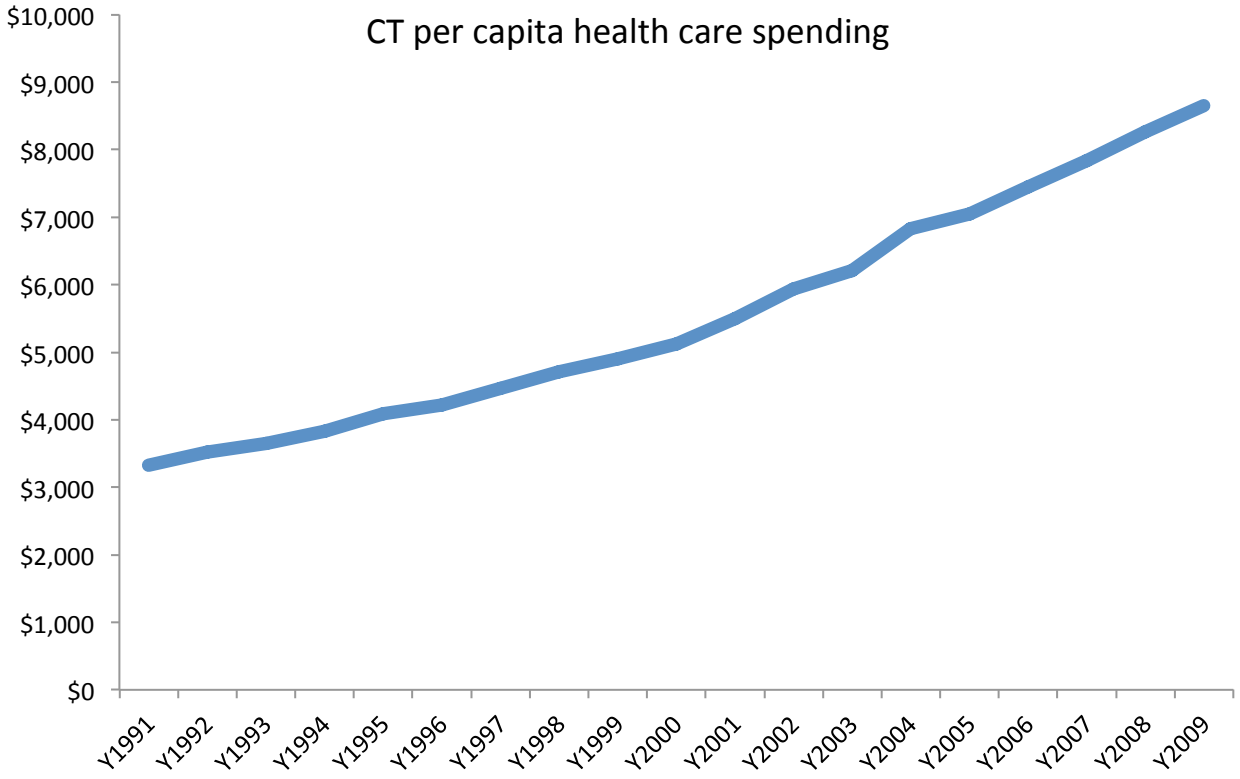
CT's SIM – health care reform to cover everyone

Ellen Andrews, PhD
CT Health Policy Project
November 5, 2013

Connecticut Health Policy Project

CT health care spending is rising



Source: CMS

Not getting what we pay for

- Only 51% of CT adults over age 50 receive recommended screenings and preventive care
- 17% of CT residents with asthma visit the ER annually
- 11% of CT hospitalizations, costing $1.2 billion each year, could be prevented with better access to adequate primary care

Current FFS incentives

- In fee for service we pay the same for high and low quality services
- Consumers have no information and no incentive to choose higher quality/higher efficiency services or providers
- Encourages overuse, misuse of services
- Higher spending not correlated with higher quality
- Higher spending not correlated with better patient satisfaction

Value based purchasing

- Rewards better outcomes
- Payments based on value -- quality balanced with cost
- Data driven
- Remove incentives for more services
- Reward providing the right services to the right patient at the right time in the most effective setting
- Flexibility for providers to customize care
- Reward patient satisfaction
- Remove fragmentation and conflicting incentives
- Align provider, payer and consumer incentives to reward quality, effectiveness and efficiency

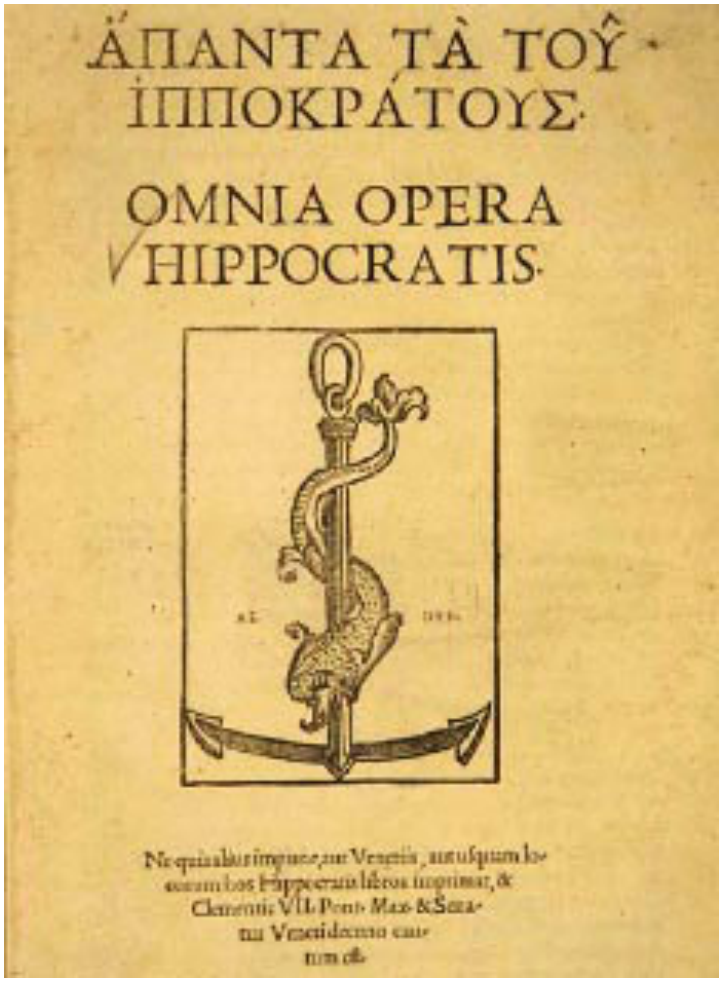
Options

- Never events
- Transparency
- Pay for performance (P4P)
- Market share – tier and steer
- Shared savings
- Episodes of care, bundled payments
- Global capitation

But . . . .

- Very new, untested
- Well-resourced, sophisticated pilots in other states are struggling
- Have to evaluate and monitor for unintended consequences
- Have to ensure incentives don’t encourage poor quality, under-treatment
- Need strong grievance and resolution mechanisms
- Need to engage consumers in policymaking

First, Do No Harm



State Innovation Model

- Federal grant opportunity -- $3 million
- To plan care delivery and payment reform to cover at least 80% of state residents
- 16 states chosen
- Deliverables –
  - a comprehensive state plan for reform
  - an application for another competitive grant for aprox. $50 million to implement

State Innovation Model

- Grant awarded in February
- Steering committee and 3 workgroups
  - HIT, payment and care delivery
- No independent consumers on any committee
- Started meeting in June, was to finish in August
  - Grant extended by CMS to end of November
- No transparency, not public process

HIT plans

- Start where we are
- Build and enhance APCD
- Payer analytics to track spending and care
- Connect payers-providers-patients
- Patient portal development
- Common provider portal across payers

Care delivery plans

- Create new, CT-specific Advanced Medical Home certification
- Will pay based on consumer experience of care and health equity
- Consumer engagement mixed
  - shared decision-making, but not care planning
- Evidence-based care
- Community Health Workers featured
- Will create Community-certified entities to support AMHs

Payment model plan

- Shared savings – upside and downside risk
- Will develop minimum quality levels
- Plan new measures of access to care, equity and appropriate treatment
- But will NOT disqualify bonus payments if from under-treatment
- Glide path for some providers who aren't ready for financial risk
- At least 80% of all state residents in shared savings model by 2018

Payment model plan

- Claim that CMS will not approve anything but their provider risk model
  - That is not what we heard from CMS
- Other models, e.g. PCMH, bundles, not considered but included in CMS examples
- Encourage use of lower cost providers, sites of care

Consumer concerns -- process

- Decisions were made before committees even met
- Never considered less harmful payment models
- No independent consumers on decision-making bodies
- No public comment at steering committee
- Until very recently, meetings not noticed publicly, met in non-public spaces, evenings during summer months
- After criticism, they visited with consumer groups, but did not share payment model plans
  - “not appropriate’ no need to trouble them with that
  - Did hear new stories of difficulty accessing care

Consumer concerns -- model

- Never considered less harmful payment models
- No independent consumers on decision-making bodies
- No public comment at steering committee
- Until very recently, meetings not noticed publicly, met in non-public spaces, evenings during summer months
- After criticism, they visited with consumer groups, but did not share payment model plans
  - “not appropriate’ no need to trouble them with that
  - Did hear new stories of difficulty accessing care

Lots of ideas

Policymaker Issue Brief

December 2012

31 Ways to Save Money in Connecticut's health care budget

Connecticut's state budget is facing a billion dollar deficit in the next fiscal year and health spending is a growing share of that budget. The state now spends $6 billion between Medicaid and the state employee health plan to cover almost 900,000 state residents.[i] Health care spending outside the state budget is also growing. The share of Connecticut's economy spent on health care rose 20% from 1999 to 2009 and Connecticut spends 27% more per capita on health care than the US average.[ii]

Over the next few months state policymakers will be making difficult decisions to cover the deficit. It is estimated that 30% of US health care spending is wasted on unnecessary services, excessive administration, fraud and missed opportunities for prevention.[iii] While that number is disappointing, it offers opportunities to control costs while improving the quality and effectiveness of care.

http://cthealthpolicy.org/pdfs/201212_31_ways_to_save.pdf

What's next?

- "Syndication"
- Plan will go in end of November or December
  - Now soliciting public comment
  - Unclear if there is any opportunity to change it
- Advocates who signed the letter meeting later today with SIM leaders
- Grant proposal (for the $50 million) will go in early 2014
- Legislation proposals
- Lobbying CMS not to support if changes not made
- Start over -- create a real, transparent reform process that focuses on quality, includes leg.s, consumers, hospitals, etc. that considers all options, no pre-concieved models
- Quality tools development

For more information

To find out more about SIM at:

Advocates' letter of concern

FAQs

Advocates process concerns

Advocates guiding principles

Follow our blog for updates:

www.cthealthblog.org