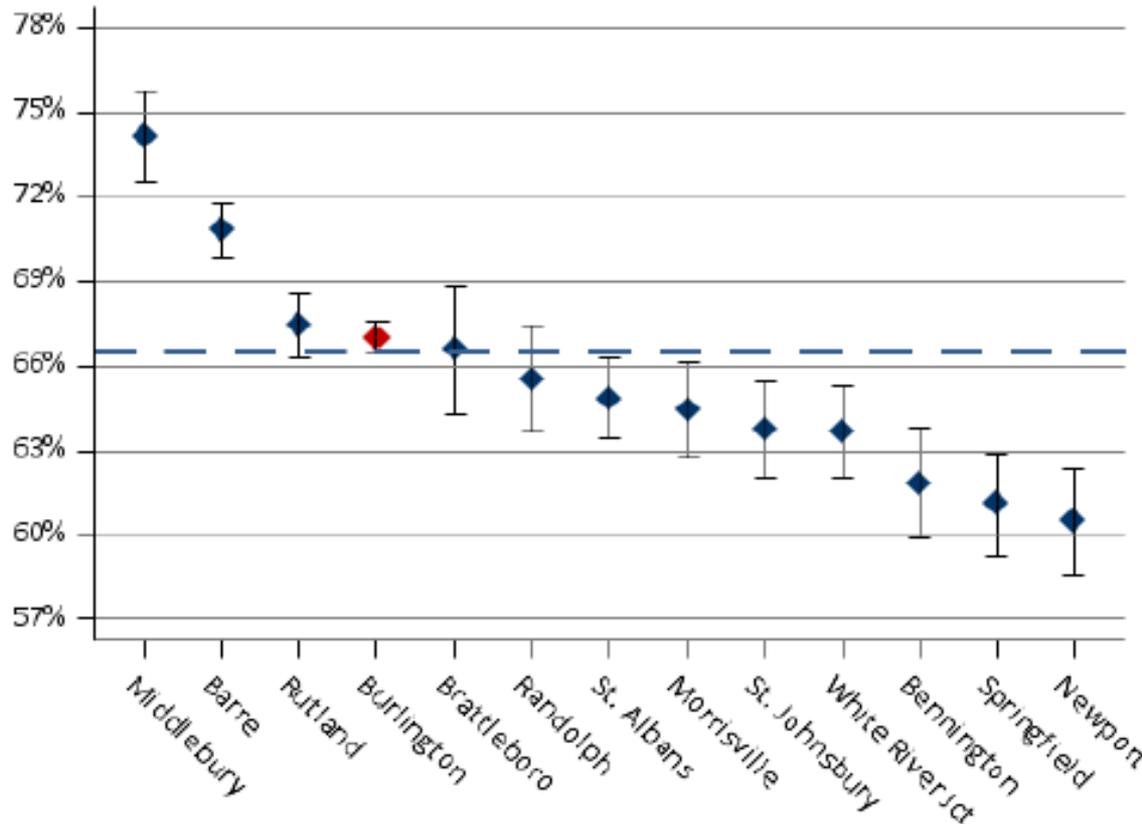
- Pay for transformation – based on NCQA PCMH score
- Pay for capacity – investment in CHT Staff
- Pay for outcomes - incentive to achieve goals (new component)
- *Composite = Transformation + Capacity + Outcomes*

Proposed Changes

- Increase \$PPPM based on NCQA score (Transformation)
- Increase \$PPPM for CHTs (Capacity)
- Introduce P4P \$PPPM (Outcomes)
 - Eligibility – based on quality (Composite HEDIS)
 - Payment – based on Total Resource Utilization Index (TRUI)

HEDIS Claims Based Quality Measures

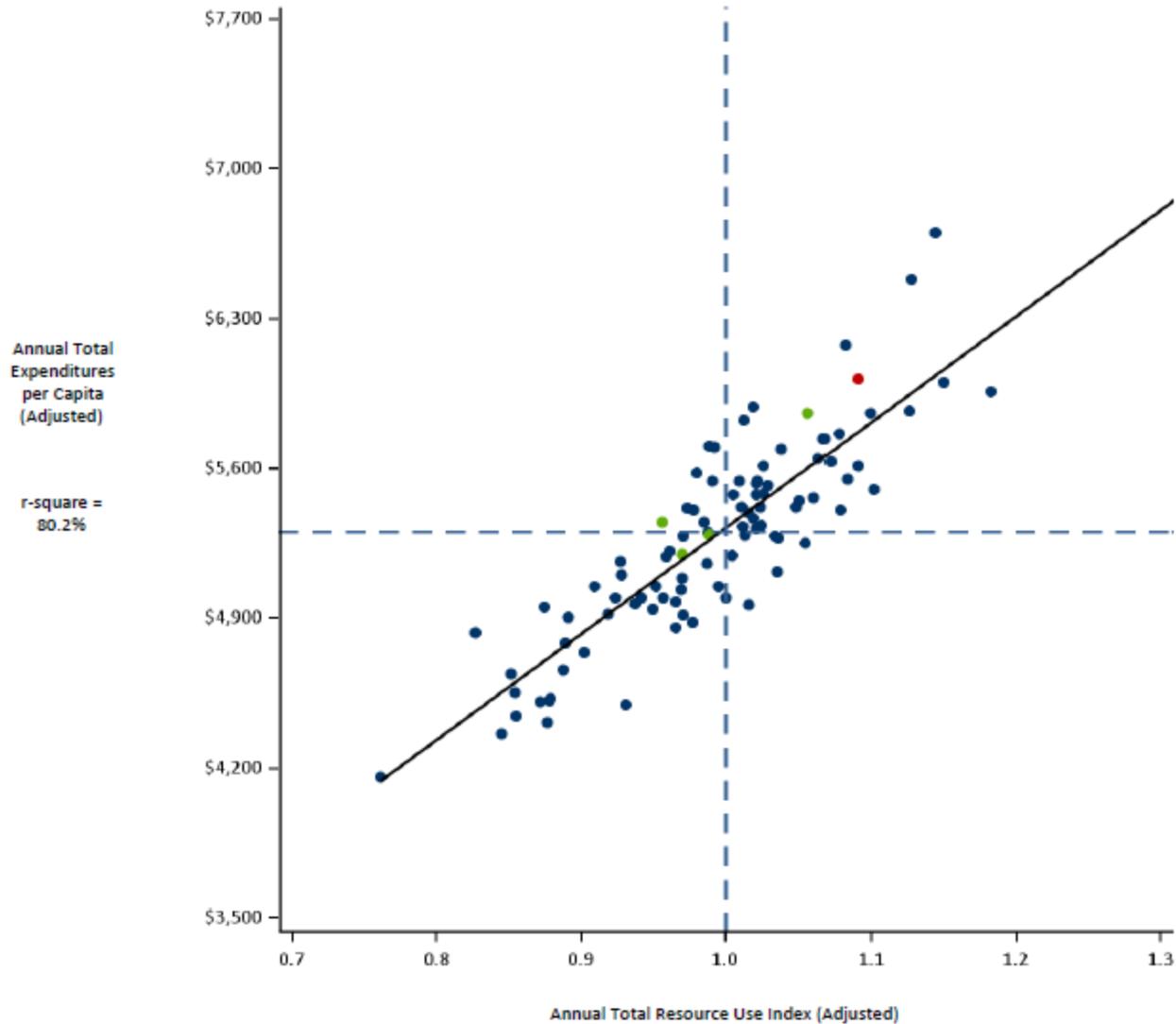
Cervical Cancer Screening



Total Resource Use Index

- **TCRRV - Total Care Relative Resource Value.** Quantifies resource use for all procedures and services in a healthcare system. TCRRV reflects total utilization based on CMS weights applied to DRGs, APCs, RBRVS RVUs, & proprietary data source for Rx's. Designed to facilitate comparison across procedures, peer groups and healthcare settings (e.g. IP, OP, Professional, Pharm).
- **TRUI - Total Resource Use Index.** $TRUI = \text{Practice TCRRV} / \text{Statewide TCRRV}$

Annual Total Expenditures per Capita vs. Resource Use Index (RUI)



Key Components of Payment Model

- Baselines are derived from existing data
- Impact estimates are conservative relative to existing trends
- Doubles \$PPPM based on NCQA score (range \$2.50 - \$5.00 PPPM)
- Doubles \$PPPM for CHTs (increase from \$1.50 to \$3.00 PPPM)
- Introduces P4P \$PPPM based on TRUI (eligibility based on HEDIS)
 - Pay for current performance (Quartiles 1,2,3)
 - Pay for improvement (% change in TRUI since last measurement)

Estimates for Models

LOOKUP TABLE
P4P COST- UTILIZATION

<u>TUI QUARTILE</u>	<u>PMPM</u>
1.00	\$7.50
2.00	\$5.00
3.00	\$2.50
4.00	\$0.00

LOOKUP TABLE
P4P GAIN- CHANGE IN TUI

<u>CHANGE IN TUI INDEX</u>	<u>ANNUAL GAIN PER PATIENT</u>
0.00	\$0
0.01	\$49
0.02	\$98
0.03	\$147
0.04	\$196
0.05	\$245
0.06	\$294
0.07	\$343
0.08	\$392
0.09	\$441
0.10	\$490

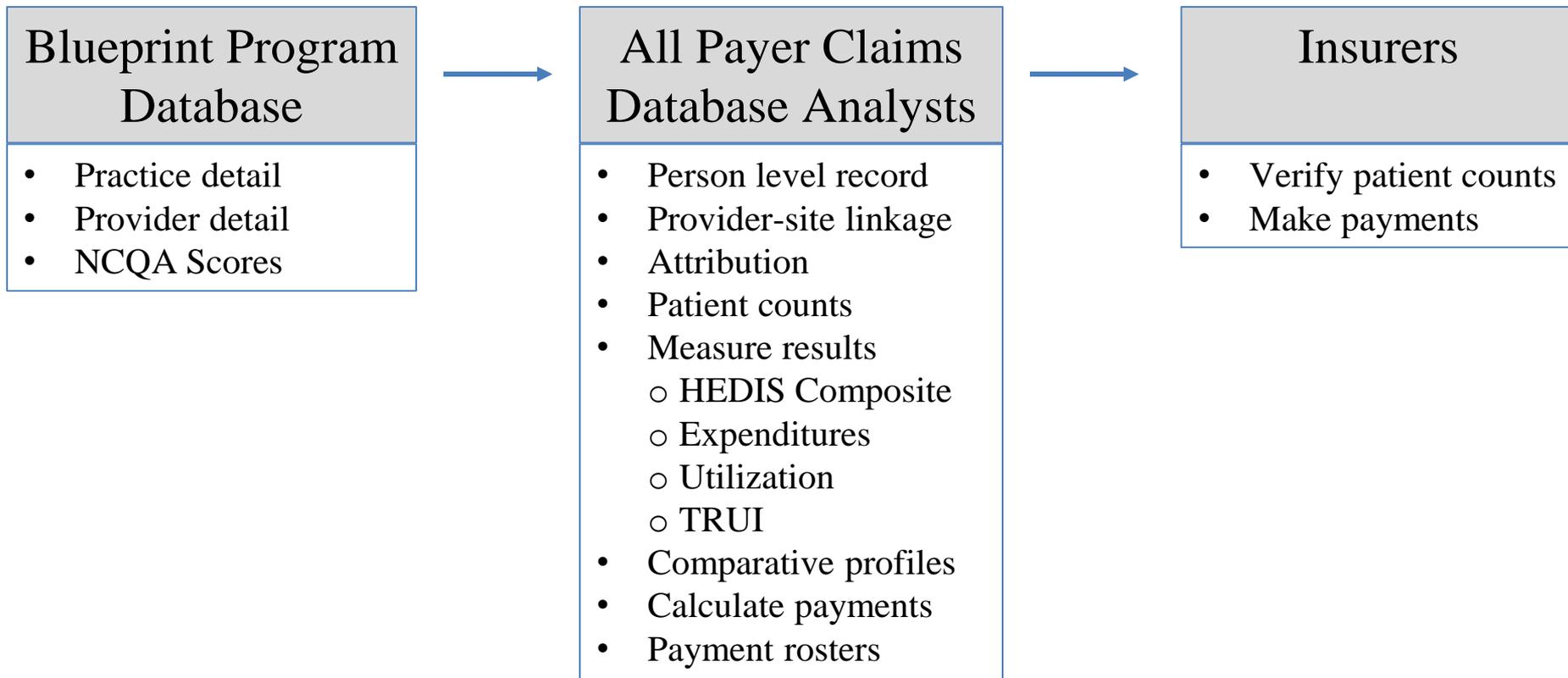
LOOKUP TABLE
P4P COST- CHANGE IN TUI

<u>CHANGE IN TUI INDEX</u>	<u>BONUS IN ADDITION TO PAYMENT/PATIENT</u>	
	<u>PMPM</u>	<u>PMPY</u>
0.00	\$0.00	\$0.00
0.01	\$1.00	\$12.00
0.02	\$1.50	\$18.00
0.03	\$2.00	\$24.00
0.04	\$2.50	\$30.00
0.05	\$3.00	\$36.00
0.06	\$3.50	\$42.00
0.07	\$4.00	\$48.00
0.08	\$4.50	\$54.00
0.09	\$5.00	\$60.00
0.10	\$5.50	\$66.00

Increase PCMH & CHT Payments – Add TRUI Payment

	ACTUAL		PROJECTED		
	2012	2013	2014	2015	2016
TOTAL COMMERCIAL AND MEDICAID PRACTICES	105	123	128	130	131
AVERAGE PATIENTS PER PRACTICE	1847	1853	1854	1857	1858
TOTAL COST- PRACTICE TRANSFORM (NCQA PAYMENTS) W OR W/O SMS:	\$4,816,377	\$5,661,037	\$9,124,039	\$12,567,214	\$12,665,531
TOTAL COST- CAPACITY EXPANSION (CHT PAYMENTS) W OR W/O SMS:	\$3,490,128	\$4,102,200	\$6,408,331	\$8,693,023	\$8,761,031
TOTAL COST- TUI P4P PROGRAMS	\$0	\$0	\$0	\$14,488,372	\$13,871,633
TOTAL GAIN- ADULTS AND PEDIATRICS- WITH SMS	\$74,126,608	\$86,894,214	\$90,440,771	\$91,869,516	\$92,578,828
TOTAL GAIN- ADULTS AND PEDIATRICS- WITHOUT SMS	\$91,413,165	\$107,256,739	\$111,657,731	\$113,487,941	\$114,368,140
TOTAL PROGRAM COSTS (INVEST'S NCQA & CHT) W OR W/O SMS	\$8,306,505	\$9,763,237	\$15,532,370	\$35,748,610	\$35,298,196
PAYBACK- GAIN AS A MULTIPLE OF COST- WITH SMS:	8.92	8.90	5.82	3.07	3.05
PAYBACK- GAIN AS A MULTIPLE OF COST- WITHOUT SMS:	11.01	10.99	7.19	3.67	3.66

Consistency & Administrative Simplification



Consistency & Administrative Simplification

- Data (claims) aggregated as part of routine business
- No additional data collection or reporting by practices
- Minimize administrative burden on providers & insurers
- Supported by detailed comparative reporting to practices
- Consistency across all settings & insurers
- Transparency

Composite Payment Structure

Payment Type	Basis for Payment	Proposed Change
Transformation*		
PCMH	NCQA PCMH Score	Double \$PPPM
Capacity		
CHT core	# PCMH Patients	Double \$PPPM
Outcomes*		
Eligibility	HEDIS Quality Score	Introduce
P4P	Total Utilization Index Score	Introduce

*Extension of Transformation & Outcomes payments to specialty practices establishes aligned model & shared interests

Summary

- PCMHs, CHTs, Community Networks have demonstrated improvements in healthcare utilization & expenditures
- Supported by a transformation infrastructure and Learning Health System activities (leadership, facilitation, comparative reporting, shared learning)
- Proposed payment modifications continue to invest in and strengthen a foundation of preventive health services and a Learning Health System
- Coordination with emerging reforms (e.g. ACOs, Single Payer)
 - ACO partners can focus services on areas of need, add capacity as needed
 - Add new service layers based on population needs
 - Proposed P4P payment model aligns directly with goals
 - Testing targeted payment streams that can work under new financing model
 - Composite payment structure can be basis for reducing FFS

AIMS	Operations	Payment	Payment Type
Access to Health Services Quality of Health Services Health Outcomes Control of Costs	<u>Improved Preventive Health Services</u> <ul style="list-style-type: none"> • Access & Continuity • Manage Populations • Plan & Manage Care • Self Care & Community Support • Track & Coordinate Care • Measure & Improve 	<u>Current</u> <ul style="list-style-type: none"> • NCQA PCMH Stds - (PPPM, All Insurers) <u>Proposed</u> <p>Step 1 - Agree to participate, preparation (PPPM, DVHA)</p> <p>Step 2 – NCQA Recognition (PPPM, DVHA)</p> <ul style="list-style-type: none"> • NCQA PCMH Stds – (PPPM, All Insurers) • NCQA Specialty Stds - (PPPM, proposed) 	Transformation
	<u>Care Support & Community Networks</u> <ul style="list-style-type: none"> • Multi-disciplinary team based preventive services for attributed populations (PCMH, Specialty) • Community workgroups tasked with improved coordination across an array of community providers (medical & non-medical) • Targeted support for Medicare & Medicaid beneficiaries • Targeted support for addiction & mental health 	<u>Current</u> <ul style="list-style-type: none"> • CHT core – (All Insurers, shared cost) • SASH Teams – Medicare • MAT Staff - Medicaid • VCCI Staff – Medicaid <u>Proposed</u> <ul style="list-style-type: none"> • Increase CHT base payment • Determine needs for additional targeted CM (ACO) 	Capacity
	<u>Improved Quality & Utilization</u> <ul style="list-style-type: none"> • Composite measure with broad impact • Shared interests between primary & specialty care • Coordination of services to improve quality & utilization <ul style="list-style-type: none"> ○ increase recommended assessments ○ increase access to practices & teams ○ reduce unnecessary acute care ○ attention to variation ○ reduce unnecessary procedures, tests, & treatments • Change in TRUI associated with predictable change in healthcare expenditures per capita • Direct alignment with financial interests of ACOs 	<u>Current</u> <ul style="list-style-type: none"> • None <u>Proposed</u> <ul style="list-style-type: none"> • Eligibility - based on Quality (HEDIS) • Payment - based on TRUI • \$PPPM for attributed patients <ul style="list-style-type: none"> ○ top 3 quartiles on TRUI ○ Improvement in TRUI • HEDIS & TRUI can be consistently measured at a practice level from the APCD • Reports routinely & automatically generated, sent to insurers 	Outcomes