

## **Evolving the Regional Total Cost of Care Project** **An Overview of Phase II**

### **The Challenge Continues**

At no time in history have the conditions been as promising as they are today to move toward meaningful healthcare payment reform. In January 2015, Health and Human Services Secretary Sylvia Burwell established a concrete and measurable timeline to shift Medicare reimbursement from volume to value. In April 2015, Congress passed landmark bipartisan legislation to repeal the Sustainable Growth Rate formula, which will accelerate needed and dramatic change in physician reimbursement. In June of 2015 the Supreme Court upheld a critical provision of the Affordable Care Act (ACA) that continues health insurance tax credits to millions of Americans. Leaders are taking action to propel healthcare reform forward.

Achieving better health at lower cost means healthcare spending must be reformed. Public and private payers, purchasers, consumers and healthcare providers of every size are recognizing that the status quo is no longer sustainable and change is inevitable. However, that change will require information and support for stakeholders to be successful in the new environment.

"It is simply past time to address the growing chasm between rising healthcare costs and the quality outcomes and health we should expect for what we spend," says Elizabeth Mitchell, President and CEO of the Network for Regional Healthcare Improvement (NRHI). "But we still don't have the basic information needed to understand or address healthcare spending. In order to ascertain the effectiveness of the current healthcare system, we need more transparent information around costs and their drivers. Once we know that, people, providers and purchasers can begin to make truly informed decisions that enable better care and lower cost," says Mitchell.

This urgent challenge is what prompted NRHI to secure funding back in 2013 from the Robert Wood Johnson Foundation (RWJF) for the initial 18-month Regional Total Cost of Care (TCoC) Pilot: *Measurement, Analysis and Action to Control the Cost of Healthcare at the Regional Level*, and a renewal grant (TCoC Phase II) to expand standardized measurement to new regions and further engage stakeholders in the use of Total Cost of Care information.

### **Building on Team Success – Collaboration is Key**

The pilot project kicked off in November 2013. NRHI was joined by five Regional Healthcare Improvement Collaboratives (RHICs): Center for Improving Value in Health Care (CIVHC, Colorado); Maine Health Management Coalition (MHMC); Midwest Health Initiative (MHI, St. Louis, MO); Minnesota Community Measurement (MNCM); and Oregon Health Care Quality Corporation (Q-Corp).

Through collaboration and with a high level of trust among the team, pilot participants overcame numerous challenges along the way. From data capture, quality assurance and analysis, to standardization and stakeholder engagement, the team shared their expertise and experience with one another and provided critical support and encouragement needed to move beyond barriers.

Meredith Roberts Tomasi, Program Director at Q-Corp, shared, "One of the most valuable things that has come out of the last year or so is the ability to rely on each other during tough times. We cannot do this alone. We would not be nearly as far along as we are without the other team members."

NRHI and the five partnering RHCs hosted the *Cost Transparency from the Ground Up National Summit* in Washington, DC, on April 30, 2015. They were joined by over 125 stakeholders in the healthcare industry from around the nation interested in learning from and celebrating the culmination of the pilot project. **All of the project goals were achieved: each region produced and distributed attributed practice level reports in their communities, a benchmarking approach across five regions was developed and tested, and participating physicians were supported to lead change both locally and nationally with a reporting framework, strategy and practical approaches to affect change.**

The *Executive Summary* provides more detailed findings, and the *Lessons Learned* document and *HealthDoers Who Have Done It* booklet provide guidance and insights for those interested in what it takes to create a TCoC reporting program. You can find these and other documents shared during the National Summit at [www.nrhi.org/work/multi-region-innovation-pilots/tcoc/](http://www.nrhi.org/work/multi-region-innovation-pilots/tcoc/).

The pilot project was not a singular effort, the team has only just begun their journey toward actionable TCoC reporting. At the National Summit, the Robert Wood Johnson Foundation announced another round of funding to NRHI and the five original pilot sites to expand upon the pilot project and introduce new regions, populations, and analysis of variables associated with the measure.

## The Work Ahead

Phase II of the TCoC project began May 1, 2015 and extends through October 31, 2016. The overall goal of Phase II is to evolve the TCoC pilot and show preparedness for national scalability. The project will deepen stakeholder engagement and broaden the local activation and dissemination of Total Cost of Care measurement. Sustainability will be addressed to ensure this work can continue to evolve beyond Phase II. The five pilot project participants will continue to produce and distribute Practice and Community level TCoC and Resource Use reports. Specific Phase II goals include:

*Improving upon data collection and analysis*

- Build a standardized longitudinal TCoC data set, including centralized data quality control functions
- Analyze commercial data to identify year-to-year change and the impact of risk adjuster selection

*Advising on the expansion to Medicare and Medicaid*

- Explore the use of TCoC and Resource Use measures with Medicare and Medicaid populations, culminating in a Policy Brief

*Deepen Stakeholder Engagement*

- Create training and technical assistance tools to deepen provider engagement and empower practices to implement process improvements
- Further engage employers as stakeholders to use TCoC reporting to facilitate payment reform; hold a National Employer Engagement Seminar
- Hold an encore National Physician Leadership Seminar, including Physician Champions from the newly participating regions

*Demonstrate National Scalability*

- Expand to include new regions who will produce and distribute TCoC and Resource Use reports
- Create technical requirements and implementation guidelines for All-Payer Claims Database (APCD) entities

## **The New Team**

One of the first accomplishments of Phase II was the recruitment and selection of new expansion regions to join NRHI and the five pilot participants. The minimum requirements were not an easy threshold to meet, particularly access to and ability to utilize the full allowed amount in claims data. Two applicants were selected: HealthInsight Utah and the Maryland Health Care Commission. Both of these organizations are not only well-qualified to participate, but have already illustrated the level of commitment and enthusiasm needed to be successful participants.

HealthInsight Utah is a Regional Health Improvement Collaborative and an NRHI member; they will partner with the Utah Department of Health (UDOH), Office of Health Care Statistics (OHCS), who manages the Utah All-Payer Claims Database (APCD). Learn more about HealthInsight Utah at [healthinsight.org/utah](http://healthinsight.org/utah).

The Maryland Health Care Commission (MHCC) is an independent agency in Maryland government with broad cost and quality reporting responsibility. MHCC manages Maryland's APCD and has significant stakeholder engagement experience; they will partner with The Hilltop Institute at the University of Maryland Baltimore County for additional data and policy expertise. Learn more about the Maryland Health Care Commission at [mhcc.maryland.gov](http://mhcc.maryland.gov).

## How You Can Stay Involved

NRHI believes that engagement and change can best be achieved at the community level, where care is delivered, and that the most effective federal strategy for achieving the Triple Aim—to improve healthcare quality and patient satisfaction, and lower the total cost of care—is to endorse and support the development of community strategies involving all stakeholders using data, and changing all aspects of care delivery.

Many communities are interested in the TCoC work, and are at different stages of readiness to participate. Some regions face barriers including data access, stakeholder engagement, or competing priorities and resource allocation. Organizations can prepare by laying the groundwork with data use agreements that provide access to required fields and allow for public reporting, and building trust among stakeholders to encourage transparency that drives action. **The decisions your organization makes today can impact your ability to participate as the project is scaled across the nation.**

NRHI is committed to building a path forward for all of those interested in implementing TCoC reporting. We would like to know more about what level of participation and what types of engagement activities might be right for your organization, based on where you are on the spectrum of readiness. If you have any questions, please feel free to contact Ellen Gagnon at [egagnon@nrhi.org](mailto:egagnon@nrhi.org) or Kelly Seiler at [kseiler@nrhi.org](mailto:kseiler@nrhi.org).