

Raising the Bar: Value-based purchasing to address population health

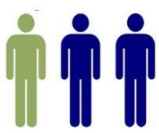
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What we do at HCA

- State's largest health care purchaser
- More than 2 million Washington residents:
  - Apple Health (Medicaid)
  - Public Employees Benefits Board (PEBB) Program
- Lead effort to transform health care:
  - Better health, better care, lower cost
  - Use evidence to make smart purchasing decisions

We purchase care for 1 in 3 non-Medicare Washington residents.



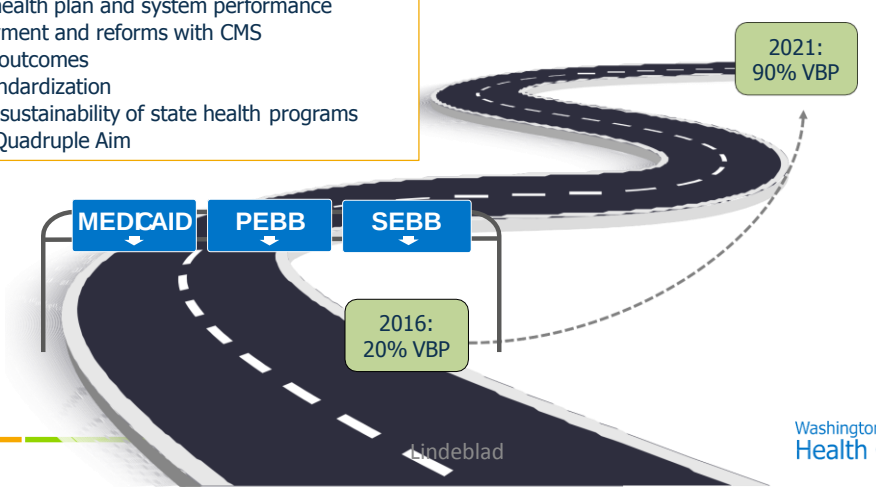
Getting to a healthier population

- Change the way we pay for care: value-based health options and innovative programs
- Use data and evidence-based recommendations
- Educate and engage people and their families
- Integrate funding with shared resources
- Leadership support for integration as driving model of operations
- Physical and behavioral health needs treated collaboratively for all persons
- Consistent communication and collaboration
- Roles and cultures that blur or blend

Value-based purchasing roadmap

Using incentives to drive change

- Reward patient-centered, high quality care
- Reward health plan and system performance
- Align payment and reforms with CMS
- Improve outcomes
- Drive standardization
- Increase sustainability of state health programs
- Achieve Quadruple Aim



HCA purchasing goals

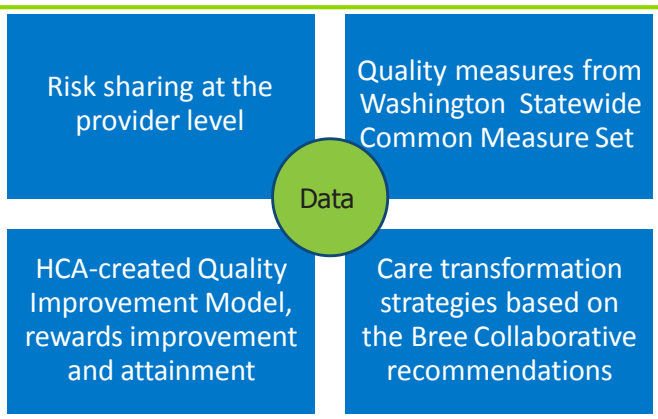
By 2021:

- 90 percent of state-financed health care and 50 percent of commercial health care will be in value-based payment arrangements (measured at the provider/practice level).
- Washington's annual health care cost growth will be below the national health expenditure trend.

Tools to accelerate VBP and health transformation

- 2014 Legislation directing HCA to implement VBP strategies
- State Innovation Models grant, 2015-2019
- Medicaid Transformation waiver, 2017-2021

Driving common elements in all HCA's new models of care



Examples VBP at HCA

PEBB (State Employees)	Apple Health (Medicaid)
• Accountable Care Program, ACO model with upside and downside risk to incentivize clinical and quality accountability • Total Joint Replacement Bundle and Center of Excellence • TPA RFP requires bidders to offer substantially similar ACO program to book of business (risk sharing and Care Transformation approaches) to spread VBP in the marketplace	• 1% MCO premium withhold based on quality and provider VBP arrangements • Behavioral and physical (financial) health integration statewide by 2020 • Exploring rural multi-payer model • Medicaid Transformation regional VBP goals tied to incentive payments to Accountable Communities of Health and MCOs

Addressing social determinants



You're less likely to be healthy if

- You don't have a home
- You don't have food
- You don't have a job

Strategies that address social determinants

- ACH Medicaid Transformation projects
  - Diversion intervention (measuring: % homeless, % arrested)
  - Support of ACES (adverse childhood experience intervention)
  - Support of community health workers
- New Medicaid eligibility categories
  - Foundational community supports
    - Helping those with complex health needs obtain and maintain housing and employment
  - Long-term services and supports
    - Supporting unpaid family caregivers
    - Supporting people who need long-term services and are at risk of spending down to impoverishment

Supported employment services
Individual Placement and Support (IPS)

Principles of supported employment	Services may include
• Open to anyone who wants to work • Focus on competitive employment • Systematic job development • Prioritize rapid job search • Client preferences guide decisions • Individualized long-term supports • Integrated with treatment • Benefits counseling included	• Employment assessment and development of a plan to address barriers • Assistance with applications, community resources and outreach to employers • Education, training, coaching to maintain employment

Supportive housing services

- Housing assessment and development of a plan to address barriers
- Assistance with:
  - Applications
  - Community resources
  - Outreach to landlords
- Education, training, coaching, resolving disputes, and advocacy

- Supportive housing services do not include funds for room and board or the development of housing.

Caregiving: Impacts on family

- In Washington State, approximately 80% of the care statewide is provided by family members and other unpaid caregivers
- Unpaid caregiving has an economic impact on families:
  - Loss of earning potential
  - Decreased savings for retirement
  - Impacts on ability to provide for their own children's needs
  - Increased health care costs due to stress and burden
- If just one-fifth of unpaid caregivers stopped providing care, it would double the cost of long-term services and supports in Washington

Services designed to delay & divert need for more intensive interventions

- Medicaid Alternative Care (MAC)
  - A new choice designed to support unpaid caregivers in continuing to provide quality care
- Tailored Supports for Older Adults (TSOA)
  - A new eligibility group to support individuals who need Long-term Services and Supports and are at risk of spending down to impoverishment

Medicaid Alternative Care (MAC)

- A new benefit package that will:
  - Provide support for unpaid family caregivers who support individuals eligible for Medicaid but not currently accessing Medicaid-funded LTSS
  - Provide necessary supports to unpaid caregivers to enable them to continue to provide high-quality care and focus on their own health and well-being

Tailored Supports for Older Adults (TSOA)

- A new eligibility group that will:
  - Provide a benefit package for individuals at risk of future Medicaid LTSS use
  - Help individuals and their families avoid or delay impoverishment and the future need for Medicaid-funded services while providing support to individuals and unpaid family caregivers

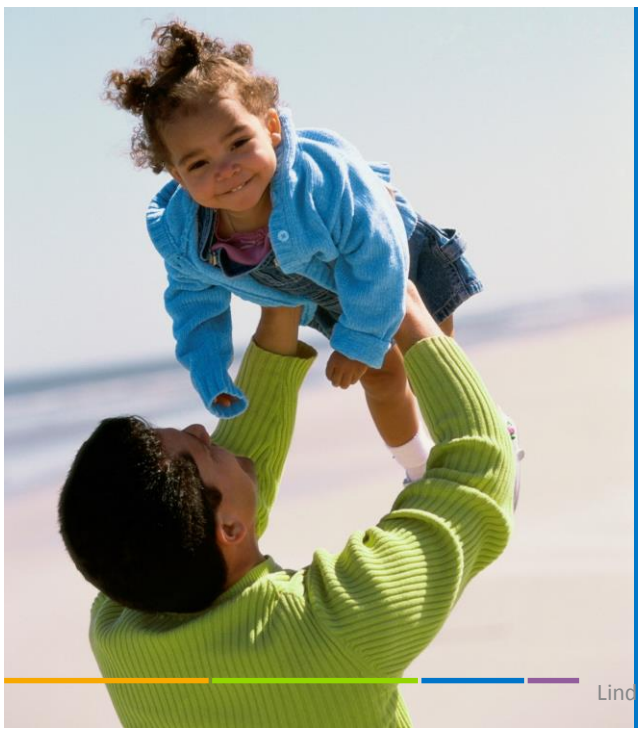
Designing for paradigm shifts

From	To
Sick care	**Wellness**
Episodic care	**Seamless care**
Silos & fragmented care	**Person-centered & integrated**
Exclusively fee-for-service	**Value-based**
Duplication	**Coordinated**
Acute care	**Continuum of care**
Single EHR	**Single source of information**
Patients	**Populations**

HCA is moving the market

- As a leading purchaser, HCA is moving to value-based arrangements.
- Aligning with the national movement away from fee-for-service to payments based on value.
- As of 2016 we've hit our goal of 30% value-based arrangements in contracts.
- Providers and patients are counting on us to continue leading, and that translates to the programs and the work we do everyday.
- End result is better care, healthier people, and lower costs for Washington residents.

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