

MULTI-PURCHASER COLLABORATION TO ADVANCE VALUE-BASED HEALTH CARE

The Maine Experience

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State Employee Health Commission (SEHC)

- Labor/management organization serving a trustees to the group health plan
- 2005 adopted value-based purchasing strategy
 - Encourage consumers to make informed decisions about their care
 - Provide incentives for consumers to seek higher value care
 - Reward providers who demonstrate greater value
- 2006 introduced tiered hospital benefit based on publicly reported performance – core clinical measures, patient safety, patient experience
- Within two years four other large purchasers adopted the hospital tiering model

Maine Health Management Coalition (MeHMC)

- Multi-stakeholder organization with over 50 members from purchaser, provider, health plan and consumer communities
- Served in the role of credible public reporting vehicle
- Convened stakeholders to vet measures, establish performance thresholds and publicly report performance of hospitals and primary care practices
- Provided tools for purchasers to engage in value-based initiatives

A Pivotal Change

- 2011 SEHC introduced comparative cost into the hospital tiering equation with more aggressive incentives
- Other purchasers followed using similar comparative cost data
- Provider concerns shifted from reputation to market share
- 2012 major hospital covering large SEHC population removed from preferred hospital status
- MaineGeneral Medical Center proposed to partner in joint initiative for improved payment and delivery model
- SEHC invites other health systems to partner in meaningful payment and delivery system reforms

Partnership Proposal

- Assure appropriate, high quality care measured by clinical performance
- Improve care of patients and families
- Reduce health care spending trend (both total and per capita)
- Improve health behaviors of patients
- Commit to full transparency and shared risk

Role of MeHMC

- Provide technical assistance to purchasers (and providers) in developing payment models
- Via SIM grant convened stakeholders including MaineCare (Maine's Medicaid program) to establish voluntary common set of performance measures for risk-based arrangements
- Convened purchasers to develop benefit models to facilitate new risk-based contracts
- Introduced Total Cost of Care measures to facilitate benchmarking and reconciliation

Results to Date

- Mixed results to date
- Purchasers have become disillusioned with promise of ACO arrangements
- Three major obstacles:
 - Transparency – limited access to clinical performance data for commercial populations
 - Payment system – still heavily predicated on fee-for-service
 - Considerable reluctance on the part of some health systems to establish meaningful performance targets and risk-sharing provisions
- Several health system withdrew from MeMHC and collaborative model
- Purchases now engaged in other efforts – group purchasing, bundled payments

Key Lessons

- Patients, provider, and health plans will respond to incentives designed to modify behavior
- Modest successes can empower purchasers but it is difficult to sustain change
- Finding the “sweet spot” requires innovation and adjustments
- Health system consolidation has significantly impacted purchaser ability to use market leverage
- Purchasers need explore incremental collaborative strategies – group purchasing, common performance measures, joint purchasing tactics