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:

What we want to pay for:

More Services

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

<table>
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<tr>
<th>COUNTRY RANKINGS</th>
<th>Top 2*</th>
<th>Middle</th>
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| 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.

National Trends
THE CONSEQUENCE OF INEFFICIENCY AND POOR HEALTH STATUS

Why?
• Inefficient system of care
• Unaligned financial drivers
• Unhealthy population


Peterson-Kaiser Health System Tracker
National Trends
THE MOST UNHEALTHY “1ST WORLD” POPULATION

Leanest State
Colorado

Percentage of Obese Adult Population
(3-year average from 2011-13 CDC Behavioral Risk Factor Surveillance System data)

Fattest State
Mississippi

CalorieLab’s
UNITED STATES OF OBESITY 2014
Health and Human Services Sets the Stage for Change

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).

Source: New England Journal of Medicine:
U.S. Dept. of Health and Human Services Secretary Sylvia M. Burwell
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)

2016:
- 85% All Medicare FFS
- 30% FFS linked to quality
- 30% Alternative payment models

2018:
- 90% All Medicare FFS
- 50% FFS linked to quality
- 50% Alternative payment models
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 into 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

- Meaningful Use of EHRs: 25%
- Quality Measures: 30%
- Clinical Improvement Activities (Access, Care Coordination, Patient Satisfaction, Access Measures, etc.): 15%
- Resource Use: Cost Measures: 30%

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

- Medicaid Expansion
- Healthy Behaviors Program
- Health Homes
- State Innovation Model Grant
- Medicaid Modernization
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 Iowans**
  • Involve innovative approaches that encompass private-public partnerships
  • Population health improvement and payment reforms
Round 2 SIM Awards

Model Test Awards

Model Design Awards

Source: Centers for Medicare & Medicaid Services
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

Goals: by 2018
- Improve the health of Iowans in three areas:
  - Tobacco: Increase quit attempt rate by 2.8%
  - Obesity: Decrease prevalence rate by 0.9%
  - Diabetes: Increase A1C rate by 2.3%
- Reduce the rate of preventable readmissions by 20% in the Medicaid and Wellmark population
- Reduce the rate of preventable ED visits by 20% in the Medicaid and Wellmark population
- Increase participation in Value Based Purchasing in Iowa, by evidence of 50% of Medicaid, Wellmark, and Medicare payments linked to VBP contracts

Primary Driver
Plan to Improve Population Health

Secondary Drivers
- Assess local and state environment to identify population health needs
- Develop and deploy interventions, including statewide strategies
- Establish and monitor key population metrics
- Execute integrated community based strategies
- Inform providers for better care coordination
- Execute care coordination models
- Optimize use of Health Information Technology (HIT)
- Engage leadership & receive leadership commitment
- Develop & implement quality improvement strategies
- Conduct rapid cycle evaluation of performance data to stakeholders
- Align payers in value reimbursement and quality strategies
- Implement VBP into the new Managed Care system in Medicaid

Ongoing Evaluation
Population-Based, Community Applied

- Develop statewide population health strategies
  - Diabetes, Obesity, Tobacco Cessation, Healthcare Associated Infections, Medication Safety, OB
  - [https://idph.iowa.gov/SIM](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)

Why is Leveraging SDH Important?

- Behaviors - 30%
- Social and Economic Factors - 40%
- Physical Environment - 10%
- Clinical Care - 20%

Source: Slide from Dr. Bezold PhD, Chairman and Senior Futurist, Institute for Alternative Futures (IAF), Alexandria, Virginia
**SIM Activity Grid**

**Clinical Focus (What)**
- HAI
- Obstetrics
- Diabetes
- Obesity
- Tobacco

**Operational Focus (How)**
- Medication Safety and Effectiveness
- Patient and Family Engagement
- Community Care Coordination
- Social Determinants of Health

The diagram illustrates the alignment of clinical focus areas with operational focuses across various domains.
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

- Technical Assistance increases in communities participating in C3 activities
- TA applies strategies and best practices for providers to thrive in VBP models
  - Aligns with TCPI
  - Improved Care Coordination
  - Optimize HIT
- Targeted Community Development TA and RCPI
- C3 engage in SDH Care Coordination, SWAN Transition care coordination
- 3 Statewide learning events
- Statewide Population Health Strategies

Improved Health, Transformed Health, Sustainable Health System
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.
Iowa Medicaid VIS Results

- 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