

Accountable Care and Integrated Health Partnerships in Minnesota

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Health Care Environment

1. Chaotic and constantly changing
2. Unknown future for Medicaid and ACA coverage
3. Rising costs threaten access to coverage and services
4. Solutions emerging...?



Reasons for Rising Costs



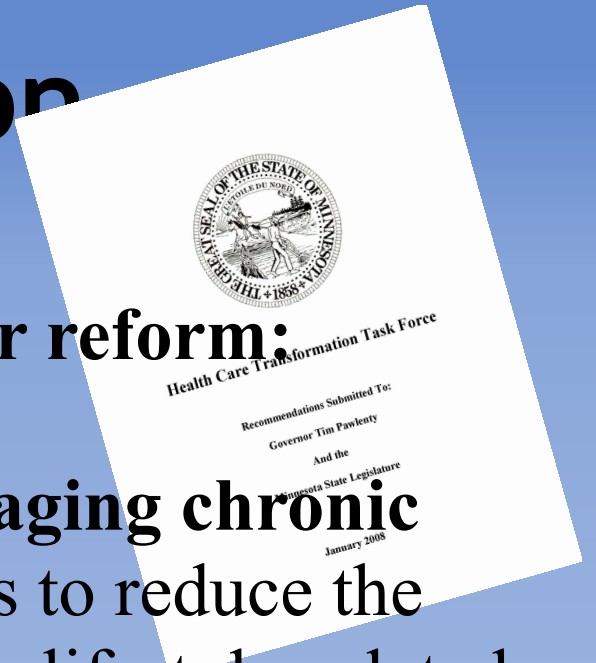
1. Epidemic of (*preventable*) chronic disease
2. New (*and expensive*) treatments, drugs and technology
3. Chaotic (*and dysfunctional*) health care market
4. Fragmented, uncoordinated health care (*non-*)system
5. Payment (*dis*)incentives reward volume not value
6. Payment (*dis*)incentives reward treatment not prevention
7. No clear (*or fair*) accountability for patient outcomes and costs

But none of this is new

MN Health Care Transformation Task Force (2008)

Essential building blocks of the Task Force's plan for reform:

1. **Putting a higher priority on preventing and managing chronic disease**, by using proven health promotion strategies to reduce the levels of overweight and obesity, smoking, and other lifestyle-related factors that contribute to higher health care costs
2. **Making cost and quality more transparent** and easily understandable, to empower individuals with the information they need to make good decisions about their health care
3. **Changing the way we pay for health care**, to increase the quality and safety of care and to reduce health care costs



2008: Emerging Solutions



Payment Reform aka Value-based Purchasing or:

1. Counter the current incentives to provide high-cost, high-volume services over less costly alternatives
2. Pay for services to improve health and better manage chronic disease, in addition to treatment
3. Increase provider accountability for costs and quality
4. Impose financial consequences for not achieving performance benchmarks

MN Payment Reform History

2008 - Bipartisan Health Care Reform Legislation

- Health Care Homes - monthly payment for care coordination
- SQRMS - mandated provider quality measurement & public reporting
- SHIP - Statewide Health Improvement Program to prevent chronic diseases

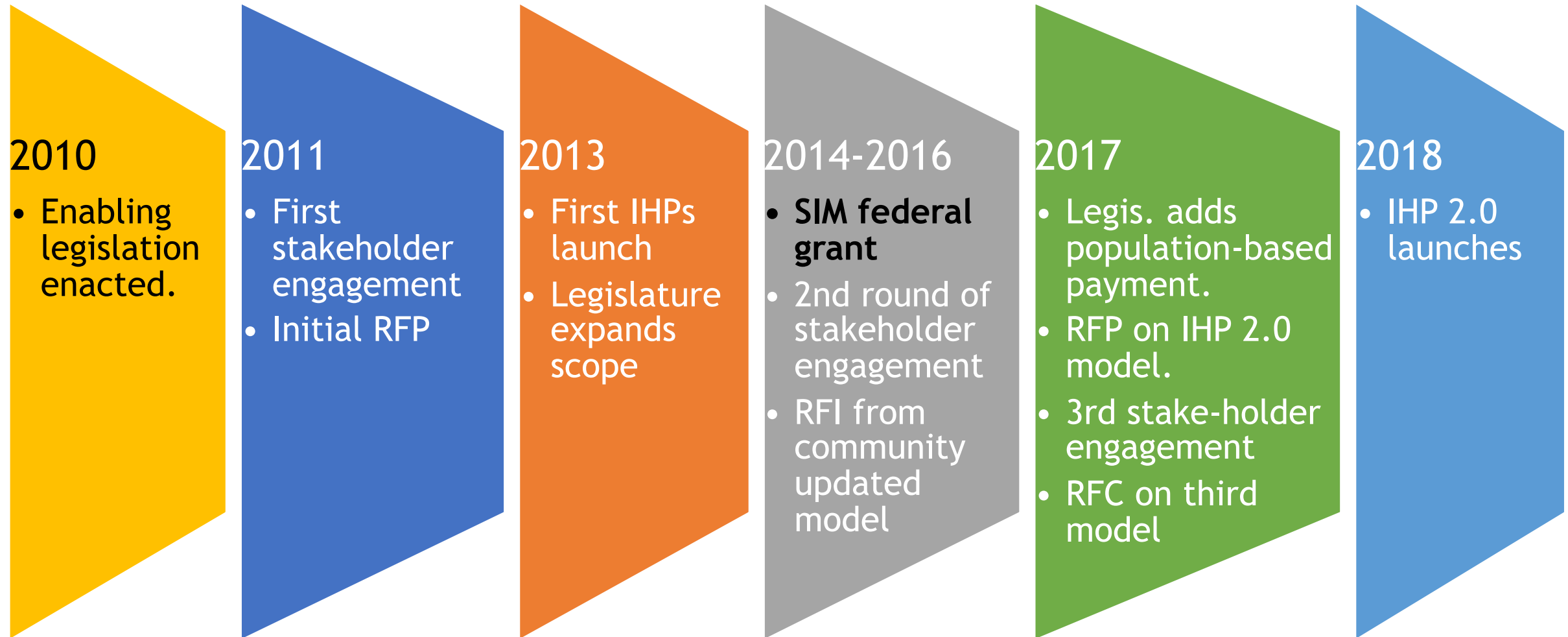
2010 - MN Legislation

- Coordinated Care Delivery Systems authorized in response to Governor Pawlenty's veto of General Assistance Medical Care (GAMC)
- Health Care Delivery System Pilot Projects authorized - later renamed Integrated Health Partnerships

2010 - Other Developments

- Affordable Care Act enacted (MA coverage of former GAMC recipients)
- Election: Mark Dayton elected Governor. Control of Senate shifted to Republicans.

Integrated Health Partnership Timeline



Emerging Solutions: Payment Reform

New World Expectations of Providers

1. Coordinated networks of providers
 - Coordinate and manage all services clients and patients receive
 - Collectively responsible for costs and quality for a patient population
2. Data and health information technology
 - EHR, HIE, care coordination, data analytics
3. Payments linked to collective performance
 - Quality of care metrics
 - Cost savings



Risky Environment for Safety Net Providers



Emerging Solutions - Challenges Faced by Safety Net Providers

- Government programs underfunded; low payments
- Fragmented, uncoordinated safety net system
- Limited financial resources and access to capital
- Inadequate health information technology and barriers to HIE
- Lack of leverage to negotiate rates and services
- Patients are complex and costly to serve
- Quality and outcomes affected by non-clinical factors



Risks to Safety Net Providers and the People they Serve

- Large health systems have resources and
- clout to form IHPs
- Large systems have business reasons to use their own providers rather than partner or coordinate care with others
- Large systems have business reasons to refer patients with complex socio-economic barriers & disparities to safety net and government providers
- Safety net providers may be penalized under payment reform:
 - Lack resources to make investments needed for accountable care models
 - Lack ability to share data and coordinate care with hospitals & specialty providers
 - Serve patients that require extra time and services (= higher “cost”)
 - Serve patients with socio-economic factors affecting outcomes (= lower “quality”)



Emerging Solutions to the Emerging Solutions



Re-define “Value” in Payment Reform:

- “Cost of care” varies by patient depending on the patient circumstances and needs
- “Quality” means preventing disease, improving health and reducing health disparities, not just treating or managing existing chronic conditions
- Cost and quality are heavily influenced by socio-economic factors other than the provider’s expertise and skill.

Opportunities of New World Purchasing Models

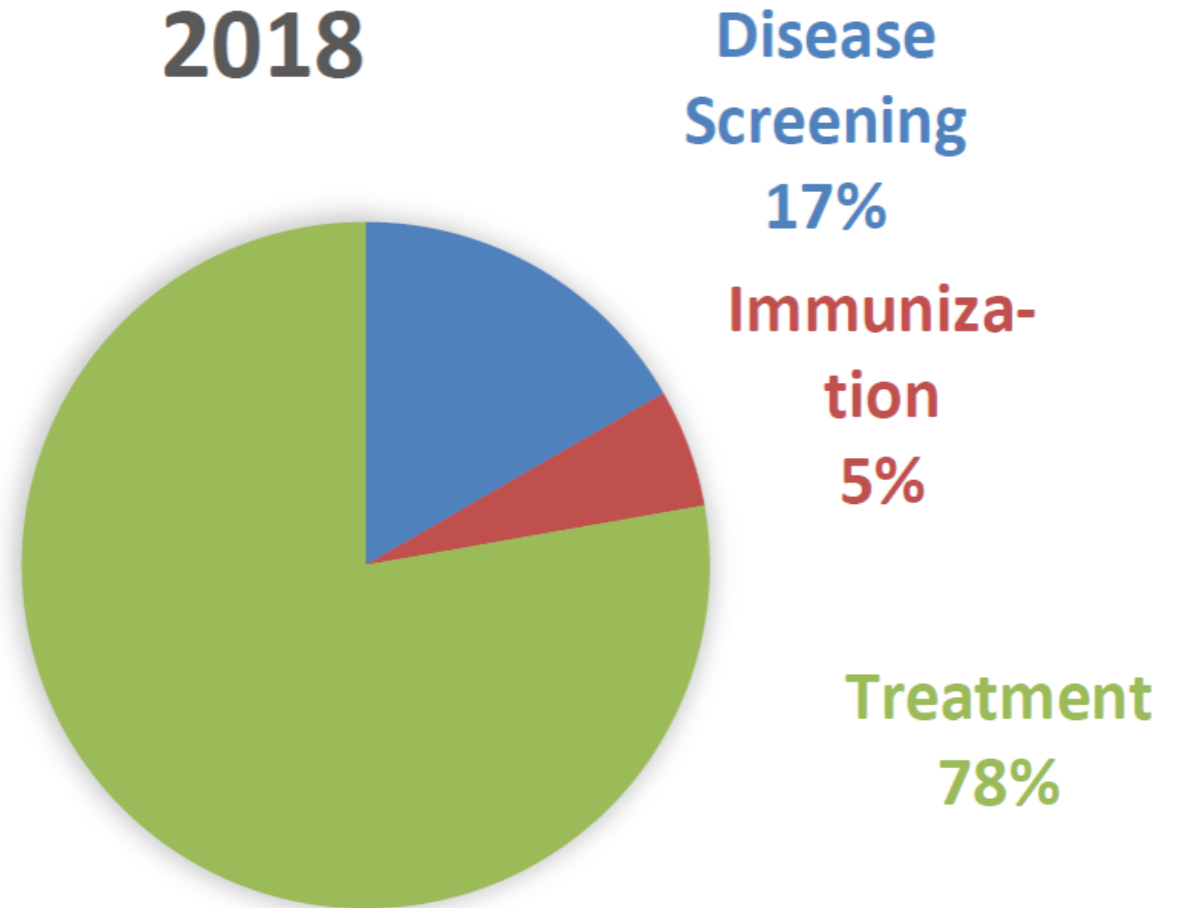


1. Expand the definition of quality to include prevention and health promotion.
2. Calibrate health care payment amounts and quality measures to align with the need and complexity of the patient - both clinical and socio-economic.
3. Account for the impact of social-structural determinants of health (SSDOH) which are non-clinical factors that impact health and treatment outcomes.
4. Counter market dysfunction and perverse incentives that will drive further provider consolidation; put community-based, equity-focused providers at risk; and increase disparities by underfunding care for complex patients with complex SSDOH factors and inequities.

Social and Structural Determinants of Health

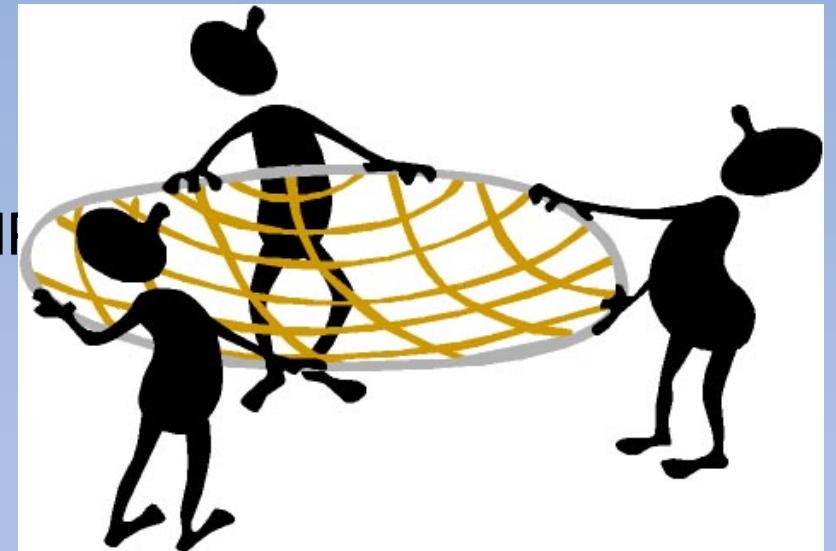
Current Statewide Quality Measures

2018



Safety Net Provider Strategies

- **Obtain health information technology and data systems needed to:**
 - Take accountability for costs and quality
 - Coordinate care
 - Improve quality and outcomes for clients and patients
 - Demonstrate value to payers
- **Partner with other providers to:**
 - Share expenses of technology and data systems
 - Form safety net provider networks
 - Increase bargaining power with health plans and IHI
- **Succeed in an IHP environment by**
 - All of the above, plus.....
 - Establish, join, or contract with an IHP



Safety Net Providers: Challenges Navigating the New World

- Uncertain future for government health care programs
- Funding for health information technology and data systems
- Organizational culture change toward new accountable care models
- Antitrust constraints on joining together to negotiate
- Finding partners and building relationships

