

Medicaid Council Meeting

Value Based Purchasing and Measurement of Results

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CT Health Foundation

In collaboration with

Meryl Price, M.H.S.A.

Marcia Stein

Today's Agenda

- Value Based Purchasing
 - What is it?
 - How does it work?
 - Brainstorming:
 - ▶ Goals
 - ▶ Stakeholders
 - ▶ Suggested actions for DSS and OPM
- Purchasing Standards and Measurement
 - What is it?
 - How does it work?
 - Brainstorming
 - ▶ Goals
 - ▶ Focus topics: Consumer Experience and Care Integration

What is Value Based Purchasing?

- A “demand side” strategy, involving the actions of purchasers **to reward excellence in health care delivery**
 - Enhanced reputation and recognition
 - Enhance payment
 - Enhanced market share
- Deployed by purchasers to reform the health care system through **active management of purchasing efforts**
 - Begins with a strategic focused approach to specifying performance requirements and identifying clear consequences for performance
- *Value based purchasing is NOT just a supply side strategy that includes promotion of continuous quality improvement*
 - **The system is not going to reform itself and resources are required to manage**
- Resource intensive activity; many states are not staffed adequately to manage value-based purchasing activities; *yet buying value is difficult without adequate resources to set standards, monitor, collaborate and improve*
- *Aimed at purchaser goals and measures*
 - What matters most to the purchaser (e.g. what is the goal of the ASO program)?
 - How do you know when you got what you wanted?

Exercise 1: ASO Goals for Value Purchasing (Articulated by the Governor)

Goal	How will it happen?	What will be measured? How will you know it when you see it?
Transparency		
Accountability		
Cost-Effectiveness		
Quality Improvement		

Steps To Purchase Value

- **Step 1: Develop contractual terms and purchasing specifications**
 - Articulate what it is you want to buy *up front*
 - Develop a mutual understanding between the purchaser and the supplier or vendor
 - Standards should:
 - ▶ Be comprehensive and address all significant aspects of services for purchase and performance requirements
 - ▶ Be consistent with generally accepted medical practice and set at best practice levels to promote improvement
 - ▶ Address the needs and concerns of the Medicaid population
 - ▶ Be measureable and specific
 - ▶ Be accepted and supported by vendors
 - ▶ Be enforceable by the purchasing agency

Steps to Purchase Value

■ Step 2: Measure

- Assess contractor performance at the outset
 - ▶ Often happens as part of a procurement and then ongoing
- Develop measures to assess performance
 - ▶ Dashboards on key measures
 - ▶ Still need to measure overall performance
 - ▶ Structure and process proceed outcomes
- Having the data does alone does not mean that you are buying value or, that improvement is occurring

Sample Purchasing Standards and Measures

- **Structure:**

Quality Standard: The vendor shall operate an improvement oriented program.

Measure: The vendor shall provide documentation that demonstrates its structure and efforts to continuously improve all aspects of service delivery.

- **Process:**

Quality Standard: The vendor shall develop a process to utilize data to prioritize the most significant opportunities to improve quality and cost effectiveness based on data.

Measure: The agency shall develop an annual plan and incorporate priorities into contractor goals and incentives to address the highest priorities to improve cost-effectiveness and quality.

Sample Purchasing Standards

- **Outcomes:**

Care Management Standard: The vendor shall increase the % of high-risk individuals with multiple co-morbid conditions who have an individualized care plan (ICP) that the member, PCP and relevant team members agree to and employ in care delivery.

Measure: X increase in the % of individuals with an ICP.

Access Standard: The vendor shall decrease inappropriate use of the emergency room and increase access to regular sources of care

Measures: ED visits/1000 trended over time

and % of enrollees with PCP visits in a designated period of time

How to Purchase Value

- **Step 3: Identify Improvement Priorities**
 - Utilize data to identify the most pressing needs and issues, based on contractual requirements
 - Agree on improvements and measures of success
 - ▶ Purchaser role
 - ▶ Vendor role

How to Purchase Value

- **Step 4a: Set Improvement Goals Tied to Contracts and Incentives**
 - Select data-driven priorities for improvement
 - Create a formal process that is part of the contract
 - Attach clear incentives based on measures and demonstrated success
 - Goals should be:
 - ▶ Highly specific
 - ▶ Measurable
 - ▶ Rewarded appropriately

How to Purchase Value

- **Step 4b: Manage Contractual Compliance Generally, and to Goals**
 - Review key aspects of performance (ongoing)
 - Collect data
 - ▶ Meetings (not just for administrative matters)
 - ▶ Ongoing communication
 - ▶ Stakeholder workgroups with common goals and objectives for improvement
 - Establish corrective actions and improvement plans when needed for standard contract requirements
 - Review improvement priorities (in addition to corrective actions) *and establish consequences for poor performance*
 - Review data and improvement at regular intervals
 - ▶ Structures and processes proceed outcomes
 - ▶ Improvement takes time, especially when you are building a new system (e.g. savings will take TIME)

How to Purchase Value

■ Step 5: Collaborate to Improve

- Purchasers and vendors share one overarching objective: *to achieve mutually-desired levels of performance and improvement*
- Collaborative improvement occurs through:
 - ▶ Technical assistance
 - ▶ Working together in a trusting environment
 - ▶ Transparency of effort, data, results

How to Purchase Value

■ Step 6: Re-measure

- Re-measure performance at least annually, with a thorough review of improvement goals at least twice annually (e.g. discussion and “kick the tires”)
- *Absent this step, the state has no basis to evaluate responsiveness or improvement*
- Ensure adequate staffing to measure performance, responsiveness and trends
 - ▶ Obtain input from multiple sources but be clear about who is managing the effort

How to Purchase Value

- Before you begin purchasing....
 - Is there an approach to obtain value within the purchasing agency?
 - Have stakeholders established overall measures of success?
 - ▶ At the agency level
 - ▶ At the stakeholder level
 - ▶ For the overall contract and goals and underlying structures (e.g. PCP practices)
 - ▶ At the provider level (e.g. medical home, health home, ICO)
 - Is there a structure in place to manage value?
 - ▶ What is the oversight structure to manage the contracts?
 - ▶ What is the oversight structure to manage the networks?
 - ▶ What is the process to assess value? Improvement efforts?

How to Purchase Value

- Does the agency have an appropriate complement of staffing to purchase and manage value?
- Does the agency have the ability to attract and retain staff with this very complex skill set?
 - ▶ Number and qualifications of staff
 - ▶ Expertise in purchasing, measurement, negotiation, quality improvement, contracting, evaluation
 - ▶ Supporting functions across the agency (e.g. IT, claims, contracting, fraud and abuse, etc.) and buy-in to supporting the ASO as a core part of their role, not a lower priority task outside of their job
- Is the contract set up to succeed with regard to structures and processes that support:
 - ▶ Data, measurement and reporting?
 - ▶ Transparency?
 - ▶ Stakeholder input?
- Does the agency embrace an approach to value purchasing? What is that approach? How will the approach be executed?

Exercise 2: ASO Goals for Value Purchasing

- What would the Council like to suggest to DSS with regard to value purchasing for the ASO?
- What type of process could you imagine DSS developing to ensure value to manage the ASO?
- What additional information does the Council need regarding DSS's approach to value purchasing for the ASO?
- How could the process better adhere to overall ASO principles (transparency, accountability, cost-effectiveness, quality)

Sample ASO Functions, Standards, Measures

Area	SAMPLE Standards	SAMPLE Measures
Customer Call Center	<p>Calls will be answered in X seconds by a live operator</p> <p>Calls will be responded to in a culturally and linguistically appropriate manner</p>	<p>90% or more answered within XXX seconds or less</p> <p>Staff available that speak X, Y and Z languages who are trained to respond to member inquiries</p>
Utilization Management	<p>Develop comprehensive statewide quantitative performance goals and deliverables which shall include all of the following areas: (i) service utilization management,</p>	<p>Submit performance goals including, but not limited to, utilization management.</p> <p>Demonstrate the appropriate delivery of services against benchmarks.</p>



ASO Functions, Standards, Measures

Area	SAMPLE Standards	SAMPLE Measures
Care Coordination and Care Management	<p>The Contractor must ensure effective linkages of clinical systems among all providers in the Provider Network, including acute, specialty, behavioral health, and long term care providers. The Contractor must ensure that the PCP integrates services, including, but not limited to:</p> <ul style="list-style-type: none"> a. an Individualized Plan of Care for each Enrollee, developed by the PCP with member input; b. written protocols for generating or receiving referrals and for recording and tracking the results of referrals; c. written protocols for sharing clinical and Individualized Plan of Care information, including management of medications with other providers with appropriate releases of information from the member; 	<p>-# or % of enrollees with care plans</p> <p>-# or % of enrollees where the member contributed to care plan development</p> <p>-- # of releases for medical information and sharing</p>



ASO Functions, Standards, Measures

Area	SAMPLE Standards	SAMPLE Measures
<p>Predictive Modeling</p>	<p>Expand Analytic and Reporting Services in support of all Initiatives outlined above:</p> <p>Incorporation of diagnostic groupers and predictive modeling software for targeted care management</p> <p>Risk stratification and care alerts for MH/DD/SA, Pregnancy Home, and Palliative Care initiatives</p> <p>Care alerts to assist with population management/ quality improvement objectives</p> <p>Development of quality measures and reports specific to newer initiatives</p> <p>Risk adjustment capacity for performance measurement</p> <p>Maintain outbound connectivity to SureScripts</p>	<p>Grouper in use</p> <p>Priority lists generated for outreach</p> <p>Use of quality measures and reports with improvement initiatives in place</p> <p>Incorporation of Rx Data in models</p>



ASO Functions, Standards, Measures

Area	SAMPLE Standards	SAMPLE Measures
Health Risk Assessment	<p>Establish Network processes to support the care management of those in the Target Population that are at highest risk and cost, to include, but not be limited to the following:</p> <p>Create an interdisciplinary team to help manage and optimize patient care;</p> <p>Perform health assessments and screenings;</p> <p>Increase the percent of ABD patients meeting CCNC Priority criteria who receive a Comprehensive Health assessment or Intervention to reach of target of 85% each year;</p> <p>Develop patient-centered care plans;</p> <p>Promote a process to develop the skills necessary for patient self-management of chronic conditions;</p>	<p>Health risk assessments are completed on X% of the population</p> <p>Conduct health assessments on 10% more people than the prior year</p> <p>% of enrollees who have care plans in place</p> <p>% of people performing self-care</p>



ASO Functions, Standards, Measures

Area	SAMPLE Standards	SAMPLE Measures
Provider Profiling	The contractor shall conduct provider profiling using, at a minimum, medical, behavioral and pharmacy data to identify and serve high-risk individuals	<ul style="list-style-type: none">-Demonstrate the ability to integrate these data-Demonstrate the ability to utilize data to prioritize enrollee needs and treatment strategies

Outcomes Data/Validated Measures

- Many sources of data
- The data is only as good as the way in which it is used to improve the delivery of services
- Data should not be collected unless it is used to improve the system
- The data needs to be “fed” into an overall Quality Improvement system
 - ASO Role
 - Medical Home Role
 - Health Home Role
 - Other vendors/stakeholders in care delivery

Types of Measures: What Are They and How Can We Use Them?

Domain	Validated Standards	What it tells you? How helpful is this?
Member Satisfaction:	CAHPS	<p>Standardized surveys that ask consumers and patients to report on and evaluate their experiences with health care. These surveys cover topics that are important to consumers, such as the communication skills of providers and the accessibility of services. CAHPS originally stood for the Consumer Assessment of Health Plans Study, but as the products have evolved beyond health plans, the name has evolved as well to capture the full range of survey products and tools.</p> <p>DIS</p>
Effectiveness of Care Measures:	HEDIS	<p>HEDIS is a tool used by more than 90 percent of America's health plans to measure performance on important dimensions of care and service. Altogether, HEDIS consists of 75 measures across 8 domains of care. Because so many plans collect HEDIS data, and because the measures are so specifically defined, HEDIS makes it possible to compare the performance of health plans on an "apples-to-apples" basis. Health plans also use HEDIS results themselves to see where they need to focus their improvement efforts.</p> <p>HEDIS measures address a broad range of important health issues. Among them are the following:</p> <ul style="list-style-type: none"> •Asthma Medication Use •Persistence of Beta-Blocker Treatment after a Heart Attack •Controlling High Blood Pressure •Comprehensive Diabetes Care •Breast Cancer Screening •Antidepressant Medication Management •Childhood and Adolescent Immunization Status •Childhood and Adult Weight/BMI Assessment

Types of Measures: What Are They and How Can We Use Them?

Domain	Validated Standards	What it tells you? How helpful is this?
Quality Improvement	NCQA Health Plan Standards	Explores various aspects of structures and processes to ensure quality oversight and improvement in health care programs
Outcomes Measures:	AHRQ Prevention Quality Indicator Measures and HEDIS Use of Services	<u>Measure Summary:</u> 74 total current CMS outcome measures in use (approximately) 28 Inpatient (including QIO) 8 Physician 12 Home Health 14 Nursing Home 4 ESRD 8 Medicare Advantage
Home Grown Structure and Process	Other state contracts (best practices)	What is happening, how is it happening, is it working? Very helpful to value based purchasing....Structure and process proceeds outcomes as illustrated in this deck

Exercise 4: What Measures Matter Most to YOU?

- What do you want to measure?
 - Is the overall system functioning?
 - ▶ Is the system in place? Are processes in place?
 - ▶ Are the things that need to happen happening?
 - ▶ Is quality built-in throughout the system?
 - ▶ Does the system have the support it needs (e.g. data) from DSS?
 - Are the needs of high-risk enrollees being met?
 - ▶ Assessment and care planning
 - ▶ Member involvement and self-care
 - ▶ Targeted support for those who need it most and can benefit
 - ▶ Integration of services across the continuum
- Are preventive services being delivered?
- Is the system saving money (while maintaining and improving quality)?
- Is there transparency? accountability? Improvement?
- Are outcomes improving? What TYPES of outcomes matter most?
 - ▶ Avoidable hospitalization
 - ▶ Unnecessary emergency department utilization
 - ▶ Utilization of primary care services
 - ▶ Decreases in cost
 - ▶ Decreased re-admissions within 30 days?

Exercise 3a: What Type of Standards Do you Envision for Care Coordination and Management?

Exercise 3b: What Type of Standards Do you Envision for Customer Experience?

Next Steps?????

- Suggestions for the Council

About The Connecticut Health Foundation (CT Health)

- Patricia Baker, CEO of CT Health, provided leadership and funding for this initiative.
- CT Health is the state's largest independent, philanthropic organization dedicated to improving lives by changing health systems. Since it was established in July 1999, the foundation has supported innovative grant-making, public health policy research, technical assistance and convening to achieve its mission - to improve the health of the people of Connecticut particularly the unserved and underserved. Since it was established, CT Health has awarded 530 grants totaling over \$41 million.
- The foundation achieves its mission by focusing on the following:
 - Improving Access to Children's Mental Health Services
 - Reducing Racial and Ethnic Health Disparities
 - Supporting the incorporation of oral health in health care, human service and education systems
- Aside from directly supporting community-based and institutional grant proposals, CT Health fosters discussions surrounding public health issues by convening meetings, conferences, educational briefings, grantee technical assistance workshops, etc.
- The foundation invests resources into conducting objective, nonpartisan policy research on issues important to the public health care debate such as the state budget spending cap, the state's Medicaid system, and expanding oral health care for publicly insured children throughout the state.

