HEALTHCARE TRANSFORMATION THROUGH PUBLIC & PRIVATE COLLABORATION

CURTIS BARNETT, PRESIDENT & CEO

Arkansas BlueCross BlueShield
An Independent Licensee of the Blue Cross and Blue Shield Association
TODAY’S FOCUS

• Public & Private Collaboration
• The Initiatives:
  - Patient-Centered Medical Homes
  - Comprehensive Primary Care Initiative, CPC+
  - Episodes of Care
  - State Innovation Model
• Provider Support:
  Communication, Data, Technology
• Shaping the Future — Next Steps in Value Transformation
The healthcare system is hard to navigate

Healthcare spending is growing at an unsustainable rate

Health status in Arkansas is poor

Working together, public and private sectors have begun to transform the healthcare system in Arkansas.
ARKANSAS PAYMENT IMPROVEMENT INITIATIVE (APII)

- Patient-Centered Medical Home Pilot (2010)
- Comprehensive Primary Care Initiative (2012)
- Patient-Centered Medical Home (2014)
- Comprehensive Primary Care + (2017)
- Episodes of Care (2012)
- State Innovation Model (2013)
PUBLIC & PRIVATE PAYERS

AR Medicaid
QualChoice
Healthscope
Arkansas BlueCross BlueShield
CMS
Arkansas Superior Select, Inc.

MAJOR EMPLOYER GROUP “PAYERS”

Walmart
Baptist Health
Arkansas BlueCross BlueShield
Federal Employee Program
ARBenefits

MANY OTHER LARGE SELF-FUNDED GROUPS

1 Center for Medicare and Medicaid Services
2 Arkansas Health Care Payment Improvement Initiative

Arkansas Medicaid, CMS\(^1\), and private insurers (collectively known as payers) are working together to address the challenges (AHCPII\(^2\))
PATIENT-CENTERED MEDICAL HOME

Population Health & Planned Care

Access & Continuity

Care Management

Patient & Caregiver Engagement

Comprehensive & Coordinated Care

HEALTHCARE TRANSFORMATION THROUGH PUBLIC & PRIVATE COLLABORATION
Two-year pilot – 2010-2012

Practice transformation goals: PCMH

- Develop concept of primary care teams
- Improve patient experience
- Lower total cost of care for patients
- Improve primary care capacity
The PCMH Pilot Project showed very positive results:

- Readmission rates
- ER visits and ER-related costs
- Appropriate ER utilization
- Generic drug prescribing rates
PATIENT-CENTERED MEDICAL HOME PILOT

Lessons Learned

• Payer Alignment
• Provider Leadership
• Electronic Medical Record (EMR) Challenges
• Patient Attribution
• Training / Resources
COMPREHENSIVE PRIMARY CARE CLASSIC & PLUS
Federal initiative: CMS
October 2012 – December 2016

Statewide
• Arkansas
• Colorado
• New Jersey
• Oregon

Regional
• New York: Capital District – Hudson Valley
• Ohio: Cincinnati – Dayton
• Oklahoma: Greater Tulsa

• 68 practices selected
• 268 providers
• 5 payers
Federal initiative: CMS
Effective date January 1, 2017 (5 years)

Arkansas – statewide market
• 182 practices selected
• ~689 providers
• 7 payers
EPISODES OF CARE
An Episode of Care (EOC) is the bundle of healthcare services provided to treat a patient with a particular condition.

Principal Accountable Provider (PAP)

- Holds the main responsibility for ensuring that care is delivered at appropriate cost and quality, based upon observed patterns of care
- Identified for each EOC through claims data
<table>
<thead>
<tr>
<th>22 EPISODES OF CARE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appendectomy</td>
</tr>
<tr>
<td>Asthma</td>
</tr>
<tr>
<td>Attention Deficit Hyperactivity Disorder</td>
</tr>
<tr>
<td>Cholecystectomy</td>
</tr>
<tr>
<td>Chronic Obstructive Pulmonary Disease</td>
</tr>
<tr>
<td>Comorbid Attention Deficit Hyperactivity Disorder</td>
</tr>
<tr>
<td>Oppositional Defiant Disorder</td>
</tr>
<tr>
<td>Coronary Artery Bypass Grafting</td>
</tr>
<tr>
<td>Heart Failure</td>
</tr>
<tr>
<td>Hysterectomy</td>
</tr>
<tr>
<td>Lumbar Spinal Fusion</td>
</tr>
<tr>
<td>Percutaneous Coronary Intervention</td>
</tr>
<tr>
<td>Perinatal</td>
</tr>
<tr>
<td>Pneumonia</td>
</tr>
<tr>
<td>Tonsillectomy</td>
</tr>
<tr>
<td>Thyroidectomy (Goiter or Knot)</td>
</tr>
<tr>
<td>Upper Respiratory Infection – Non-specific</td>
</tr>
<tr>
<td>Upper Respiratory Infection – Sinusitis</td>
</tr>
<tr>
<td>Upper Respiratory Infection – Pharyngitis</td>
</tr>
<tr>
<td>Urinary Tract Infection</td>
</tr>
</tbody>
</table>
"APII EPISODES OF CARE - TARGETS"

- **Shared Savings**
- **Savings/Cost Neutral**
- **Shared Cost**
- **Quality of care protected by limits on gain sharing and required quality metrics**

Yearly results:
- **Acceptable**
- **Commendable**
- **Gain sharing limit**

Average cost per episode for each provider:
- **High**
- **Low**

Individual providers, in order from highest to lowest average cost:

[Healthcare Transformation Through Public & Private Collaboration]
APII EPISODES OF CARE EXAMPLES - RESULTS

PERINATAL
• Quality up across all metrics
• Cost down 0.3% from 2013 to 2016
• C-section rate reduced 8%

TOTAL KNEE/HIP REPLACEMENT
• Quality improved across all metrics
• Cost down 2.8% from 2012 to 2016
STATE INNOVATION MODEL
Primary Objectives:

- Improving the **quality of care** delivered
- Improving **population health**
- Increasing **cost efficiency** and expanding **value-based payment**

State Innovation Model

- **6 round 1 model test states**
- **11 round 2 model test states**
- **21 round 2 model design states**
SUPPORT FOR PROVIDERS
• Weekly multi-payer meetings
• Monthly strategic advisory group calls
• Monthly stakeholder meetings including Arkansas Hospital Association and Arkansas Medical Society
• Monthly practice support team meetings
• Quarterly learning sessions for practices
• Quarterly community stakeholder meetings
Claims / Eligibility – 99% practices in Arkansas
Personal Health Record
Multi-Payer Episodes of Care reports
Care Management Portal
Patient-Centered Medical Home Portal
  – Arkansas Blue Cross
  – Arkansas Medicaid
Dashboard displays data that tracks with episode of care targets so providers can track performance.

This is one sample of the provider reports available through this tool.
SHAPING THE FUTURE - NEXT STEPS IN VALUE TRANSFORMATION

Value-Based Compensation Initiative

- Patient-Centered Medical Home
- Comprehensive Primary Care Initiative Classic
- Comprehensive Primary Care Initiative Plus
- Episodes of Care
- Collaborative Health Initiatives