

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



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

April 2, 2015

Meeting Agenda

- **Introductions and Agenda** (Emily Parento, Executive Director, Office of Health Policy, Kentucky Cabinet for Health and Family Services) 1:00 – 1:10 PM
- **Welcome Remarks** (Secretary Audrey Tayse Haynes, Kentucky Cabinet for Health and Family Services) 1:10 – 1:20 PM
- **Workgroup Kickoff Meetings: Recap and Report Out** (Jim Hardy, Specialist Leader, Deloitte Consulting LLP) 1:20 – 2:10 PM
- **Population Health Improvement Plan (PHIP) Vision and Overview** (Dr. Stephanie Mayfield Gibson, Commissioner, Department for Public Health and Dr. John Langefeld, Chief Medical Officer, Department for Medicaid Services) 2:10 – 2:30 PM
- **Q&A** (Dr. Stephanie Mayfield Gibson, Commissioner, Department for Public Health and Dr. John Langefeld, Chief Medical Officer, Department for Medicaid Services) 2:30 – 2:40 PM
- *Break* 2:40 – 2:55 PM
- **Overview of States SIM Process and Testing Models** (Ken Keller, Vice President, Value-Based Care, The Advisory Board Company, Inc.) 2:55 – 3:40 PM
- **Q&A** (Emily Parento, Executive Director, Office of Health Policy, CHFS) 3:40 – 3:55 PM
- **Next Steps** (Jim Hardy, Specialist Leader, Deloitte Consulting LLP) 3:55 – 4:00 PM

Welcome and Introductions

Workgroup Kickoff Meetings: Recap and Report Out

Workgroup Kickoff Meetings Summary

The Kentucky State Innovation Model (SIM) Model Design stakeholder workgroups kicked off in March with strong attendance and robust participation from stakeholders across the Commonwealth’s health care landscape.

March 2015 SIM Workgroup Calendar

| Tuesday 24th | Wednesday 25th | Thursday 26th |
|--|--|---------------------------------------|
| 9AM to 12PM | 9AM to 12PM | 9AM to 12PM |
| Payment Reform Workgroup – KY Department for Public Health (DPH) | Increased Access Workgroup – KY Department for Libraries and Archives (KDLA) | |
| 1PM to 4PM | 1PM to 4PM | 1PM to 4PM |
| Integrated & Coordinated Care Workgroup – KY DPH | Quality Strategy/Metrics Workgroup – KDLA | HIT Infrastructure Workgroup – KY DPH |

61 Stakeholders attended the March Payment Reform Workgroup

Stakeholders attended the March Integrated & Coordinated Care Workgroup **59**

58 Stakeholders attended the March Increased Access Workgroup

Stakeholders attended the March Quality Strategy/Metrics Workgroup **44**

45 Stakeholders attended the March HIT Infrastructure Workgroup

Payment Reform Workgroup Recap and Updates

The Payment Reform Workgroup will focus on six key topic areas over the course of the Model Design period.

Incentivize Greater Prevention to Improve Health Outcomes

- Strengthen public health initiatives underway through payment reform
- Develop reform strategies for tobacco, obesity, and diabetes

Improve Chronic Disease Prevention and Management

- Explore the use of bundled and/or episodic payment structures to provide cost-effective chronic disease management

Incentivize Adoption of Integrated and Coordinated Care Models

- Employ Accountable Care Organizations (ACO), Health Homes, or others
- Leverage models currently underway in Kentucky
- Ensure provider engagement and recognize impacts on all organizations*

Align Payments with Quality of Care

- Identify financial consequences for avoidable mistakes/readmissions
- Explore existing Medicare initiatives in parallel to Medicaid and commercial
- Explore commercial pay-for-performance initiatives in parallel to Medicaid / the KY Employees' Health Plan (KEHP)
- Incent payers to improve quality and access to health care services

Setting Evidence-based Benchmarks for Care

- Align economic incentives with CMS' core population health metrics
- Address the clinical and/or financial challenges of the lack of accurate and timely data*

Value-based Purchasing

- Align current value-based purchasing strategies used by various payers/purchasers
- Identify the current strengths, challenges, and proposed changes to these strategies
- Identify parts of the delivery system continuum to be targeted with payment reform initiatives

Integrated & Coordinated Care Workgroup Recap and Updates

The Integrated and Coordinated Care Workgroup will focus on four key topic areas over the course of the Model Design period.

Regulatory and Economic Incentive Structures

- Identify regulatory and economic incentive structures available to transition payers and providers into evidence-based integrated and coordinated care models

Prevention and Wellness

- Explore approaches and coordinated care models that pay providers more for prevention and improved population health outcomes

Health System Consolidation

- Analyze the health system consolidation trend's impact on the development of new care models for improved care coordination
- Develop effective models that engage small and individual practices

Effective Integrated and Coordinated Care Models

- Leverage current integrated and coordinated care models in Kentucky
- Improve coordination between physical and behavioral health (mental health and substance use disorder (SUD))
- Improve coordination between physical and behavioral health systems with public health
- Improve coordination between physical and behavioral health systems with oral health care*
- Improve the coordination of care for individuals exiting the corrections system*
- Address the transition from pediatric to adult medicine (e.g., education to adult system)*
- Identify the role of schools in coordination with health service delivery*
- Promote multi-payer support of new care models

Increased Access Workgroup Recap and Updates

The Increased Access Workgroup will focus on four key topic areas over the course of the Model Design period.

Local Resource Maximization

- Coordinate with local health departments (LHDs) and community health workers (CHWs)
- Recognize that the resources in each community are different*
- Improve current system for licensing*

Workforce Needs

- Leverage existing efforts to assess workforce needs*
- Identify how shifting care delivery models affect workforce needs
- Identify regulatory/statutory changes to increase access to health care

Rural Health Care

- Identify gaps that exist with regards to rural access to health care
- Focus on urban disparity and income disparity as well as rural health issues*
- Address both underserved rural and urban areas
- Recognize the disproportionate Medicaid population in rural hospitals*

Consumer Service and Convenience

- Use technology to reach isolated geographic areas
- Make high-value education and preventive services more accessible
- Explore how to align the medical necessity criteria for all payers to reduce the current limitations on what services members can access based upon their plan*

Quality Strategy/Metrics Workgroup Recap and Updates

The Quality Strategy/Metrics Workgroup will focus on four key topic areas over the course of the Model Design period.

Necessary Legal / Regulatory Levers

- Identify the legal/regulatory levers needed to implement a statewide quality strategy
- Secure payers' commitment to reducing the administrative and/or non-clinical burden to providers in the State

Use of Technology

- Leverage the use of health information technology to improve quality
- Develop a real-time feedback loop for clinical information from a state model*

Overall Quality Definition and Direction

- Identify a core set of measures, including process measures, for the three target areas of tobacco, obesity, and diabetes
- Identify measures for behavioral health that facilitate the theme of integration
- Identify measures that are currently used by the payers engaged in the SIM initiative
- Identify nationally recognized measures that are deployed across the continuum of providers*

Statewide Quality Strategy

- Leverage the quality strategy of the MCOs, commercial payers, KEHP, Medicaid, and Medicare
- Align public health quality reporting with payer quality strategies
- Leverage the Community Health Needs Assessment(s)*
- Use short-term process measures as early warning signals for outcome goals *
- Identify a platform to generate the quality measurement of SIM initiatives
- Align with the federal reporting requirements and reporting fairness levels of all provider types*

HIT Infrastructure Workgroup Recap and Updates

The HIT Infrastructure Workgroup will focus on six key topic areas over the course of the Model Design period.

Kentucky Quality Health Information (QHI) Alignment

- Leverage the six key components of Kentucky's QHI and/or other technology investments to support SIM initiatives

Telehealth and Telemonitoring Programs

- Increase access to care across the state
- Promote collaboration between multiple provider types*

Review of Federal IT Resource Investments

- Review federal IT resource investments that have been made in Kentucky that can be used as a foundation for the HIT Plan

Governance and Decision-making Best Practices

- Exchange data between public and private stakeholders
- Address behavioral health data privacy restraints
- Reduce administrative burdens*
- Measure the effectiveness of electronic health records (EHR) in provider office settings*

Expanding Coordination Across the Care Continuum

- Support the use of interoperable, certified HIT
- Promote the use of HIT among long-term care and behavioral health providers
- Address provider capacity/analytical challenges*
- Improve transparency and access to resources about services, costs, etc.*

Collecting Population Health Data

- Capture and monitor performance on metrics via dashboards
- Send public health data through the Health Insurance Exchange (HIE) and electronic medical records (EMR)*
- Leverage population health data that is currently reported to the CDC*

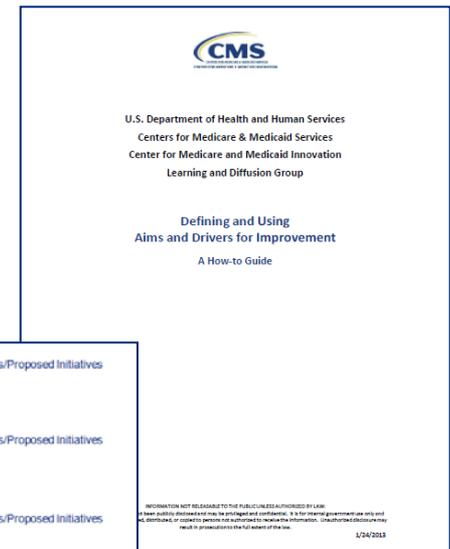
Driver Diagram Exercise Overview

During the workgroup kickoff meetings, stakeholders participated in a driver diagram exercise to identify barriers to and drivers of key population health goals, including reducing the rate of tobacco use, the incidence of obesity, and incidence of diabetes. The outputs from this exercise will serve as continuous references points while the workgroups begin to develop delivery system and payment reforms in their respective areas.

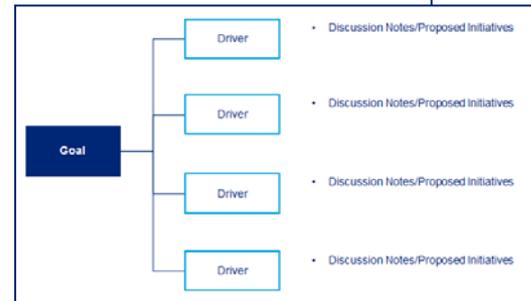
Driver Diagram Purpose

- To act as a brainstorming exercise around the key population health focus areas of SIM in an open dialogue with no “bad ideas”
- To develop a “cause-and-effect” way of thinking for SIM Design
- To brainstorm and discuss potential population health-driven initiatives for further review and refinement by stakeholders and the State
- To set the stage for defining the “how” elements of the SIM project – the specific changes or interventions that will lead to the desired population health and delivery system reform outcomes
- Serve as a tool for the workgroup to reference and potentially update as the group refines its SIM initiatives and objectives

CMS Driver Diagram Guidance*



KY SIM Driver Diagrams*



***Along with CMS' driver diagram guidance, each of the stakeholder-developed diagrams and sets of sample initiatives from the workgroup kickoff meetings will be housed on the KY SIM website**

Driver Diagram Exercise Overview: What We Heard

Prior to discussing barriers to and drivers of population health improvements in the workgroup kickoff meetings, we documented high-level themes that were raised by members of each workgroup.

Current payment methodologies and reimbursement practices such as same day billing restrictions create barriers to effective care coordination

There are significant obstacles to promoting and/or achieving better health in certain rural and low income parts of the state

There is an opportunity through SIM to support and expand team-based care delivery models

When we develop incentive and/or penalty payment strategies under SIM, we need to be sensitive to how much control a provider has over the outcome

KY's model needs to understand the economic impacts of providing incentives/penalties and their impact on a provider's ability to adapt to the changing market

Schools need to play an important role in prevention strategies

There are significant silos/barriers between the health care delivery system and the education system

KY needs a better way to measure population health disparities at the local level

Driver Diagram Exercise Summary: Tobacco Use

In each workgroup area, stakeholders identified a set of potential drivers for consideration in developing the SIM Model Design.

Increased Access

- Coordinate school policies statewide to have consistent messaging around tobacco use
- Promote community-based education that aligns with national policies from CDC and other federal health agencies
- Increase tobacco cessation awareness education for adults
- Promote patient accountability and engagement around tobacco cessation
- Support existing cessation programs and encourage new providers and programs to help in preventing tobacco use
- Use policy levers to discourage tobacco use
- Increase barriers to tobacco use

Integrated and Coordinated Care

- Increase tobacco use screening in all provider settings
- Increase frequency of referrals between providers and tobacco cessation programs
- Make it easier for providers to prescribe tobacco cessation products
- Restrict smoking opportunities for both children and adults

Quality Strategy/Metrics

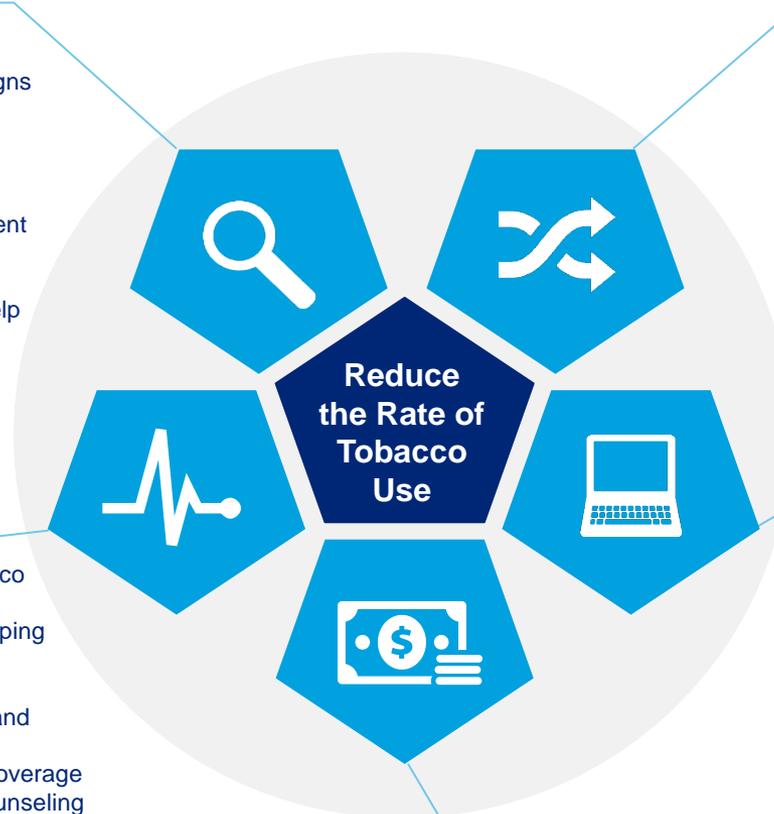
- Reduce rates by targeting areas of high tobacco use
- Increase awareness of the importance of stopping smoking
- Improve self-reported data
- Improve measurement strategy of screening and counseling activities
- Increase transparency of tobacco cessation coverage
- Identify the effectiveness of screening and counseling provided by providers
- Measure the consumer's awareness around tobacco cessation benefits and how to access them
- Leverage existing regional plans and policies that promote tobacco cessation
- Establish methods for tracking adherence to tobacco cessation programs
- Develop metrics to better target areas for tobacco use education and interventions

HIT Infrastructure

- Leverage technologies to help providers connect patients with smoking cessation programs
- Increase access to evidence-based smoking cessation programs
- Better demonstrate the link between tobacco use and cost of care
- Improve way that tobacco education is provided to consumers
- Create a data linkage between schools and providers
- Demonstrate to consumers the impacts of tobacco use

Payment Reform

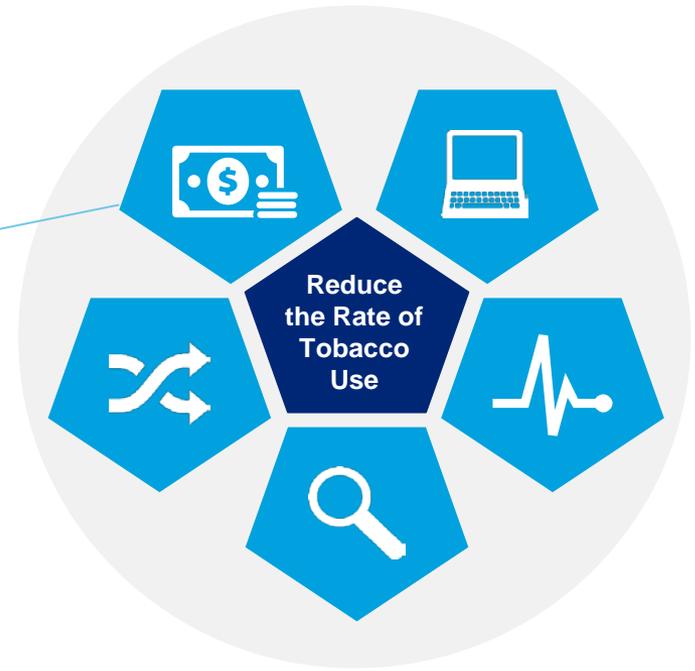
- Remove PCP disincentives for providing tobacco cessation services
- More actively engage providers around smoking cessation
- Enable and empower the consumer to make behavioral changes
- Increase focus on prevention in children/teens
- More actively engage the payers in reducing tobacco use
- Engage employers to promote smoking cessation in their workforce
- Encourage team-based intervention around smoking cessation



Payment Reform Drivers: Tobacco Use

Payment Reform

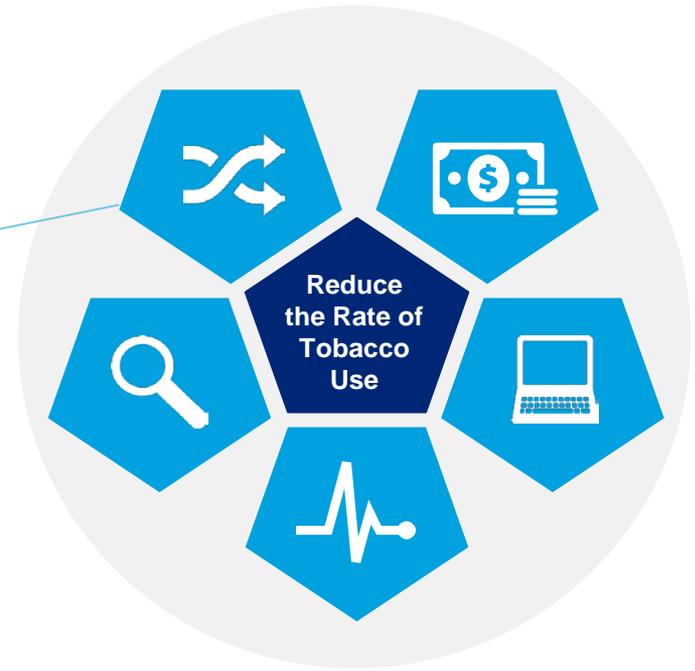
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Integrated and Coordinated Care Drivers: Tobacco Use

Integrated and Coordinated Care

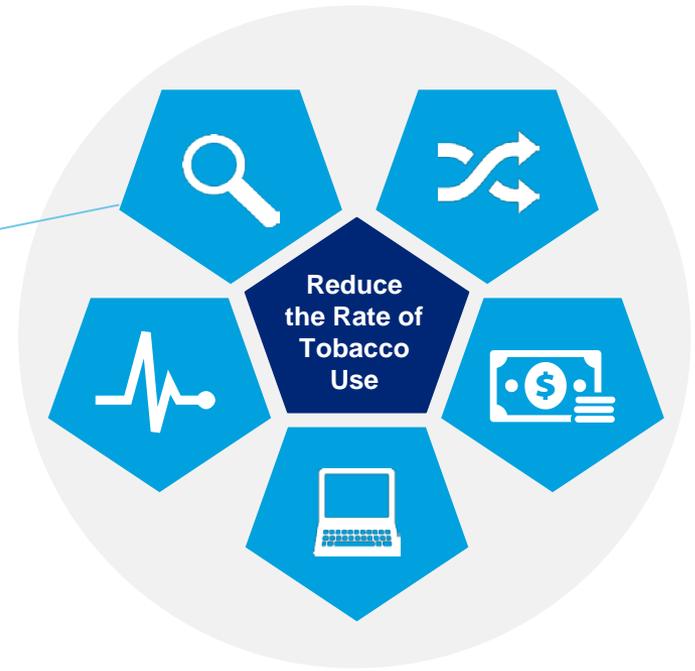
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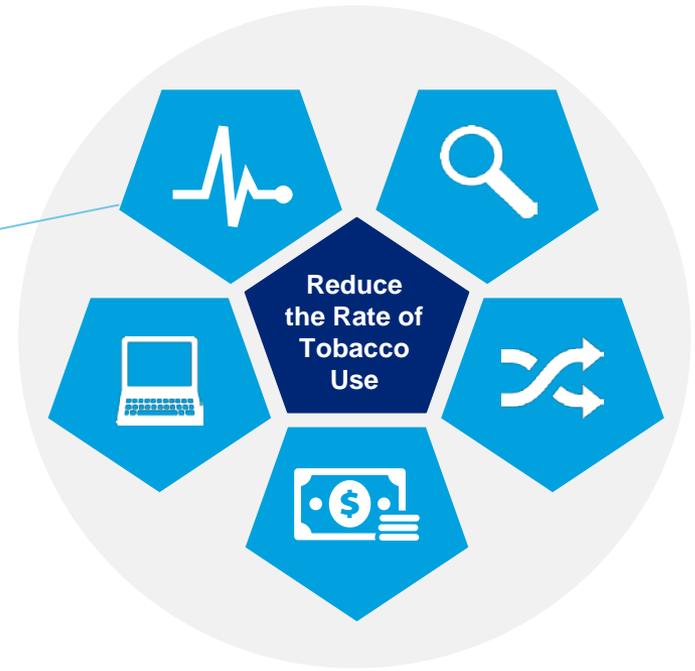
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- Increase tobacco cessation awareness education for adults
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- Use policy levers to discourage tobacco use
- Increase barriers to tobacco use



Quality Strategy/Metrics Drivers: Tobacco Use

Quality Strategy/Metrics

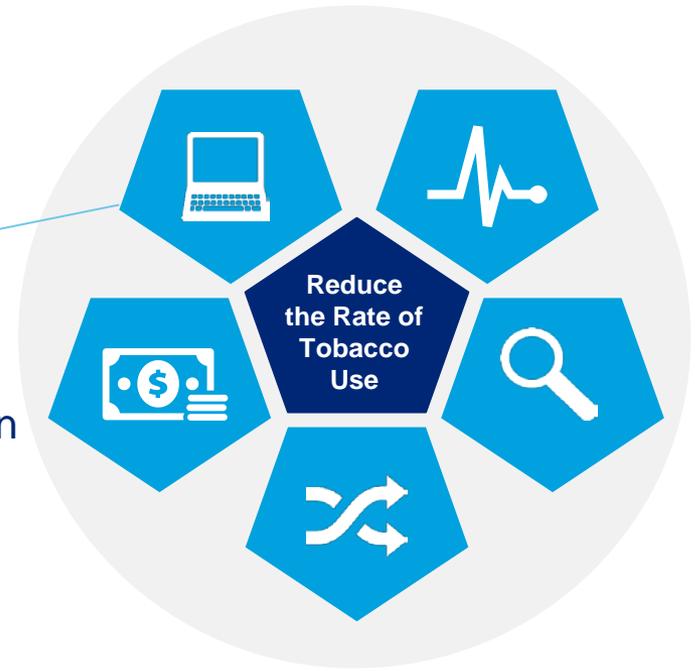
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Driver Diagram Exercise Summary: Obesity

In each workgroup area, stakeholders identified a set of potential drivers for consideration in developing the SIM Model Design.

Increased Access

- Provide resources to schools in order to prevent obesity before adulthood
- Increase access to healthy foods in rural parts of the state, and promote education about healthy foods
- Encourage payers to provide incentives for healthy activity

Integrated and Coordinated Care

- Increase education and awareness levels using provider and non-traditional settings
- Increase awareness of and access to healthy foods for children
- Increase the use of schools as the “care coordinators” of environmental factors / daily activities
- Increase personal engagement

Quality Strategy/Metrics

- Encourage improved nutrition in schools and improve access to physical education
- Develop more robust reporting and analytics of obesity
- Gather BMI measures to track individuals at risk of becoming obese

HIT Infrastructure

- Encourage the use of personal fitness devices/calorie trackers
- Have a broader perspective of indicators/factors of obesity by cross-referencing data
- Use data to maximize positive outcomes, not just minimize negative outcomes
- Increase obesity-related data collection and transparency
- Examine an individual's connections to predict behavior/preempt change

Payment Reform

- Promote more consistent reporting of body mass index (BMI) to payers through coding policy
- Better identify the root causes of an individual's obesity
- Increase focus on prevention in children/teens
- Encourage dietary counseling by a pediatrician/other health care provider
- Enable and empower the consumer to make behavioral changes
- Encourage providers to focus on social determinants to health



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Quality Strategy/Metrics Drivers: Obesity

Quality Strategy/Metrics

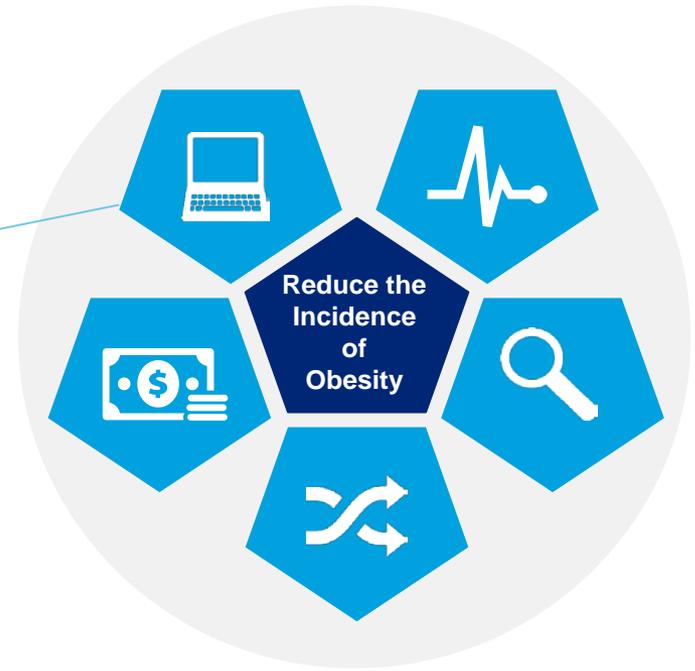
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Driver Diagram Exercise Summary: Diabetes

In each workgroup area, stakeholders identified a set of potential drivers for consideration in developing the SIM Model Design.

Increased Access

- Increase access to low-intensity diabetic services for all populations across the state
- Implement new care models that support patient access to care and preventive education
- Promote the deployment of more in-home, supportive technology for diabetic patients
- Leverage existing initiatives and centers of excellence to support diabetes care

Integrated and Coordinated Care

- Increase education and awareness levels through improved coordination
- Assist consumers with the navigation required for diabetes care
- Increase and improve patient tracking mechanisms
- Limit access to unhealthy foods
- Focus on prevention alongside treatment
- Improve care coordination for at-risk diabetics

Quality Strategy/Metrics

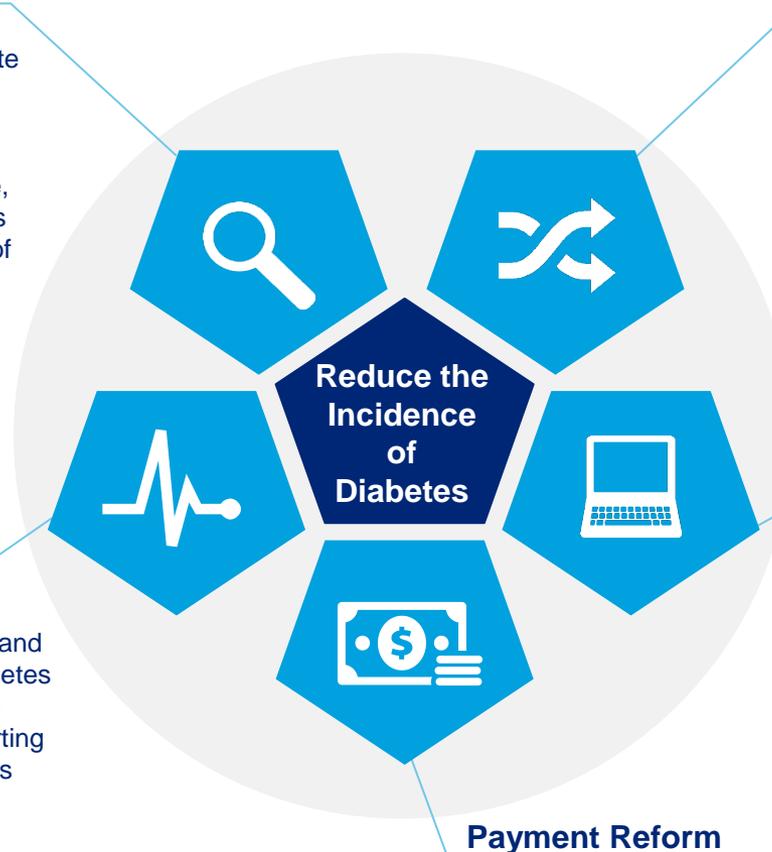
- Increase resources devoted to identifying and tracking patients at risk of developing diabetes
- Increase resources for diabetes education
- Develop more robust and consistent reporting on consumer adherence to treatment plans

HIT Infrastructure

- Increase provider awareness/knowledge into patient's condition
- Increase access to certified diabetes educators in the state

Payment Reform

- Encourage better use of evidence-based protocols
- Encourage diabetes prevention
- Encourage stronger coordination between primary care providers (PCPs) and public health programs
- Encourage team-based approaches to diabetes care



Payment Reform Drivers: Diabetes

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HIT Infrastructure Drivers: Diabetes

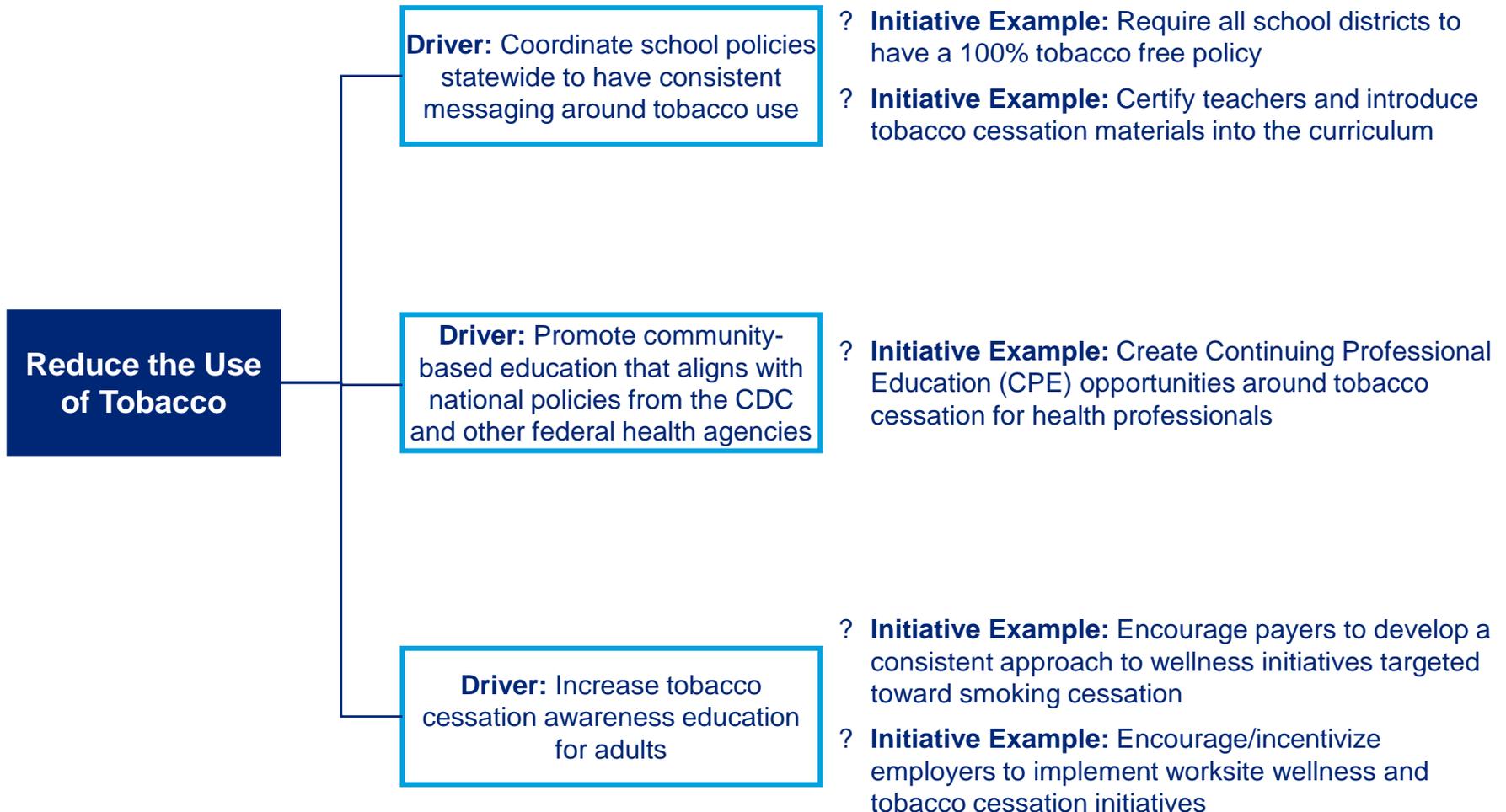
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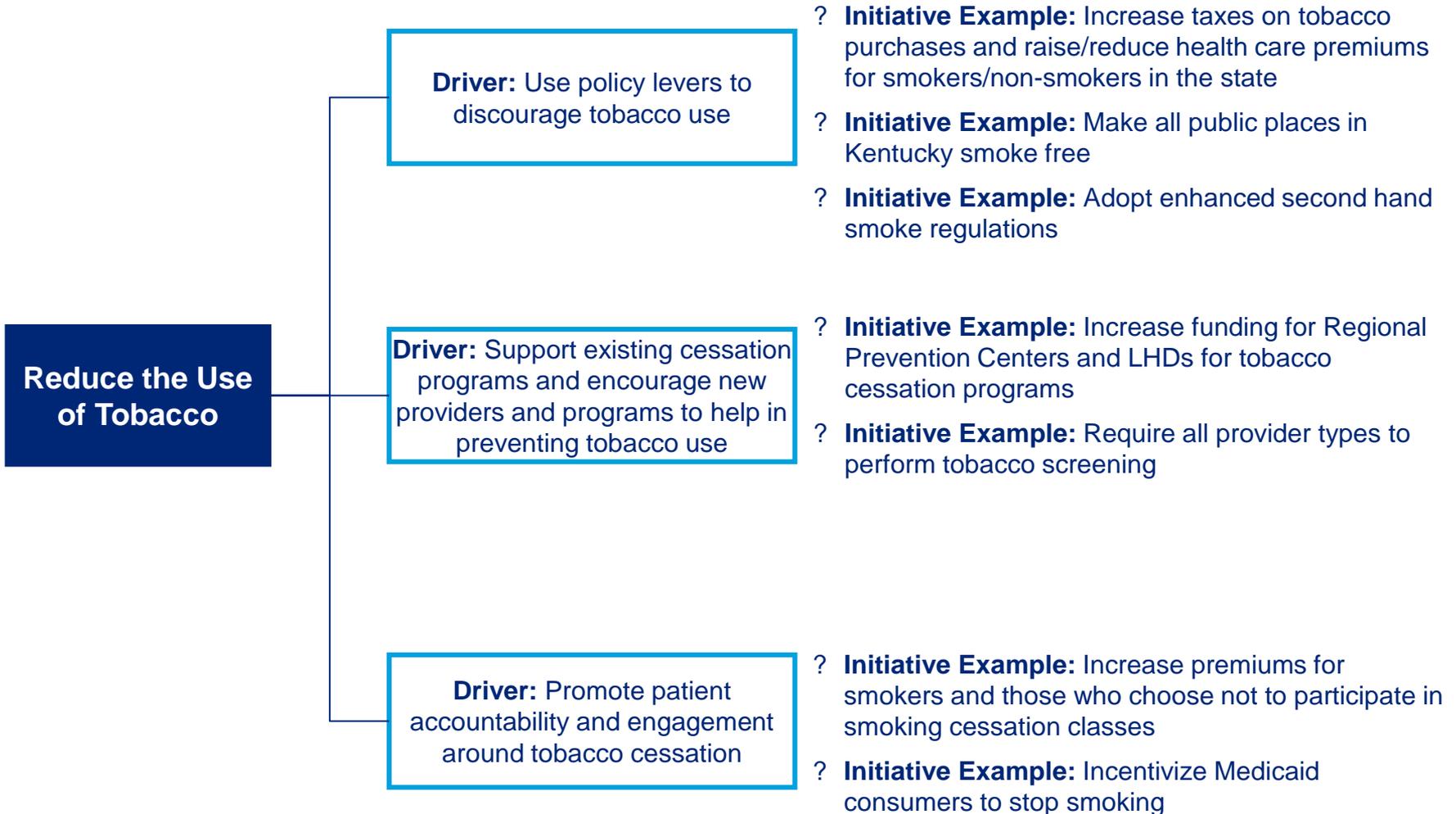
Example: Increased Access Driver Diagram for Tobacco Use

What are the current barriers to reducing tobacco use in Kentucky? What would be the key drivers to reducing those barriers? What initiatives could support those drivers from an increased access perspective?



Example: Increased Access Driver Diagram for Tobacco Use *(continued)*

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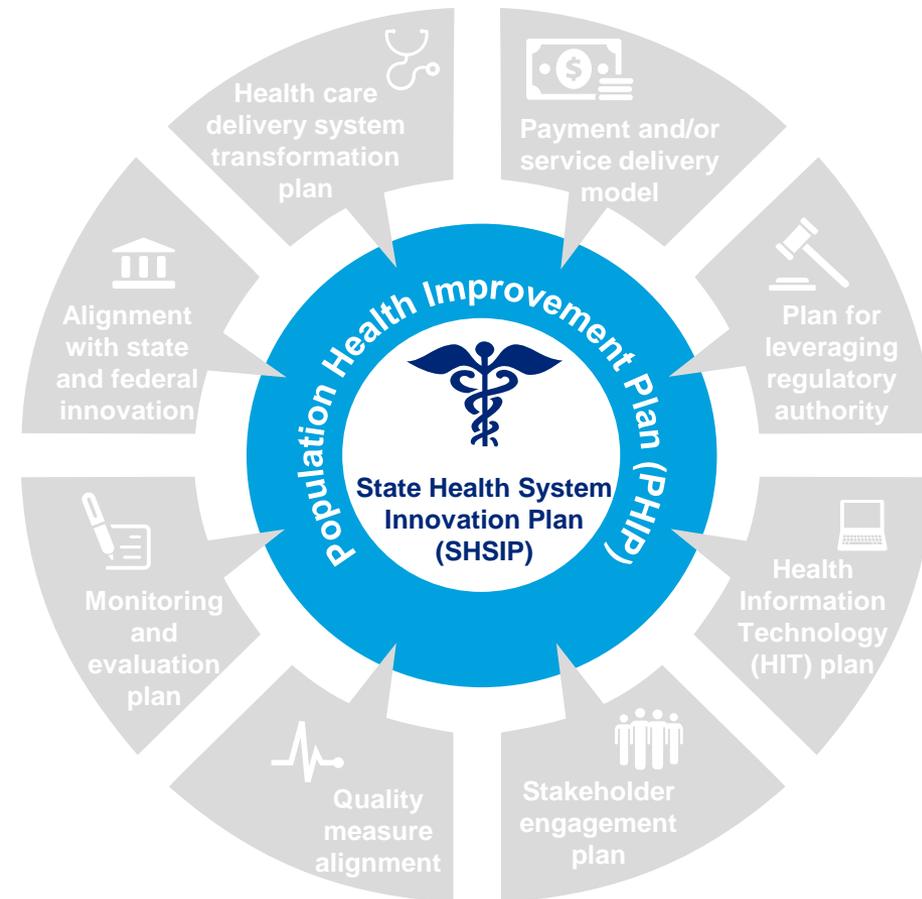
Population Health Improvement Plan (PHIP)

PHIP Alignment with the SIM Model Design

Kentucky will build upon existing health initiatives both within the Commonwealth and at a national level in development of an **integrated, comprehensive Population Health Improvement Plan (PHIP)**.

PHIP Overview

- The PHIP will help to facilitate the integration of population health strategies and metrics with public health officials and health care delivery systems, with a focus on the following:
 - **Narrowing health disparities**
 - **Expanding access to care at the local level**
 - **Improving chronic disease prevention and management**
- Additionally, the PHIP will be focused on the following core population health metrics:
 - **Tobacco use**
 - **Obesity**
 - **Diabetes**
- The PHIP is central to the overall vision of the SIM project. Themes of the PHIP will be woven throughout other components of the Model Design



A Closer Look at the PHIP

All SIM Model Design and Model Test states must develop a plan to improve the **HEALTH** of the state population, or a PHIP, within the context of the health system delivery and payment transformation plan that accomplishes **five key objectives**.

- 1** Identifies gaps in access and disparities in the health status of state residents
- 2** Leverages and builds upon interventions and strategies including those in an existing public health State Health Improvement Plan (SHIP)
- 3** Creates an inventory of current efforts to advance the health of the entire state population, including efforts to integrate public health and health care delivery
- 4** Leverages existing health care transformation efforts to advance population health
- 5** Includes a data-driven implementation plan that identifies measurable goals, objectives, and interventions that will enable the state to improve the health of the entire state population

PHIP Outline

The PHIP will be designed and organized **to include evidence-based interventions** that address identified health disparities in the Commonwealth and achieve health equity in terms of both risk factors and health outcomes across population groups.

1. Health Needs Assessment

- Outline and map current health status of the population
- Identify specific communities and/or populations that may be experiencing health disparities and/or account for high costs



2. Current State Analysis

- Describe major initiatives that are currently ongoing in the state to improve both health outcomes and risk-factors related behavior
- Describe state capacity and infrastructure for these initiatives



3. Stakeholder Engagement

- Describe the internal and external stakeholders that were involved in the development of the PHIP, including each stakeholder's role in the plan's development and implementation



4. Interventions to Impact Population Health

- Present the goals, objectives, and new interventions that will be supported to improve health outcomes and related to, at a minimum, tobacco use, obesity, and diabetes

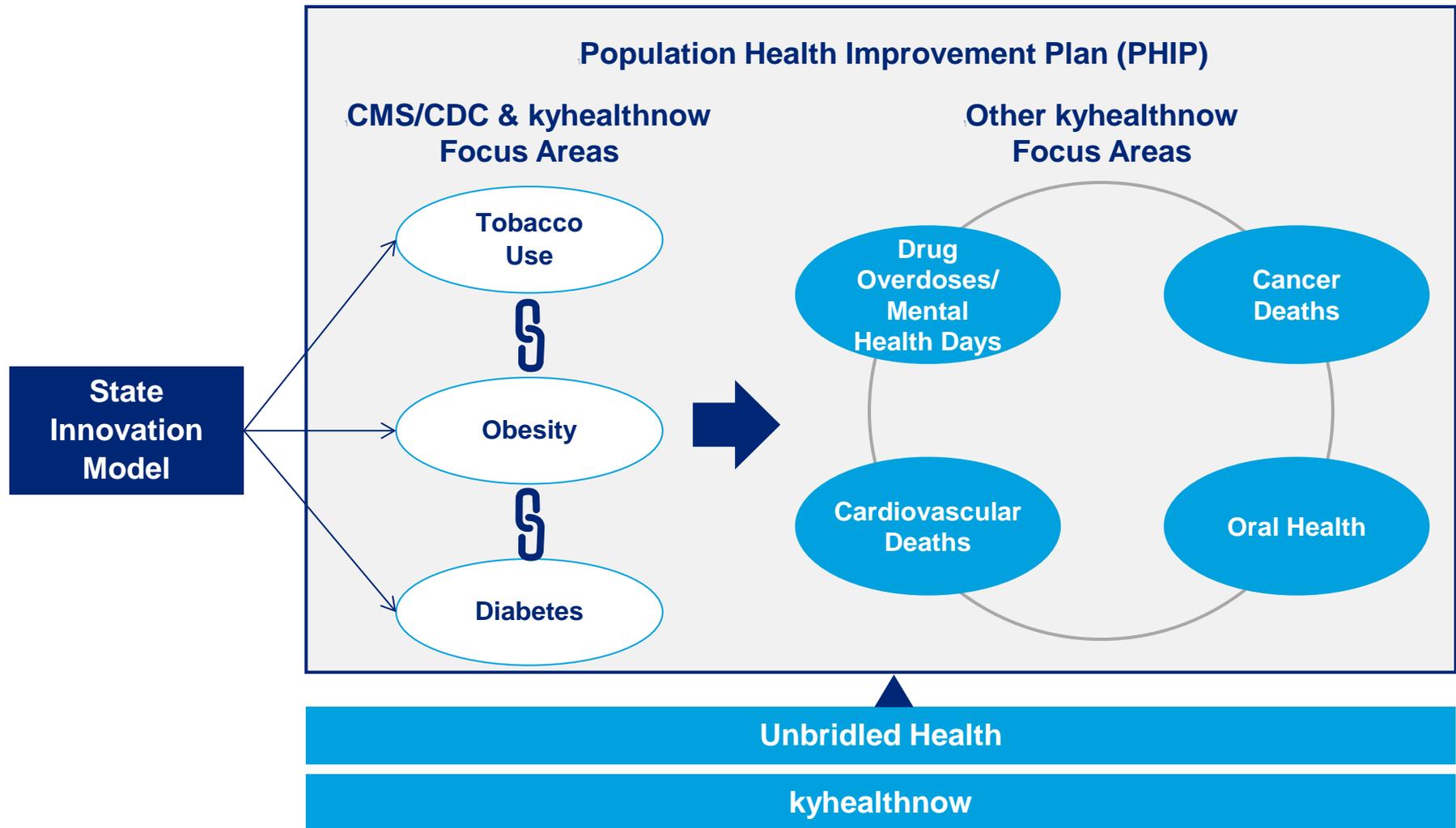


5. Implementation and Governance Plan

- Outline policies and regulatory levers, sustainability strategies, HIT and workforce needs, and evaluation and monitoring techniques to support the proposed goals and initiatives

PHIP Relationship with Other State Initiatives

While CMS and CDC require states to focus on at least three primary goals related to tobacco use, obesity, and diabetes, the SIM Model Design will encompass all the goals outlined in the kyhealthnow initiative.



Population Health Needs Assessment

CMS requires SIM awardees to include a population health needs assessment within the PHIP. The 2015 kyhealthnow scorecard metrics will be leveraged in creating the population health needs assessment.

| kyhealthnow Goals | U.S. Benchmark | KY Baseline | KY Current Year | Source | Trend |
|---|--------------------------|--------------------------|-------------------------------|---------------------------|--|
| Reduce Kentucky's rate of uninsured individuals to less than 5% | 13.8% (2014) | 20.4% (2013) | 9.8% (2014) | Gallup Poll |  |
| Reduce Kentucky's smoking rate by 10% | Adults 19.0% (2013) | Adults 26.5% (2013) | Adults 26.1% (Prelim 2014) | BRFSS ¹ |  |
| | Youth 15.7% (2013) | Youth 17.9% (2013) | Next updated Spring 2015 | YRBSS ² | |
| Reduce the rate of obesity among Kentuckians by 10% | Adults 29.4% (2013) | Adults 33.2% (2013) | Adults 31.4% (Prelim 2014) | BRFSS ¹ |  |
| | Youth 13.7% (2013) | Youth 18.0% (2013) | Next updated Spring 2015 | YRBSS ² | |
| Reduce Kentucky cancer deaths by 10% | 168.7 per 100,000 (2011) | 207.4 per 100,000 (2010) | 200.9 per 100,000 (2011) | National Cancer Institute |  |

Notes: Data released March 12, 2015

1 Behavioral Risk Factor Surveillance System (BRFSS)

2 Youth Risk Behavior Surveillance System (YRBSS)

2014 Preliminary KY BRFSS data was used in the table above; waiting for release of final version from CDC. Where available, 2013 KY BRFSS & YRBSS rates were used for the KY baseline.

Population Health Needs Assessment *(continued)*

CMS requires SIM awardees to include a population health needs assessment within the PHIP. The 2015 kyhealthnow scorecard metrics will be leveraged in creating the population health needs assessment.

| kyhealthnow Goals | U.S. Benchmark | KY Baseline | KY Current Year | Source | Trend |
|--|---|---|--|---------------------------------------|--|
| Reduce cardiovascular deaths by 10% | 221.6 per 100,000 (2013) | 271.7 per 100,000 (2011) | 260.3 per 100,000 (2013) | CDC Wonder |  |
| Reduce the percentage of children with untreated dental decay by 25% and increase adult dental visits by 10% | No comparable benchmark | 34.6% 3rd graders with untreated decay (2001) | Data update unavailable | State Oral Health Survey |  |
| | 67.2% adults visited a dentist within the past yr. (2012) | 60.3% adults visited a dentist within the past yr. (2013) | 60.7% adults visited a dentist within past yr. (Prelim 2014) | BRFSS ¹ | |
| Reduce deaths from drug overdose by 25% and reduce by 25% the average number of poor mental health days of Kentuckians | 13.8 per 100,000 (2013) | 23.6 per 100,000 (2010) | 23.7 per 100,000 (2013) | National Center for Health Statistics |  |
| | 3.7 days (2013) | 4.5 days (2013) | 4.5 (Prelim 2014) | BRFSS ¹ | |

Notes: Data released March 12, 2015

¹ Behavioral Risk Factor Surveillance System (BRFSS)

² Youth Risk Behavior Surveillance System (YRBSS)

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PHIP Next Steps for SIM Stakeholders

CMS has created a project structure that promotes crafting the PHIP prior to developing payment and service delivery reforms. This approach encourages states to identify their unique population health needs at the onset of the project, thereby enabling them to structure payment and service delivery reforms around population health needs.

April Workgroups



April 2015

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| 6 | 7 | 8 | 9 | 10 |
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May 2015

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| 25 | 26 | 27 | 28 | 29 |

April workgroup meetings

Deliverable: Draft PHIP due to CMS

Q&A

Break

Overview of States SIM Process and Testing Models

1 Tennessee State Innovation Model

2 Iowa State Innovation Model

3 Ohio State Innovation Model

4 New York State Innovation Model

5 Summary

Overview of Tennessee

6,549,352

Population¹

1,333,669

Medicaid/CHIP
Lives²

45

National Health
Ranking³

Key Features:

- On average, Tennesseans have lower incomes and lower educational attainment when compared to the national average
- 33.6% of Tennesseans live in rural areas compared to national average of 19.3%
- 66.5% of adults in Tennessee are overweight or obese (BMI of 25 or higher)
- Substance abuse is a key priority for the state, with significant increases in deaths by drug overdose and babies born with neonatal abstinence syndrome
- Health care market expenditures have grown at about 6.1% over the past decade; however, TennCare has been effective in maintaining lower rates of cost growth
- Only Medicaid program in the country in which ever member is enrolled in managed care through three MCOs



**\$65
Million**

Funding received to
implement and test its
State Health Care
Innovation Plan Model



Over the next 5 years, the Tennessee Health Care Innovation Initiative will shift a majority of health care spending, both public and private away from fee for service to three outcomes based payment strategies...With these efforts, it's our hope that Tennessee will be at the forefront of a national trend that is expected to gain momentum in the coming years.

Bill Haslam
State Governor of Tennessee

1) US Census Bureau 2014 Estimate

2) Based on April 2014 Medicaid/CHIP Preliminary Monthly Enrollment Data

3) America's Health Rankings 2014

SIM: Model Design Awards Round One


\$756,000
Funding received to design its
State Health Care Innovation
Plan Model

Integrate specific and scalable purchasing strategies into the TennCare Medicaid managed care model

Identify evidence-based payment and service delivery models to improve effectiveness of PCMH, ACOs, etc.

Implement rewards for high-quality long term services and supports providers who provide coordinated patient care



Relevance to Kentucky:

- Extremely comparable health rankings in smoking, obesity and overall outcomes
- Large portion of population living in rural areas
- Southern state dealing with similar demography to Kentucky

Tennessee State Innovation Model Test

Key Features

Primary Care Transformation



- **Multi-Payer PCMH** – Beginning with three TennCare MCOs, incorporating commercial payers, and eventually building to a statewide aligned commercial and Medicaid PCMH program
- **Pediatric PCMH** – Partner with TNAAP to implement quality improvement projects
- **TennCare Health Homes** – Prospective payments for care coordination and case management for two years, coupled with provider training and capacity building, and quarterly cost and quality reporting
- **Shared Care Coordination Tool** – Working to build framework for a state HIE, beginning with ability to exchange real-time or daily batch ADT information

Episodes of Care



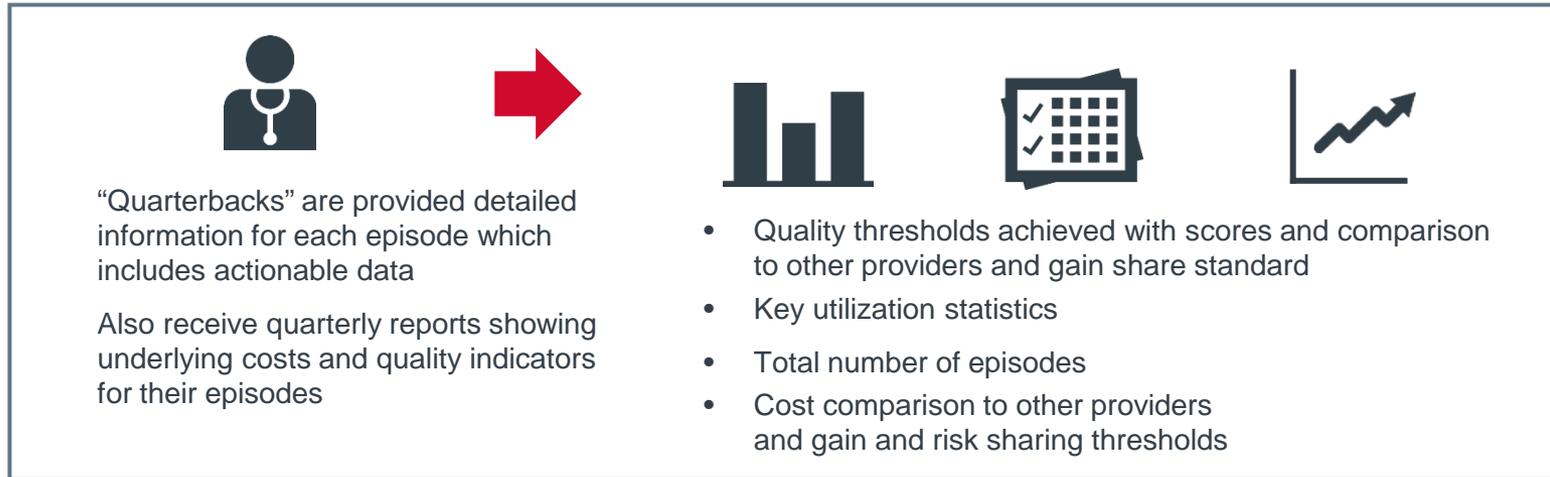
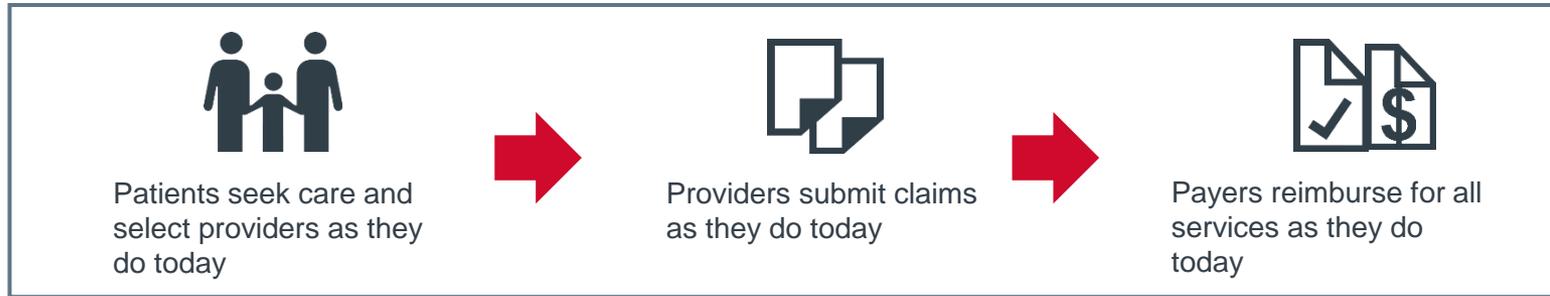
- Principle Account Providers (“Quarterbacks”) receive **actionable information** from payers about an acute care event for which they’re accountable, including cost and quality indicators, then ultimately share in the savings or excess cost
- Initiative will roll out in two waves with goal of achieving **75 episodes by 2019**

Long-Term Services and Supports Reform



- **Quality- and acuity-based payment** for nursing facilities and home and community based services and supports
- **Value-based purchasing initiative** for Enhanced Respiratory Care
- **Workforce development** – comprehensive training program for individuals delivering LTSS

Episodes of Care Example



Stakeholder Engagement

Generating Support and Implementing the Model



Public roundtables open to all parties organized by topic and devoted to questions and feedback



Long-Term Services and Supports Stakeholder Process – 18 community forums and dialogue with key stakeholder groups to develop a framework for NG reimbursement



Provider Stakeholder Group monthly meeting with representation from major provider associations and major payers across the State



Payer Coalition bi-weekly meetings with representation by major payers and Medicaid



Technical Advisory Groups (TAGs) small groups represented across provider-type, practice and region that meet three times to complete recommendations around episodes of care



Additional Stakeholder Meetings including employer and legislative engagement, to solicit input and maintain communication about the model

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Tennessee State Innovation Model

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Iowa State Innovation Model

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Ohio State Innovation Model

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New York State Innovation Model

5

Summary

Overview of Iowa

3,107,126

Population¹

512,533

Medicaid/CHIP
Lives²

24

National Health
Ranking³

Key Features:

- The percentage of Iowans living in rural areas is over 50% higher than the national average
- 79 of the 99 counties have a rural designation with 86 medically underserved areas in 72 of the 99 counties
 - Challenging to attract and retain health care providers
 - Fewer physicians per 100,000 people in Iowa than the national average
- Health status is generally better than other states or around national average
- 68.5% of low-income adults do not access recommended primary care, a rate that is 25% higher than the overall state total
- Iowa Medicaid is primarily fee-for-service, with a managed care behavioral health carve-out



\$43.1 Million

Funding received to
implement and test its
State Health Care
Innovation Plan Model

“

The current system is fragmented and reimbursement methods reward volume, not value. We need to increase quality outcomes and lower costs

*Jennifer Vermeer
Iowa Medicaid Director '08-'14*

1) US Census Bureau 2014 Estimate

2) Based on January 2015 Medicaid/CHIP Preliminary Monthly Enrollment Data

3) America's Health Rankings 2014

SIM: Model Design Awards Round One


\$1,350,711
Funding received to improve
State Health Care Innovation
Plan Model

Implement a multi-payer ACO methodology across Iowa's primary health care payers both public and commercial

Expand on proposed ACO methodology to address integration of long-term care services and supports and behavioral health

Implement population health and health promotion strategies to incentivize Iowans to improve their health

-  **Relevance to Kentucky:**
- Large portion of population living in rural areas
 - Wellmark Blue Cross holds dominant market share within State
 - Similar approach to vet ideas and gain input from all stakeholder group in model design phase

Iowa State Innovation Model Test

Key Features



Expand primary care coverage to reach entire Medicaid population

- Align with other payers using standard measurement systems and quality ratings
- Support the delivery system through technical assistance, community care teams, and more integrated use of HIT and HIE
- Care coordination payments for patients with chronic conditions
- Coordinate care with existing behavioral health and long-term care services – assume financial and clinical accountability overtime



Improve population health and patient care

- Practice transformation activities to help providers evaluate and address social determinants of health, such as expanding telehealth to reduce disparities between rural and urban areas
- Risk-adjustment payment structures
- Community Care Teams will facilitate connections with non-ACO providers
- Tools to better engage and incentivize patients to manage their own health
- Targeted population health initiatives including obesity, tobacco use, and diabetes



Decrease per capita health care spending

- Monitoring both value and total cost of care
- Tracking patient outcomes and public reporting of results
- Identifying specific populations that need additional interventions and care management
- Aligning and partnering with public and private payers
- Focus on same quality measures regardless of payer
- Conducting rapid cycle evaluation and improvements

Stakeholder Engagement

Generating Support and Implementing the Model



Advisory Committee

- Key stakeholders, appointed by Governor Branstad, convene to guide the development and implementation of plan



State Legislative Process

- Iowa Legislature reviews strategies to ensure all elements have been thoroughly vetted by state policymakers and key stakeholders



Local Listening Sessions

- DHS partners with local entities across Iowa to convene at public meetings seeking input, questions and concerns.



Children's Disability Workgroup

- Consists of the DHS, provider groups, consumers, and other child serving agencies to develop an integrated system of care for children with disabilities



Provider and Consumer Organizations

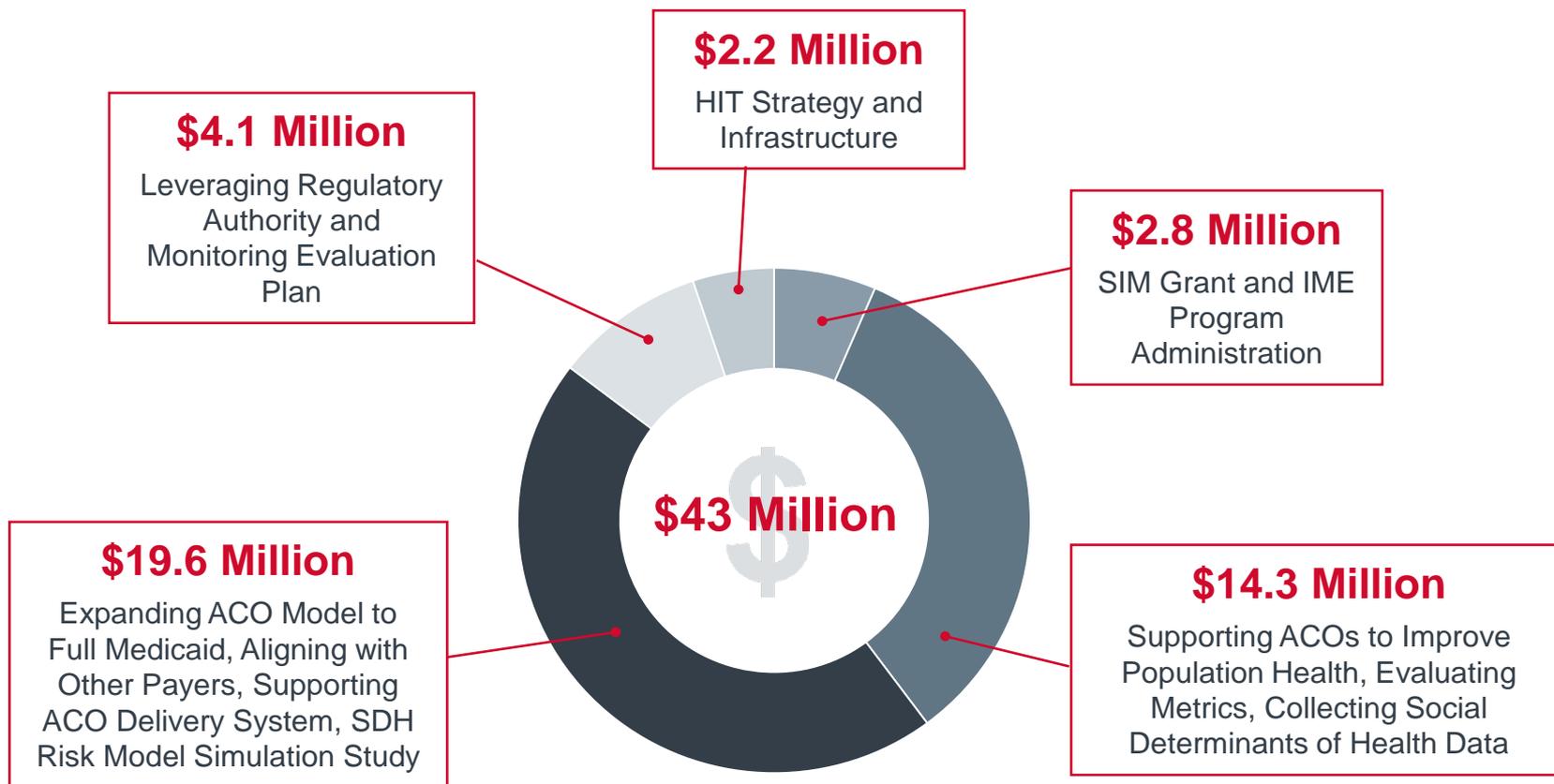
- Collaboration with provider systems interested in forming ACOs, Iowa Department on Aging, and organizations representing consumers



Public and Private Payers

- Including Iowa Medicaid and CHIP programs, Wellmark BCBS of Iowa, and Medicare

Iowa SIM Budget Allocation



! Majority of funds will support contracts with Treo, Milliman, Inc., Iowa Department of Health, University of Iowa Public Policy Center, and additional costs incurred by current IME contractors

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Tennessee State Innovation Model

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Iowa State Innovation Model

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Ohio State Innovation Model

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New York State Innovation Model

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Summary

Overview of Ohio

11,594,163

Population¹

2,928,588

Medicaid/CHIP
Lives²

40

National Health
Ranking³

Key Features:

- 22% of the population resides in rural areas of the State
- 1.1 Million Ohioans reside in rural or low-income areas underserved by primary care
- One of the most fragmented and complex payer landscapes in the country – over 60 active health plans across Ohio, many with very small market share
- Nearly 1 in 4 adults and more than 1 in 4 high school students are current smokers
- High rates of preventable hospitalizations and infant mortality
- More than one-third of Ohioans suffer from more than one of ten common chronic diseases and conditions
- Robust HIT infrastructure including an HIE and regional extension centers (RECs)



**\$75
Million**

Funding received to
implement and test its
State Health Care
Innovation Plan Model

“

America has the greatest health care system in the world, but sometimes the financial incentive is to provide the wrong service in the wrong place at the wrong time. We need to turn that around, and make sure the financial incentive is always to keep our citizens as healthy as possible by providing the right service in the right place at the right time.

*John Kasich
State Governor of Ohio*

1) US Census Bureau 2014 Estimate

2) Based on April 2014 Medicaid/CHIP Preliminary Monthly Enrollment Data

3) America's Health Rankings 2014

SIM: Model Design Awards

“Standardize Approach, Align in Principle, Differ by Design”


\$3 Million
Funding received to design its State Health Care Innovation Plan Model

Leverage the State’s prominent PCMH activities and pilots to reach patient-centered, multi-payer PCMH statewide in three waves over five years

Design episode-based payment models to complement PCMH activities by adding cost accountability; Launch 5 episodes in first year

Leverage investment in Enterprise Data Warehouse and integrate key technologies across the state to improve the value of information available



Relevance to Kentucky:

- Comparable health rankings in diabetes, tobacco use, and physical inactivity
- Built upon adoption and rollout of a statewide health information exchange
- High rates of preventable hospitalizations

Overview of Ohio SIM

SIM PCMH Charter Outlines Desired Levels of Payer Alignment



CARE DELIVERY

Target patients, sources of value, improvements



PAYMENT MODEL

Technical requirements, attribution, quality measures, incentives



INFRASTRUCTURE

Technology, data systems, personnel



SCALE-UP AND IMPROVEMENT

Support, resources and activities to enable practices to adopt and sustain PCMH model

| |  Patient-Centered Medical Homes |  Episode-Based Payments |
|----------------|---|--|
| Year 1: | <ul style="list-style-type: none"> In 2014, focus on Comprehensive Primary Care Initiative (CPCI) Payers agree to participate in design for elements where standardization and/or alignment is critical Multi-payer group begins enrollment strategy for one additional market | <ul style="list-style-type: none"> State leads design of five episodes: asthma, perinatal, COPD exacerbation, PCI and joint replacement Payers agree to participate in design process, launch reporting on at least 3 of 5 episodes in 2014 and tie to payment within year |
| Year 2: | <ul style="list-style-type: none"> Model rolled out to all major markets 50% of patients are enrolled | <ul style="list-style-type: none"> 20 episodes defined and launched across payers |
| Year 3: | <ul style="list-style-type: none"> Scale achieved state-wide 80% of patients are enrolled | <ul style="list-style-type: none"> 50+ episodes defined and launched across payers |

Ohio State Innovation Model Test Award

Health Information Technology Plan



- HIT Council convened State and industry experts to develop and implement Ohio's HIT plan (January 2015)
- Adopt administrative rules for certifying HIEs and data sharing
- Develop a technical assistance plan, including for providers not eligible for Meaningful Use
- New Enterprise Case Management and Assessment Tool
- Expand Data Warehouse capability, including running predictive analytic models
- Expand the Data Gateway to connect HIEs to State HHS data

Workforce Development



- Identify health profession shortages and develop a forecasting model
- Retain talent with scholarship and loan repayment
- Reform training to support promising models of care
- Align payment by coordinating workforce policy priorities with PCMH and episode-based payment models

Stakeholder Engagement



SIM Core Team

- Multi-payer coalition to drive leadership alignment on overall strategy
- Representatives from Medicaid, Department of Administrative Services, Bureau of Workers' Compensation and the five participating health plans which cover over 80% of commercially insured lives in Ohio



PCMH Working Team

- Multi-stakeholder group to review detailed analysis and form recommendations for PCMH design



Episode Working Team

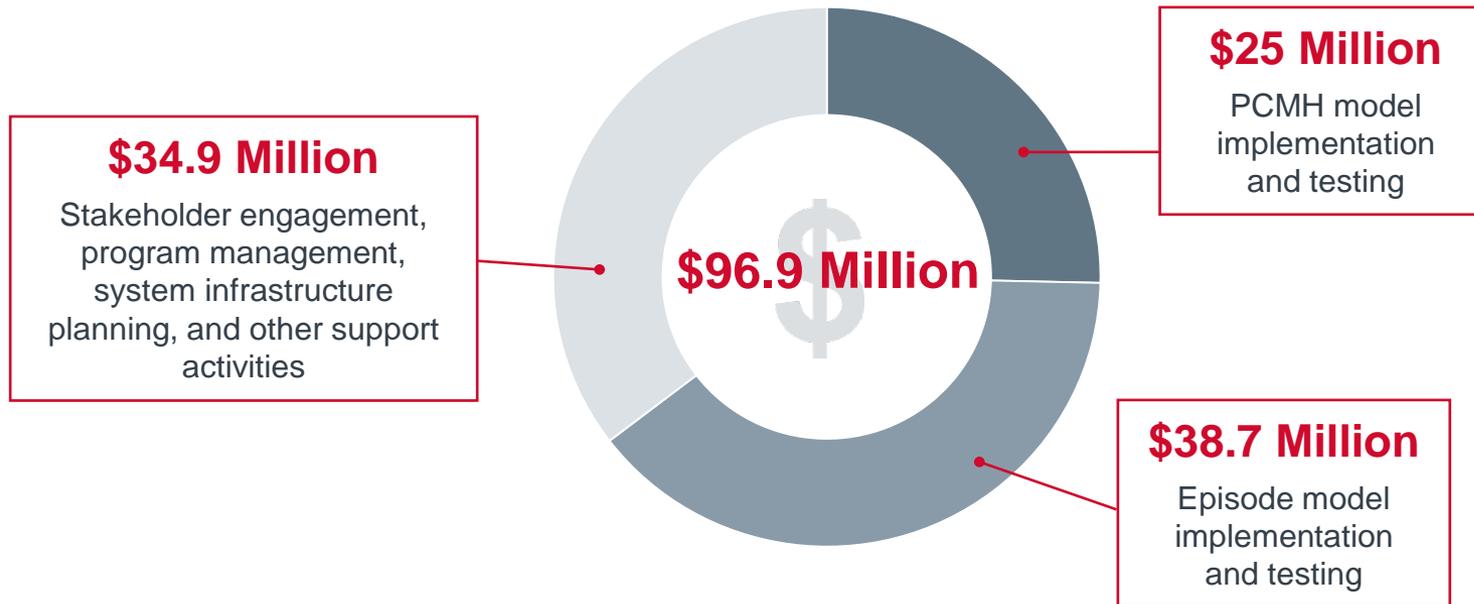
- Multi-stakeholder group to review detailed analysis and form recommendations for episode-based payment

PCMH and Episode teams met on a weekly basis and included over 100 participants collectively, including:

- State Officials
- Provider Organizations
- Purchasers
- Payers
- Payment Innovation Leaders

Ohio SIM Budget Allocation

Ohio Committed \$204.8 Million to Implement SIM over 4 Years; Requested \$96.9 Million from SIM Test Grant Funding



! SIM test grant funds will not be used for any personnel costs, fringe benefits, equipment or supplies.

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Tennessee State Innovation Model

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Iowa State Innovation Model

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Ohio State Innovation Model

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New York State Innovation Model

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Summary

Overview of New York

19,746,227

Population¹

6,247,440

Medicaid/CHIP
Lives²

14

National Health
Ranking³

Key Features:

- Third-most populous state behind California and Texas with a demography reflective of the national average
- Although we think of NY as NYC, about 20% of NY residents live in rural areas
- Per-capita costs are 20% higher than the national average stemming from higher than average unit costs, high avoidable utilization, and a small set of highly complex populations
 - NY ranks 50th in avoidable utilization and 40th in ambulatory care-sensitive admissions
 - Highest spend in the nation on Medicaid enrollees with disabilities
- 75% of PCPs do not yet work in PCMH recognized practices



\$99.9 Million

Funding received to
test State Health Care
Innovation Plan Model

“

Building the best possible health care system means growing our resources and taking an innovative approach to providing care for New Yorkers – and that is exactly what this grant is helping us achieve. This funding will go a long way toward improving the quality of care for people in virtually every corner of the state.

Andrew Cuomo
State Governor of New York

1) US Census Bureau 2014 Estimate
2) Based on January 2015 Medicaid/CHIP Preliminary Monthly Enrollment Data
3) America's Health Rankings 2014

SIM: Model Design Pre-testing Awards

CO, NY and WA Received Pre-Testing Awards to Strengthen Plan Before Implementation


\$1 Million
Funding received to strengthen its
State Health Care Innovation Plan
Model

Test six components of its comprehensive plan including First Episode Psychosis Teams, Extended Care Transitions support, and ACOs

Improving HIT efforts including EHR adoption, creating an All Payer Database for claims data, and developing data-driven care management tools

Cultivating robust stakeholder engagement and collaboration across various regions and quantifying the current health care environment



Relevance to Kentucky:

- Comparable health rankings in Diabetes and other chronic conditions
- Substantial percentage of population in rural markets and significant reform activities to address unique needs
- Similar performance in potentially avoidable admissions and ambulatory sensitive admissions

New York State Innovation Model Test

Key Features



Advanced Primary Care (APC) Design

- **Practice Transformation Support**
 - Development of a standardized tool to assess practice readiness and creation of a statewide curriculum to guide transformation efforts
 - Employ Public Health Consultants to strengthen local provider relationships and connect patients to community resources
- **Primary Care Workforce**
 - Mechanisms to increase the number of primary care residencies within the state
 - Ensuring top of license practice
 - Development of tools to increase retention of physicians trained in NY
- **Common Scorecard**
 - Quality metrics to be published as the statewide standard and supported by the state-led HIT infrastructure
 - Basis for all Medicaid and State Employee Insurance and for increasing use in commercial contracts



Value-Based Payment

- Evaluating range of current payment mechanisms which will produce first-ever comprehensive statewide scorecard on payment reform – goal to achieve 80% value-based payment by 2020
- Statewide payment reform committee convening regional stakeholders to address region-specific challenges
- Value-based insurance design for a select group of state employees in 2015, targeting diabetes, asthma, and hypertension

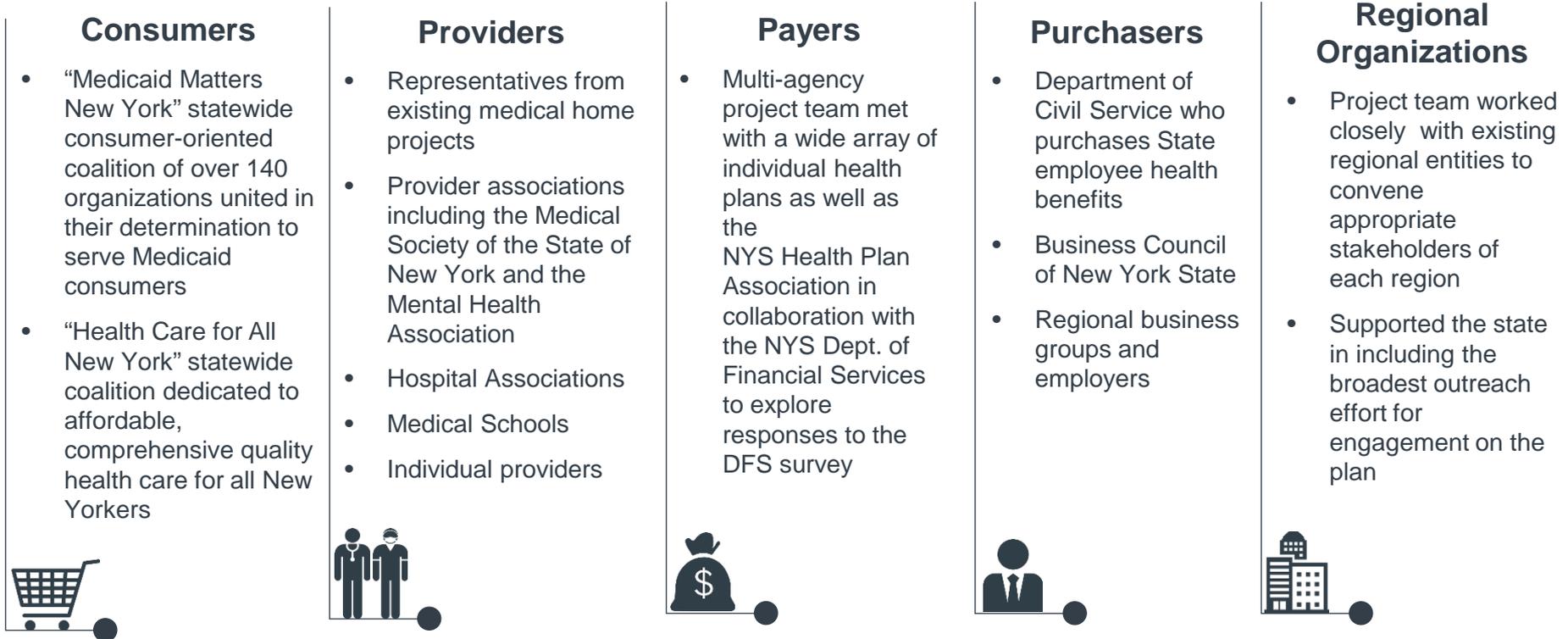


Health Information Technology

- Complete implementation of state HIE
- Create a patient portal
- Create and implement an All-Payer Database
- Implement a clinical data table using Medicaid claim, encounters and member information which will reduce burden on providers to calculate and aggregate quality measures at various levels

Stakeholder Engagement

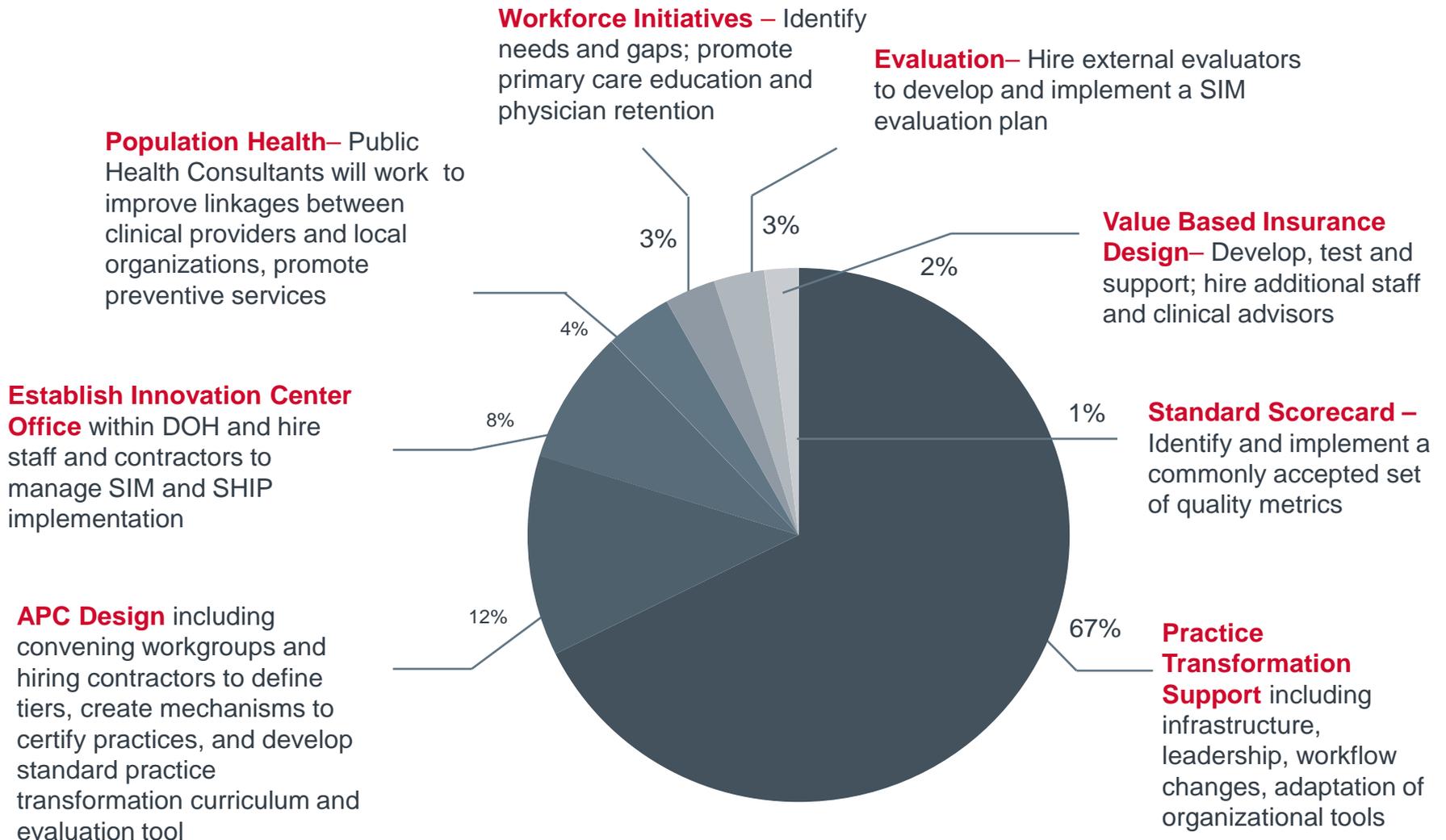
Generating Support and Implementing the Model



Methods of Stakeholder Outreach

- Interviews and feedback sessions
- Conference calls
- Webinars
- Multi-sector meetings
- Presentations, including some with strategic focus such as PCMH Roundtable and the Population Health Summit

New York SIM Budget Allocation



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Tennessee State Innovation Model

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New York State Innovation Model

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Summary

Common Initiatives Across the Four Model States



Alignment of public and private payers



Value-based payments



Expansion of HIT Infrastructure



Move toward standardized quality metrics



Statewide plan for improving population health with key targeted priorities



Primary care workforce development



Broad-based consensus-driven approach, involving disparate regional stakeholders

Summary Overview

DISTINCT INITIATIVES

NOTABLE ISSUES/GOALS ADDRESSED

TENNESSEE



- Multi-payer PCMH initiative evaluated on outcomes
- Episodes of Care initiative
- Focus on quality and delivery system reform for LTSS, especially for adults with physical and intellectual disabilities

- Lack of standardization and alignment for PCMH efforts
- 48th in the nation for CMS Five-Star Quality Rating System
- Goal for 80% of members cared for through population-based model within 5 years

IOWA



- Builds upon ACO model that currently covers the State’s Medicaid population
- Plans for expansion of telehealth infrastructure
- Community care teams

- Address the numerous medically-underserved populations across the state
- Gain “critical mass” for the ACO to move health care organizations into value-based care

OHIO



- Integration of PCMH initiatives with episode-based payment models
- Medicare to produce total cost of care reports for providers

- Lack of standardization and alignment of metrics leading to inefficient decision making
- Goal for value-based care to cover 80% of state’s medical spend and 80-90% of population

NEW YORK



- Advanced Primary Care model for integrated behavioral primary care
- Public health consultants
- Aggressive plans for expansion of primary care workforce

- 75% of NY PCPs do not work in a PCMH recognized practice
- Goal for 80% of population to receive primary care in APC setting
- Goal for 80% of New Yorkers to receive value-based care by 2020

State Challenges with SIM to Date

Barriers to Consider Based on Current SIM States' Experiences



Difficulty defining core quality measures and attaining payer agreement on them



Disagreements on which entity should control performance data



Privacy concerns, particularly regarding certain populations and services, such as mental health



Trouble ensuring adequate representation from those who will be ultimately responsible for practicing, billing differently



Uncertainty about what financial incentives may be necessary for providers and payers to share information



Technical challenges and culture changes related to value-based models that link clinical and administrative data from different providers



Difficulty developing ways to address social determinants of health even with increasing focus on outcomes



Shifting from FFS to value-based models challenges notions of how physicians work and provide value

Winning Strategies to Consider from the Start

1

Strong leadership from State officials is essential.



- SIM states with the greatest momentum and clearest vision have a strong history of promoting reform during both Republican and Democratic administrations.
- Positioning for success warrants non-partisan support across all political parties
- Forging early consensus on scope and goals of SIM project is essential to ensure focus and support

2

Engage stakeholders using different strategies, as their readiness and capacity to innovate and align varies across the board.



- Fear of losing competitive advantage, violating antitrust laws, or taking on more responsibilities can cause resistance among various stakeholders.
- Provide incentives for providers such as facilitating data exchange, providing reports on utilization, cost, and/or quality; develop a provider workgroup to develop standard metrics

3

Transforming the health care system requires provider and payer access to reliable, targeted, efficiently produced cost and quality data.



- Important to develop a shared vision before strategy development as well as determine how to define progress
- States can and should seek guidance from CMS officials on how to design HIT architecture

4

Integrate public health at beginning stages of innovation model design.



- Engage State health officials in building on existing projects, and form multi-stakeholder learning collaboratives to test, share and implement evidence-based strategies to improve access to care.
- Conduct community assessments to identify health care disparities and drivers of poor health, such as physical inactivity or poor nutrition, and target interventions accordingly.

Q&A

Next Steps

- The May full stakeholder meeting is scheduled for **Wednesday, May 6, 2015** from **1- 4 PM** at the **Administrative Office of the Courts**, Main Conference Room, 1001 Vandalay Drive, Frankfort, KY 40601
- Mark your calendars!** The April and May stakeholder workgroups will be held as follows. Please check the detailed calendars posted on the SIM website for exact locations for each workgroup

| Workgroup | April Date | April Time | May Date | May Time | Location |
|--|-----------------------------------|-------------------|---------------------------------|-------------------|---|
| Payment Reform | Tuesday, April 14 th | 9AM to 12PM | Tuesday, May 19 th | 9AM to 12PM | TBA – Frankfort, KY <i>*Please see website</i> |
| Integrated & Coordinated Care | Tuesday, April 14 th | 1PM to 4PM | Tuesday, May 19 th | 1PM to 4PM | TBA – Frankfort, KY <i>*Please see website</i> |
| Increased Access | Wednesday, April 15 th | 9AM to 12PM | Wednesday, May 20 th | 9AM to 12PM | TBA – Frankfort, KY <i>*Please see website</i> |
| Quality Strategy/ Metrics | Wednesday, April 15 th | 1PM to 4PM | Wednesday, May 20 th | 1PM to 4PM | TBA – Frankfort, KY <i>*Please see website</i> |
| HIT Infrastructure | Thursday, April 16 th | 9:30AM to 12:30PM | Thursday, May 21 st | 9:30AM to 12:30PM | TBA – Frankfort, KY <i>*Please see website</i> |

- 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!