Working Together to Sustain the Arkansas Health System

ARKANSAS PAYMENT IMPROVEMENT INITIATIVE

Public webinar
September 2011
Welcome

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Objectives of this webinar

- Review the aims of the Arkansas Payment Improvement Initiative
- Explain more about what the workgroups will do and the design decisions that we will need your input on
- Share the timing, approach and logistics for the workgroup meetings
How this webinar will run

Overview of the path ahead

- We will speak for around 1 hour
- Following the presentation, we will address a selection of representative questions submitted by you during this session

Your questions

- During this webinar, if you have questions on anything we cover, please submit through the WebEx chat box on the right-hand side of the screen
- Questions can be submitted at any time during the presentation and will be seen only by the hosts
- If you have any problems submitting the questions through the WebEx meeting, please email them to Amy.Webb@arkansas.gov
- For more information, you can visit our website: http://humanservices.arkansas.gov/director/Pages/APII.aspx
Agenda

Aims of this initiative

- Patient journey and episodes
- How we will work with you
- Questions
Arkansas Payment Improvement Initiative

“Our goal is to align payment incentives to eliminate inefficiencies and improve coordination and effectiveness of care delivery.”

– Gov. Mike Beebe
9 priority areas

- Pregnancy/ delivery/ neonatal care
- Cardiovascular disease
- Musculoskeletal disease
- Primary prevention
- Ambulatory upper respiratory infections
- Diabetes Type II
- Developmental disability
- ADHD / mental health
- Long-term care
Overall timeline

1. Episode model design
   Oct-Dec 2011

2. Preparation for launch
   Jan-Jun 2012

3. Implementation management
   Jul 2012

... 

Begin work on additional episodes
Ongoing
Agenda

- Aims of this initiative
- Patient journey and episodes
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So, why move to episodes?

- Improved patient focus and experience
- Deliver coordinated, evidence-based care
- Focus on high-quality outcomes
- Avoid complications, reduce errors and redundancy
- Incentivize cost-effective care
Variations in practice and outcomes today – C-section example

Percent of live Medicaid deliveries by C-section in Arkansas hospitals
(State Fiscal Year 2010, 48 hospitals representing ~17,000 deliveries)

SOURCE: HSAG analysis for Arkansas Division of Medicaid Services
Example patient journey – pregnancy, delivery, and neonatal care

**PRENATAL CARE**
- Obstetrical visits
- Screening & testing
- Patient education

**DELIVERY**
- C-section
  - Obstetrician
  - Anesthesia
  - Inpatient facility
- Vaginal delivery (full-term)

**NEONATAL CARE**
- Neonatal intensive care
  - Pediatrician
  - Neonatologist
  - Inpatient facility

**Examples of opportunities for improved quality, experience, efficiency**
1. Increase prenatal care and education to identify and manage high-risk patients
2. Reduce the frequency of elective C-sections and early elective inductions
3. Favor use of NICUs appropriate for degree of prematurity

1 Neonatal Intensive Care Unit
Example patient journey – low-back pain

**EVALUATION AND DIAGNOSIS**
- **Evaluation**
  - Medical history
  - Physical exam
  - Baseline patient self-assessment

**TREATMENT**
- **Alternative therapy**
  - Medical treatment
    - Medication
    - Physical therapy

**FOLLOW-UP CARE**
- **Reassessment**
  - Physical exam
  - Self-assessment compared to baseline

**Complications/ readmissions/ incomplete relief**
- Higher quality, more cost effective delivery of care

**Examples of opportunities for improved quality, experience, efficiency**
1. Match use of diagnostic testing with evidence-based guidelines
2. Introduce patient education to ensure treatment matches patient preferences
3. Support higher quality, more cost effective care
## Designing episode payment for Arkansas: some principles

<table>
<thead>
<tr>
<th>Principle</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Patient-centered</td>
<td>Focus on improving quality, patient experience and cost efficiency</td>
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<tr>
<td>Clinically appropriate</td>
<td>Evidenced-based design with close input from Arkansas patients and providers</td>
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<tr>
<td>Practical</td>
<td>Consider scope and complexity of implementation</td>
</tr>
<tr>
<td>Data-based</td>
<td>Make design decisions based on facts and data</td>
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</table>
9 priority areas broken down into 19 episode categories for evaluation

<table>
<thead>
<tr>
<th>Priority area</th>
<th>Episode category</th>
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<tbody>
<tr>
<td>Pregnancy/delivery/NICU</td>
<td>Pregnancy/ delivery/ NICU</td>
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<tr>
<td>Cardiovascular</td>
<td>Coronary Artery Disease</td>
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<td></td>
<td>Congestive Heart Failure</td>
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<td></td>
<td>Stroke</td>
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<td>AMI</td>
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<td></td>
<td>PCI/ angioplasty</td>
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<td></td>
<td>Coronary Arterial Bypass Graft</td>
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<td></td>
<td>Hypertension</td>
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<td></td>
<td>Back pain</td>
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<td></td>
<td>Joint degeneration</td>
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<td></td>
<td>Hip replacement</td>
</tr>
<tr>
<td>Musculoskeletal</td>
<td>Knee replacement</td>
</tr>
<tr>
<td>Primary prevention</td>
<td>Primary prevention</td>
</tr>
<tr>
<td>Ambulatory URI(^1)</td>
<td>Ambulatory URI</td>
</tr>
<tr>
<td>Diabetes Type II</td>
<td>Diabetes Type II</td>
</tr>
<tr>
<td>Developmental disability</td>
<td>Developmental disability</td>
</tr>
<tr>
<td>ADHD / mental health</td>
<td>ADHD / mental health</td>
</tr>
<tr>
<td>Long-term care</td>
<td>Long-term care</td>
</tr>
</tbody>
</table>

\(^1\) Upper respiratory infection
We are evaluating episode categories against a range of criteria

Key considerations

1. Potential for improvement
   - Evidence indicating potential to improve:
     - Quality of care
     - Patient experience
     - Cost efficiency

2. Implementation complexity
   - Degree of change required
     - Clinical processes
     - Clinical infrastructure (HIT, care coordination)
     - Patient behavior
     - Provider economics
     - Administrative processes
   - Scope of implementation
     - Number of providers impacted
     - Number of patients impacted

3. Diversity of portfolio
   - Range of episode types (e.g., wellness, chronic, acute, supportive care)
   - Range of payors impacted (private health insurers, Medicaid, Medicare)
Examples of major design dimensions for the episode model

<table>
<thead>
<tr>
<th>Episode definition</th>
<th>Patient criteria</th>
<th>Metrics</th>
<th>Measurement</th>
<th>Payment model</th>
</tr>
</thead>
</table>
| ▪ Start / end of episode  
  ▪ Services included/excluded | ▪ Age / sex  
  ▪ Diagnoses, procedures  
  ▪ Geographic location | ▪ Quality of care  
  ▪ Patient experience  
  ▪ Cost efficiency | ▪ Absolute or relative  
  ▪ Baseline or benchmark  
  ▪ Statistical/actuarial minimums  
  ▪ Risk/severity adjustment | ▪ Prospective vs. retrospective  
  ▪ Level of upside/downside risk  
  ▪ Outlier / stop loss thresholds |
| Provider criteria | | | | |
| ▪ License / specialty  
  ▪ Accreditation  
  ▪ Capabilities  
  ▪ Scale / volume  
  ▪ Performance  
  ▪ Geographic location | | | | |
Agenda

- Aims of this initiative
- Patient journey and episodes
- How we will work with you
- Questions
Workgroup approach – we want real input and collaboration from workgroups

<table>
<thead>
<tr>
<th>Workgroup approach</th>
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<tbody>
<tr>
<td>▪ Over 300 workgroup signups (posted on website) and other identified experts</td>
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<tr>
<td>▪ Everyone that has signed up will be a workgroup member, and workgroup sessions open to public</td>
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<tr>
<td>▪ We will identify 15-20 representative members to form a core working team (for outreach and to answer specific questions as needed)</td>
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<tr>
<td>▪ Workgroups will be hosted in Little Rock with videoconference locations around the state</td>
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<td>▪ Workgroup product posted online</td>
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<td>▪ Active participatory sessions</td>
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### Workgroup approach – we want real input and collaboration from workgroups

#### Input we need

- To ensure efficient use of workgroup time, we will bring analyses and concrete proposals for your feedback
  - Pre-reading posted online in advance
  - Expectation that participants will bring ideas + pertinent facts/data

- We are looking for multiple types of feedback:
  - Clinical input on draft patient flows/experience, identified inefficiencies and their root causes, improvement potential
  - Feedback and discussion on payment model design
  - Feedback on practical implementation challenges to overcome (e.g., clinical infrastructure, patient behaviors)
Workgroup timings

<table>
<thead>
<tr>
<th>WORKGROUPS</th>
<th>MEETING DATE</th>
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<tbody>
<tr>
<td>Pregnancy &amp; NICU</td>
<td>October 17 (Monday)</td>
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<tr>
<td>Cardiovascular</td>
<td>TBD</td>
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<tr>
<td>Musculoskeletal</td>
<td>TBD</td>
</tr>
<tr>
<td>Prevention</td>
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<tr>
<td>Ambulatory URIs</td>
<td>October 26 (Wednesday)</td>
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<tr>
<td>Diabetes Type II</td>
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<tr>
<td>Developmental Disabilities</td>
<td>November 1 (Tuesday)</td>
</tr>
<tr>
<td>ADHD / mental health</td>
<td>TBD</td>
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<tr>
<td>Long-term Care</td>
<td>TBD</td>
</tr>
</tbody>
</table>

- Initial workgroups to be scheduled for 3-5p CT on respective dates
- We are finalizing locations (in Little Rock and other videoconference sites) and will post details soon
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Your questions received during this discussion
Thank you