

Washington State Health Care Authority

Health Transformation from the Purchaser's Perspective

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Washington State Health Care Authority
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HCA: purchaser, convener, innovator

- Purchases health care for over 2.2 million people through Medicaid (Apple Health) and Public Employees Benefits (PEBB) Program
- \$10 billion annual spend
- Large network overlap between both programs
- Value-based purchasing mandate

1 in 3 Non-Medicare WA Residents

\$10 Billion

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Healthier Washington

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What is "Paying for Value?"

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Payment drives system transformation

Status Quo (Volume-Based) System	Transformed (Value-Based) System
Fragmented clinical and financial approaches to care delivery	Integrated systems that pay for and deliver whole person care
Uncoordinated care and transitions	Coordinated care and transitions
Unengaged members left out of their own health care decisions	Engaged and activated members who are connected to the care they need and empowered to take a greater role in their health.
Variation in delivery system performance (cost and quality) with no ties to clinical or financial accountability and transparency	Standardized performance measurement with clinical and financial accountability and transparency for improved health outcomes

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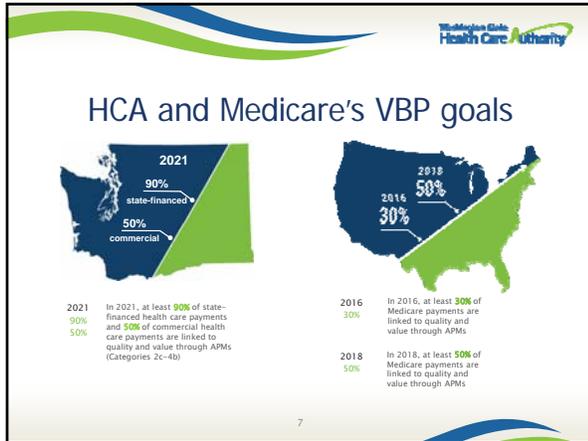
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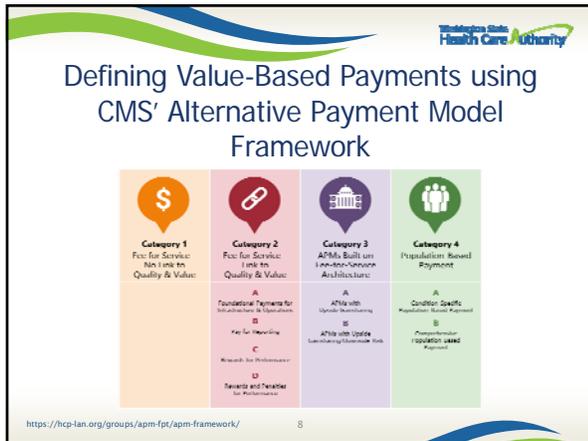
Washington State purchasing goals

By 2021:

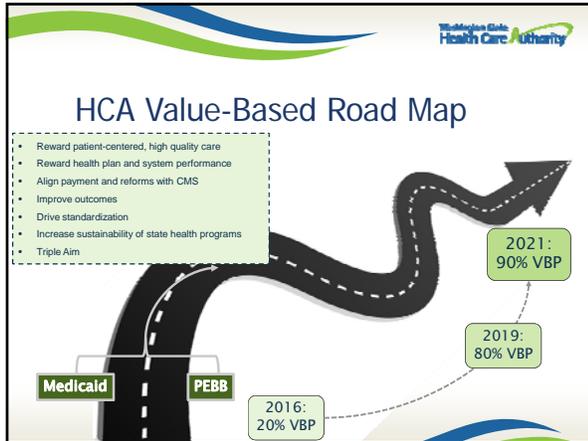
- 90 percent of state-financed health care and 50 percent of commercial health care will be in value-based payment arrangements (measured at the provider/practice level).
- Washington's annual health care cost growth will be below the national health expenditure trend.

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What is Care Transformation?

- Structural and process changes that promote the efficient delivery of health services (right care, right time), and connect and coordinate public health and social services to achieve the triple aim:
 - Better care, better health, lower cost
- Care Transformation change efforts occur at state, community and/or clinical level
- Continual, data driven, improvement, is a fundamental principle of change efforts

Key Objectives of Health Care Transformation

- Improve population health by:
 - Reducing the incidence of chronic illness through effective prevention and screening
 - Effective management of chronic conditions, particularly for complex patients
- Reduce cost by promoting use of the lowest cost, high quality care for acute, non-emergency conditions



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- ### ACP Care Transformation Activities
- Advance patient centered medical home
 - Care coordination for members with complex conditions
 - Implement Bree recommendations
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- ### What is the Bree Collaborative?
- Established in 2011 by Washington Legislature
 - Three topics selected annually
 - Topics with high variation in the way care is delivered or frequently used, but do not lead to better care or patient health, or that have patient safety issues
 - Expert workgroups formed to identify and analyze evidence-based practices to improve quality and reduce variation in practice patterns
 - See: www.breecollaborative.org
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ACP Care Transformation: Patient Centered Medical Home

- Key principles of patient-centered primary care are well defined and widely accepted
- Clinics must meet a list of standards to achieve recognition, many of which are captured by NCQA "level 3" accreditation standards
- For example:
 - Delivers team-based care
 - Offers flexible access and scheduling
 - Provides 24 hour access to a member of the team
 - Measures and improves clinical and patient experience
 - Uses clinical practice guidelines, etc.

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ACP Care Transformation: Care Coordination for High Risk Members

- Develop methods to identify members with multiple chronic conditions or advanced illness
- Perform comprehensive assessment of care needs and gaps
- Develop a patient-centered care plan
- Work closely with members and family to foster successful care management
- Coordinate successful transitions of care

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ACP Care Transformation: Bree Recommendations

- Obstetrics
- Cardiology
- Spine care
 - Low back pain
 - Lumbar fusion (bundle)
- Joint replacements (bundle)
- End of life care
- Avoidable hospital readmissions
- Screening for substance use disorders

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Total Joint Replacement Bundled Payment

- TJR Centers of Excellence for PEBB Members
 - 2017 launch
 - Virginia Mason Medicaid Center as COE through a competitive procurement (Premera TPA)
 - PEBB members will have a choice – but no cost to member if VMMC selected
- Based on Bree Collaborative recommendations
 - Clinical, Quality, & Financial Accountability
 - Clinical Components
 - Quality Standards
 - Warranty



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Purchaser toolkit

Online guidance on:

- Current research about paying for value
- How HCA promoted its accountable care network to employees
- How HCA shaped contract terms
- How other purchasers can integrate parts of the HCA's strategy into their strategy – Common measure set and Bree Collaborative Recommendations
- Links to resources

www.hca.wa.gov/purchasertoolkit

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P4V take-aways

- HCA is transforming the way it purchases health care.
- HCA is aligning its business with national movement away from fee-for-service to payments based on value.
- End result is better care, healthier people, and lower costs for Washington residents.
- But HCA can't do it alone – please join us!

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Questions?

More Information:

<http://www.hca.wa.gov/about-hca/healthier-washington/paying-value>

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