



Institute for Clinical Systems Improvement

---

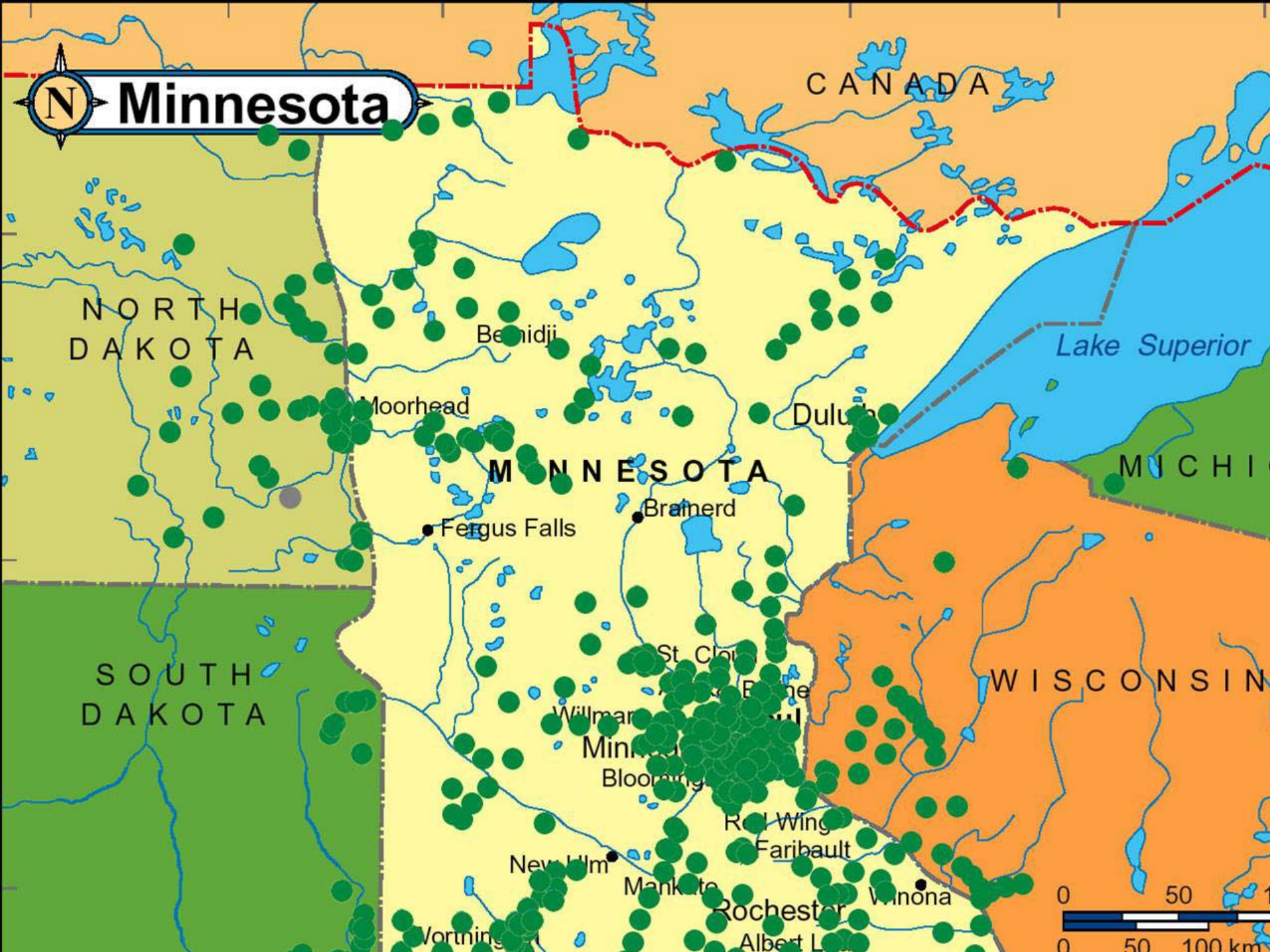
# Multi-Payer Payment Reforms

# ICSI

---

- A collaboration of nearly 60 medical groups & hospital systems
- Sponsored by six health plans
- Established 1993
- ≈ 60 hospitals and medical practices with ≈ 9000 physicians

# Minnesota



# *What ICSI Does*

---

- Unites diverse stakeholders to solve health care issues no single entity can solve alone
- Address underuse and overuse of health care services
- A “living laboratory” to turn health care improvement concepts into reality

QuickTime™ and a  
decompressor  
are needed to see this picture.

# *Initiatives Involving Payment Reform*

---

- High Tech Diagnostic Imaging (HTDI)
- DIAMOND (Depression in Primary Care)
- Baskets or Episodes of Care
- Health Care Home / Palliative Care



# *HTDI*

---

Decision-Support for  
More Appropriate Ordering of  
High-Tech Diagnostic Imaging Scans  
Across Minnesota

# HTDI Initiative

- Use of decision support and appropriateness criteria to support the appropriate use of high tech diagnostic imaging
- By the ordering provider, at the point of care





# HTDI Goals

---

- Improve quality of HTDI ordering
- Manage utilization trend
- Integrate into clinical workflow
- Support communication between providers
- Enhance shared decision making with patient
- Obtain utilization and outcomes data

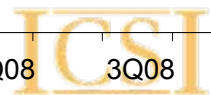
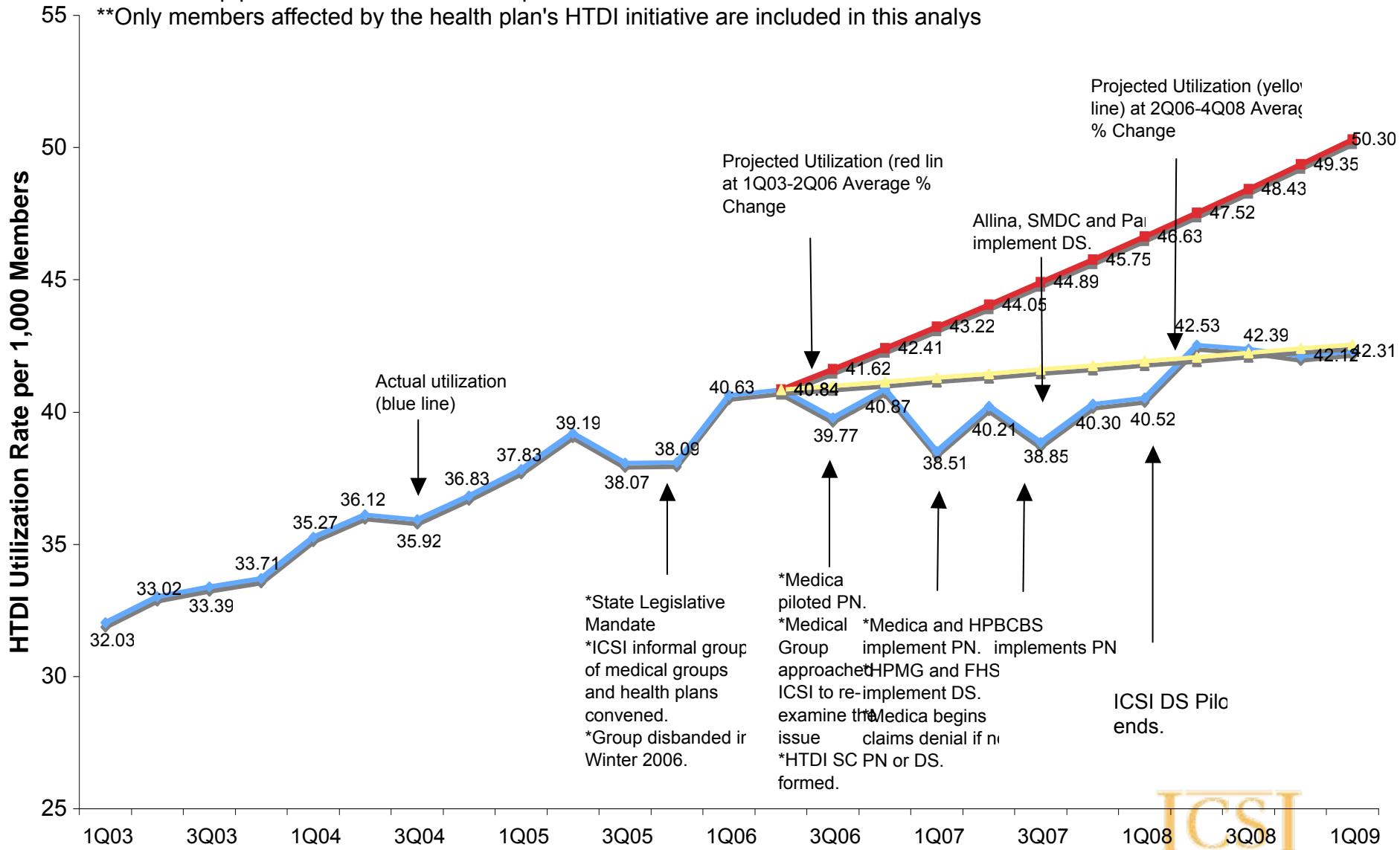


# Aggregate HTDI Utilization Rate per 1,000 Members, 1Q03-1Q09

Aggregate Data Include: BCBS, HealthPartners, Medica, UCare and  
 Claims and Membership Data (Hospital Inpatient and ER Claims)

\*Membership profile differs across health plans.

\*\*Only members affected by the health plan's HTDI initiative are included in this analysis





# HTDI Impact

---

- Estimated savings of \$28 million in pilot of 47% HTDI volume in MN
- Potential savings of \$60 million annually with statewide rollout
- Decreased radiation induced cancers potentially 15 lives per year

QuickTime™ and a decompressor are needed to see this picture.

# Payment Model

- Appropriateness criteria supported by health plans
- All patients within “catchment area”  
(insured, medicare, uninsured)
- Reduces RBM costs for health plans
- Decreases labor costs for clinics





**DIAMOND**

***Depression  
Improvement  
Across  
Minnesota  
Offering a  
New  
Direction***



**[CSI]**

# The DIAMOND Model

- Evidence based processes:
  - Consistent method for assessment/monitoring
    - Agreement on PHQ-9 across state
  - Tracking system (registry)
  - Stepped care approach to intensify Rx
  - Relapse prevention
- Two roles:
  - Trained care manager for follow up support, coordination
  - Liaison/consultative relationship with psychiatry

# Outcomes

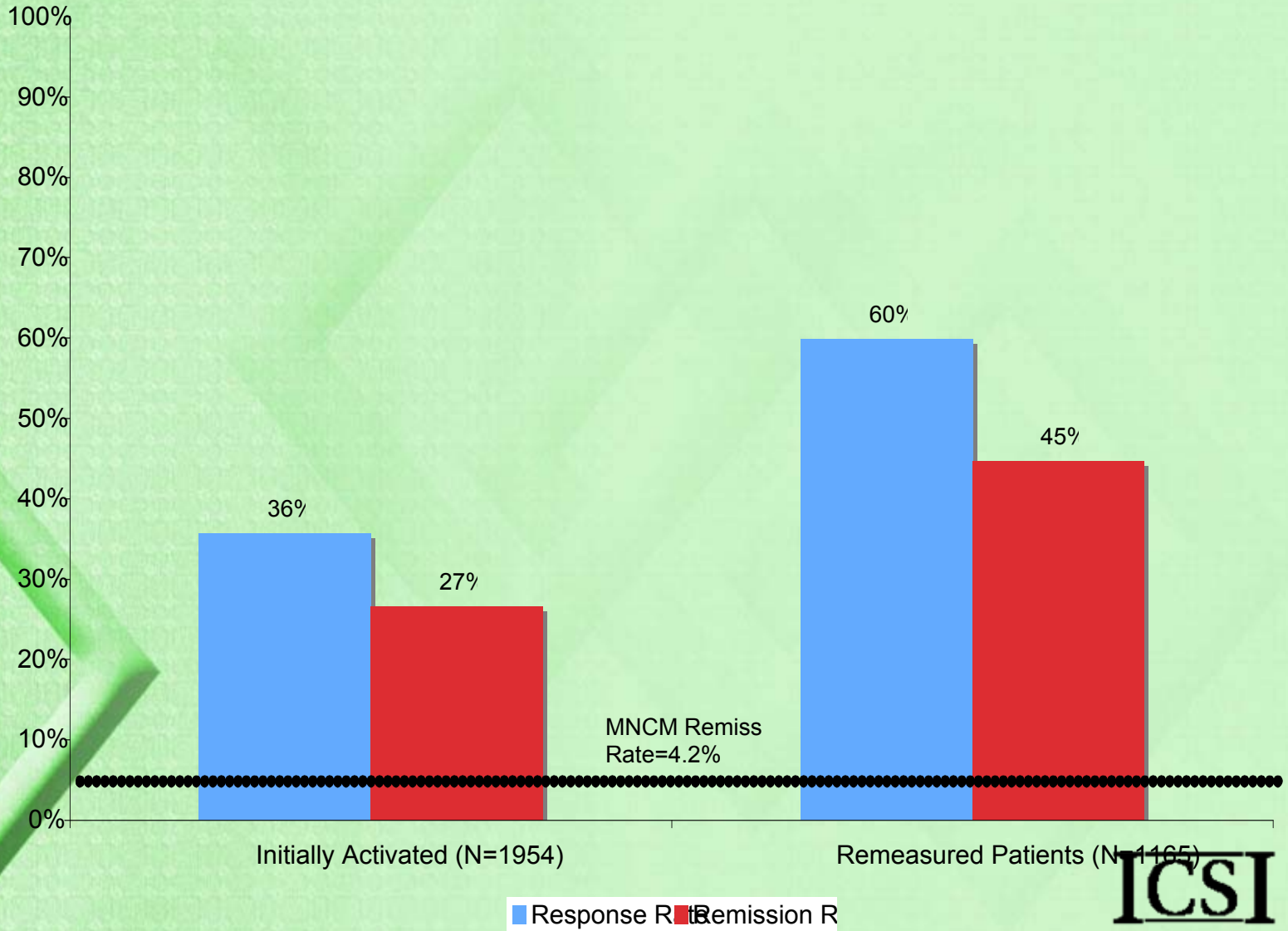
- **Response rates** (50% or Greater Improvement in PHQ-9 Scores) after 6 Months in DIAMOND

58.7% vs usual care 8.3%, MNCM 6.8%

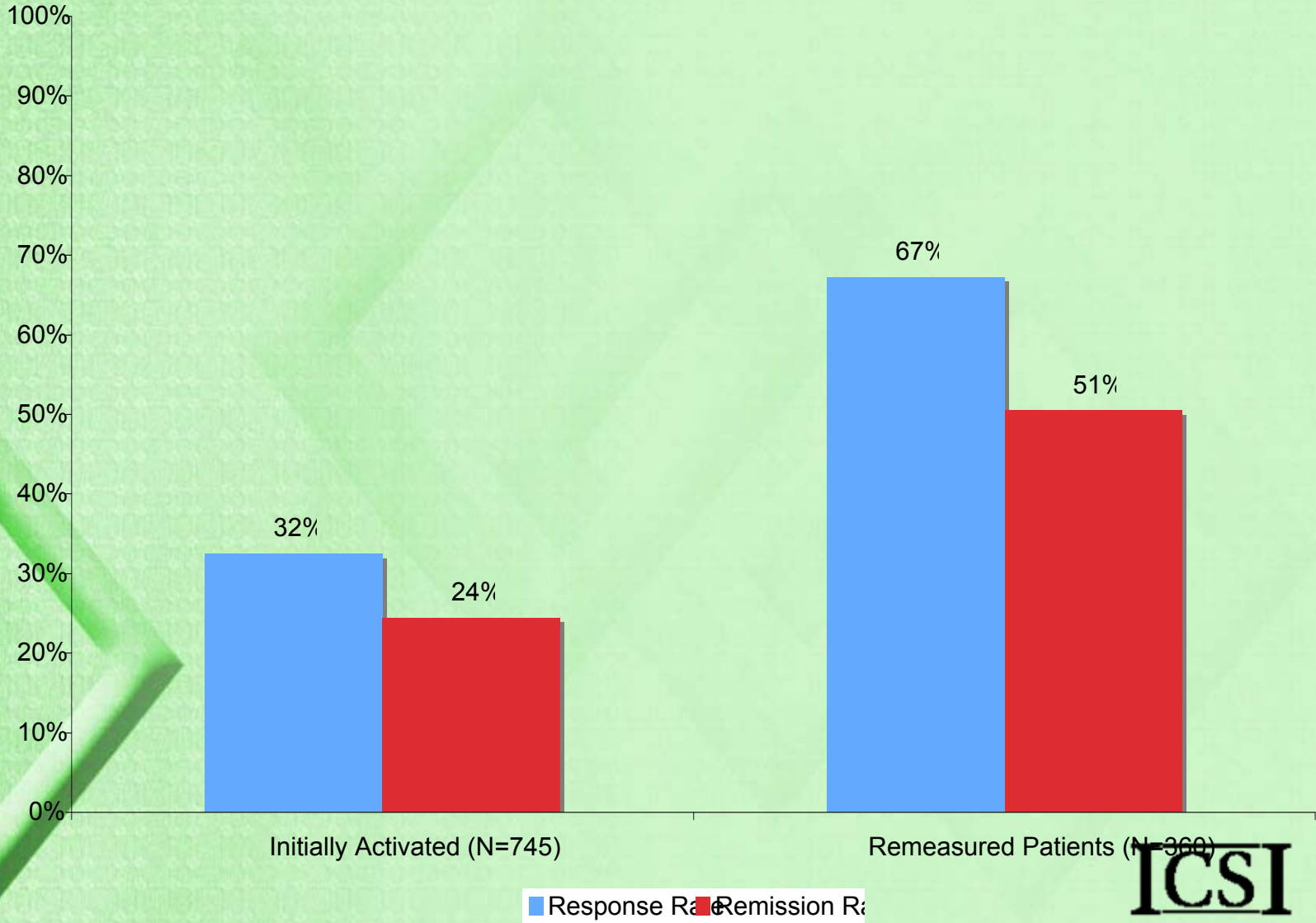
- **Remission rates** (PHQ-9<5) after 6 Months in DIAMOND

47.1% vs usual care 3.8%, MNCM 3.5%

**DIAMOND Program**  
**Outcome Measures at 6 M**  
Institute for Clinical Systems Imp  
Bloomington, Minnesota, Unite



**DIAMOND Program**  
**Outcome Measures at 12 Months**  
Institute for Clinical Systems Improvement  
Bloomington, Minnesota, United States





# Payment Model

- T2022 code billed monthly for each patient active in DIAMOND registry
- Payment fee established through plan and medical group contracting
- Patients can be in the program up to 12 consecutive months if remain eligible

# Payment Model Future

- Potential progression toward payment amounts based on actual results - supporting real time “P4P”

# Baskets of Care



# Baskets of Care

- 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.

# MN Baskets of Care Objectives

- Improve patient outcomes
- Provide financial incentives to manage care more proactively
- Provide greater transparency to consumers
- Allow for comparability
- Allow for innovation in the organization and delivery of health care services

QuickTime™ and a decompressor are needed to see this picture.

# Choosing the Basket Topics

- **Criteria:**
  - Equitable
  - Comprehensible/Consumer Selectable
  - Evidence-based (Quality)
  - Comparability
  - Cost/Efficiency
  - Effectiveness of Care
- Public input on topic selection and potential components

# Eight Baskets of Care

- Asthma - Children
- Diabetes
- Pre-Diabetes
- OB Care - Prenatal
- Low Back Pain - Acute
- Preventive Services - Adults
- Preventive Services - Children
- Total Knee Arthroplasty

QuickTime™ and a decompressor are needed to see this picture.

QuickTime™ and a decompressor are needed to see this picture.

QuickTime™ and a decompressor are needed to see this picture.

# Operational and Administrative Challenges

## Phase I:

- Billing, claims and coding
- Develop basket-specific work plans for two basket topics

## Phase II:

- Ops/Admin implementation challenges

Suggested solutions for challenges



# Ops/Admin Challenges

## Phase I

### Coding, claims, billing challenges

- Regulatory and accreditation requirements
- *Existing benefit designs*
- *Complexity of existing payment structures*
- Need for manual processing
- Distinguishing "basket" care from FFS

# Ops/Admin Challenges Phase I

## Coding, claims and billing suggested solutions

- Use the concept of "general contractor"
- Use of general codes (seek exemptions)
- Simplify in the future via benefit redesign
- Mechanism to disassemble a basket to acknowledge life events
- Provide claims flow
- Aim for automation and scalability

# Ops/Admin Challenges Phase II

## Implementation Challenges:

- Patient engagement and patient volume
- Benefit design
- Data portability and integration
- Measurable outcomes
- Administrative burden
- Actuarial / Risk issues
- Consumer opt in
- Legal issues
- Provider engagement

# Ops/Admin Challenges Phase II

## Implementation suggested solutions:

- Patient engagement
  - Consumer education
  - Engagement at clinical and financial levels
- Patient volume
  - Pilot structure to demonstrate success
  - Open networks to encourage participation
- Benefit design
  - Simple, straightforward, understandable
  - No “buy ups” initially

QuickTime™ and a decompressor are needed to see this picture.

# Ops/Admin Challenges Phase II

## Suggested solutions (con't):

- Administrative burden
  - Use collaborative process
  - Use Administrative Uniformity Committee (AUC)
- Consumer opt in
  - Employer and provider engagement
  - Incentives
- Provider engagement
  - Compensation
  - Risk mitigation

# Ops/Admin Challenges Phase II

## Suggested solutions (con't):

- Data portability and integration
  - Clinical, financial, administrative
  - Electronic Medical Records (EMRs)
  - Personal Health Records (PHRs)
- Measurable outcomes
  - Use existing measures and database
  - Cost data with control group

# *Health Care Home Palliative Care*

QuickTime™ and a  
decompressor  
are needed to see this picture.

- Early stages of exploration / development
- PRACTICE Redesign Collaborative  
Ambulatory care to meet triple aim  
(social networking, PHR's, HCH, payment reform)
- Palliative Care Initiative  
Model to deliver palliative in primary and specialty care  
(shared decision making, HCH, payment reform,  
advanced care planning)

# *Health Care Home Palliative Care*

QuickTime™ and a  
decompressor  
are needed to see this picture.

- Recognition that payment redesign is required to sustain care delivery, cost and outcomes improvement
- Care management fee for one disease (like DIAMOND) is not a sustainable solution
- Care management fees based on patient complexity
- Care management / care coordination fee: ACO, global payment or total cost of care appears more sustainable



# Payment Reform:

---

## Lessons Learned

- Care delivery redesign needs payment redesign to align and reinforce the right work
- Cost / Risk sharing must occur for stakeholders to want to participate.
- For bundled services, payment is easier in an integrated system
- Episodes of care payment can still fit within a global payment structure

# Payment Reform:

---

## Lessons Learned

- Confusion about payment for care coordination/management in HCH, Episodes of Care, Accountable Care Organizations - Need a comprehensive payment system
- The fragmented payment and administrative environment create implementation challenges
- A critical mass (with CMS) is needed

# Key recommendations

- Get critical mass of providers
- Get critical mass of plans (and CMS)
- Align patient benefits, move to value based benefits
- Technology is critical

*Questions??*

---