

State Innovation Model 2016

Core Communication Points

Agenda

- Case for Change
- State Innovation Model (SIM)
- Iowa Impact

National Case for Change

Shift from **Volume** to **Value**

What our system pays for:



More Services

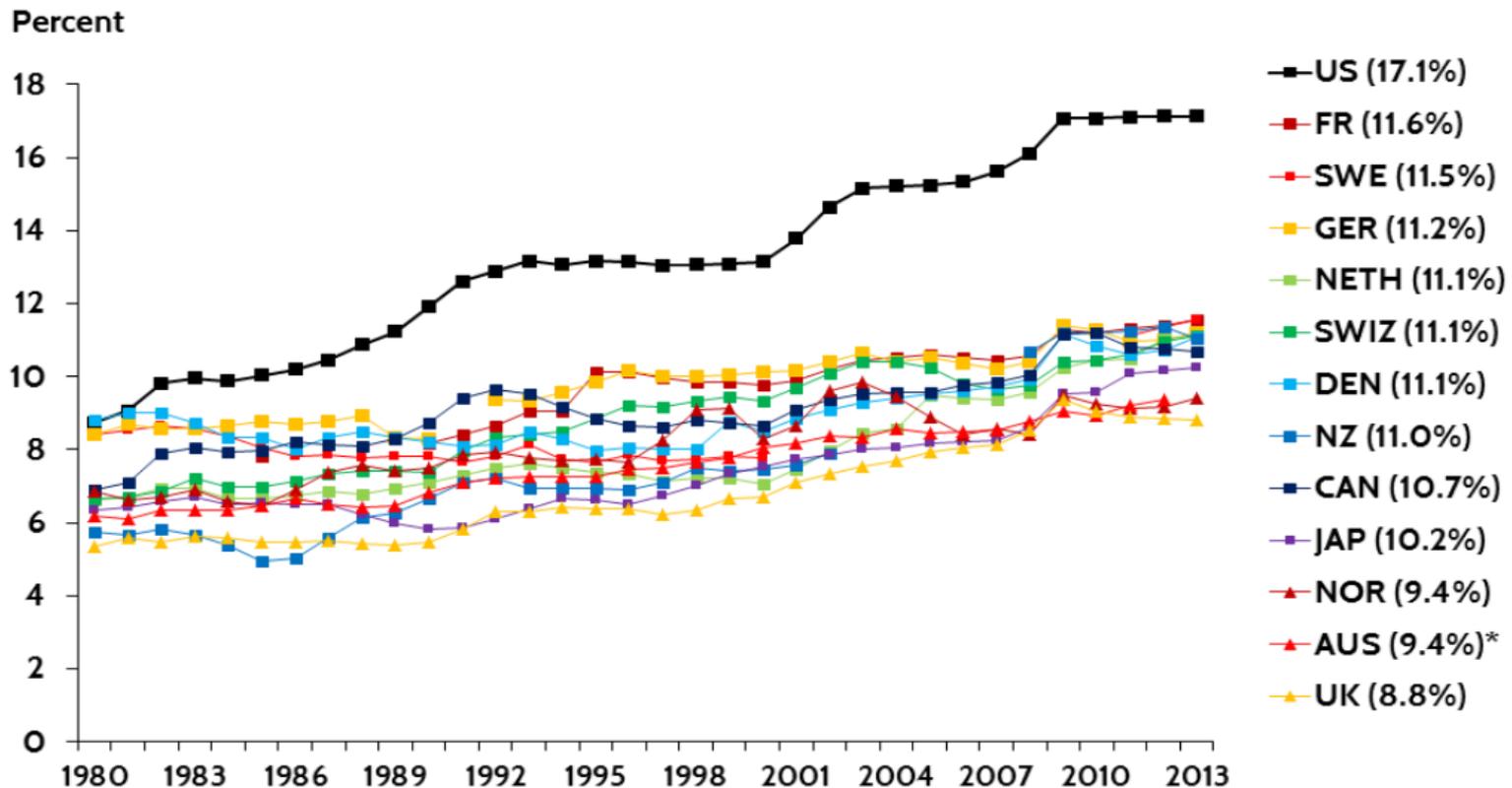
What we want to pay for:



Healthier People

National Healthcare Cost Comparison

Exhibit 1. Health Care Spending as a Percentage of GDP, 1980–2013



* 2012.

Notes: GDP refers to gross domestic product. Dutch and Swiss data are for current spending only, and exclude spending on capital formation of health care providers.

Source: OECD Health Data 2015.

US Quality Ranking

COUNTRY RANKINGS

Top 2*
Middle
Bottom 2*



	AUS	CAN	FRA	GER	NETH	NZ	NOR	SWE	SWIZ	UK	US
OVERALL RANKING (2013)	4	10	9	5	5	7	7	3	2	1	11
Quality Care	2	9	8	7	5	4	11	10	3	1	5
Effective Care	4	7	9	6	5	2	11	10	8	1	3
Safe Care	3	10	2	6	7	9	11	5	4	1	7
Coordinated Care	4	8	9	10	5	2	7	11	3	1	6
Patient-Centered Care	5	8	10	7	3	6	11	9	2	1	4
Access	8	9	11	2	4	7	6	4	2	1	9
Cost-Related Problem	9	5	10	4	8	6	3	1	7	1	11
Timeliness of Care	6	11	10	4	2	7	8	9	1	3	5
Efficiency	4	10	8	9	7	3	4	2	6	1	11
Equity	5	9	7	4	8	10	6	1	2	2	11
Healthy Lives	4	8	1	7	5	9	6	2	3	10	11
Health Expenditures/Capita, 2011**	\$3,800	\$4,522	\$4,118	\$4,495	\$5,099	\$3,182	\$5,669	\$3,925	\$5,643	\$3,405	\$8,508

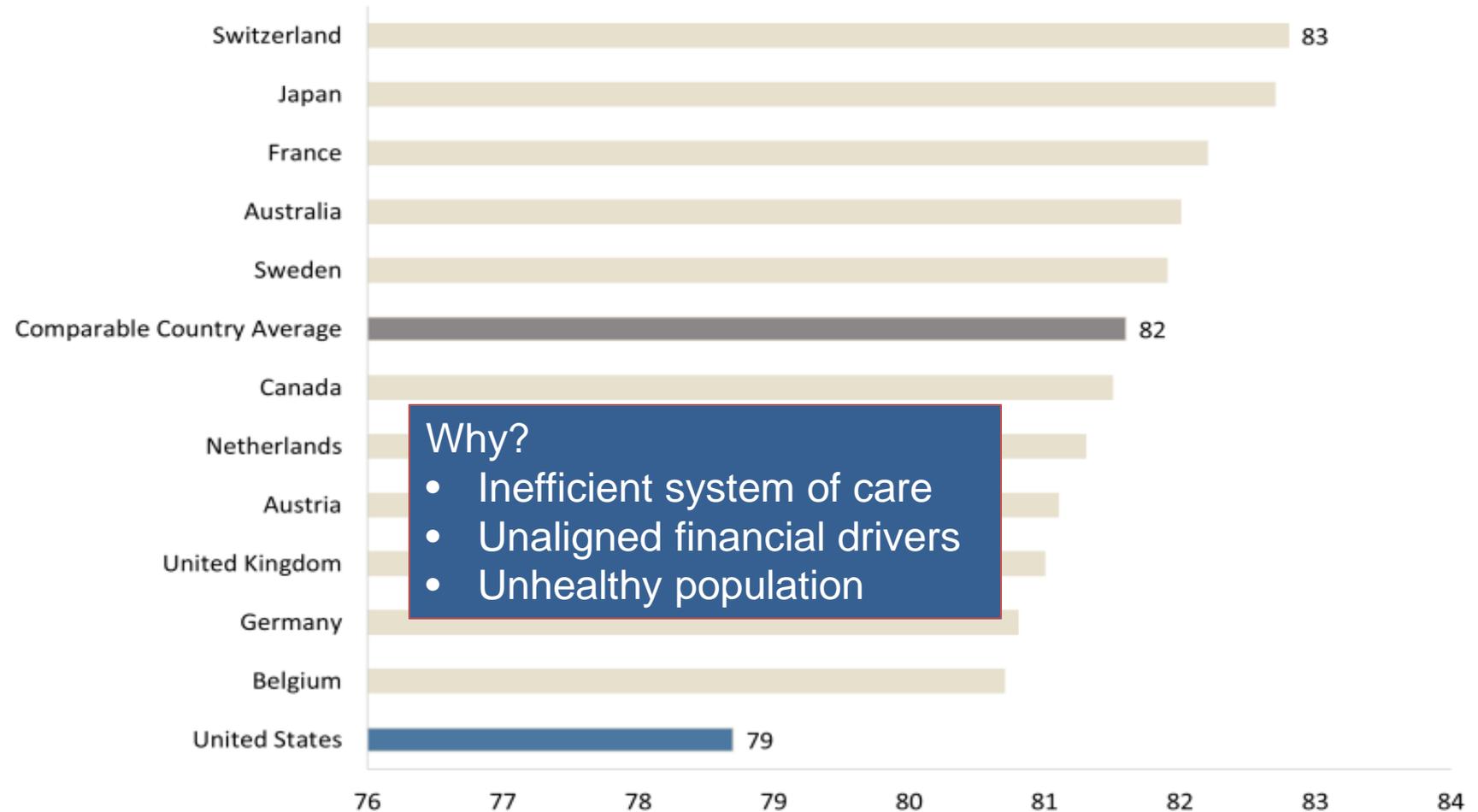
Notes: * Includes ties. ** Expenditures shown in \$US PPP (purchasing power parity); Australian \$ data are from 2010.

Source: Calculated by The Commonwealth Fund based on 2011 International Health Policy Survey of Sicker Adults; 2012 International Health Policy Survey of Primary Care Physicians; 2013 International Health Policy Survey; Commonwealth Fund *National Scorecard 2011*; World Health Organization; and Organization for Economic Cooperation and Development, *OECD Health Data, 2013* (Paris: OECD, Nov. 2013).

National Trends

THE CONSEQUENCE OF INEFFICIENCY AND POOR HEALTH STATUS

Life expectancy at birth in years, 2011



Source: OECD (2013), "OECD Health Data: Health expenditure and financing: Health expenditure indicators", OECD Health Statistics (database). doi: 10.1787/data-00349-en (Accessed on June, 25 2014).

Health and Human Services Sets the Stage for Change



The NEW ENGLAND JOURNAL *of* MEDICINE

Setting Value-Based Payment Goals — HHS Efforts to Improve U.S. Health Care

Sylvia M. Burwell

New targets have been set for value-based payment: 85% of Medicare fee-for-service payments should be tied to quality or value by 2016, and 30% of Medicare payments should be tied to quality or value through alternative payment models by 2016 (50% by 2018).

Triple AIM

Secretary Burwell's announcement is focused on achieving:

- Better Care
 - Smarter Spending
 - Healthier People
-
- Three Strategies to Drive Progress
 1. Incentives to reward high-quality health care
 2. Improving the way care is delivered
 3. Accelerate availability of information to guide decision making

CMS goals to move to Value

By the end of 2016

- 30 percent of traditional Medicare payments will be tied to alternative payment models
 - Accountable Care Organizations (ACOs)
 - Advanced primary care medical homes
 - Bundled payment arrangements
- 85 percent of all traditional Medicare payments will be tied to quality or value
 - Hospital Value Based Purchasing
 - Hospital Readmissions Reduction Program

CMS goals to move to Value

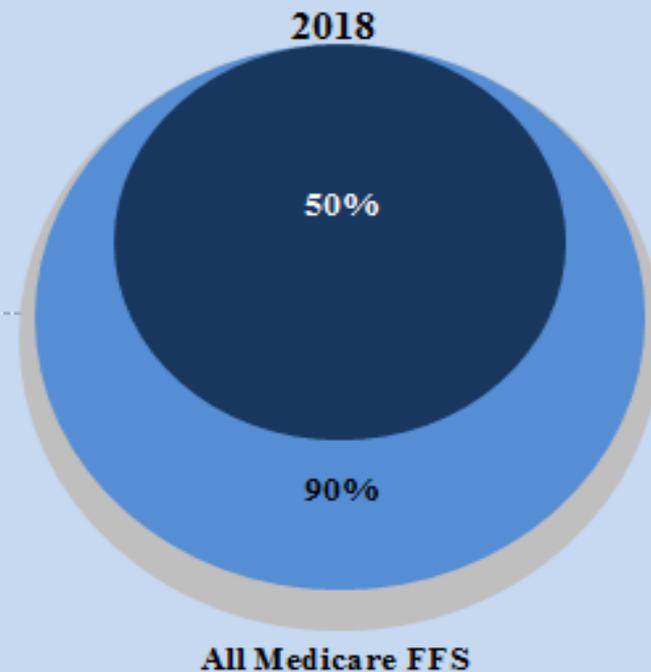
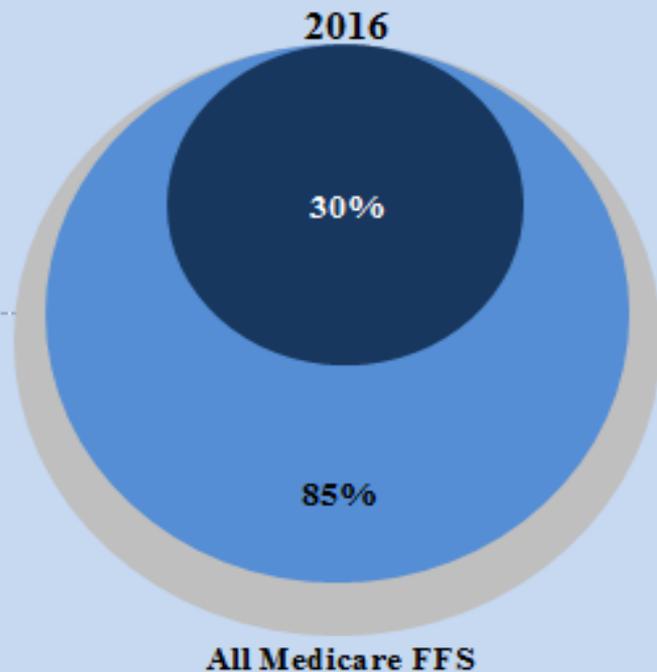
By the end of 2018

- 50 percent of traditional Medicare payments will be tied to alternative payment models
- 90 percent of all traditional Medicare payments will be tied to quality or value

CMS goals to move to Value

Target percentage of Medicare FFS payments linked to quality and alternative payment models in 2016 and 2018

- All Medicare FFS (Categories 1-4)
- FFS linked to quality (Categories 2-4)
- Alternative payment models (Categories 3-4)



Better Care, Smarter Spending, Healthier People

“All alternative payment models and payment reforms that seek to deliver better care at lower cost share a common pathway for success: **providers must make fundamental changes in their day-to-day operations that improve the quality and reduce the cost of health care.**”

Medicare Access and CHIP Reauthorization Act

- **Medicare Access & CHIP Reauthorization Act of 2015 (MACRA)**
 - Signed in to law April 2015
 - Eliminated the 1997 Sustainable Growth Rate (SGR) Physician Fee Schedule (PFS) Update
 - Provides certainty around Medicare PFS Payments

Medicare Access and CHIP Reauthorization Act

- Beginning in 2019 providers **Must Choose** between two Value-Based Payment Tracks:
 1. **Merit-Based Incentive Payment System (MIPS)**
 2. **Alternative Payment Models (APM)**

Merit-Based Incentive Payment System (MIPS)

MIPS includes aspects from existing programs

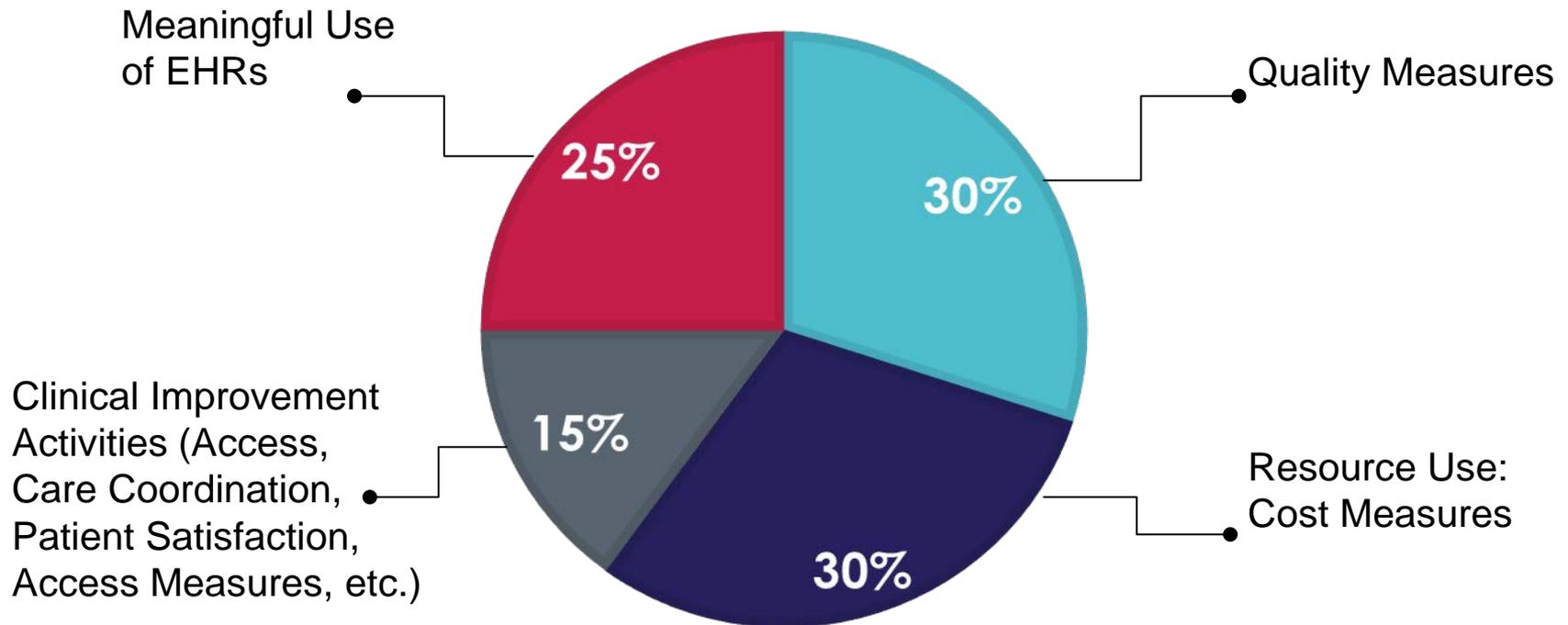
- Physician Quality Reporting System
- Value Modifier (VM)
- EHR Meaningful Use

Providers will be evaluated using a scoring system

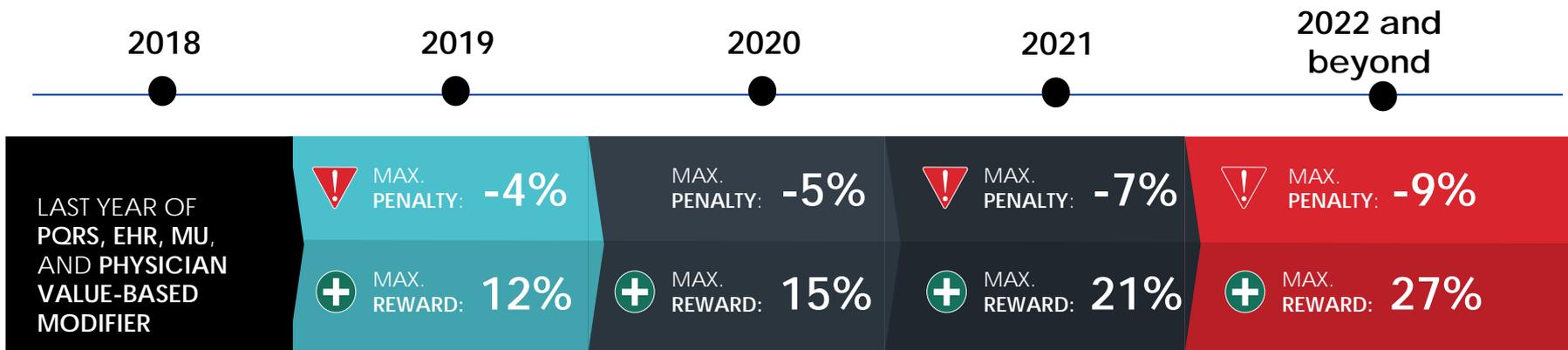
- Scores range from 0 to 100
- Score will determine a MIPS payment adjustment factor
- Adjustment can be positive, negative or zero

Merit-Based Incentive Payment System (MIPS)

PQRS, MU and VM combine into a single payment adjustment



Merit-Based Incentive Payment System (MIPS)



Alternative Payment Model (APM)

Definition of APM

- A Center for Medicare and Medicaid Innovation (CMMI) Model,
- A Medicare Shared Savings Program Accountable Care Organizations (ACO), and/or,
- A similar CMS demonstration model.

Requirements

- Participate in a defined APM and meet additional criteria of an eligible alternative payment entity, such as using certified EHR technology.
- Meet established thresholds.

Case for Change in Iowa: Iowa Style

We've Done it Before: SIM Builds Upon Iowa's Rich Foundation

- **Provider Improvement:**

- Partnership for Patients (PFP) Iowa's Hospital Engagement Network (HEN)
- 1000 Lives Campaign
- 5 Million Lives Campaign

- **Payer Innovation:**

- Medicare Shared Savings Program,
- Pioneer ACO
- Medicaid Health Home
- Wellmark

- **Community Grants:**

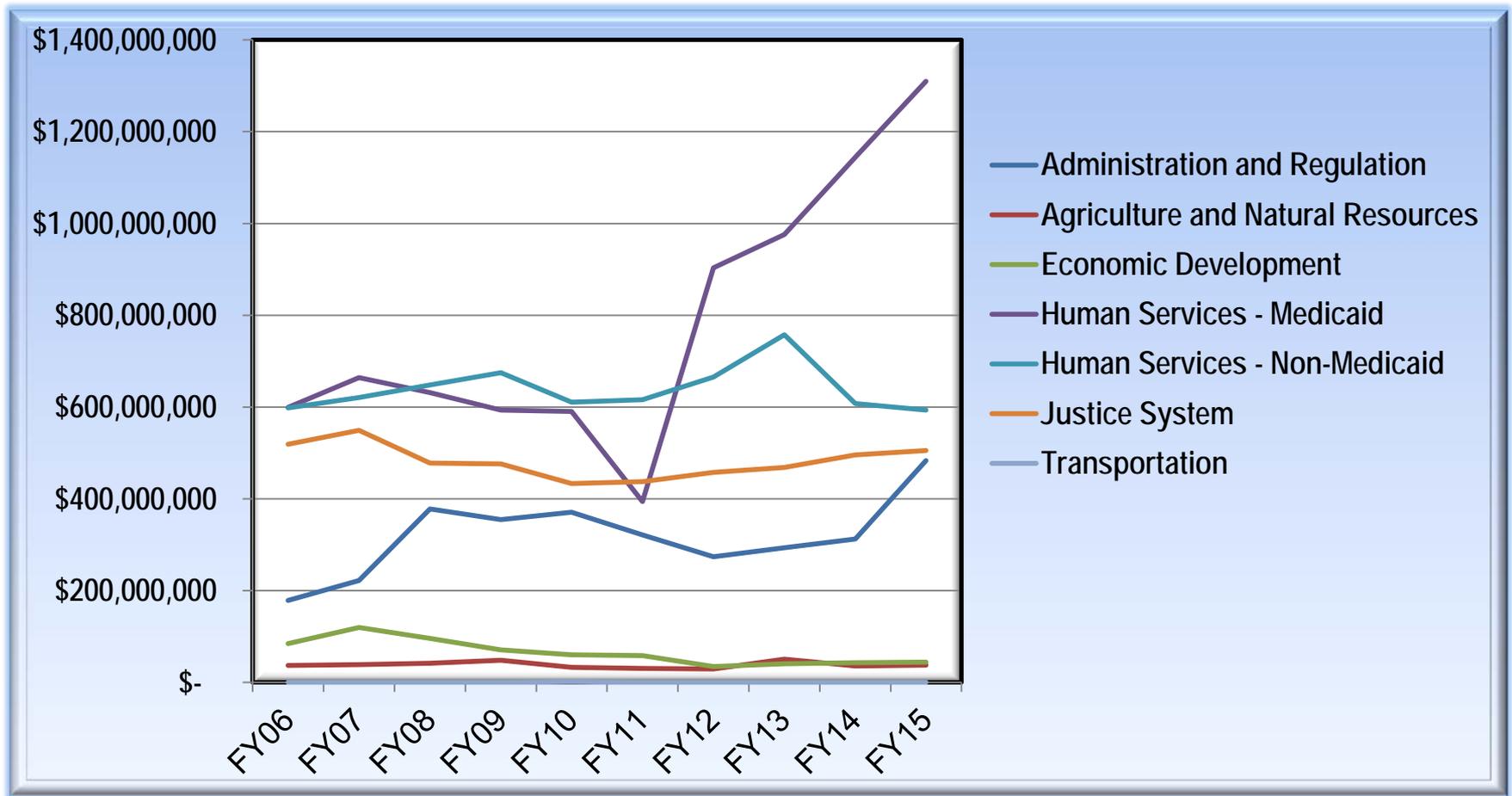
- IDPH State and Federal Funded Community Wellness Grants, CDC Community Transformation Grants,
- IPCA Community Care Teams,
- Blue Zones™

We've Done it Before: SIM Builds Upon Iowa's Rich Foundation

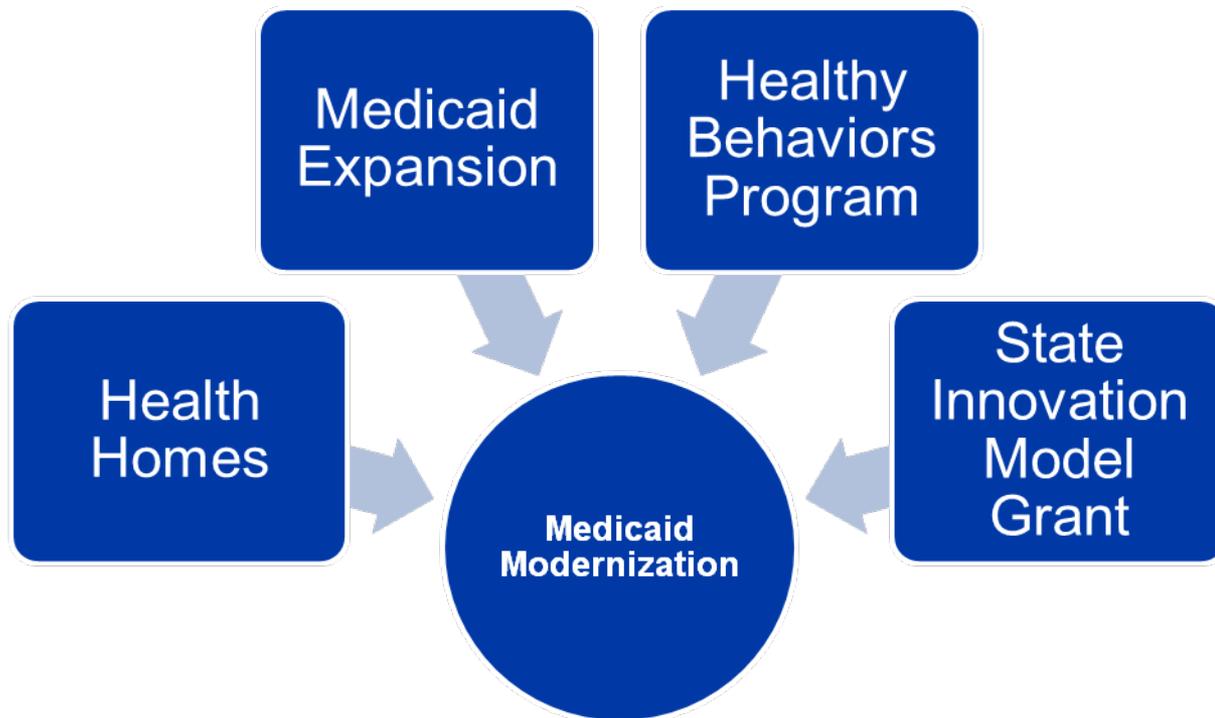
- **Population Health Improvement:**
 - Iowa Healthiest State Initiative
 - SafetyNet
 - IDPH CDC-funded Tobacco
 - Diabetes
 - Nutrition & Physical Activity Initiatives
- **Technology:**
 - Iowa Telemedicine
 - ECHO
 - IHIN

State of Iowa Budget Trends

(Non-Education Spending)

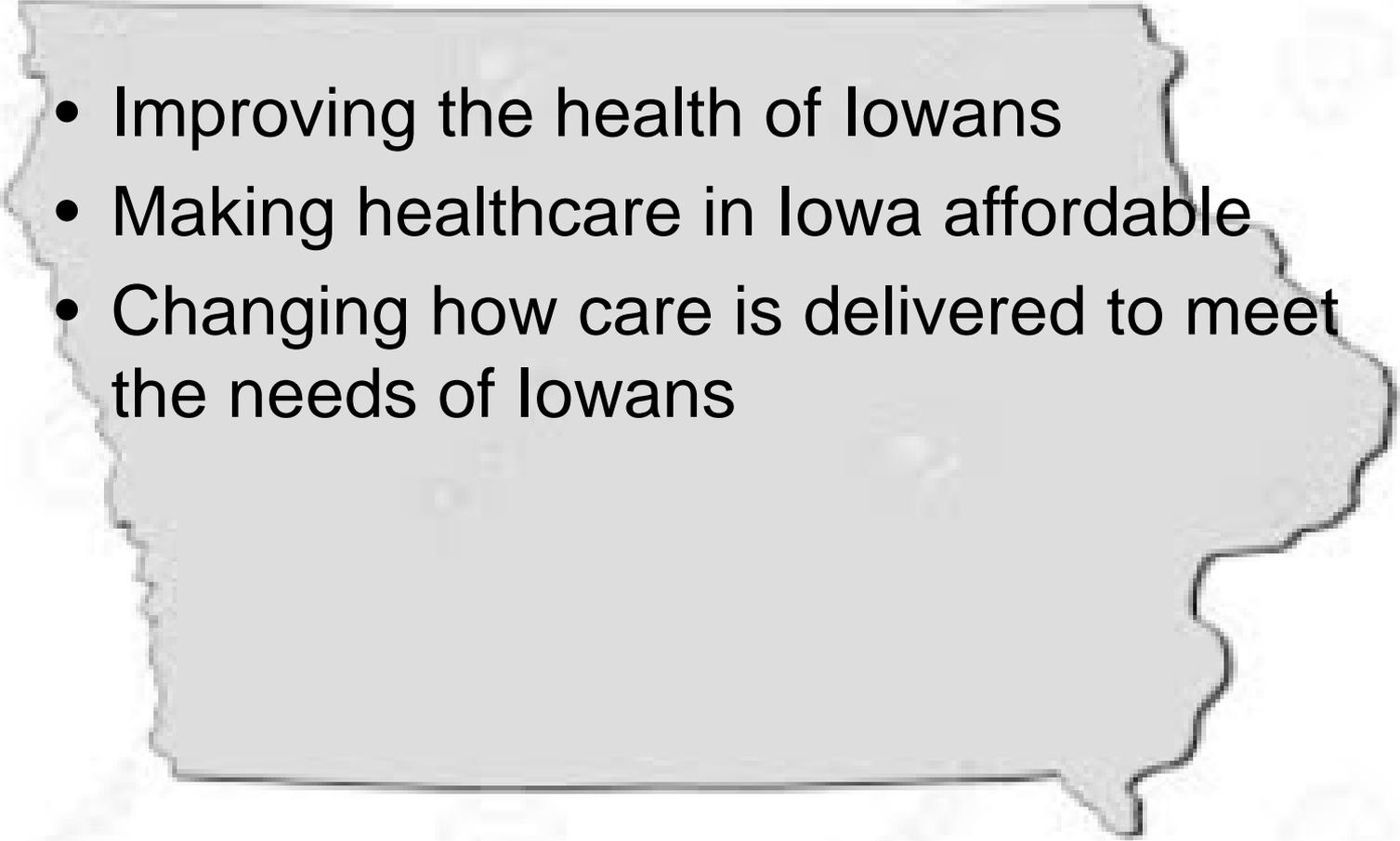


Using Innovation to Address a Changing and Growing Program



SIM is a Statewide Initiative

Payers, Providers, Public Health, Populations
working together towards common outcomes

- 
- Improving the health of Iowans
 - Making healthcare in Iowa affordable
 - Changing how care is delivered to meet the needs of Iowans

State Innovation Model (SIM)

- Iowa is one of 11 Round Two Test States
 - 1 implementation year and 3 model test years
 - 43.1 million dollars to test innovations that achieve our SIM vision
- **Broad-based, multi-payer approach that improves health for all lowans**
 - Involve innovative approaches that encompass private-public partnerships
 - Population health improvement and payment reforms

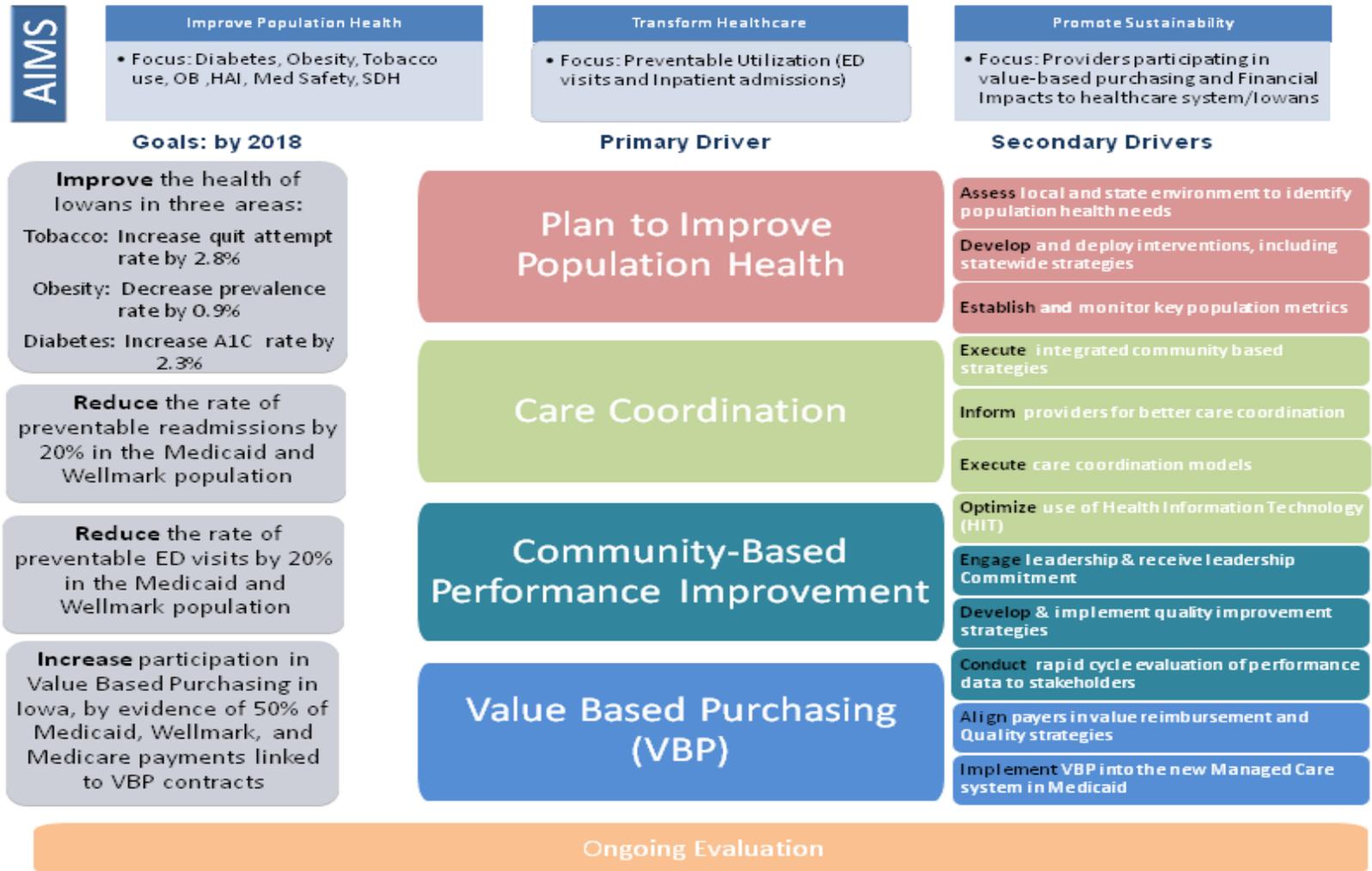
SIM Goals

By 2018 the SIM will:

- **Increase** the percentage of adults smokers who have made a **quit attempt** by 2.8%
- **Decrease** the **adult obesity** prevalence rates by .9%
- **Increase** the percent of adults with diabetes having two or more **A1c tests** by 3.3%
- **Reduce** preventable **ED Visits** by 20%
- **Reduce** preventable **Readmissions** by 20%
- **Increase** amount of healthcare **payments linked to value** to reach 50%

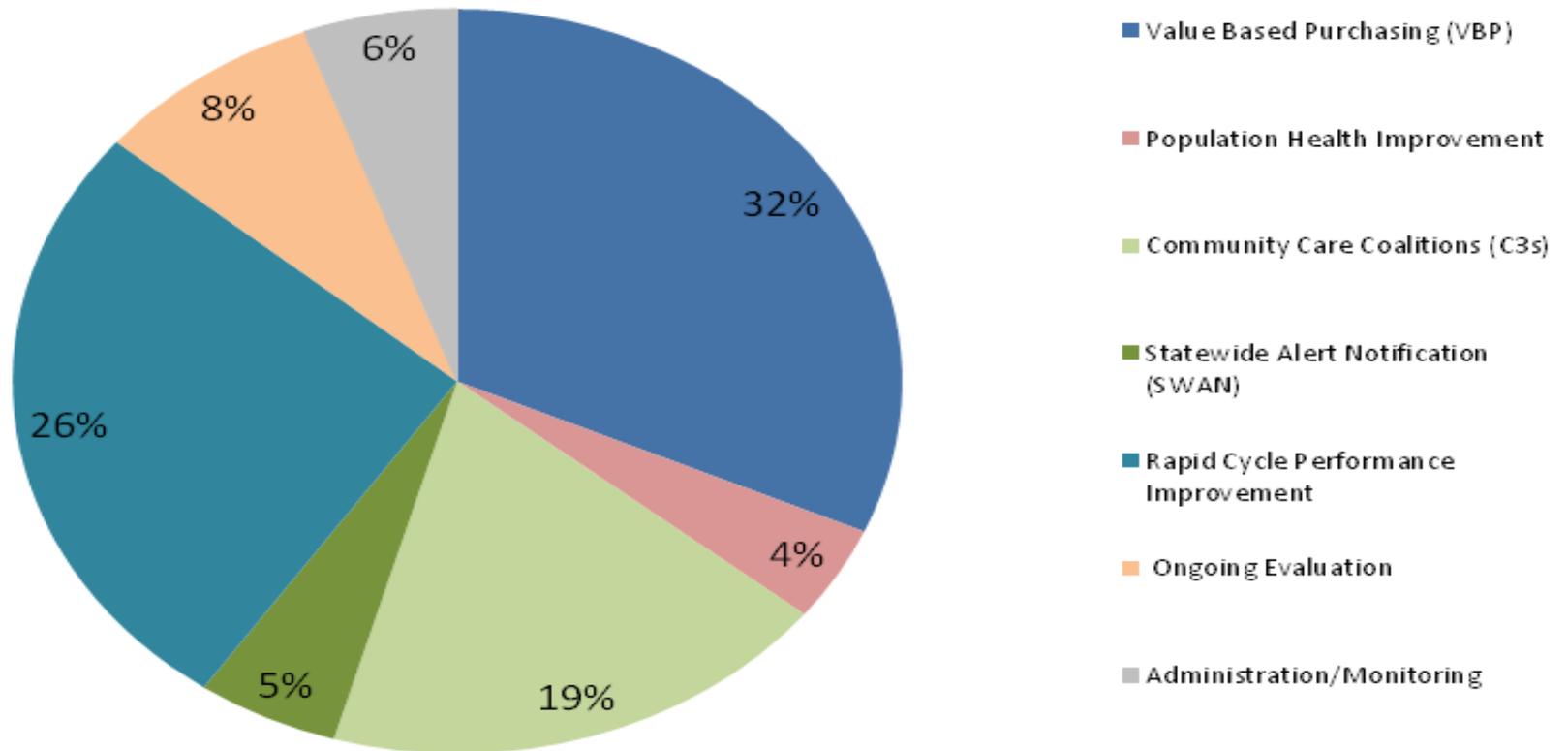
Driver Diagram

The Iowa SIM Vision: Transforming Health Care to Improve the Health of Iowans



Budget Drivers

SIM Funding by Primary Driver



Population-Based, Community Applied

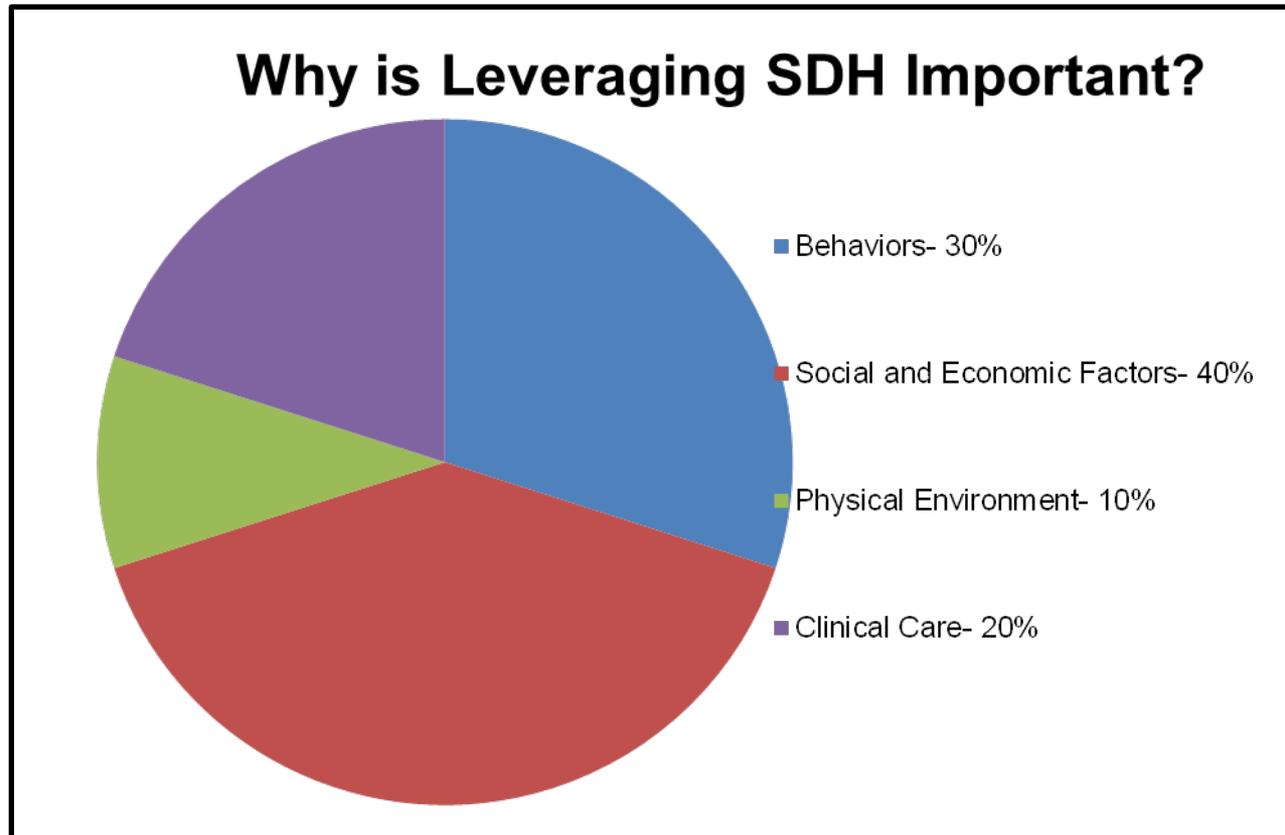
- Develop statewide population health strategies
 - Diabetes, Obesity, Tobacco Cessation, Healthcare Associated Infections, Medication Safety, OB
 - <https://idph.iowa.gov/SIM>
- Align CHNA/HIP within communities
- Maximize the impact of existing initiatives
 - Healthiest State Initiative

Healthiest State Initiative (HSI)

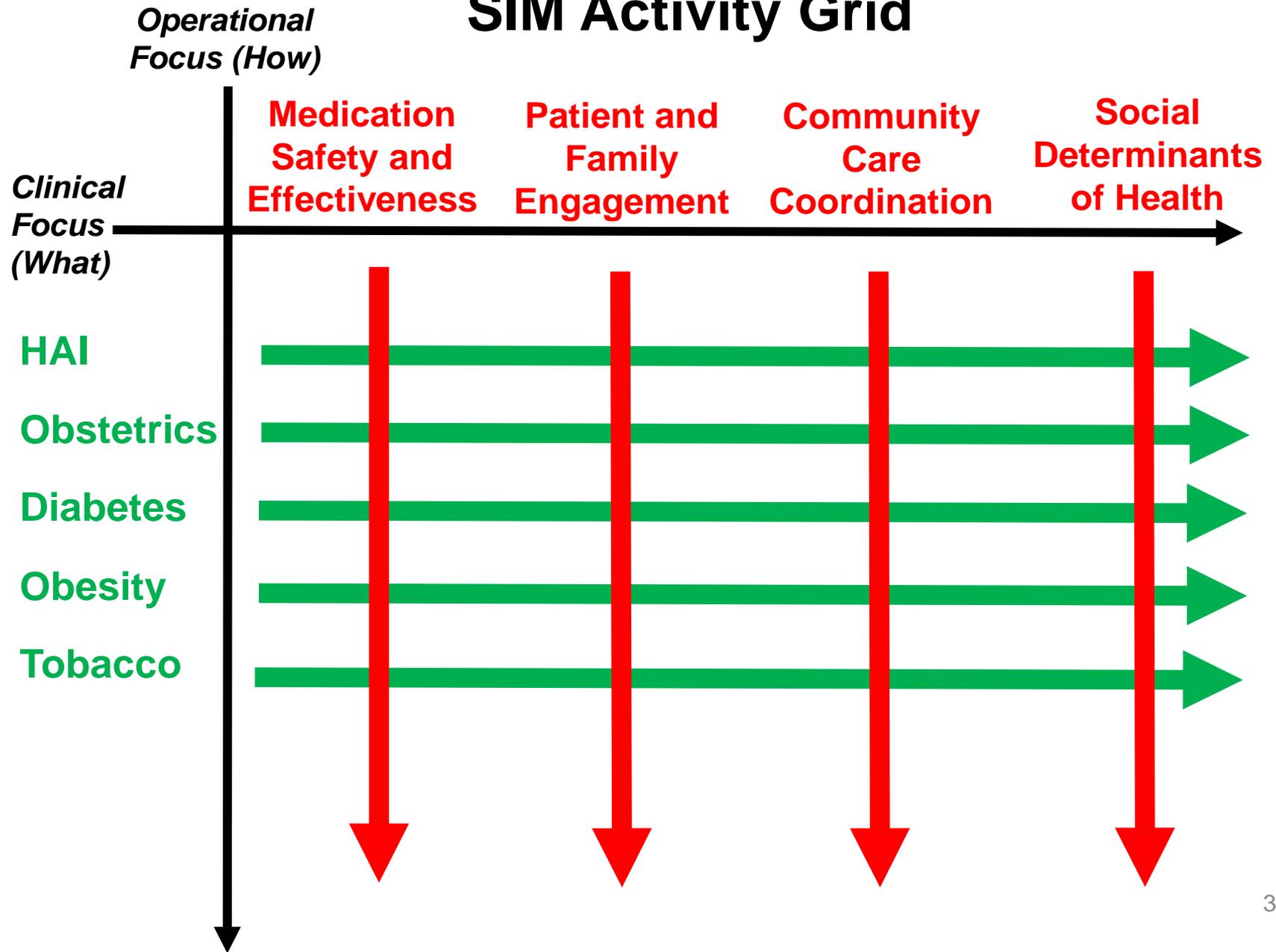
The SIM Test grant aligns and supports the Healthiest State Initiative

- Population health goals align
 - Diabetes
 - Obesity and
 - Tobacco Use
- Improve the health of all Iowans
- Engage stakeholders in healthier living

Impacts of Social Determinants of Health (SDH)



SIM Activity Grid



Care Coordination

- SIM supports care coordination for the delivery system
 - Statewide Alert Notifications (SWAN)
 - Statewide Alert Notifications to improve care during critical transitions of care
 - Community Care Coalitions (C3s)
 - RFP from IDPH released in early November
 - 1st project period begins March 7, 2016

State Wide Alert Notifications (SWAN)

- Funded by SIM for Medicaid population
- Connects all Iowa Hospitals to send real-time ADT files to SWAN
- Provides real-time alerts to providers and MCOs when a member has an:
 - ED Discharge
 - Inpatient Admit
 - Inpatient Discharge

Statewide Alert Notification (SWAN) System

Summary

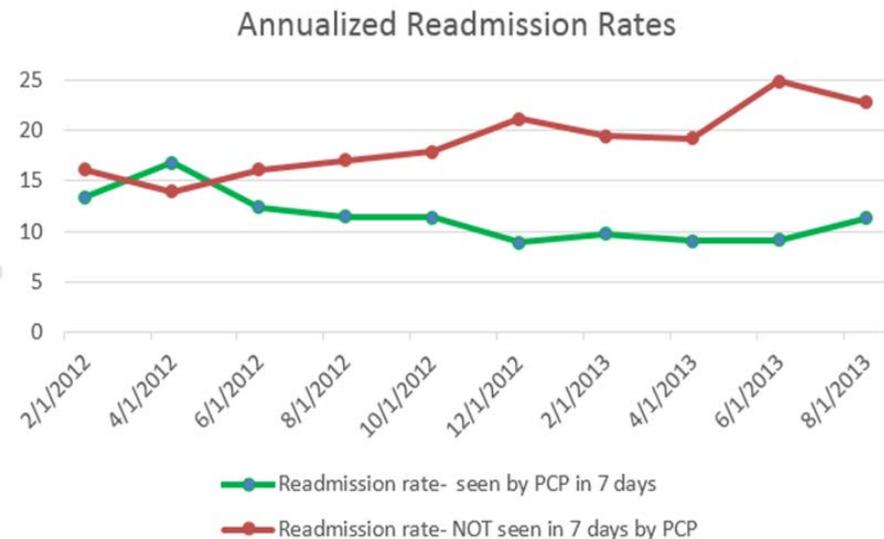
- Uses proven technology to improve patient outcomes by **improving care coordination**
- IME started sending alerts in **December of 2015**
- Potential to expand across payers to impact all Iowans

Real Iowa Story

- Provider received alerts for a dementia patient with several unknown ED admits
- Patient called 911 – different ambulances send to different local hospitals each time
- The provider worked with local hospitals, established a plan, and have been able to **keep the patient out of the ED.**

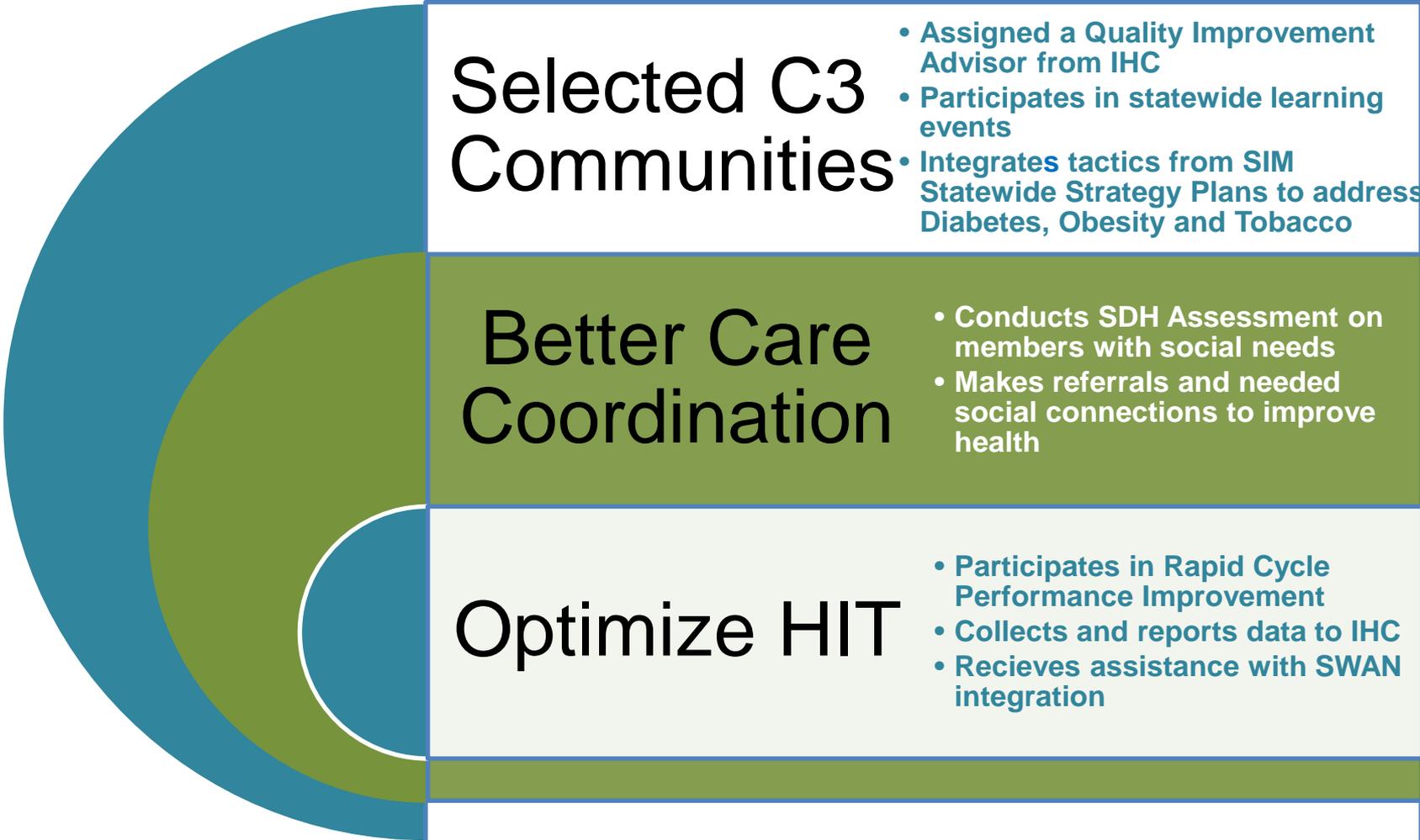
SWAN Can Improve Quality Scores

- Chronic and Follow-Up Care Measures:
 - 30 day Potentially Preventable Readmissions
 - PCP Visit 30 Days Post Discharge



Maryland Health Information
Exchange / Johns Hopkins

Community Care Coalition



Selected C3 Communities

- Assigned a Quality Improvement Advisor from IHC
- Participates in statewide learning events
- Integrates tactics from SIM Statewide Strategy Plans to address Diabetes, Obesity and Tobacco

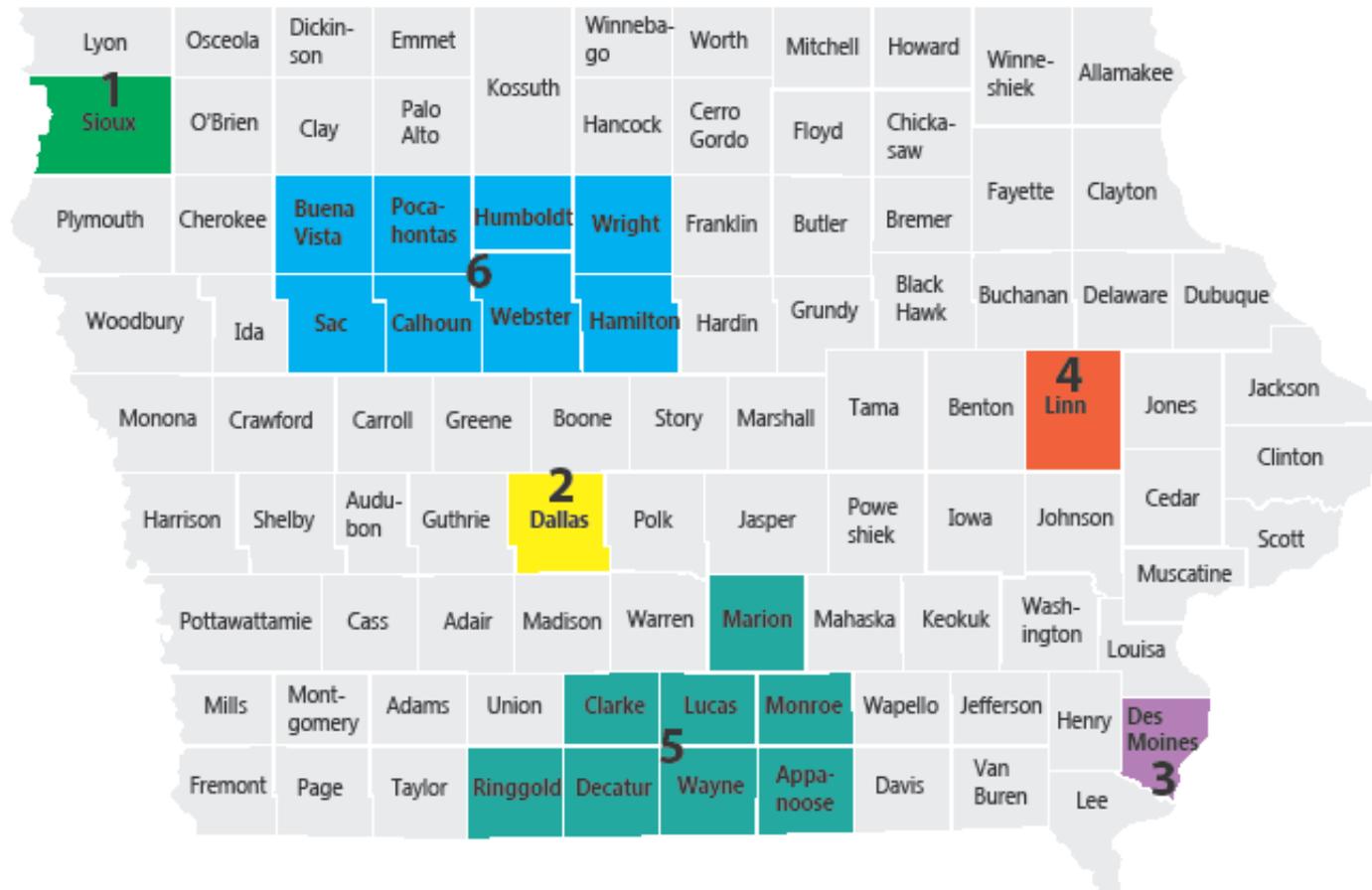
Better Care Coordination

- Conducts SDH Assessment on members with social needs
- Makes referrals and needed social connections to improve health

Optimize HIT

- Participates in Rapid Cycle Performance Improvement
- Collects and reports data to IHC
- Receives assistance with SWAN integration

State Innovation Model Community Care Coalition Initiative Grantees



1. Community Partners of Sioux County

2. Dallas County Public Health Nursing Services

3. Great River Health Center

4. Linn County Board of Health

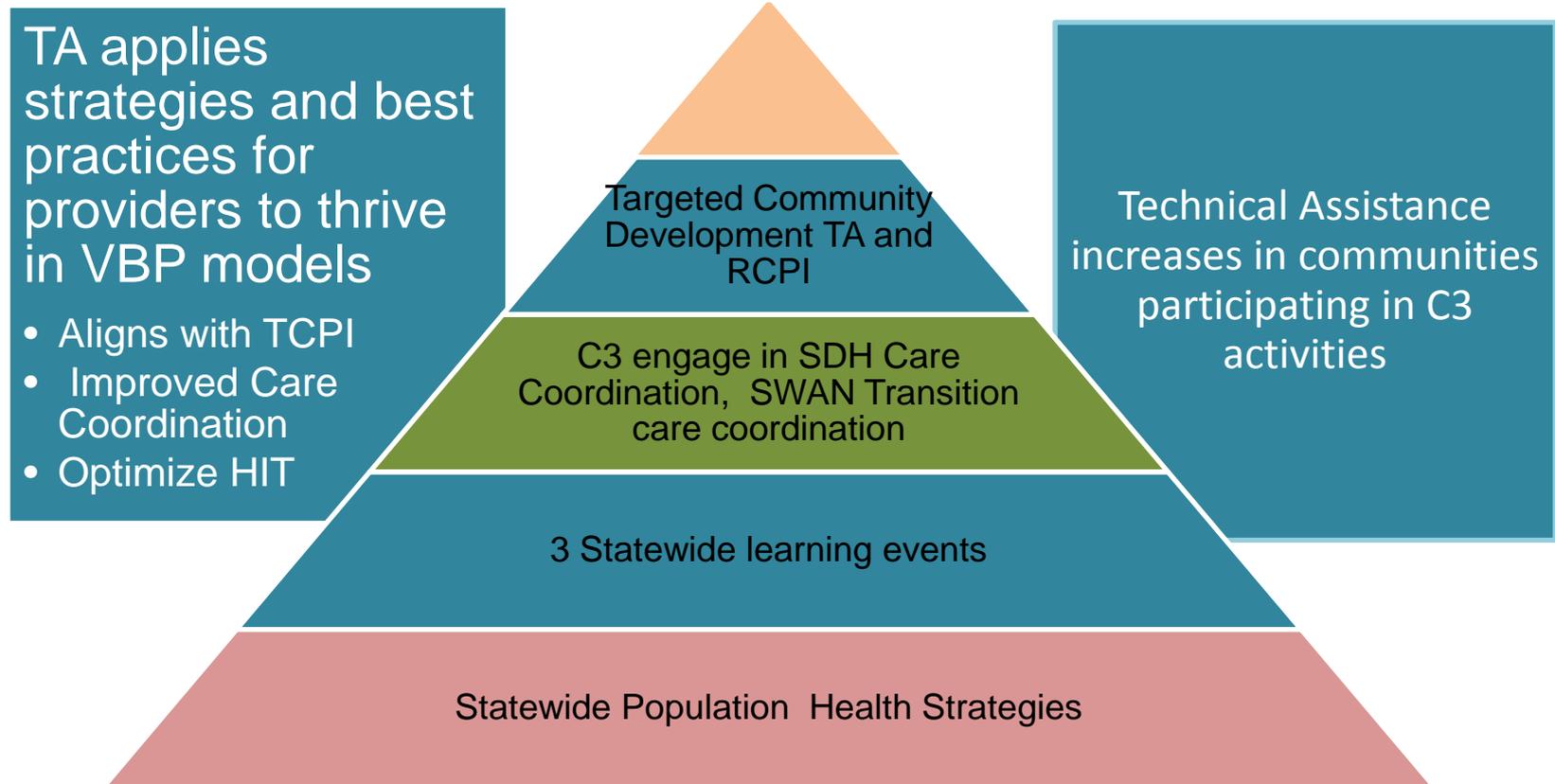
5. Marion County Public Health Department

6. Webster County Health Department

Rapid Cycle Performance Improvement (RCPI) & Technical Assistance (TA)

- Iowa Healthcare Collaborative
- Align and equip Iowa communities to improve quality, safety and value
 - Work with C3 communities awarded by IDPH
 - Promote VBP strategies to improve VIS
 - Work with IDPH to develop and promote statewide population health strategies

Improved Health, Transformed Health, Sustainable Health System



Value-Based Purchasing (VBP)

Two SIM strategies to align VBP in Iowa:

1. Implement VBP in Medicaid Managed Care
 - Support ACOs and other value oriented providers engaged in Medicaid VBP models
2. Align value reimbursement and quality models across payers
 - Ensure ACOs and providers are getting to scale on transformation to improve the health of all Iowans

Value-Based Purchasing Models

Medicaid, using MCO oversight, will ensure value-based activities align in Iowa

- Each MCO shall:
 - Support the SIM grant activities
 - Each MCO shall use a value-based purchasing model for at least 40% of population by 2018
 - Each MCO shall use the Value Index Score (VIS)

Value-Based Purchasing Models

Medicaid will support ACO and other value oriented provider networks engaged in VBP models

- Sharing claims data
- Sharing quality reporting
- Sharing real-time alerts during critical transitions of care

Quality Measures for VBP models

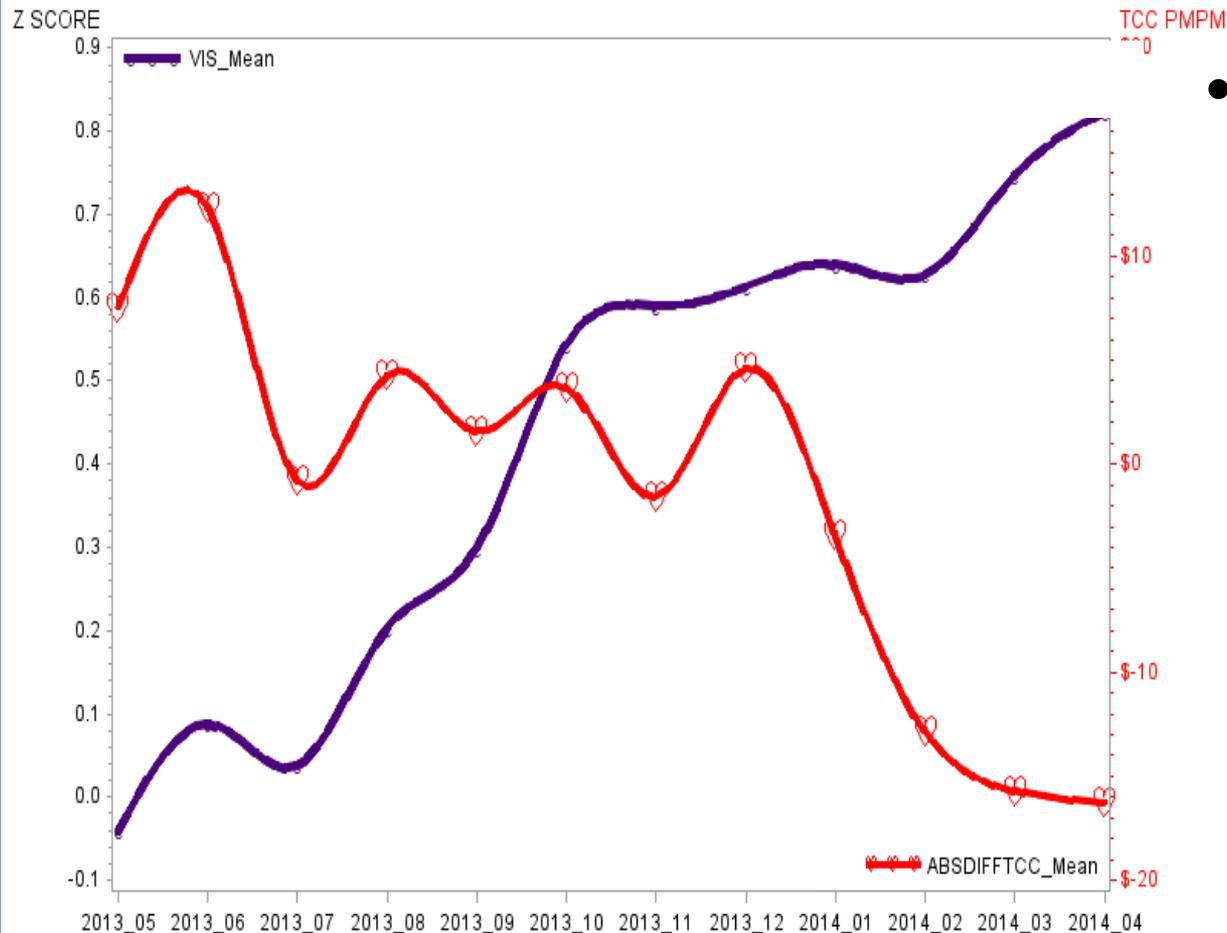
- VIS, used by both Wellmark and Medicaid, is a composite measure based upon six critical primary care domains, derived from 16 measures of key processes and outcomes that lead to value in healthcare.
 - Clearly quantifies how well a provider takes care of his/her entire patient population
 - Enhances understanding of overall provider and system performance
 - Accelerates (and prioritize areas for) improvement.

Value Index Scores (VIS)	
Key Performance Measure	Rolling 12 months 10/2011-09/2012 i
Value Index Score	39.8 %
Primary and Secondary Prevention	43.3 %
Tertiary Prevention	31.2 %
Panel Health Status Change	66.2 %
Continuity of Care	47.5 %
Chronic & Follow-up Care	29.8 %
Efficiency	53.9 %

Budget Basis	
Base risk score	0.999
Current risk score	1.191
Base budget	\$339.80
Current budget	\$405.10
VIS Best Practice Target	80.02 %
VIS All Domain Target	51.80 %
VIS All Domain Score	39.84 %

Iowa Medicaid VIS Results

VIS and Risk Adjusted TCC Performance over Time for Alliance PCPs
PCPs who Improved



- PCPs that improved their VIS score over a 12 month period also lowered their total cost of care during that same period

and own PCP visits to all PCP visit ratio was >.49

SIM Partners

[SIM Website](http://dhs.iowa.gov/ime/about/initiatives/newSIMhome)

<http://dhs.iowa.gov/ime/about/initiatives/newSIMhome>



healthiest
— state —
initiative