Health System Transformation:
Quality & Accountability

Judy Mohr Peterson,
Dir. of Medical Assistance Programs Oregon Health Authority
National Association of Medicaid Directors, November 2012
Health System Transformation

- Sick care – not health care
- Unsustainable
- Poor outcomes for the dollars that we spend
- Non-integrated or coordinated care.
- Focus on acute care, not promotion of health and preventive care

Meanwhile..................
We can’t afford this anymore

If food had risen at the same rates as medical inflation since the 1930s:

- 1 dozen eggs $80.20
- 1 dozen oranges $107.90
- 1 lb. of bananas $16.04
- 1 lb. of coffee $64.17

Source: American Institute for Preventive Medicine 2007
Triple Aim:  
A new vision for Oregon

2. Better care.
3. Lower costs.

www.health.oregon.gov
Changing health care delivery

Benefits and services are integrated and coordinated

One global budget that grows at a fixed rate

Metrics: standards for safe and effective care

Local accountability for health and budget

Local flexibility

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Focus on Outcomes:

- Focus on improved health outcomes for OHP members and for the community

- Focus on care that is at
  - Right time, right place, right provider

- Change how care is provided

- Change how care is paid for
Focus on Outcomes

- Quality Strategy – comprehensive that aligns with goals of health system transformation
  - Focus less on traditional elements from BBA to Innovative – learning collaboratives, innovator agents

- Promote innovation
  - Focus on key behaviors we want to see in the healthcare system
  - Learning collaboratives
  - Innovator agents

- Contract:
  - Must describe their transformation plans
  - Alternative payment methodologies with their providers
  - Quality incentives for providers
Focus on Outcomes

- Quality Pool: outcome measures in each of 5 core areas
  - Quality, Access, Cost, Pt. Ctrd Primary care homes; Electronic health records
  - Be like Goldilocks: Not too many; not too few
  - More measures on behavioral health integration and changing way care is provided
- Tracking and Reporting metrics (CHIPRA and Adult core set +)
How get Comprehensive Health Reform?

- Unified vision and singular focus – leadership to staff
- Extensive stakeholder and public engagement
  - Over two year period over a hundred: town halls, stakeholder meetings, tribal consultations, presentations all over the state
- Extensive engagement with CMS – far beyond typical waiver negotiations
Arkansas Medicaid: Payer as QI Agent

William Golden MD MACP
Medical Director, Arkansas Medicaid
UAMS Professor of Medicine and Public Health
Hospital P4P

- Inpatient Quality Initiative (IQI)
  - Now in 6th Year
  - ~5% Withhold From Per Diem Raise
  - Pass 2/3 of Metrics
    - 75th Percentile of Previous Year OR
    - 35% Reduction in Failure Rate
  - Bonus for PPS Hospitals – Recognition for Others
Ambulatory Care

- QI Projects
  - Provider and Patient Education Materials
  - Academic Detailing
- New Wave
  - Dashboards for Health Systems
  - Leverage Emerging Administrative Infrastructure
Performance Trend, SFY 2010 - SFY 2011

System 1
System 2
National HEDIS Medicaid 50th Percentile
Comprehensive Diabetes Care - LDL-C Screening

Clinic Performance Variations

- 2010: All Clinics = 60%, Lowest Performing Clinic = 20%, Highest Performing Clinic = 80%
- 2011: All Clinics = 60%, Lowest Performing Clinic = 20%, Highest Performing Clinic = 80%
Building a healthier future for all Arkansans
Designing episode payment for Arkansas: some principles

<table>
<thead>
<tr>
<th>Principle</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Patient-centered</td>
<td>Focus on improving quality, patient experience and cost efficiency</td>
</tr>
<tr>
<td>Clinically appropriate</td>
<td>Evidenced-based design with close input from Arkansas patients and providers</td>
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<tr>
<td>Practical</td>
<td>Consider scope and complexity of implementation</td>
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<tr>
<td>Data-based</td>
<td>Make design decisions based on facts and data</td>
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</table>
Payment Improvement Initiative

- Episode Based Payments
  - Retrospective Reconciliation
  - Efficient Providers Eligible for Gains Sharing
    - Must Demonstrate Effectiveness: ie Pass Quality Metrics
      - Good Performance vs Excellent Performance
Distribution of provider average costs for General URIs in SFY2010

Provider average costs for General URI episodes
Adjusted average episode cost per principal accountable provider

Average cost / episode

Dollars ($) 0 10 20 30 40 50 60 70 80 90 100 110 120 130 140 150

Antibiotics prescription rate above episode average
Antibiotics prescription rate below episode average

1 Each vertical bar represents the average cost and prescription rate for a group of 10 providers, sorted from highest to lowest average cost
2 Episode average antibiotic rate = 41.9%

SOURCE: Arkansas Medicaid claims paid, SFY10
## Quality indicators and provider input tracked through portal

<table>
<thead>
<tr>
<th>Indicators based on claims data only (examples)</th>
<th>Indicators from portal submissions</th>
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</thead>
<tbody>
<tr>
<td><strong>Ambulatory URI</strong></td>
<td></td>
</tr>
<tr>
<td>▪ Episodes with antibiotics usage</td>
<td>▪ None</td>
</tr>
<tr>
<td>▪ Episodes with multiple courses of antibiotics</td>
<td></td>
</tr>
<tr>
<td>▪ Avg number of visits per episode</td>
<td></td>
</tr>
<tr>
<td>▪ Episodes with antibiotic usage receiving strep test (Pharyngitis)</td>
<td></td>
</tr>
<tr>
<td><strong>Perinatal (non-NICU)</strong></td>
<td></td>
</tr>
<tr>
<td>▪ HIV screening</td>
<td>▪ None</td>
</tr>
<tr>
<td>▪ GBS screening</td>
<td></td>
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<tr>
<td>▪ Chlamydia screening</td>
<td></td>
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<tr>
<td>▪ Ultrasound screening</td>
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<tr>
<td>▪ Screening for Gestational Diabetes</td>
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<tr>
<td>▪ Hep. B specific antigen screening</td>
<td></td>
</tr>
<tr>
<td>▪ C-Section Rate</td>
<td></td>
</tr>
<tr>
<td>▪ % of episodes with medication</td>
<td>▪ “Quality assessment” or “Continuing care” certifications (% completed)</td>
</tr>
<tr>
<td>▪ Avg number of visits per episode</td>
<td>▪ Severity certifications (% of episodes classified as Level II)</td>
</tr>
<tr>
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<td>▪ % of episodes certified as non-guideline concordant</td>
</tr>
<tr>
<td><strong>ADHD</strong></td>
<td></td>
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<tr>
<td>▪ Outpatient follow-ups w/in 7 &amp; 14 days post discharge</td>
<td></td>
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<tr>
<td>▪ 30-day readmission rate for heart failure patients</td>
<td></td>
</tr>
<tr>
<td><strong>Acute/post-acute CHF</strong></td>
<td></td>
</tr>
<tr>
<td>▪ 30 day all cause readmission rate</td>
<td>▪ Rate of Post-op DVT/PE during the inpatient stay</td>
</tr>
<tr>
<td>▪ 30 day wound infection rate [requiring hospitalization]</td>
<td></td>
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<tr>
<td>▪ % Patients transferred to SNF/ Rehab</td>
<td></td>
</tr>
<tr>
<td>▪ Average Length of stay at SNF/ Rehab</td>
<td></td>
</tr>
<tr>
<td><strong>Hip/Knee replacements</strong></td>
<td></td>
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<tr>
<td>▪ HIV screening</td>
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**SOURCE:** AR Medicaid claims SFY 2011; AR BCBS claims CY2011
Example pages of provider report – overall results and report summary

Overall results

- Upper Respiratory Infection – Pharyngitis
  - Quality of service requirements: Not met
  - Average episode cost: Commendable
  - Your gain share: You are not eligible for gain sharing

- Upper Respiratory Infection – Sinusitis
  - Quality of service requirements: Met
  - Average episode cost: Commendable
  - Your gain share: You will receive gain sharing

- Upper Respiratory Infection – Non-specific URI
  - Quality of service requirements: Met
  - Average episode cost: Not acceptable
  - Your gain share: You are subject to risk sharing

- Attention Deficit Hyperactivity Disorder
  - Quality of service requirements: Met
  - Average episode cost: Commendable
  - Your gain share: You will receive gain sharing

Report summary

- Summary – Perinatal
  - Total episodes: 262
  - Total episodes included: 233
  - Total episodes excluded: 29
  - Cost of care compared to other providers
    - $3000
    - $3000 to $4000
    - > $4000
    - Gain share
      - $X

- Quality of services summary
  - HIV screening rate: 97%
  - Asymptomatic screening rate: 80%
  - Gestational diabetes screening rate: 68%

- Quality metrics – linked to gain sharing
  - Percentile breakdown of provider average episode cost

- Key utilization metrics
  - C-section rate
  - Avg number of ED visits per episode
    - You: 1
    - Provider average: 2