Mary McWilliams
Executive Director

Puget Sound Health Alliance

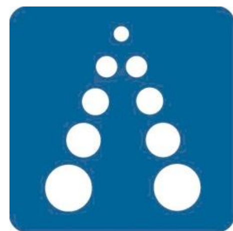
Puget Sound Health Alliance

Aligning Multiple Health Plans to Support Higher Value Care

February 7, 2013

Alliance: Purchaser-Led, Multi-Stakeholder Collaborative

- The driving force: Ron Sims and King County
- Purchasers, Providers, Plans & Patients
- 2 Million Lives in 5 Counties; Plans for Statewide
- Funded by Participant Fees and Grants
- Nationally recognized by the Robert Wood Johnson Foundation and the federal Secretary of Health and Human Services



Aligning Forces for Quality

A Robert Wood Johnson Foundation National Program

HHS Logo

Puget Sound Health Alliance

KEY STRATGIES

Our Key Strategies Connect To Drive Change

1. Performance Measurement and Public Reporting:
   Measure and report variation in quality and cost
2. Consumer Engagement:
   Help consumers make informed decisions
3. Payment Reform:
   Pay providers for value not volume
4. Performance Improvement:
   Leverage all strategies to change results and improve value

Puget Sound Health Alliance

Medical Home Multi-Payer Payment Pilot Background

- Primary care learning collaborative on medical home.
- 2009 legislation provided state-sponsored pilots to identify new payment methods for medical home exempt from state anti-trust laws and immunity from federal anti-trust laws.
- WA Health Care Authority in the lead with Puget Sound Health Alliance as co-convener.
- Alliance as one of three Robert Wood Johnson Foundation payment reform grant sites nationally.
- Multi-stakeholder participant groups designed the pilot (8 payers, WSMA/WAFP, 7 medical groups, 3 purchasers, Governor’s Office, University of Washington).

Pilot Objectives

- Test a multi-payer payment model with common method, measurement, and reporting.
- Tie payment to outcomes, not structure or process.
- Create accountability for extra payment with shared savings AND losses.
- Bring critical mass of commercial and Medicaid patients to warrant practice changes.
- Maintain quality.

Participating Payers

1. Aetna
2. CIGNA
3. Group Health Cooperative
4. Molina (managed Medicaid)
5. Community Health Plan of WA (managed Medicaid)
6. Premera Blue Cross
7. Regence Blue Shield

Not Participating:
UnitedHealthcare, Medicare, Medicaid FFS

Design

Elements	All plans use this design
Payment method	$2.50 - $2.00 per member per month (PMPM) paid quarterly in addition to fee for service reimbursement.
Outcomes	Practices aim to reduce preventable events. Pilot measures utilization rates before and after payment method started.
Standard price	Calculated practice price for preventable ED and preventable inpatient admissions.
Savings or losses	The pilot calculates the number of preventable events saved or added in each pilot year.
Shared risk	Savings are shared 50/50. Losses repaid through decreased PMPM or reconciliation at pilot end.
Maintain quality	Practices maintain quality as measured by a composite score to receive shared savings.

Participating Practices

8 medical groups, 12 practice sites/clinics

- 10 urban/suburban, 2 “rural”
- 10 affiliated with larger systems (hospital-owned or multi-specialty), 2 single practice
- All family medicine/internal medicine
- Size: 2 11+ providers; 2 7-providers; 8 3-5 providers

Three Step “Application Process”

1. Practices applied
2. Subset selected based on competencies, plan, readiness
3. Practices Reviewed Baseline → then decision to participate

Puget Sound Health Alliance

Implementation - Successes

- After *long* design process, pilot LAUNCHED!
- Successfully created new payment model across multiple payers
  - Common Measures
  - Common Payment Method
- All plans and practices still in pilot after 21 months!!
- Pilot population fairly steady @ 27,000
  - Range of population varies by clinic significantly
- Payment flowing to practices
  - ~ $1.2 million since Launch
  - Total payments per clinic varies significantly
- Working well
  - Attribution reporting now on schedule
  - Practices implementing changes to impact outcomes

Puget Sound Health Alliance

Our Experience: Single Process vs. Variation

- **Desired → Single process** = no variation among payers
  - Pros – one clear and uniform way to do things
  - Cons – takes time to develop the process up front
- BUT → 7 health plans with 7 ways of doing things
  - Needed to compromise in order to have single payment method
  - Resistance to reporting data
  - Desire to avoid "extra" work
- **Resolution: Similar but not identical processes; allowed variation in how data reporting completed but proceeded with agreed upon "*methods*"**
  - Pros – able to launch Pilot; each plan changes existing processes to get to *similar* process and should be faster
  - Cons – process inconsistent; results hard to assess; burden on practices to compile and align

Puget Sound Health Alliance

Collaboration and Design

1. Neutral, Third-party Convener *Essential*

2. Health Plan Executive-level Sponsorship/Champions Needed Initially *and* Ongoing

3. Get to a SINGLE, AGREED UPON PROCESS for contracting, data calculations and data sharing

4. Pilot size is important

Puget Sound Health Alliance

Practice Participation

5. Practice “readiness” very important with shared accountability model
6. Don’t underestimate the need to “connect” with ER’s
7. Difficult for practices to be successful without timely, actionable information
8. Practices want to succeed, even with all the challenges!

Lessons From the Field

Puget Sound Health Alliance

9. **Keeping your eye on the goal is hard but important**

10. **The complexity requires an entity to bring parties together to work out solutions**