



# Payment Reform in Massachusetts: Impact and Opportunities for the Health Care Workforce

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# Overview

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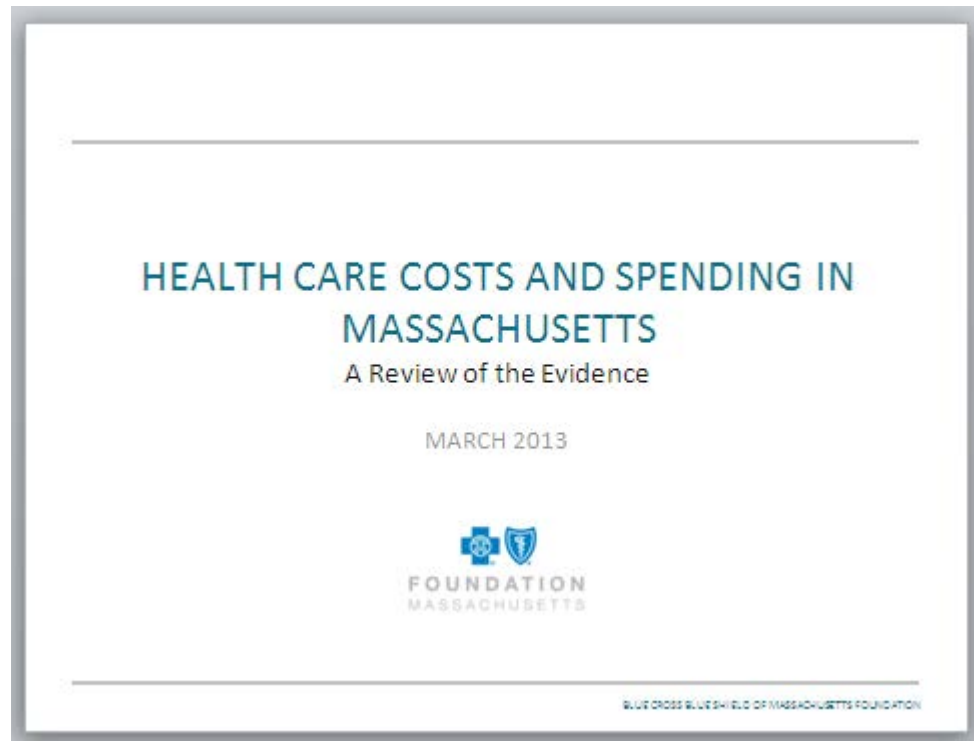
- Forces driving payment and delivery system reform
- Overview of payment and delivery system reform efforts in Massachusetts
- Implications for the health care workforce
  - Types of services
  - Demands on specific occupations
  - New skills and responsibilities
- Funding streams through Chapter 224 to support anticipated demands



# Why is Health Care Spending So High in Massachusetts?

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- Utilization
- Provider mix
- Service mix
- Price



## Chapter 224 of the Acts of 2012

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The law aims to reduce health care cost growth through:

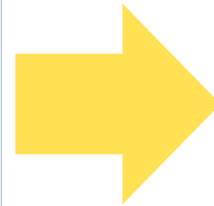
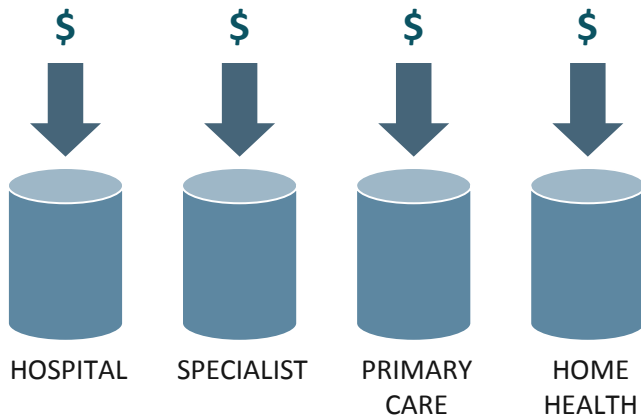
- The creation of the **Health Policy Commission** and the **Center for Health Information and Analysis**
  - Setting and monitoring statewide *health care cost growth targets*
  - New scrutiny on health care market power, price variation, and cost growth at the individual health care entity level
- Increased **cost transparency** for consumers
- A focus on **wellness and prevention**
- Expanding the **primary care** workforce
- Other provisions around health resource planning, HIT, medical malpractice reforms, and administrative simplification
- Wide adoption of **alternative payment methodologies**

# Solving the Cost Problem Through Provider Payment Reform

## CURRENT FEE-FOR-SERVICE PAYMENT SYSTEM

### THE PROBLEM

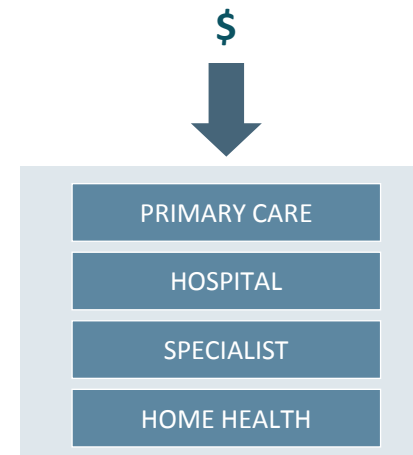
Care is fragmented instead of coordinated. Each provider is paid for doing work in isolation, and no one is responsible for coordinating care. Quality can suffer, costs rise and there is little accountability for either.



## PATIENT-CENTERED GLOBAL PAYMENT SYSTEM

### THE SOLUTION

Global payments made to a group of providers for all care. Providers are not rewarded for delivering *more* care, but for delivering the *right* care to meet patient's needs.



**GOVERNMENT, PAYERS AND PROVIDERS WILL SHARE RESPONSIBILITY FOR PROVIDING INFRASTRUCTURE, LEGAL AND TECHNICAL SUPPORT TO PROVIDERS IN MAKING THIS TRANSITION.**

# The New Ways to Pay and Practice

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- Accountable Care Organizations (ACOs)
  - Definition: An organization that takes on the responsibility of providing care for a defined population of patients, with the goal of improving quality and reducing costs
  - ACOs **must** include primary care physicians
  - ACOs **may** include physician groups, hospital systems, specialists, post-acute providers, private companies like Walgreens, insurers, and community-based organizations
  - Common Payment Features: Bonuses for meeting cost and quality benchmarks
  - Key Elements: Coordinate care to reduce duplication of services, invest in Health Information Technology (HIT), redesign care processes, adhere to evidence-based practices
  - An estimated 14% of the US population is now being served by an ACO



## The New Ways to Pay and Practice (cont.)

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- Global payment/budget
  - Usually accepted by a group of providers (sometimes a hospital and its physician practices, sometimes just a physician group) accepting responsibility for the total cost of care for a set population or patient group
  - Large variation in the exact details of the payment; providers may accept various levels of “risk” around meeting per person cost targets
  - Payments usually dependent on achieving quality metrics
  
- Bundled and Episode-Based Payments
  - A single payment to cover all care for a procedure or condition usually over a defined period of time
  
- Value-Based Purchasing
  - A bit of a catch-all phrase, mostly associated today with Medicare penalties for high rates of readmissions at hospitals

## The New Ways to Pay and Practice (cont.)

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- Patient Centered Medical Homes
  - Accepted by a primary care practice with augmented abilities around managing care both within its own practice and coordinating with specialists and hospitals.
  - Payments are usually structured as additional per-person care management fees on top of standard fee-for-service payments.
  
- Primary Care Payment Reform Initiative
  - A three-year initiative which seeks to improve access, patient experience, quality, and efficiency through the medical home model and integrated behavioral health services.
  
- One Care: MassHealth + Medicare
  - For adults, ages 21-64, with physical, intellectual, and/or developmental disabilities; serious mental illness; substance abuse disorders; functional and cognitive limitations.
  - Offers a simpler way for people who are eligible for both MassHealth and Medicare to get all of the care they need in one streamlined, integrated, person-centered health plan.



## The New Ways to Pay and Practice (cont.)

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# What does this all mean?



## So What Does this All Mean for the Health Care Workforce?

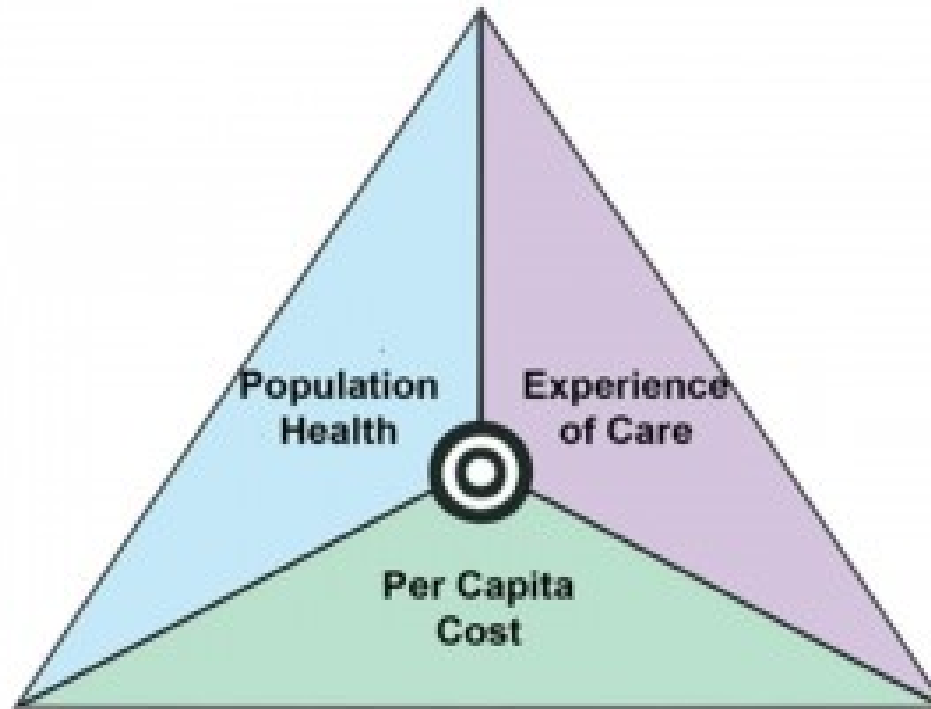
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- Types of services
- New skills and responsibilities
- Changes relative to specific occupations



## Workforce: Types of Services

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IHI Triple Aim

## Workforce: New Skills and Responsibilities

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- Patient engagement
- Multidisciplinary, team-based care
- Care coordination
- Health Information Technology (HIT)



## Workforce: New Skills – Patient Engagement

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- As providers accept risk for the total costs and quality of care, they will have to build new types of relationships with patients, e.g. “shared decision-making”
  - ACA identifies patient engagement as a critical component of accountable care organizations and patient-centered medical homes.
  - When patients are engaged in their health care – more knowledgeable, more confident in managing their health and navigating they system – they experience better health outcomes and incur lower health care costs.
  - Challenges for providers: overworked staff, insufficient provider training, and clinical information systems that fail to track patients throughout the decision-making process.

## Workforce: New Skills – Team-Based Care

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- Payment and delivery system reform are creating new demands on primary care, e.g.:
  - Enhance patient access: same-day appointments, phone and email communication
  - Care management for patients at highest risk
  - Population-based tracking and analysis
- Movement away from primary care physicians working alone or perhaps with the help of a medical assistant to models of team-based care
- Innovative models:
  - Holyoke Health Center: Rx Management
  - Lynn Community Health Center: Behavioral Health Integration



## Workforce: New Skills – Care Coordination

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- As different types of providers are increasingly working together and sharing financial incentives (e.g., ACOs, bundled payments) there is an increased emphasis on coordinating care for patients across multiple settings
- Examples of care coordination in the patient-centered medical homes:
  - Link patients with community resources to facilitate referrals and respond to social needs
  - Integrate behavioral health and specialty care through co-location or referral agreements
  - Track and support patients when they obtain services outside the practice
  - Follow-up with patients within a few days of an emergency room visit or hospital discharge
  - Communicate test results and care plans to patients/families
- Innovative model:
  - Mercy Hospital – Health Care for the Homeless Program

## Workforce: New Skills – Health Information Technology (HIT)

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- There are many forces aligning that will require more sophisticated use of data, electronic data use and sharing, including:
  - The use of data for population management is a core capacity for certification of patient-centered medical homes
  - Medicare and Medicare electronic health record (EHR) Incentive Programs to providers as they adopt, implement, upgrade, or demonstrate Meaningful Use
  - The Massachusetts Statewide Health Information Exchange (HIE) to allow secure electronic health information to be transmitted between providers





## Workforce: Changes Relative to Specific Occupations

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- Nurse Practitioners (NPs)
- Physician Assistants (PAs)
- Community Health Workers (CHWs)



## Workforce: Specific Occupations – Nurse Practitioners

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- Key Provisions in Chapter 224
  - Global signature authority – NPs can now fulfill laws or rules that used to require a signature, stamp, verification, etc. by a physician
  - **Limited service clinics – Expands to the scope to include all services within the scope and practice of NPs**
- Key Provisions in the Affordable Care Act
  - Dedicated funds in the Prevention and Public Health Fund to train new NPs
  - Family NP training demonstration will support new graduates for a year of practice in a federally qualified health center or nurse-managed health clinic

## Workforce: Specific Occupations – Physician Assistants

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- Key Provisions in Chapter 224
  - Carriers must now recognize PAs as participating providers and cover care provided by PAs for health maintenance, diagnosis, and treatment
  - **PAs are now included in the definition of primary care provider; carriers that require designation of a primary care provider must allow members the option to choose a PA**
  - **Physicians are no longer prohibited from supervising more than four PAs at a time**
  - The Health Care Workforce Center's scope has been broadened to include PAs; information on the status of the PA workforce will be included in its annual report
- Key Provisions in the Affordable Care Act
  - Dedicated funds in the Prevention and Public Health Fund to train new PAs

## Workforce: Specific Occupations – Community Health Workers

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- Community Health Workers (CHWs) are public health workers who apply their unique understanding of the experience, language, and/or culture of the populations they serve in order to carry out one or more of the following roles:
  - Providing culturally appropriate health education, information and outreach in community-based settings;
  - Bridging/culturally mediating between individuals, communities and health and human services, including actively building individual and community capacity;
  - Assuring that people access the services they need;
  - Providing direct services, such as informal counseling, social support, care coordination and health screenings; and
  - Advocating for individual and community needs.
- Board of Certification of Community Health Workers (CHWs) is establishing:
  - Standards for education and training program curricula for CHWs
  - Requirements for CHW certification and certification renewal

## Overview - Recap

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## Chapter 224 Funding Streams

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Health Care  
Workforce  
Transformation Fund

Prevention and  
Wellness Trust

HPC CHART Grants

E-Health Institute  
Fund

HPC Innovation  
Grants

Thank you!

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## *Questions/Comments*

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