Minnesota’s Basket of Care Initiative

Scott Leitz, Assistant Commissioner
Minnesota Department of Health

September 17, 2009
Overview

- Minnesota Context
- Minnesota’s health reform law
- Baskets of care initiative
- Next steps and lessons learned
Minnesota starts from a reasonably good place

- Among the nation’s lowest uninsurance rates
  - Strong employer base
- Ranked as one of the top 2 or 3 healthiest states
- History of collaboration and innovation in the health care delivery system
  - Largely non-profit environment
  - High concentration of large, integrated, multi-specialty group medical practices
  - Institute for Clinical Systems Improvement
  - Minnesota Community Measurement
  - Active large purchasers
- High public program eligibility levels
  - 275% FPG parents, kids; 250% FPG single adults/childless couples
Cumulative Health Care Cost Growth vs. Other Economic Indicators in Minnesota

Note: Health care cost is MN privately insured spending on health care services per person, and does not include enrollee out of pocket spending for deductibles, copayments/coinsurance, and services not covered by insurance.

Overview of 2008 Health Reform
Bill Key Elements

- A comprehensive package making significant advances for Minnesotans:
  - Public health improvement
  - Health care coverage/affordability
  - Chronic care management
  - Administrative simplification
  - EHR and e-prescribing mandates
  - Health care cost measurement
  - Payment reform and price/quality transparency
Minnesota Health Reform: Payment Reform and Price and Quality Transparency

- Standardized quality measures and statewide quality incentive payment system
- Transparent ranking of providers on relative cost, quality, and resource use, and combined “value” measure
- Establishment of 7+ “baskets of care”
Baskets of Care: Minnesota’s Health Reform Law

- Baskets are a bundling of services typically paid for separately on a fee-for-service basis.
- May be organized around specific conditions, procedures, populations, or other services.
- Law required the MN Department of Health to establish at least seven baskets by July 1, 2009.
  - Identify conditions/episodes of care to include in the seven baskets, using:
    - Prevalence;
    - Cost of treatment; and
    - Potential for innovations to reduce cost and improve quality.
Baskets of Care: Goals

• Intended to:
  • Provide financial incentives to manage care more proactively;
  • Provide greater transparency to consumers;
  • Improve patient outcomes;
  • Allow for comparability; and
  • Allow for innovation in the organization and delivery of health care services.
Baskets of Care: Pricing, quality, and transparency

• Providers may opt to package services and establish package prices for baskets of care beginning January 1, 2010.
• Payers may decide whether or not to buy the basket at the established price.
• MDH must establish quality measures for each basket by December 31, 2009.
• Beginning July 1, 2010, MDH must publish comparative price and quality information on the baskets of care in a manner that is easily accessible and understandable to the public, as information becomes available.
Baskets of Care: Development Process

• Established a Baskets of Care Steering Committee
  • MDH convened a steering committee in January 2009 to identify the initial seven baskets of care.
  • Used criteria
    – Equitable
    – Comprehendible/ Consumer Selectable
    – Evidence Based (Quality)
    – Comparability
    – Cost / Efficiency
    – Effectiveness of Care

• Seven Baskets of Care Subcommittees
• Three Work Groups
  • Communications
  • Measurement
  • Operations and Administrative Challenges
7 (8) Initial Baskets of Care

- Asthma
- Diabetes (and prediabetes)
- OB Care
- Low Back Pain - Acute
- Preventive Services - Adults
- Preventive Services - Children
- Total Knee Arthroplasty
Baskets of Care: Next Steps

• Work groups on:
  • Communications outreach to providers
  • Quality measurement
  • Operations and administrative issues
• Recommendations in Fall 2009
• Early-adopters summit in late fall 2009
Lessons Learned (thus far)

• Credible and strong leadership at steering committee important to get buy-in
• A lot of administrative and operational issues to work through:
  • Billing
  • Coding
  • Pricing (from both plan and provider sides)
  • Transfer of payments among entities
  • Provider kickback laws
Contact Information:

Scott Leitz, Assistant Commissioner
Minnesota Department of Health

scott.leitz@state.mn.us

651-201-3565

http://www.health.state.mn.us/healthreform