

Healthy Georgia Solution

Rural Development Council

November 28, 2017

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.

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

House Rural Development Council

Challenges Highlighted

- 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

Rural Hospital Stabilization Committee

Challenges Highlighted

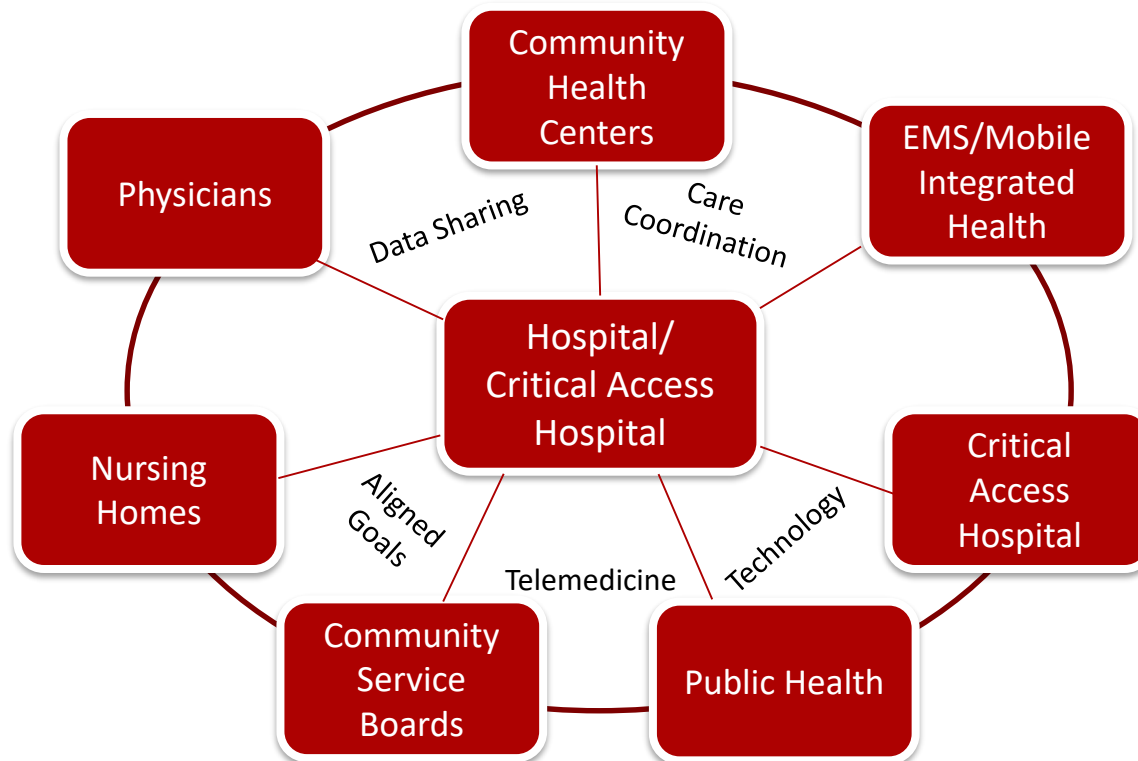
- Shifting demographics
- Drive toward cost efficiency
- Access to capital
- Transition to value based reimbursement focused on outcomes
- Focus on population health management
- Need for cost and quality data transparency
- Continuous advances in technology
- Increasing focus on physician leadership,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

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.

APPLING

Reduce Medicare readmissions and non-emergent ED usage

- 8 patients enrolled in care coordination
- **45% drop in emergency room encounters**
- **64% reduction in medical costs**

Increase Primary Care Access

- 136% increase in indigent care thru FQHC partnership

Increase Market Share

- Level IV Trauma Center
- New Occupational Health Service Line

CRISP

Reduce Medicare readmissions and non-emergent ED usage

- 30 patients enrolled in Mobile Integrated Health
- **40% reduction in emergency room encounters**

Increase Primary Care Access

- School based health clinic provides 1,400 children access to a mid-level provider

Increase Market Share

- Remote Stroke Designation
- EMS/EKG Transmission Capability

EMANUEL

Reduce Medicare readmissions and non-emergent ED usage

- 9 patients enrolled in care coordination
- **43% reduction in inpatient admissions**
- **51% reduction in emergency room encounters**

Increase Primary Care Access

- Provide Nursing Home Telemedicine Psych Management

Increase Market Share

- Telenephrology Program

UNION

Reduce Medicare readmissions and non-emergent ED usage

- 20 patients enrolled in community paramedicine
- **33% reduction in readmissions**

Increase Primary Care Access

- Telehealth equipment in 5 schools

Increase Market Share

- Additional 4 emergency rooms
- Reduced ER wait times, length of stay and left without being seen

*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



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