Catalyzing Care Transformation: An invitation to discuss moving the SHBP/SEHBP to higher value and better health outcomes

cat·a·lyze - cause or accelerate (a reaction) by acting as a catalyst

Meet the Team

Jeff Hogan

Veteran health care leader focused on value-based health care and its impact on employers. Health tech startup advisor.

Brian Klepper, PhD

Well known national health care analyst and commentator focused on high-performing health care organizations.

Dr. John Rodis

Past president of one of CT's highest performing hospitals. A value leader and consultant focused on health care quality and safety.

Christine Arnold

Health care executive with experience in every aspect of the health care ecosystem. One of the organizers of the CT Moving to Value Alliance.

Housekeeping

1. Hold your questions until the end
2. Attendees please MUTE your lines
3. Attendee Role: To listen. Breakout sessions will allow time for specific questions.
4. Thank you for attending today.
5. This session is being recorded

Health Care Context

US Health Care

- ## GDP

  Health Care in the United States consumes 17.7% of our GDP annually.

- ## Specialty Drugs

  In 2020 Specialty drugs represented approximately 50% of all pharmacy claims- $400 billion dollars

- ## Insured Population

  49% of Americans receive their health insurance via employer sponsored health plans

- ## Costs

  Health Care costs are increasing at an unsustainable rate.

New Jersey

1 Population

2021 Census data reports 9.4 million people in New Jersey

2 Spend

New Jersey spends approximately $5.7 billion annually on the state employee health plan which covers 822k members

3 Hospitals

New Jersey has 113 hospitals including specialty, 72 of those are acute care locations

4 Specialty Drugs

Specialty drugs account for approximately 1/3 of the state employee health plan spend annually

5 Primary Care

A 2020 study by the Primary Care Collaborative found that NJ had one of the lowest Primary Care investments for the broadest definition of primary care 6.38%

State of New Jersey

Taking Action

State Health Benefit Quality and Value Task Force

Prioritizing Specific Health Initiatives

2018

Governor Murphy convened the Task Force to focus on the quality and value of health care for the state

Charge

Task Force was charged with identifying short and long term solutions to improve the system

Task Force Members

Task force is made up of representatives of various constituent groups

TASK FORCE -KEY FINDINGS

“The Task Force recognizes the urgency, now more than ever, to explore and embrace the opportunities presented in this report.”

--State of New Jersey, State Health Benefits Quality and Value Task Force

- Payment reform including direct contracting and value based contracting
- Long term improvements in hospital efficiencies and safety
- Picking vendor partners who share the State's vision for a better model
- Episode of care or other incentive based payment model
- Improved access to care
- Need for ongoing and consistent data analysis
- Advanced primary care and primary care coordination
- Steerage to high performing providers
- Behavioral Health integration and access
- Better clinical outcomes/integration
- Removal of waste and inefficiency

Task Force Website

“Despite the progress we’ve made, health care costs continue to be a challenge for New Jersey residents, employers, and the State. Throughout this past year, our health care workforce has come together selflessly in service to our residents. The time is now to build on this collective spirit to more fully transform our health care system to make it more equitable, accessible, and affordable.”

-Governor Phil Murphy

Executive Order 217, January 2021

Order Directs Department of Banking and Insurance to Develop Plans for Health Care Cost Growth Benchmarks and Health Insurance Affordability Standards and Establishes Health Care Affordability Groups

Point #1

- Access to quality and affordable health insurance

Point #2

- Prescription drug cost growth

Point #3

- Inequities in health outcomes

Point #4

- Care Coordination and Patient engagement

Point #5

- Health Care cost growth benchmark- Millbank Foundation Work

Point #6

- Affordability, Accessibility and Transparency

Why Now?

Independently, DPB has been prioritizing the movement to value. COVID has also accelerated the prioritization of care transformation by showing us all the failures and deficiencies in the current system.

Expectations have changed.

There is a better way.

STATEMENT OF WORK

STATEMENT OF WORK

The State of New Jersey Department of Treasury, Division Pension and Benefits engaged Upside Health Advisors to review the state's health benefit plan's current performance and to devise a value-focused strategic and tactical road map that can measurably improve results, enhance outcomes, and lower costs.

Approximately 822,000 covered members including active employees, retirees and their families

$5.7 billion dollar annual spend in 2020

Stakeholders

Providers and Point Solutions

State of New Jersey
Health Plan

Department of Treasury, Division of Pension and Benefits

Consultants and Partners

Resources and Analysis

Rand Hospital Transparency Report 3.0 & NJ Rand Analysis

Analysis of data from Horizon, Optum and Aon

State Health Benefits Quality and Value Task Force Report


CARETRANSFORMATION
CARECOORDINATION
ATTRIBUTION
HIGHPERFORMING
VARIATION
ACCESS
ENGAGED
PRIMARYCARE
BETTER
PREDICTABILITY
PREDICTABILITY COORDINATION
DATATHOUGHTFUL
LEADERS
FAMILIES
MEASURING QUALITY
INTEGRATEDCARE
COSTRISK
COST
PARTNERSADVOCATES
QUALITY
BEHAVIORAL
SPECIALTYDRUGS
OUTCOMES
INTEGRATEDDELIVERY
PATIENTENGAGEMENT

GUIDING PRINCIPLES TO ACHIEVE

Care Transformation

Achieve Superior Health Outcomes

Controlling Costs

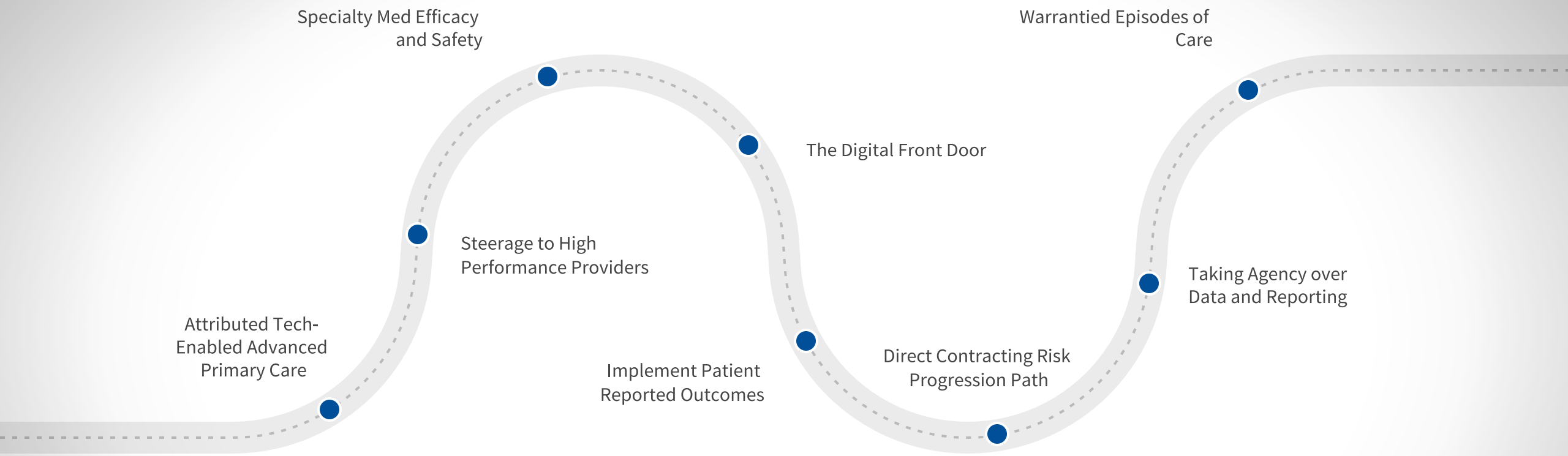
Clinical Satisfaction

Enhanced Patient Experience

Does a Panacea Exist?

The problems that exist in our health care system were not created overnight, nor were they created by one group. Everyone will need to be part of the solution.

1. No. We don't live in a perfect world.
2. You are not alone. Many states are trying various solutions to address the same problems.
3. Focus on what matters most. Find the levers that have the greatest effect on access and outcomes.
4. There is a better way.



Tactically Navigating to Value

WHAT IS HEALTH CARE VALUE

HC Value = Quality/Cost

A value-focus independently considers and balances health care quality, patient experience, and cost.

Brian Klepper, PhD

Pathways to Value

HC Value = Quality/Cost

Advanced Primary Care

Primary care becomes the platform that, with partners, manages the full continuum of risk.

Direct Contracting

Taking agency to procure high performing vendors, including specialty services

Bundling

Demands quality targets and all inclusive price that can be compared across vendors.

Performance Transparency

Demand unlimited and timely access to all health plan performance data

Outcome/Performance Guarantees

Require vendors to put their money where their mouths are. Specification of metrics for accountability.

Vendor Reimbursement tied to Performance

Align Interests by ensuring that vendors share in the new model they create.

Variation in Cost and Quality Drives Everything in Health Care

VARIATION IN COST AND QUALITY

DR JOHN RODIS

Rand Hospital Transparency Study

In 2017 a group of employer in Indiana partnered with Rand to study, for the first time, three key areas of health care spend.

- Measure prices for hospital services in that state.
- Simplify comparisons by benchmarking against Medicare
- Report hospital specific prices

Rand has since published two additional reports which New Jersey participated in and has expanded the data points included in the reports.

How do we define hospital quality?

Assessed by groups like **Leapfrog Group**

Measured by the Center for Medicare and Medicaid Services (CMS) HCAHPS

Based on patient surveys conducted most often by Press Ganey

Consideration of quality of life, abilities in activities of daily living

CMS Star Rating

IBM/Watson Top 100 Hospitals

NewsWeek Top 1000 Hospitals

What did Rand show relative to cost?

Noted significant range of costs compared against average Medicare payments.

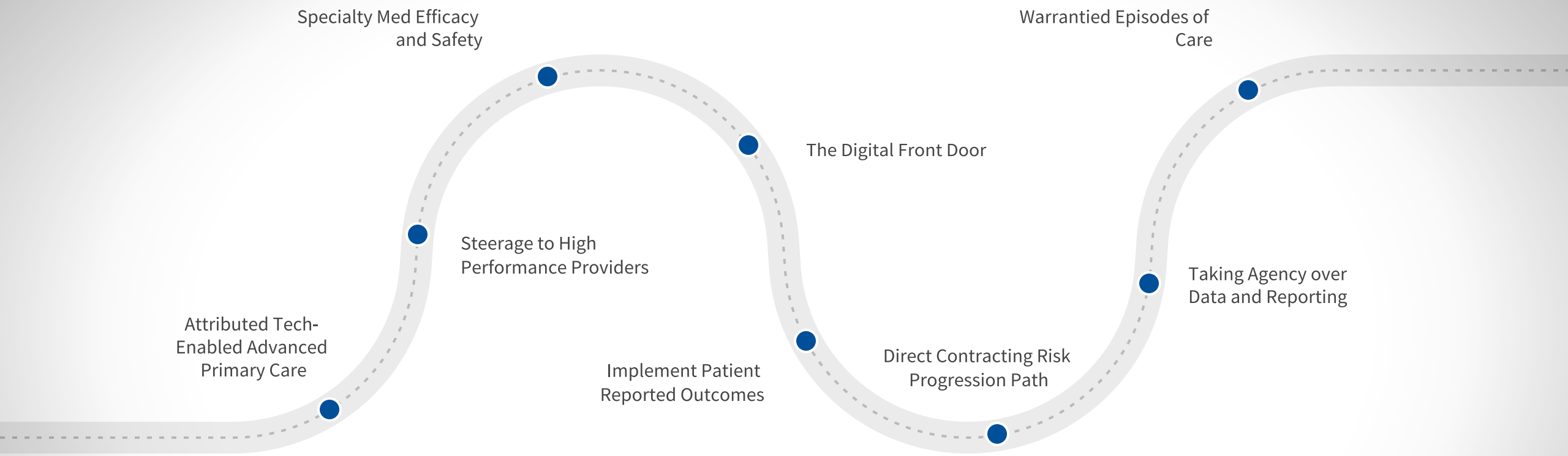
Greater variability of costs between hospitals in the SAME state versus those in other states.

There is even marked variability in costs between hospitals in the same health system in the same state.

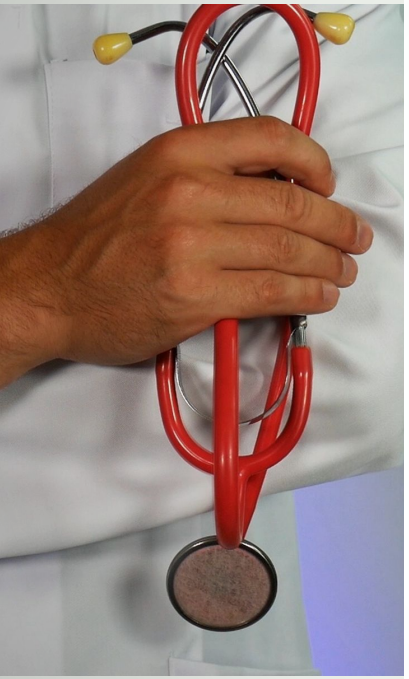
What happens when we consider BOTH cost and quality?

Trauma Level	NICU Y/N	Leapfrog Grade	Safety score	CMS Overall	CMS # score	Pat Survey Score	Pat Sat #	Composite Quality Score	Cost	Value Index	USNWR Ranking	Newsweek Worlds Best Hosp	Healthgrades Top 50
		AAAA	100	3	60	2	50	70.00	133	53%			
II	Y	AAAA	100	5	100	3	75	91.67	176	52%	1	38	YES
		AAAA	100	5	100	2	50	83.33	162	51%			
		AAAA	100	4	80	3	75	85.00	193	44%			
		BAAA	93.75	3	60	3	75	76.25	180	42%	9		
	Y	AAAA	100	3	60	3	75	78.33	185	42%			
	Y	AAAA	100	3	60	3	75	78.33	186	42%	3		
		AAAA	100	4	80	3	75	85.00	207	41%			
		AAAA	100	2	40	3	75	71.67	175	41%	9		
	Y	BBBB	75	4	80	3	75	76.67	192	40%	12	170	YES
		CBBB	68.75	3	60	3	75	67.92	174	39%			
		BBBB	75	3	60	2	50	61.67	166	37%			
		AAAA	100	3	60	3	75	78.33	214	37%			
		BAA-	75	3	60	3	75	70.00	195	36%			
I	Y	CBBB	68.75	2	40	3	75	61.25	173	35%			
		AABC	75	4	80	3	75	76.67	218	35%			
		BBAB	81.25	3	60	2	50	63.75	182	35%			
		BAAA	93.75	3	60	2	50	67.92	195	35%			
	Y	AABA	93.75	4	80	3	75	82.92	245	34%	3	155	
		CCCC	50	2	40	2	50	46.67	138	34%			
	Y	ABAA	93.75	2	40	2	50	61.25	182	34%			
	Y	BAAA	93.75	4	80	2	50	74.58	224	**33%**	12		
		BAAA	93.75	3	60	2	50	67.92	204	**33%**			
II	Y	BBBA	81.25	2	40	2	50	57.08	174	**33%**			
	Y	AAAA	100	3	60	2	50	70.00	214	**33%**		248	
		CCBA	68.75	3	60	2	50	59.58	192	31%			
		AAAA	100					70	228	31%			
	Y	AAAB	93.75					70	228	31%			
		AAAA	100					70	228	31%			
	Y	AAAB	93.75	2	40	3	75	69.58	227	31%			
		AAAA	100	3	60	3	75	78.33	256	31%			
		BBAB	81.25	2	40	3	75	65.42	219	30%			
		BAAA	93.75	2	40	3	75	69.58	236	29%			

CATALYST FOR CHANGE



Tactically Navigating to Value



Advanced Primary Care

Seven Key attributes of Advanced Primary Care

Enhanced Access

- Convenient access, same day appointments, virtual and in person care to meet the patients needs and expectations

Patient Engagement

- The patient is not just a patient but a customer. Supporting patients through decision making, understanding social preferences and other factors

Payment reform

- Move to value based contracts and away from visit volume.

Accountability

- Provide relevant feedback, metrics and communication.

Focus on health improvement

- Risk stratification and population health management. Focus on closure to gaps in care.

Behavioral Health Integration

- Screening for BH concerns (depression, anxiety and substance abuse) and coordination of care when identified.

Steerage

- More limited, appropriate and high quality referral practices. Coordination of patient care.

Mid size, nimble companies are showing us the tools to reduce spend

A 35% reduction in spend

#1: Direct contracting with high performing providers

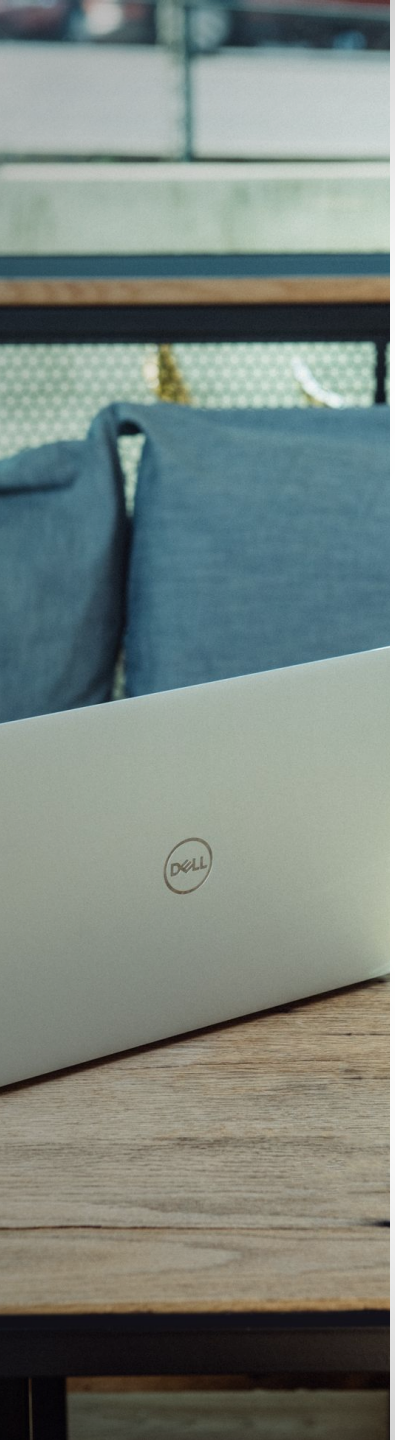
- Accountability
- Predictability
- Flexibility

#2: Pharmacy management

- Efficacy & Safety
- Alternatives
- Site of Care

#3: Advanced Primary Care

- In person and Virtual Care
- Tech enabled
- Integrated Practice Units



Health Technology to Accelerate and Improve Care Transformation and the Move to Value

Examples

Urgent Care in your Home

At your home within a short window to deliver Urgent Care at a targeted price.

Digital Front Door

Connecting pregnant women to educational resources and, when needed their providers throughout their pregnancy via an app.

Digital Therapeutics

Online assessment and therapies to engage in appropriate care for a variety of services including MSK, behavioral, and others

Does more expensive mean a better outcome?

A LOOK AT A WELL KNOWN ANTI INFLAMMATORY MEDICATION

Average annual cost per patient is 50k

Average annual cost for similars start at 5k

49%

Patient with a Poor Outcome 49%

10%

Patients with a Great Outcome 10%

Resources & Citations

- Primary Care Collaborative Report 2019
- Newsweek Best Hospitals
- Leapfrog Group
- State Health Benefits Quality and Value Task Force
- IBM Watson Best Hospitals
- State Employee Health Plan Cost Study
- Rand Hospital Transparency Report 3.0
- CMS Star Ratings
- HCAHPS Hospital Survey
- Executive Order 217

WHAT'S NEXT?

How can your organization partner with SHBP/SEHBP to advance this mission?

We can't wait to hear from **you**.

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