

**STATE QUALITY IMPROVEMENT INSTITUTE
WASHINGTON UPDATE
AUGUST 2009**

DESCRIBE THE LATEST PROGRESS YOUR STATE TEAM HAS MADE IN ITS QUALITY IMPROVEMENT EFFORTS.

Washington's Quality Institute team efforts continue to be concentrated in the three areas set out in our original proposal: Expanding patient-centered medical homes, developing payment strategies to support medical homes and developing communication strategies for engaging consumers. Activity has focused primarily in the first two of these areas.

a. Expand patient-centered medical homes

The Washington Patient-Centered Medical Home Collaborative, jointly sponsored by the Washington State Department of Health and Washington Academy of Family Physicians, is preparing to take its medical home project live. Since the last update the Collaborative has:

1. Selected 33 medical practices statewide to participate in the initiative. This was done through a competitive enrollment process and personal contact with each team in an informed consent process.
2. Initiated coaching site visits, one to each participating practice, to prepare them to participate in the first of five planned learning sessions: Coaches offer personal assistance on all concept of a medical home as well as the reporting process to track changes.
3. Published three separate pre-work handbooks for participating practices: Section 1 - Details on Collaborative functions and the changes needed in the practice; Section 2 – Resources; Section 3 - Measurement
4. Scheduled the first learning session for September 29-30, 2009: Expect 250 attendees; agenda will be included in the next report.
5. Appointed faculty for the Collaborative (Faculty list attached)
6. Developed the curriculum and agenda for the learning session: Teamwork represents the theme for the first face to face meeting which is guided by the recommendations of the Transform Med project.
7. Collaborated with the Health Care Authority and First Choice Health in a funding opportunity for participating providers for development of their registries to capture population-based change.

b. Develop payment strategies to support medical homes

Building on its earlier work, the planning group for the Multipayer Reimbursement Model Pilot project has taken the following actions:

1. Met with Michael Bailit in a technical assistance consultation arranged by Academy Health under the SQII grant. The conference call touched on resources for dealing with potential antitrust questions raised by

Washington payer stakeholders, but focused primarily on the sequencing of steps in developing/rolling out a medical homes project, revolving around the concept of the “4 pillars” of medical homes: Practice Transformation, Aligning Incentives, Engaging Consumers and Evaluation.

2. Informed by this discussion, a draft project charter was developed and presented to the ad hoc group of payers, providers and researchers co-convened by the state and the Puget Sound Health Alliance on August 6. Recommended revisions to the charter and implementation timeline have since been incorporated (attached).
3. In addition to reviewing the draft charter at that meeting, the participant group approved an approach to organizing and carrying out its work, initially by convening two work groups to begin project design work in the areas of Practice Transformation and Aligning Incentives for the payer, provider and patient. Participant interest in serving on those work groups was solicited, and they will be convened in the near future.
4. The participant group also agreed to hold a reimbursement reform “summit”, facilitated by Harold Miller, on October 29. This exercise will inform the project design process, particularly in the area of reimbursement models. The summit will be underwritten by the Washington State Medical Association and Washington Academy of Family Practice.
5. Members of the project planning team have met with representatives of Point B, a Seattle consulting firm which has recently joined the Puget Sound health Alliance and has offered pro bono assistance. There will be further contact in the near future to map out Point B’s participation in design and development.
6. Richard Onizuka, PhD, Project Sponsor, met with our Assistant Attorney General to discuss approaches to some payers’ concerns about potential antitrust exposure stemming from participating in a provider reimbursement pilot. It was agreed that the first approach would be to share with the providers a letter from the Rhode Island Insurance Commissioner to payers in that state. This letter lays out the antitrust protections available under state action in the specific case of a medical homes reimbursement program. The letter was shared with interested payers and on the basis of their positive feedback a similar communication for Washington payers will be developed within the Health Care Authority.

SINCE THE LAST EMAIL UPDATE, HAS YOUR STATE ENCOUNTERED ANYTHING UNANTICIPATED, OR HAS SOMETHING SIGNIFICANTLY CHANGED FROM WHAT IS OUTLINED IN YOUR CURRENT ACTION PLAN? IF SO, PLEASE DESCRIBE.

There have been no completely unanticipated developments, but there have been useful learnings from the ongoing interactions among payers, providers and researchers. Two

examples that illustrate the challenge of aligning provider and payer incentives are discussed at #3 below.

WHAT HAS YOUR STATE TEAM BEEN CHALLENGED BY DURING THIS PROCESS?

Immediate challenges have been minimal, but some issues that have already begun to surface may require substantial effort to resolve.

One example is the difference between providers' and payers expectations regarding the timing for break-even on the investment to establish and implement medical home reimbursement. Payers are understandably interested in recovering their investment sooner rather than later, and thus may be more interested in initiatives that focus on high-maintenance patients; providers, on the other hand, are likely to be more interested in initiatives that can be implemented across their entire patient panels reducing operational disruption but probably resulting in slower achievement of breakeven.

A related potential issue is that of what exactly the project pays for. Payers have strongly indicated they are willing to pay for clinical improvement, particular when it results in reduced unnecessary cost. Providers will seek reimbursement for the front-end investment to achieve those clinical improvements.

These are just two of the kinds of issues and questions that will confront the participant group as we move forward, but resolving them will provide valuable resources to those who want to build on our experience.

An additional challenge is keeping the training of providers enrolled in the Washington Patient-Centered Medical Home Collaborative in step with the expectation of the payers. An elaborate Collaborative evaluation design is being implemented to capture change in clinical outcomes, provider/staff satisfaction, patient experience, the implementation of medical home concepts, and cost/utilization. Although each payer was visited by the Collaborative staff to discuss this evaluation, they have not agree collectively that it meets their needs for documenting change that demonstrates the success of a medical home to change outcomes. Therefore there is a risk that the Collaborative practices miss the mark of expected outcomes by the payers.