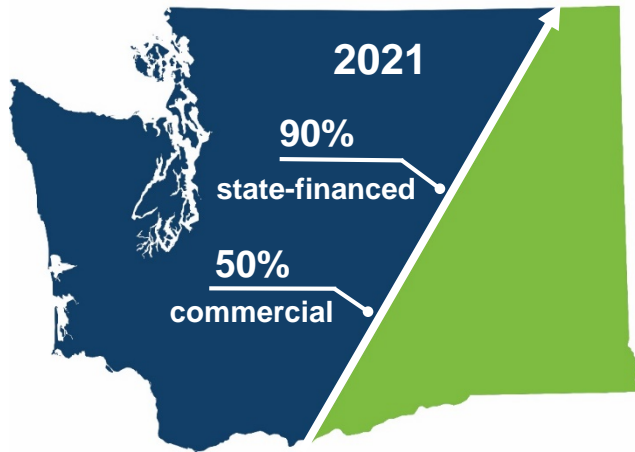




Healthier Washington and Washington's FQHC APM

July 24, 2017

HCA's VBP goals



In 2021, at least **90%** of state-financed health care payments and **50%** of commercial health care payments are linked to quality and value through APMs (Categories 2c-4b)

Washington's annual health care cost growth will be below the national health expenditure trend.

Tools to accelerate VBP and health care transformation:

- 2014 Legislation directing HCA to implement VBP strategies
- SIM Round 2 grant, 2015-2019
- DSRIP Medicaid Transformation Demonstration Project, 2017-2021

HCA Value-Based Roadmap

- Reward patient-centered, high quality care
- Reward health plan and system performance
- Align payment and reforms with CMS
- Improve outcomes
- Drive standardization
- Increase sustainability of state health programs
- Achieve Triple Aim

Medicaid

PEBB

2016:
20% VBP

2019:
80% VBP

2021:
90% VBP



HCA VBP Initiatives

Apple Health - Medicaid

- 1% MCO premium withhold based on quality and provider VBP arrangements
- Behavioral and physical (financial) health integration in Southwest WA, statewide by 2020
- Encounter to Value model for FQHC/RHC/CAHs
- Medicaid Demonstration regional VBP goals tied to DSRIP incentive payments to Accountable Communities of Health and MCOs

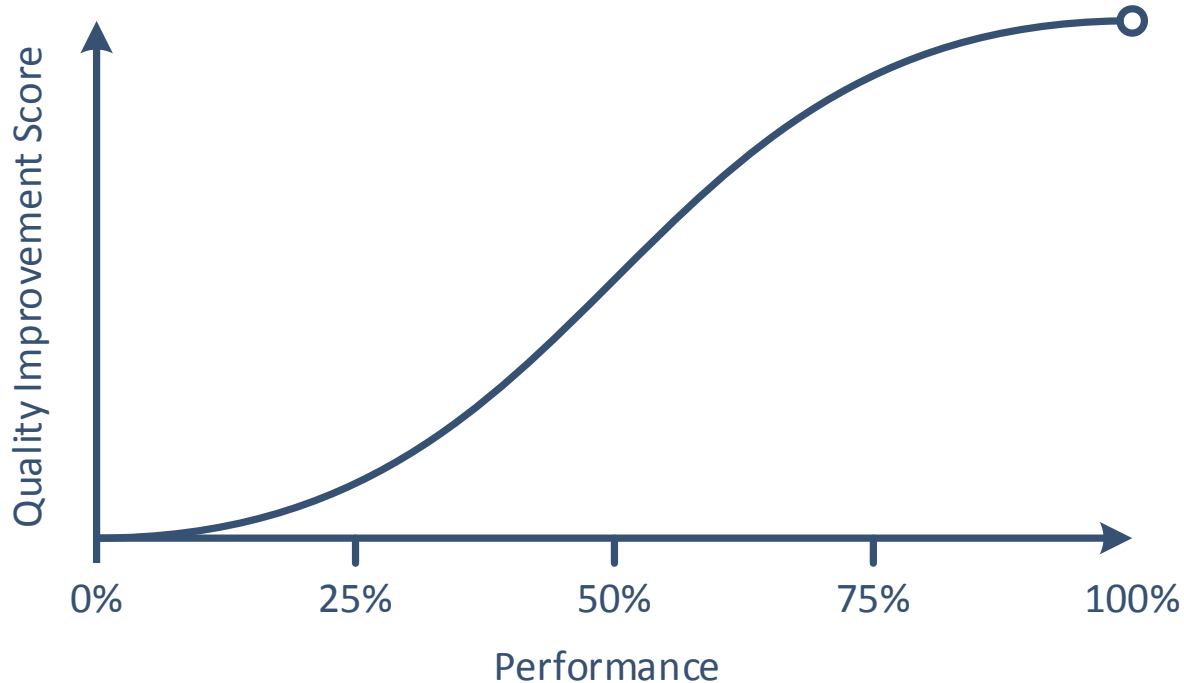


Quality Improvement 1% Withhold (Medical Portion of Monthly Premium Payment)

1. Up to 12.5% of 1% may be earned back by making **qualifying provider incentive payments**
2. Up to 12.5% of 1% may be earned by having **value based purchasing arrangements**
3. Up to 75% of 1% may be earned by **achieving quality improvement targets**

Performance period: January –December 2017

Quality Improvement Model



- Rewards for **attainment and improvement** based on Targets, Means, and Weighting
- Low performers are recognized more for larger gains while high performers are recognized for marginal gains

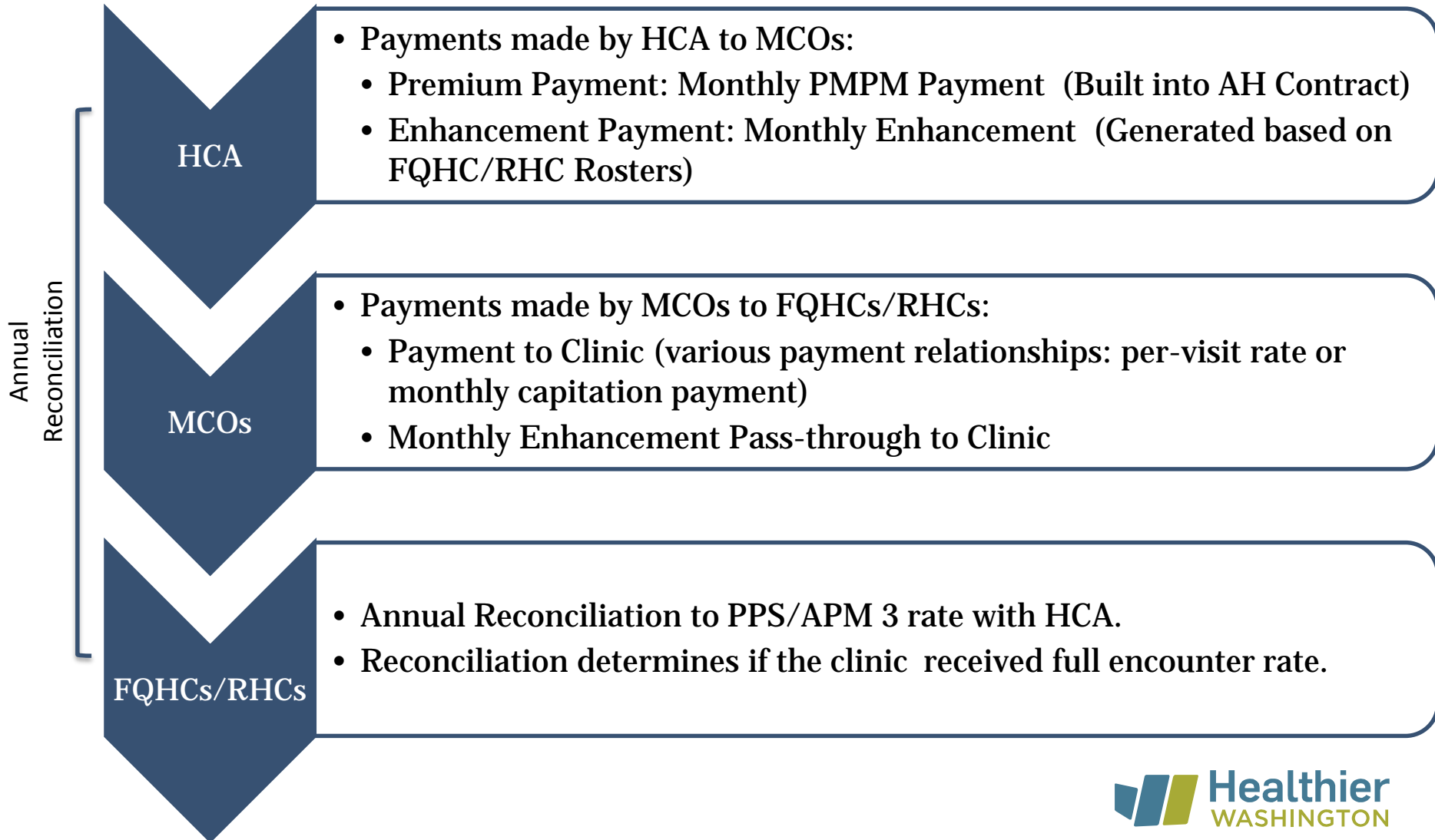


MCO and APM4 Performance

Performance Measures:

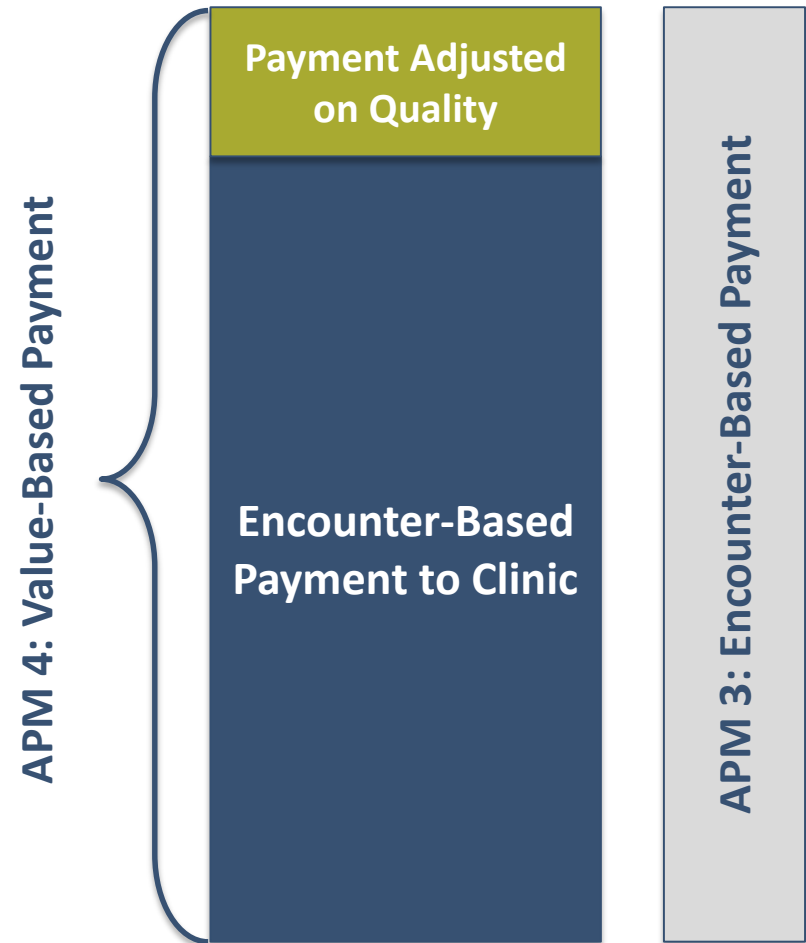
1. Comprehensive Diabetes Care - Poor HbA1c Control (>9%)
2. Comprehensive Diabetes Care - Blood Pressure Control (<140/90)
3. Controlling High Blood Pressure (<140/90)
4. Antidepressant Medication Management
 - Effective Acute Phase Treatment
 - Effective Continuation Phase Treatment (6 Months)
5. Childhood Immunization Status - Combo 10
6. Well-child visits in the 3rd, 4th, 5th and 6th years of life
7. Medication Management for people with Asthma: Medication Compliance 50%
 - (Ages 5-11)
 - (Ages 12-18)

APM4 Flow of Medicaid Funds



APM4 Flow of Medicaid Funds

- FQHCs and RHCs are guaranteed their APM3/PPS through the annual reconciliation for qualifying encounters
- Allows FQHCs/RHCs to improve their access to care by focusing on improving specific quality metrics
- Allows FQHCs/RHCs to have a larger member panel without the burden of increasing the total number of patient encounters they provide
 - Expands PCP capacity in medically underserved areas
- Incentives alternatives to face-to-face visits
 - Allows FQHCs/RHCs to offer more member-centric access to primary care



*PPS/APM 3 and Total Clinic Revenue not to scale in visual