



Multi-Payer Medical Home Reimbursement Pilot Update

**Joint Select Committee
on Health Reform**

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Some background

- Per legislation, HCA/DSHS/PSHA convening multiple payers, providers, purchasers
- Eight health plans participating
- Where do initial investments come from?
- Outcomes critical to Washington payers
- Data aggregation
- Selection of advanced practices

Participating Health Plans

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- United Healthcare
- Aetna
- CIGNA
- Molina
- Community Health Plan of WA
- Premera Blue Cross
- Regence Blue Shield
- Group Health Cooperative

Payment Models: Plan 1

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- Fee for service (FFS) + care management fee (CMF) + shared savings
 - Intended for small to medium sized practices needing capitalization
 - Minimum practice size
 - Additional revenue to practices
 - Will include all payers
 - Limited in scope/size due to initial investment by payers
 - Investments tied to outcomes in ER and hospital use
 - If outcomes not met, reduction of up to 50% of additional investment

Payment Models: Plan 2

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- FFS reduction + CMF + shared savings
 - Revenue neutral
 - Intended for clinics that have already made investments and are well positioned to achieve cost and quality incentives
 - Initial savings to practices before sharing savings
 - Likely to include all payers
 - same outcomes of reduction in avoidable ER and hospital use

Some Notes on Outcomes

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- Based on *avoidable* ER, hospital use
 - Target: 30% reduction of avoidable ER visits
 - Minimum target about 17% reduction in avoidable ER visits, equivalent to 10% overall reduction
 - Target: 10% reduction in avoidable hospital use
 - Minimum target 2% reduction
- Meeting quality metrics
- Early results show these outcomes very achievable

Practice Capabilities Linked to Success

- Expanded access (evenings, weekends)
- Use of patient registries for patients with chronic disease
- Well-defined care coordination function within the practice
- Relationship with hospital

Practice Selection

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- **Two step process:**
 - Select preliminary practices after review of capabilities and action plan (September)
 - Final selection after data review and discussion on practice specific targets (November)
- **Preference for practices in:**
 - Current Medical Home collaborative
 - Participation in previous collaborative
 - NCQA PPC-PCMH Level 1 certification

Lessons learned

- Payment reform is a lot harder than it appears
- What's the goal?
- The pilot can't fix all that's wrong
- There are "devils" in every detail
- Framework within health reform and system improvement
- Inclusion of self funded clients

Next Steps

- Practice solicitation, Phase one due September 10
- Provide baseline data to practices
- Details on attribution, payment methodology, Plan 2 FFS reduction, self funded clients...
- Final commitment by practices - implementation January, 2011

Questions?

Thank you!

