Proposal to transform the healthcare delivery and payment system in Georgia through demonstration sites
Challenges

In 2017, healthcare was either the dominant or a significant topic of discussion in at least nine legislative study committees.

House Rural Development Council

- Medicaid doesn’t pay enough
- Payor mix imbalance
- Workforce shortages
- Insurers outsourcing profitable services from hospitals
- Bad or nonexistent data
- Need for more telehealth
- Need for integration with public health and other providers
- Need for more behavioral health and opioid treatment
- Need for better regional coordination
- Need for more partnerships

Senate Study Committee on Business

- Shifting demographics
- Drive toward cost efficiency
- Access to capital
- Transition to value based reimbursement focused on outcomes
- Focus on population health management
- Need for cost and quality data transparency
- Continuous advances in technology
- Increasing focus on physician leadership, alignment and engagement
- Challenging variations in care
- Need for clinical integration and care coordination
- Growing demand for patient and family engagement

COUNCILS, TASK FORCES & STUDY COMMITTEES

- House Rural Development Council
- Senate Study Committee on Rural GA
- Georgia’s Health Care Reform Task Force
- Georgian’s Barriers to Access to Adequate Health Care (House)
- Senate Study Committee on Barriers to Georgians’ Access to Adequate Healthcare
- Senate Study Committee on Stroke Trauma Centers
- Medical Cannabis Working Group (House)
- Elementary & Secondary School Nutrition Program
- Senate Study Committee on Homelessness
- House Insurance Committee Subcommittees
Healthy Georgia Solution

• Transform the healthcare delivery and payment system in Georgia with the following goals:
  • Improve health outcomes
  • Reduce per capita cost of care
  • Increase access – primary care/behavioral health/substance abuse
  • Maximize efficiencies and capacity of existing infrastructure
  • Assure sustainability of rural and safety net hospitals
  • Produce replicability for potential statewide application
  • Demonstrate cost savings for the current Medicaid program
  • Control costs to the state
Hub and Spoke Model

• Hub and spoke model tailored to the community will drive better outcomes and controlled cost
Proven Results & Outcomes

Communities in Georgia are successfully redesigning how care is delivered and seeing remarkable results – on a limited scale.

- Additional resources are needed to achieve sustainable gains.
- In 2015, the Rural Hospital Stabilization Committee provided grant funding to four rural communities. Highlights of outcomes from the first phase of funding are below.

<table>
<thead>
<tr>
<th>Community</th>
<th>Reduce Medicare readmissions and non-emergent ED usage</th>
<th>Increase Primary Care Access</th>
<th>Increase Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>APLING</td>
<td>• 8 patients enrolled in care coordination</td>
<td>• School based health clinic provides 1,400 children access to a mid-level provider</td>
<td>• Level IV Trauma Center</td>
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<td>• 45% drop in emergency room encounters</td>
<td>• Remote Stroke Designation</td>
<td>• New Occupational Health Service Line</td>
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<td></td>
<td>• 64% reduction in medical costs</td>
<td>• EMS/EKG Transmission Capability</td>
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<tr>
<td>CRISP</td>
<td>• 30 patients enrolled in Mobile Integrated Health</td>
<td>• Remote Stroke Designation</td>
<td>• Provide Nursing Home Telemedicine Psych Management</td>
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<td></td>
<td>• 40% reduction in emergency room encounters</td>
<td>• EMS/EKG Transmission Capability</td>
<td>• Telenephrology Program</td>
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<tr>
<td>EMANUEL</td>
<td>• 9 patients enrolled in care coordination</td>
<td>• Remote Stroke Designation</td>
<td>• Additional 4 emergency rooms</td>
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<tr>
<td></td>
<td>• 43% reduction in inpatient admissions</td>
<td>• EMS/EKG Transmission Capability</td>
<td>• Reduced ER wait times, length of stay and left without being seen</td>
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<tr>
<td>UNION</td>
<td>• 20 patients enrolled in community paramedicine</td>
<td>• Remote Stroke Designation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 33% reduction in readmissions</td>
<td>• EMS/EKG Transmission Capability</td>
<td></td>
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</tbody>
</table>

*Items in italics were goals of the initial phase of the rural hospital stabilization grants.*
Proven Results & Outcomes
Grady Chronic Care Clinic Executive Summary

Results Through July 31, 2017

For 15 patients enrolled in 1Q2017*:

Utilization
• Absolute reduction of 100 ED visits
• Reduced Avg. Monthly ED Visits by 55%
• Reduced Inpatient admissions by 17%
• Increased Outpatient encounters by 156%

Cost Reduction
• Reduced Avg. monthly total cost per enrollee by 49.3%

Clinic No Show Rate
• Reduction in clinic no-show rate from 33-41% in March/April to 20% in September

Pilot supported through philanthropic funding

*Comparison of Pre-Enrollment Utilization/Cost in Quarter prior to enrollment (Oct-Dec 2016) to Quarter post enrollment (April-June 2017)
Key Elements of Healthy Georgia

• Transform the healthcare delivery and payment system in Georgia with the following goals:
  • Improve health outcomes
  • Reduce per capita cost of care
  • Increase access
  • Maximize efficiencies and capacity of existing infrastructure
  • Assure sustainability of rural and safety net hospitals
  • Produce replicability for potential statewide application
  • Demonstrate cost savings for the current Medicaid program

• Establish urban and rural demonstration sites

• Require demonstration sites to meet minimum criteria:
  • Hub hospital and spoke network of community health providers
  • Commitment to evolve delivery system from fee-for-service to value based over 5 years
  • Population health model with comprehensive care coordination for reduced utilization and improved health outcomes
  • Linkage to programs that address social determinants of healthcare
  • Provision of behavioral health services (including substance abuse)
  • Provide local match
Healthy Georgia Solution

• Provides much-needed flexibility to the state
• Allows Georgia to demonstrate the feasibility of new care delivery models and payment methodologies
• Promotes funding transparency and accountability
• Controls costs to the state
• Focuses on bending the healthcare cost curve through a reduction in avoidable utilization and improved health status
• Informs future state and federal health policy with evidence-based results
Benefits of transforming the healthcare delivery and payment system in Georgia through demonstration sites
Healthcare Payment Reform

Eliminates Cost Shifting for the Uninsured
This proposal represents a shift in how care for the uninsured is currently funded to a transparent, cost-controlled and accountable model.
- The cost of caring for populations included in the waiver will shift to the demonstration project.
- Policymakers will be able to explain how their tax dollars are being used.
- Taxpayers will get better value.

State Budget Certainty
The proposal protects the state budget from any new costs during the duration of the demonstration period and results in savings to the state through the ABD reforms. Each demonstration site will accept full risk on a per member basis for the newly covered and an enrollment cap will provide additional protection. Each site will absorb its expenses and any administrative and reporting costs that the state may incur.

Taxpayers are already paying:
- Through higher insurance premiums
- Through taxes that support emergency rooms and uncompensated care
- Through Obamacare taxes to the federal government
- Through charitable contributions
Delivery System Reform

Populations included in a demonstration site are not the only Georgians who will benefit from this project. Anyone utilizing any of the participating healthcare providers will benefit from more stable institutions that have learned how to ensure better outcomes at lower costs.

Medicaid Low Income and Aged, Blind and Disabled Population (ABD)

- Improvements in efficiency and effectiveness of care will transfer to the care delivered by participating providers to other patients, including the ABD population.
- Results can inform decision making and future contracts with Care Management Organizations
  - Value Based Purchasing requirements
  - Future models of care coordination or managed care

State Health Benefit Plan (SHBP)

- Many of the recommendations from the AON 2015 Medical Cost Benchmarking Analysis of the SHBP are modeled in this proposal.
  - Delivery system transformation focused on “coordinated care aiming to result in better quality of care, better outcomes, and overall cost reduction”
  - Use of “decision support tools” only available through data sharing
  - “Advocacy” defined as, for example, “navigators...helping the member get the right care at the right price at the right time,” which “can help control cost for members and the Georgia SHBP with the potential for improved health and quality”
  - “Wellness incentives”
Federal Position

• On November 9, 2017, the Centers for Medicare and Medicaid Services (CMS) updated the goals of 1115 waivers and invited states to propose reforms that would:
  ✓ Improve access to high-quality, person-centered services that produce positive health outcomes for individuals;
  ✓ Promote efficiencies that ensure Medicaid’s sustainability for beneficiaries over the long-term;
  ✓ Support coordinated strategies to address certain health determinants that promote upward mobility, greater independence, and improved quality of life among individuals;
  ✓ Strengthen beneficiary engagement in their personal healthcare plan, including incentive structures that promote responsible decision-making;
  ✓ Enhance alignment between Medicaid policies and commercial health insurance products to facilitate smoother beneficiary transition; and
  ✓ Advance innovative delivery system and payment models to strengthen provider network capacity and drive greater value for Medicaid.

• In a speech to state Medicaid directors on November 7, 2017, CMS Administrator Seema Verma made the following points:
  ✓ “…we want [states] to create innovative programs for the people you serve, because we believe you know what is best.”
  ✓ “…demonstration projects offer an avenue for states to pioneer innovative approaches that deliver local solutions to local problems.”
  ✓ “Local communities are the cradles of innovation and we need your ideas. Help us create a better, stronger Medicaid program. Help us create the accountability and transparency that the American people deserve…”
Contact Us

Matt Hicks
Sr. Vice President, Government Relations
404-616-5977 office
404-809-7488 cell
mhicks@gmh.edu

Shannon Sale
Chief Strategy Officer
404-616-7029 office
ssale@gmh.edu

www.gradyhealth.org