Oklahoma State Department of Health

Oklahoma State Innovation Model

Health Finance Workgroup Meeting

February 23, 2016

Health Finance Workgroup Meeting Agenda

February 23rd, 10-12 Noon
Oklahoma Health Care Authority
Thunderbird Conference Room

Section			Presenter
Welcome & Meeting Objectives	**5 min**	**10:00**	**J. Cox-Kain**
State Health System Innovation Plan Overview	**15 min**	**10:05**	**A. Miley**
Review of Model Goals & Discussion	**30 min**	**10:20**	**J. Cox-Kain**
Model Design ▪ **Actuarial vs. Performance Risk**	**30 min**	**10:50**	**J. Cox-Kain**
Governing Body Membership and Responsibilities to Meet Model Goals	**30 min**	**11: 20**	**J. Cox-Kain**
Timeline ▪ **DSRIP – Oklahoma Plan**	**10 min**	**11:50**	**J. Cox-Kain**
Wrap-Up & Next Steps	**-**	**12:00**	**A. Miley**

State Health System Innovation Plan

State Health System Innovation Plan – Status

Section	Section Completion Status	Deloitte Review Status	Stakeholder Review Status	CMS Review Status
1. Description of State Healthcare Environment	Complete	Complete	Complete	Complete
2. Stakeholder Engagement Report	Complete	Complete	Complete	Complete
3. Health System Design and Performance Objectives	Complete	Complete	Complete	Complete
4. Value Based Payment and/or Service Delivery Model	Complete	Complete	Complete	Complete
5. Plan for Healthcare Delivery System Transformation	Complete	Complete	Complete	Complete
6. Plan for Improving Population Health	Complete	Complete	Complete	Complete
7. Health Information Technology Plan	Complete	Complete	Complete	Complete
8. Workforce Development Strategy	Complete	Complete	Complete	Complete
9. Financial Analysis	In Progress	Not Started	Not Started	Not Started
10. Monitoring and Evaluation Plan	Complete (Draft)	Complete	Not Started	Not Started
11. Operational and Sustainability Plan	Complete (Draft)	Complete	Not Started	Not Started

Description of State Healthcare Environment

This section covers population health outcomes, health system performance trends, and current initiatives for health improvement.

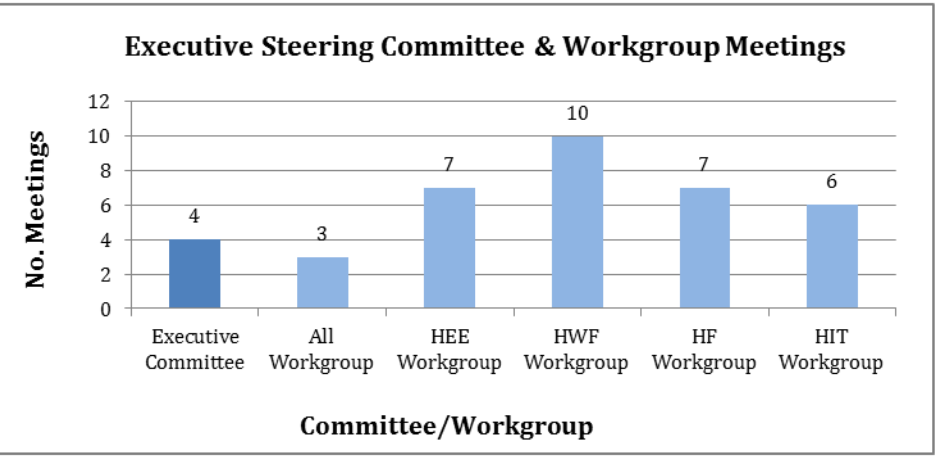
Population Health Outcomes	Health System Performance	Environmental Context	Health Initiatives
12% of Oklahomans have diabetes – the 8th highest rate in the nation (2015)	Oklahoma is ranked 50th (out of 51) in the nation for health system performance (2015)	Social circumstances account for 15% of premature deaths and impact health behaviors	Reports: OHIP, CHIPs, State of State's Health, and Population Health Needs Assessment
37.5% of Oklahomans had hypertension, compared to 31.4% nationally (2013)	From 2014 to 2015, Oklahoma improved in 14 of 16 health system performance indicators	The majority of the state's 77 counties are classified as Health Professional Shortage Areas	State Efforts, e.g., PCMH, HANs, Health Homes, EHR Incentive Program
Oklahoma is ranked 40th (up from 47th) nationally for its smoking rate (2014)	In the state, the southeast region had the highest rate of preventable hospitalizations (2015)	21% of Oklahomans live in a "food desert", compared to 13% nationally (2013)	Public Health Efforts, e.g., TSET, Turning Point, Certified Healthy Oklahoma Program
33% of Oklahoma adults are obese, among the top 10 highest adult obesity rates in the nation (2014)	Mental illness is an important driver of readmissions that often presents as co-morbidity	The poverty rate is higher than the national average, though unemployment is lower (4.3% vs. 5.0%)	Tribal Efforts, e.g., Office of Tribal Liaison, Tribal PH Advisory Committee, Special Diabetes Program
Oklahoma is ranked 49th in the nation for the adult mental illness prevalence (2015)	Per capita healthcare services spending rose steadily from $2,375 (1991) to $6,531 (2009)	13.9% of Oklahomans remain without health insurance (2015)	Demonstration Projects and Waivers, e.g., CPCI, FHQCs, H2O, Practice Transformation Networks

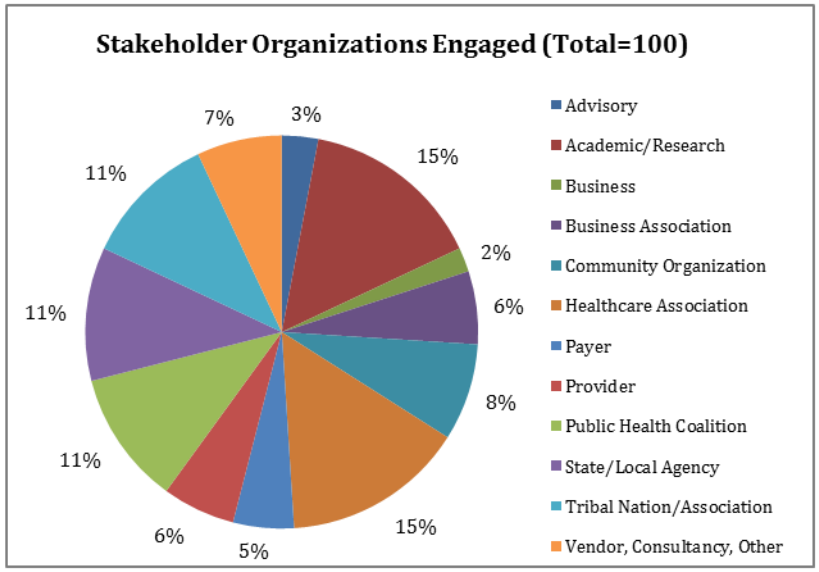
Report on Stakeholder Engagement

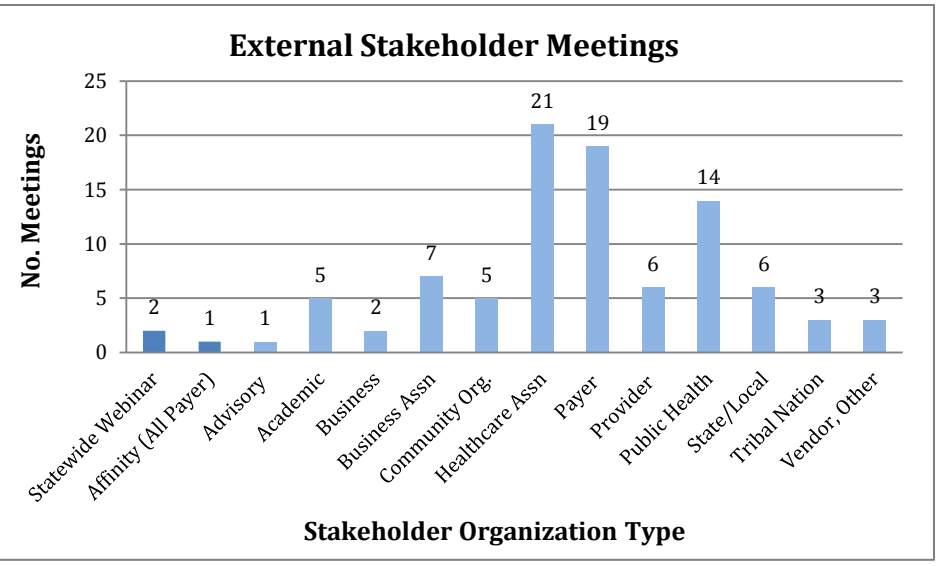
This section details stakeholder engagement activities and analysis and interpretation of key findings on collected data.

Forums and Communication Channels

- Advisory Committees
- Workgroups/Affinity Groups
- Statewide Webinars
- Conference Presentations
- One-on-One Meetings
- Website and Public Comment Box
- Stakeholder Surveys







Health System Design and Performance Objectives

This section details the population health flagship issues and healthcare value-based payment and delivery strategies for the SIM project.

Section	Goals
Health Expenditures	• Goal: By 2020, limit annual state-purchased healthcare cost growth through both Medicaid and EGID to 2% less than the average annual percentage growth rate of the projected national health expenditures, as set by CMS.
Quality of Care	• Goal 1: Reduce the rate of potentially preventable hospitalizations per 100,000 Oklahomans by 20%, from 1656 (2013) to 1324.8, by 2020. • Goal 2: Reduce the rate of hospital emergency room visits per 1,000 population by 20%, from 500 (2012) to 400 visits, by 2020.
Population Health Goals	• Tobacco: Reduce the adult smoking prevalence from 23.7% to 18.0% by 2020. • Behavioral Health: Reduce the prevalence of untreated mental illness from 86% to 76% by 2020. • Diabetes: Decrease the prevalence of diabetes from 11.2% (2014) to 10.1% by 2019. • Obesity: Reduce the prevalence of obesity from 32.5% (2013) to 29.5% by 2020. • Hypertension: Reduce deaths from heart disease by 13% from 9,703 in 2013 to 8,441 in 2020.

Value-Based Payment and/or Service Delivery Model

This section details the proposed Oklahoma Model: Regional Care Organizations (RCOs), multi-payer quality metrics, and episodes of care.

Model Tenets	RCO Governance	Quality Metrics	Episodes of Care
• Incorporate the drivers of health outcomes • Integrate the delivery of care (physical, behavioral) • Drive alignment of quality measures reporting to reduce provider burden • Move toward multi-payer, value-based purchasing with realistic goals	• State Governing Body – Advisory Committees: Members, Providers, RCO Certification, Episodes of Care, HIT, Quality Metrics • RCO Governance – Board of Accountable Providers, Community Advisory Board	• Required Metrics – Measure overall population health and quality of care delivered • Optional Bonus Metrics – Evaluate if the RCO is eligible to receive incentive money from the community quality pool	• Five proposed episodes: – Asthma (*acute exacerbation*) – Perinatal – Total joint replacement – Chronic obstructive pulmonary disease (*acute exacerbation*) – Congestive heart failure

Healthcare Delivery System Transformation Plan

This section details a phased implementation process for stakeholders to adapt each aspect of Oklahoma's health system transformation.

Phase 1
Establishing the Foundation for Value-Based Care

- All Payer Quality Measure Alignment
- Interoperable HIT
- Practice Transformation Center

Phase 2
Enhancing Delivery System

- Episodes of Care
  - Asthma, Perinatal, Total Joint Replacement, Chronic Obstructive Pulmonary Disease, Congestive Heart Failure

Phase 3
Implementing the RCOs

- Behavioral Health Integration
- RCO Quality Metrics
- Board of Accountable Providers
- Community Advisory Board

Oklahoma SIM Transformation Resource Inventory

- Private Payer Communication Channels
- SoonerCare Practice Facilitators
- Practice Transformation Networks
- Turning Point
- Healthy Hearts for Oklahoma (H2O)
- Comprehensive Primary Care (CPC) Initiative Field Team
- Oklahoma Foundation for Medical Quality (OFMQ)
- OU OK Shared Clinical and Translation Resources Center
- OSU Center for Health Systems Innovation

Proposed Practice Transformation Center

- The Center will support provider education and ongoing transformation efforts and will be a multi-payer effort.
- The Center's major responsibilities will include:
  - Consolidating and endorsing best practices in healthcare transformation in Oklahoma
  - Coordinating practice transformation initiatives across stakeholder groups to ensure consistency in education and awareness
  - Developing and maintaining an inventory of support services and resources that providers can access to facilitate successful execution of new payment models

Plan for Improving Population Health

This section details how overall population health will be improved through current initiatives and the proposed Oklahoma Model.

Federal, State, Local Initiatives

- OCHA: HANs, PCMH, SoonerExcel
- ODMHSAS: Health Homes
- DHS: Aging Services Division
- County Health Departments
- Mental Health Association Oklahoma
- United Way
- Turning Point
- Tobacco Settlement Endowment Trust
- Healthy Hearts for Oklahoma
- CPCI, ACOs, Bundled Payments
- FHQCs, Clinics & Pharmacy Programs
- State and Local Actions to Prevent Obesity, Diabetes, Heart Disease, and Stroke (CDC Grant)
- Alliance for a Healthier Generation
- Schools for Healthy Lives
- Regional Food Bank
- Health Equity Campaign

SIM Strategies and Activities

The Oklahoma Model will build upon strategies and activities employed by SIM to advance population health improvement goals:

- Workgroup Structure
  - Efficiency & Effectiveness, Workforce, IT, Finance
- Social Determinants of Health
  - Community Advisory Board
  - Flexible Spending
- Multi-Payer Quality Alignment
  - Board of Accountable Providers
  - Clinical Quality Measures
- Tribal Public Health Efforts
  - State Governing Body
  - Tribal Public Health Advisory Committee
  - OSDH Office of the Tribal Liaison

Roadmap to Health Improvement

The Oklahoma Model will employ three approaches to improving population health that have been identified as best practices by the CDC: traditional clinical approaches, innovative patient-centered care and community linkages, and community-wide strategies:

- Traditional Clinical Approaches
  - Clinical Quality Measures
- Innovative Patient-Centered Care and Community Linkages
  - Integrated Care
  - Care Coordination
  - Community Resources
- Community-Wide Strategies
  - TSET grants
  - Certified Health Oklahoma Program
  - OHIP/CHIP

Health Information Technology (HIT) Plan

This section details objectives and strategies to achieve HIT interoperability in Oklahoma and move toward value-based purchasing.

HIT Goal 1

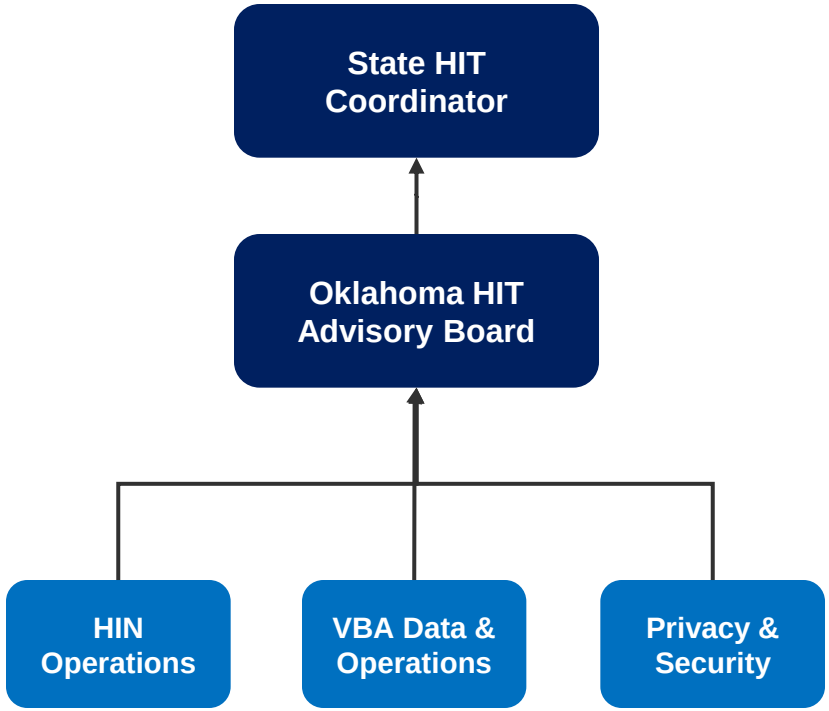
Establish a statewide interoperability; facilitate exchange/ consolidation of health information through a Health Information Network (HIN)

HIT Goal 2

Establish a state-level solution for integrated clinical, claims, and social determinants of health data to support a value-based analytics (VBA) system.

Factors and Strategies for Success

- Statewide Interoperability
- Health Information Exchange
- EHR Adoption and Utilization
- VBA System
- Privacy and Security
- HIT Metrics
- HIT Governance, Policy



Workforce Development Strategy

This section details the core areas of the SIM workforce development strategy, including data collection and analysis and workforce redesign.

Data Collection and Analysis	The OSDH Office of Primary Care and Rural Health Development (OPC) and OHIP stakeholders initiated efforts to establish the OPC as a centralized state health workforce data center. The state will use strategies to further enhance health workforce data analysis via the Oklahoma Office of Workforce Development, OSIM Workforce Workgroup, and OSDH Office of the Tribal Liaison.
Statewide Coordination of Efforts	The OPC and Workforce Workgroup will provide the newly-created Health Workforce Subcommittee with high quality research and recommendations. Specific strategies include aligning health workforce efforts with state and regional economic and workforce development initiatives; developing a comprehensive set of research questions that will be used to develop a policy agenda; and designating the OPC as the state health workforce data resource center.
Workforce Redesign	Oklahoma will align and prioritize state health workforce initiatives with OSIM health system transformation to support the transition of the workforce into one that functions in a value-based delivery system. This includes strategies for training and developing emerging health professionals; promoting practice facilitation; better incorporating behavioral health and substance abuse disorder prevention and treatment into primary care; and optimizing telehealth capacities.
Pipeline, Recruitment, and Retention	Oklahoma established a statewide Graduate Medical Education Committee to provide recommendations for strategies to address the supply and distribution of well-trained physicians and ancillary providers. The State will examine existing state statutes that provide resources for loan repayment and scholarship programs and create plans to leverage federal or private funds.

SHSIP Discussion

- Any initial thoughts and feedback SHSIP draft?
- Any question of how to access the document or find a section?

Goal to Model Tenets

Goals of OSIM

To create a multi-payer state plan to move current healthcare payment methodologies from volume-driven fee-for-service to a system where payments to providers are based on methodologies that reward value and address persistent issues with cost, quality, and population health.

To move the purchasing of health care services from a fee-for-service system to a population-based payment structure that incentives quality and value while emphasizing primary prevention strategies.

By moving to value-based care coordination model and focusing on the SIM flagship issues, we will improve population health, increase the quality of care, and contain costs.

Goals of OSIM

- Achieve the Triple Aim by improving the following:
  - Quality
  - Cost
  - Population Health
- Create opportunities for multi-payer initiatives that pay for outcome improvement across the primary drivers of poor health and healthcare cost increases:
  - Tobacco
  - Obesity
  - Hypertension
  - Diabetes
  - Behavioral Health
- Integrating healthcare and population/community health
- Create a scalable, flexible model that can be implemented in rural Oklahoma settings
- Address social determinants that prevent individuals from achieving optimal health. Including implementing payment mechanisms or processes that address or mitigate the following barriers to health:
  - Poverty
  - Poor education/literacy
  - Poor Housing
  - Employment/Working Conditions
  - Physical environment
- Focus on the total health system

Proposed Model: Conceptual Design Tenets

The Oklahoma SIM Project Team has identified several key tenets of the proposed model.

Incorporate What Drives Health Outcomes

- Expand from an integrated clinical view of patients to include a focus on social determinants of health and associated health enabling elements
  - Address behavioral health needs
  - Develop stronger relationships with social services and community resources

Integrate The Delivery Of Care

- Ensure that various aspects of patient care are integrated and managed collectively, rather than in an isolated fashion
  - Leverage Care Coordination practices already in place
  - Enhance and expand use of health information technology
  - Fully integrate primary care and behavioral health

Drive Alignment To Reduce Provider Burden

- Engage with external stakeholders to align quality metrics from the Oklahoma SIM Project
  - Foster buy-in from private payers
  - Work with Medicare to synchronize evaluative metrics

Move Toward VBP With Realistic Goals

- Understand that value-based purchasing will need a transition period
- Have collaboration to enable transformation to occur at the practice level

Model Goals Discussion

- Do these goals and tenets reflect the conversation of stakeholders to date?
- Any changes, deletions or additions?
- Do you believe there is multi-payer alignment of purpose around these goals and tenets?
- Is there multi-stakeholder agreement around these goals and tenets?
- Barriers to achieving these in Oklahoma?

Regional Care Organization Model Design

Regional Care Organizations: Overview

What are Regional Care Organizations?

- RCOs are local, risk-bearing care delivery entities that are accountable for the total cost of care for patients within a particular region of the state
- Governed by a partnership of health care providers, community members, and other stakeholders in the health systems to create shared responsibility for health
- RCOs will meet a high bar of patient centered care through a focus on primary care and prevention strategies, using care coordination and the integration of social services and community resources into the delivery of care
- Utilize global, capitated payments with strict quality measure accountability to ensure cost and quality targets are being met statewide
- Will create local delivery strategies that best utilize current healthcare resources and non-traditional health care workers and services, such as community health workers, local community partners, housing, et al
- Initially, this model is proposed for all state purchased health care, which comprises a quarter of the state's population

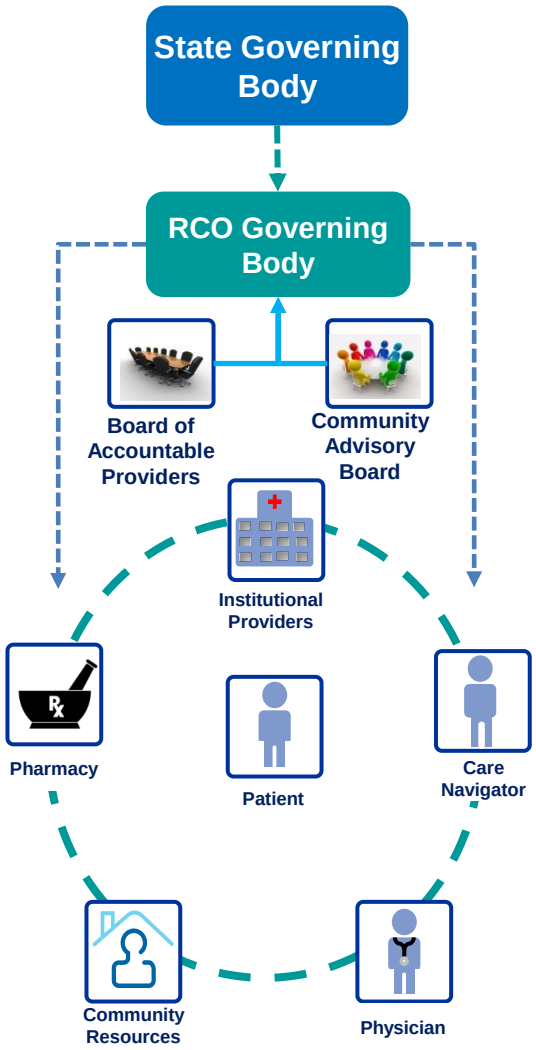
RCO Overview- Who could be a RCO?

There are many different organizations already operating within the healthcare system that could be a RCO or join together to be a RCO.

Example RCOs:

- Integrated System partnership with Health Plan – Example is Hypothetical
  - Plan administered by system providers and health plan leadership
  - Ownership: Those within integrated system, key community partners, and health plan
- Provider and System Partnerships – Example: Eastern Oregon Care Organization
  - Plan administered by: Greater Oregon Behavioral Health, Inc. (GOBHI) and Moda Health
  - Ownership: GOBHI, Moda Health, Good Shepard Health Care System (NFP Hospital), Grand Ronde Hospital, Inc., Saint Alphonsus Health System Inc., St. Anthony Hospital, Pendleton IPA Inc., Yakima Valley Farm Workers Clinic (FQHC)
- Independent Physician Association – Example: AllCare CCO
  - Governance: AllCare is governed by a 21-member board composed of eleven practicing physicians and 10 stakeholders. Each person on the board has an equal vote.

Regional Care Organization



- Risk adjusted PMPM, globally capitated rate to RCO
- 80% of payments made by RCO to providers will be in a selected APA by 2020
- Community Quality Incentive Pool pays bonuses for meeting quality benchmarks set by SGB – funded through a % withhold from the capitated rate
- Integrate the social determinants of health through CAB, flexible spending, human needs survey, quality measures, and resource guide
- RCO will articulate best delivery system for region to meet a high bar of quality care based on standards set by SGB
- RCOs will organize a governance structure that incorporates the providers and community they serve
- RCOs will connect to an interoperable HIE to ensure the data to best manage patient care and analyze performance is available to all participating

The Risk Bearing RCO

- Under the current model proposal, the RCO would accept actuarial risk AND performance risk for the attributed population within the geographic region.

- The RCO would be at risk for delivering all agreed upon services within the established capitated rate
  - This is not the same as accepting performance risk
  - With a performance risk model the RCO would only be at risk for the dollars tied to performance outcomes (e.g. tying a percentage of payments to meeting quality measure and cost benchmarks)
  - There is an element of performance risk within the model

- The capitated rate ensures the RCO must identify ways to achieve cost savings and at the same time they must achieve performance standards to receive maximum payment.

- By putting the RCOs with both actuarial and performance risk, the RCO will be fully accountable for cost and performance and this will drive improvement in both areas, not just cost or quality

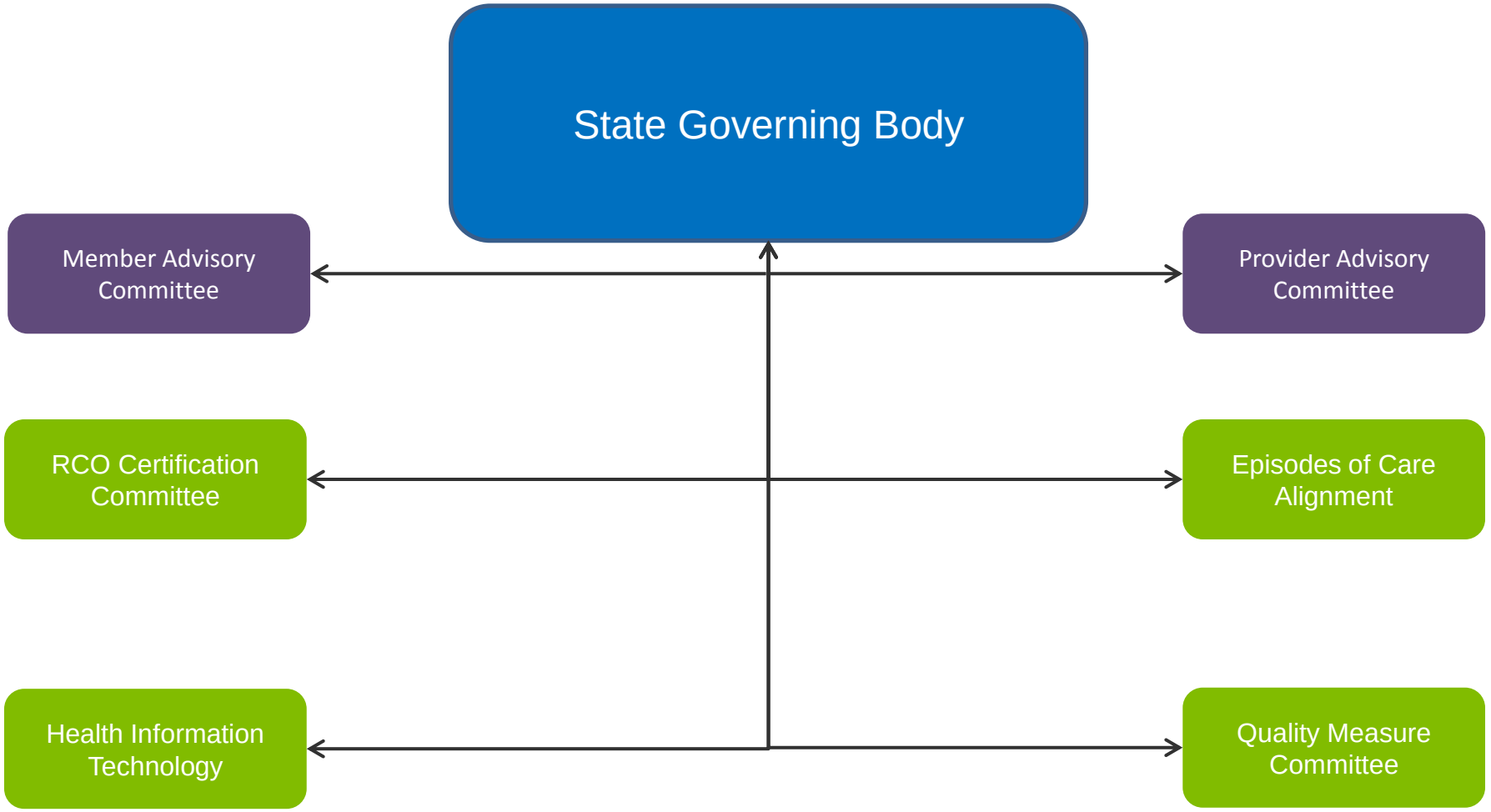
- The draft model requires RCOs be licensed to sell insurance in the State of Oklahoma in order to ensure the organization has the capacity to bear the actuarial risk of being an RCO or partner with an organization that is licensed

RCO Model Topic Discussion

- How likely is this as a multi-payer model?
- Is the model and payment mechanism feasible in Oklahoma?
- Should the RCO be accountable for both actuarial and performance outcomes for the population they are delivering services to?
- What are challenges or barriers to implementing the RCO model in Oklahoma?
- What foundational elements must be in place to successfully achieve the RCO model?
- How should Oklahoma transition to RCOs?

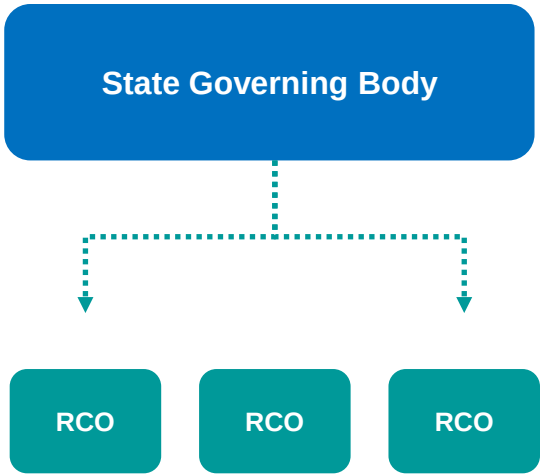
State Innovation Model Governance to SIM Implementation Governance

State Governing Body – Example Advisory Boards and Committees



Structure and Function of the State Governing Body

The State Governing Body will provide oversight to the RCOs through certification and a continuous quality monitoring process for state purchased healthcare. The composition of the body reflects this initial “state-start”. However, the State Governing Body needs to be nimble enough to evolve be multi-payer.



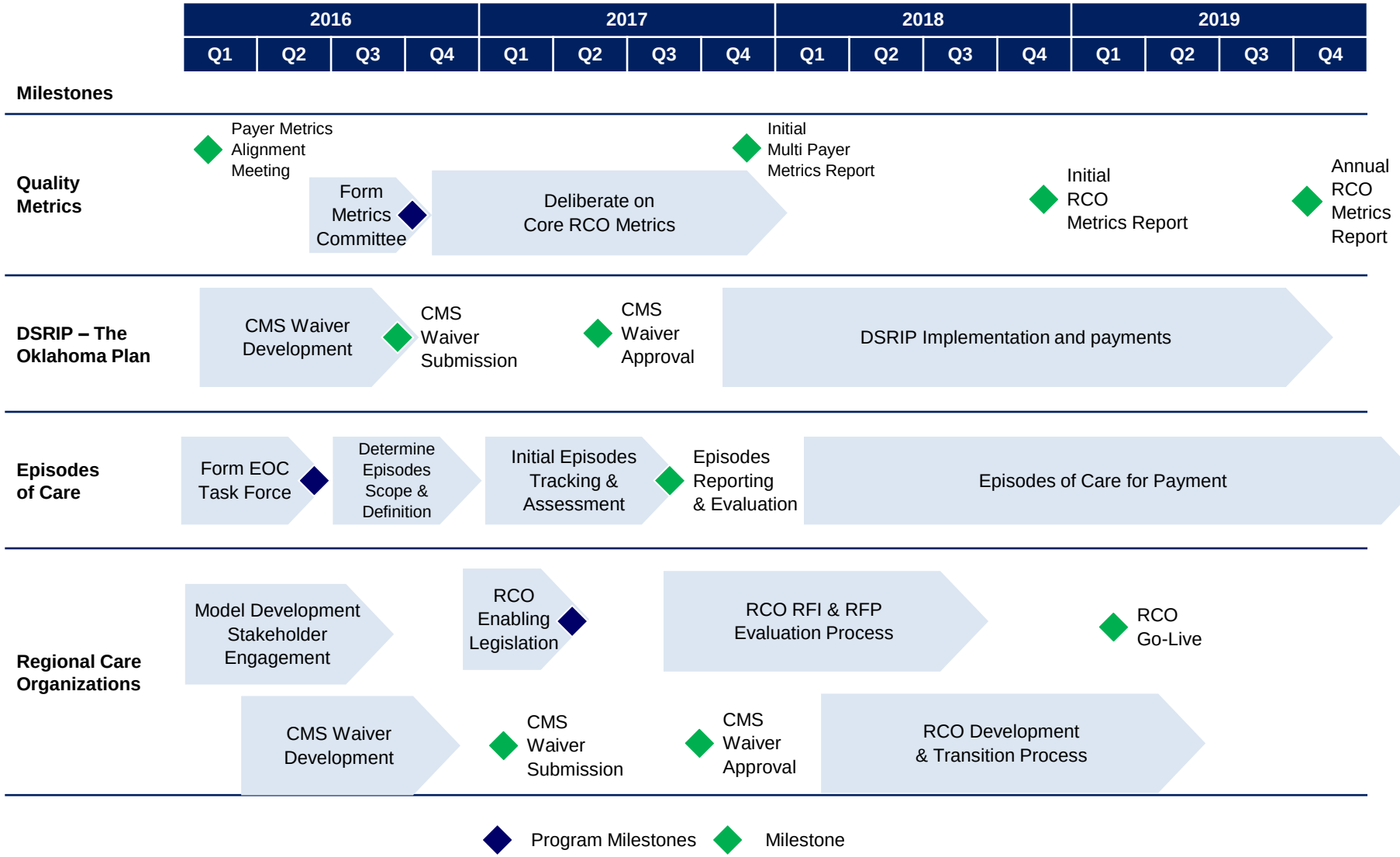
Members of the State Governing Body will include: the Oklahoma Health Care Authority, the Employee Group Insurance Division, the Oklahoma State Department of Health, the Department of Mental Health and Substance Abuse Services, and the Oklahoma Insurance Department, a Representative from the Member Advisory Committee and Provider Advisory Committee, Tribal Representation

Governance Discussion

- Suggestions from stakeholders suggest that the governance body should be comprised of people who pay for care, people who provide care and people who receive care. Does the governance model represent the groups necessary to ensure proper governance of the model?
- Are representatives present in numbers to appropriately reflect the stakeholders they represent?
- As a multi-payer initiative, how should state RCO governance evolve to ensure proper representation of other payers? Should there be a timeline for this?
- What are challenges or barriers that must be overcome to ensure proper governance?

Timeline

OSIM Operational Roadmap – Healthcare System Initiatives Timeline



DSRIP Discussion

- The timeline calls for the following implementation phasing:
  - Multi-payer quality metrics agreement
  - DSRIP launch
  - Episodes of care launch
  - RCO launch

- Is this correct phasing to ensure an orderly transition to payment and delivery reform?

- Does the timeline provide adequate preparation time for transitioning to value based payment systems?

- What challenges or barriers do you see in implementing reform on this timeline?

Next Steps

Calendar Of Events

- Please give or email your comment rubric – osim@health.ok.gov or catherineam@health.ok.gov
  - Please have comments by this Friday, February 26th
- Join another workgroup meeting
  - Health Workforce – February 29th
  - Health E&E – March 1st
- Join us for an All Workgroup Webinar to discuss work to date the financial analysis
  - Tentatively scheduled for 12 noon on March 3rd