

Moving the Market to Paying for Value: The Washington Health Alliance's View of Value-Based Purchasing, Why It's Important and How We Can Help

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Conversation Outline

- Brief Introduction to the Washington Health Alliance
- The Alliance's Perspective on Value-Based Purchasing
- Models for Value-Based Purchasing
- A Conversation: Barriers to Purchasing for Value by Stakeholder Group
- How Alliance Materials May Help Move the Market to Value



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Let's get acquainted!



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The Alliance: Who We Are

- Eleven year history. Grassroots effort gave us our start in 2005.
- Multi-stakeholder. 185+ member organizations statewide representing employers, union trusts, health plans, providers, patients and other health partners.
- Purchaser-led. The majority of our governing members represent employers and labor union trusts.
- Non-profit. We are a designated 501(c)3.
- Key Strategies:
 - Convening for Alignment of Strategies
 - Measurement and Reporting of Health Care Performance



Why we do what we do?

WE NEED TO DO BETTER

- The status quo in health care is financially unsustainable and results in a level of health that fails to meet our collective expectations.

WE MUST DO IT TOGETHER

- The system of health care delivery is big and complex. No one organization is powerful enough to drive lasting and systematic change. We are building a coalition of the willing and the impacted.

TO SUCCEED, WE NEED TO KNOW HOW WE'RE DOING

- The debate about improving the value of health care, including both quality and price, needs to be a public one with transparent data about performance to identify opportunities, celebrate successes and drive change.



Examples of the Alliance's Broad Membership



Performance Reporting Is a Core Competency of the Alliance

- Robust voluntary database with 4 million lives in Washington state.
- Thirty data suppliers (health plans, self-funded purchasers) submit claims data to the Alliance.
- Data dating back to 2004.
- Includes Medicaid population but not Medicare at this time.

Move from Data to Outcomes

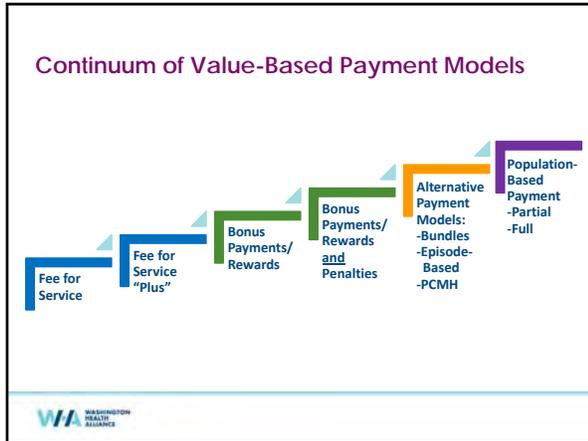
Steps Required to Achieve the Triple Aim

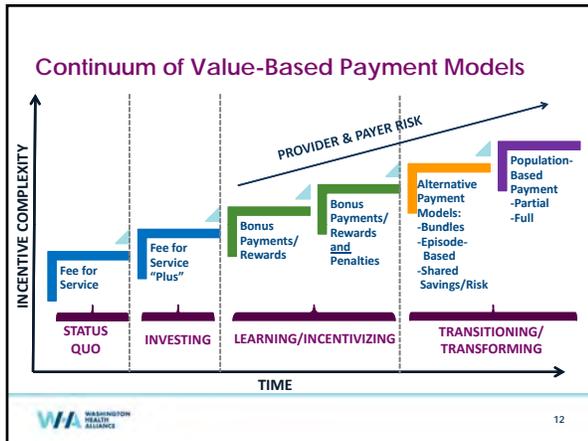


Alliance's Perspective on Value

High-value health care means high-quality care and a positive patient experience at a fair price.







Who is Paying for Value Now and How are They Doing it?

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Defining Value-Based Payments using CMS' Alternative Payment Model Framework

<https://hcp-lan.org/groups/apm-fpt/apm-framework/>

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CMS Sets Aggressive Targets for Value-Based Payments

Percent of Medicare Payments Tied to QUALITY

| Year | Percent of Medicare Payments Tied to QUALITY |
|------|--|
| 2015 | 80% |
| 2016 | 85% |
| 2018 | 90% |

Percent of Medicare Payments Tied to RISK

| Year | Percent of Medicare Payments Tied to RISK |
|------|---|
| 2015 | 20% |
| 2016 | 30% |
| 2018 | 50% |

Examples:

- Merit-Based Incentive Payment System (MIPS)
- Hospital Value-Based Purchasing Program
- Hospital-Acquired Condition Reduction Program
- Medicare Share Savings Program
- Bundled Payments for Care Improvement Initiative
- Pioneer ACOs

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Washington State Value-Based Road Map Built on Strong Principles

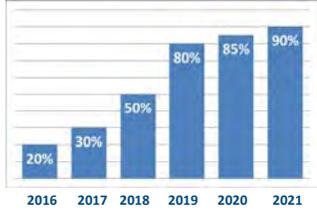
- Continually strive for the Triple Aim
- Reward the delivery of patient-centered, high value care and continuous quality improvement
- Improve outcomes for patients and populations
- Drive standardization based on evidence
- Reward provider systems for increased adoption of value-based payments
- Increase long-term financial stability of state health programs

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Washington State Value-Based Road Map Also Sets Aggressive Targets

% of state-financed health care payments to providers in CMS Categories 2C – 4B



By 2019, Washington's annual health care cost growth will be 2% less than the national expenditure trend.



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What do Private Purchasers Want to Buy?



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Barriers to Purchasing for Value

- Employers
- Consumers
- Health Plans
- Providers



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Overcoming Barriers: Employers

Barriers:

- Lack of understanding about value-based purchasing
- Fear of low employee uptake
- Lack of C-Suite engagement and competing priorities
- Limited leverage with health plans (especially fully insured purchasers)
- Fewer resources than HCA and Boeing to make contracting impact

Solutions:

- Education
- Contracting details available to any purchaser
- Outreach to C-level executives
- Harnessing collective interest
- Help in educating employees



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Overcoming Barriers: Consumers

Barriers:

- Loyalty to community providers
- Discomfort with innovation
- Skepticism that high quality care can also be lower priced
- Value in health care is a new concept

Solutions:

- Provide materials from trusted, neutral nonprofit
- Promote use of objective data
- Work with employers to educate



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Overcoming Barriers: Health Plans

Barriers:

- Cost of transitioning infrastructure
- Need purchasers who want to buy a value based product
- Risk

Solutions:

- Facilitate conversations through a multi-stakeholder perspective
- Provide materials from trusted, neutral third party



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Overcoming Barriers: Providers

Barriers:

- Addressing variation within practices is a major initiative – being paid based on performance is a whole new step
- Data fatigue and overwhelming requests from many sources
- Collaborating with competitors
- Straddling different payment models when moving from FFS
- Cost of replacing legacy administrative systems
- Major investments in acute care with large debt

Solutions:

- Standardization
- Fairness
- Cost effectiveness to implement



How Alliance Materials May Help Move the Market to Value

Education on how to shop for health care

Answering important real world questions like:

- How do I choose a primary care provider?
- How do I find high quality maternity services?
- Are there certain procedures that may be overdone in my community?

The Savvy Shopper

Educational series is a key element of the value-based purchasing effort

Goals:

- Help consumers be better purchasers of care.
- Help purchasers educate employees about how to purchase care.
- Assist brokers who advise employers about benefit design.
- Provide a tool for health plans who are asked by their customers for help.

Infographics to Educate Consumers

The slide contains four infographics arranged in a 2x2 grid. Each infographic features a person's headshot and a list of steps or key points. The top-left infographic is titled 'SHOPPING FOR QUALITY' and features a woman. The top-right is 'SHOPPING FOR PATIENT EXPERIENCE' with a man. The bottom-left is 'USING HEALTH CARE DOLLARS WISELY' with a woman. The bottom-right is 'GETTING YOUR VALUE LINE' with a man. The WA logo is in the bottom left corner, and the number 25 is in the bottom right corner.

Measuring Health Care in Washington: 2016 Community Checkup

The slide features a large blue header with the title. Below the title is a smaller image of a doctor in a white coat talking to a family (a man, a woman, and a child). The image has a 'Healthier' logo and the text 'Improving Health Care in Washington State'. At the bottom right is the WA logo with the tagline 'Leading health system improvement'. Small text at the bottom left reads: '© 2015 Washington Health Alliance. All rights reserved. This material may not be reproduced or modified without the prior permission of the Alliance.'

Component of Value: Quality

- Alliance's annual Community Checkup report to the public for basic measures of quality health care
- Results compare the performance of clinics and medical groups, hospitals, health plans, counties, and Accountable Communities of Health.
- 2016: 10th annual report (~190 medical groups, 700 clinics, 90 hospitals, 12 health plans, 39 counties, 9 ACHs)
- Starting in 2015, aligned with the **WA State Common Measure Set on Health Care Quality and Cost**
- Thresholds for public reporting

The slide includes a list of bullet points on the left. To the right is a smaller version of the report cover image seen in the previous slide. The WA logo is in the bottom left corner, and the number 27 is in the bottom right corner.

Washington State Common Measure Set

| PREVENTION | ACUTE CARE | CHRONIC ILLNESS |
|--|---|--|
| Adult Screening(s) | Avoidance of Overuse/ Potentially Avoidable Care | Appropriate Use of Medications |
| Childhood: early and adolescents | Behavioral Health | Asthma |
| Immunizations | Cardiac | Depression |
| Nutrition/ Physical Activity/ Obesity | Readmissions | Diabetes |
| Oral Health | Obstetrics | Hypertension and Cardiovascular Disease |
| Tobacco Cessation | Patient Safety | |
| Unintended Pregnancy | Stroke | |
| Cross Cutting: Patient Experience | | |

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WA State Common Measure Set

- Provide a core measure set, not an all-encompassing measure set
- Intended for public reporting with different units of analysis
- Enable a common way of tracking performance for key stakeholders across the state
 - Promote a voluntary alignment of measures across payers and purchasers
 - Understand what needs to improve and where it needs to improve
- Promote equal access to high-quality health care by reducing variation in care and improve health outcomes
- Inform public and private health care purchasers, including use in provider contracting



*Converge around
Common signals*

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Goal: Align, standardize performance measurement as much as possible


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2016 Community Checkup - Key Findings

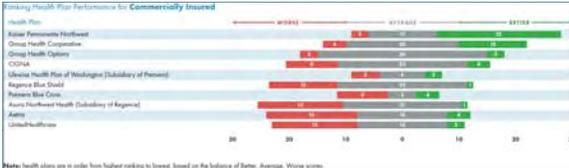
- Variation, variation, variation
 - Variation in performance results by county, health plan, medical group, clinic and hospital is a persistent problem in the delivery of health care

While some variation is to be expected, when the health care delivery system is functioning well, performance results should tightly cluster around the average **AND** the average should compare favorably to national benchmark performance.

- We have a long way to go to achieve our goal of top 10% of performance nationally.
- Too many patients in Washington are not receiving the evidence-based care they need and deserve.
- Local successes prove top quality health care is achievable.


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Ranking of Health Plans Demonstrates Variation



Notes: Health plans are in order from highest ranking to lowest, based on the balance of Better, Average, Worse scores.

Shown: Commercial insurers in the state of Washington, results from NCQA Quality Compass 2016


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WA State Compared to National Benchmarks

| | # of Measure Results in Washington State | |
|---|--|------------------|
| | Commercially-Insured | Medicaid-Insured |
| TOP 10% - at or above the national 90 th percentile | 1 | 0 |
| Between National 75 th and 90 th Percentile | 4 | 2 |
| Between National 50 th and 75 th Percentile | 8 | 3 |
| Between National 25 th and 50 th Percentile | 9 | 4 |
| Below 25 th Percentile | 0 | 12 |

Note: Results reflect a subset of measures from the 2016 Community Checkup. National benchmarks not available for all measures. Source: NCQA Quality Compass, 2016


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eValue8™ National Survey

How well health plans use provider payment and contracting to drive higher value in health care

| Category | Score |
|---------------------------|-------|
| Best Performance Measure* | 79.8% |
| Good Measure (MBO) | 76.6% |
| Opt | 72.9% |
| Good Measure PPO | 71.9% |
| Value | 66.8% |
| Underperformance | 64.0% |
| Average | 59.4% |

*Based on 2016 eValue8 Performance (MBO) measures for one and volume-adjusted overall score. Scores may be calculated for patients in select or other.

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Your Voice Matters: 2016 Patient Experience Report

Your Voice Matters: Patient Experience with Primary Care Providers in Washington State
2016 Report

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Component of Value: Patient Experience

- Include but go well beyond simple ratings of satisfaction.
- Focus on the critical interactions patients experience during their health care encounters that are linked to improved outcomes.
- Focus on *whether or not* or *how often* certain events or behaviors actually occurred.
- Less subjective than patient satisfaction surveys
- Useful to highlight actionable areas for provider improvement.

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Patient Experience Report

What does the Patient Experience Survey cover?

- Ease in getting timely appointments, care and information.
- How well providers communicate with patients.
- How well providers use information to coordinate care.
- Whether office staff personnel are helpful, courteous and respectful.
- Patient's overall rating of provider.

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Expansion of Patient Experience Survey

| | 2011 | 2013 | 2015 | 2017 |
|--|--------|---------|---------|------|
| Sample Size | 90,000 | 120,000 | 181,000 | TBD |
| # of Counties in WA Included in Survey | 5 | 5 | 14 | 39 |
| Response Rate | 36% | 29% | 31% | TBD |
| # of Publicly Reported Medical Groups* | 40 | 46 | 75 | TBD |
| # of Publicly Reported Clinics* | 156 | 185 | 266 | TBD |

**The Alliance publicly reports results for primary care groups of four or more providers and where the number of survey responses yields a 0.7 or greater reliability score.*

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Hospital Sticker Shock: A report on price variation



Hospital sticker shock
A round-up of hospitals' sticker shock, and what you can do about it.

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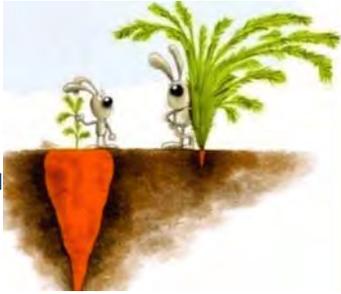
Tremendous Variation in Hospital Prices

- Report using Medicare data reveals the sticker price for common hospitalizations.
- Sticker prices are often the starting point for contract negotiations.
- Also, sticker prices are the out-of-network costs that employees may end up bearing.
- Alliance analysis shows tremendous price variation for common procedures for patients with the same illness burden.

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Help me educate others on these two key ideas:

1. There is tremendous variation in health care.
2. Health care quality, cost and patient experience are measurable.



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Comments/Questions?

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