

Commonwealth of Kentucky
Cabinet for Health and Family Services (CHFS)
Office of Health Policy (OHP)



**State Innovation Model (SIM) Model Design
August Stakeholder Meeting**

August 4, 2015

Meeting Agenda

- **Welcome and Introductions** 1:00 PM – 1:15 PM
- **July Workgroup Meetings: Recap and Report Out** (Jim Hardy, Specialist Leader, Deloitte Consulting LLP) 1:15 PM – 1:35 PM
- **Multi-Payer Primary Care Transformation: Evidence and Experience from Across the Country** (Christopher Koller, President, Milbank Memorial Fund) 1:35 PM – 2:35 PM
- **Review Outline of Draft Value-based Health Care Delivery and Payment Methodology Transformation Plan** (Jim Hardy, Specialist Leader, Deloitte Consulting LLP & Dr. John Langefeld, Chief Medical Officer, Department for Medicaid Services) 2:35 PM – 2:55 PM
- **Next Steps** (Jim Hardy, Specialist Leader, Deloitte Consulting LLP) 2:55 PM – 3:00 PM

Welcome and Introductions

July Workgroup Meetings: Recap and Report Out

July Workgroups Overview

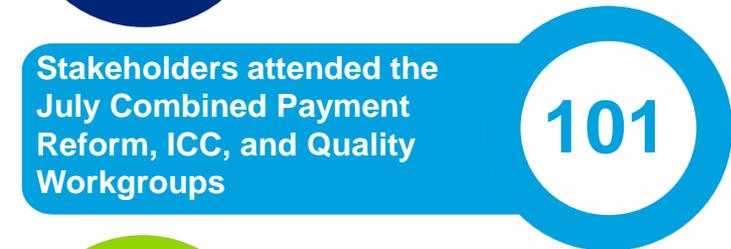
The July workgroups had a different schedule and format from previous months. The Payment Reform, Integrated & Coordinated Care, and Quality workgroups were combined into a single, full-day panel format with presentations by Kentucky stakeholders, while the Increased Access and HIT Infrastructure workgroups featured breakout group discussions on a variety of different topics.

July 2015 SIM Workgroup Calendar

| Tuesday 21 st | Wednesday 22 nd | Thursday 23 rd |
|--|---|-------------------------------------|
| 9 AM to 12 PM | 9:30 AM to 3:30 PM | |
| HIT Infrastructure Workgroup – KY Department for Public Health (DPH) | Combined Payment Reform, Integrated & Coordinated Care (ICC), and Quality Strategy/Metrics Workgroup – KY DPH | |
| | | 1 PM to 4 PM |
| | | Increased Access Workgroup – KY DPH |



58 Stakeholders attended the July HIT Infrastructure Workgroup



Stakeholders attended the July Combined Payment Reform, ICC, and Quality Workgroups **101**



41 Stakeholders attended the June Increased Access Workgroup

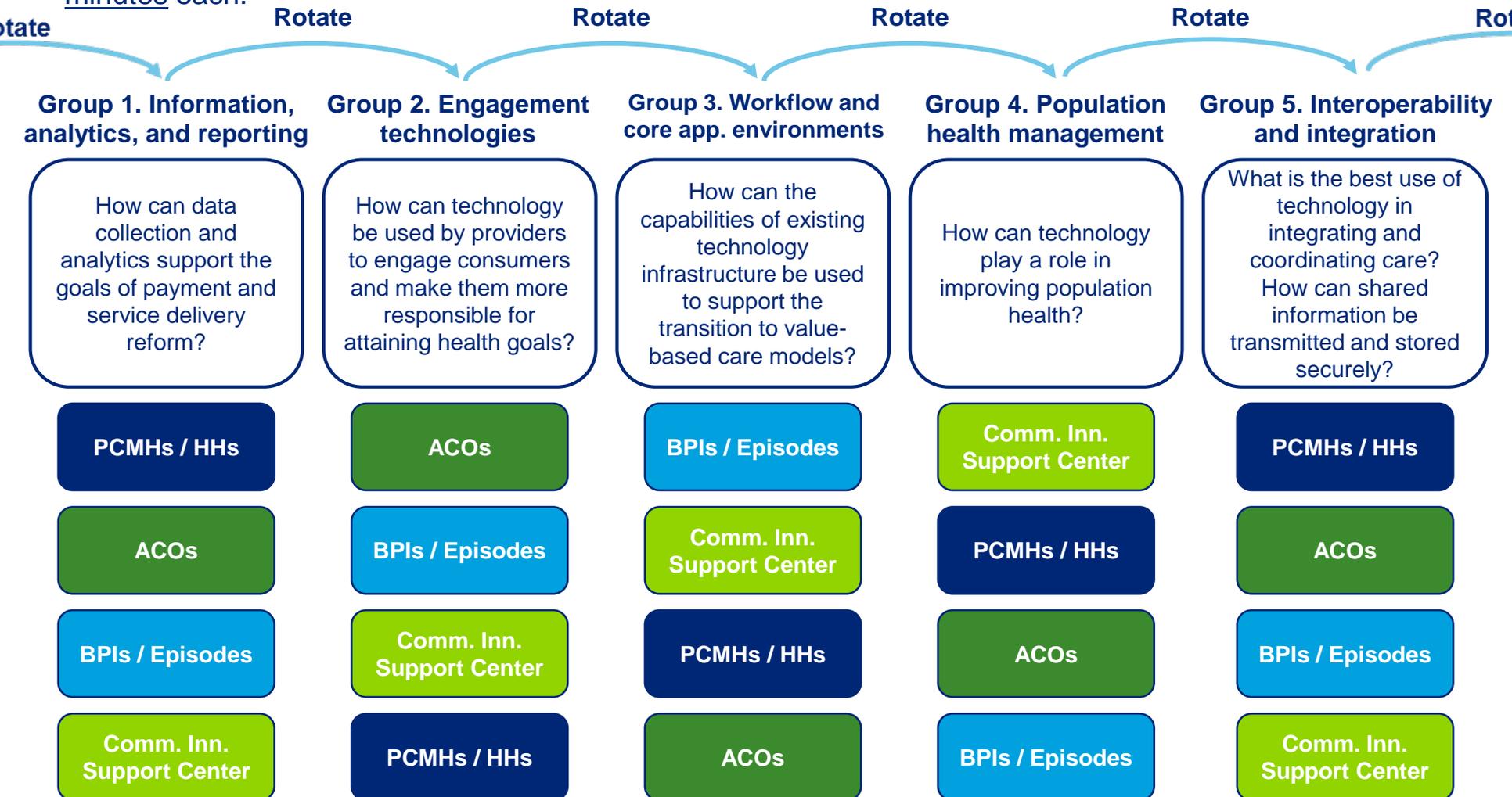
Combined Workgroup Panel Overview

On Wednesday, July 22nd, the Payment Reform, Integrated & Coordinated Care, and Quality workgroups combined to fill an all-day session of panel presentations that focused on four of the key reforms being proposed in the KY SIM Straw Person.

| Panel | Panelists | Topics Discussed |
|---|---|--|
| Multi-Payer Community Innovation Support Center | <ul style="list-style-type: none"> Randa Deaton (Kentuckiana Health Collaborative) Teresa Coutts (Kentuckiana Health Collaborative) Susan Zepeda (Foundation for a Healthy Kentucky) Joe Smith (KY Primary Care Association) | <ul style="list-style-type: none"> Greater Louisville Healthcare Transformation Plan Foundation for a Healthy Kentucky IKF Grant Program Shifting incentives from medical expense ratio to quality |
| Patient Centered Medical Home (PCMH) and Health Homes | <ul style="list-style-type: none"> Trudi Matthews (UK/REC) Emily Beauregard (KY Primary Care Association) Susan Starling (Marcum and Wallace Memorial Hospital) Angela Ross (Mercy Medical Clinic) Mike Lorch (Anthem) Dr. Steven Houghland (Passport) | <ul style="list-style-type: none"> Kentucky REC PCMH and Medical Neighborhood Models Kentucky Primary Care Association IPA, ACO, and PCMH Development Mercy Medical Clinic Six Standards of Transformation Anthem 2013 PMPM Data |
| Accountable Care Organization (ACO) | <ul style="list-style-type: none"> Shelley Gast (Norton Healthcare) Praveen Arla (Imperium Health Management) Matt Harr (Eastern Kentucky Healthcare) Don Lovasz (KentuckyOne Health) Megan Woosley (Owensboro Health) Steve Wander (Deloitte Consulting) | <ul style="list-style-type: none"> EKHC “Super PHO” and current payment models Motivated physician engagement/role of thought leaders KentuckyOne Health ACO Model Maine’s Accountable Communities Program |
| Bundled Payment Initiatives/Episodes of Care | <ul style="list-style-type: none"> Amy O’Connell (KentuckyOne Health) Mike Lorch (Anthem) Shelley Gast (Norton Healthcare) | <ul style="list-style-type: none"> KentuckyOne Health Episode Management Model CMS’ Comprehensive Care for Joint Replacement (CCJR) Model |

HIT Infrastructure Breakout Activity

In the July HIT Infrastructure workgroup, members revisited the five components of the HIT Plan Strategy developed during the June workgroup in a breakout activity. They formed five groups and rotated to discuss these five components across the four key design elements of the KY SIM Straw Person for 20 minutes each.



HIT Infrastructure Breakout #1 – Information, Analytics & Reporting

How can data collection and analytics support the goals of payment and service delivery reform?

Data Capture/ Reliability

- Create consistent standards for data collection and definitions
- Capture clinical, financial, lab, pharmacy, and claims data in a centralized, accessible location

Transparency

- Create standard definitions for quality metrics, and provide a transparent process for calculating metrics

Data Integration

- Include socioeconomic and other external factors in data collection
- Adopt interoperability standards for data collection and transfer

Quality Measure Alignment

- Implement quality metrics that can be tied to value-based reimbursement

Patient Engagement

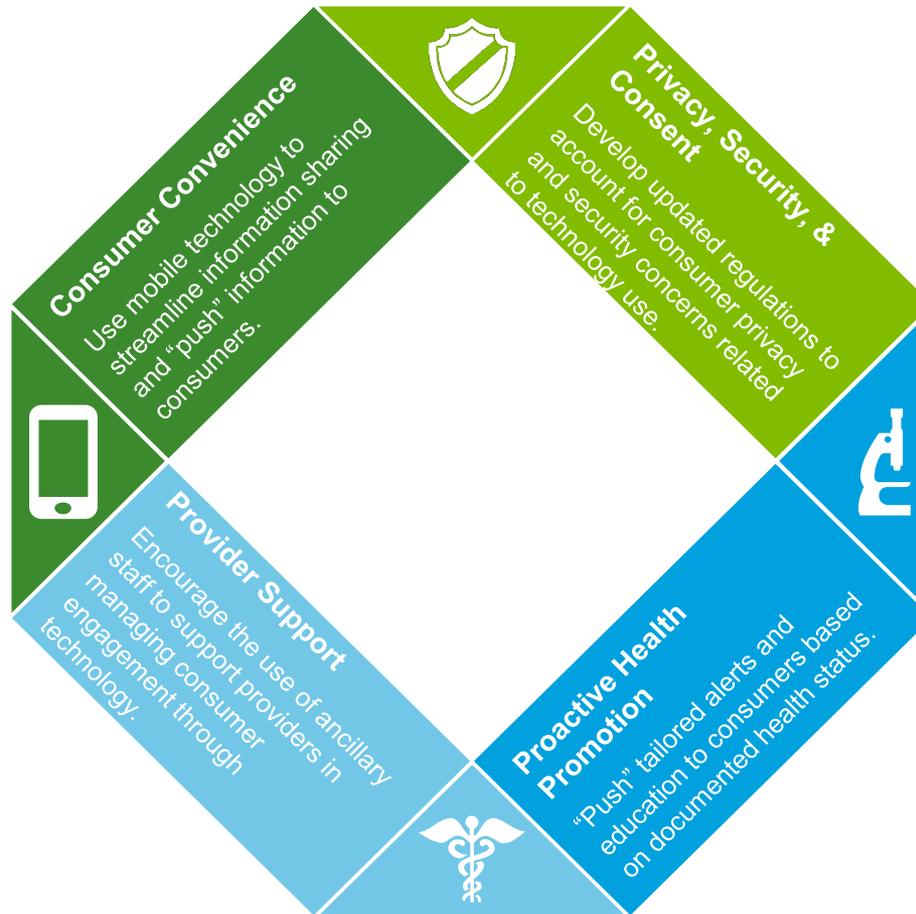
- Proactively intervene with consumers at risk of developing a chronic condition
- Develop actionable reports for patients based on identified needs/use cases
- Engage patients in data capture and reporting

Data Analysis

- Use data to identify and target high risk patients at risk of a preventable event
- Use data to identify best practices to help modify service delivery in the future
- Use data to make the business case for gain sharing

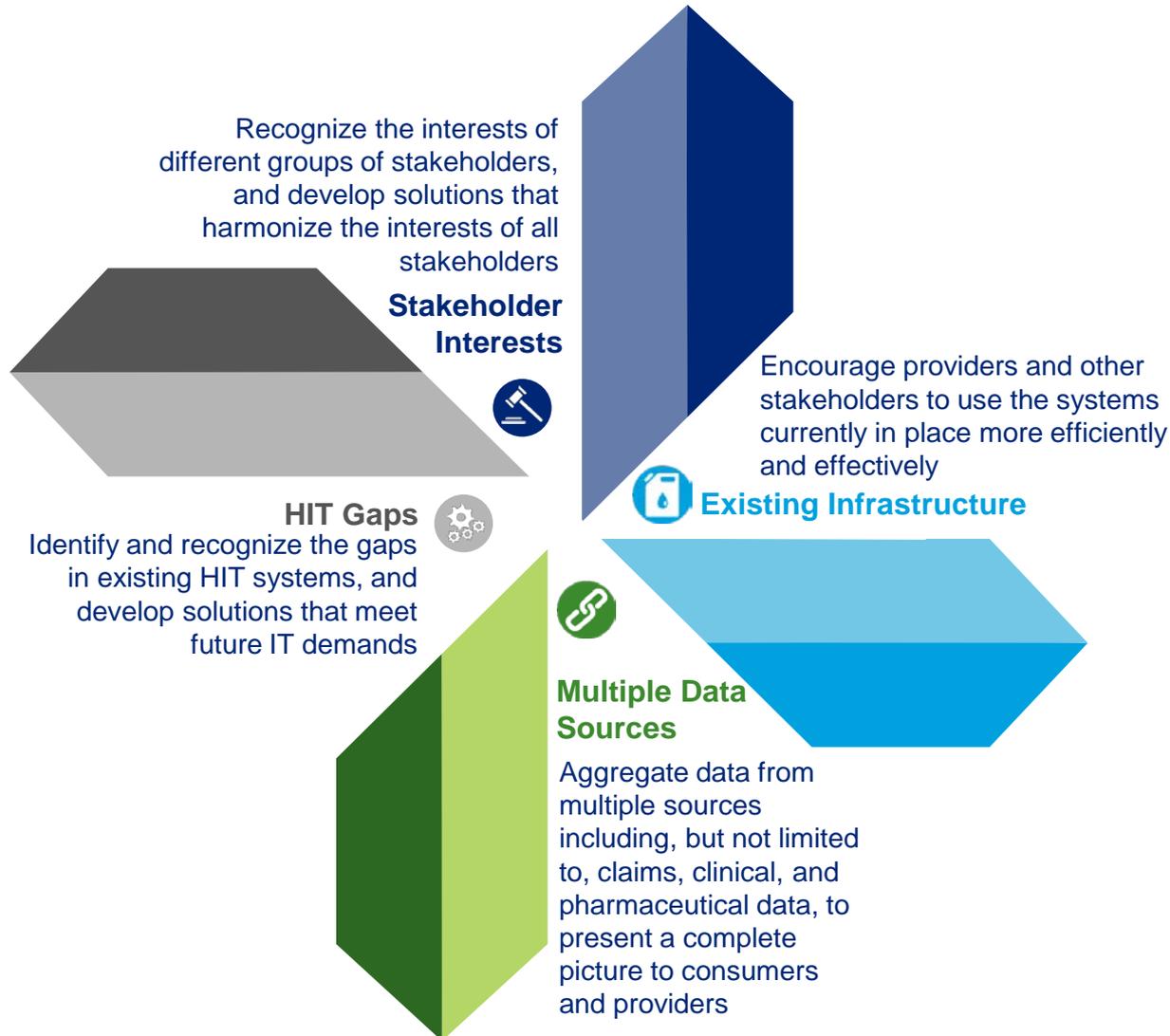
HIT Infrastructure Breakout #2 – Engagement Technologies

How can technology be used by providers to engage consumers and make them more accountable for attaining health goals?



HIT Infrastructure Breakout #3 – Workflow and Core Application Environments

How can the capabilities of existing technology infrastructure be used to support the transition to value-based care models?



HIT Infrastructure Breakout #4 – Population Health Management

How can technology play a role in improving population health?

Two stakeholder-generated definitions of “population health” helped to frame the breakout discussion:

- 1 The distribution of health status/outcomes across a geography or defined population
- 2 An ecosystem of interacting pieces, including public health, policy, consumers, and clinical health

Modeling and Analytics

- Conducting statistical and/or predictive modeling and analytics to identify opportunities for specific improvements available to all providers and consistent across populations

Data Sources

- Connecting disparate data sources, data sharing between practices, and the development of repositories for use by payers, providers, and consumers

Data Aggregation

- Aggregating a complete patient record and/or shared-care plan that contains both clinical information and social determinants of health

Data Query

- Enabling PCMH sites to query their own data for patient engagement and/or prevention purposes

Patient Engagement

- Using technology to improve patient engagement in population health goals (e.g., accountability, personalization, and role modeling)

Real-time Data

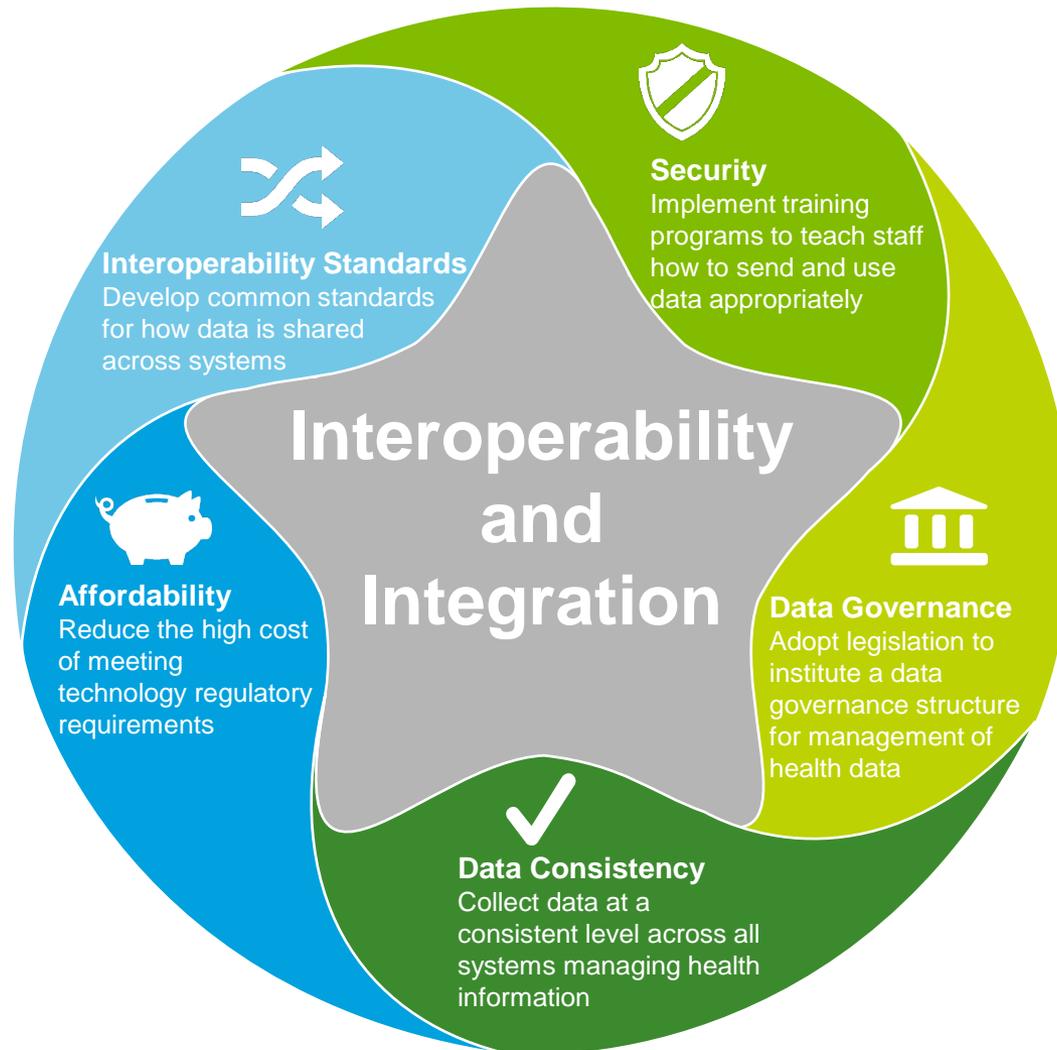
- Balancing the cost/return on investment and need for the use of real-time data from other sources beyond claims data for a continuous review process of best practices and population health trends

Mobile Health

- Using mobile health to rapidly scale behavior change across populations by connecting patients between systems and enabling two-way communication with providers

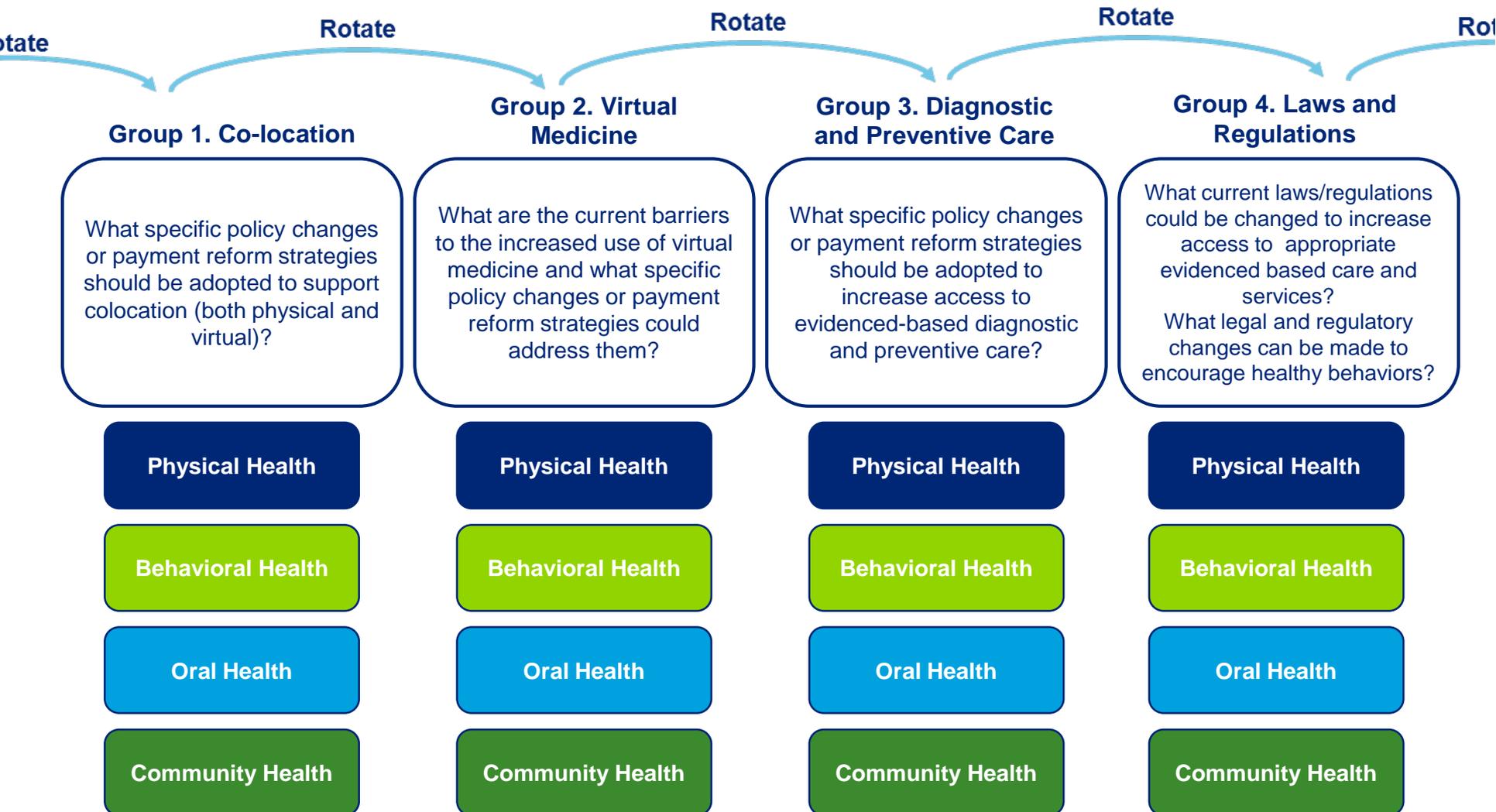
HIT Infrastructure Breakout #5 – Interoperability and Integration

What is the best use of technology in integrating and coordinating care? How can shared information be transmitted and stored securely?



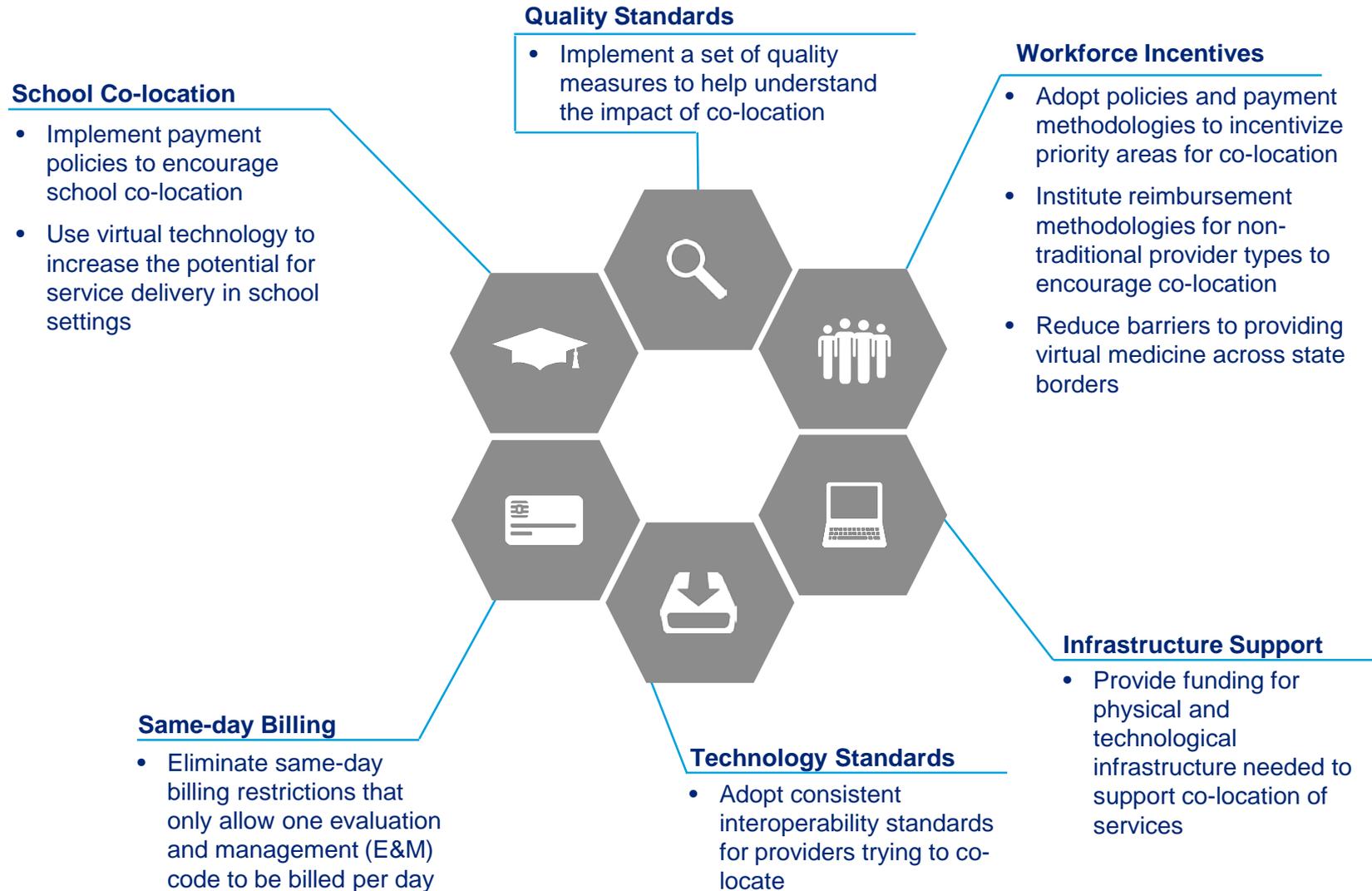
Increased Access Breakout Activity

In the July Increased Access workgroup, members conducted a breakout activity structured around four core design elements of the current Increased Access Strategy in the KY SIM Straw Person. They formed four groups and rotated to discuss these four key design components for 15 minutes each.



Increased Access Breakout #1 – Co-location

What specific policy changes or payment reform strategies should be adopted to support co-location (both physical and virtual)?



Increased Access Breakout #2 – Virtual Medicine

What are the current barriers to the increased use of virtual medicine and what specific policy changes or payment reform strategies could address them?

Barriers

- Funding for equipment and dedicated facility fees
- Privacy concerns and lack of standards
- Technical infrastructure in offices/homes
- Knowledge of/experience with use
- Cultural/generational gaps
- Interoperability
- Transportation
- Scheduling
- Incorrect coding and associated liability
- Lack of payment for the hosting provider for two-way virtual visits

Strategies

- Leveraging federal and other state resources who lead by example
- Value proposition changes
- Increased remote monitoring
- Flow of data in protocol environments
- Changing sites of services
- Implementing checks and balances
- Integrating into provider training programs
- Device regulation (e.g., ability to control validity)
- Develop user-friendly protocols
- Changing two-way virtual visit payment policies

Increased Access Breakout #3 – Diagnostic and Preventive Care

What specific policy changes or payment reform strategies should be adopted to increase access to evidenced-based diagnostic and preventive care?

Provider Reimbursement



- Improve reimbursement for non-local health departments and/or schools
- Improve the reimbursement for community health workers in fee-for-service environments
- Remove the disparity in reimbursement amongst provider types for preventive care

Use of Incentives



- Develop both provider and consumer incentives for preventive care (e.g., smoking cessation and wellness benefits, premium rebates, etc.)

Education Support



- Provide education support for front-line staff on preventive care and specific Affordable Care Act (ACA) wellness requirements

Payment and Benefit Design

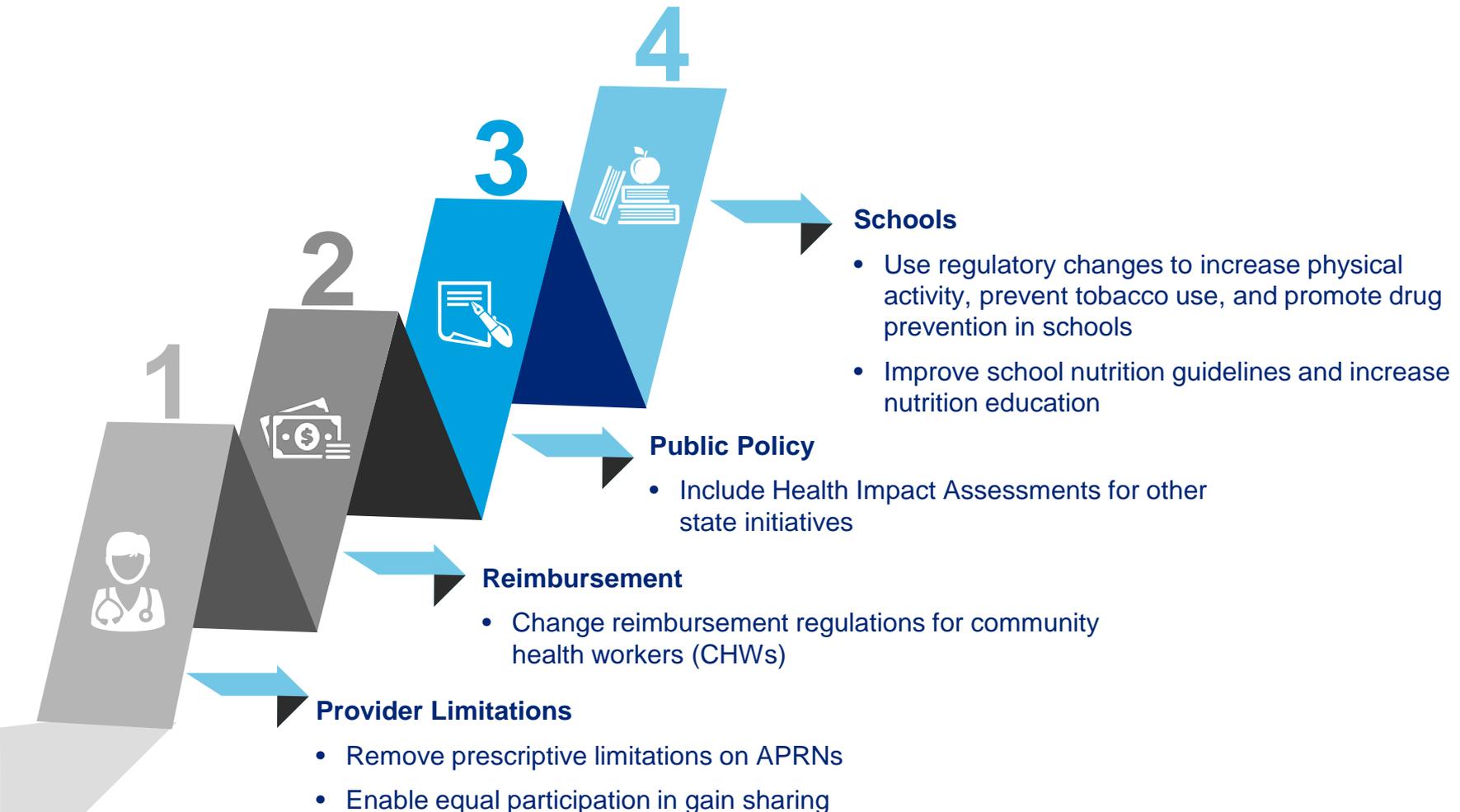


- Use both fee schedule design and benefit design to improve utilization of prevention services
- Remove the current barriers for same-day billing for preventive services



Increased Access Breakout #4 – Laws and Regulations

What current laws/regulations could be changed to increase access to appropriate evidenced-based care and services? What legal and regulatory changes can be made to encourage healthy behaviors?



**Multi-Payer Primary Care
Transformation: Evidence and
Experience from Across the Country**



Multi-Payer Primary Care Transformation

Evidence and Experience from Across the Country

Christopher F. Koller
President, Milbank Memorial Fund
August 4, 2015

Agenda

1. Milbank Memorial Fund
2. Review the Case for Primary Care
3. Multi Payer Primary Care Transformation:
 - Key elements
 - Results
 - Implementation issues
 - Future Prospects



Milbank Memorial Fund

- 105 year old operating foundation
- National scope
- “Improving Population Health by connecting leaders and decision makers with the best evidence and experience”
- Three priorities
 - Be a source for evidence and experience in response to state requests
 - Build state health policy capacity
 - Increase impact of Milbank Quarterly



The Case For Primary Care

GAO

United States Government Accountability Office
Testimony
Before the Committee on Health,
Education, Labor, and Pensions, U.S.
Senate

For Release on Delivery
Expected at 2:30 p.m. EST
Tuesday, February 12, 2008

PRIMARY CARE PROFESSIONALS

- Recent Supply Trends,
Projections, and Valuation
of Services

Statement of A. Bruce Steinwald, Director
Health Care

“Ample research concludes in recent years that the nation’s over reliance on specialty care services at the expense of primary care leads to a health system that is less efficient...research shows that preventive care, care coordination for the chronically ill, and continuity of care—all hallmarks of primary care medicine—can achieve better health outcomes and cost savings.”



This is Borne Out Internationally

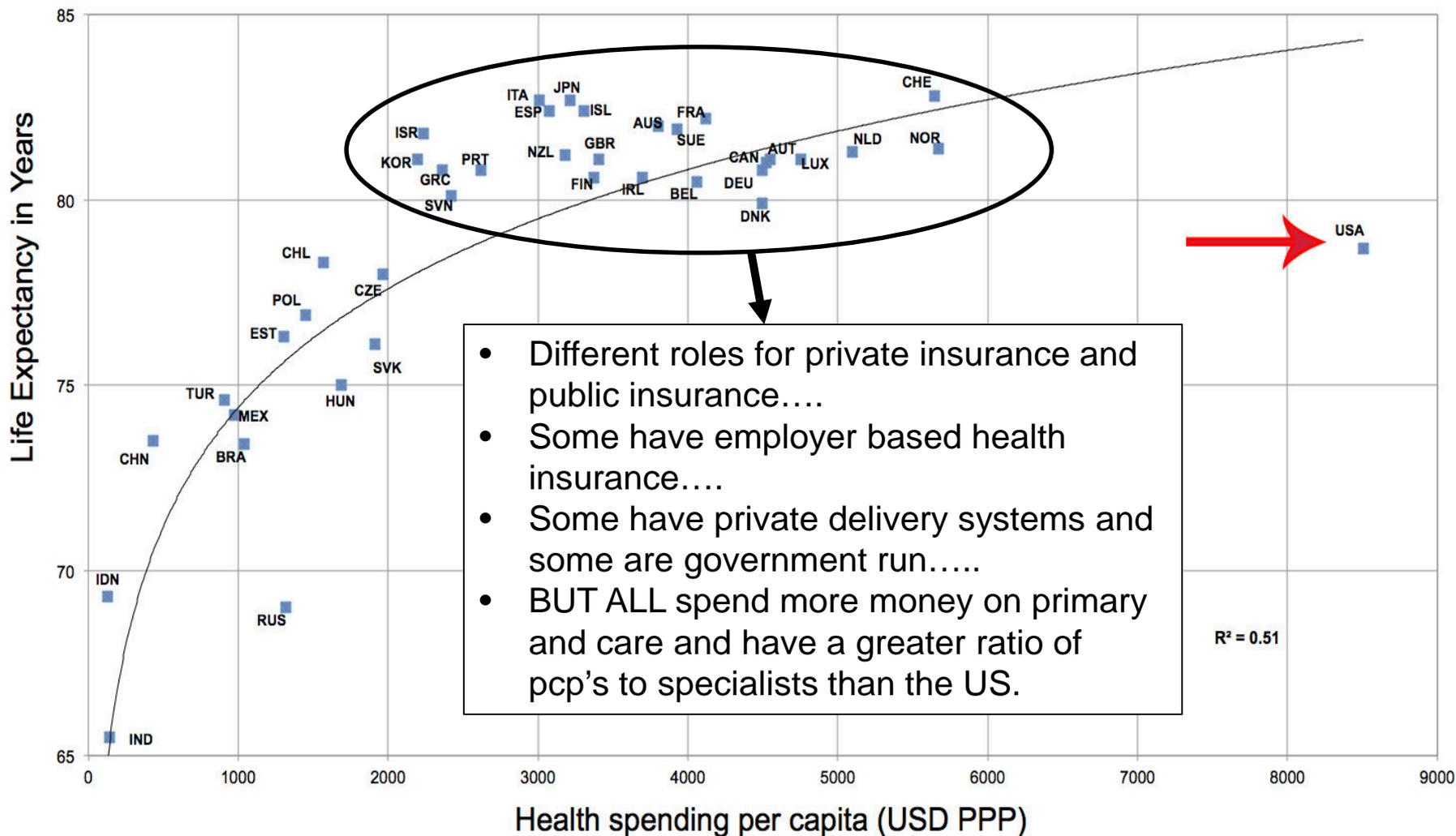
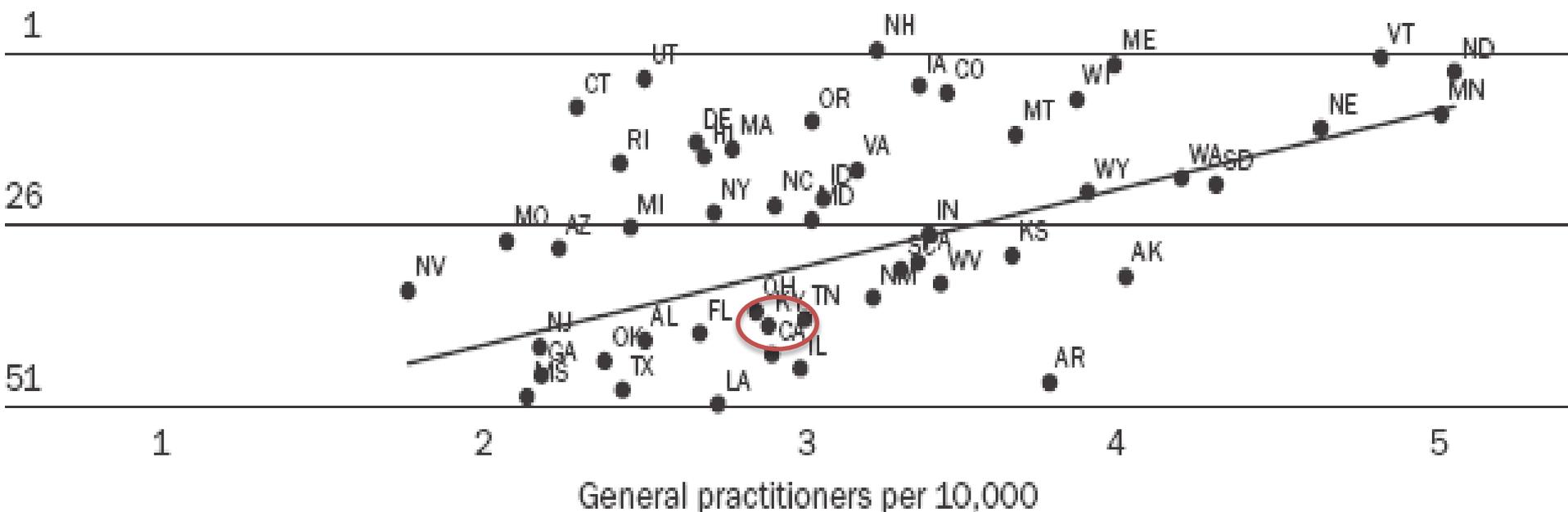


EXHIBIT 8

Relationship Between Provider Workforce And Quality: General Practitioners Per 10,000 And Quality Rank In 2000

...And in US

Quality rank



SOURCES: Medicare claims data; and Area Resource File, 2003.

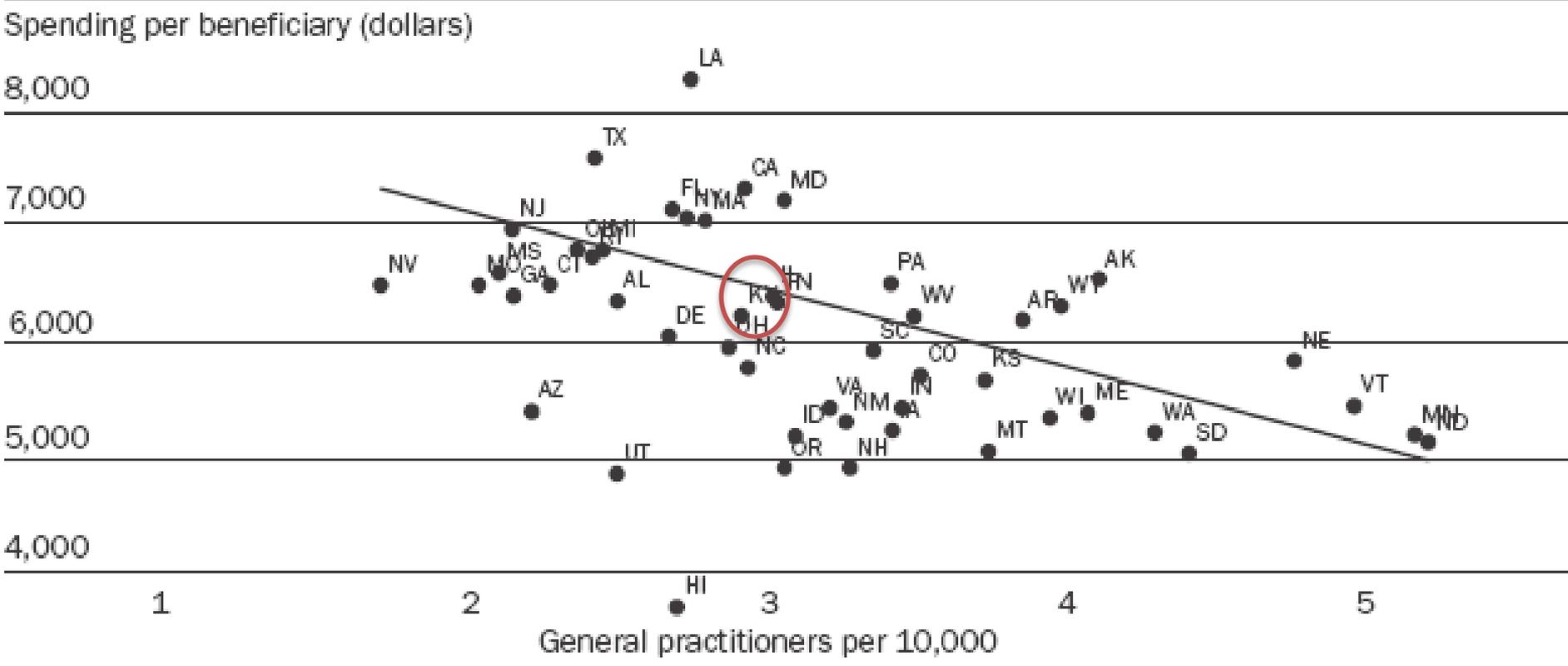
NOTES: For quality ranking, smaller values equal higher quality. Total physicians held constant.

Source: Baicker & Chandra, Health Affairs, April 7, 2004



EXHIBIT 9

Relationship Between Provider Workforce And Medicare Spending: General Practitioners Per 10,000 And Spending Per Beneficiary In 2000



SOURCES: Medicare claims data; and Area Resource File, 2003.
NOTE: Total physicians held constant.

Source: Baicker & Chandra, Health Affairs, April 7, 2004



What does High Quality Primary Care Look Like?

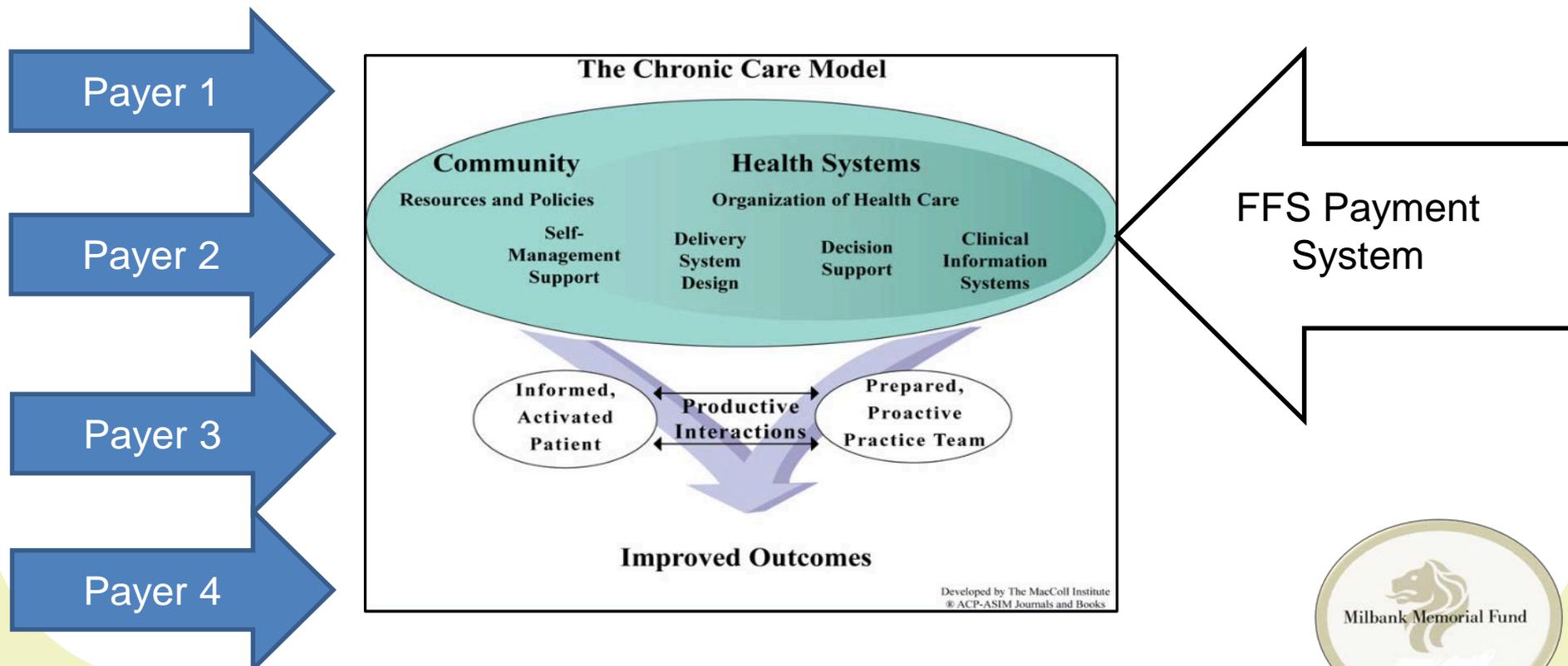
The Chronic Care Model

The Chronic Care Model

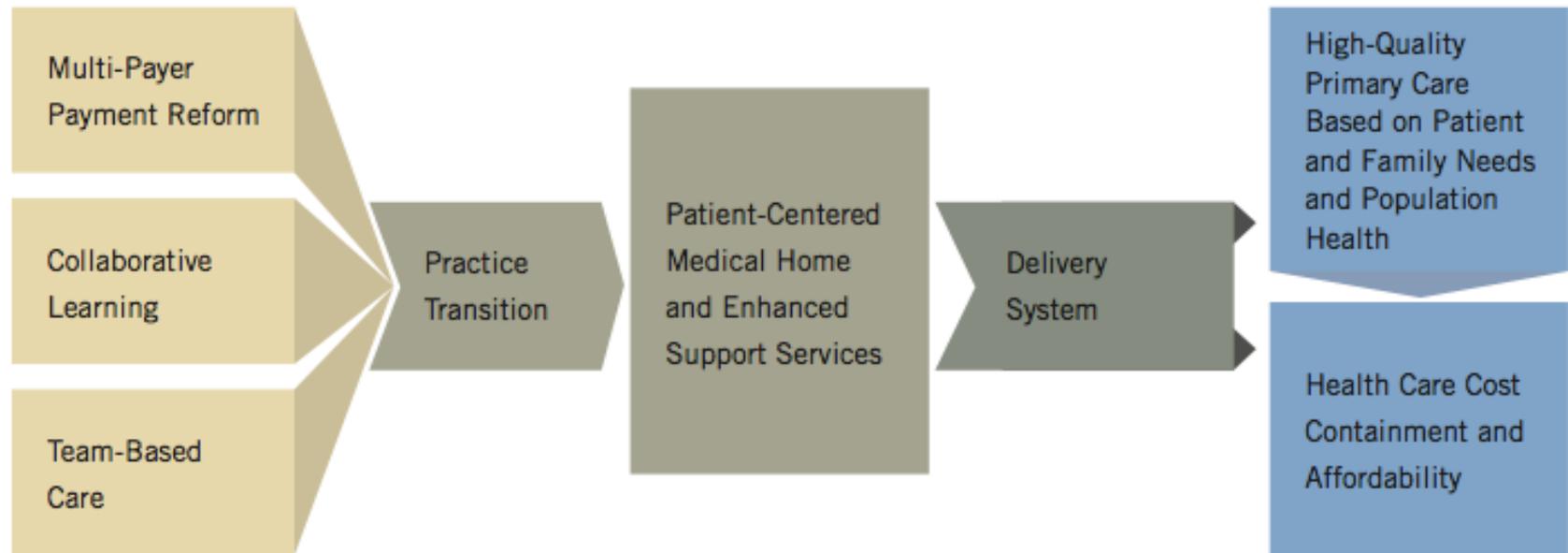


When the Chronic Care Model Meets Reality...

Pressures Shrink its Effectiveness....



Multi-Payer Payment Reform is REQUIRED to build Primary Care





Aligning Payers and Practices to Transform Primary Care:

A Report from the Multi-State Collaborative

by Lisa Dulsky Watkins, MD

Available at www.milbank.org

The Milbank Memorial Fund Multi-State Collaborative

Details on Participants

- 17 States or regions
- 1600 Primary Care practices
- 900 Primary Care providers
- 6,000,000 patients



How did these projects get started?

- Payer interest in transforming primary care
 - Commercial
 - Medicaid
 - Medicare
- Primary Care interest in PCMH
- Well intentioned individual programs by one or more payers (“Medicaid Health Homes” ; FQHC’s; Commercial programs)
- Calls for alignment; and catalyzing event or opportunity (funding, leadership etc)

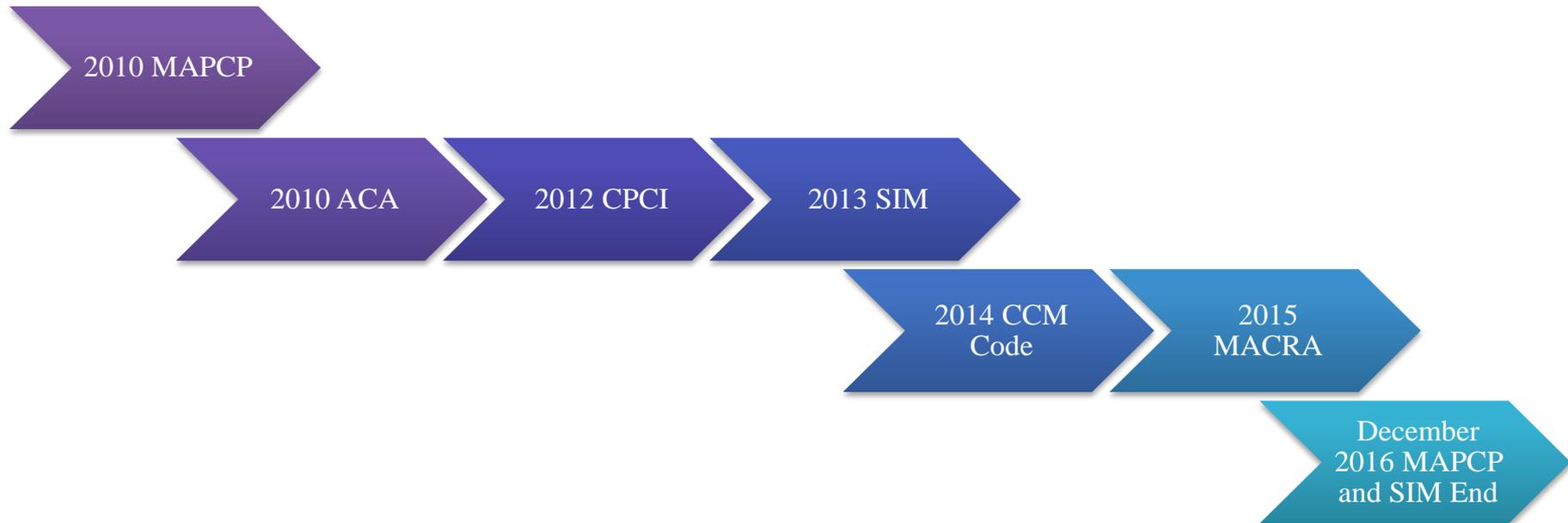


Essential Components of Multi Payer Primary Care Transformation

1. Innovative payment reforms designed to support primary care
2. Multiple (public and private) payer participation
3. Strong roles for convening and project management, ideally from State government
4. Consistent standards for PCMH (or “Advanced Primary Care”) identification/recognition
5. New staffing models for team-based primary care
6. Technical assistance to practice sites and collaborative learning
7. Common measurement of performance – at regular and frequent intervals, transparent and trustworthy



As dominant payer – Medicare has been a key element of this work



MAPCP and CPCI

Multi-payer Advanced Primary Care Practice (MAPCP) Demonstration

- Started in 8 states July 2011 (preceded the Affordable Care Act), termination December 2014 (3) or December 2016 (5)
- CMS participation in ongoing and unique state-led multi-payer reform initiatives

Comprehensive Primary Care Initiative (CPCI)

- Started 2012, termination December 2016
- CMMI-sponsored innovation. Multi-payer initiative fostering collaboration between public (Medicare and State Medicaid) and private payers by offering bonus payments to primary care doctors/practices for better care coordination
- Pre-set consistent structure and milestones



SIM has also been a Catalyst

Primary Care Transformation - a critical element in several SIM Round 1 testing states

Vermont - ACO efforts

Oregon - Coordinated Care Organizations

Minnesota - Accountable Communities

Maine - ACO efforts

Arkansas - expanded PCMH using CPCI model



Case Study: OH/KY CPCI Project

Greater Cincinnati
1 of only 7
chosen sites nationally

75 practices and
260 providers

Multi-payer:
8 health plans +
Medicare

220,000 estimated
commercial,
Medicaid and
Medicare enrollees

65 miles from
Williamstown, KY to Piqua, OH



Convened by The Health Collaborative in response
to CPCI opportunity



What Constitutes “Transformed Primary Care”? – Here is how CPCI defines it

- Care Management and Care Coordination
 - Patients receiving personalized care management
 - Post-discharge and Emergency Department visit follow-up
- 24/7 Access
 - All practices offering enhanced access via patient portals, after-hours call lines, structured phone visits, text messaging, eVisits
- Shared Decision Making
 - Examples include advance care planning and smoking cessation
- Patient Experience
 - Patient Family Advisory Councils
 - Office survey
- Quality Improvement
 - Using data to guide improvements in care
 - Improving quality while reducing cost and inappropriate utilization



Results

CMMI criteria for CMS to continue paying after innovation period:

- Documented savings for innovation vs populations not receiving it (certified by Office of Actuary) and no reduction in quality
- Or no additional costs and improved quality outcomes
- Third party evaluation

Commercial Payers evaluate but are not as public with standards or results

Projects do their own evaluations as resources and focus permits



Medicare Results - MAPCP

In its first year the “MAPCP Demonstration generated an estimated \$4.2 million in savings through the use of *advanced primary care* initiatives”, specifically that “that the rate of growth in Medicare FFS [fee-for-service] health care expenditures was reduced in Vermont and Michigan”.

<http://blog.cms.gov/2015/01/23/moving-forward-on-primary-care-transformation/>



Medicare Results - CPCI

CMS Innovation Center Director Patrick Conway states that “the CPC initiative, in its first year, decreased hospital admissions by 2% and emergency department visits by 3%, contributing to the reduction of expenditures nearly enough to offset care management fees paid by CMS.”

<http://blog.cms.gov/2015/01/23/moving-forward-on-primary-care-transformation/>

- The Mathematica report can be found in its entirety at <http://innovation.cms.gov/Files/reports/CPCI-EvalRpt1.pdf>



Commercial Plans' Assessments

With 17 identified multi payer projects, many national and regional payers (private and public) now engaged

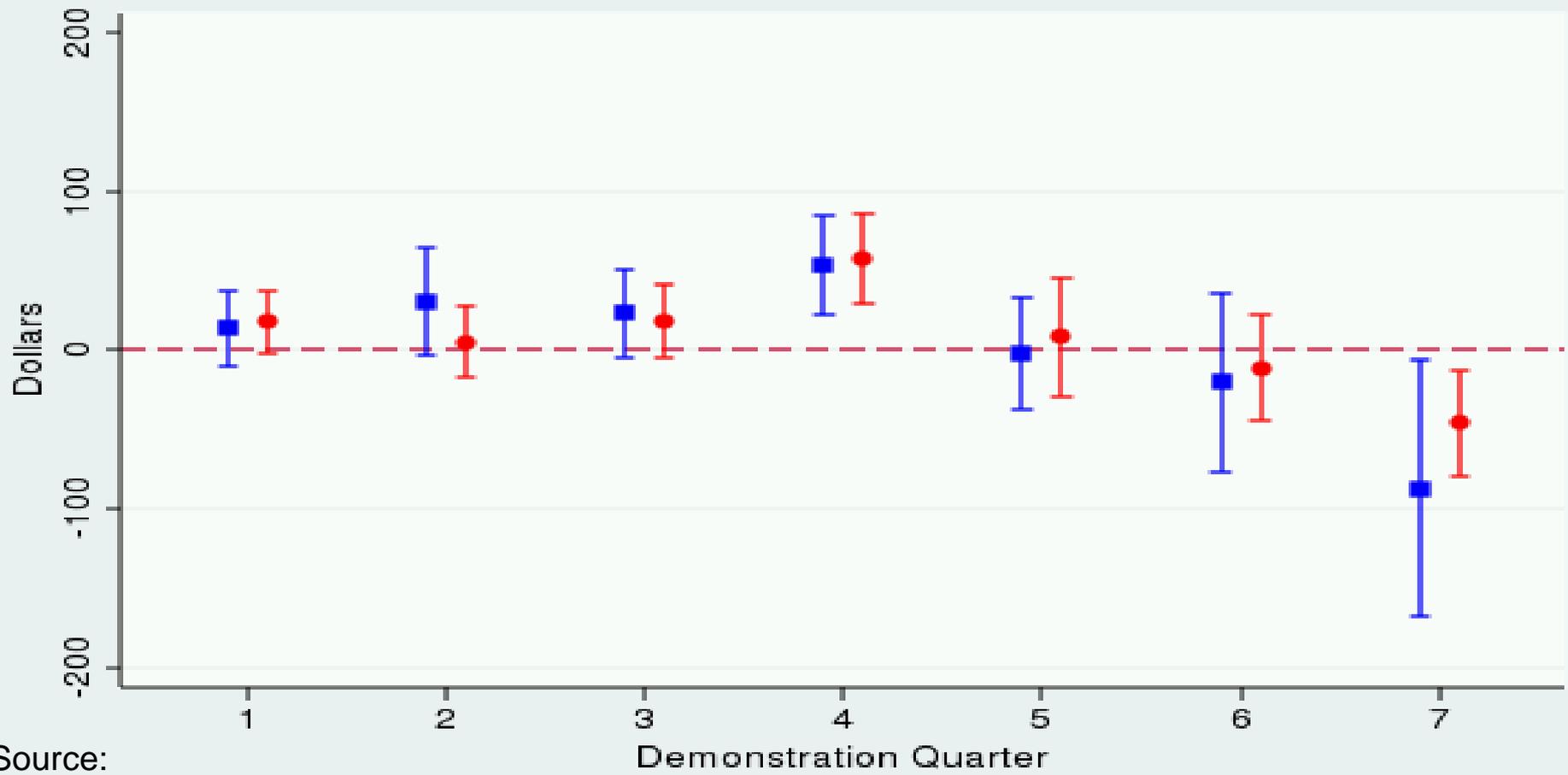
Outcomes of invitational June 2015 CPCI-participating payers' meeting:

- promising early results
- evident commitment to continue (with caveat that CMS stay involved)



Project Specific Results – Michigan MAPCP

Gradual decrease in Medicare per capita costs over two years



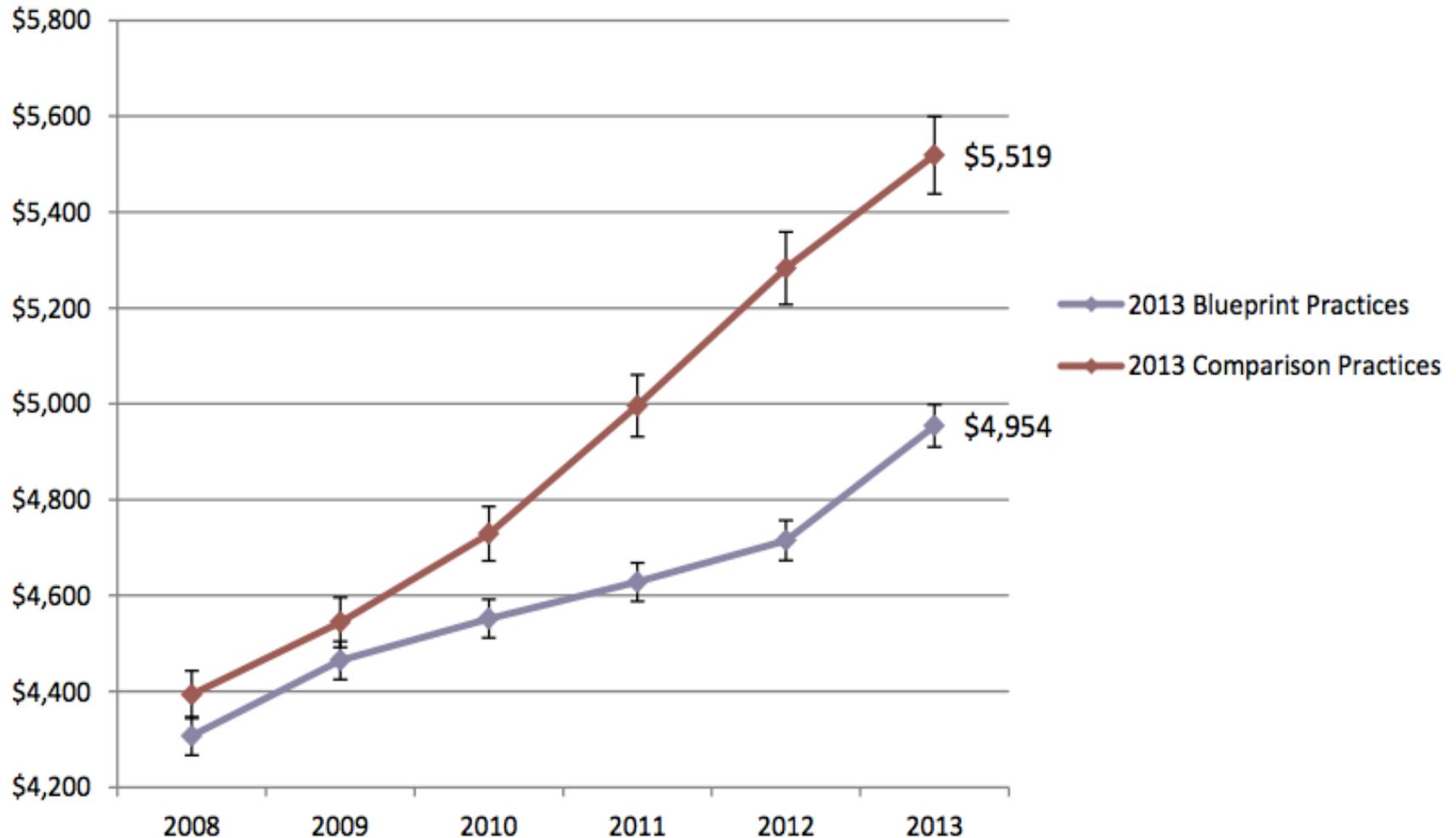
Source:
CMMI
Evaluation



Project Specific Results – Vermont MAPCP

Payment reform has contained costs over 5 years

Figure 4. Total expenditures per capita - commercially insured ages 18-64



Project Specific Results - OH/KY CPCI

Overall Medicare expenditures were lower among CPC-attributed patients after 2 years

- More dramatic in highest risk-stratified group (the most ill and complicated patients)

Decreases were seen in ambulatory-sensitive admissions

Note – Official results beyond the first year of the CPCI are unavailable publicly. The first year report prepared by Mathematica Policy Research is available at <http://innovation.cms.gov/Files/reports/CPCI-EvalRpt1.pdf>



Results - Allow time to learn: PA Multi-Payer Part 1

In this early study, participating practices that adopted new structural capabilities and received basic (not advanced) NCQA certification outcomes did not reflect reductions in utilization of hospital, emergency department, or ambulatory care services or total costs over 3 years.

They added that their “findings suggest that medical home interventions may need further refinement.”

JAMA. 2014;311(8):815-825. doi:10.1001/jama.2014.353



PA Multi-Payer Part 2

Round two project components sharpened:

- Shared saving incentives

- Regular feedback to primary care practices from health plans on utilization of hospitals, EDs, and other medical services

- No financial incentive tied to early achievement of recognition

- All practices had an EHR at baseline and were more advanced PCMHs (per NCQA recognition scores)

Pilot practices had statistically significant better performance on the following:

- 4 process measures of diabetes and breast cancer screening

- 1.7% lower rates of all cause hospitalization

- 4.7% lower rates of all cause ED visits

- 3.2% lower rates of ambulatory sensitive ED visits

- 17.3% lower rates of ambulatory visits to specialists

JAMA Intern Med. doi:10.1001/jamainternmed.2015.2047



What about Quality?

Cost has been the focus in much of formal Primary Care transformation assessments.

Projects tend to pick some common quality goals – vary significantly by project. (Diabetes, COPD, screening tests etc).

Projects can “improve what they measure” - Only with standardized measurement, reporting and collaborative learning.

Limitations include cumbersome patient experience tools and clinical data exchange.



Success is Not Guaranteed.

Key Elements of Successful Projects:

| | |
|---------------------------------------|--|
| 1. Garner Multi-payer Engagement | 6. Demand Federal Participation |
| 2. Nurture Focused Project Leadership | 7. Support Practices with Technical Assistance and Collaboration |
| 3. Gather Together | 8. Insist on Team-based care |
| 4. Spark MD Enthusiasm | 9. Require evaluation ...with realistic time tables |
| 5. Support with Meaningful Financing | 10. Provide timely, accessible and usable data for improvement |



Thinking about starting a project?

Issue One: Role of State Governments – Can Be Catalysts for Multi-payer Work

Create Table, Vision- Strong Primary Care as Common Good, Address Antitrust



“ Joiner”

- Build off dominant commercial market initiative
 - set stage for other small payers
- EG: MI

“ Inviter”

- Establish own program (usually Medicaid)
 - Align with others.
- EG: Maine, PA, AR, CO

“Require-er”

- Call the issue
 - Set direction
 - Enforce with law or regulations
- EG: VT and RI

Acting State Agency – Medicaid, Governor’s Office, Health Department
Insurance Regulator

Precipitating Event: SIM Grant; Medicare Initiative (MAPCP, CPCI)

rial Fund

Example of State Facilitation Colorado



FOR IMMEDIATE RELEASE
Office of Gov. John Hickenlooper

Kathy Green, 303-550-9276 c.
kathy.green@state.co.us
Alicia Caldwell, 303-866-2645 w.
alicia.caldwell@state.co.us

Colorado Gov. Hickenlooper commends first healthcare partners for the State Innovation Model

DENVER - Tuesday, June 23, 2015 - Gov. John Hickenlooper today commended the commitments by six Colorado health insurers and the state's Medicaid program to adopt reforms that set the stage for broader integration of behavioral and physical healthcare in Colorado.

Issue Two: Competing Visions for Value Based Payment. Advanced Primary Care is the Foundation

State led Efforts:

- New York State, Colorado and Michigan: Core of SIM Project
- Arkansas and Ohio: Multipayer Primary Care plus Episodes of Care
- Vermont and Oregon: Multipayer Primary Care as basis for Publicly Coordinated ACO's

Commercial Insurers:

- Anthem Insurance, Horizon Health Care (BCBSNJ) and Care First (BCBSMD): Advanced Primary Care is the way we do business.



The Future for Multi-Payer Primary Care Transformation

1. Existing projects: continue to learn what works; improve measurement; solidify local oversight; incorporate social services
2. Commercial Payers:
 - Local leadership and momentum matters
 - Some national plans more engaged than others. Regional plans are easier to enroll.
 - Self Insured: Follow the leads of their administrators.

The Future – SIM Round 2

Primary Care Transformation is a core strategy in 8 of the 11 SIM Round 2 test states

Connecticut – workforce development

Idaho – PCMH, increased connectivity

Michigan – accountable systems using PCMH

New York – regional PCMH development

Ohio – PCMH

Washington – practice transformation

Tennessee – adult and pediatric PCMH

Colorado – PCMH and Behavioral Health



Medicare is Committed to Value of Multi-Payer Primary Care

Secretary has set a target for Value Based Payments – Starts with Primary Care

The 2015 repeal of the the Sustainable Growth Rate (SGR) and enactment of the Medicare Access and CHIP Reauthorization Act (MACRA) presents a unique set of opportunities:

- MACRA specifically allows for CPCI expansion in successful States and regions
 - Both of existing and new projects
 - CPCI standards appears to be a potential framework for the future of primary care payment
- CMS is using the 2016 Physician Fee Schedule as a vehicle for formal comments and suggestions



Is Multi-Payer Primary Care Transformation a Good Delivery System Reform Strategy for Ky?

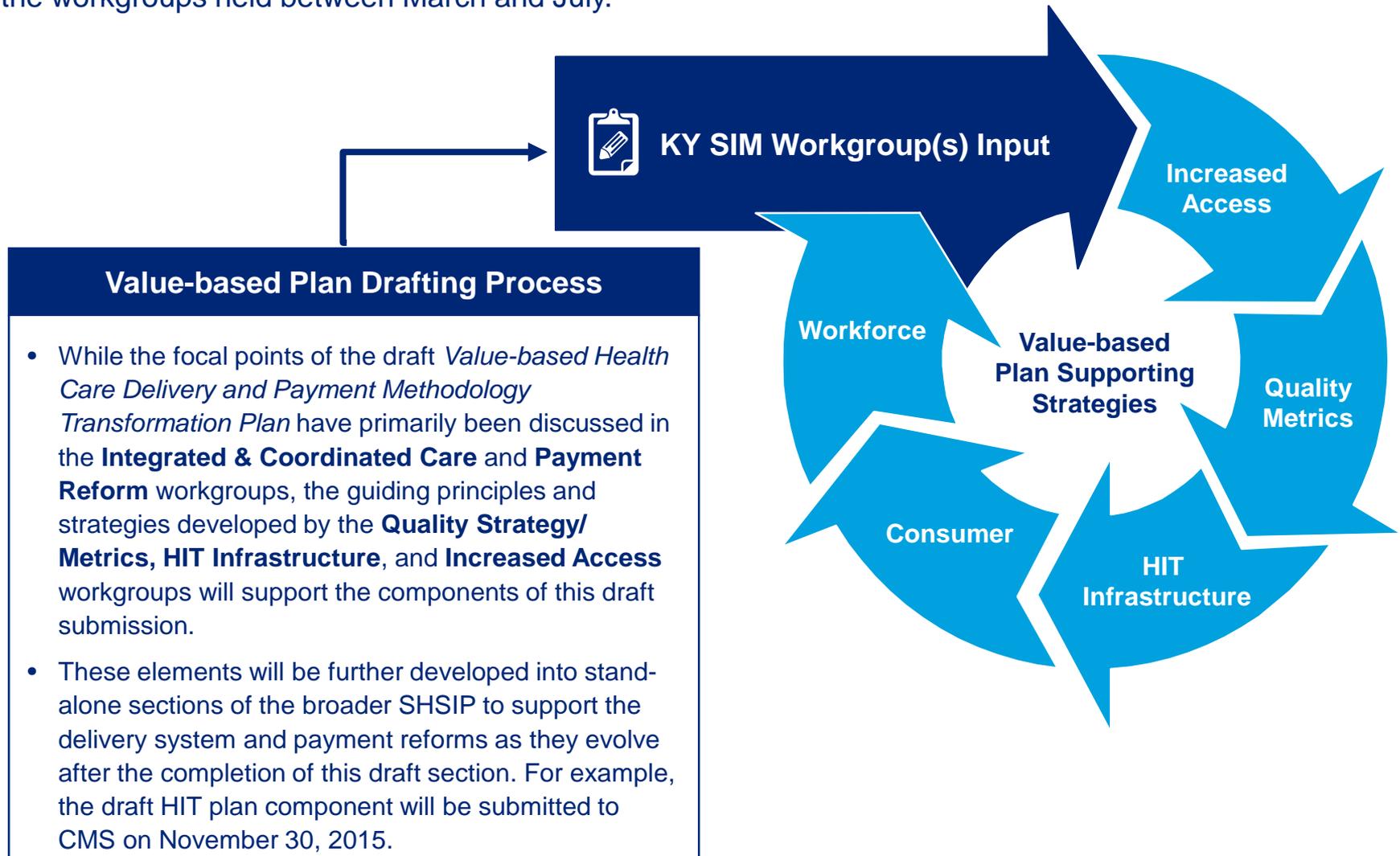
1. Opportunities to Improve Population Health – Start with Good Primary Care
2. Engaging Payers
 1. Good Evidence on Primary Care in general and Multi Payer in Particular
 2. Lessons from OH/KY CPCI Project
3. State role: Momentum from Medicaid Expansion and KYConnect



**Value-based Health Care Delivery
and Payment Methodology
Transformation Plan**

Draft Value-based Plan Process

Each component of the draft Value-based Health Care Delivery and Payment Methodology Transformation Plan will be built-out based upon direct stakeholder feedback and input provided during the workgroups held between March and July.



Draft Value-based Plan Outline and Next Steps

Later this month, stakeholders will have an opportunity to review the draft Value-based Health Care Delivery and Payment Methodology Transformation Plan and provide feedback before it is submitted to CMS in mid-September.



Document Outline

- **Baseline Health Care Landscape**
 - Existing Reforms
- **Proposed Delivery System and Payment Reforms**
 - Definitions
 - Goals
 - Core elements
 - Targets and Timelines
- **Supporting Strategies**
 - Increased Access
 - Quality Metrics
 - HIT Infrastructure
 - Consumer
 - Workforce
- **Conclusion**

August Workgroup Feedback Sessions

| M | T | W | T | F |
|----|----|----|----|----|
| 3 | 4 | 5 | 6 | 7 |
| 10 | 11 | 12 | 13 | 14 |
| 17 | 18 | 19 | 20 | 21 |
| 24 | 25 | 26 | 27 | 28 |
| 31 | | | | |

Draft Value-based Health Care Delivery and Payment Methodology Transformation Plan

August

- The draft plan will be circulated to stakeholders no later than **August 21st**, in advance of two identical feedback sessions on **August 26th** and **August 27th**, to provide you and your organization with review time and options for providing input.

September

- Stakeholder feedback will be incorporated by the Cabinet into the draft plan prior to submission to CMS on **Tuesday, September 15th**.

October – December

- The draft plan, along with the contributions of the workgroups, will serve as a starting point to build the remaining sections of the **SHSIP** and will further evolve over the course of the Model Design period.

Overview of CMS' Guidance

CMS recommends that SIM Model Design states submit a draft plan for transforming the health care delivery system and reimbursement methodologies from traditional payment and delivery models to value-based alternatives in mid-September.

Key Components of the draft Value-based Health Care Delivery and Payment Methodology Transformation Plan

-  Outline of the baseline health care delivery system landscape
-  Definition of the range of care delivery models, their goals, impacts, and advantages/disadvantages (e.g., PCMH, ACOs, etc.)
-  Definition of the range of social determinants of health
-  Selection of one or more health delivery model(s) for the state's transformation
-  Definition of the range and number of health care professionals and organizations involved
-  Definition of a value-based payment methodology to support the delivery model(s)
-  Definition of the number of providers and beneficiaries impacted
-  Definition of the infrastructure needed to support the transformation and model (e.g., HIT and workforce)
-  Coordination with federal (HHS and CMS) and local Initiatives

The draft ***Value-based Health Care Delivery and Payment Methodology Transformation Plan*** should address how commercial as well as Medicaid payers will support providers in providing better care and improving the health of the population while reducing costs.

Draft Value-based Plan Components

The Kentucky SIM team is currently developing the draft Value-based Health Care Delivery and Payment Methodology Transformation Plan that consists of several sections designed in alignment with the reforms proposed in the existing Straw Person, guiding principles, and stakeholder input to date.

1 Baseline Health Care Landscape

| | |
|--|--|
| Existing Delivery System and Payment Reforms in Kentucky | <ul style="list-style-type: none"> • Highlight PCMHs • Highlight Health Homes (if applicable) • Highlight ACOs • Highlight Bundled Payment Initiatives • Outline Other CMMI Models Underway in Kentucky |
| Existing Population Health Initiatives in Kentucky | <ul style="list-style-type: none"> • Establish link to Population Health Improvement Plan (PHIP), including kyhealthnow goals, CMS/CDC population health goals, and Unbridled Health alignment |

2 Proposed Delivery System and Payment Reforms

Example: Patient Centered Medical Homes (PCMHs) Initiative*

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|----------------------|--|
| Definition | <ul style="list-style-type: none"> • Develop a strategy for increasing the use of PCMH models based on a Kentucky-specific definition of the requirements for evidence-based PCMHs, including certification components, care team provider types, care coordination payments/processes, etc. |
| Goals | <ul style="list-style-type: none"> • X number of participating sites • X number of participating providers • X number of Kentuckians receiving care through a PCMH |
| Core Elements | <ul style="list-style-type: none"> • Scope and reach of the care team • Coordination with community programs and resources • Measurement of transitions of care • Practice transformation infrastructure and training support • Support for health literacy and cultural competency • Alignment of compensation and measures across payers • Other strategies to promote primary care provider adoption of the PCMH model • Employer promotion of primary care for covered employees |
| Targets and Timeline | <p>The timeline consists of a horizontal line with several blue square markers. Above the line, the phases are labeled: Phase I, Phase II, Phase III, and Implementation. Below the line, 'x' markers are placed at the end of Phase I, the end of Phase II, the end of Phase III, and at the end of the Implementation phase.</p> |

Draft Value-based Plan Components (Continued)

Example: Accountable Care Organizations Initiative*

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|-----------------------------|--|
| Definition | <ul style="list-style-type: none"> Develop a strategy that could expand the scope of existing ACOs and the development of new evidence-based ACOs |
| Goals | <ul style="list-style-type: none"> X number of payers involved X number of participating providers X number of Kentuckians receiving care through an ACO |
| Core Elements | <ul style="list-style-type: none"> Participation across the full continuum of care and focus on behavioral health, public health, and community resources Harmonized attribution process and approach to measuring performance across all payers Multi-payer, “open-door” policy to add populations to an ACO Strategies to support new ACOs for targeted populations Equal and/or proportional risk-sharing and gain-sharing opportunities |
| Targets and Timeline | <p>The timeline consists of a horizontal line with several blue square markers. Above the line, the markers are labeled: Phase I, x, x, Phase II, x, x, Phase III, x, x, and Implementation. The 'x' markers are positioned between the phase labels.</p> |

Example: Health Homes*

| | |
|-----------------------------|---|
| Definition | <ul style="list-style-type: none"> Explore the use of an evidence-based Health Homes model to improve care coordination for individuals with complex behavioral and physical health conditions |
| Goals | <ul style="list-style-type: none"> X number of participating payers X number of participating providers X number of Kentuckians receiving care through a Health Home |
| Core Elements | <ul style="list-style-type: none"> Pilot approach to demonstrating effectiveness Consistent payment and design structure to establish consistency Inclusion of additional comorbidities and chronic illnesses Peer support specialists and community navigators |
| Targets and Timeline | <p>The timeline consists of a horizontal line with several blue square markers. Above the line, the markers are labeled: Phase I, x, x, Phase II, x, x, Phase III, x, x, and Implementation. The 'x' markers are positioned between the phase labels.</p> |

Draft Value-based Plan Components (Continued)

Example: Bundled Payment/Episodes of Care Initiative*

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|-----------------------------|---|
| Definition | <ul style="list-style-type: none"> Explore the use of evidence-based bundled payment (BP)/episodes of care (EOC) that account for a significant portion of health care spending and have wide provider cost variation |
| Goals | <ul style="list-style-type: none"> X number of episodes covered under an EOC/BP X number of participating payers |
| Core Elements | <ul style="list-style-type: none"> Multi-payer, “open-door” policy to bundled payment and/or episode types Explore a phased implementation strategy of Kentucky-specific, data-driven bundled payments/episodes of care Enable joint bundled payments between payers Review of outcomes/successes of episodes of care used in surrounding SIM states and Medicare Promote coordination of care between acute and post-acute settings |
| Targets and Timeline | <p>The timeline consists of a horizontal line with several blue square markers. Above the line, the markers are labeled: Phase I, x, x, Phase II, x, x, Phase III, x, x, and Implementation. The 'x' markers are positioned between the phase labels, indicating specific points in time.</p> |

Example: A Multi-payer Community Innovation Support Center*

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|-----------------------------|--|
| Definition | <ul style="list-style-type: none"> A forum for communities, providers, and payers to collaborate to develop community-based delivery system and payment model pilots focused on achieving PHIP goals |
| Goals | <ul style="list-style-type: none"> X number of participating organizations X number of participating payers X number of Kentuckians reached by community health initiatives |
| Core Elements | <ul style="list-style-type: none"> Involvement and support of multiple payers Alignment with community health needs assessments and other existing reporting mechanisms Resources to support sustainable transformation at the community and provider level Business process and practice transformation technical assistance (TA) to participating provider practices |
| Targets and Timeline | <p>The timeline consists of a horizontal line with several blue square markers. Above the line, the markers are labeled: Phase I, x, x, Phase II, x, x, Phase III, x, x, and Implementation. The 'x' markers are positioned between the phase labels, indicating specific points in time.</p> |

Next Steps

Next Steps

- As previously discussed, the August workgroups will differ from previous months. We will use the August workgroup sessions to solicit stakeholder feedback on the draft **Value-based Health Care Delivery and Payment Methodology Transformation Plan** to be submitted to CMS in mid-September. The draft plan will be circulated in advance of two identical feedback sessions to provide stakeholders with review time and options for providing input.

| Workgroup | August Date | August Time | August Location |
|------------------------------------|------------------------------------|---------------------------------|---|
| August KY SIM Workgroup Session #1 | Wednesday, August 26 th | 9 AM – 12 PM (lunch 12-1 PM) | Kentucky Historical Society, 100 W Broadway St, Frankfort, KY 40601 |
| August KY SIM Workgroup Session #2 | Thursday, August 27 th | 12 PM – 4 PM (lunch 12-1 PM) | Kentucky Historical Society, 100 W Broadway St, Frankfort, KY 40601 |

- The KY SIM team is in process of scheduling September stakeholder meeting(s) to be held after the submission of the draft plan on September 15th. Additional details are forthcoming.
- Also, please **SAVE THE DATE!** The KY SIM team is planning a **KY SIM Innovation Summit** scheduled for **Tuesday, September 29th** from **12 – 5 PM** at the **Sloan Convention Center** in **Bowling Green, KY** before the annual **KHIE eHealth Summit**. Additional details and registration information is forthcoming.
- All stakeholder meeting materials and workgroup information is posted on the Cabinet’s dedicated Kentucky SIM Model Design website here: <http://chfs.ky.gov/ohp/sim>
- Please contact the KY SIM mailbox at sim@ky.gov with any comments or questions

Thank you!