Healthier Washington and Washington’s FQHC APM

July 24, 2017
HCA’s VBP goals

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)

Washington’s annual health care cost growth will be below the national health expenditure trend.

**Tools to accelerate VBP and health care transformation:**
- 2014 Legislation directing HCA to implement VBP strategies
- SIM Round 2 grant, 2015-2019
- DSRIP Medicaid Transformation Demonstration Project, 2017-2021
HCA Value-Based Roadmap

- 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

2016: 20% VBP

2019: 80% VBP

2021: 90% VBP
### HCA VBP Initiatives

<table>
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<th>Apple Health - Medicaid</th>
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<tr>
<td>- 1% MCO premium withhold based on quality and provider VBP arrangements</td>
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<td>- Behavioral and physical (financial) health integration in Southwest WA, statewide by 2020</td>
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<td>- Encounter to Value model for FQHC/RHC/CAHs</td>
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<tr>
<td>- Medicaid Demonstration regional VBP goals tied to DSRIP incentive payments to Accountable Communities of Health and MCOs</td>
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Quality Improvement 1% Withhold
(Medical Portion of Monthly Premium Payment)

1. Up to 12.5% of 1% may be earned back by making **qualifying provider incentive payments**

2. Up to 12.5% of 1% may be earned by having **value based purchasing arrangements**

3. Up to 75% of 1% may be earned by achieving **quality improvement targets**

Performance period: January – December 2017
Rewards for **attainment and improvement** based on Targets, Means, and Weighting

Low performers are recognized more for larger gains while high performers are recognized for marginal gains.
MCO and APM4 Performance

Performance Measures:

1. Comprehensive Diabetes Care - Poor HbA1c Control (>9%)
2. Comprehensive Diabetes Care - Blood Pressure Control (<140/90)
3. Controlling High Blood Pressure (<140/90)
4. Antidepressant Medication Management
   • Effective Acute Phase Treatment
   • Effective Continuation Phase Treatment (6 Months)
5. Childhood Immunization Status - Combo 10
6. Well-child visits in the 3rd, 4th, 5th and 6th years of life
7. Medication Management for people with Asthma: Medication Compliance 50%
   • (Ages 5-11)
   • (Ages 12-18)
APM4 Flow of Medicaid Funds

HCA
- Payments made by HCA to MCOs:
  - Premium Payment: Monthly PMPM Payment (Built into AH Contract)
  - Enhancement Payment: Monthly Enhancement (Generated based on FQHC/RHC Rosters)

MCOs
- Payments made by MCOs to FQHCs/RHCs:
  - Payment to Clinic (various payment relationships: per-visit rate or monthly capitation payment)
  - Monthly Enhancement Pass-through to Clinic

FQHCs/RHCs
- Annual Reconciliation to PPS/APM 3 rate with HCA.
  - Reconciliation determines if the clinic received full encounter rate.
FQHCs and RHCs are guaranteed their APM3/PPS through the annual reconciliation for qualifying encounters.

Allows FQHCs/RHCs to improve their access to care by focusing on improving specific quality metrics.

Allows FQHCs/RHCs to have a larger member panel without the burden of increasing the total number of patient encounters they provide.
- Expands PCP capacity in medically underserved areas.

Incents alternatives to face-to-face visits.
- Allows FQHCs/RHCs to offer more member-centric access to primary care.

*PPS/APM 3 and Total Clinic Revenue not to scale in visual.