



Search

Results Resources ▾ Home



Sign In



Measure 4:1.3.A: Supplemental - Constrain Health Care Cost Growth

4.1.3.A – Constrain the Cost of Health Care Cost Growth



4.1.3.A/ CONSTRAIN HEALTH CARE COST GROWTH

Health Care Authority

Dorothy Teeter, Director

Washington State
Health Care Authority

7/18/16

HCA: Purchaser & Convener



Purchase health care for over 2.2 million people through Medicaid and PEBB



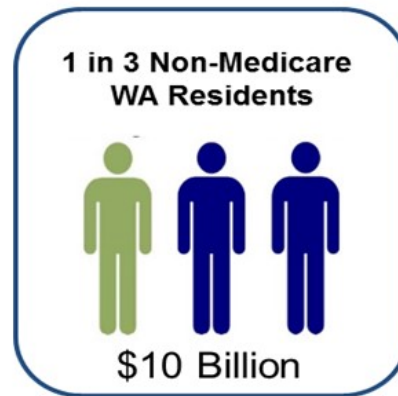
\$10 billion annual spend



Large network overlap between both programs



Value-based purchasing mandate



7/15/2016

2

Background: Health care cost growth is not sustainable

Payment Drives System Transformation

Status Quo (Volume-Based) System	Transformed (Value-Based) System
Fragmented clinical and financial approaches to care delivery	Integrated systems that pay for and deliver whole person care
Uncoordinated care and transitions	Coordinated care and transitions
Unengaged members left out of their own health care decisions	Engaged and activated members who are connected to the care they need and empowered to take a greater role in their health
Variation in delivery system performance (cost and quality) with no ties to clinical or financial accountability and transparency	Standardized performance measurement with clinical and financial accountability and transparency for improved health outcomes

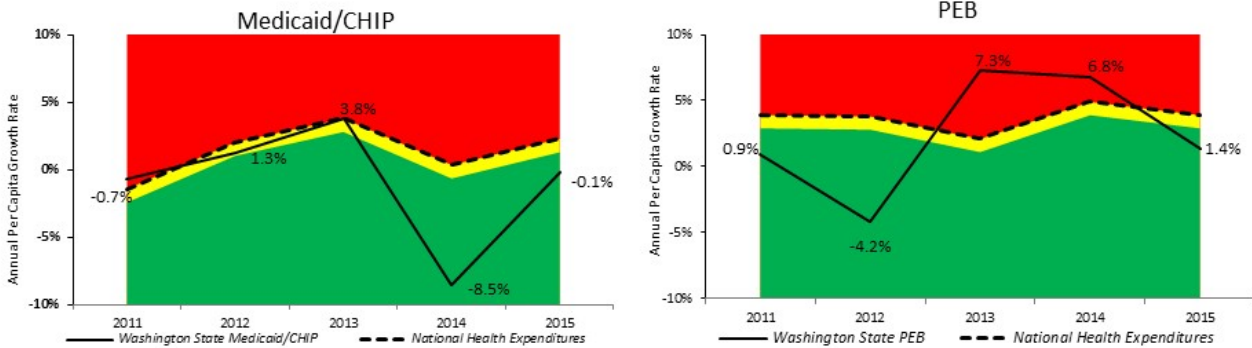
7/15/2016

4

Current State: On Target

Target: Within 1% of National Health Expenditures

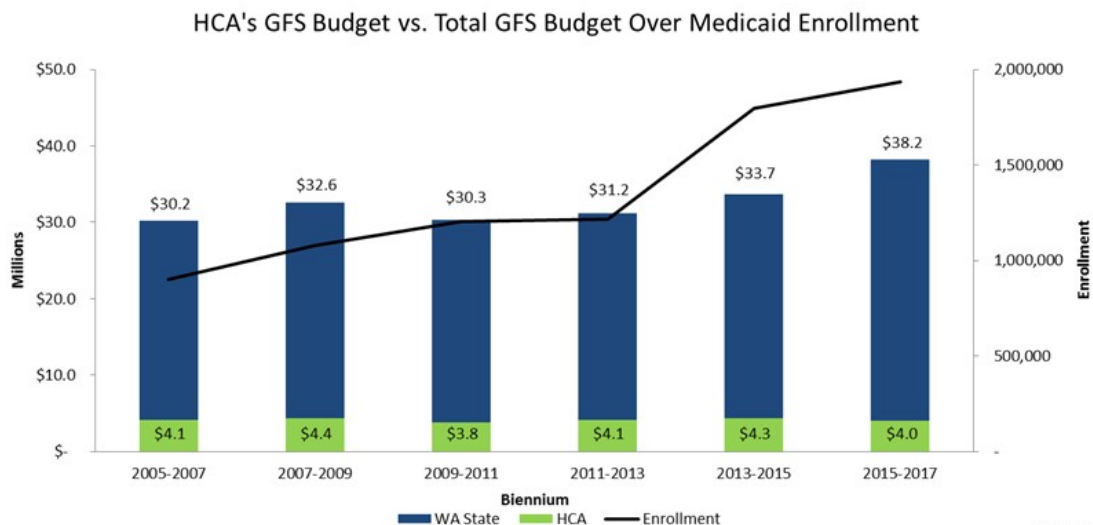
Medicaid¹ and PEB per capita expenditures are each within 1% of respective national expenditures



¹ Includes expenditures from Medical (HCA), Mental Health (DSHS), and Long-Term Care (DSHS)

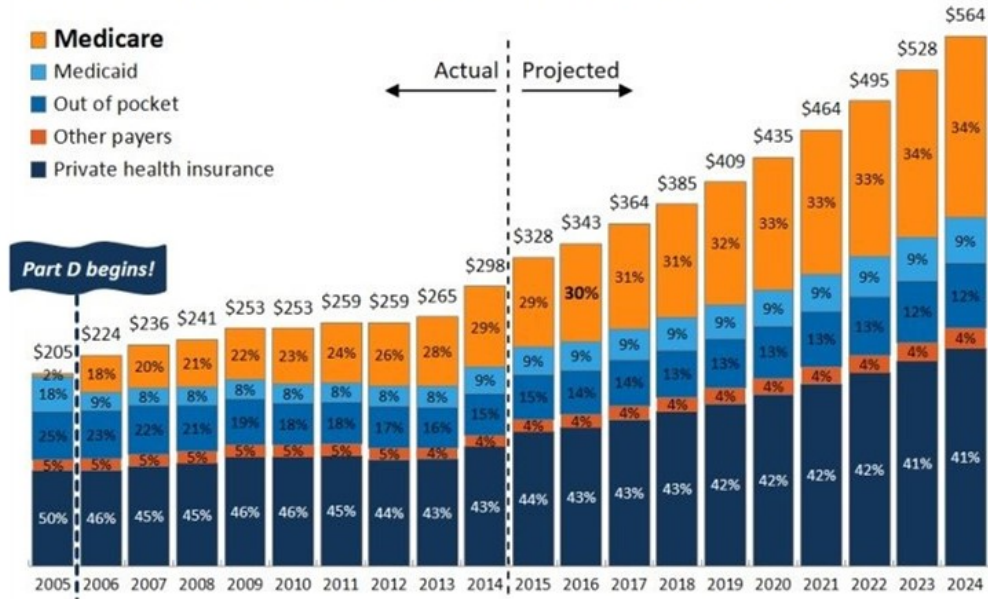
Problem/Opportunity:

- HCA's GF-S budget growth has been flat for the last six biennia even as total GF-State budget increased
- As a result, HCA's GF-S share has steadily declined as a percentage of total GF-State operating budget from nearly 14% to 10.5%



Problem/Opportunity:

Total U.S. prescription drug spending, in \$ billions:



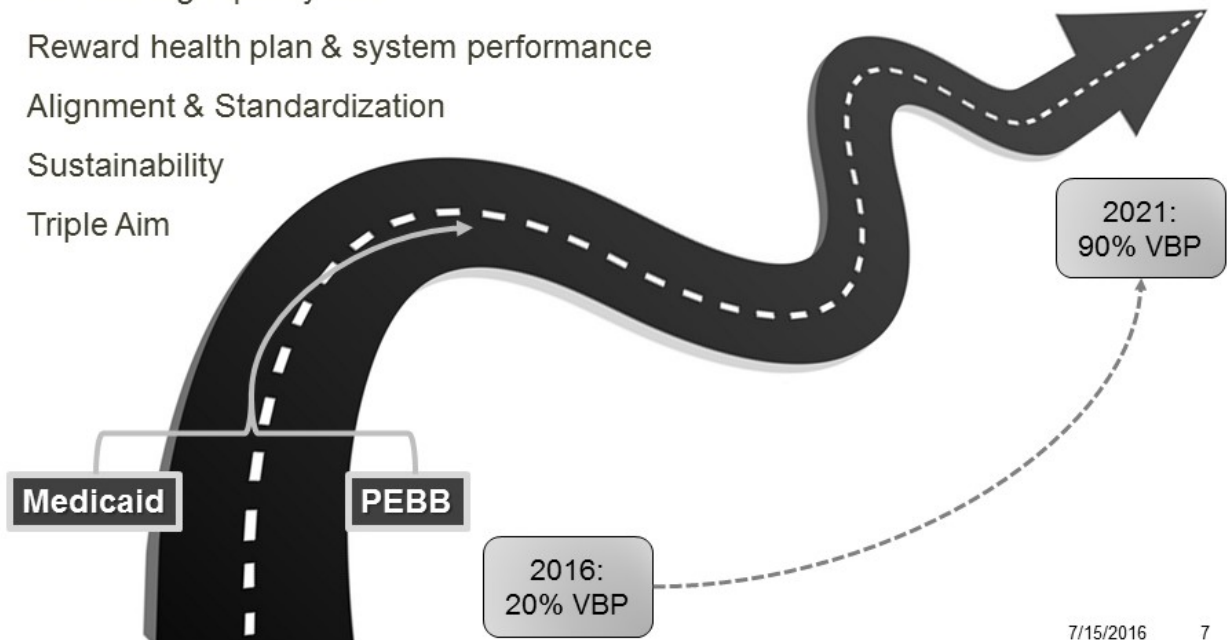
NOTE: Medicaid prescription drug spending accounts for rebates.
 SOURCE: Kaiser Family Foundation analysis of CMS National Health Expenditure Data for Historical (CY2005-2014) and Projected (CY2015-2024) Retail Prescription Drug Expenditures, 2013-2024.



Strategies: HCA Value-Based Road Map

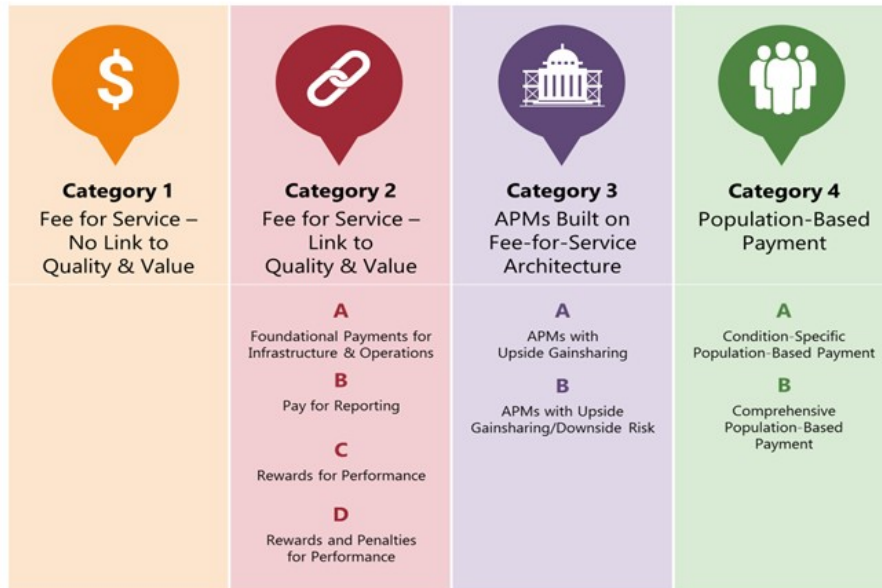
Purpose & Goals

- Reward high quality care
- Reward health plan & system performance
- Alignment & Standardization
- Sustainability
- Triple Aim



Strategies:

CMS Alternative Payment Model Framework



www.hcp-lan.org

7/15/2016 8

Update on Fully Integrated Managed Care – SWWA

Short-term achievements:

- ✓ Continuity of care - replication of behavioral health and network and crisis services
- ✓ Initial claims paid successfully and timely
- ✓ Molina Integrated Care Coordination – Day 1
- ✓ Daily exchange of information with crisis system
- ✓ Existing integrated care models supported
- ✓ Interested providers convening for integration talks
- ✓ Several transitions of long-term residents out of Western State Hospital



Strategic Plan and Opportunities

- **Expand behavioral health system capacity**
 - Especially crisis stabilization and full continuum of care
 - Includes recovery supports (e.g. housing, peer services)
- **Value Based Purchasing to support integrated care delivery**
- **Improved care team access to integrated health information**

Major opportunities with financial integration:

- Improve *individual* Medicaid beneficiary outcomes with integrated care coordination – Medical/BH/Social Supports
- Improve Medicaid *population* total healthcare outcomes and costs with to Strategic investments of total Medicaid premium to improve

Programs Supporting Paying for Value Strategies

Puget Sound High Value Network

- Selected as one of two Accountable Care Program providers for 2016.
 - Expanding to eight counties in 2017.
 - Over 3,500 lives.
 - Assume financial and clinical accountability for a defined population of PEBB members.
 - Provide ‘best in class’ patient service and experience.
 - Execute on Quality Improvement initiatives that support patient center medical home, management of the high risk patient, and align with the Bree Bundles.

Center of Excellence

- Selected as the Center of Excellence for total joint replacements effective 2017.
 - Total joint replacement is historically one of the most costly and variably priced medical procedures.
 - Aligns with the Bree Collaborative recommendations.
 - Clinical team coordinates patient care and encourages shared decision-making with the patient.
 - Virginia Mason assumes financial risk for preventable surgical complications and infections; HCA reimburses in what is called a “bundled payment,” one sum for the entire range of care, including diagnosis, surgery and rehabilitation.

4.1.3.A – Constrain the Cost of Health Care Cost Growth

Task	Task Lead	Partners	Expected Outcomes	Status & Due Date
Fully Integrated Managed Care	N. Johnson/ M. Lindeblad	April 2016: SW WA region 2017: N/A 2018: North Central	<ul style="list-style-type: none"> Increased integration and 'whole person' care for Medicaid beneficiaries Increased quality of care (MCOs held to 1519/5732 common measure set) Accelerated integration of clinic services at provider level Improved outcomes of Medicaid patients and populations Smarter spending and increased long-term financial sustainability of state health programs 	<p>FIMC launched on April 1, 2016</p> <p>Binding letter of intent due from North Central by August 1, 2016</p> <p>Tentative January 1, 2018 implementation date for North Central region</p>
Accountable Care Program (ACP) for public employees	L. McDermott	Puget Sound High Value Network (Virginia Mason Medical Center, Evergreen Health, Multi-Care, Overlake) University of Washington Accountable Care Network (UW Medicine, Multi-Care, Overlake)	<ul style="list-style-type: none"> Increased clinical and financial accountability of providers/ACP networks Increased quality and integrated care Increased outcomes for public employees and their families Smarter spending and increased long-term financial sustainability of state health programs 	<p>ACP launched January 2016; over 11,000 members enrolled in one of the two networks</p> <p>Statewide expansion to additional counties in 2017, and each year thereafter</p>
Apple Health Managed Care Value-based Reforms	N. Johnson/ P. Cody	5 MCOs Accountable Communities of Health Providers	<ul style="list-style-type: none"> Higher quality of care and increased outcomes for Medicaid beneficiaries Increased clinical and financial accountability of providers and MCOs Stronger clinical and community linkages Smarter spending and increased long-term financial sustainability of state health programs 	<p>Reforms will be included in Apple Health contracts starting in January 2017</p>
Bundle and Center of Excellence (COE): Total Joint Replacement (TJR) for public employees, starting in 2017	L. McDermott	COE: Virginia Mason Medical Center Third Party Administrator: Premera	<ul style="list-style-type: none"> Improved quality and outcomes for TJR surgeries Decreased inappropriate surgeries (situations were less conservative care warranted) Increased return to work and function Decreased complications Smarter spending and increased long-term financial sustainability of state health programs 	<p>Planning in process for January 2017 launch</p> <p>Policy Division to lead future bundles across Medicaid and PEBB, starting in 2018</p>
Quality Measurement – as defined by the WA statewide common measure set	D. Lessler, MD	Washington Health Alliance	<ul style="list-style-type: none"> Standardized approach to quality measurement Simplified implementation for providers Quality transparency to HCA as a purchaser Smarter spending and increased long-term financial sustainability of state health programs 	<ul style="list-style-type: none"> Common Measure Set adopted in 2014, revised in 2016 Subset of common measure set included in ACP contract to measure quality Subset of common measure set to be included in 2017 Apple Health contracts

7/15/2016 12

[Contact Us](#)

[Comment Policy](#)

[Give Us Your Feedback](#)

[Legislative Reports](#)

[Apply Lean](#)

[Foster Performance Audits](#)

[Measure Results](#)

[Gov. Inslee's New Strategic Framework](#)

[Video Message from the Governor](#)

[Printable Trifold about Results Washington](#)



Powered By Socrata