

Payment Reform *Going Out on a Limb*

Massachusetts Health Policy Student Forum



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Out on a Limb – That’s Where the Fruit Is

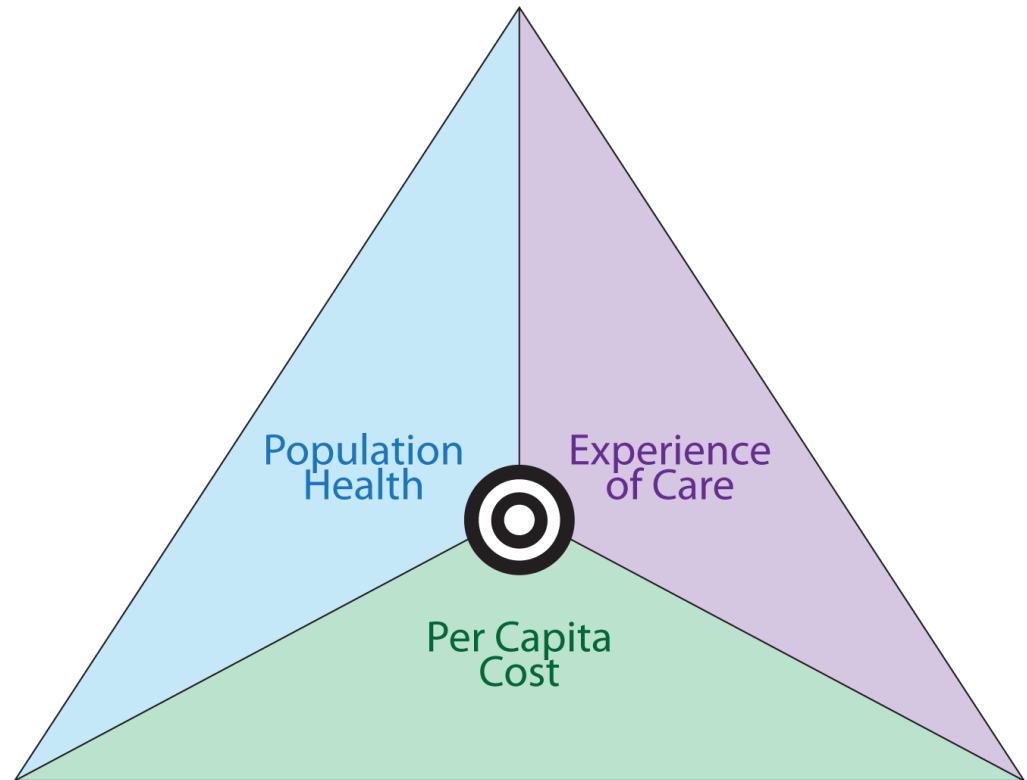


Watch Out! The GIC is Going Out on a Limb



The Triple Aim

- Better health care
- Better population health
- Lower per capita cost



Now for the How

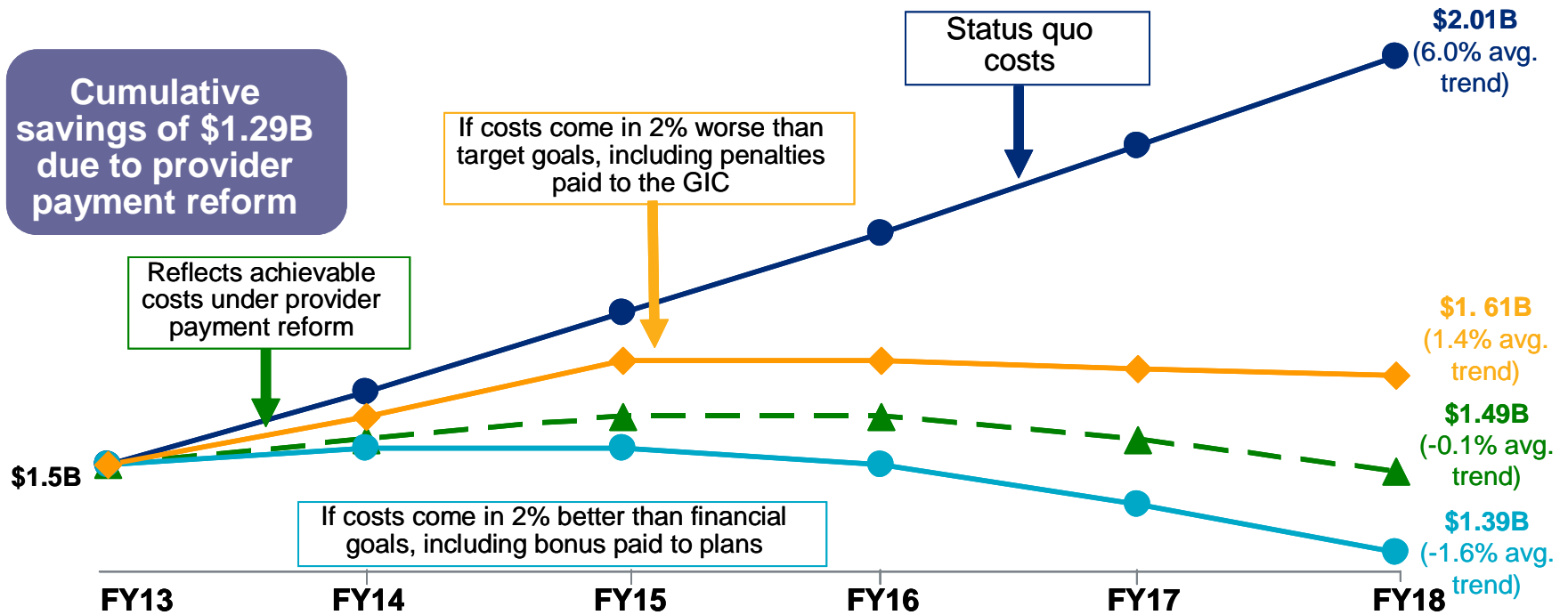


What Were We Trying to Achieve?

Market Change

- Five year contracts – Reducing cost growth and then actually reversing it
- Align GIC's strategy with federal and state payment reform
- Reimburse providers based on *value* rather than *volume*
 - Health Plans move from Fee for Service (FFS) contracts with providers, to global budgets for the management of care
- Impose penalties on Plans for missing spending targets, or share savings for beating targets
 - Gains and losses to be shared with providers

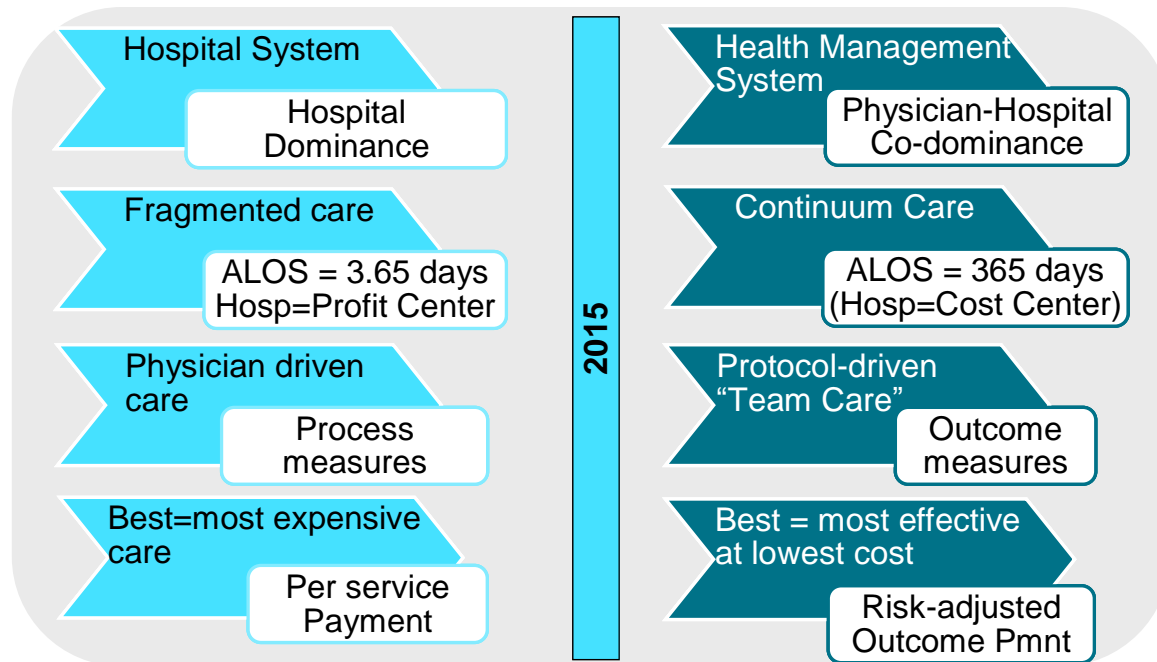
Control Costs Over Multiple Years: Fiscal Implications



What Are We Trying to Achieve?

Improved Care Delivery

- Drive system transformation



- Encourage Primary Care Provider (PCP) assignment, to increase care coordination and quality
 - Health plan communications to members confirming PCP elections
 - “Know your numbers” (biometrics) and “know your doctor” marketing campaigns

What We Learned Through the RFP Process

- All plans already measure quality and consumer satisfaction to some degree --- BUT
- They are not currently organized in a way that enables them to change care delivery
- Health care providers must redesign care coordination models
- Purchaser Initiatives have helped but can't do the job alone - Patient Centered Medical Homes, Clinical Performance Improvement (CPI) Initiative, Leapfrog, Catalyst for Payment Reform, Pay for Performance, Bridges to Excellence
- All plans need to re-negotiate contracts with providers to meet the GIC's strategy goals
- Members have to be brought into the solution by taking care of their health and working with their Primary Care Providers

What Does This Mean in Practice to the Patients? - 10 Key Elements



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|--|---|
| 1) PCP designation | 6) High level of care for chronically ill |
| 2) PCP engagement | 7) Disease management |
| 3) Data sharing | 8) Group visits |
| 4) Low cost providers encouraged | 9) Transitional care management |
| 5) Expanded hours and urgent care access | 10) Essential reporting package |

Who? Who?

