



# Paying for Value

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# HCA: purchaser, convener, innovator



Purchases health care for over 2.2 million people through Medicaid (Apple Health) and Public Employees Benefits (PEBB) Program



\$10 billion annual spend



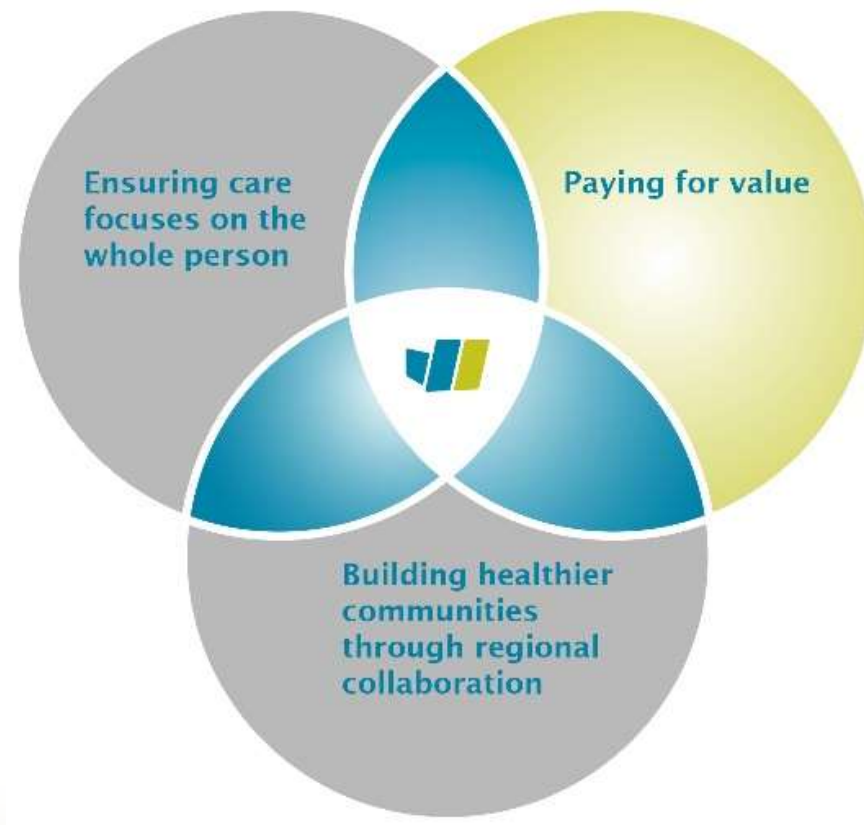
Large network overlap between both programs



Value-based purchasing mandate



# Healthier Washington



# What is "Paying for Value?"



# 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

# HCA purchasing goals

By 2020:

- Medicaid purchasing of physical and behavioral health services will be fully integrated via managed care statewide.

By 2021:

- 90 percent of state-financed health care and 50 percent of commercial health care will be in value-based payment arrangements (measured at the provider/practice level).
- Washington's annual health care cost growth will be below the national health expenditure trend.

# Key strategies



# HCA Value-Based Road Map

- Reward patient-centered, high quality care
- Reward health plan and system performance
- Align payment and reforms with CMS
- Improve outcomes
- Drive standardization
- Increase sustainability of state health programs
- Achieve Triple Aim

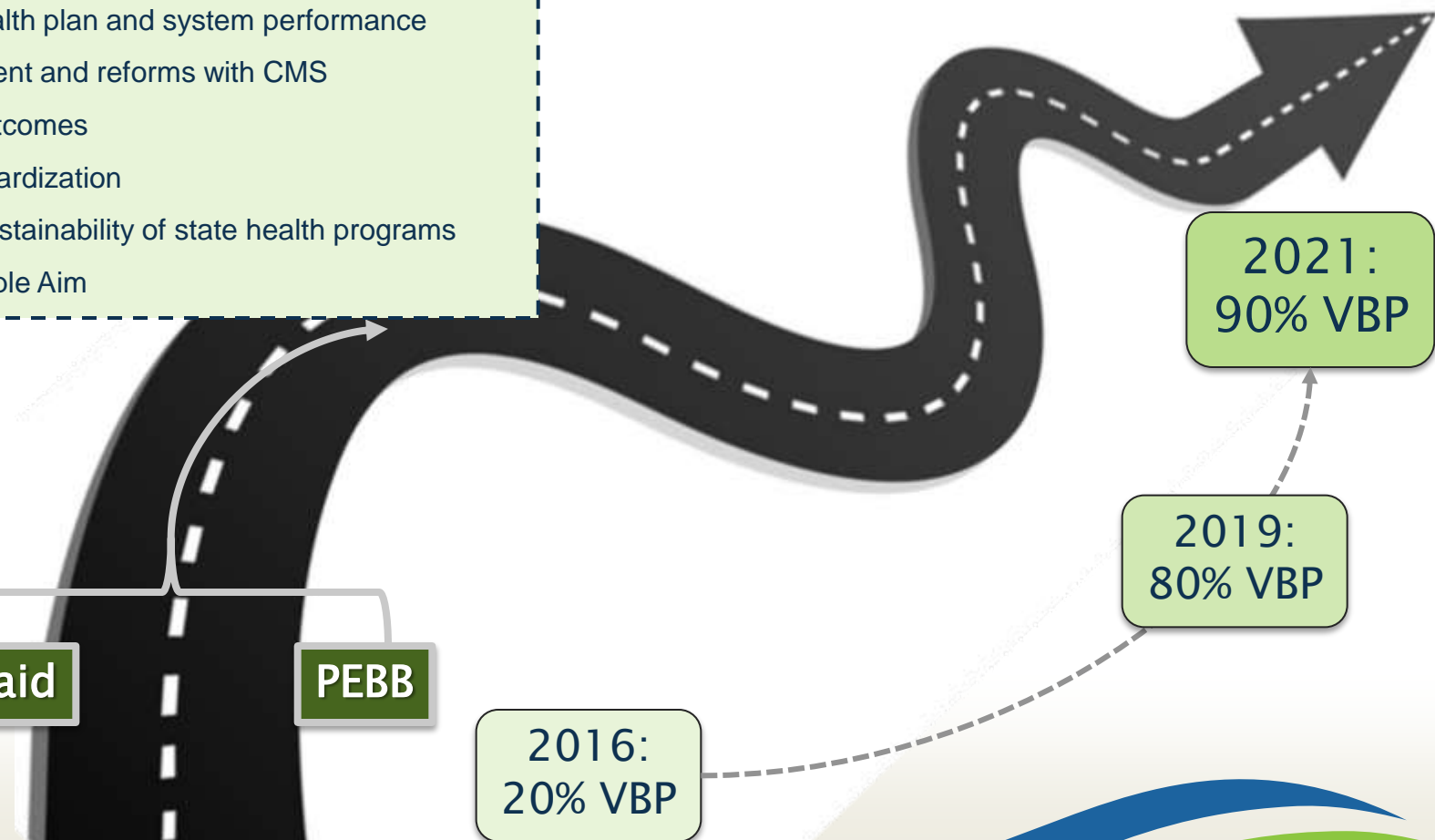
Medicaid

PEBB

2016:  
20% VBP

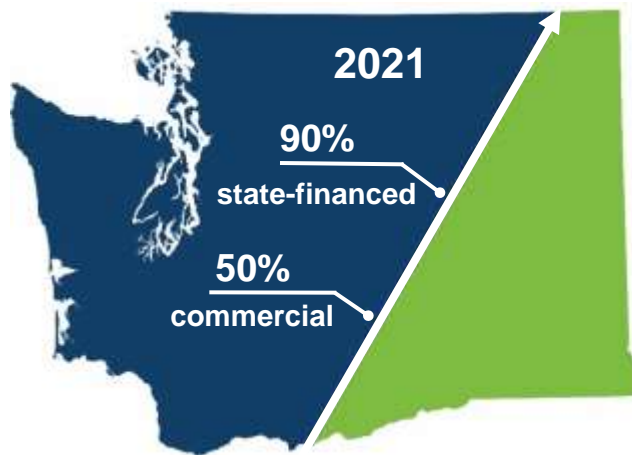
2019:  
80% VBP

2021:  
90% VBP



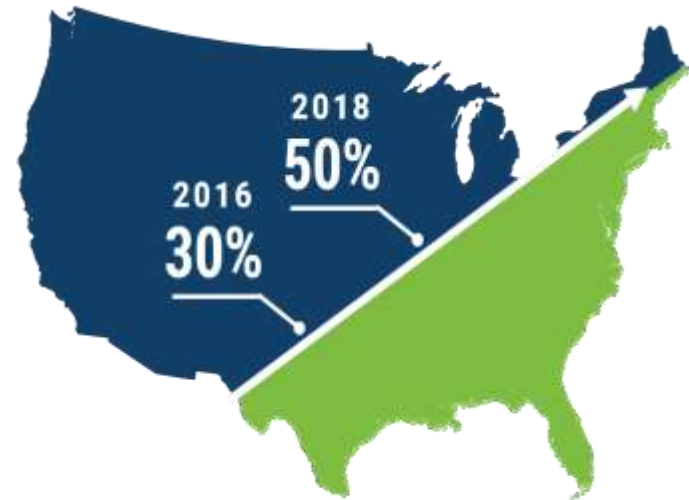


# HCA and Medicare's VBP goals



2021  
90%  
50%

In 2021, at least **90%** of state-financed health care payments and **50%** of commercial health care payments are linked to quality and value through APMs (Categories 2c-4b)



2016  
30%

In 2016, at least **30%** of Medicare payments are linked to quality and value through APMs

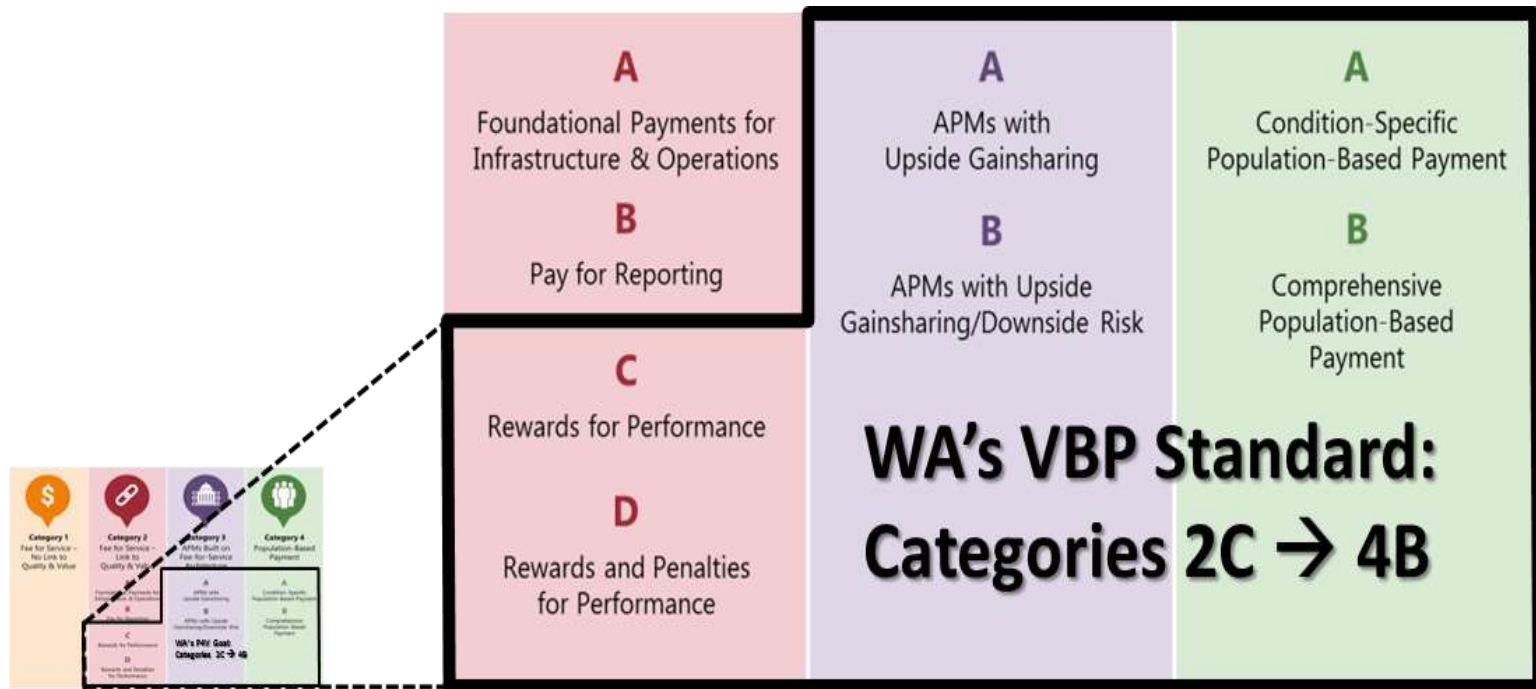
2018  
50%

In 2018, at least **50%** of Medicare payments are linked to quality and value through APMs

# Defining Value-Based Payments using CMS' Alternative Payment Model Framework



# Alignment with CMS' Alternative Payment Models Framework



# Alignment with Full Integration

- Fully Integrated Medicaid purchasing provides an opportunity for MCOs and providers to establish value-based payment arrangements that support integrated clinical models and whole-person care
- For the first time, providers can integrate physical and behavioral services in one practice, and be paid with a value-based payment that supports the full continuum of services

# Delivery system transformation

## Key strategies

- Bree Collaborative Recommendations
- Shared Decision Making
- Statewide Common Measure Set



## Technical assistance

- Practice Transformation Hub
- HILN– Clinical Engagement Accelerator Committee
- P-TCPI

# Paying for value take-aways

- HCA is transforming the way it purchases health care.
- HCA is aligning its business with national movement away from fee-for-service to integrated payments based on value.
- Fully integrated managed care offers a new opportunity to support integrated physical/behavioral health clinical models with VBP payment arrangements
- End result is better care, healthier people, and lower costs for Washington residents.

# Questions?

More Information:

<http://www.hca.wa.gov/about-hca/road-value-based-purchasing>

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