

# Minnesota Health Care Financing Task Force

HEALTH CARE DELIVERY DESIGN & SUSTAINABILITY  
NOVEMBER 6, 2015



November 6<sup>th</sup>,  
2015

# Agenda

- Welcome, Roll Call, and Meeting Purpose
- Finalize Preliminary Recommendations on Data Sharing Barriers
- Payment Models Supporting Integration of Care, Impact on Safety Net and Rural Providers, & Areas of Enhancement
  - Panel Presentation
  - Challenges and areas for enhancement
- Enhancements to Payments that Support Integrated Care Delivery
- Public Comment
- Next Steps and Wrap Up

# Preliminary Recommendations on Data Sharing Barriers

---

- **Technical updates and clarifications to Minnesota's Health Records Act** to leave a patient's ability to specify how their information can be shared intact but allow patient consent preferences to be more easily operationalized at the provider level.
- Provide **ongoing education and technical assistance to health and health care providers and patients**, about state and federal laws that govern how clinical health information can be stored, used, and shared, and about best practices for appropriately securing information and preventing inappropriate use.
- Conduct a **broad study** on the appropriate **future structure, legal/regulatory framework, financing, and governance for HIE** in Minnesota, building on lessons from other states and countries.



**MINNESOTA**  
HEALTH CARE  
FINANCING  
TASK FORCE



**Health Care Financing Task Force**  
Information: [www.mn.gov/dhs/hcftf](http://www.mn.gov/dhs/hcftf)  
Contact: [dhs.hcfinancingtaskforce@state.mn.us](mailto:dhs.hcfinancingtaskforce@state.mn.us)

# Preliminary Recommendations on Data Sharing Barriers – Further Discussion

---

- Dependent on results of HIE study, **consider other modifications to Minnesota’s Health Records Act**, to align with federal HIPAA standards or to update opt-in or opt-out requirements.
- Support expanded health information technology capabilities (ex. EHRs) in a broad range of care settings, to **enable smaller and specialty providers to participate in HIE**.
- Consider developing a **funding mechanism for core HIE transactions**, such as admission/discharge/transfer alerts, care summaries, or care plans, to ensure basic information can be exchanged statewide.
- Support the **establishment of robust, sustainable HIE “shared services,”** such as consent management, that would be available statewide through a central vendor.



MINNESOTA  
HEALTH CARE  
FINANCING  
TASK FORCE



Health Care Financing Task Force  
Information: [www.mn.gov/dhs/hcftf](http://www.mn.gov/dhs/hcftf)  
Contact: [dhs.hcfinancingtaskforce@state.mn.us](mailto:dhs.hcfinancingtaskforce@state.mn.us)

# Enhancements to Care Delivery

---

- **Payment Models Supporting Integration of Care, Impact on Safety Net and Rural Providers, & Areas of Enhancement**
  - Hennepin County Medical Center
  - FQHC Urban Health Network
  - Southern Prairie Community Care
  - Monica Hurtado, Voices for Racial Justice



**MINNESOTA**  
HEALTH CARE  
FINANCING  
TASK FORCE



**Health Care Financing Task Force**  
Information: [www.mn.gov/dhs/hcftf](http://www.mn.gov/dhs/hcftf)  
Contact: [dhs.hcfinancingtaskforce@state.mn.us](mailto:dhs.hcfinancingtaskforce@state.mn.us)

*Enhancing Life and Health in our  
Communities Through Accountable  
Care*



NOVEMBER 6, 2015



**MINNESOTA**  
HEALTH CARE  
FINANCING  
TASK FORCE



*Enhancing Life and Health in our Communities  
Through Accountable Care*

- SPCC is a **virtual** network focused on the Triple Aim
- Identified as an **Accountable Community for Health**
- 27 provider members - **clinics, hospitals, public health, mental health centers, and area human service agencies**
- Focused on **improving health** of people in our communities.
- The **strength** of our approach is **efficiently mobilizing “the community”** around those with highest need.
- Ability to leverage **connections in Governance** of SPCC and that of **HHS agencies, MHCs, and county hospitals.**



**MINNESOTA**  
HEALTH CARE  
FINANCING  
TASK FORCE

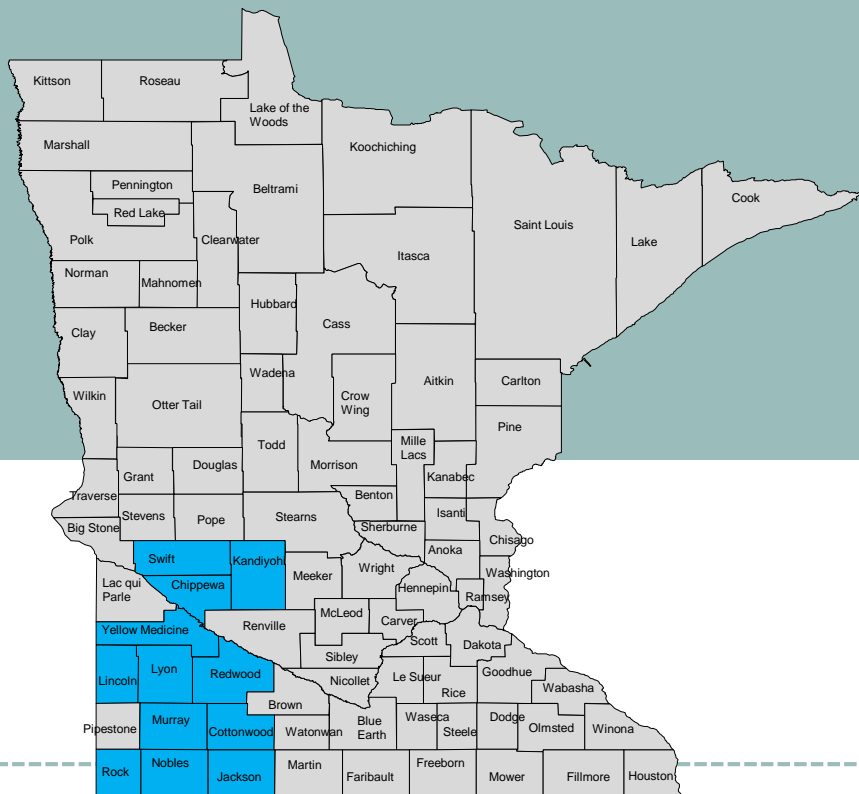


**Health Care Financing Task Force**  
Information: [www.mn.gov/dhs/hcftf](http://www.mn.gov/dhs/hcftf)  
Contact: [dhs.hcfinancingtaskforce@state.mn.us](mailto:dhs.hcfinancingtaskforce@state.mn.us)

# Southern Prairie Community Care

Collaboration of 12 Counties

- Chippewa
- Cottonwood
- Jackson
- Kandiyohi
- Lincoln
- Lyon
- Murray
- Nobles
- Redwood
- Rock
- Swift
- Yellow Medicine



**MINNESOTA**  
HEALTH CARE  
FINANCING  
TASK FORCE



# SPCC Governance Structure

---

- Southern Prairie Community Care
  - Joint Powers Organization - Extension of County Government
  - Governance by County Commissioner Representation
  - Contracted Entity for Integrated Health Partnership
- Southern Prairie Center for Community Health Improvement
  - 501c-3 Non-Profit Organization
  - Board Governance by Participating Entity/Stakeholder Representation
  - Governance Entity for Health Information Exchange Initiative: *SPCLink*



MINNESOTA  
HEALTH CARE  
FINANCING  
TASK FORCE



**Health Care Financing Task Force**  
Information: [www.mn.gov/dhs/hcftf](http://www.mn.gov/dhs/hcftf)  
Contact: [dhs.hcfinancingtaskforce@state.mn.us](mailto:dhs.hcfinancingtaskforce@state.mn.us)

# Current Contracts and Partners

---

- Minnesota Department of Human Services – IHP Contract
  - 3 Year Medicaid Demonstration
  - Year 2 – Inclusion of Mental Health Costs in TCOC
- MDH/DHS Minnesota SIM
  - Accountable Community for Health Grant – Diabetes Prevention
  - E-Health Grant for HIE Implementation
  - IHP Data Analytics Grant
- Blue Cross Blue Shield
  - 3 Year Agreement (through 2016)
  - Sustainability Plan in Process (2017 and Beyond)



**MINNESOTA**  
HEALTH CARE  
FINANCING  
TASK FORCE



**Health Care Financing Task Force**  
Information: [www.mn.gov/dhs/hcftf](http://www.mn.gov/dhs/hcftf)  
Contact: [dhs.hcfinancingtaskforce@state.mn.us](mailto:dhs.hcfinancingtaskforce@state.mn.us)

---

# SPCC/BCBS

## Agreement through 2016

- **Enhance** health plan **relationships** with the **local network** and **DHS**;
- **Prevention, early intervention,** and reducing the **total cost of care.**
- Develop **locally driven care coordination** model with **rural emphasis**
- Investment in “Total Population” **Health Information Exchange (HIE)**;
- **Total Population Focus** – Across 12 County Network
- **Lessons learned** allow for **replication** in other rural parts of Minnesota;

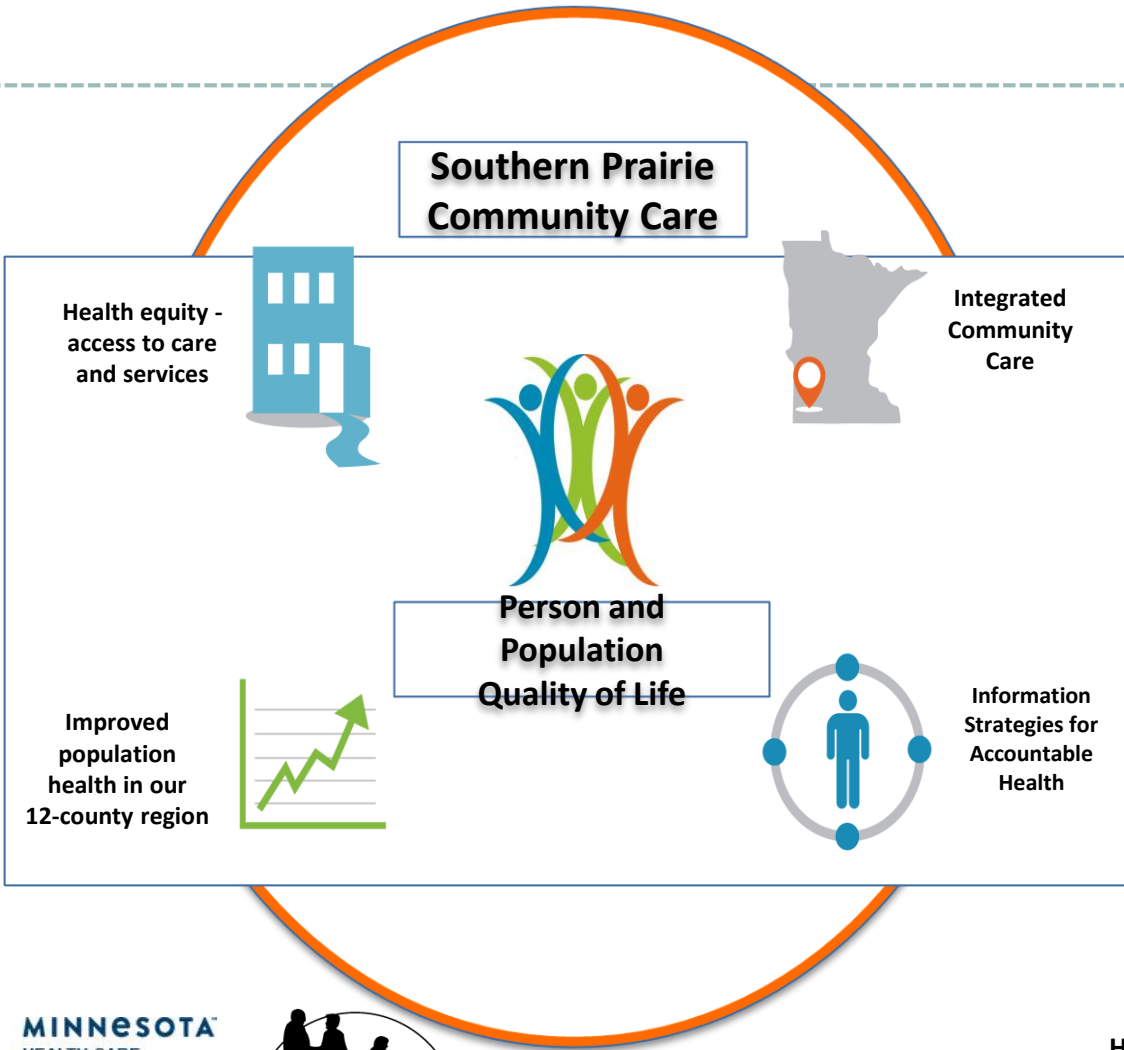


MINNESOTA  
HEALTH CARE  
FINANCING  
TASK FORCE



**Health Care Financing Task Force**  
Information: [www.mn.gov/dhs/hcftf](http://www.mn.gov/dhs/hcftf)  
Contact: [dhs.hcfinancingtaskforce@state.mn.us](mailto:dhs.hcfinancingtaskforce@state.mn.us)

# Southern Prairie Community Care



**MINNESOTA**  
HEALTH CARE  
FINANCING  
TASK FORCE



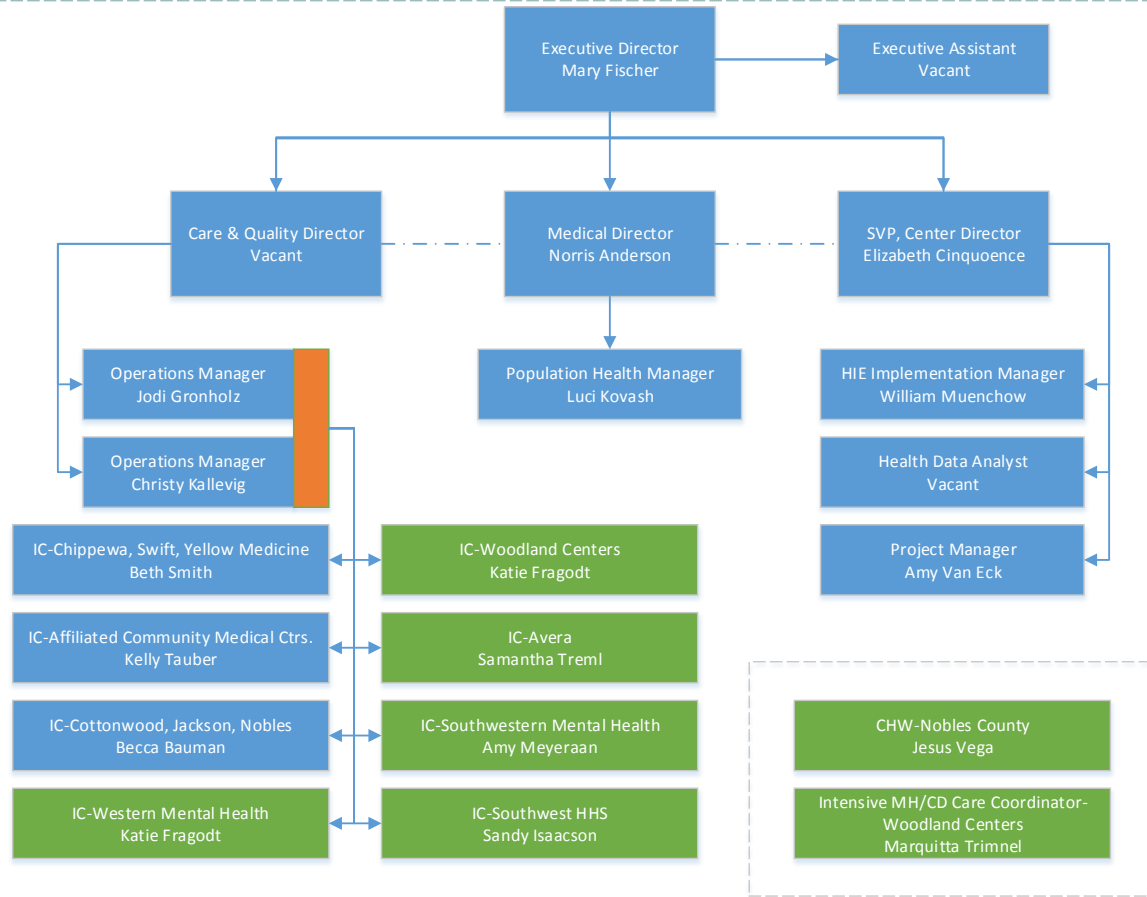
**Health Care Financing Task Force**  
Information: [www.mn.gov/dhs/hcftf](http://www.mn.gov/dhs/hcftf)  
Contact: [dhs.hcfinancingtaskforce@state.mn.us](mailto:dhs.hcfinancingtaskforce@state.mn.us)



## SPCC Staff Organizational Chart

### Staff Model to Support Mission & Values

- Specific expertise recruited to support development
- Complementary knowledge, skills and abilities of staff members at each level
- Blended model – includes both hired staff and grant funded positions
- Hired staff are employees of Joint Powers



**MINNESOTA**  
HEALTH CARE  
FINANCING  
TASK FORCE

Indicates SPCC Funded Position Hired by Agency/Facility Partner



**Health Care Financing Task Force**  
Information: [www.mn.gov/dhs/hcftf](http://www.mn.gov/dhs/hcftf)  
Contact: [dhs.hcfinancingtaskforce@state.mn.us](mailto:dhs.hcfinancingtaskforce@state.mn.us)

---

# 2014 IHP Settlement (DHS)

- SPCC Contract began April 1, 2014.
- SPCC was responsible for just over 18,000 Medicaid members.
- Spent over **4 million dollars less than projected.**
- SPCC has earned a settlement distribution of \$1,546,678.99
- SPCC distributed \$1,546,678.99 (100%) of shared savings received to-date to network providers
- 25% (subject to quality reporting) will be in addition to above and dispersed with final settlement.



MINNESOTA  
HEALTH CARE  
FINANCING  
TASK FORCE



**Health Care Financing Task Force**  
Information: [www.mn.gov/dhs/hcftf](http://www.mn.gov/dhs/hcftf)  
Contact: [dhs.hcfinancingtaskforce@state.mn.us](mailto:dhs.hcfinancingtaskforce@state.mn.us)

---

# Year 1: \$4 million Saved

<b>Attributed Population</b>	<b>18,000 Medicaid Patients</b>
Total Cost Avoidance	\$4 million in FY 2014
Average Cost Avoidance	\$221 per person
<b>Southern Prairie Dollars To Reinvest</b>	<b>\$1.55 million for FY 2015</b>
Quality Bonus Available To Southern Prairie	\$500,000 additional
DHS Savings Kept	\$2 million

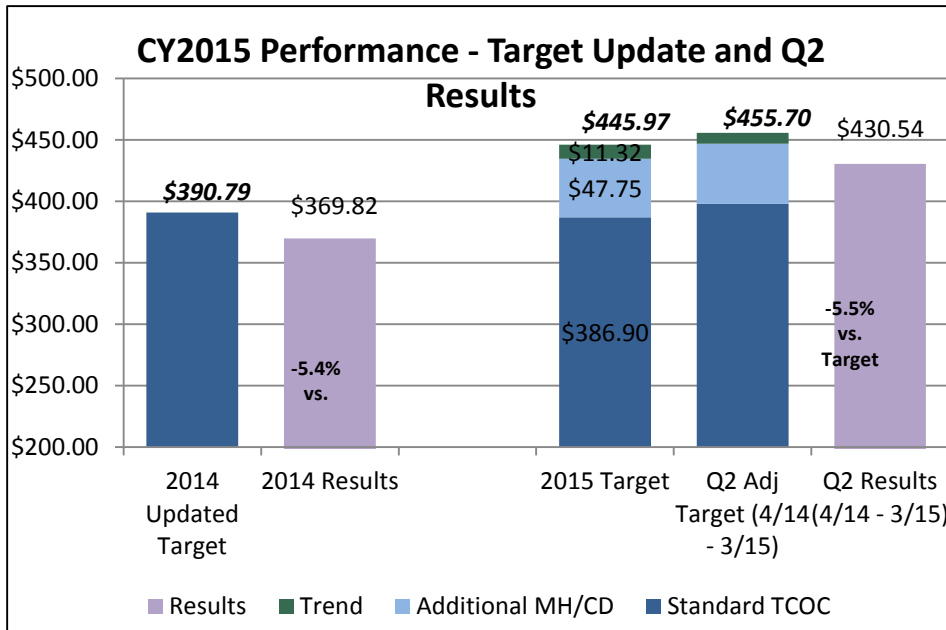


**MINNESOTA**  
HEALTH CARE  
FINANCING  
TASK FORCE



**Health Care Financing Task Force**  
Information: [www.mn.gov/dhs/hcftf](http://www.mn.gov/dhs/hcftf)  
Contact: [dhs.hcfinancingtaskforce@state.mn.us](mailto:dhs.hcfinancingtaskforce@state.mn.us)

# IHP Payment Model – 2015 Target Update and Q2 Results



## Q2 Results

- The 2% adjustment from the 2015 Target (\$445.97) to the Q2 Target (\$455.70) is most likely driven by a change in risk between the CY2015 and Q2 attributed populations
- The change in risk was largely reflected in the claims experience, resulting in a minimal change to the experience vs. the target (5.5% below target in Q1 vs. 5.4% below target for Interim Settlement)
- Recently released Q3 results, reflecting the performance for the period from July 2014 to June 2015 shows performance at - 4.4% vs. Target.

## 2015 Target vs 2014 Target

- 2015 Target reflects the impact of contractual changes to the agreement with DHS:
  - “Standard TCOC” adjusted from 2014 Updated Target to reflect a change in the catastrophic claims threshold (\$200K vs \$500K)
  - 2015 Target includes additional at-risk Mental Health and Chemical Dependency services
- Target was adjusted to reflect the expected trend from 2014 to 2015 (2.6%)
- Because the IHPs are allowed to realize the benefit of the observed savings over multiple years of the contract, the 2014 savings did not lower the Target



MINNESOTA  
HEALTH CARE  
FINANCING  
TASK FORCE



**Health Care Financing Task Force**  
Information: [www.mn.gov/dhs/hcftf](http://www.mn.gov/dhs/hcftf)  
Contact: [dhs.hcfinancingtaskforce@state.mn.us](mailto:dhs.hcfinancingtaskforce@state.mn.us)



# Barriers to Enhancing Care Integration

---

- “Pilot” Nature of Alternate Payment Arrangements
  - No clear sense of future, timeline, stability, standardization
  - Financial sustainability model remains uncertain – for integrated care and HIE
- Mix of Traditional and New Payment Arrangements
  - Not at tipping point where people are mostly focused on performance based
- Level of Variation Across Alternate Payment Arrangements/Models
- Data Related Barriers
  - HIE: Legal/Policy, Lack of Statewide Direction, Business Case, Vendor Readiness
  - Variability data across payers for Alternate Payment Arrangements
- Change Management / Staff Recruitment and Training



**MINNESOTA**  
HEALTH CARE  
FINANCING  
TASK FORCE



**Health Care Financing Task Force**  
Information: [www.mn.gov/dhs/hcftf](http://www.mn.gov/dhs/hcftf)  
Contact: [dhs.hcfinancingtaskforce@state.mn.us](mailto:dhs.hcfinancingtaskforce@state.mn.us)

# Payment Model Enhancements Needed

---

- **Stable and Consistent Understanding of How the Model Works**
  - Two components: Prospective Payment + Performance Payment
  - Payment to support integration of primary care with behavioral health
  - Planned, timed transition of total market (multi-payer alignment)
  - Adjustments in performance criteria to address barriers resulting from policy/design
- **Policy and Purchasing Levers**
  - Clear incentives to drive participation in data sharing for care & analytics
  - Address ambiguities and barriers in Minnesota privacy and consent laws
  - Clear statewide approach for health information exchange
  - Clear priorities and planned growth to build toward robust data exchange
- **Standardization/Uniformity**
  - Models for Attribution
  - Data provided by payers for management of attributed members
  - Care coordination/other services based on “likeness” – not pay source



**MINNESOTA**  
HEALTH CARE  
FINANCING  
TASK FORCE



**Health Care Financing Task Force**  
Information: [www.mn.gov/dhs/hcftf](http://www.mn.gov/dhs/hcftf)  
Contact: [dhs.hcfinancingtaskforce@state.mn.us](mailto:dhs.hcfinancingtaskforce@state.mn.us)

# Enhancements to Care Delivery

---

- **Payment Models Supporting Integration of Care, Impact on Safety Net and Rural Providers, & Areas of Enhancement**
  - Hennepin County Medical Center
  - FQHC Urban Health Network
  - Southern Prairie Community Care
  - Monica Hurtado, Voices for Racial Justice



**MINNESOTA**  
HEALTH CARE  
FINANCING  
TASK FORCE



**Health Care Financing Task Force**  
Information: [www.mn.gov/dhs/hcftf](http://www.mn.gov/dhs/hcftf)  
Contact: [dhs.hcfinancingtaskforce@state.mn.us](mailto:dhs.hcfinancingtaskforce@state.mn.us)

# Next Workgroup Meeting

---

Friday, November 9<sup>th</sup>, 2015

2:00 pm to 4:00 pm

Room 2390, DHS's Anderson Building

540 Cedar St.

St. Paul, MN



**MINNESOTA**  
HEALTH CARE  
FINANCING  
TASK FORCE



**Health Care Financing Task Force**  
Information: [www.mn.gov/dhs/hcftf](http://www.mn.gov/dhs/hcftf)  
Contact: [dhs.hcfinancingtaskforce@state.mn.us](mailto:dhs.hcfinancingtaskforce@state.mn.us)