buckeye health plan

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Joint Medicaid Oversight Committee
Testimony by Erik Helms
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Chairman Burke, Ranking Member Antonio, and members of the committee, my name is Erik Helms, and I am the Senior Vice President for Strategic Initiatives for Buckeye Health Plan. One of my primary responsibilities is to develop and implement strategies to improve health outcomes for our members and reduce costs for our customers. I am here today to discuss Buckeye's plans to achieve these goals and to meet your expectation that by July 2020 at least 50 percent of the payments we make to providers will be based on the value of those services.

Buckeye Health Plan (Buckeye), a wholly owned subsidiary of the Centene Corporation, is proud to coordinate the care for more than 300,000 Ohioans who have access to health care through Medicaid, Medicare and the Health Insurance Marketplace. We contract with more than 30,000 providers, including 7,500 primary care physicians, to provide care for Ohioans in all 88 counties and to transform the health of these communities one person at a time.

Buckeye strongly believes that improving quality and outcomes for Medicaid members—with the ultimate goal of helping our members move up and out of poverty—and making the best use of available resources requires a strong partnership between the health plan, providers and our members. Value-based arrangements with our providers, which prioritize value over volume, reduce fragmentation, and increase quality, are a key to this strategy. We are also working closely with our members so that they recognize and take advantage of the many tools and incentives we offer to be healthy and to prevent avoidable health issues.

I want to take this opportunity to highlight some of the work we are doing to implement these strategies. While we still have work to do, I am confident that we are on pace to meet or exceed the target you have set prior to 2020.

Current State

Today, nearly all of Buckeye's 7,500 primary care physicians are eligible to receive bonuses for taking steps to improve access to care, promote prevention and address the chronic-care needs of our members. Our program contains 26 population-specific metrics that are aligned with Medicaid program goals, and if a primary care physician can demonstrate that these quality goals have been achieved, he or she will receive an additional payment. For example, we know that timely and regular prenatal visits improve maternal and infant health. We also know that CMS has reported that less than 70 percent of women in the Medicaid program receive 80 percent or more of their prenatal visits. So, Buckeye physicians can earn a bonus for ensuring that a pregnant member receives the expected number of prenatal visits.

We want all of our providers to receive these bonus funds, because the preventative services that lead to the bonus payouts will help our members be healthy and will reduce costs in the long run. Our provider network team works directly with our practitioners and their offices throughout Ohio to raise awareness of the program and to share best practices for improving quality for our members. As a result, we have already seen an increase in participation since the program's inception in 2015. In 2016, we are projecting that 1,164 physician practices will receive bonuses, a 30 percent increase compared to 2015. We plan to continue to look for ways to increase participation in this program in 2017.

Additionally, Buckeye has developed enhanced, value-added payment arrangements for primary care physicians that go above and beyond quality bonuses. These arrangements are built into our contracts and increase reimbursements to providers as results improve. Examples include:

- An agreement with Summa's Ambulatory Care Model is designed to encourage adherence to clinical guidelines, follow evidence-based medicine standards and increase Healthcare Effectiveness Data and Information Set (HEDIS) scores for the members within that assigned group. The contract works in conjunction with the member-benefit design, in which members are rewarded for obtaining preventive services—allowing for quicker identification of health issues as they develop—and for managing diagnosed conditions effectively.
- A value-based agreement with University Hospitals Rainbow Care Connection is focused on pediatric care and includes incentives for reduced emergency department visits and reductions in pharmacy expenses.
- An agreement with Muskingum Valley Health Centers includes payment for enhanced access and quality.
- In the Columbus area, we have adopted value-based hospital and physician contracts in conjunction with Nationwide Children's Partnership for Kids (PFK) program. This agreement, like the Summa agreement, is designed to encourage adherence to clinical guidelines that follow evidence-based standards and to increase measurable outcomes for our members served within that practice. The contract also works in conjunction with member-benefit design.

These enhanced, value-based contracts cover roughly 23 percent of our primary care physician network. All told, approximately 38 percent of our primary care network physicians' total reimbursement is value-based. This lays out a roadmap to get us to the levels that we, and you, expect us to achieve by 2020.

Next Steps

Using our past experience as a guide, we are actively engaged in discussions with a variety of hospital and physician systems to adopt value-based contracts. Several high-value potential partners appear likely to come under contract in 2017. This initiative will bring an additional 30 percent of the Buckeye contracted physician network under a value-based payment structure.

Other areas of focus include the implementation of a collaboration model to reduce inappropriate

inpatient hospital admissions and driving care to the correct setting. We also are in early discussions with the largest provider of skilled nursing care in Ohio to pilot a value-based agreement for 2017.

Buckeye is a key partner in the state's efforts to drive payment reform through the use of patient-centered medical homes (PCMH) and episode-based payments. Buckeye has participated in the baseline CMS Comprehensive Primary Care initiative (CPCi) demonstration in the Cincinnati area, which was designed to promote a core set of five comprehensive primary care functions. When this demonstration ends after this year, we are planning on migrating the work to Ohio's CPC program. Buckeye will be actively supporting Ohio's CPC PCMH program in 2017. Our early estimates suggest that up to 200,000 Buckeye members are assigned to practices that could be eligible for the PCMH program. Buckeye is also actively supporting the 2016 baseline episodes for bundled payments, and we look forward to continued commitment to the expanded episodes as we work to improve the health of our communities.

Provider Uptake – Opportunities, Barriers and Solutions

To help implement value-based models, Buckeye has adopted tools to help providers transition from a fee-for-service model to value-based models. For example:

- **Actionable reporting of health information.** In value-based contract models, performance results are produced monthly, with incentive payments made up to three times per year. Timely, clinical information to help support patient management at the practice level is available to providers through the provider portal and through ad-hoc reports provided by the plan's dedicated provider performance manager. Areas of focus include high-risk member-engagement strategies, actionable information to support appropriate diagnosis capture and population views of member gaps in care.
- **Provider education and resource guides.** Successful performance with our products requires providers to have increased patient engagement and produce high levels of patient satisfaction. As a result, we have created tools for providers, such as office visit check lists, tips to help improve patient experience, and updates on Buckeye programs, all of which are available online.
- **Member engagement.** Good health is in our members' hands, but we play an important role in helping our members make informed, healthy choices that will improve their overall health and reduce costs. By encouraging our members to take simple steps to be healthy, we are positioning our providers for success. For example:
    - Our CentAccount rewards program provides incentives for members to take steps to be healthy, like completing annual well care visits or getting a breast cancer or diabetes screening. Because infant vitality is so important, we provide rewards for completing postpartum visits, prenatal doctor visits and infant well care. This year, we have already paid out more than $2.6M in rewards to our members for taking an active role in their good health, an investment that we expect to be more than paid for in reduced costs associated with better health.

- We communicate regularly with our members to educate them about tips and tools to stay healthy. These communications stress prevention and are targeted to encourage behaviors that are proven to reduce the likelihood of more acute healthcare conditions, like getting a flu shot or being heart healthy. In most cases, we will cover or help offset the cost of these behaviors.
- Buckeye has also developed programs to specifically target members with identified health needs. Through our Start Smart for Your Baby program, we reach out to members who are pregnant and provide an enhanced level of care to promote the health of mom and baby. Our BestBeats program is designed to identify and work with members who are suffering from heart disease. And when we detect gaps in care for members—either opportunities for prevention, or individuals with chronic conditions—our care managers, member services reps or contracted providers will reach out directly to encourage and help schedule the next step in care with one of our qualified providers.

The success of our efforts to implement value-based relationships with our providers is a two-way street. Plans can't make it work without partnership from our providers, and Buckeye is proud to have a strong and committed provider network. But some barriers to payment innovation must still be addressed. Below are a few examples of barriers we have experienced and work we have done, in conjunction with our providers, to identify solutions.

- **Provider concerns about being accountable for costs they cannot control.** Buckeye uses risk adjustment and risk limits to keep insurance risk with Buckeye and transfer performance risk to providers. We include risk exclusions to give providers accountability only for the types of costs they are able to control and make provisions for contract adjustments to deal with unforeseen events.
- **Lack of data for setting payment amounts and managing risk/opportunities.** Buckeye works to supply providers with access to timely analyses of both utilization and costs through claims downloads and regular reporting to providers. We are continually working to make advancements in these systems.
- **Attributable membership.** The Ohio Medicaid program wisely and progressively requires all Medicaid enrollees to have an assigned primary care provider, and we ensure that this assignment is made upon enrollment. However, many Medicaid members may visit multiple providers for their primary care (or other) health needs. This creates a challenge in a value-based payment model. Namely, which provider do you credit or hold accountable for outcomes when a member sees multiple providers? We continue to work with our providers and use data to answer this question, but the answer is not always clear or indisputable.
- **Willingness to accept "downside risk."** Low margins on a Medicaid payment schedule limit willingness of providers to take on risk-based payment relationships, especially when it has the potential to erode baseline fee-for-service revenue. Buckeye arrangements that have "downside" risk as a component part of our reimbursement strategy are limited. While we don't currently expect our provider partners to take on disproportionate insurance risk, we do believe that some risk does help align performance incentives between the provider, the member and the payer. We continue to work with providers to enable them to better manage risk by simplifying

performance measurement, sharing data electronically and producing information on cost, quality and efficiency, and working together to encourage evidence-based care delivery. These tools provide some of the foundational elements to support and encourage risk-sharing financial arrangements.

- **CPC may present challenges to payers being able to partner with providers through additional value-based agreements.** Providers may not see value or have limited capacity to engage in value-based models that are implemented by health plans. The incremental incentives to providers are unclear, and they present a challenge as providers evaluate their options during this period of transition. As we begin to better understand which practices will be selected to participate in CPC, Buckeye will continue to work with the state and our network providers to identify additional value-based partnership opportunities.

Since coming to Buckeye in May, I have been impressed with Ohio's commitment to paying for value in Medicaid and across health delivery systems. I am pleased to report that Buckeye shares this commitment. While there is still work to be done to hit the targets that have been set in statute and in our contract with the state, I am confident that we have the tools to continue to improve outcomes for Ohioans through innovative payment strategies.

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