The University of Texas at Austin
Dell Medical School

Texas Medicaid Project To Advance Value Based Care

Lisa Kirsch

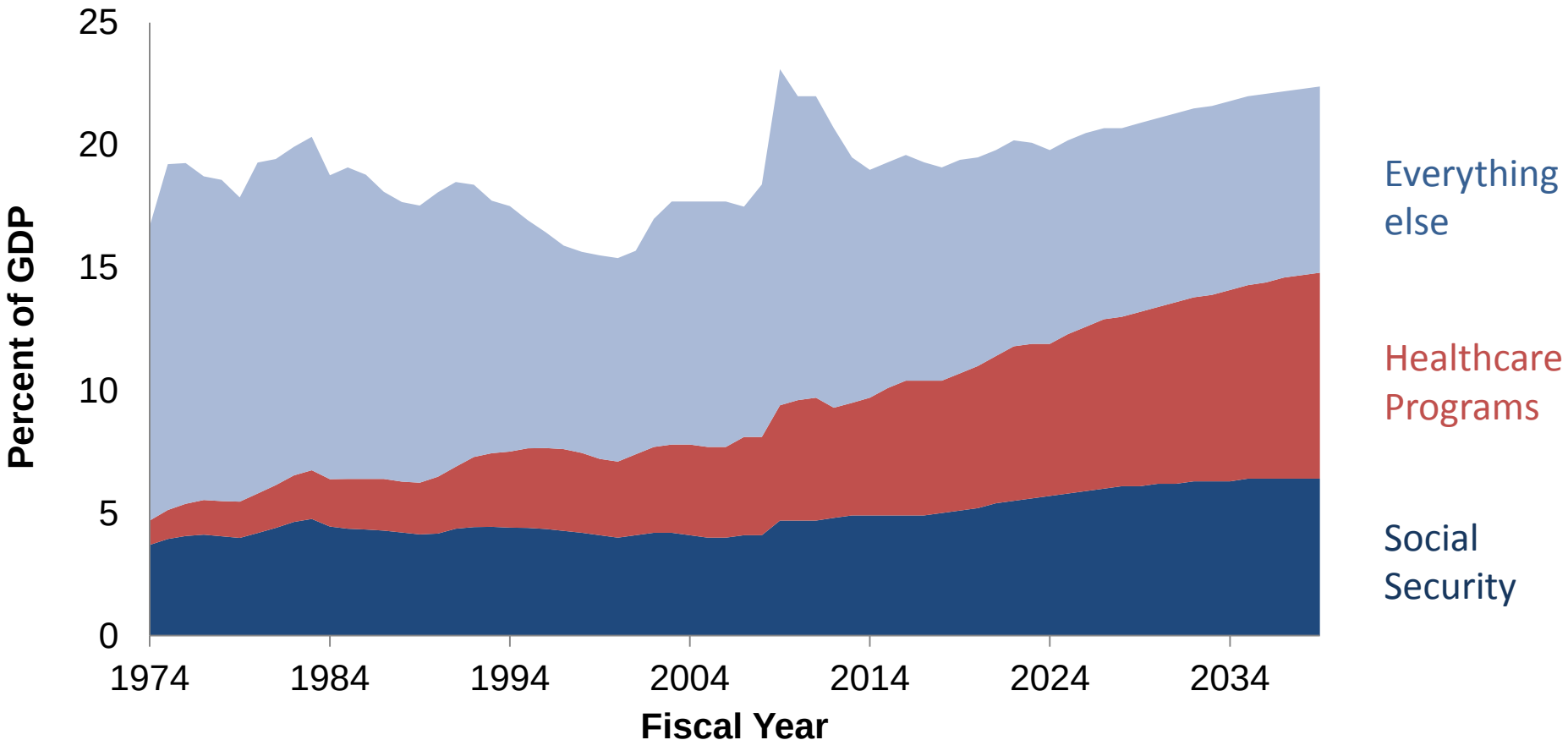
February 21, 2018

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.

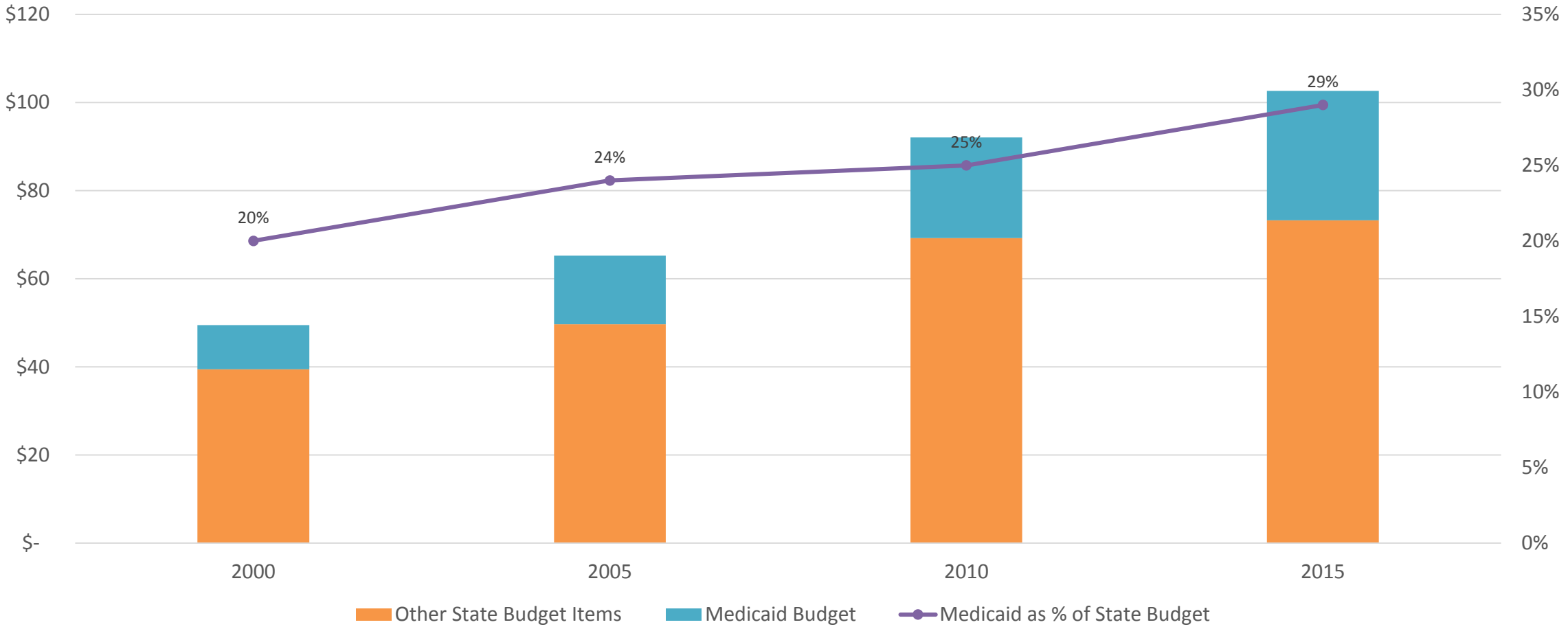
EPISCOPAL HEALTH FOUNDATION

Healthcare and the Federal Budget



Source: Congressional Budget Office, 2017 Long-Term Budget Outlook.

Medicaid is a Growing Share of the Texas State Budget (in Billions)



Texas Medicaid and CHIP in Perspective, HHSC, February 2017

Alternative Payment Models (APMs)

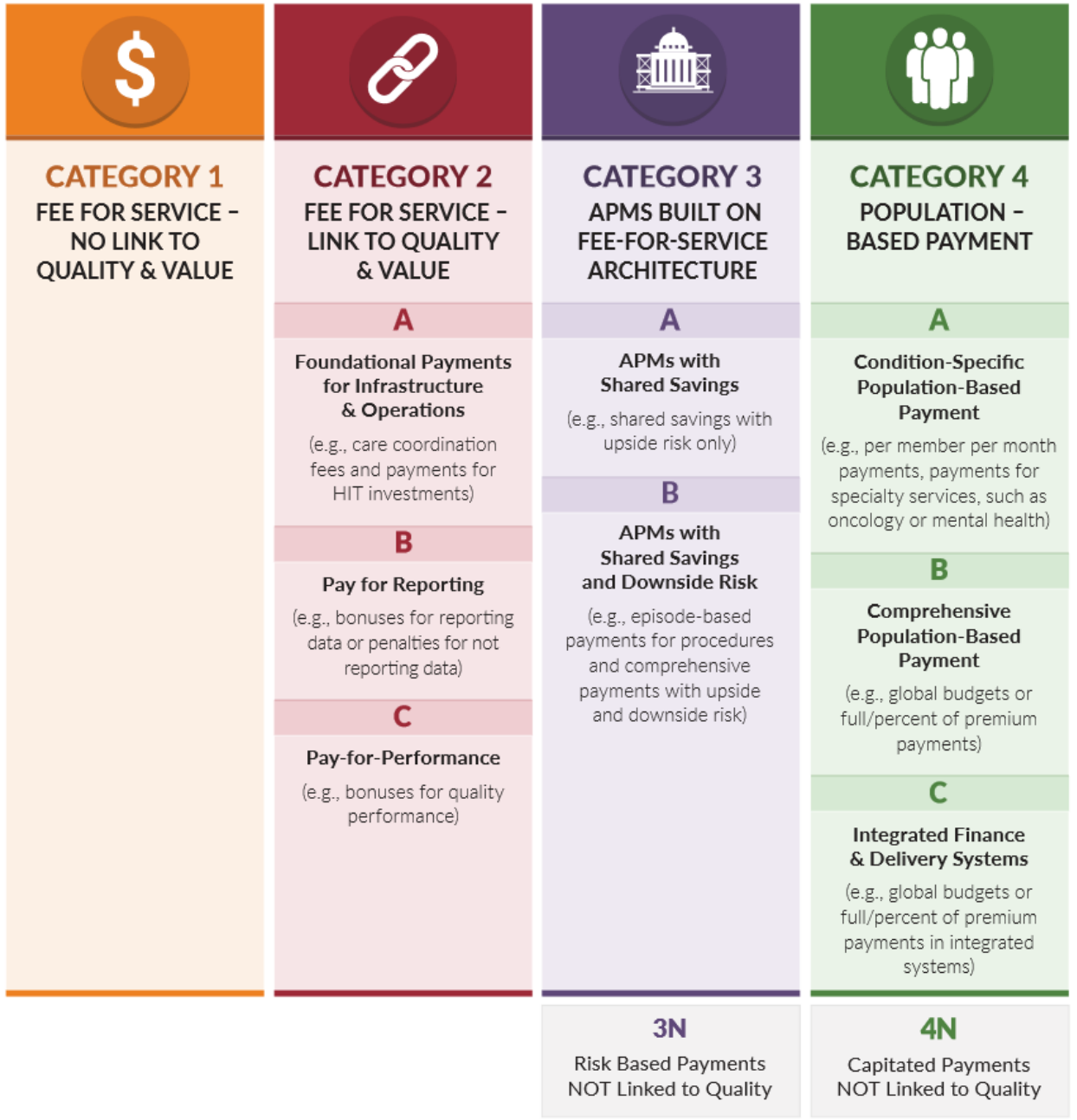
Traditional	“Pay for Performance”	Payment linked to patient not services: Limited	Payment linked to patient not services: More Complete
			
Category 1	**Category 2**	**Category 3**	**Category 4**
Fee for Service – No Link to Quality & Value	Fee for Service – Link to Quality & Value	APMs Built on Fee-for-Service Architecture	Population-Based Payment

HCP LAN
Health Care Payment Learning & Action Network

HCP LAN
Health Care Payment Learning & Action Network

The Alternative Payment Model framework is a step toward the goal of better care, smarter spending, and healthier people…

- For payment reform capable of supporting the delivery of person-centered care
- For generating evidence about what works and lessons learned



2016 LAN Payer Survey

LAN PARTICIPANTS

40 HEALTH PLANS and TWO Medicaid States, responded directly to the LAN.

Representing over

128 MILLION AMERICANS, and...

Approximately

44% of the COVERED POPULATION

LAN PARTICIPANTS BY SERVICE LINE

	# of Plans	Covered Lives	% of Covered Population
COMMERCIAL	26	90M	44%
MEDICARE ADVANTAGE	23	10M	58%
MEDICAID	28 +2 FFS States	28M	38%

TRADITIONAL MEDICARE

38 Million Medicare FFS beneficiaries

100 % of the covered population

2016 Results

...In Categories 3 & 4

% of Healthcare Dollars

22%	41%	18%	30%*
COMMERCIAL	MEDICARE ADVANTAGE	MEDICAID	TRADITIONAL MEDICARE

*The "25%" above does not include the "30%" traditional Medicare.

Value-Based Payment and HHSC

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

VBP = 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.

Key HHSC Managed Care Contract Provisions

- Starting this year, a certain percent of each health plan's payments to providers must be in quality based payment models/alternative payment models, with possible health plan monetary penalties if thresholds aren't met. Thresholds increase over time.
- New Quality Improvement category allowed to be counted as medical (vs. administrative) expenses.
- Three (3) percent of each health plan's payment is at risk for a Pay for Quality (P4Q) program, so certain outcome measures must be met to earn these funds.

High-Impact Areas of Opportunity

- **Data sharing initiatives** with plans, providers and consumers to support care coordination
  - ***Lack of access to data is a barrier to providers and without data, population health management is impossible.***
- **Value-based maternity/newborn care** - Consider an HHSC-supported episode of care with provider incentives based on quality and cost
  - High volume, high cost area for Texas Medicaid with below average outcomes and significant variation in services
- **Patient centered medical homes/health homes** (including integrated behavioral health and screening for social determinants)
  - Many current MCO incentive programs focus on primary care and chronic care management incentives, and DSRIP focused heavily on health homes and integrated care
- **Telemedicine/telehealth**
  - Potential to increase access through telemedicine/telehealth, spurred by SB 1107

High-Impact Areas of Opportunity

- **Foundational steps to VBP for small and rural providers**
  - Small and rural providers have fewer resources to transform their practices, so need support to engage with health plans in VBP arrangements
- 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
  - ***There is emerging evidence that addressing health-related social needs through enhanced clinical-community linkages can improve health outcomes and reduce spend, particularly for high needs, high cost patients***
- **Next phase of DSRIP** – How it can be leveraged to advance value-based purchasing
  - During the next few years, TX stakeholders need to collaborate to sustain successful DSRIP initiatives and build on DSRIP's increased access and improved outcomes for Medicaid and the uninsured.
- **Opioid** overuse and management
  - Medicaid should explore VBP models to support improved treatment and access to medication assisted therapy.

Potential Pharmacy Roles in VBP

- Medication Therapy Management (MTM)
  - Medicare Part D Enhanced MTM model began January 2017
  - In Texas Medicaid health plans and hospitals have financial incentives to reduce Potentially Preventable Readmissions
- Team member in Accountable Care Organizations, Patient Centered Medical Homes
- Episode-based payments - help manage high cost drugs
- Screening tests, wellness programs, vaccinations and educational events
- Specialty Pharmacy
- Opioids