



The Value Proposition for APCDs: Perspectives from Massachusetts

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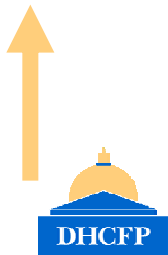
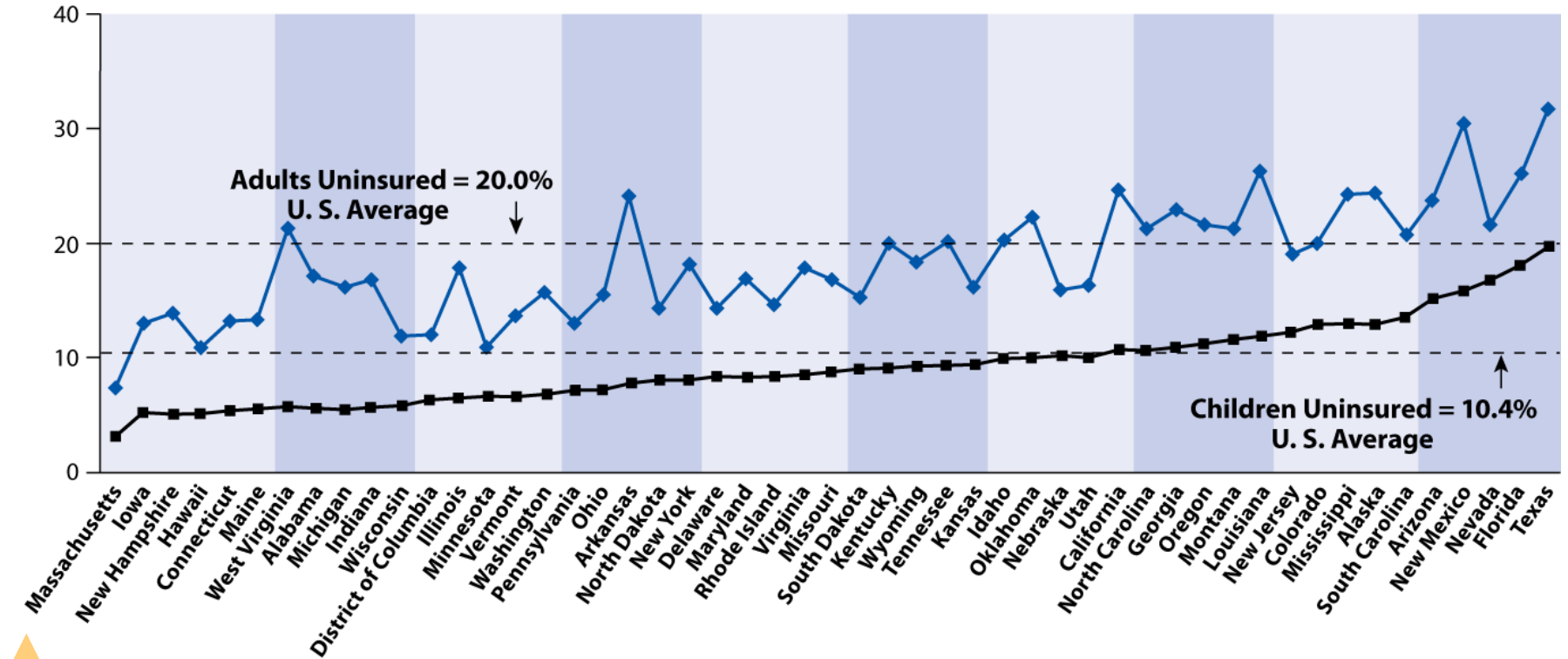
Division of Health Care Finance and Policy

Commonwealth of Massachusetts

- *Health reform context in MA*
- *Top ten list value proposition*
- *Cost & quality reporting*
- *The 6 Cs (challenges)*
- *MA APCD agenda*



State Rankings: Uninsured Rate

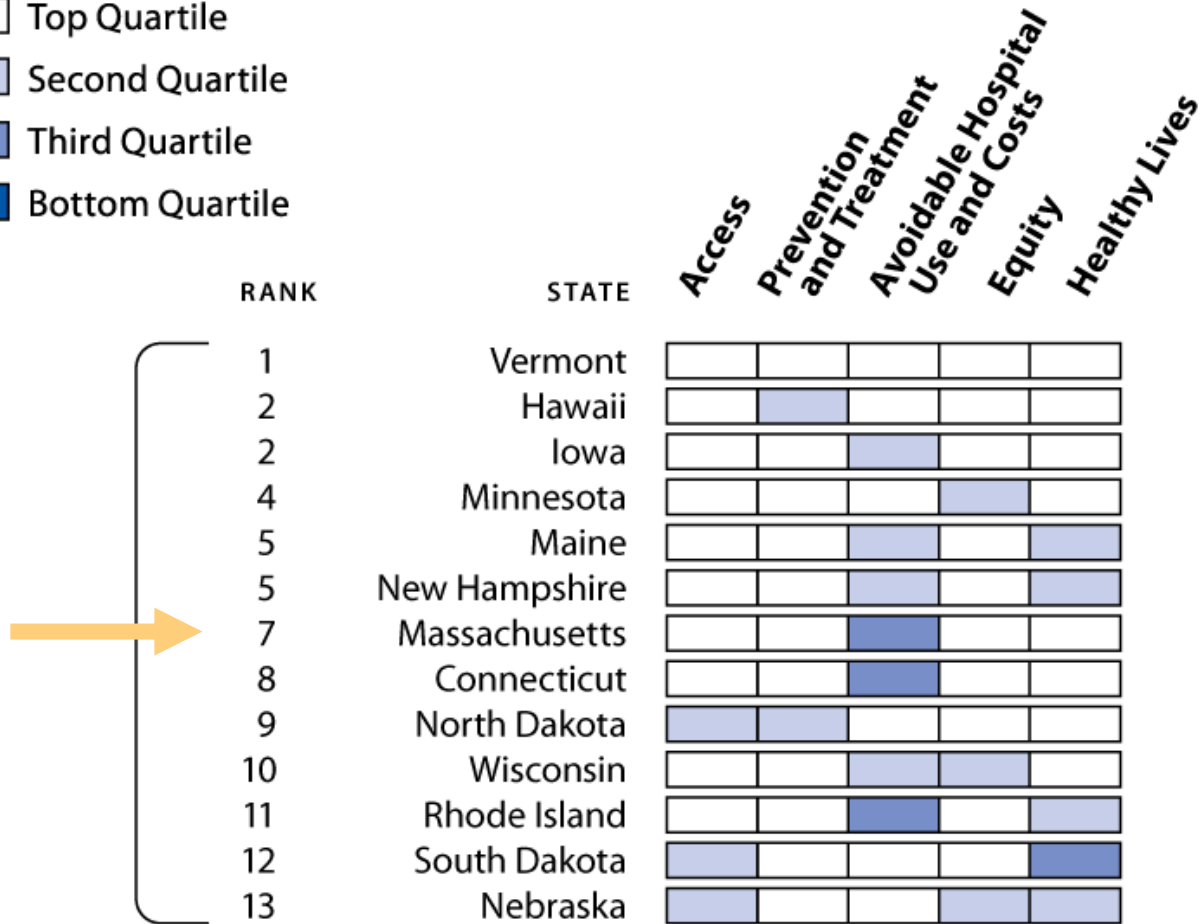


Source: Commonwealth Fund State Scorecard on Health System Performance, 2009

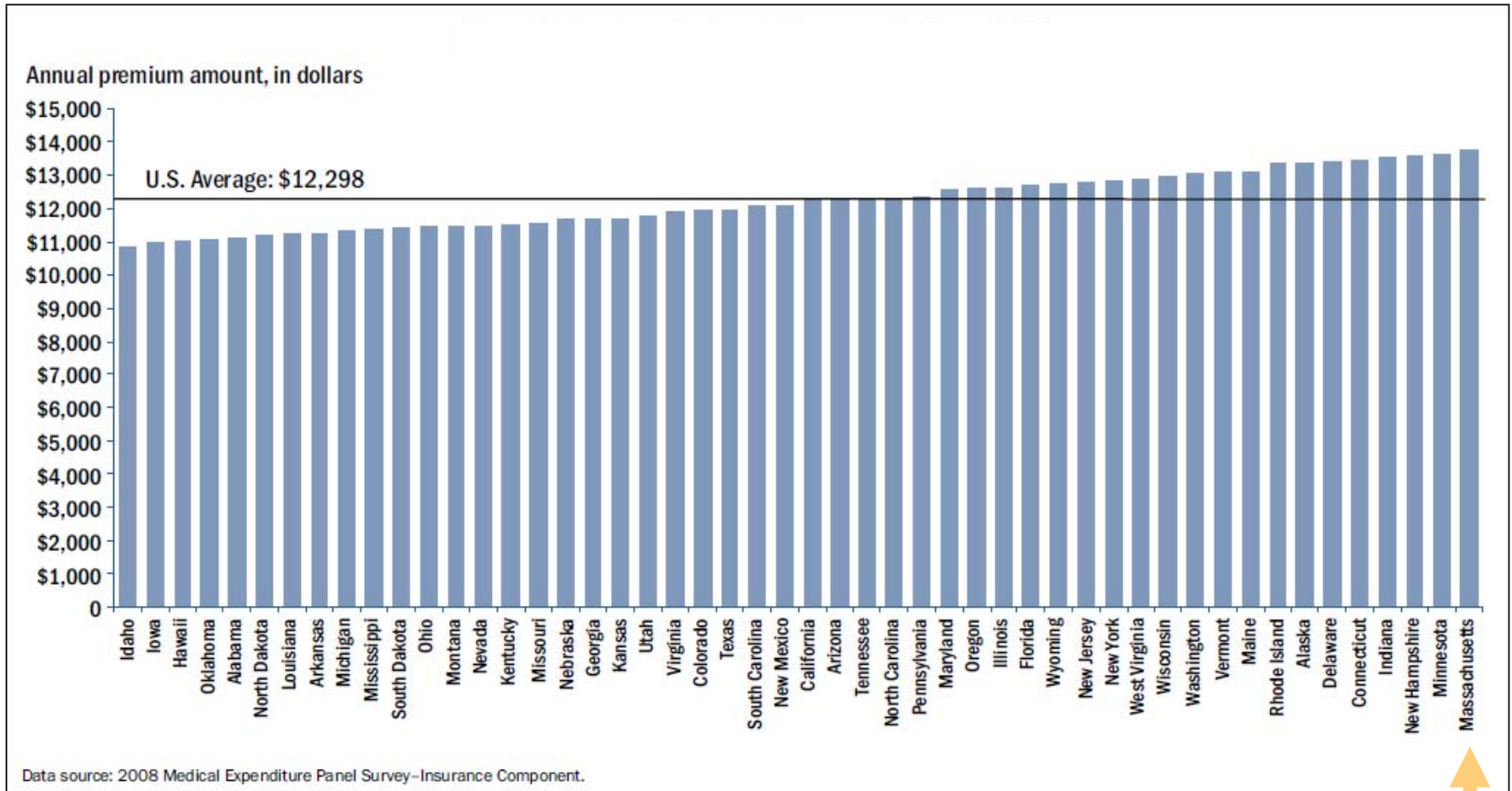
CMWF State Scorecard Summary

State Rank

- Top Quartile
- Second Quartile
- Third Quartile
- Bottom Quartile



Premiums for Family Coverage

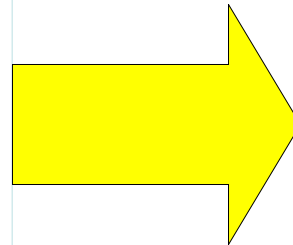
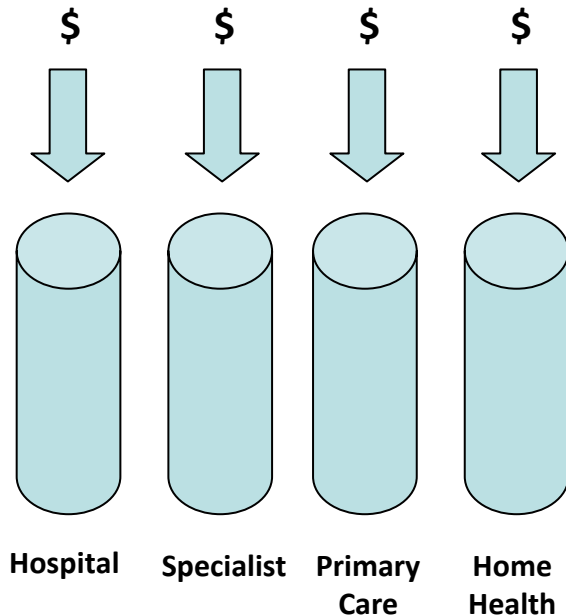


Source: Commonwealth Fund Data Brief August 2009

Current Fee-for-Service Payment System

The Problem

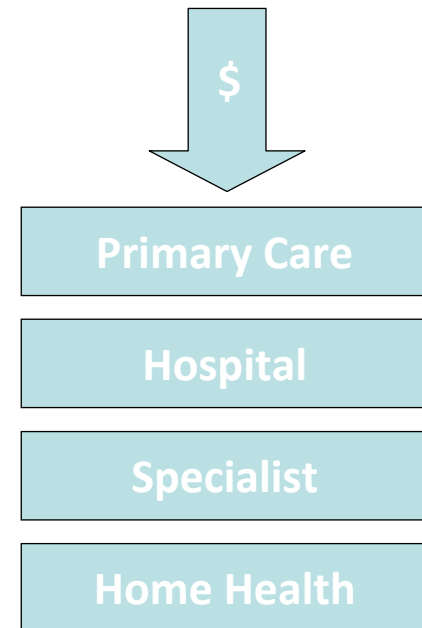
Care is fragmented instead of coordinated. Each provider is paid for doing work in isolation, and no one is responsible for coordinating care. Quality can suffer, costs rise and there is little accountability for either.



Patient-Centered Global Payment System

The Solution

Global payments made to a group of providers for all care. Providers are not rewarded for delivering *more* care, but for delivering the *right* care to meet patient's needs.



The Road Ahead for Transformation

- **From conviction to plan**
 - Legislation and Oversight Board
- **Politics**
 - “Hospitals attack state pay proposal”, Boston Globe, 10/4
- **Implementation**
 - The devil is you-know-where
- **DATA**
 - Calculating costs, risks, and rates

Top ten list: Value proposition for APCDs

- **Administrative simplification**
 - One intake portal for all carrier data
- **Monitoring reform**
 - Costs, access, quality
- **Democratizing information**
 - Equal access to information for innovation and competition
- **Reinforcing communities of interest**
 - Network map of shared patients for care coordination
- **Population health management**
 - The real thing, public and private, full enumeration

Top ten list:

Value proposition for APCDs, cont'd

- **Better precision for P4P**
 - Full book of experience for each clinician
- **Supporting delivery system transformation**
 - Episodes, global payments, system level measures
- **Facilitating research to support state goals**
 - Comparative effectiveness, patient centered medical home
- **Harvesting quality indicators**
 - Claims algorithms of clinical pathways
- **The big picture**
 - From hospital discharges to all activity

My Health Care Options

Respiratory: Pneumonia

Pneumonia treatment quality and cost varies by hospital. The reason to know about this is that someday you, or someone you care about, may need to decide which hospital to go to for pneumonia treatment. You can make a more informed choice when you know about quality and cost and then discuss this with your doctor. (more)

Diagnostic classification: Pneumonia (APR-DRG 139)

Summarized Report

View Detailed Report

Quality of Care (more)

	Hallmark Health Systems - Lawrence Memorial Hospital	Lahey Clinic	Massachusetts General Hospital	North Shore Medical Center/Salem Hospital
Quality Rating	★ ★ ★	★ ★	★ ★	★ ★
Statistical Significance	Not different from Average Quality	Not different from Average Quality	Not different from Average Quality	Not different from Average Quality



Source: <http://hcqcc.state.ma.us>

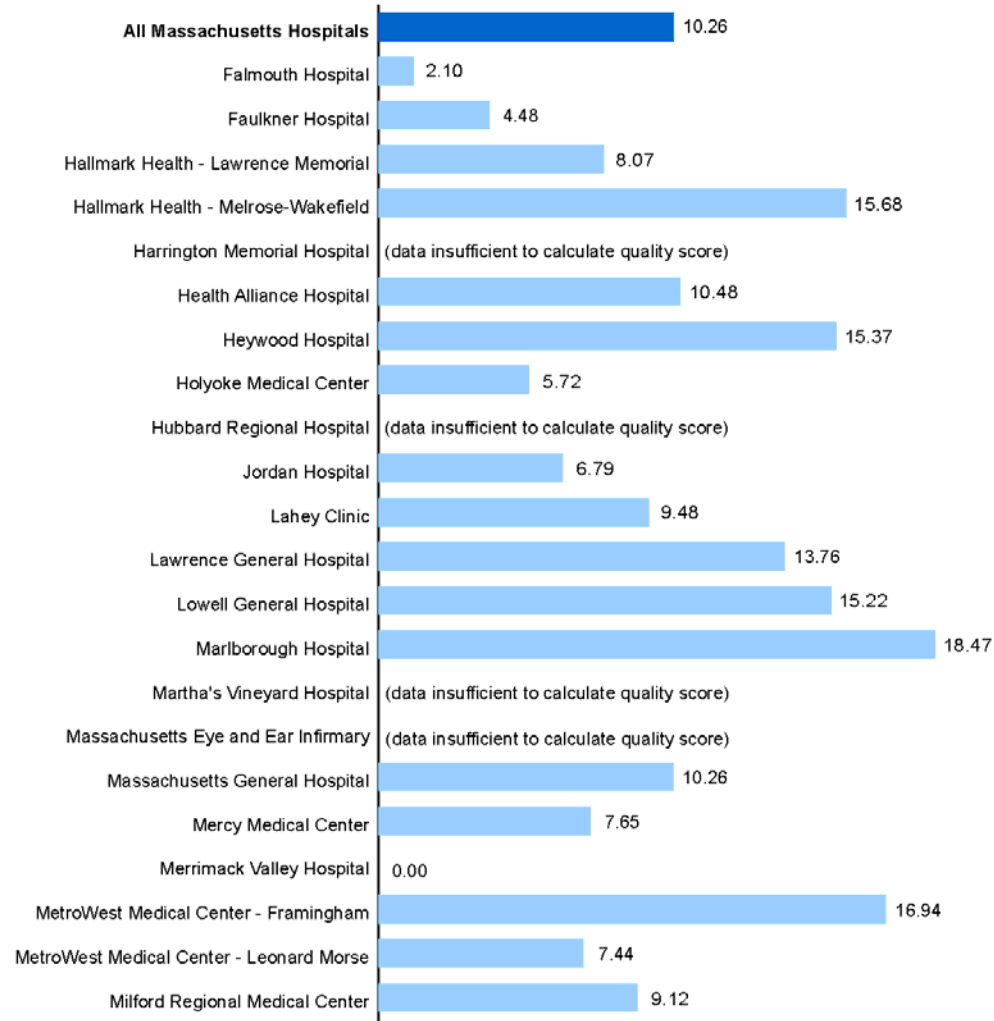
My Health Care Options

Cost of Care (more)

	Hallmark Health Systems - Lawrence Memorial Hospital	Lahey Clinic	Massachusetts General Hospital	North Shore Medical Center/Salem Hospital
Cost Rating	N/A	N/A	\$\$\$	\$\$
Statistical Significance	N/A	N/A	Above Average Cost	Below Average Cost

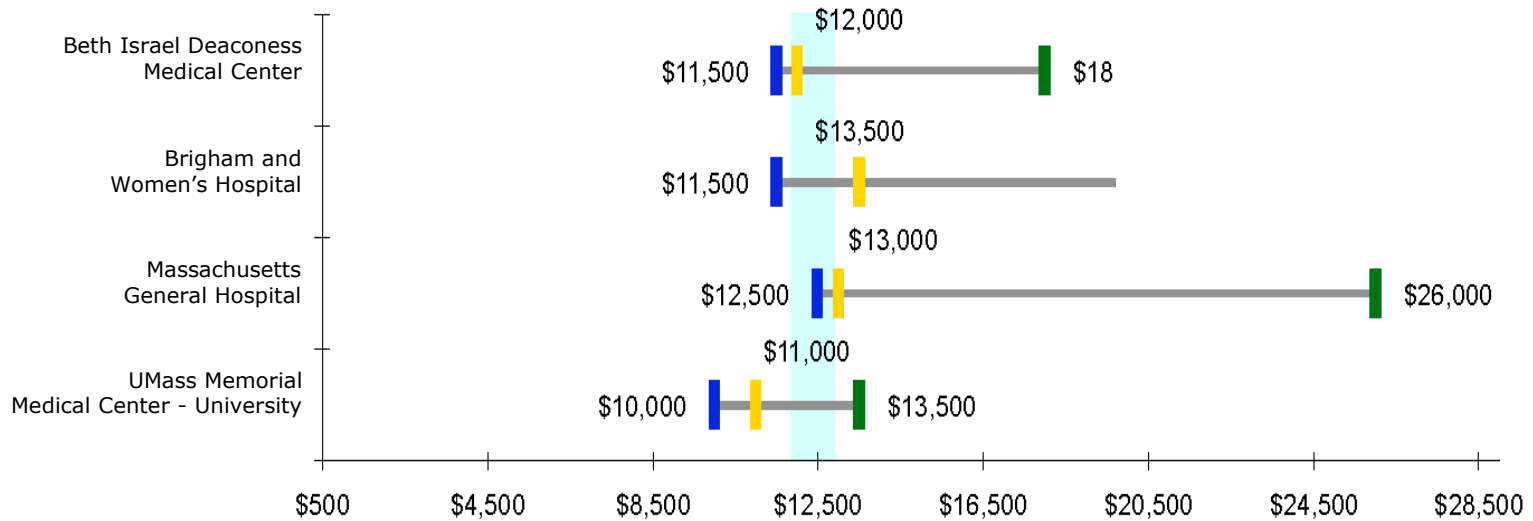


Stroke Risk-Adjusted Mortality Rate per 100 Hospital Discharges

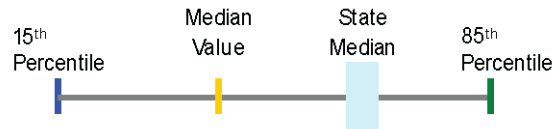


Source: Division of HCFP, Measuring Quality and Cost, October 2009

Range of Costs for Stroke by Hospital



Legend



Source: Division of HCFP, Measuring Quality and Cost, October 2009

The six Cs: Challenges of APCDs

- **Confidentiality**
 - First priority is to protect citizens
- **Complexity**
 - Huge volume, processing time, records linkage
- **Cost**
 - Unpredictably high
- **Current**
 - Long, long lag time. Eventually EHR will supplant claims.
- **Cleanliness**
 - Editing, QA, feedback loop with partners
- **Conviction**
 - Long term vision and persistence

Actions this year in MA

- **APPCD→APCD**
 - Medicaid, Medicare
- **Regulations**
 - More data, less release restrictions
- **Service bureau for other state agencies**
 - Intake and reporting
- **Data integrity**
 - Customer needs, team collaboration, process improvements
- **Data use**
 - Standard vs. custom files; Accessible interface
- **Proactive research agenda**
 - So many questions, so little time, so much academic interest



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