Washington State Transparency

Washington State Health Care Authority

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IHA Pay for Performance Summit
Washington—The Evergreen State

- **Progressive, forward-thinking**

- **Home to:** Boeing, Amazon, Expedia, Microsoft, Starbucks, Group Health Cooperative, Virginia Mason, University of WA

- **Ranked most innovative** place in the country – *Bloomberg, 12/19/13*

- **WA Health Care Authority,** purchaser of public employee plan and Medicaid, ¼ of WA insured covered lives (1.5 million persons)
Quality Reporting at the Community level

Alternative Payment Models in place
- Multi-Payer Medical Home since 2007
- Dual eligible pilot (“Health Path Washington”)

Multi-Stakeholder, Purchaser-led Quality Collaborative: Washington Health Alliance, formerly Puget Sound Health Alliance

Evidence-based, community quality improvement programs
WA Technology Assessment Program & Bree Collaborative
- Proton beam therapy, lumbar fusion, cardiac stent
- Obstetric services, elective joint replacement, end-of-life care

Medicaid Expansion & Washington’s Health Benefit Exchange
Excellence: Quality Performance Transparency

50 STATE REPORT CARD on Physician Quality Transparency

Washington is 1 of only 2 states in the country to get an ‘A’ in Physician Quality Transparency.

The Washington Health Alliance contributes significantly to this work.

Finding information on the quality of doctors remains elusive for most consumers. To shed light on the lack of availability of data, the non-profit Health Care Incentives Improvement Institute developed a new report card grading states on the percentage of physicians and supporting health care professionals with publicly available quality information; the type of measurement provided (i.e. outcomes, process, patient experience); and the accessibility of information. By highlighting states making a conscious effort to provide data to consumers, HCI³ hopes to encourage others to embark on similar efforts.

Source: Health Care Incentives Improvement Institute (HCI³)

HCl³ report released December 10, 2013
Opportunity: Price Transparency

Washington has no law enabling consistent, reliable and meaningful price information on providers and hospitals for consumers.

Catalyst for Payment Reform 2013 Report Card on State Price Transparency Laws

Catalyst Payment Reform report released March 2013
Transformation Challenges

- **Lack of alignment**, with different payers piloting different payment reform strategies

- **Fee-for-Service still dominant** payment method, creating **siloed and fragmented** delivery systems and incenting volume, not value

- **Significant cost & quality variation** across and within health care systems and provider groups
Room for Improvement Across All Medical Groups

Medical Group Results - Overview
All Payers

Significant Variation WITHIN Medical Groups

Resource Use Variation: Knee Joint Replacement
from the Washington Health Alliance database

Resource Use by Delivery System during:
Knee Joint Replacement, Minor Severity—APR DRG 302.1*

* Each bubble represents a single Delivery System (admitting hospital and professional care during the stay).
Bubble area represents case volume; commercially insured people, 2006-2009

Price Variation: 7 States

Comparison of average covered charges and average total payment billed through Medicare

**States:**
- California
- Illinois
- Massachusetts
- Oregon
- South Dakota
- Texas
- Washington

**Major Joint Replacement (w/o MCC)**

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<th>State</th>
<th>Avg. Covered Charges</th>
<th>Avg. Total Payment</th>
<th>Neighboring States</th>
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**Major Cardiovascular Procedures (w/o MCC)**

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Washington’s State Health Care Innovation Plan

3 key strategies to achieve the TRIPLE AIM:

- Improve health overall by building healthy communities and people through prevention and early mitigation of disease.

- Improve chronic illness care through better integration of care and social supports.

- Drive value-based purchasing across the community, with the State leading by example.

Published January 2014

Funded by CMMI State Innovation Planning Grant
Infrastructure Needed to Drive Innovation

The Seven Building Blocks:

- Quality and price transparency
- Person and family engagement
- Regionalize transformation
- Create Accountable Communities of Health (ACHs)
- Leverage and align data
- Practice transformation support
- Workforce capacity and flexibility
GOAL: Move 80% of State-financed health care to value-based payment, and work with other employers, payers, providers to move at least 50% of commercial market, by 2019
Key Building Blocks to Support First Mover Activities

ACCOUNTABLE CARE PURCHASING STRATEGIES & INCENTIVES
- Issue joint Accountable Care Payment Model Request For Information (RFI) with purchaser partners
- Wellness monetary incentive to employees for program participation

STATE CORE MEASURE SET
- Enabling legislation for committee to recommend core measure set in 1/2015
- Build on Alliance’s work & Medicare ACO core measure set

COST TRANSPARENCY
- Build framework for All Payer Claims Database (WA Data Center) using CMS grant received fall 2013
- Enabling legislation to mandate all payers participation considered in 2014
Intent of the WA Data Center Grant

- Establish an APCD as a community asset – a common source of data for statewide measurement and reporting
- Expand public reporting with access to health care pricing and quality data for:
  - *Personal health care decision-making*
  - *Designing benefit plans and provider networks to drive higher value*
- Improve our collective ability to analyze, understand and address cost, quality and utilization drivers contributing to lower healthcare value and unwarranted variation
- Provide improved and additional data to the Office of the Insurance Commissioner for rate review
Editorial: 2014 is a time for health-care transparency

January 3, 2014


More responsibility for health-care choices is falling on consumers and they need access to information.

Bringing down the cost of health care means empowering consumers to make informed decisions...

Consumer information takes all forms, but it must speak to getting the best information...
Widespread Support for Washington’s Innovation Plan

“Alignment of payment and delivery system strategies across stakeholders is critical to achieving meaningful transformation in health care, and we look forward to doing our part.”

– Scott Armstrong, President and CEO, Group Health Cooperative

“We look forward to partnering with the State on strategies that will move the needle on creating better value and a more accountable delivery system.”

– Joseph Gifford, MD, Chief Executive, ACO of Washington, Providence Health & Systems
...and some opposition
You wouldn’t buy a car without knowing its price or level of quality, and you shouldn’t make important decisions about your health without cost and quality information, either.

– Washington Governor Jay Inslee’s Legislative Affairs and Policy Office on House Bill 2572
Thank You!

www.hca.wa.gov/shcip

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