Next Steps on Texas Medicaid Project to Advance Value Based Care
September 22, 2017
Dell Med/Episcopal Health Foundation Project with HHSC

To provide information and support on options for advancing value-based payment in Medicaid to Texas decision makers, HHSC, and the HHSC Value-Based Payment and Quality Improvement Advisory Committee by early 2018.
What is value-based payment?

From HHSC’s Draft Value-Based Purchasing Roadmap (8/2017):

• Linking health care payments to measures of quality and/or efficiency (outcomes/cost = value).

• Through its managed care contracting model, HHSC is making progress on a multiyear transformation of provider reimbursement models that have been historically volume based (i.e., fee-for-service) toward models that are structured to reward patient access, care coordination and/or integration, and improved healthcare outcomes and efficiency.
Why?
## Medicaid as a Percent of the Texas State Budget, 2000-2015

<table>
<thead>
<tr>
<th>SFY</th>
<th>Medicaid Budget^1</th>
<th>Total State Budget^2</th>
<th>Annual Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$10,000</td>
<td>$49,453</td>
<td>20.22%</td>
</tr>
<tr>
<td>2001</td>
<td>$10,952</td>
<td>$52,440</td>
<td>20.88%</td>
</tr>
<tr>
<td>2002</td>
<td>$12,678</td>
<td>$56,621</td>
<td>22.39%</td>
</tr>
<tr>
<td>2003</td>
<td>$14,593</td>
<td>$59,058</td>
<td>24.71%</td>
</tr>
<tr>
<td>2004</td>
<td>$14,585</td>
<td>$61,507</td>
<td>23.71%</td>
</tr>
<tr>
<td>2005</td>
<td>$15,561</td>
<td>$65,204</td>
<td>23.87%</td>
</tr>
<tr>
<td>2006</td>
<td>$16,534</td>
<td>$69,961</td>
<td>23.63%</td>
</tr>
<tr>
<td>2007</td>
<td>$17,275</td>
<td>$75,099</td>
<td>23.00%</td>
</tr>
<tr>
<td>2008</td>
<td>$19,053</td>
<td>$82,150</td>
<td>23.19%</td>
</tr>
<tr>
<td>2009</td>
<td>$20,798</td>
<td>$89,981</td>
<td>23.11%</td>
</tr>
<tr>
<td>2010</td>
<td>$22,821</td>
<td>$92,056</td>
<td>24.79%</td>
</tr>
<tr>
<td>2011</td>
<td>$24,816</td>
<td>$95,461</td>
<td>26.00%</td>
</tr>
<tr>
<td>2012</td>
<td>$25,438</td>
<td>$92,914</td>
<td>27.38%</td>
</tr>
<tr>
<td>2013</td>
<td>$25,614</td>
<td>$97,840</td>
<td>26.18%</td>
</tr>
<tr>
<td>2014</td>
<td>$27,121</td>
<td>$100,652</td>
<td>27.11%</td>
</tr>
<tr>
<td>2015</td>
<td>$29,403</td>
<td>$102,648</td>
<td>28.64%</td>
</tr>
</tbody>
</table>

^1 All Funds (in billions). Excludes DSH, Upper Payment Limit (UPL), UC, and DSRIP funds.  
^2 All Funds (in billions). Medicaid is federal fiscal year; state budget is state fiscal year, which begins one month earlier (September 1).  

Sources: Texas Medicaid History Report, Feb. 2016; Fiscal Size-Up(s); Legislative Budget Board.
Determinants of Health Outcomes

![Pie chart showing determinants of health outcomes](chart.png)

**Determinants of Health and Their Contribution to Premature Death**

- Genetic predisposition: 30%
- Behavioral patterns: 40%
- Social circumstances: 15%
- Environmental exposure: 5%
- Health care: 10%

**Numbers of U.S. Deaths from Behavioral Causes, 2000.**

- Sexual Behavior: 20
- Alcohol: 85
- Motor Vehicle: 43
- Guns: 29
- Drug Induced: 17
- Obesity and Inactivity: 365
- Smoking: 435

McGinnis, Social Determinants of Health, 2002

Adapted from Mokdad et al.
Policy Approaches for Lower Spending

• Lower prices
  o May limit access to care
  o Does not directly improve quality
  o Does not address main drivers of spending growth

• Change payment and coverage to support better care
  o Goal of better patient experience and outcomes, and lower spending
    • Through incentives
    • Through alignment
Pay for value: deliver better health and better results

• Tie payments and incentives to value and outcomes
• Help clinicians develop the core competencies they need to succeed within new payment models
• Advance care and payment models that integrate medical and non-medical services
## Health Care Payment Learning and Action Network

### Alternative Payment Model Framework

<table>
<thead>
<tr>
<th>Traditional</th>
<th>“Pay for Performance”</th>
<th>Payment Linked to Patient Not Services</th>
<th>More Complete</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Symbol] Category 1</td>
<td>![Symbol] Category 2</td>
<td>![Symbol] Category 3</td>
<td>![Symbol] Category 4</td>
</tr>
<tr>
<td>Fee for Service - No Link to Quality &amp; Value</td>
<td>Fee for Service - Link to Quality &amp; Value</td>
<td>APMs Built on Fee-for-Service Architecture</td>
<td>Population-Based Payment</td>
</tr>
</tbody>
</table>
Project Scope

- Review care delivery and evaluation experiences in other states to inform Texas efforts
- Focused analysis of HHSC data to inform and provide a baseline for reform initiatives
- Symposium with key stakeholders (December 8, 2017)
- Development of feasible alternative care/payment models and tools to support program improvement for HHSC consideration
  - Drive value through Medicaid managed care
  - Use Delivery System Reform Incentive Payment program (DSRIP) to rapidly test ideas that have a path to sustainability
  - Social determinants of health
Project Timeline

• Now through November 2017 – landscape analysis, stakeholder consultation, framework/options development, data analysis

• November 2017 – Draft white paper on Texas Medicaid Opportunities to Further Value-Based Care

• December 8, 2017 – Stakeholder symposium in Austin

• January - February 2018 – Final white paper and presentation to HHSC leadership and the HHSC VPBQI Committee
Project Goals

• Given Texas landscape and current Medicaid initiatives, how to take next steps to advance value based care (VBC) through managed care?

• HHSC role - strategic guidance and communication to support statewide priorities and vision (toolkit)

• Meet providers and plans where they are – large/small, urban/rural

• Work to align initiatives internally within Medicaid, and also with other payers (Medicare, commercial, ERS/TRS) to the extent possible
Texas Landscape

• Provider readiness, other payer VBC participation
• Current HHSC quality initiatives and strategy
• Lessons learned from DSRIP
• HIT/HIE landscape
• Managed care contracts – what’s in place for 9/1/17, need to clarify allowable Quality Improvement activities (allowed as medical expenses), ways to better incentivize plans to do more VBC?
Areas of Opportunity

- **Data sharing initiatives** with plans, providers and consumers to support care coordination
- **Value-based maternity/newborn care**, including consideration of an HHSC-supported episode of care with provider incentives based on quality and cost
- **Patient centered medical homes/health homes** (including integrated behavioral health and screening for social determinants).
- **Opioid** overuse and management.
- **Foundational steps to VBC for small and rural providers**
- Feasible steps to support investments in **integrating medical and social services** to address social determinants of health care utilization and outcomes for high-risk individuals.
Toolkit to Support VBP Initiatives

- Providers
- Health plans
- Staff
- Policymakers
- Other community partners
Data Sharing

• Possible data sharing initiatives with plans, providers and consumers to support care coordination?

• Dashboard information to providers for their patients with key outcome information
  – e.g., Altruista dashboard in TN, 3M Value Index Score used by Superior

• HIE – ADT data; Project EDEN; pilot with areas that are collecting most ADT data (e.g., San Antonio, Dallas)?
Maternity/Newborn Care

- Develop maternity care episode of care bundle, perhaps with a social determinants screening and referral component?
- Build on work of AR/TN/OH, CHC in Houston, HCP-LAN, pregnancy health home pilot, DSRIP
- Coordinate with existing TX initiatives – Medicaid NICU study, DSHS efforts
Medical/Health Homes

• Current TX Medicaid contract definition/incentives for PCMHs, other possible options (URAC, TAFP competencies)

• Promising examples in TX, including from DSRIP
  – e.g., comprehensive health homes in STAR Kids, integrated BH/primary care

• Certified Community Behavioral Health Clinic (CCBHC) model
  – HHSC plans to pilot through Medicaid managed care
  – Next steps are to set payment rate and get federal approval
Opioid Overuse and Management

• Possible model – Project ECHO team of specialists that support primary care clinicians (including in rural communities) in the management of chronic pain and opioids

• 21st Century Cures funds to support?
Small and Rural Providers

• Foundational steps toward VBC – what are feasible for plans and providers?
• Tools to support chronic care management
• Telemedicine/telehealth
• Test one focused project (e.g. diabetes) to evaluate results and scale up if successful
Integration of Medical and Social Services

• Community Centered Health Homes – EHF project with 16 health centers to support community-oriented primary care
  – CCHHs actively participate in improving factors outside the healthcare system that affect patient health outcomes.

• Promising examples from DSRIP, Medicaid managed care, local collaborative efforts
  – e.g., housing, peer supports

• Three Accountable Health Communities grants in Texas
  – To test whether identifying and addressing the health-related social needs of Medicare and Medicaid beneficiaries’ through screening, referral, and community navigation services will impact health care costs and reduce health care utilization.
Path Forward

• HHSC internal alignment, clarity around managed care contract policies, messaging
• Pick 2-4 initial items to develop (e.g., maternity care bundle, toolkit, data sharing, addressing social determinants)
• Robust and efficient evaluation mechanism of any demonstrations to determine whether to scale further
• Explore funding sources to do development work (next phase of the waiver, 90/10, other CMS funding – CMMI/SIM, SAMSHA, private foundations)
• Improve HHSC internal and external communication/coordination to ensure alignment of initiatives, transparency and stakeholder input
Questions?

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