

Iowa Department of Human Services



State Innovation Model Annual Report

***Year 1
(2/1/2015 – 1/31/2016)***

Submitted May 2016

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State Innovation Model Annual Report for Year 1

Major Accomplishments, Measureable Outcomes, and Milestones

Major Accomplishments:

- Reconciled the original Iowa State Innovation Model (SIM) proposal with implementation of the state of Iowa's new, Medicaid Managed Care (MCO) program.
- Ensured key, strategic SIM project concepts were incorporated into Iowa's final revision of the managed care RFP such as including Value Index Score (VIS) and Total Cost of Care (TCOC) into the MCO's contract, as well as, the goal for each plan to reach 40% of their covered lives in a Value Based Purchasing (VBP) arrangement by 2018.
- Performed SIM stakeholder engagement activities
- Completed all vendor contracts and hired staff to support activities planned for 2016
- Held a successful initial meeting of the Statewide SIM Learning Community on August 18, 2015
- Addressed concerns around Iowa's Managed Care implementation delay and received approval to move forward from CMS December 2015
- Submitted and received approval of the 2016 Operational Plan
- Successfully released, reviewed and awarded six Community Care Coalition (C3) systems, covering 20 counties, to organize and support community-based resources to help deliver population health outcomes
- Received a total of 23 Community Care Coalition (C3) applications for the initial round of SIM awards, covering virtually all areas of the state – all systems are engaged in the project as we move forward
- Refreshed the VIS online dashboard 8 times during year one, offering specific quality tracking metrics to inform providers and track progress necessary for VBP
- Delivered provider-specific 2016 VIS baseline scores to support providers and MCOs in VBP programs
- Successfully launched the Statewide Alert Notification (SWAN) system to providers engaged in Medicaid VBP (December, 2015)
- Actively engaged in a strategy to expand SWAN to include other payers, including Iowa Medicare lives covered under an Accountable Care Organization (ACO) program
- Revised SIM website to incorporate all drivers of Iowa's plan and linked to SIM partner websites to provide a robust and timely view of SIM activities, vision and goals

Measureable Outcomes:

Year one is Iowa's "pre-implementation" year, but there are metrics that can be reported and considered as baseline data. Iowa is actively working to establish a complete baseline for all core accountability targets identified in the 2016 Operational Plan.

The Medicaid ACO/Healthy Behavior Program

Implemented in January 2014, Iowa Medicaid introduced VBP concepts to providers using the Medicaid Expansion (0 – 138% FPL) population. The Healthy Behavior Program aligned incentives for members and providers to complete two activities, a Health Risk Assessment (HRA) and an Annual Exam. Medicaid also incentivized ACOs to meet quality thresholds with the VIS and to coordinate the completion of health behaviors for members.

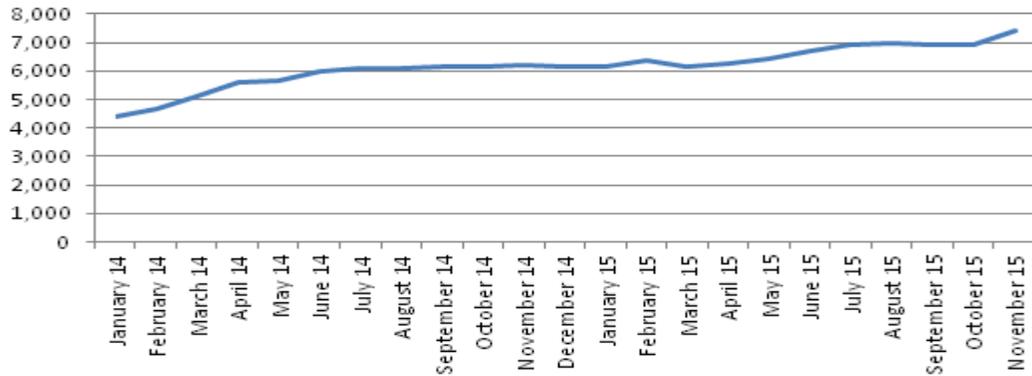
- At the end of 2015, 11% of Medicaid lives were assigned to a Primary Care Provider (PCP) in an ACO agreement through the Iowa Wellness plan (Medicaid Expansion group).
- In 2014, roughly 51 percent of ACO members achieved at least one healthy behavior, and on average 28 percent achieved both healthy behaviors. In comparison, for the regular Medicaid population, only five percent completed the wellness exam.
- Medicaid paid out \$430,000 in VIS bonuses in 2014, with PCPs in an ACO being five percent more likely to earn a VIS bonus than non ACO PCPs.
- At the end of 2015, compiled VIS score for PCPs in a VBP arrangement was 58.7% compared to 37.7% for PCPs NOT in a VBP arrangement.

Health Homes:

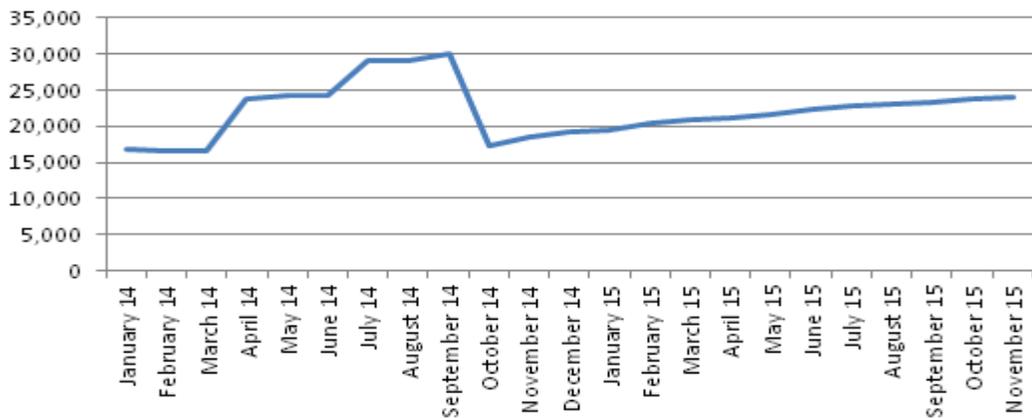
In July 2012, Iowa implemented the chronic condition health home model and then began a second health home for individuals with Serious and Persistent Mental Illness in July 2013. Although both programs precede SIM, the growth of Health Homes is an indicator of a strong primary care network in Iowa and is part of our SIM Evaluation plan. Iowa has chosen to report Health Home enrollment during the SIM grant in the R2 Reporting Metrics in the State Healthcare Landscape_Beneficiaries Metric Area to monitor this indicator of primary care in our state. Additionally, Medicaid has contract language with each MCO to report and are encouraged to increase participation of members in the health home program, especially in areas where participation has been low.

Within Iowa's 2016 Operational Plan, there is an action identified to "Transition and grow the Health Home model" by utilizing the MCO RFP and MCO contract as levers and taking action to engage MCOs through onboarding and education (stakeholder engagement strategy). The below two charts reflect enrollment data prior to the Start of the SIM grant.

Chronic Condition Health Home Enrollment data:



SPMI Health Home Enrollment Data:



Baseline SIM Data:

As reported in the 2016 SIM Operational Plan, the state is monitoring data points to ensure SIM activities are advancing the state toward our goals. Those Iowa specific baseline data points are:

- 55.2% of adult smokers have made a quit attempt (Iowa BRFSS, 2014)
- 30.9% of adults are Obese (Iowa BRFSS, 2014)
- 80.7% of diabetics have had two or more Hgb A1c tests in the last year (Iowa BRFSS, 2014)
- 72% of all Medicaid ED visits are Potentially Preventable (3M Analytics)
- 7% of all Medicaid readmissions are Potentially Preventable (3M Analytics)

Note: The measure of the percent of payments linked to value is currently in process and a baseline has not yet been established.

SWAN Alerts:

Iowa began sending SWAN alerts to providers engaged in Value Based Purchasing in late December 2015. The below data is a snap shot of what has been generated through the end of the first implementation year with roughly 45 days in production. The Iowa SIM team is working to grow the number of hospitals reporting SIM data, the number of alerts being generated, and the number care teams receiving alerts during the course of the three model test years.

- 12/18/2015 through 1/31/2016:
 - 17 hospitals connected to send ADT files
 - 3,222 Medicaid Alerts for ED and Inpatient events generated
 - 3 out of 5 Medicaid ACOs reporting ADT data to SWAN
 - 2 out of 5 Medicaid ACOs receiving SWAN alerts.

Completed Milestones:

Task	% Complete	Start	Finish	Primary Driver	Milestone	Budget Narrative Mapping
Grant and IME Program Administration						
Perform Project Management						
Operational Plan 2016	100%	Thu 10/1/15	Wed 1/13/16	Grant Admin		
Milestone - Submit Operational Plan to CMS by 12/1/15	100%	Tue 12/1/15	Tue 12/1/15	Grant Admin	Yes	Telligen SOW 1
Milestone - Receive Written Approval of Operational Plan from CMS	100%	Wed 1/13/16	Wed 1/13/16	Grant Admin	Yes	
Write, Amend and Execute Vendor Contracts	100%	Mon 2/2/15	Mon 1/25/16	Grant Admin		
Milestone - All Contracts Amended and Executed	100%	Mon 1/25/16	Mon 1/25/16	Grant Admin	Yes	Telligen SOW 1
Milestone - Hire/Train SIM Project Manager 1	100%	Mon 8/31/15	Mon 8/31/15	Grant Admin	Yes	Telligen SOW 1
Milestone - Hire/Train eHealth staff Member	100%	Tue 3/31/15	Fri 5/15/15	Grant Admin	Yes	IDPH SOW 1
Milestone - Hire/Train IDPH EO2	100%	Sat 8/15/15	Mon 8/31/15	Grant Admin	Yes	IDPH SOW 1
Milestone - Hire/Train PP 2 and PP 3for IDPH	100%	Tue 6/30/15	Fri 10/30/15	Grant Admin	Yes	IDPH SOW 1
Milestone - Hire/Train CHC for IDPH	100%	Tue 6/30/15	Fri 10/30/15	Grant Admin	Yes	IDPH SOW 1
Perform Required CMS grant monitoring activities	100%	Thu 1/1/15	Thu 1/31/19	Grant Admin		
IME Program Administration	100%	Thu 1/1/15	Fri 1/29/16	Grant Admin		
Manage Vendor Contracts	100%	Thu 1/1/15	Fri 1/29/16	Grant Admin		
Milestone - At least 9 regular Contractor Meetings	100%	Fri 10/30/15	Fri 10/30/15	Grant Admin	Yes	Telligen SOW 1 - 4
Milestone - At least 9 regular Contractor Meetings	100%	Fri 1/29/16	Fri 1/29/16	Grant Admin	Yes	Telligen SOW 1 - 4
Manage Stakeholder Process	100%	Tue 12/16/14	Thu 1/31/19	Grant Admin		
Conduct SIM Core Planning team meetings	100%	Fri 5/1/15	Thu 1/31/19	Grant Admin		
Milestone - Governance Structure Established	100%	Fri 7/31/15	Fri 7/31/15	Grant Admin	Yes	Telligen SOW 1
Milestone - Revise Driver Diagram	100%	Tue 12/16/14	Fri 12/14/18	Grant Admin	Yes	Telligen SOW 1
Conduct SIM Leadership Meetings	100%	Tue 12/16/14	Fri 12/14/18	Grant Admin		Telligen SOW 1 - 4
Conduct Quarterly Wellmark/IME Alignment meetings	100%	Thu 4/30/15	Fri 1/29/16	Grant Admin		
2015						
Milestone - Conduct at least 1 Wellmark/IME alignment	100%	Thu 4/30/15	Thu 4/30/15	VBP	Yes	Telligen SOW 1 - 4

meeting							
Milestone - Conduct at least 1 Wellmark/IME alignment meeting	100%	Fri 7/31/15	Fri 7/31/15	VBP	Yes	Telligen SOW 1 - 4	
Milestone - Conduct at least 1 Wellmark/IME alignment meeting	100%	Fri 10/30/15	Fri 10/30/15	VBP	Yes	Telligen SOW 1 - 4	
Milestone - Conduct at least 1 Wellmark/IME alignment meeting	100%	Fri 1/29/16	Fri 1/29/16	VBP	Yes	Telligen SOW 1 - 4	
Conduct Quarterly SIM Public Forums 2015	100%	Fri 7/31/15	Fri 1/29/16	Grant Admin			
Milestone - Establish Schedule by June 30	100%	Fri 7/31/15	Fri 7/31/15	Grant Admin	Yes	Telligen SOW 1 - 4	
Milestone - Conduct at least 3 Engagement Meeting	100%	Fri 10/30/15	Fri 10/30/15	Grant Admin	Yes	Telligen SOW 1 - 4	
Milestone - Conduct at least 3 Engagement Meeting	100%	Fri 1/29/16	Fri 1/29/16	Grant Admin	Yes	Telligen SOW 1 - 4	
Pre-Implementation Year Reports to CMS							
Federal Financial Reports (FFR)	100%	Thu 4/30/15	Thu 4/30/15	Grant Admin	Yes		
Quarterly Progress Report 1	100%	Fri 5/29/15	Fri 5/29/15	Grant Admin	Yes	Telligen SOW 1 - 4	
Federal Financial Reports (FFR)	100%	Thu 7/30/15	Thu 7/30/15	Grant Admin	Yes		
Quarterly Progress Report 2	100%	Fri 8/28/15	Fri 8/28/15	Grant Admin	Yes	Telligen SOW 1 - 4	
Federal Financial Reports (FFR)	100%	Fri 10/30/15	Fri 10/30/15	Grant Admin	Yes		
Milestone - Submit 2016 Accountability Targets to CMS	100%	Tue 12/1/15	Tue 12/1/15	Grant Admin	Yes	Telligen SOW 1 - 4	
Request a non-Competing Continuation award (SF-424, SF-424A, Budget Narrative and updated Operational Plan)	100%	Tue 12/1/15	Tue 12/1/15	Grant Admin	Yes	Telligen SOW 1 - 4	
Quarterly Progress Report 3	100%	Mon 11/30/15	Mon 11/30/15	Grant Admin	Yes	Telligen SOW 1 - 4	
Federal Financial Reports (FFR)	100%	Sat 1/30/16	Sat 1/30/16	Grant Admin	Yes		
2. Transform HealthCare Delivery				Grant Admin			
Milestone - Conduct Statewide in person TA Event - SIM Kick-off	100%	Tue 8/18/15	Tue 8/18/15	CBPI	Yes	IDPH SOW 5	
VBP Agreement to share data with Delivery System							
Milestone - Publish VBP Data Sharing Agreement	100%	Fri 11/6/15	Fri 11/6/15	VBP	Yes	Telligen SOW 1.C	
Milestone - VBP Data Sharing Agreement Posted to IME Website	100%	Fri 11/6/15	Fri 11/6/15	VBP	Yes	Telligen SOW 1.C	

Develop and Approve Iowa Administrative Rules	100%	Mon 2/23/15	Thu 12/31/15	VBP		Telligen SOW 1.C
Milestone - IAC Approved	100%	Thu 12/31/15	Thu 12/31/15	VBP	Yes	Telligen SOW 1.C
Establish TCOC and VIS baselines with Full Medicaid model						
Milestone - Sign off on TCOC and VIS Baseline Methodologies	100%	Sun 11/1/15	Fri 11/20/15	VBP	Yes	Telligen SOW 1.C
Rollout VBP Strategy with each MCO	100%	Sat 8/1/15	Mon 11/30/15	VBP		
Milestone - Conduct SIM and VBP meeting with MCOs	100%	Mon 11/30/15	Mon 11/30/15	VBP	Yes	Telligen SOW 1.C
Grow Health Home model with MCOs						
Milestone - Share HH Expectation and Program guidelines with MCOs	100%	Thu 10/15/15	Thu 10/15/15	VBP	Yes	Telligen SOW 1.C
Integrate Special Populations in VBP (LTC/BH/Dental/CYSHCN)						
Milestone - BH Population Integrated in delivery system	100%	Fri 1/1/16	Fri 1/1/16	VBP	Yes	3M SOW 2

Challenges and Delays

There were two specific challenges with implementation in the pretest year of Iowa's SIM grant. The first was in January of 2015: just two months after Iowa's SIM Test award had been publicized, the State announced a move to implement a new, comprehensive Managed Care strategy encompassing virtually all of Medicaid in less than one year. While these two strategic initiatives were conceptually aligned in their aims, the SIM Test application did not consider this type of Medicaid delivery system in the project plan. It was necessary for Iowa and CMMI to discuss the implications of this substantial change, and ultimately reconcile the SIM proposal to account for managed care in detail. Iowa submitted a reconciled proposal to CMMI in May and an updated budget narrative in June. This caused a delay in executing contracts and hiring some staff, but all was generally resolved and back on (the revised) plan by the end of the year.

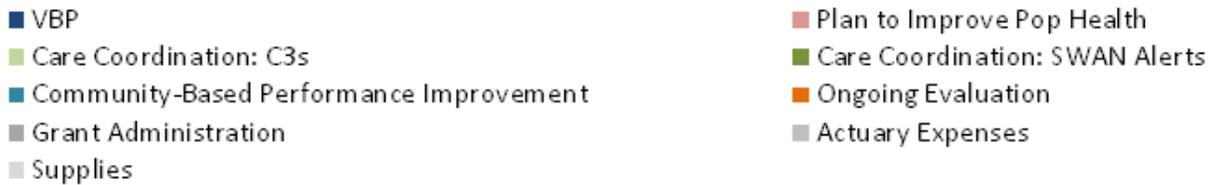
A second, significant test came in December of 2015 when CMS delayed Iowa's managed care implementation, ultimately moving it back by 3 months (managed care was implemented on April 1, 2016). Immediately following the announcement of the delay, Iowa started to work with CMMI to identify and communicate impacts to the project to avoid any interruption in moving the SIM Test project ahead on schedule. Near the end of January the state received official notification to proceed with year 2 without delay, as the Iowa team effectively explained why momentum of the multi-payer aligned strategy, already established within Medicaid's fee-for-service environment, need not be slowed regardless of the absolute timeframe of the shift to managed care.

How Funds Were Used

The below table and chart depicts how SIM funding was spent during year one, as categorized by project drivers. The chart excludes SIM funding awarded in year one that will be spent during year two (carry over funding), but does include those funds obligated during year 1 but paid out after 1/31/2016.

Total Spent (Spent and Obligated)	\$	7,102,184.47
Value Based Purchasing	\$	3,300,000.00
Plan to Improve Population Health	\$	115,133.11
Care Coordination: C3s	\$	522,392.00
Care Coordination: SWAN Alerts	\$	551,490.89
Community-Based Performance Improvement	\$	2,125,000.00
Ongoing Evaluation	\$	18,010.47
Grant Administration	\$	287,130.00
Actuary Expenses	\$	83,000.00
Supplies	\$	100,028.00

Year 1 Spending by Budget Drivers



Sustainable Strategies

Iowa's SIM plan is built on a philosophy that sustainable improvements in cost and quality are more likely when developed through multiple initiatives that align with common, primary drivers (Value-Based Purchasing, Population Health Improvement, Care Coordination and Community-Based Performance Improvement). Weaving together various initiatives throughout the State to synergize and strengthen the fabric of the project and its sustainability moving forward.

Focus on Quality: Shifting the underlying financing of the delivery system in order to focus payment toward activities that efficiently drive improved outcomes underpins all aspects of sustainable change. Iowa is following the national trends by working to increase the amount of healthcare dollars linked to value. The work to expand the use of value based purchasing (VBP) is a commitment that will continue after the current

SIM grant activities have ceased. The SIM test builds scale by aligning payers and providers in common quality programs (like ACOs and VBP) that are then tied to reimbursement. Specifically the SIM grant aims to align Medicare, Medicaid (including the MCOs) and Wellmark Blue Cross and Blue Shield of Iowa in value based payment arrangements. This is also known as Alternative Payment Models by CMS. The three payers also have alignment with the quality measures built into these value based payment arrangements. Wellmark and Iowa Medicaid use the VIS system. VIS measures have overlap with several of CMS's Pioneer and the Medicare Shared Savings Programs quality measures. The speed with which Iowa payers advance aligned payment reform is a critical element driving urgency in the healthcare system to implement improvements during the SIM test where they are supported. In turn, the grant-supported transformation activity equips providers to sustain in a VBP landscape long after the grant ends.

Broadening the Definition of Healthcare: While not new to the arena of public health, increasing awareness and resources to address social, economic, and environmental barriers, to improve health outcomes *is* a new concept to the traditional healthcare delivery system.

The Community Care Coalition (C3) is a concept to integrate a public health context with the traditional healthcare practice, creating value and driving improvements. C3s utilize existing public health and healthcare frameworks to ensure seamless coordination of care across the healthcare delivery system. C3s are required to work with local public health and healthcare systems in the service area to develop and implement a sustainable referral process between all providers, and community resources. C3s also focus on addressing social determinants of health above and beyond what is provided by existing resources in the community, and develop and implement population-based, community-applied strategies to address tobacco, obesity, and diabetes.

Iowa is working with the C3 communities to develop post SIM sustainability plans that maintain community referral systems and address social determinants of health (SDH). The basis of this planning is a focus on measuring the value that the C3's can demonstrate to actually impact the healthcare outcomes for which the delivery system is financially accountable. This case for sustainability strengthens when traditional healthcare embraces the huge value opportunity with addressing SDH and incorporates C3's into their philosophy. C3s are working to build strong relationships with the primary care and hospitals within their regions. The PCP and Hospital entities are at the table in the planning and kick off meetings, some of them participated in the RFP responses to become a C3. (One C3 has the hospital as the lead entity on the application). The C3 leaders and PCP and Hospital groups are forming data sharing arrangements and referral processes as the projects start up. This is part of the coalition building activities underway.

Each C3 organization is unique in their organization and connection to providers. All C3s have representation from providers on the coalition and Steering Committee, though the level of engagement varies greatly between each C3, and even different

providers within a C3. For example, the C3 whose lead entity is the hospital has several primary care providers directly involved in the C3 initiative. Other C3s have longstanding relationships with providers through previous care coordination successes and have an established referral system as the agency providing most care coordination through shared data systems and EHRs. Other C3s utilize care coordinators within health systems and community resources in addition to their own care coordination staff to ensure a smooth referral process. Several of the developmental C3s are in the process of engaging providers and educating them on the project and how they can work together, and these referral systems are not yet built.

And although not completely worked out, each C3 is working to engage the new MCOs and establish relationships and processes to best meet the needs of the patients they are serving. Many of the MCOs have been present at C3 meetings across the state.

Transition to a Value-Based Financing: The current system must transform to survive the new payment models being developed and deployed across payers and across the country. In this country, decades of quantity-based healthcare financing models have overbuilt and overvalued the most expensive and extraordinary services. The United States healthcare system fails to identify and prevent chronic disease and catastrophic events until it is far too late, and far more expensive. Big change is almost always painful for large systems, and this will be no exception. To achieve a lasting outcome, entrenched financial interests will have to be re-evaluated, re-prioritized and re-arranged.

- The state, through SIM funding, is deploying technical assistance that educates providers and communities on the concepts and best practices needed to thrive in VBP (medication safety, SDH, Patient and Family engagement, etc.). Although the technical assistance is not sustainable post SIM, the goal is that the providers and communities develop and operationalize these new tools during the grant and simply continue to use them (based on the value they deliver) after the grant. The Iowa Healthcare Collaborative technical assistance package includes the following:
 - - Educational resources and events, including learning communities, local workshops, webinars, and presentations tailored to specific project needs.
 - - IHC Quality Improvement Advisors assigned to each C3 community, providing project management support and guidance.
 - - A faculty of subject matter experts who provide additional support from the perspectives of physician leadership, performance improvement (LEAN), project data analysis, medication safety, coalition building, SDH, population health improvement, public health, and healthcare policy.
 - - Communications tools and support, including a project-based information sharing platform, promotional tools, provider recruiting assistance, a project reporting database to support data gathering and analysis, and dashboards to support project and program evaluation.
 - - Alignment opportunities with Iowa's HEN, QIO, and TCPI participants, facilitated by IHC's leadership in those programs.
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- The state has invested in a Statewide Alert Notification (SWAN) system to provide real-time alerts to providers participating in value based arrangements with Medicaid to improve care coordination and reduce preventable events. The SWAN infrastructure (hospitals connected and sending ADT data) will survive post-SIM, although a payment model needs to be developed. Additionally the State is having discussions to expand SWAN to Medicare and other payers. The State has already engaged in these conversations is looking for a clear path to expansion and sustainability.
- Iowa is a very community focused state. Iowa has piloted community care programs focused on SDH concepts since 2014 and has engaged in community building through private initiatives like Blue Zones¹. Brought to Iowa through an innovative private/public partnership including the Governors Healthiest State Initiative (HSI), Blue Zones is a community well-being improvement initiative designed to make healthy choices easier through permanent changes to environment, policy and social networks. C3s are a logical next step in this evolution. The sheer number, organization and commitment reflected in the responses to the C3 RFP show that communities and providers are aware of the opportunity and ready to do the work.
- Another key to sustainability is to understand and align existing work that advances similar aims. In the area of transformation, the state is ensuring the efforts of the HEN, TCPI, QIN-QIO, Blue Zones and SIM are moving together to understand and maximize areas of common potential.
 - SIM initiatives are intended to complement and reinforce practice transformation and data reporting efforts that already underway. IHC will work with C3 communities to inventory and align with other transformation initiatives. C3's will design their SIM projects to minimize duplication of efforts and avoid market confusion. From a statewide perspective, the initiatives in Table 1 of the 2016 Operational Plan (page 78) will be part of every C3 inventory. This list will be expanded to include local projects.

Engage Citizens (patients and families) and Communities in their Healthcare: Iowa has taken an approach that requires both citizens and communities to engage in the broadening definition of healthcare.

- Medicaid implemented the Healthy Behaviors program in 2014 for our Medicaid expansion population, to pro-actively introduce them to primary care and help them understand and engage in their own role in being healthy. Members that complete both a Health Risk Assessment (HRA) and Wellness Exam can qualify to have premiums waived.
- Introducing statewide strategies to patient and family engagement will assist C3 Communities in implementing best practices. This increase in the knowledge base for engagement work is sustainable for many years to come.

¹ <https://www.bluezones.com/community/iowa/> and <http://www.wellmark.com/AboutWellmark/Community/BlueZonesProject.aspx>

- One component of the SIM Plan to Improve Population Health primary driver is the development and dissemination of Statewide Strategy Plans that include tactics that could occur in each of the “3 buckets of prevention.” In collaboration with collaborative partners, statewide strategy plans have been developed for Diabetes, Medication Safety, Healthcare Associated Infections, among several others. New statewide strategy plans that address Obesity, Tobacco Use, Care Coordination, Social Determinants of Health, and Person and Family Engagement are in the process of being developed during year 2 and 3 of SIM. The Statewide strategy plans are posted to the IDPH SIM website and may be found at <http://idph.iowa.gov/SIM>
- The Iowa SIM team is involved in the governors Healthiest State Initiative (HSI), a privately funded, publically endorsed effort to make Iowa the Healthiest State in the nation. The HSI is also working to engage citizens and communities in better health.
 - The HSI is a privately led public initiative intended to inspire Iowans and their communities throughout the state to improve their health and happiness. One initiative of the Healthiest State Initiative is the Blue Zones® Project implemented in partnership with Wellmark Blue Cross and Blue Shield. The HSI promotes healthy environments such as walkable communities having access to healthy foods and the Blue Zones® Project provides technical assistance to selected communities to achieve Healthways Blue Zones® certification. More information may be found on Blue Zones® at <http://www.iowahealthieststate.com/blue-zones> .

Sustainability will continue as an ongoing topic for the SIM Leadership team to discuss strategies and approaches that will work in Iowa. This is a critical element in measuring the success in achieving a transformed healthcare system.