2019 Hawaii State of Reform

The Strategic Evolution of Plan-Provider Relations

Panel Presentation 10:30 – 11:15am

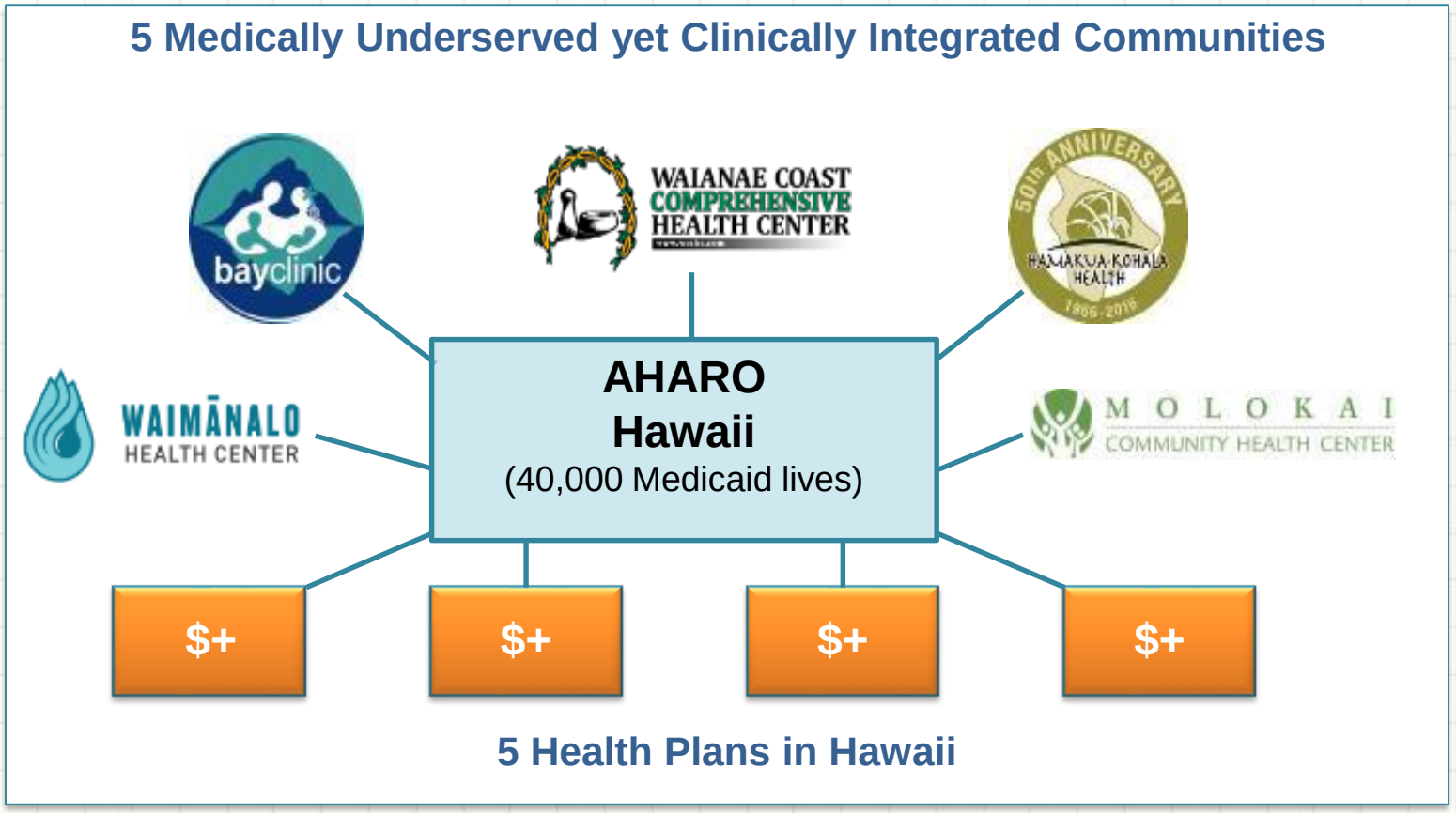
Harold Wallace: CEO, Bay Clinic/ AHARO

David Heywood: CEO, United Healthcare Community Plan of Hawaii

Winnie Suen, MD: Chief Medical Officer, Queens Clinically Integrated Physician Network

January 15, 2019

Engagement of Community in Payment Reform



Harold Wallace, CEO, Bay Clinic, Inc.

Consumer Leadership Conference Series
Bay Clinic, Inc. and Waianae as Conference Hosts

A list of the conferences – see the report "Summary of 2008 – 2018 Consumer Leadership Conference Series" summarizing these reports on www.AHARO.net

Journey to an Island Healthcare Home
December 1-3, 2008 ~ Ko Olina, Hawaii
Hosted by Waianae Coast Comprehensive Health Center

The Rising Stars of Healthcare Reform (Consumer Board Members)
August 23-25, 2010 ~ Imiloa Astronomy Center ~ Hosted by Bay Clinic, Inc.

The Mission: Consumer Leadership in Healthcare Transformation
August 25-26, 2011 ~ San Ysidro, California ~ Hosted by San Ysidro Health Center

The Journey Continues: Consumer Leadership in Healthcare Transformation – Finding the Value & Sharing the Savings
March 19, 2012 ~ Washington, D.C.
(Conducted as a component of AAPCHO's 25th Anniversary Leadership Conference)

Journey Back to Your Island Healthcare Home
November 28-30, 2012 ~ Ko Olina, Hawaii ~ Hosted by Waianae Coast Comprehensive Health Center

Healing Spirits of Kilauea
December 4-6, 2013 ~ Volcano, Hawaii ~ Hosted by Bay Clinic, Inc.

Journey Back to your Island Healthcare Home
December 3-5, 2018 ~ Ko Olina, Hawaii
(Ten Year Anniversary Conference)

From These Series of Conferences, AHARO Hawaii was Created

- Envisioned as virtual ACO (Accountable Health Alliance of Rural Oahu)
- Currently a Clinically Integrated IPA and much like a network of like minded communities eager to prove value adding Big Island centers and Molokai.
- Meet the test of “community engagement” to be eligible to join. (see www.AHARO.net for our principles of community engagement)

Our Evolving Payment Model - 2018

- AHARO Hawaii is now incorporated. We are clinically integrated.
- We continue to hold quarterly workshops with consumer board members on payment reform.
- We are aggregating data and performance dashboards together, have clinical committee.
- In 2018, AHARO Hawaii will negotiate managed care contracts for members that lead to:
  - ✓ Care coordination HIT funding through AHARO Hawaii
  - ✓ Quality improvement in addressing social determinants will continue with AHARO taking lead (pain management, high-risk perinatal, etc.) (see www.AHARO.net)
- Moving gain share model from aggregated Center based risk pools to high-risk cohorts.
- Currently one of our sponsors is UnitedHealthcare (Thanks Dave Heywood)

The Provider-Payer Partnership: The AHARO "apm" Model

1. **Key Aspect of Model:** The Health Centers are active participants in addressing the total cost of care of patients "fairly" attributed to them
2. **Key Strategy of Model:** Reduce preventable costs within this "risk pool" and share any savings created, focus on high risk cohort to address attributing issues and lack of population risk adjustment.
3. **How have we been measuring FQHC performance in reducing preventable costs? (Waianae Pilot)**
    - Manage inpatient care transitions (follow up within 7 days)
    - Decrease hospital-based Emergency Department "High Utilization"
    - Reduce overall rate of hospital-based Emergency Department use (ED visits/1,000 members)
    - Manage high risk cohort patients
    - Increase Advance Healthcare Directives on file
4. **Addresses social determinants of health** by establishing standards for community selected social service proficiencies and incentivizing "quality" improvements in these areas. Solutions must be community driven.
5. **Key System Components:** Joint investment in community-based care coordination and HIT – Key infrastructure for change. Avoid 5 different sets of care coordinators and HIT tools from 5 different health plans.

Adjusting Our Course Towards A Health Center / Health Plan Partnership Under Hawaii's 1115 Waiver

The 3 Keys to Transformation:

- Trust
- Correctly Aligned Incentives that motivate all involved
- Useful and Transparent Exchange of Data

Community Health Center Transformation Goals

Medical Model → **Healthcare Model** → **Community Development Model**

Health Plan Transformation Goals (Assumed):

- Fulfill mission to assist health centers in healthcare transformation.
- Facilitate quality and efficient care for its enrollees.
- Serve medical network as preferred Medicaid and Medicare health plan in Hawaii.

Potential AHARO Payment Moving Forward Under Hawaii's 1115 Waiver

PPS PAID BY PLAN	CONTRACTED PAST	FUTURE
Gain Share	Attribution/Assignment Issues	Aligned Incentive High Risk/High Cost Patients
Capitation For Addressing Social Determinants	Prospective Capitation	No results funding goes away
System Investment	Matching fund varies by plan	More clarity on deliverables
Quality Improvement	State incentive to plan – we participate	Selection of realistic goals
Non-PPS/Other	Includes Nutrition/CSAC etc./Pain Management	Negotiated with health plans

Mahalo

Dave Heywood, Health Plan CEO

UnitedHealthcare Community Plan

- Increasing expectation of healthcare transformation is driving evolution of provider/payer relationship
- Healthcare financing and delivery systems will lead (or be led) to adopt change from payment for services to payment for value
- Key attributes of value based purchasing: quality, efficiency and lower costs – healthcare delivery structured to improve health outcomes
- Flexibility will be key as Hawai'i continues in this local and national transformation – diverse delivery system, diverse population
- The traditional health plan – provider relationship is in transition with greater need for transparency, communication and collaboration
- CMS (Medicare) and State of Hawaii Medicaid driving transition in healthcare financing and expectations of healthcare delivery system
- Alternative Payment Model ranging from traditional FFS to population-based payment

Alternative Payment Model (APM) Framework

UnitedHealthcare Community Plan

Category 1	Category 2	Category 3	Category 4
Fee for Service - No Link to Quality & Value	**Fee for Service – Link to Quality & Value** A – Foundational Payments for Infrastructure & Operations B – Pay for Reporting C – Pay for Performance	**APMs Built on Fee for Service Architecture** A – APMs with Shared Savings w/ Upside Risk Only B – APMs with Shared Savings with +/- Risk	**Population Based Payment (PBP)** A – Condition Specific PBP B – Comprehensive PBP, global budget C – Integrated Finance & Delivery System

Source: Health Care Payment Learning & Action Network hcp-lan.org

Public-private partnership to accelerate transition from FFS to model that pays providers for quality care, improved health & lower costs.

Providers & Payers - Challenges & Opportunities

UnitedHealthcare Community Plan

- "One Size Does Not Fit All" – single model or limited set of models likely would not work given diverse healthcare delivery system – flexibility is key in order to transition healthcare reimbursement structure
- Recognition of resource limitations – availability of capital ($, IT, personnel, etc.) to enable health care financing and delivery systems to transform & stabilize
- Potential for inefficiency and creating additional costs to the overall system – redundancy, multiple layers of administration, non-interfaced technology, competing programs, etc.
- Consolidation, collaboration, partnerships/alliances can help facilitate and support payer and provider development, transition and long-run success
- Drive for payment transformation can also be catalyst for other opportunities in health plan – provider relations including areas of administrative simplification (credentialing, authorizations, eligibility, data exchange, etc.)

Communicate, collaborate, and work towards common objectives

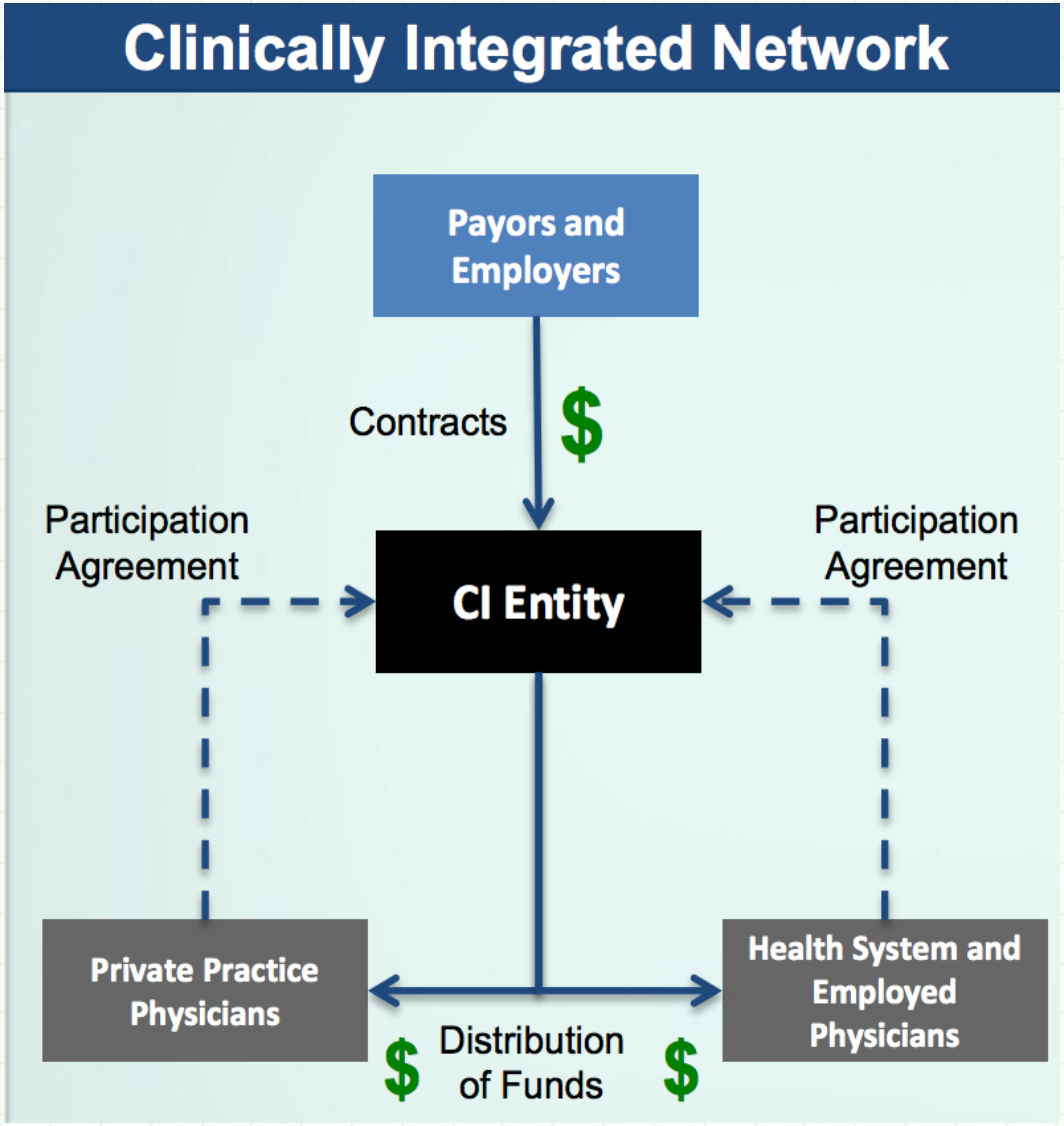
QUEEN'S CLINICALLY INTEGRATED PHYSICIAN NETWORK

Winnie Suen, MD
Chief Medical Officer

QUEEN'S CLINICALLY INTEGRATED PHYSICIAN NETWORK

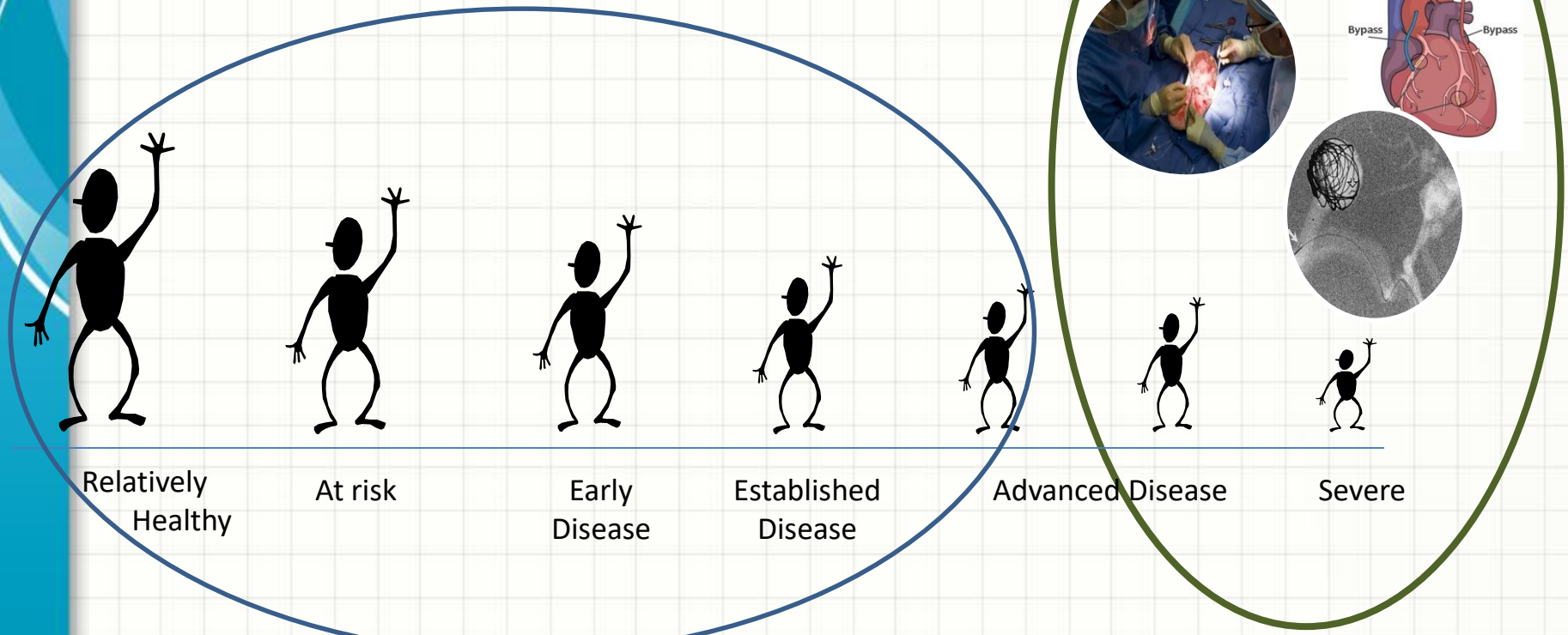
Selective partnership of physicians/providers

- Deliver evidence based care
- Improve quality, efficiency, coordination of care
- Demonstrates value to market



Right care
Right place
Right time

Traditionally:
Hospital-Centric

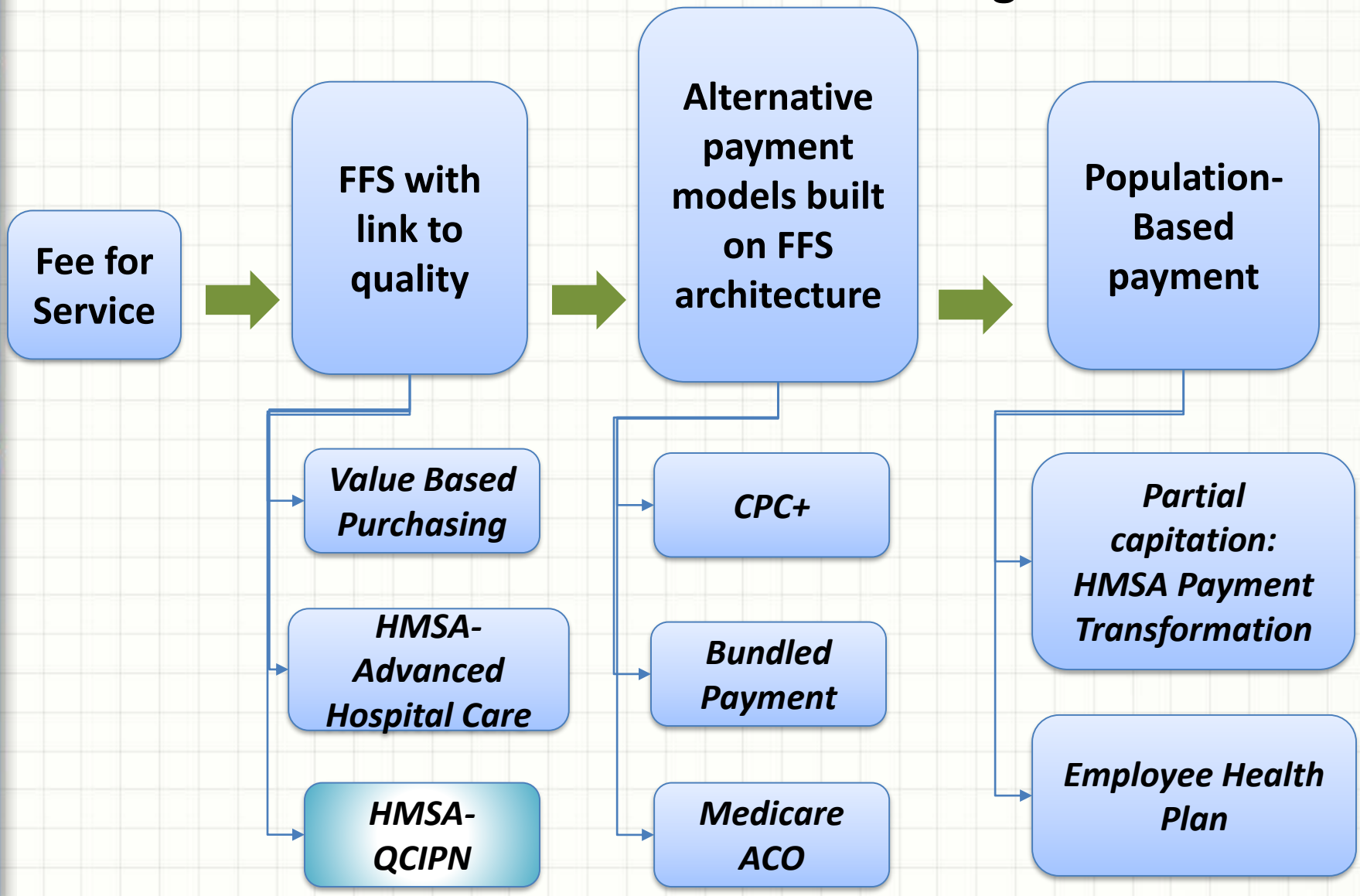


80% population / 20% cost

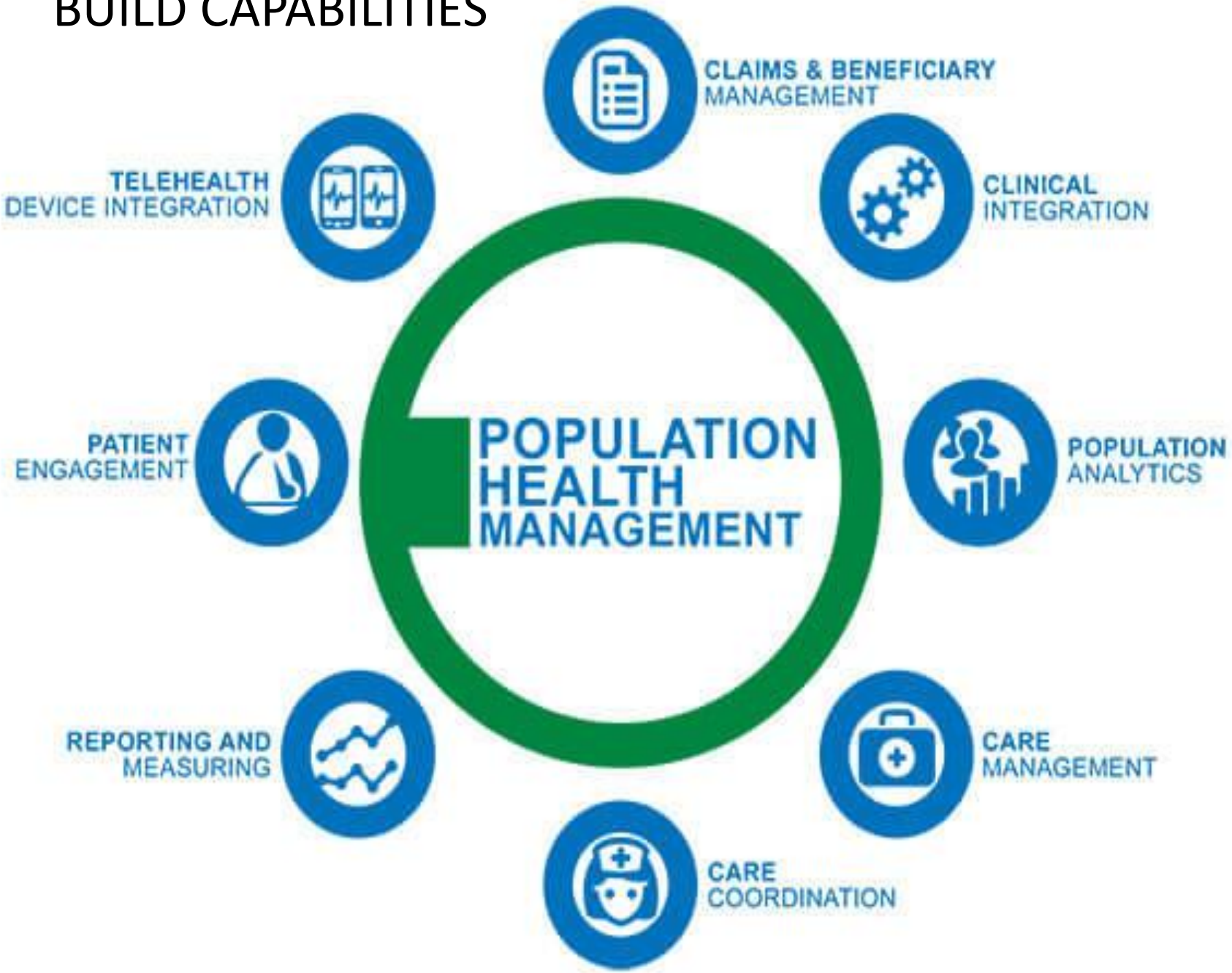
20% population / 80% cost

Payment Models that will support

Right care
Right place
Right time



BUILD CAPABILITIES



Summary

The trend is toward population based payment models with the overall objective to better enable the right care, in the right place, at the right time.

Hawai'i needs to have the **appropriate provider-payor partnerships** to help build the capabilities to enable this transition of the health care financing & delivery systems.

Flexibility and collaboration will be key – recognizing scale & resources within our healthcare system, range of patient population complexities, cultural diversity and island geography.

Questions & Answers