



# Washington Rural Multi-payer Model

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# Provider challenges

Why a new model now?

## Providers face

- Recruitment and retention
- Sicker, older populations
- Operating margins are low
- Relationships with larger systems have not benefited rural providers...

*Low utilization and challenges faced under cost-based reimbursement will be exacerbated as the system moves to value-based purchasing.*

*Is there a better way?*

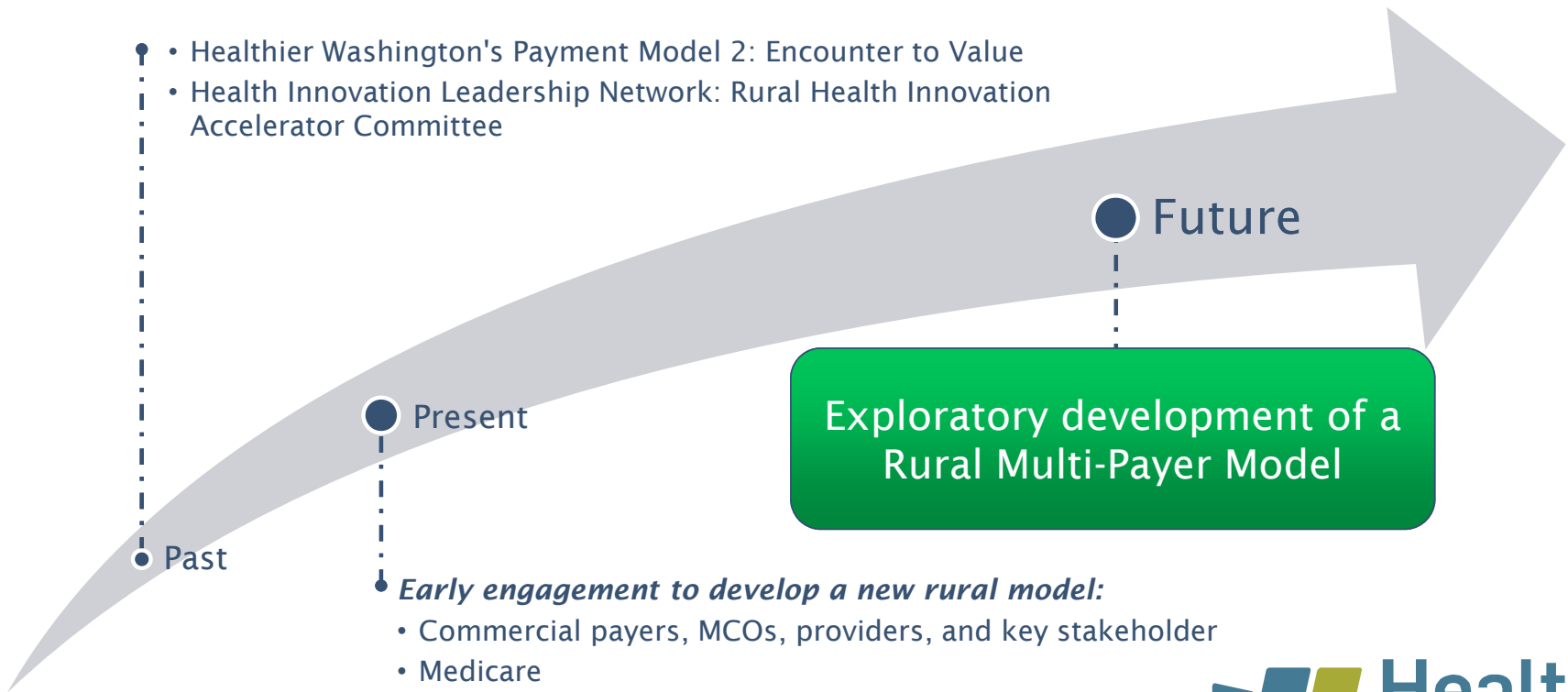
## The vision



- We envision a new model of care that embraces health equity for rural Washington through health system transformation, and is in service of better care, smarter spending, healthier populations, and provider satisfaction.
- Success over the next several months means that we are able to agree on a new model of care for Washington's rural regions.

# Background

Where we've been, where we are, and where we want to go





## Working session outcomes

- February and March working sessions
  - Starting the model development process
- Key takeaways:
  - Collaboration
  - Build upon existing transformation efforts
  - A new model must be phased in
  - Risk, infrastructure and data



# Rural multi-payer innovations nationally

## CMMI Models:

- **Maryland All-Payer Model**
  - Limit annual all-payer per capita total hospital cost growth to 3.58%
  - Care Redesign Program
- **Pennsylvania Rural Health Model**
  - Prospectively sets global budget for each participating rural hospital, based primarily on hospitals' historical net revenue for inpatient and outpatient hospital-based
  - Rural Hospital Transformation Plans
- **Vermont All-Payer ACO Model**
  - Limit the annualized per capita health care expenditure growth for all major payers to 3.5 percent
  - Focus on achieving Health Outcomes and Quality of Care (substance use disorder, suicides, chronic conditions, and access to care)

<https://innovation.cms.gov/initiatives/index.html#views=models>

# Rural multi-payer model

## Potential model structure

Quality Performance	Total cost of care pool	
	Hospital Services (IP/OP, including ER, observation, ancillary, swing beds)	<ul style="list-style-type: none"> <li>• Baseline budget – Total patient revenue</li> <li>• Trending of the budget</li> <li>• Payer allocation of the budget</li> <li>• Retrospective adjustments and reconciliation of the budget</li> <li>• Prospective adjustments of the budget</li> <li>• Encounter-based payments</li> </ul>
	Primary Care (RHCs and PCP related services)	<ul style="list-style-type: none"> <li>• Per-member-per-month</li> <li>• Prospective quality adjustments</li> <li>• Encounter-based payments</li> </ul>

# Status and timeline

Potential timeline for 2018:



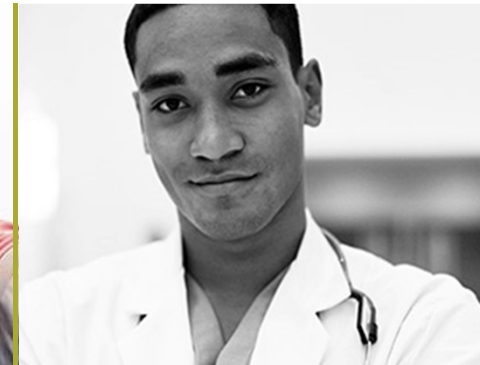


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