



Minnesota Model of Health Care

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Overview

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- Vision for Minnesota
- Building on Strong MN Foundation
- Why Pay for Performance
- Implementation
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 - ◆ Bridges to Excellence
 - ◆ Partnering with private sector- Minnesota Smart Buy Alliance
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Problem:

Minnesota Health Care Costs

- Average MN household pays \$14,000 per year in health care taxes, premiums, and out-of-pocket costs
- Insurance premiums increase 3.5 times faster than state's economy, wages
- Health care costs are breaking the back of state and local governments
- Quality varies
- Millions of dollars are diverted from education, roads, the environment, and other priorities

Governor Pawlenty Took Action

- Get state government's act together – formation of the Governor's Health Cabinet
- Use state leadership to create a buyer's alliance through a public/private partnership/ "Smart Buy" Alliance
- Make the system transparent: purchase quality, not quantity

Getting state government's act together

- *Governor created the Health Cabinet in November of 2004 – a sub cabinet of six state department commissioners, representing \$4 billion annually, nearly 1/5 of Minnesotans of the state's health care purchasing dollars – to take on health care costs issues.*
- *His charge to us was simple: Use the buying power of the state, partner with the private sector to make substantive changes to Minnesota's health care purchasing.*
- *Goal: change cost structure will improve quality of services delivered.*

Partnering with Private Sector

“Smart Buy” Alliance

- ◆ The State of Minnesota
 - ◆ BHCAG
 - ◆ CEO Roundtable
 - ◆ Minnesota Business Partnership
 - ◆ Buyer’s Health Care Action Group
 - ◆ Minnesota Business Partnership
 - ◆ Minnesota Chamber of Commerce
 - ◆ Labor/ Management Health Care Coalition of the Upper Midwest
 - ◆ Employers Association
- Idea: Use the buying power of the state, along with partners in the private sector and union groups, representing 3/5 of the state’s population to make substantive changes to Minnesota’s health care purchasing systems and cost structures – improve health

Vision for Minnesota

A health care system that delivers and rewards effective and efficient care; promotes value based on standardized, public measures of cost and quality; and empowers the active and informed decision making of the patient, purchaser, health plan, and care givers.

Building on Strong MN Foundation

- BHCAG
- ICSI
- MN Community Measurement
- Adverse events reporting
- Hospital Quality Alliance
- Leapfrog
- www.minnesotahealthinfo.org

Why P4P

- What is measured can be managed.
What is paid for is done.
 - ◆ Peter Drucker
- ...between the health care that we have now and the health care that we could have lies not just a gap, but a chasm.
 - ◆ Crossing the Quality Chasm: A New Health Care System for the 21st Century

Steps to P4P

- Agree on best care
- Measure care
- Make it transparent
- Set baselines and targets
- Align payments
 - ◆ Minnesota Bridges to Excellence
 - ◆ Health plan P4P programs



Implementation

QCare

- July 31, 2006 Governor Pawlenty signs Executive Order
- Quality Care and Rewarding Excellence (QCare)
 - ◆ QCare is a new quality standard program that will be used by the State of Minnesota in its health care purchasing policies to reward top performing providers while saving millions of dollars in health care costs.

QCare cont...

- The Commissioner of Human Services and the Commissioner of Employee Relations are directed to adopt and apply the QCare standards and align payments and incentives for all state purchased health care for over 700,000 covered lives.
- All future state contracts with health plans and health care providers must include new incentives and requirements for greater transparency of costs and quality of care delivered based on the QCare standard...

QCare will...

- Set stretch goals
 - ◆ 80% of diabetics will receive Optimal care by 2010
 - ◆ 90% of cardiac patients will receive Optimal care by 2010
 - ◆ 90% prevention
 - ◆ 100% hospital care for the following conditions:
 - Heart Attack, Heart Failure, Pneumonia Care and Leapfrog reporting
 - ◆ Adverse events from 105 never events to 50 by 2010
- Align measurement, reporting, incentives across all payers to increase signal strength to providers

Rapid, broad, consistent use across purchasers

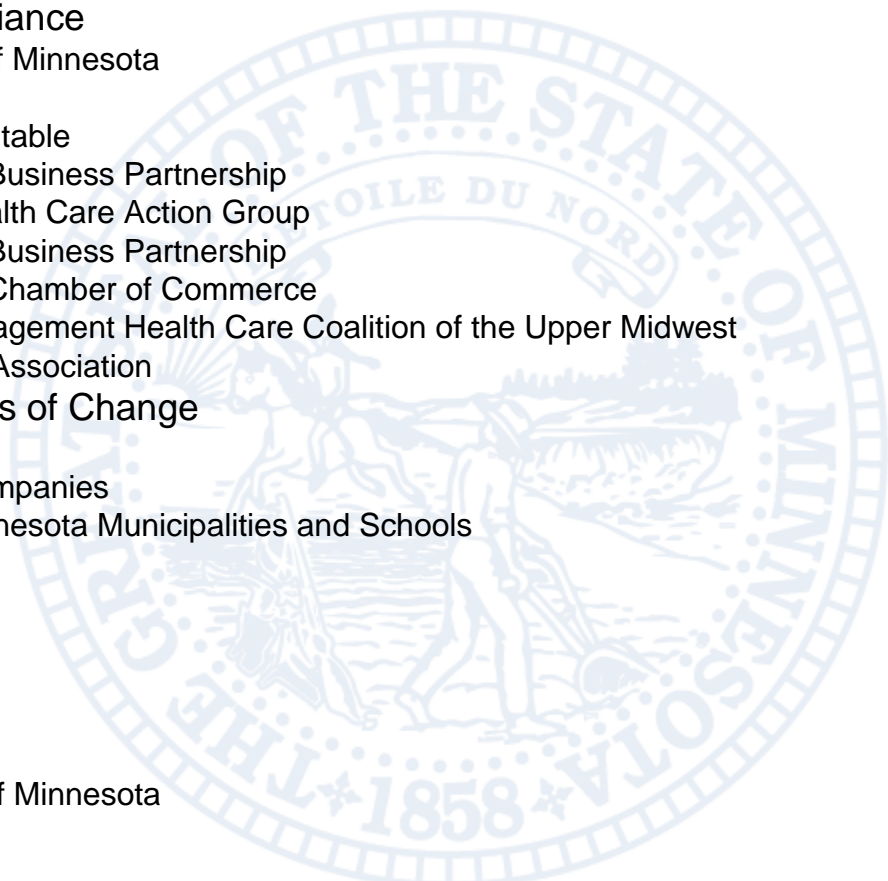
- State government
 - ◆ Now \$4 billion annually, nearly 1/5 of Minnesotans
 - ◆ Executive order
 - Health Cabinet, Center for Health Care Purchasing Improvement
- Will include local units of government
- Private sector partnership
 - ◆ BHCAG
 - ◆ Smart Buy Alliance
 - ◆ Consumers

Bridges to Excellence (BTE)

- Bridges to Excellence is a multi-state, multi-employer coalition developed by employers, to reward quality
- BHCAG sponsored development of BTE in Minnesota
 - Aligned diabetes P4P across all payers
 - First state employee group to participate
 - First state to implement in Medicaid program
- Partner to increase signal strength to physicians to re-engineer office practices

Partnering with Others

- “Smart Buy” Alliance
 - ◆ The State of Minnesota
 - ◆ BHCAG
 - ◆ CEO Roundtable
 - ◆ Minnesota Business Partnership
 - ◆ Buyer’s Health Care Action Group
 - ◆ Minnesota Business Partnership
 - ◆ Minnesota Chamber of Commerce
 - ◆ Labor/ Management Health Care Coalition of the Upper Midwest
 - ◆ Employers Association
- BTE Champions of Change
 - ◆ 3M
 - ◆ Carlson Companies
 - ◆ Central Minnesota Municipalities and Schools
 - ◆ DHS
 - ◆ DOER
 - ◆ Honeywell
 - ◆ GE
 - ◆ Medtronic
 - ◆ Target
 - ◆ University of Minnesota
 - ◆ Visant
 - ◆ Wells Fargo
- Local units of government
- Consumers and public



Results

- ◆ **Minnesota is the first state in the Nation** to have public/private participation with other Smart Buy members in the pay for performance program “Bridges to Excellence” rewarding high quality performers and showing the variation in treatment
- ◆ **Health care industry now accountable for their performance – Minnesota most comprehensive** common, standard, comparable, community-wide report cards on health care quality and performance – a health care “Triple Play” – **Health plans:** *eValue8*; **Clinic systems:** *MN Community Measurement*; **Hospitals:** “Adverse Events” reporting, “Leapfrog” quality ratings – purchasing based on these reports.
- ◆ **Rapid use of Centers of Excellence**

Greater Transparency

- ◆ **Tiered arrangements** for state employees and recent health plan tiered products, plus new links to quality measures through MN Community Measurement – result **ZERO** premium increase for 2006 and holiday premium waived for state employees
- ◆ **State Health Care Information Clearinghouse** minnesotahealthinfo.org
- ◆ **The State of Minnesota and MN Community Measurement** teamed up during the State's open enrollment to offer state employees information on cost and quality
- ◆ **Nursing Home Report Card**
- ◆ **Minnesota was the first state** to legislate mandatory public reporting – and ranked first in the nation by HealthGrades* for patient safety
- ◆ **Efforts underway** to bring cost information to consumers
- ◆ **Offering financial insensitive** to medical groups for more specific quality reporting at the clinic site level

*2006 HealthGrades Quality Study

Next Steps...

- Add new conditions
 - ◆ Cardiovascular
 - ◆ Depression
- Drive the market to an efficient high value cost effective health care delivery system
 - ◆ Healthy Connections

Healthy Connections

- Modernizing MinnesotaCare to offer a more affordable private sector alternative that focuses on rewarding healthy outcomes.
- Increasing affordable access to health care coverage for kids in Minnesota.
- Establishing the Minnesota Health Insurance Exchange to connect employers, employees, MinnesotaCare recipients and individuals to more affordable coverage options.
- Providing small employers and their employees with more affordable coverage, greater choice of health plans, and reduced administrative burden.
- Lowering out-of-pocket costs for individuals purchasing insurance through the private market.

For further information, contact:

- ◆ Governor's Health Cabinet at <http://www.thehealthcabinet.com/>
- ◆ Health information clearinghouse at www.minnesotahealthinfo.org