



# Transforming Health Systems through Payment Reform

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## Population: Medicaid beneficiaries of Central MA

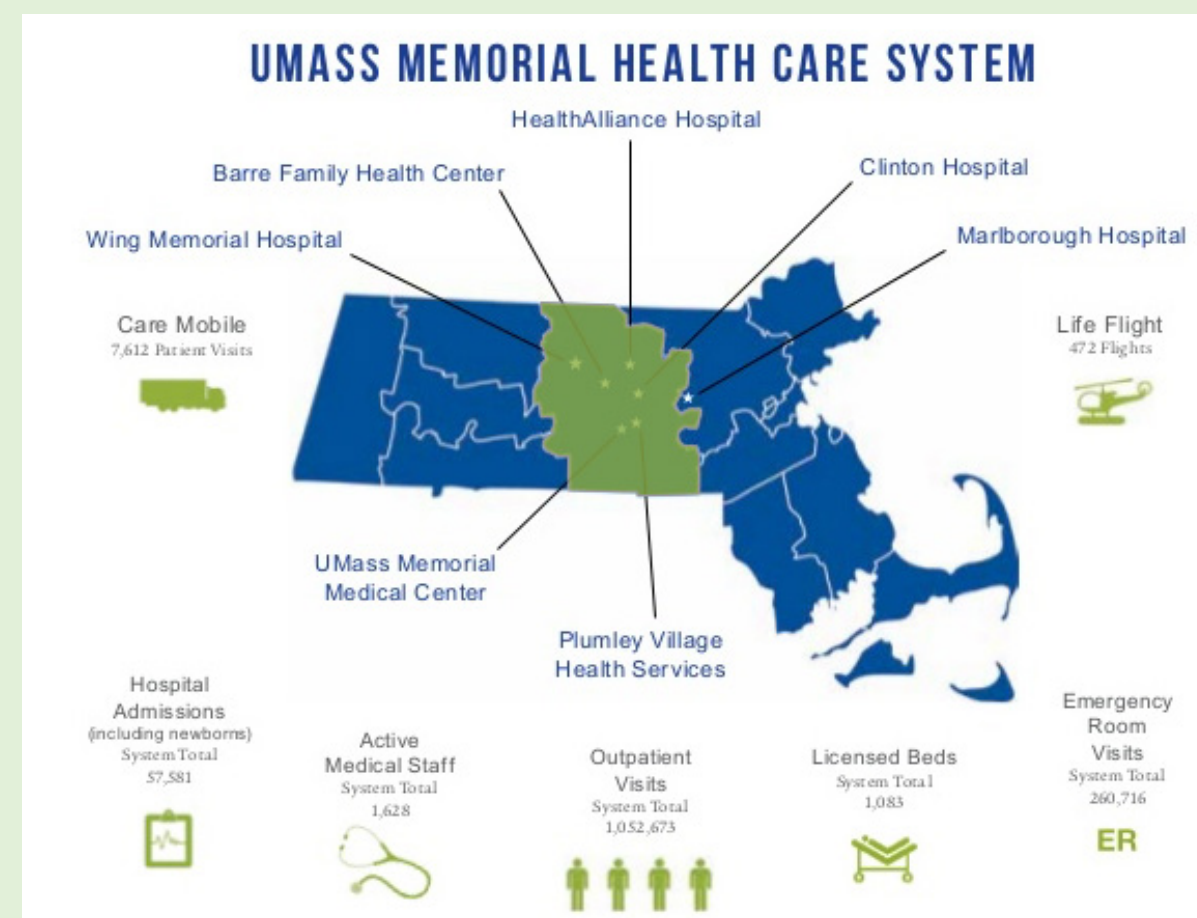


Figure 1. UMass Memorial Health Care System is a not-for-profit healthcare network that provides all levels of care from primary to quaternary for the population of Central Massachusetts. Source: 2013 UMass Memorial Healthcare Community Benefits Report, published Nov 6, 2014 on SlideShare.

### MassHealth state program overview

- MA public health insurance for low income residents under the age of 65, consists of Medicaid and CHIP
- 1.85M members (~ 25% of state population)
- Costs \$16.1B (~ 40% of state budget)
- Spending is high and growing rapidly (MA spend is 31% above national average for state Medicaid programs)

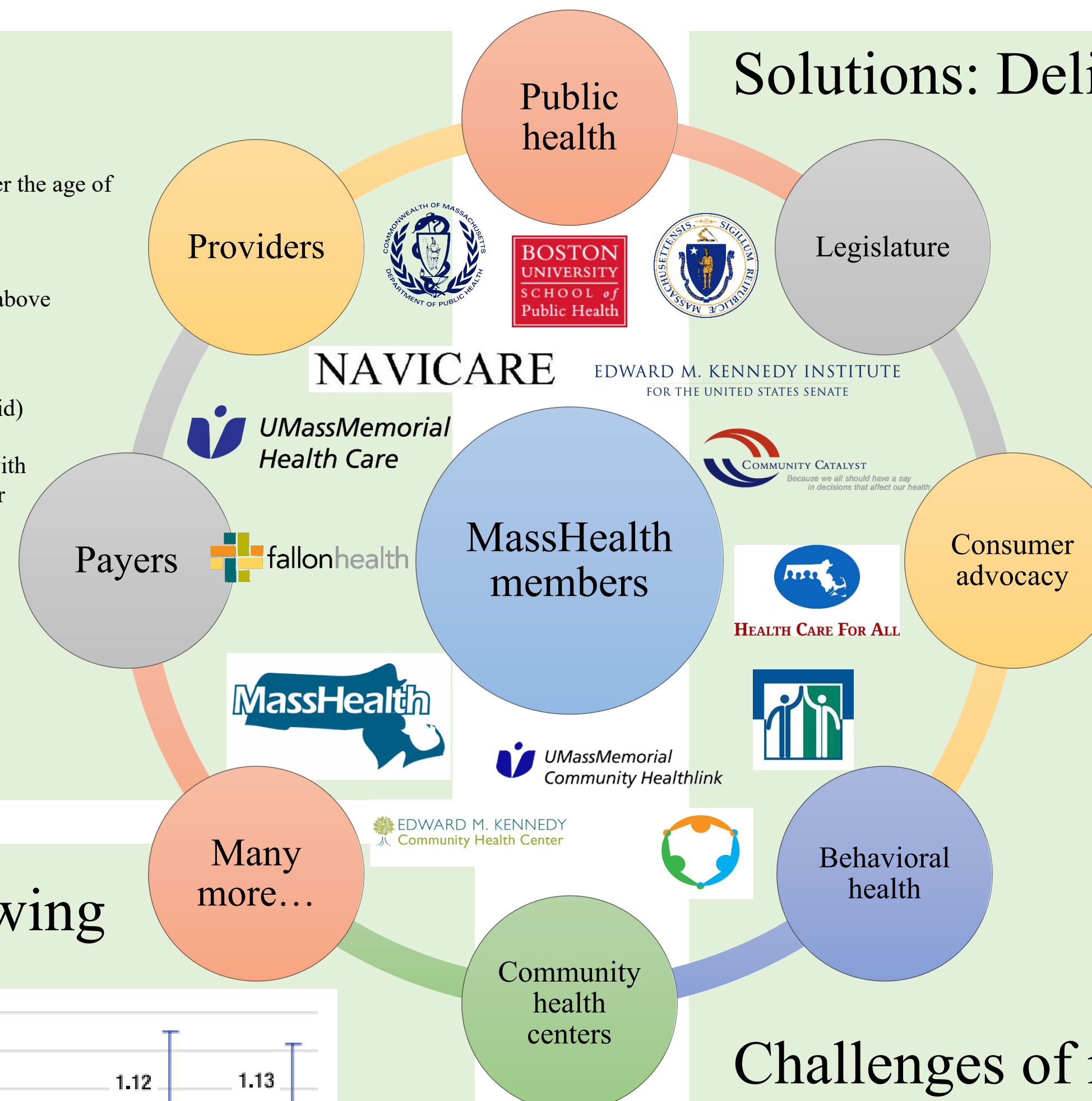
### Population served (city of Worcester)

- 41.4% receive public health insurance (Medicare, Medicaid)
- 30% of children under age 18 live below poverty line
- Growing diversity – Hispanics, Vietnamese, Portuguese with refugee population from Bhutan, Burma, Liberia and other African nations

Source: 2010 U.S. Census Data

### UMass Memorial Healthcare (UMMHC)

- Largest healthcare system in central New England
- Only Safety Net provider in the region; largest provider to uninsured outside Boston
- Partners with community agencies to connect medically underserved to health insurance and other resources



## Solutions: Delivery system transformation and payment reform

### Achieving the Triple Aim – Population health focus

- Better health for populations
- Better care for patients
- Lower costs

### Medicaid Accountable Care Organization (ACO)

- In July 2017, MassHealth will move its Medicaid providers into the ACO model, affecting 1.2M members
- ACOs will be accountable for both quality and total cost of care for all members, including behavioral health and long-term services and supports
- ACO model incentivizes hospitals to create partnerships with community health organizations to integrate medical and health-related social services
- Delivery System Reform Incentive Plan (DSRIP) federal funding will allow Medicaid to invest \$1.8B over 5 years into ACO infrastructure development
- UMMHC named an ACO pilot site (6 total)

### UMMHC adapting to a value-based payment model

- Transition from fee-for-service (volume-based) to value-based payment model
- Focus on value-added care through alignment of evidence-based quality measures with compensation

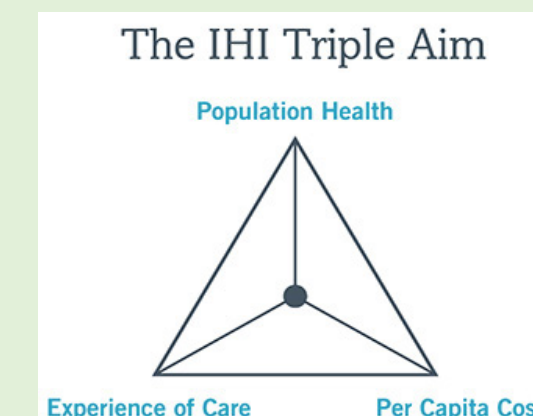


Figure 6. The Triple Aim. Source: Institute for Healthcare Improvement (IHI).

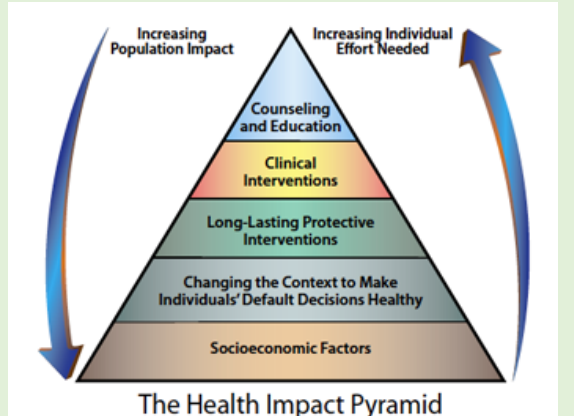


Figure 7. The Health Impact Pyramid. Source: Colorado Medical Society.

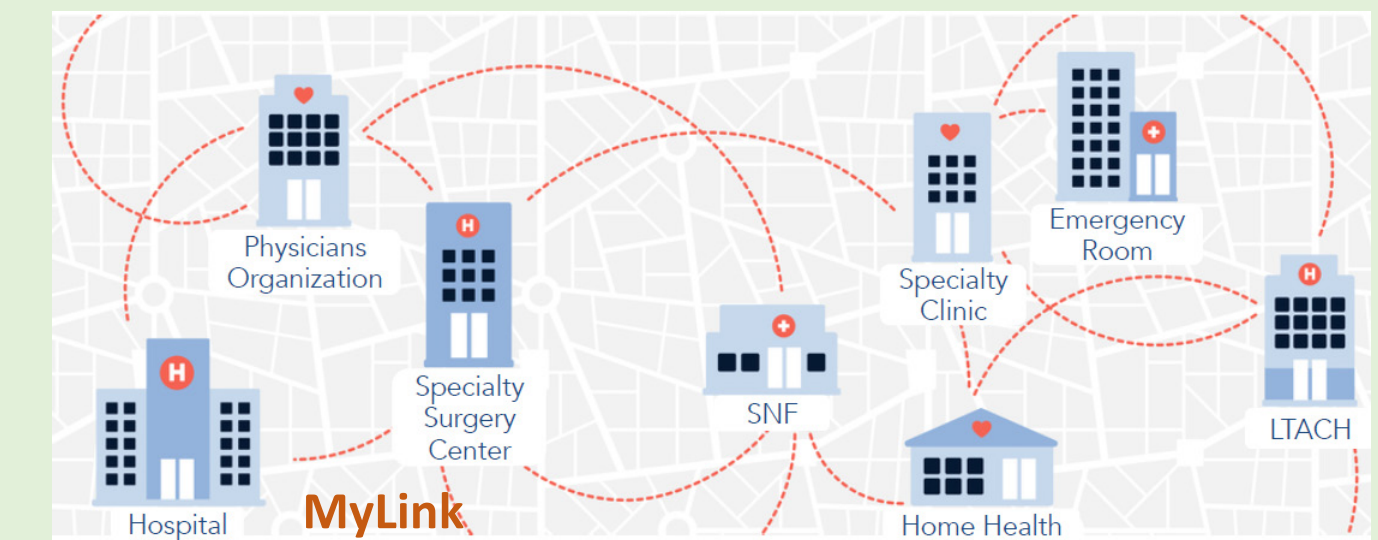


Figure 8. "Coordinating Care Everywhere," UMMHC vision to create a care coordination community across Central MA. MyLink, program run by Community Healthlink (UMMHC behavioral health service) targets high users of the Emergency Room (more than 10 visits per year) to reduce costs and improve patient care coordination.

## Problem: MassHealth costs are high and rapidly growing

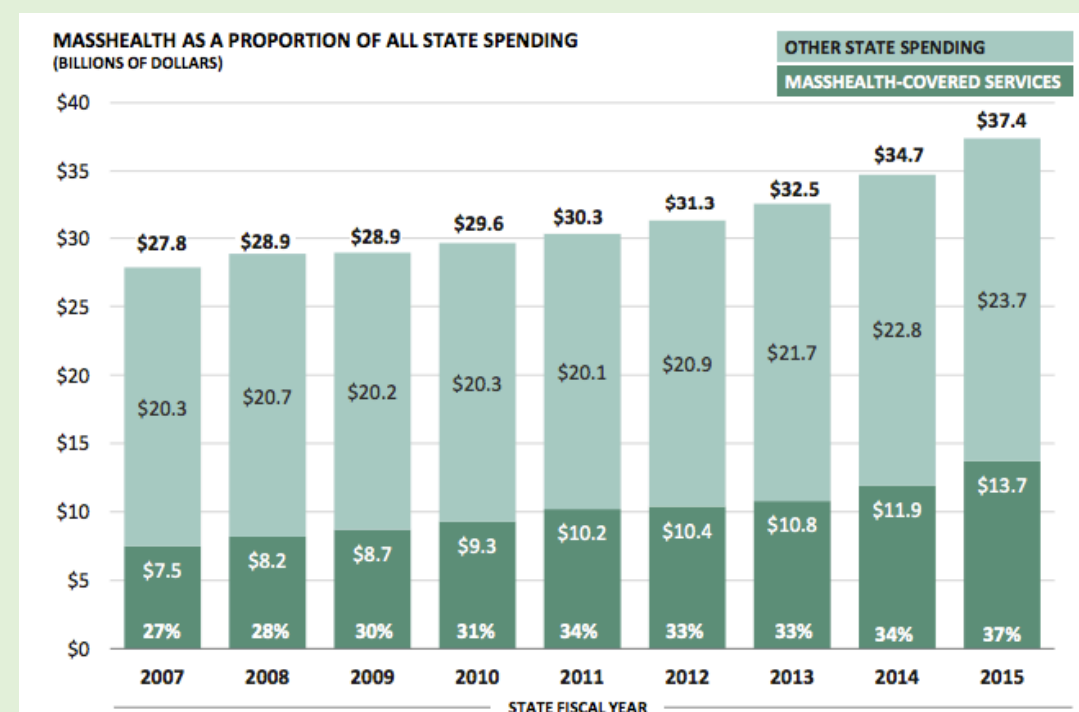


Figure 2. Growth of Medicaid spending as a percentage of state budget (2007-2015). Source: MassHealth: The Basics Facts and Trends, July 2016.

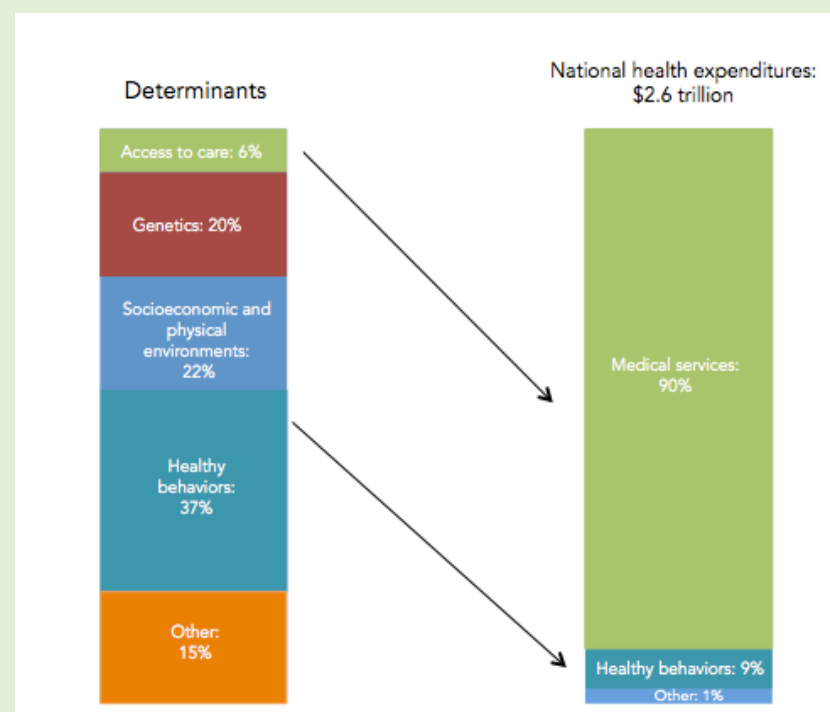


Figure 3. Determinants of health in comparison to national health care expenditures. Source: Sandro Galea, "What causes health; what we spend our money on."

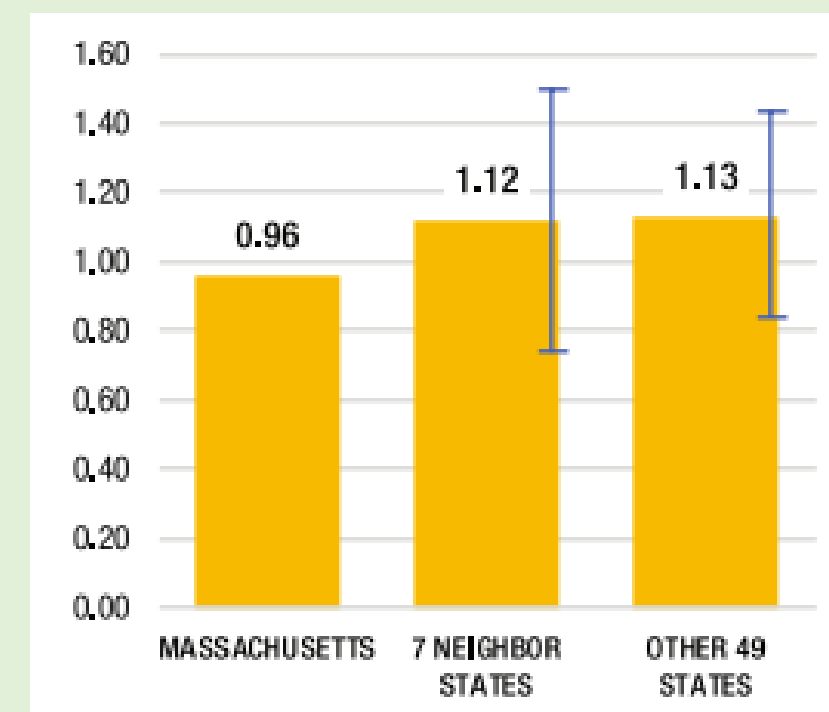


Figure 4. Social service to total health care spending ratio (2009). Source: "Healthcare and social service spending and outcomes" BlueCross BlueShield Foundation, May 2016.

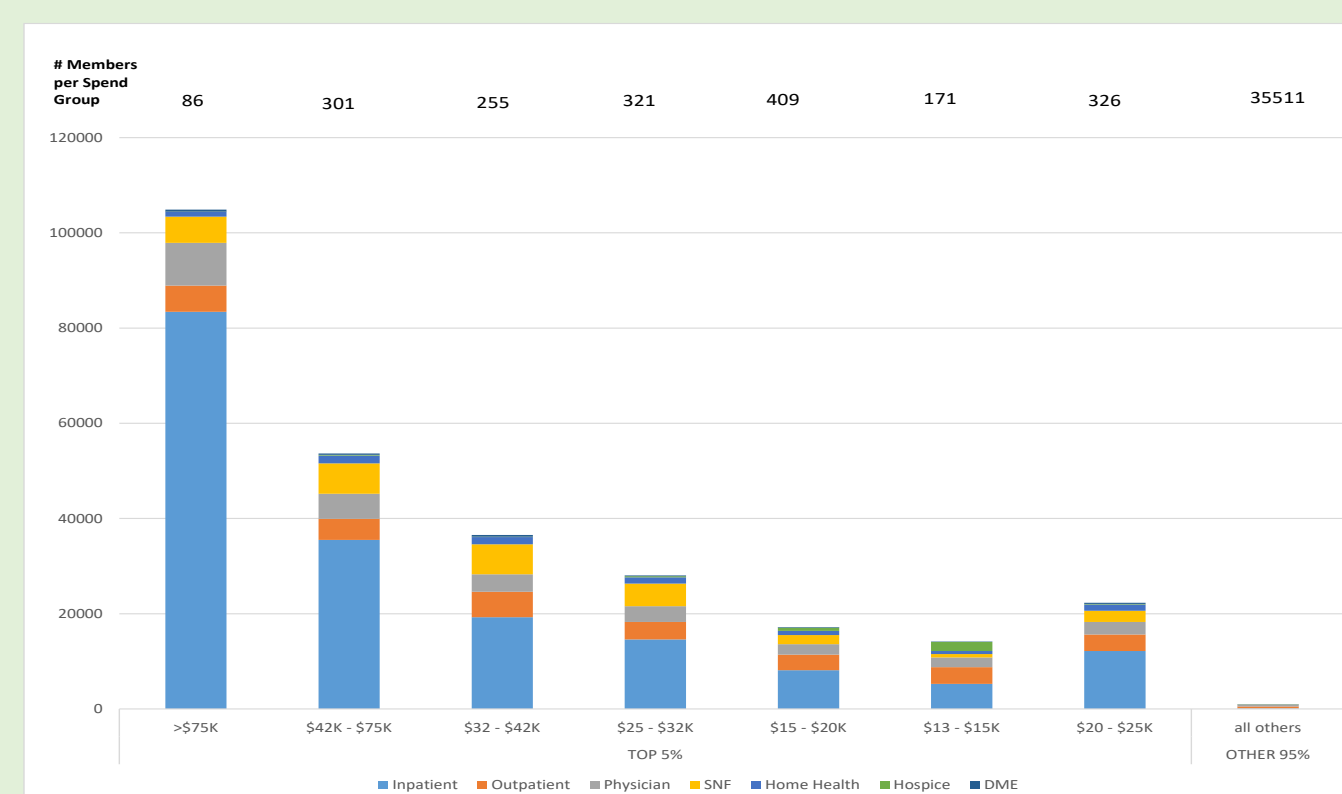
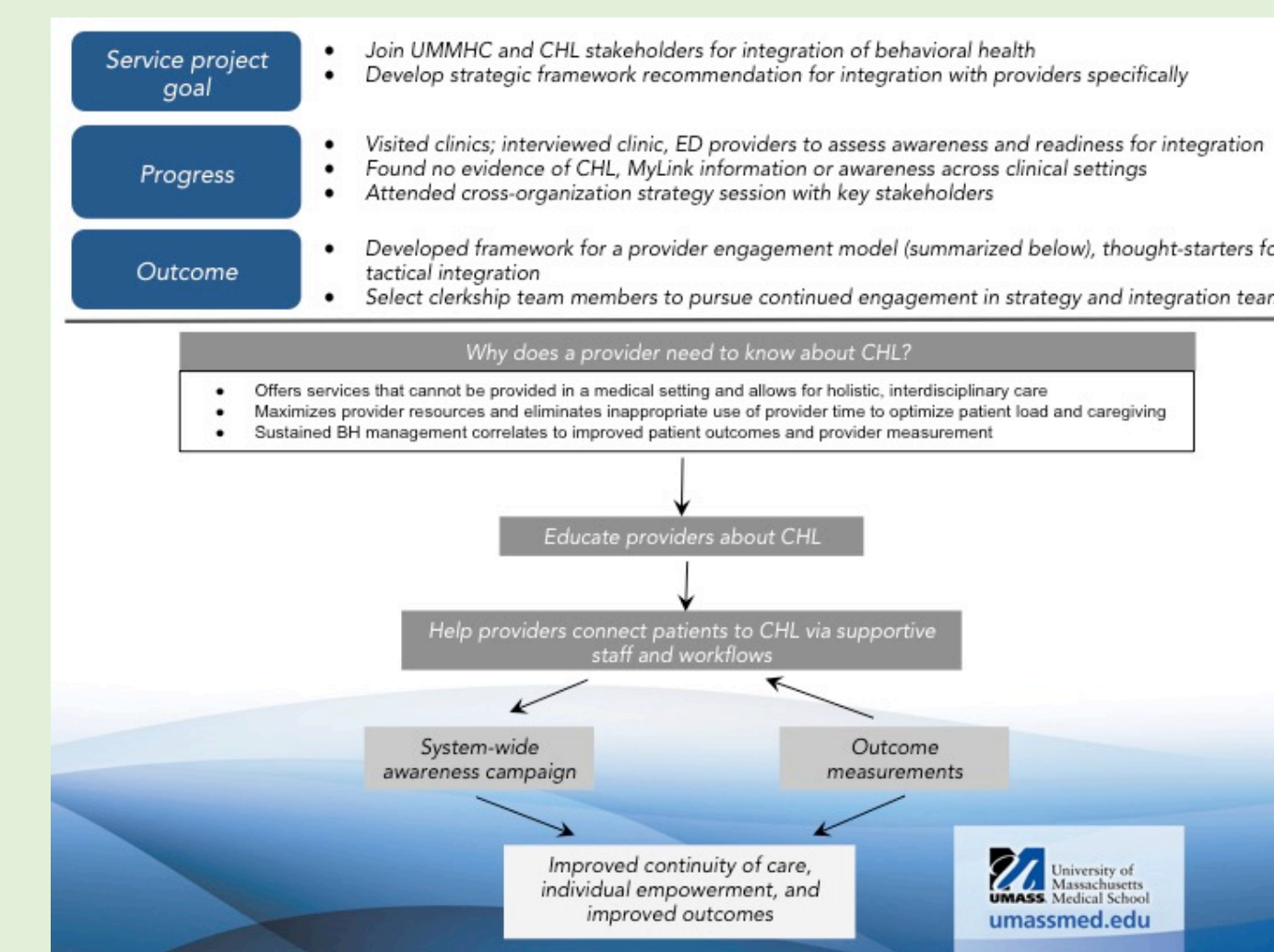


Figure 5. 2016 Q1 top 5% members by claim type. Source: John Greenwood, President of UMass Memorial Healthcare System ACO and SVP of Population Health.

## Challenges of reform

- Sustainability and scalability: dependence on DSRIP funds, community health workforce
- Tying quality to compensation: ineffective measures
- Increasing focus on addressing social determinants of health, particularly housing and homelessness

## Service Project: Connecting patients to CHL



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