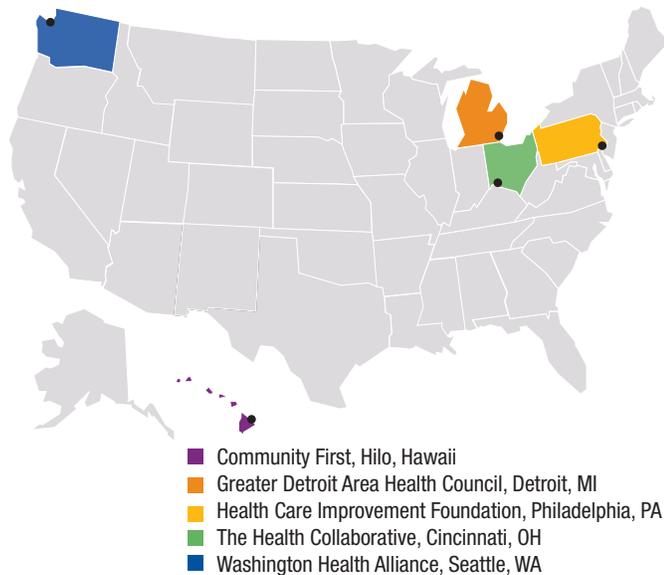


Striving Toward a Culture of Health: How Do Non-Medical Needs Factor into Alternative Payment Models?

Topic Profile: Payment and Financing

AcademyHealth and the Network for Regional Healthcare Improvement hosted a two-day workshop, “Striving Toward a Culture of Health: How Do Non-Medical Needs Factor into Alternative Payment Models?”, which convened five multi-sector teams, comprised of health care sector and non-health care sector partners, and led by regional health improvement collaboratives. The workshop provided information from content experts and fostered shared learning across communities to inform next steps in their own specific community-based collaborative projects. The workshop focused on four key topic areas and the related barriers that potentially influence the conditions and collaborations necessary to support non-clinical community-wide population health services.

This profile highlights one of these topic areas, issues related to the payment and financing of non-clinical interventions, along with the barriers and lessons learned from the workshop.



Emerging Issues

Workshop participants discussed many issues related to the payment and financing of non-clinical population health interventions. Health care sector and non-health care sector partners expressed broad interest in understanding all financial components related to funding population health improvement activities and interventions. Those components included: 1) how to sustainably finance the actual non-clinical intervention/activity; and 2) how to fund the trusted convener’s operations in their facilitation of the community-wide population health efforts. In addition, workshop participants wished to learn how each collaborative partner could share in potential savings based on their proportionate investment/role in the intervention. In particular, the central issues in this area raised by meeting participants included:

Issues Related to Sustainably Financing the Intervention:

- How will the intervention be sustainably funded?
- How can health care sector partners align financing from core operational dollars, community benefit dollars, and premium/provider reimbursement dollars?
- Can/should health care sector partners be held responsible for individuals and activities outside its four walls?

- Can/should health care sector partners be held responsible for individuals outside a health care provider's patient panel or payer's enrollees?
- How can the reimbursements for non-clinical interventions flow between health care sector partners and non-health care sector partners?
- What level of evidence is sufficient to demonstrate the value proposition of funding the intervention(s)?

Issues Related to Sustainably Funding Convener:

- How can the trusted convener's operational activities be sustainably funded?
- What level of evidence is sufficient to demonstrate the value proposition of funding the trusted convener?

Key Barriers Identified

- Business Case/Return on Investment (ROI), including:
 - Analyses of promising upstream investments with short-term ROI;
 - Ability to reconcile up-front investments with longer-term ROI to rationalize the investment; and
 - Appreciation of the difference between financial ROI and social ROI.
- Accountability that considers the following:
 - How to differentiate between accountability for providing services to individuals vs. accountability for community-level population-based outcomes;
 - Which health care sector and/or non-health care sector partner(s) should pay/contribute to the service provided;
 - How much should be paid/contributed to the service;
 - What processes/outcomes should be measured as part of the intervention's evaluation; and

Lessons Learned

- Leverage and align existing payment models and measures as a starting point when exploring a population health intervention.
- Identify those payment models that best serve the collective partners needs and capacities.
- Recognize other funding sources may be collectively aligned and used (i.e., funding from multiple sectors; other types of funding from the health care sector like community benefit dollars).
- Explore innovative Medicaid financing changes currently under consideration/development that could support these efforts.
- Start small, but be sure to use evidence from pilot programs to provide support and scale up the intervention. It is valuable to:
 - Identify and prioritize the few population health interventions that do possibly offer positive ROI;
 - Use existing data and basic analyses to begin; and
 - Include qualitative data and storytelling to illustrate the value in reinvestment and rebalancing of funds.

These five regions will use the information, along with additional briefs on other topics discussed, and work collaboratively within their communities to apply them to their individual situations.

- The need to explore shared-risk models between health care sector partners and non-health care sector partners.
- Education for all partners to understand:
 - How alternative payment models function (i.e., how they determine payment for service rendered); and
 - How savings from population health interventions may be recaptured in order to support a continuous cycle of reinvestment to sustain those interventions.

To learn more about these projects, visit www.academyhealth.org/p4ph

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About NRHI

The Network for Regional Healthcare Improvement is a national organization representing regional multi-stakeholder groups working towards achieving better health, better care, and reduced costs through continuous improvement. NRHI and all of its members are non-profit organizations, separate from state government, working directly with physicians, hospitals, employers, health plans, and patients using data to improve health care.