



Sustaining Quality: Right Sizing Rural Healthcare

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Objectives

- HCA and Washington's VBP roadmap
- Bundled payments – a key strategy for achieving HCA's VBP goals
- Implications for rural health providers

HCA: Purchaser, Convener, Payer



Purchases health care for over 2.2 million people through Medicaid and PEBB



Spends \$10 billion annually



Large network overlap between programs



Value-based purchasing mandate



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

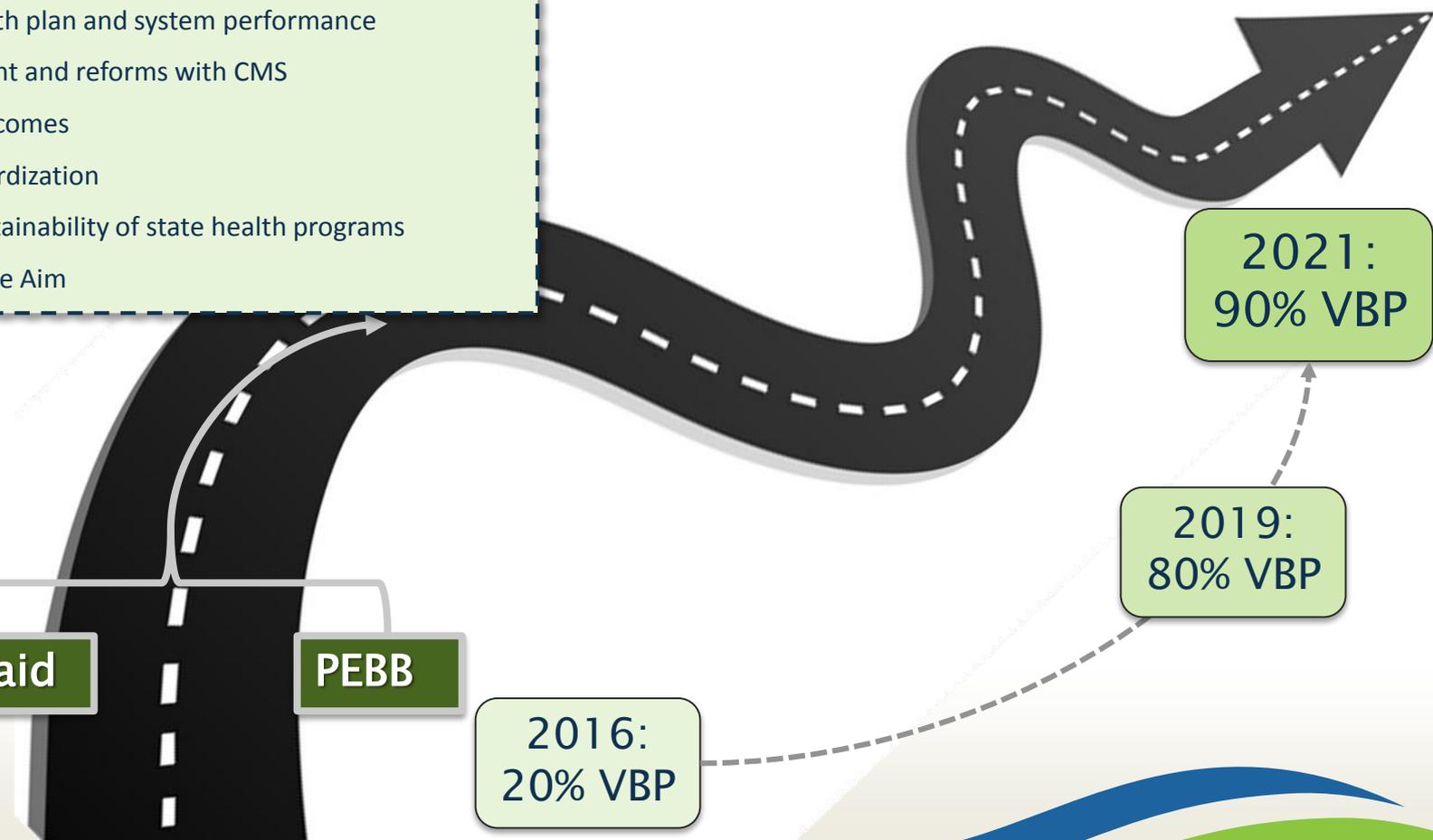
Medicaid

PEBB

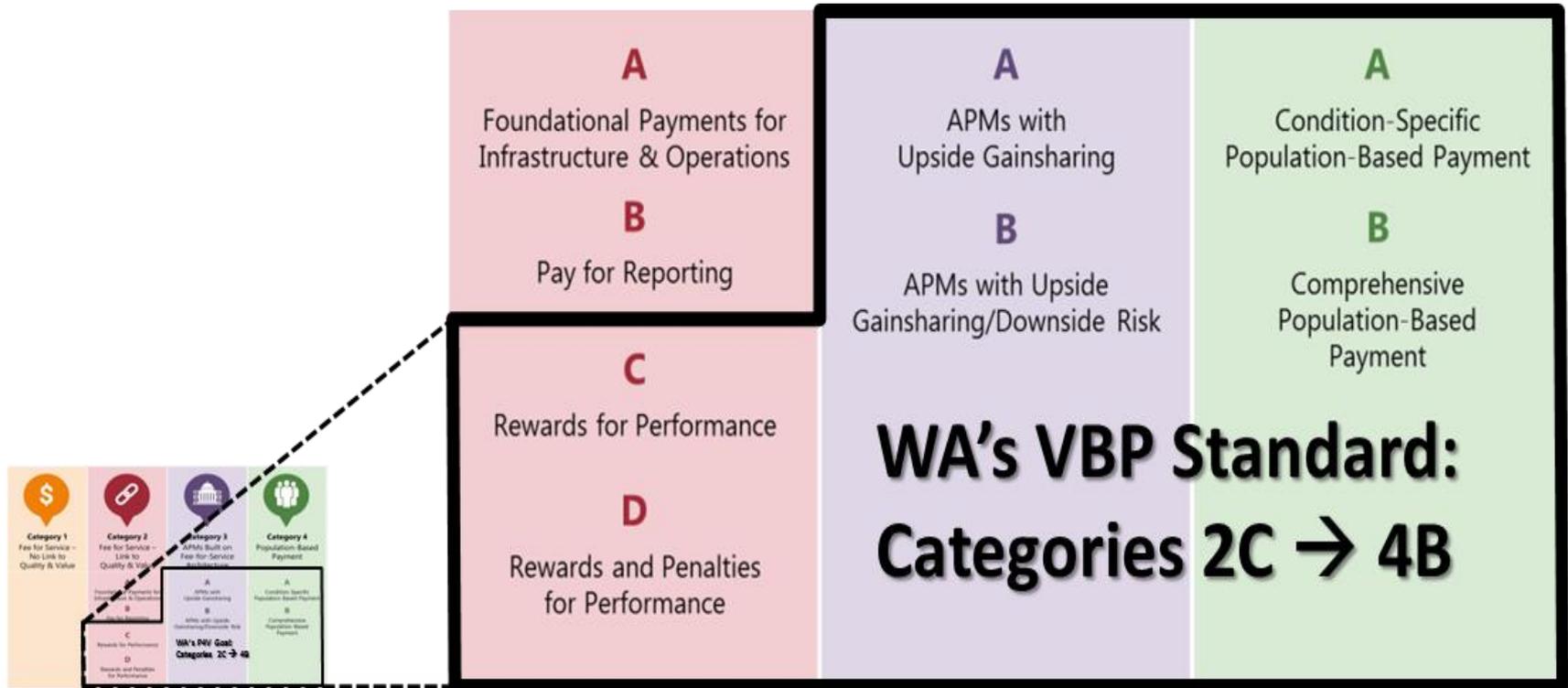
2016:
20% VBP

2019:
80% VBP

2021:
90% VBP



Alignment with CMS' Alternative Payment Models Framework



Bundled Payment

- Providers assume financial risk for the cost of services for a particular treatment or condition AND costs for preventable complications
- Key strategy for HCA's move to VBP
- Utilize Bree Collaborative recommendations, where available
- “Factories” of excellence

Bree Collaborative Bundled Payment Methodology

- Available for:
 - Joint replacement
 - Spinal fusion
 - Bariatric surgery
 - CABG
- 4 “cycles”
 - Appropriateness
 - Fitness
 - Surgery
 - Post-surgery

Bree Bundle Volume Requirement

- “The arthroplasty literature regarding elective cases suggests that complication rates are lowest when surgery is performed in centers with higher operative volume and experience with the procedure. In these studies, 6-month readmission rates, post-operative mortality, and hip dislocation are lowest at high volume centers.”
 - Maceroli M. et al. J Orthop Trauma 2016;30:597-604

Total Joint Replacement Bundled Payment

- TJR Centers of Excellence for PEBB Members
 - 2017 launch
 - Virginia Mason Medicaid Center as COE through a competitive procurement (Premera TPA)
 - PEBB members will have a choice – but no cost to member if VMMC selected
- Based on Bree Collaborative recommendations
 - Clinical, Quality, & Financial Accountability
 - Clinical Components
 - Quality Standards – appropriateness and “PROS”
 - Warranty



HCA Bundle RFI Issued April 2017

- Purpose is to understand the provider community “state of readiness” with respect to implementation of bundles
- HCA intends to issue RFP for next bundle in late autumn of 2017, with planned implementation date of 1/1/2019

Critical Access Hospitals: The Challenge of VBP

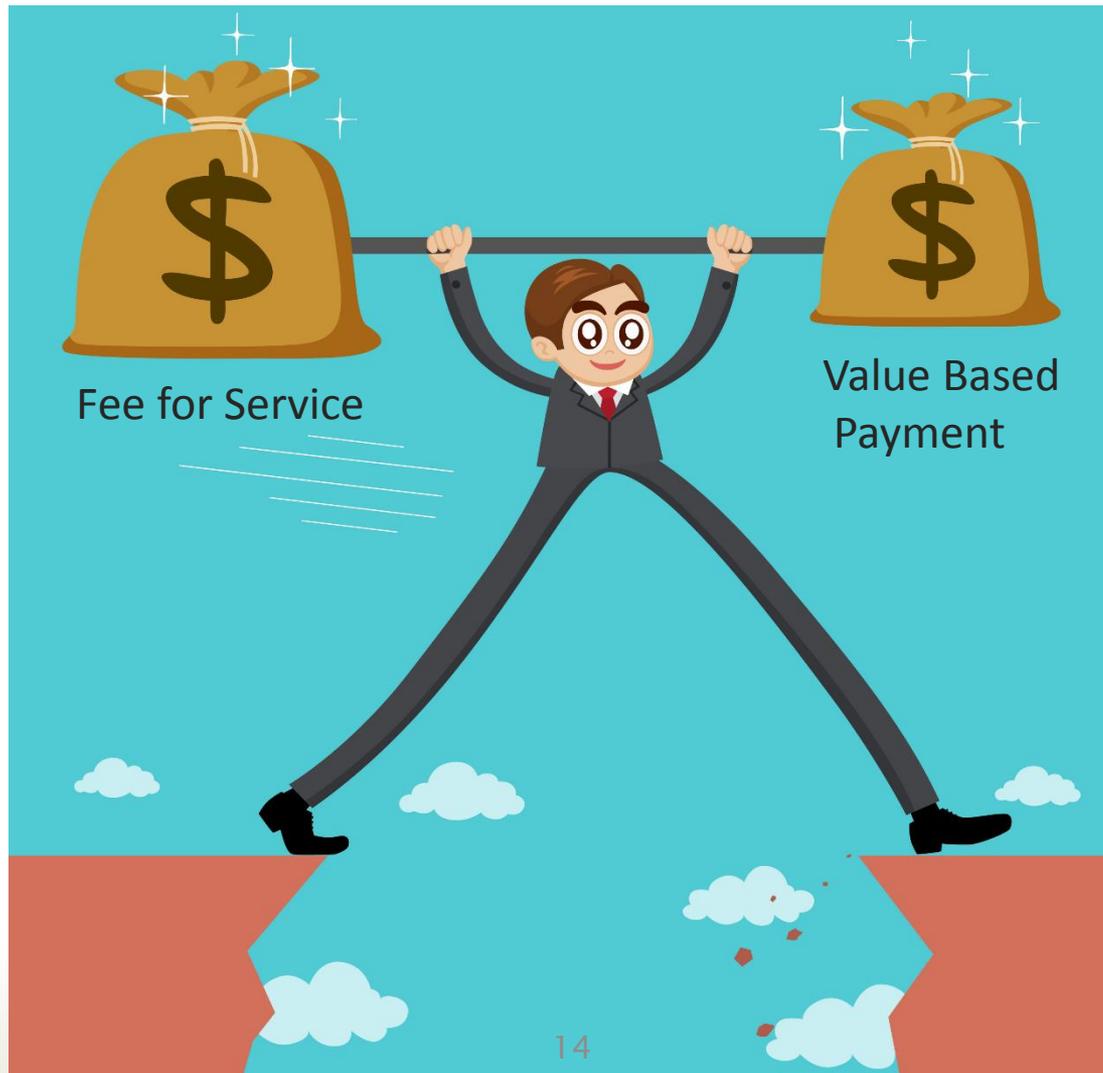
- Matching CAH strengths to potential partner interests and motivations
- Quantitatively demonstrating CAH strengths
 - Keith Meuller PhD, University of Iowa, Rural Policy Research Institute

The Dilemma

- Financial sustainability vs. clinical quality
 - Volume expectations
 - Outcomes tracking and reporting
 - Tracking and reporting appropriateness
 - Tracking and reporting patient reported outcomes
 - Warranty for complications



Crossing the Quality Chasm



Crossing the Quality Chasm



Mind the Gap

“However, extracting even a small fraction of the total waste from an industry that represents nearly one-fifth of the U.S. economy poses a major threat of economic disruption. What would happen to people whose current jobs become unnecessary? How would hospitals deal with their stranded capital – buildings and machines they no longer need? Major changes in culture, business strategy, and relationships would be required if hospitals were to shift from celebrating full beds to celebrating empty ones. The greatest technical challenge in removing waste from U.S. health care will be to construct sound and respectful pathways of transition from business models addicted to doing more and more to ones that do only what really helps.”

-- Berwick and Hackbarth. JAMA. 2012;307(14)



Sustaining Quality: Thinking “Out of the Box”

- Some relevant observations with respect to HCA’s efforts to expand geographic access to its ACPs (a.k.a. “ACOs”)
- Potential role of partnerships, virtual affiliations

Discussion

More Information:

www.hca.wa.gov

www.hca.wa.gov/hw

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