



# Washington State Transparency

Washington State  
Health Care Authority

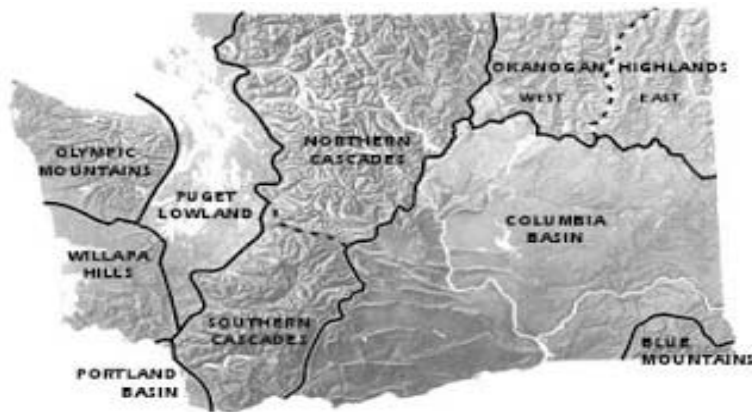
Dorothy Teeter, HCA Director

*March 26, 2014*

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)

# Washington's Successful Health System Innovations

- **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, HCI<sup>3</sup> hopes to encourage others to embark on similar efforts.

Source: Health Care Incentives Improvement Institute (HCI<sup>3</sup>)

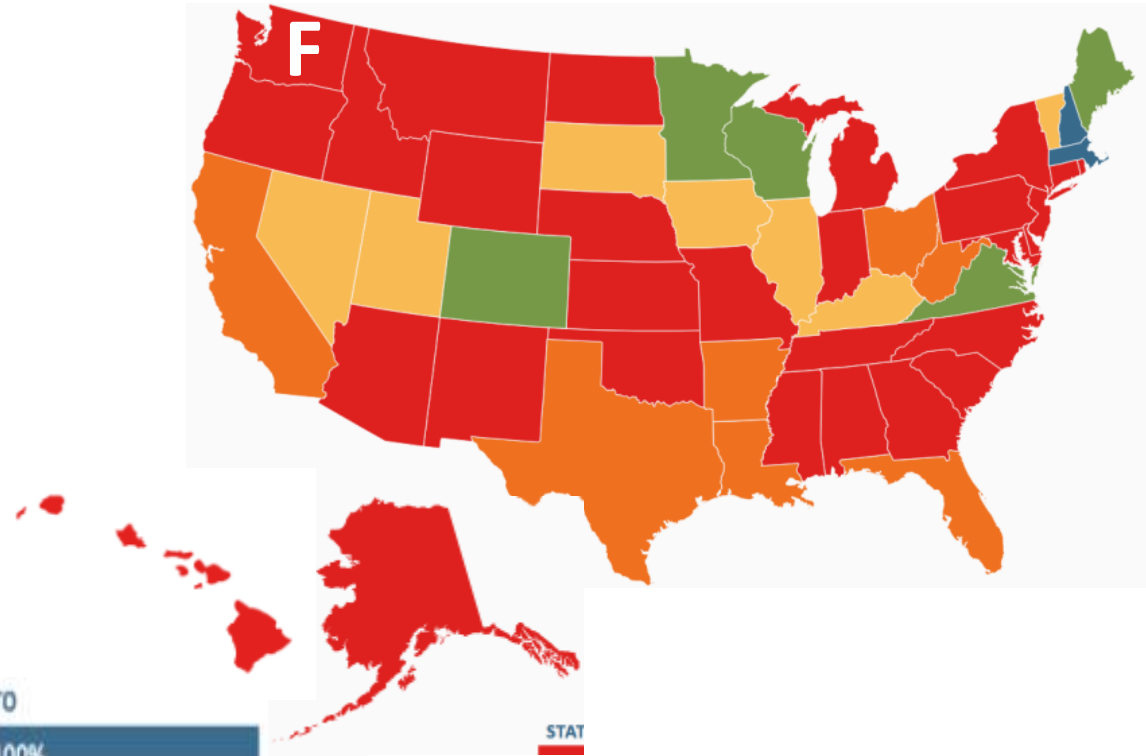


13 SUGAR STREET, NEWTOWN, CT 06470 / EMAIL: [INFO@HCI3.ORG](mailto:INFO@HCI3.ORG) / [WWW.HCI3.ORG](http://WWW.HCI3.ORG)

HCI3 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.



GRADE	FROM	TO
A	60%	100%
B	50%	59%
C	40%	49%
D	30%	39%
F	0%	29%

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

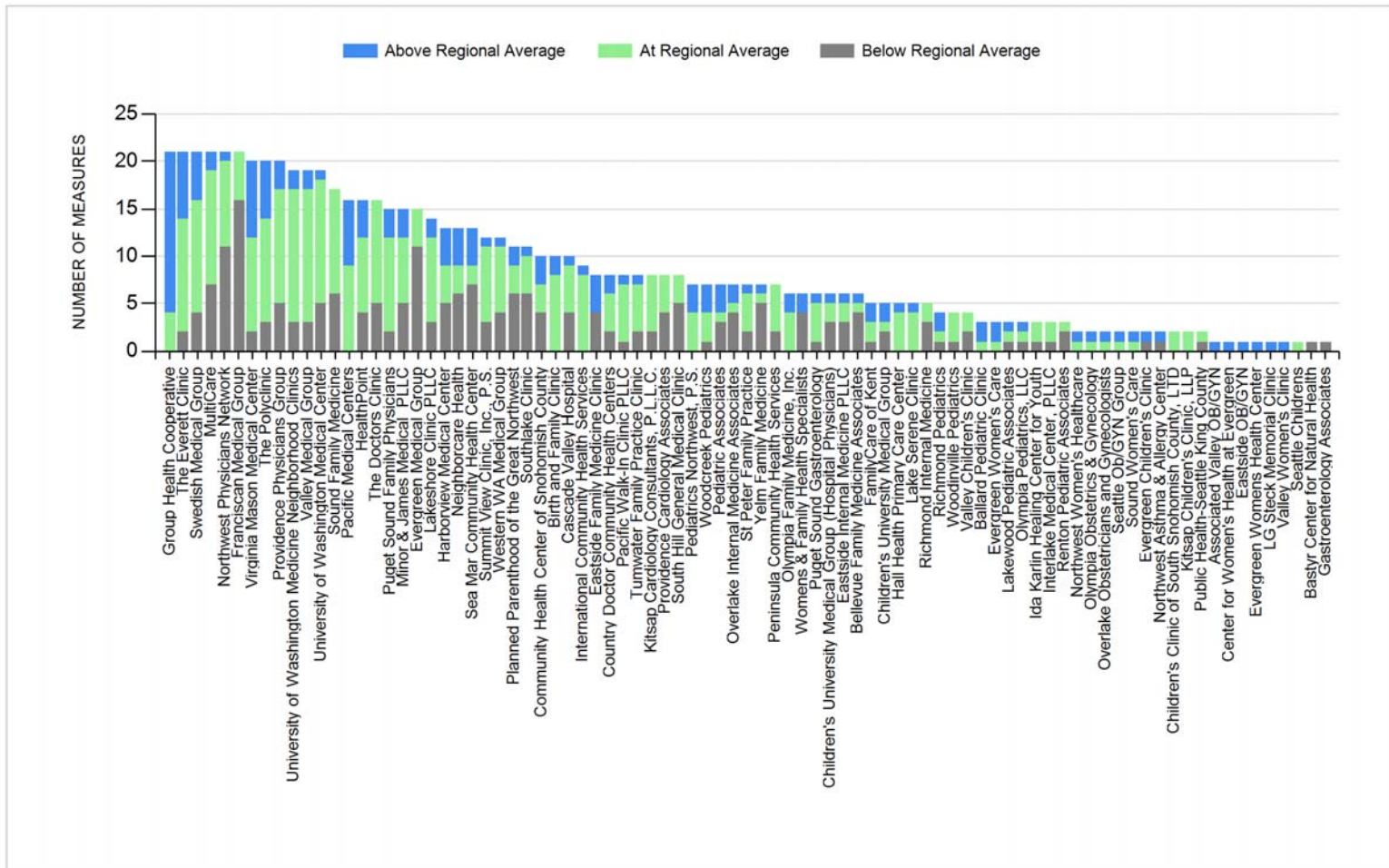
Catalyst Payment Reform report released March 2013

# 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

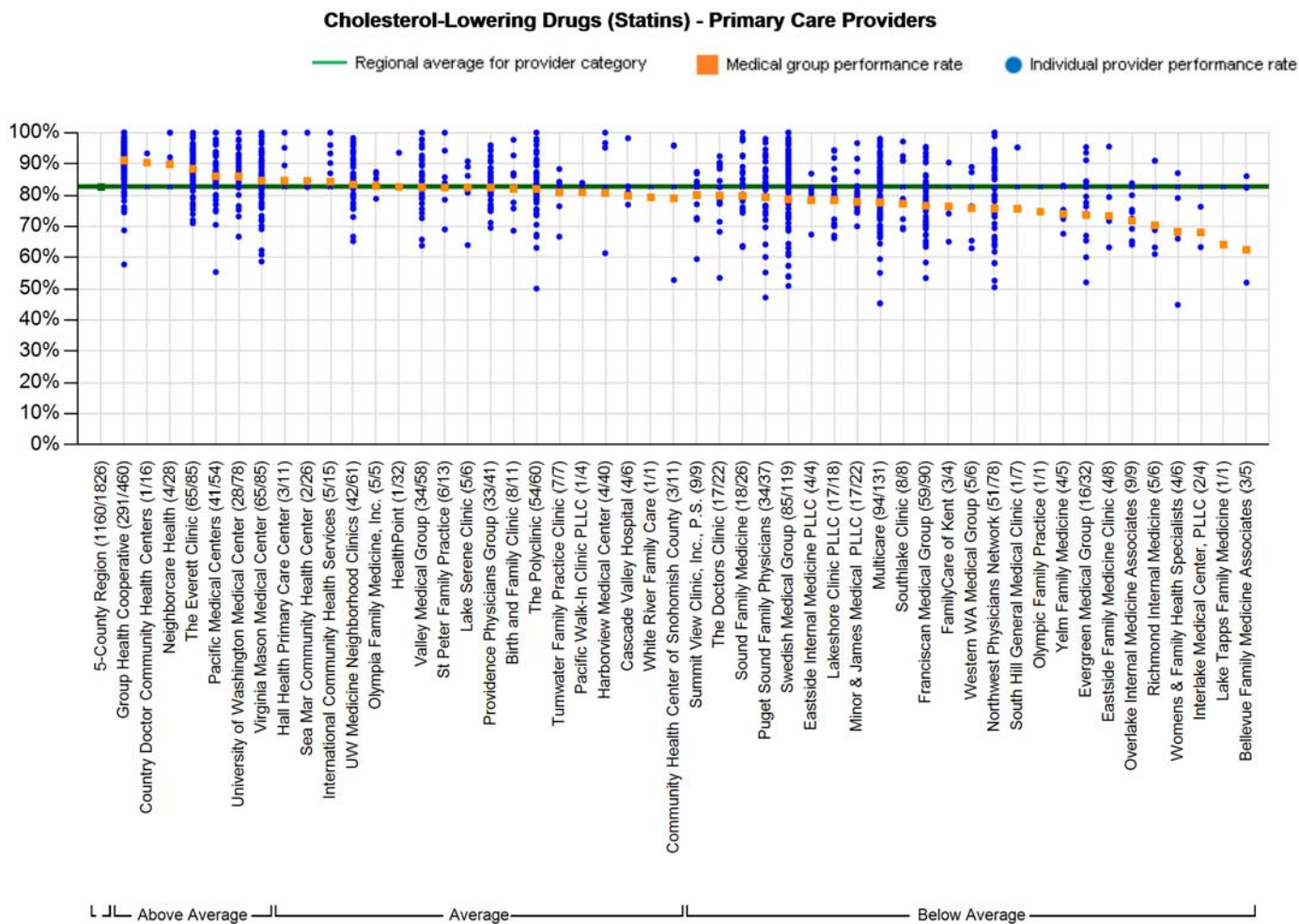
# Room for Improvement Across All Medical Groups

## Medical Group Results - Overview All Payers



on data in WHA's *Comparing Local Health Care in Puget Sound, 2013 Community Checkup Overview*, available at: [http://www.wacommunitycheckup.org/Media/Default/Documents/Community\\_Checkup\\_Report\\_2013.pdf](http://www.wacommunitycheckup.org/Media/Default/Documents/Community_Checkup_Report_2013.pdf)

# Significant Variation *WITHIN* Medical Groups



Source: Washington Health Alliance (WHA), *Overview of Key Activities and Plans for the Future* (2014), based on data in WHA's *Comparing Local Health Care in Puget Sound, 2013 Community Checkup Overview*, available at: [http://www.wacommunitycheckup.org/Media/Default/Documents/Community\\_Checkup\\_Report\\_2013.pdf](http://www.wacommunitycheckup.org/Media/Default/Documents/Community_Checkup_Report_2013.pdf)

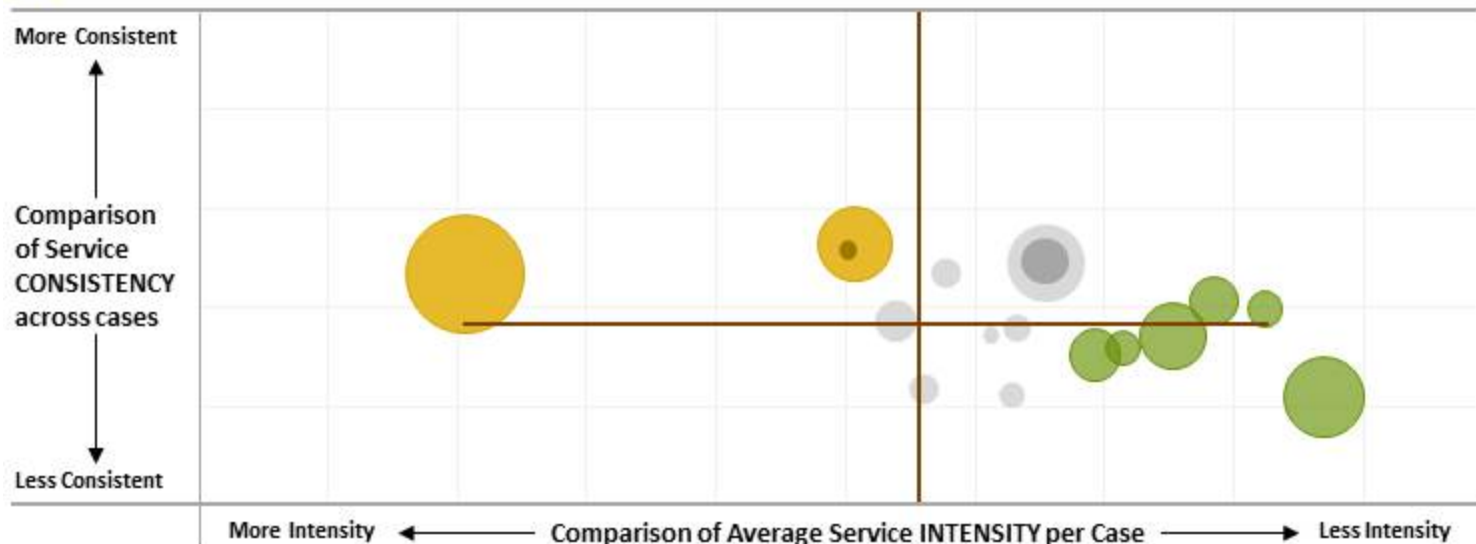


# Resource Use Variation: Knee Joint Replacement

*from the Washington Health Alliance database*

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

- GREATER INTENSITY THAN REGIONAL AVERAGE
- SIMILAR INTENSITY TO REGIONAL AVERAGE
- LESS INTENSITY THAN REGIONAL AVERAGE
- PERFORMANCE FOR ALL CASES



\* 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

Source: Puget Sound Health Alliance (now WHA) 2011 Report: *Use of Resources in High-Volume Hospitalizations*, available at: [http://wahealthalliance.org/wp-content/uploads/2013/11/puget\\_sound\\_health\\_alliance\\_resource\\_use\\_report\\_2011.pdf](http://wahealthalliance.org/wp-content/uploads/2013/11/puget_sound_health_alliance_resource_use_report_2011.pdf)

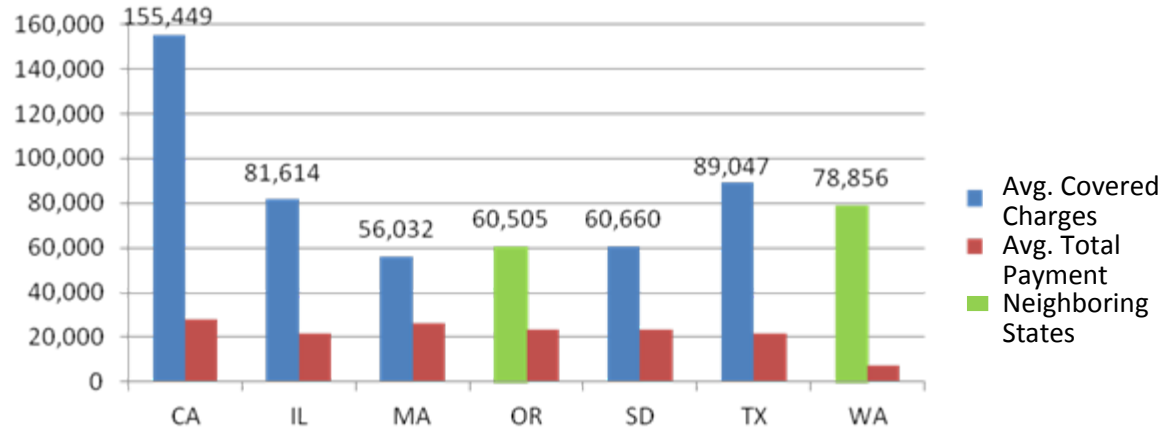
# Price Variation: 7 States

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

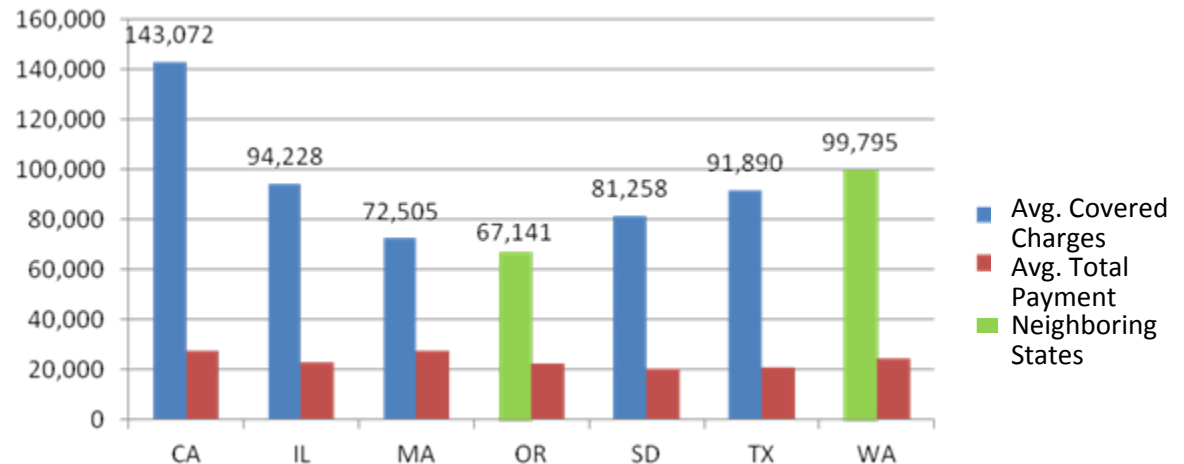
## States:

- California
- Illinois
- Massachusetts
- Oregon
- South Dakota
- Texas
- Washington

## Major Joint Replacement (w/o MCC)

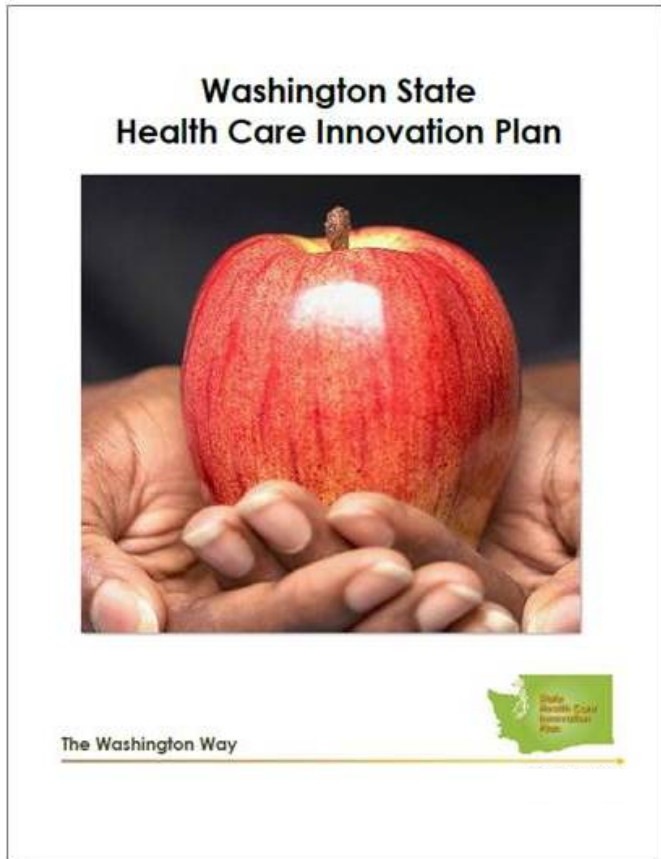


## Major Cardiovascular Procedures (w/o MCC)



# 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



# Washington as “First Mover” for Delivery & Payment Reforms

## Lead by Example: Public Employee & Medicaid Payment (1.7 m)

- Common purchasing framework
- ACOs
- Reference Pricing
- Elective joint replacement bundle and warranty

## Leverage Purchasing Power through State Contracts

- Statewide Core Measure Set
- Measure & Report Quality Measures
- Implement Evidence-Based Purchasing & Clinical Guidelines
- Patient Decision Aids

## Multi-Stakeholder Market Convener

- Convene community around aligned delivery system, **payment**, and benefit redesign, and consumer engagement strategies
- Align public and private purchasing expectations with benefit design

**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

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Originally published December 21, 2013 at 4:00 PM | Page modified December 21, 2013 at 10:14 PM

## Editorial: 2014 is a time for health-care transparency

Consumers want and need more information about the costs and realities of health care; issues great and small, insights and legislation.

Seattle Times Editorial

ROLLING back the mysteries surrounding health care quality, costs and access to care might be among the biggest consumer issues of 2014.

Legislatures in Olympia and across the U.S. have been asked to expand public information about health care, with the operative word being transparency.

States have legal requirements for sharing information among health-care providers, but not always for the broadest base of consumer use.

In national surveys, Washington earned top marks for transparency on physician quality, but a failing grade on health-care price transparency. The state has received a federal grant to promote remedial action, including legislation.

Health care is expensive, and the troubled launch of the federal Affordable Care Act made citizens all the more aware of the personal investment of time and effort required to make the health-care system work for them.

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

Consumers have allies in the Washington Health Alliance and nationally via the National Committee for Quality Assurance. They are pushing for more data to be made available, and helping the rest of us understand and decipher it.

Bringing down the cost of health care means empowering consumers to make informed decisions, and to help sort out any confusion about the relationship between cost and quality. More expensive health care does not mean better health care.

Consumer information takes all forms, but it must speak to getting the best information, and having it put in an understandable context.

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# Raising Public Awareness

## The Seattle Times

January 3, 2014 • Editorial Board: Editorial Page Editor Kate Riley, Frank A. Blethen, Ryan Blethen, Sharon Pian Chan, Lance Dickie, Jonathan Martin, Thanh Tan, Lynne K. Varner, William K. Blethen (emeritus) and Robert C. Blethen (emeritus).

*“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...”*



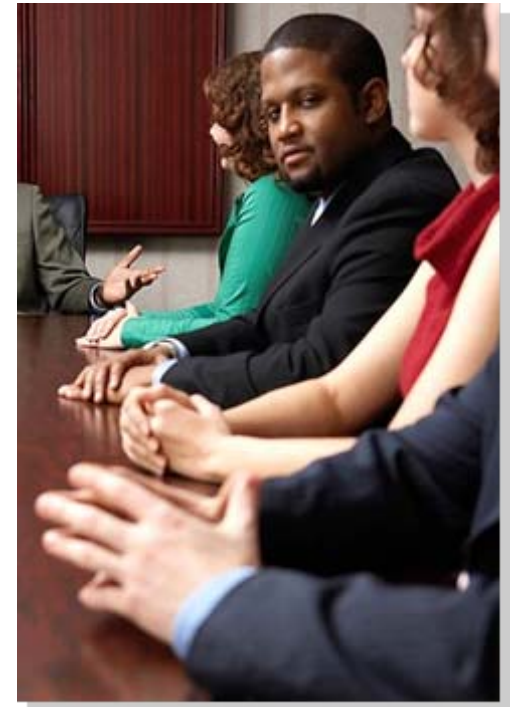
# Widespread Support for Washington's Innovation Plan

**“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

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March 4, 2014 in Opinion

## Editorial: Premera, Sen. Becker ruin good bill that would trim health costs

**The Washington Times** NEWS OPINION VIDEO SPORTS LIFE MEDIA

TRENDING: SENATE NATIONAL WEATHER SERVICE NFL BARACK OBAMA REPUBLICAN PARTY

## Health database requirement cut from bill

By JOHN WEBSTER - Associated Press Sunday, March 2, 2014

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## Popular health database requirement cut from bill

John Webster of The Spokesman-Review As of Monday, March 3, 2014

SPOKANE — Lobbying behind closed doors, Washington's largest health insurance company persuaded Republicans in the state Senate to gut a bill aimed to reveal health care price and quality information to consumers.

The battle pits Premera Blue Cross against a broad coalition representing everyone who buys, uses, provides or shapes health care: small consumer advocates, tribes, hospitals, doctors, nurses, the governor's office, even Premera's competitors.

**Puget Sound BUSINESS JOURNAL**

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Mar 6, 2014, 4:08pm PST

## Washington's insurance chief blasts Premera on transparency issue

Valerie Bauman Staff Writer - Puget Sound Business Journal

Washington state Insurance Commissioner Mike Kreidler is accusing Premera Blue Cross of using its political influence to gut a bill designed to protect the public from Ponzi schemes and financial meltdowns.



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## Widely Supported Health Cost Database Dropped From Wash. Bill

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## Kreidler accuses Premera of 'stonewalling' on transparency bill

Insurance Commissioner Mike Kreidler is backing a bill that would allow the public to see the financial data insurers submit to his office when they're trying to raise their rates. Group Health Cooperative and Regence BlueShield have signed on to the measure. Premera Blue Cross says that information should only be disclosed after a new rate is approved; otherwise, policyholders could get confused.

By Carol M. Ostrom Seattle Times health reporter

Should policyholders get to see the figures a health insurance company provides state regulators when it tries to raise its rates?

And if so, when exactly?

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## Bills designed to aid consumers with insurance run into opposition

In both cases, Premera Blue Cross, the state's largest insurer, lobbied against the bills' transparency provisions. "Premera supports transparency and is already implementing it for our members, employers and providers," said Eric Earling, Premera spokesman. In one case, the insurer's objections concerned House Bill 2461, the so-called Holding Company Act,...

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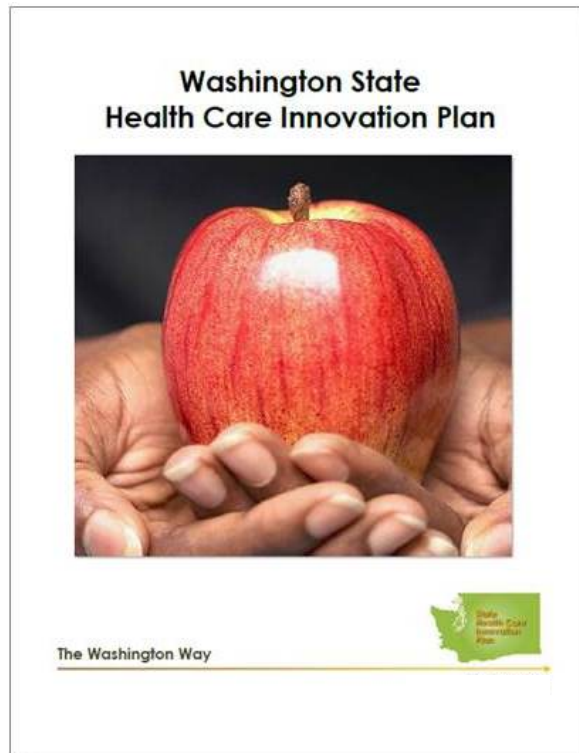
hind closed doors, company persuaded bill that widely supported bill that ality information to



**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](http://www.hca.wa.gov/shcip)

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