

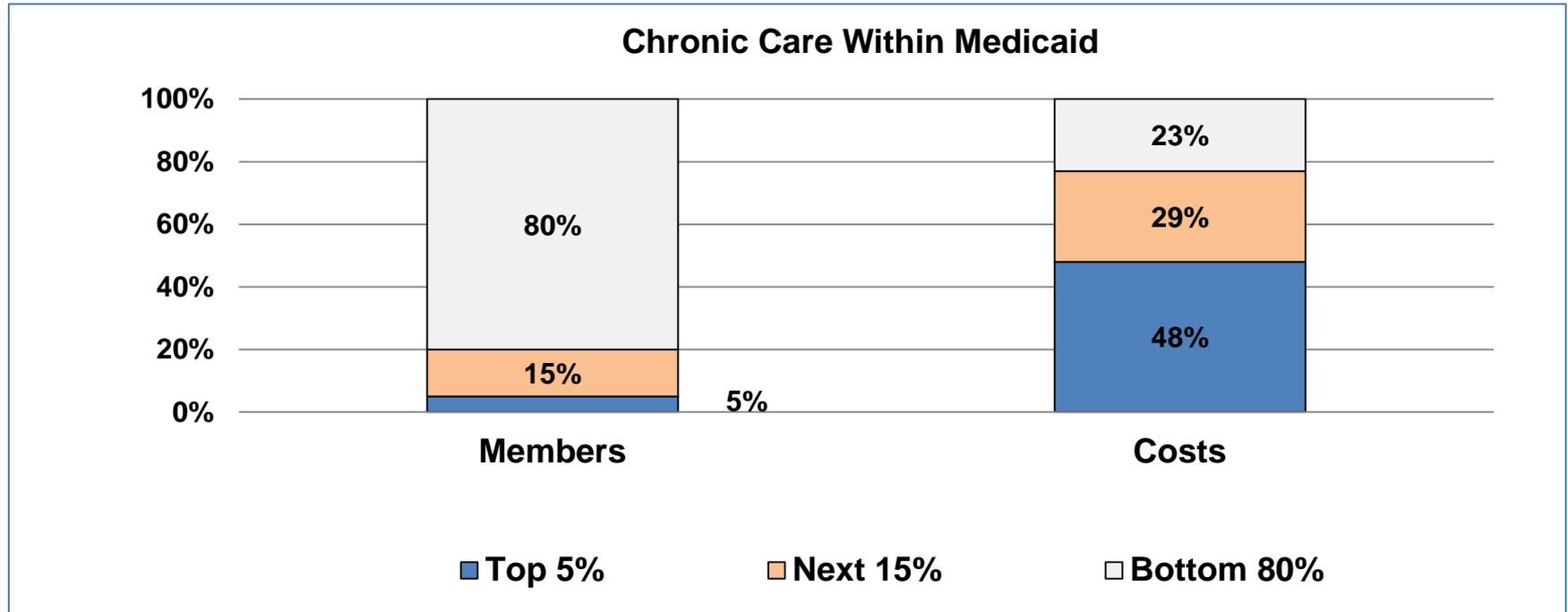


# State Innovation Model Grant Consumer Focused Workgroups

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## The problem Chronic disease drives costs





## Top 5% High Cost/High Risk Members\* Accounted for:

- 90% of hospital readmissions within 30 days
- 75% of total inpatient cost
- Have an average of 4.2 conditions, 5 physicians, and 5.6 prescribers
- 50% of prescription drug cost
- 42% of the members in the top 5% in 2010, were also in the top 5% in 2009

\*Excludes Long Term Care, IowaCare, Dual Eligibles, and maternity



## Why change?

- Health care delivery system is fragmented
- Reimbursement methods for providers reward volume not value
- Cost of health care is unaffordable and unsustainable for citizens and taxpayers
- Iowa's long term care system relies more on institutional services than community based care



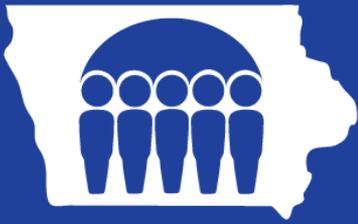
## Why is Long Term Care Important?

- The populations have diverse needs and are our most vulnerable
- It is more than half of Iowa Medicaid expenditures for about 10% of the population
- Federal Government (Olmstead decision) is calling for inclusion and the development of community based options for the LTC population.



## What is Medicaid's role in Delivery Reform?

- Medicaid relies on the same health care system as all others to deliver care to our covered members
- Medicaid uses very similar payment and contracting methods
- Whatever is driving the rest of the health care system is also driving Medicaid
- Medicaid is a significant payor - 2<sup>nd</sup> largest payor, covers 23% of Iowans
- We are the primary payor of LTC Services.



## State Innovation Model (SIM)

- Grants available to Governors from the Centers for Medicare and Medicaid Innovation
- 2 tracks: Design (Iowa) or testing
- Provides funding for developing State Health Care Innovation Plan
- Iowa's Plan will be complete by January
- Will apply for Testing funds

2013 Design:  
State Health Care  
Innovation Plan

2014 Testing:  
Application for funds /  
authority to test

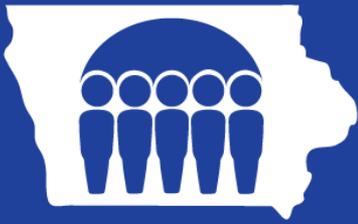
2016? Implementation



## State Health Care Innovation Plan “Vision”

- Patient-focused
- Accountability
- Aligned Quality Strategies
- Economically Sustainable
- Workforce

**Vision:** Transform Iowa’s health care economy so that it is affordable and accessible for families, employers, and the state, and achieves higher quality and better outcomes for patients.



## Iowa State Innovation Model Plans

### *Improve value and align payment models*

- ✓ Valued based payment reform
- ✓ Organized, coordinated delivery systems
- ✓ Build on developing health homes / medical homes
- ✓ Align payors to provide 'critical mass' to support needed investments in change



- Strategy 1: Implement a multi-payer ACO\* methodology across Iowa's primary health care payers



- Strategy 2: Expand on the multi-payer ACO methodology to address integration of long term care services and supports and behavioral health services



- Strategy 3: Population health, health promotion, member incentives

\* 'Accountable Care Organizations' are a reimbursement method that incents accountability for outcomes and lowers costs

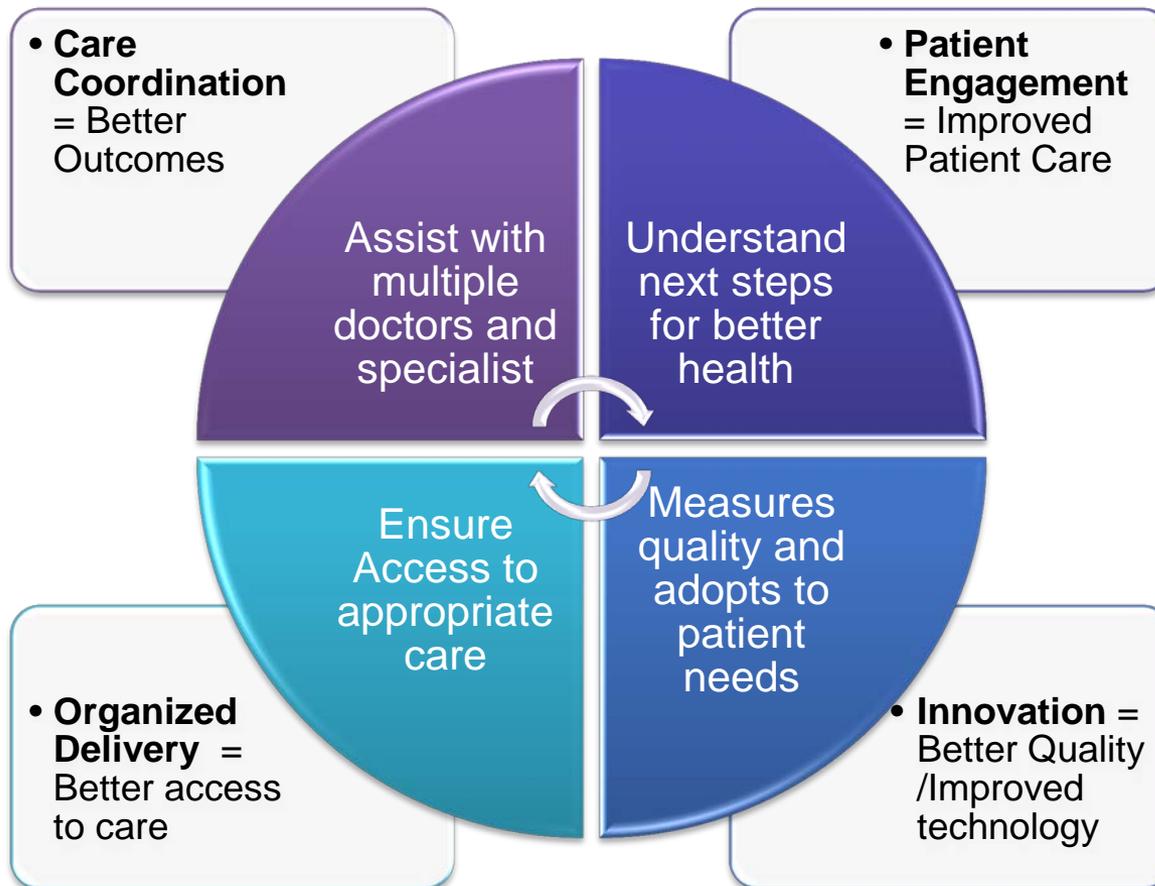


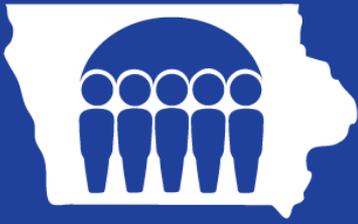
## What is an ACO?

**Accountable Care Organization: is a health care organization “characterized by a payment and delivery model that seeks to tie provider reimbursements to quality metrics and reductions in the total cost of care for an assigned population of patients...”**



## What does an ACO do?





## Wellmark ACO's in Iowa

White Paper can be found at:

<http://www.dhs.state.ia.us/uploads/Treo%20Wellmark%20cases%20study%20final.pdf>

### **Organizations tracking total cost and quality of care:**

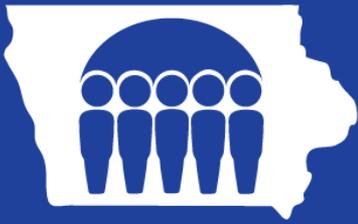
- **Unity Point Health** (Cedar Rapids, Des Moines, Fort Dodge, Quad Cities, Waterloo)
- **Mercy Medical Center** (Des Moines, Cedar Rapids, Iowa City)
- **Genesis Health System** (Davenport)
- **Wheaton Franciscan HealthCare** (Waterloo)



## Medicare ACO's in Iowa

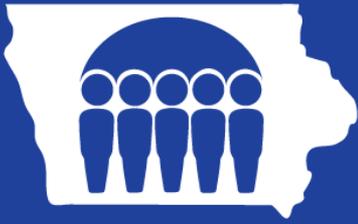
### Organizations tracking total cost and quality of care:

- **Trinity ACO** (Northwest Central Iowa)
- **Accountable Care Clinical Services, PC** (Iowa)
- **Alegent Health Partners, LLC** (Iowa, Nebraska)
- **University of Iowa Affiliated Health Providers, LC** (Linn, Benton, Jones, Cedar, Iowa, Johnson, and Tama Counties)
- **Mercy ACO** (Polk, Warren, and Dallas Counties)
- **Unity Point L.C.** (Cedar Rapids, Waterloo, Des Moines, Davenport, Bettendorf, and Muscatine)



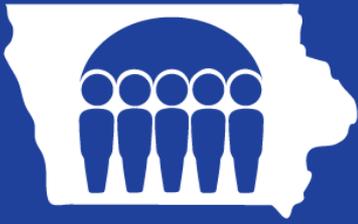
## **Attributes of proposed Medicaid ACO model**

- Primary Care Case Management foundation (like MediPASS today)
- Accountable Care Delivery System, Statewide
  - Established budgets goals
  - Established Quality Thresholds
  - Both must be met to share savings
- ACO share in savings and losses



## What changes within an ACO Delivery System?

|  |  |
|--|--|
| Will my benefits change?                   | No. The ACO model does not limit the benefits of the Medicaid State Plan or those services currently offered to members. |
| Will I have access to the same specialist? | Yes. Members have access to the entire Medicaid network of providers.  |
| Can I choose to not participate in an ACO. | Yes. Members have the right to opt-out of an ACO delivery system.  |
| Can I see any doctor I want?               | Yes, however, similar to the current MediPASS program, members choose a primary care doctor to which they get referrals. |



## Provider Network within an ACO Delivery System

- Members have access to the providers currently available to Medicaid members
- Members choose their primary care physician, who coordinates the services with other providers, like MediPASS today.



## Primary Care Providers

### Provider Types

- MD
- DO
- ARNP
- FQHC
- RHC

### Provider Specialties

- Family Practice
- General Practice
- Internal Medicine
- \*Any provider board certified as a PCP



## Primary Care Provider Responsibilities

- Provide Primary Care
- Supply a 24-hour access number to provide instruction to or for members
- Treat patient or give referral for treatment
- Accept patients up to the agreed limit
- Work within ACO infrastructure to ensure quality care.



## Medicaid ACOs

- Regional ACO areas established
- Entities compete in an RFP process to be accountable for members in a region
- ACOs meet State defined, CMS approved standards for delivering organized quality care in a risk bearing environment.



## ACO Accountability Level

Accountability increases as additional systems are brought into the Total Cost of Care budget.

**Step 1:**  
Implement Health and Wellness Plan

**Step 2:**  
Expand ACO model for full Medicaid population

**Step 3:** Add Behavioral Health Services

**Step 4:** Add Long Term Care (Institutional and HCBS)

Timing of steps determined by readiness exercise between the State and ACO



## VIS – Value Index Score

ACO Quality measured using 7 key domains:

Member  
Experience

Primary &  
Secondary  
Prevention

Tertiary  
Prevention

Population  
Health

Continuity of  
Care

Chronic and  
Follow-up  
care

Efficiency



## Bridge to Transformation

**Current State:** Mostly FFS  
Unmanaged Care  
Silos of Care Delivery  
Limited Access  
Volume Based Purchasing

**Iowa Health & Wellness**  
Builds PCP Capacity & Entry Point for New Population

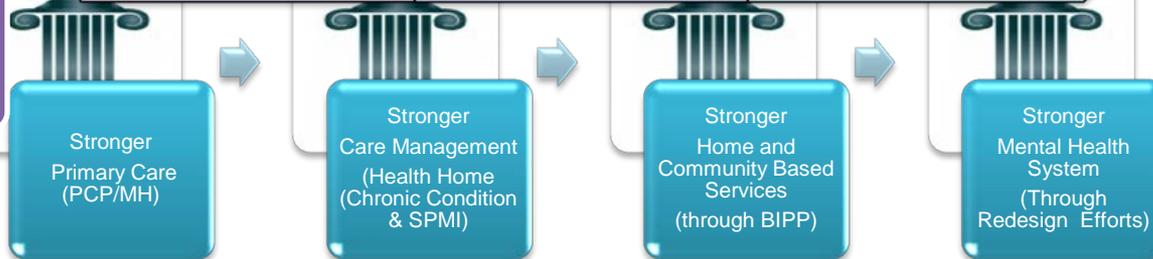
Incentivizes Medical Home Concepts, Prepares for ACO models

Sustainability through SIM Development, and Multipayer Alignment

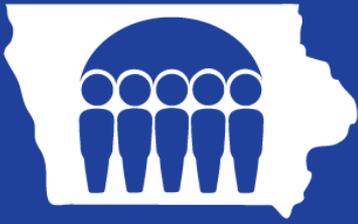
**SIM Development**  
Phase I: H&W Population

Phase II: Full Medicaid, Statewide ACO Regions

Phase III: Fully Defined LTC and BH Accountability



**Future State:** Value Based Purchasing  
Clear Accountability  
Integrated Care Delivery  
Alignment in Measures and Analytics  
Data are timely and Secure



# Questions?

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