

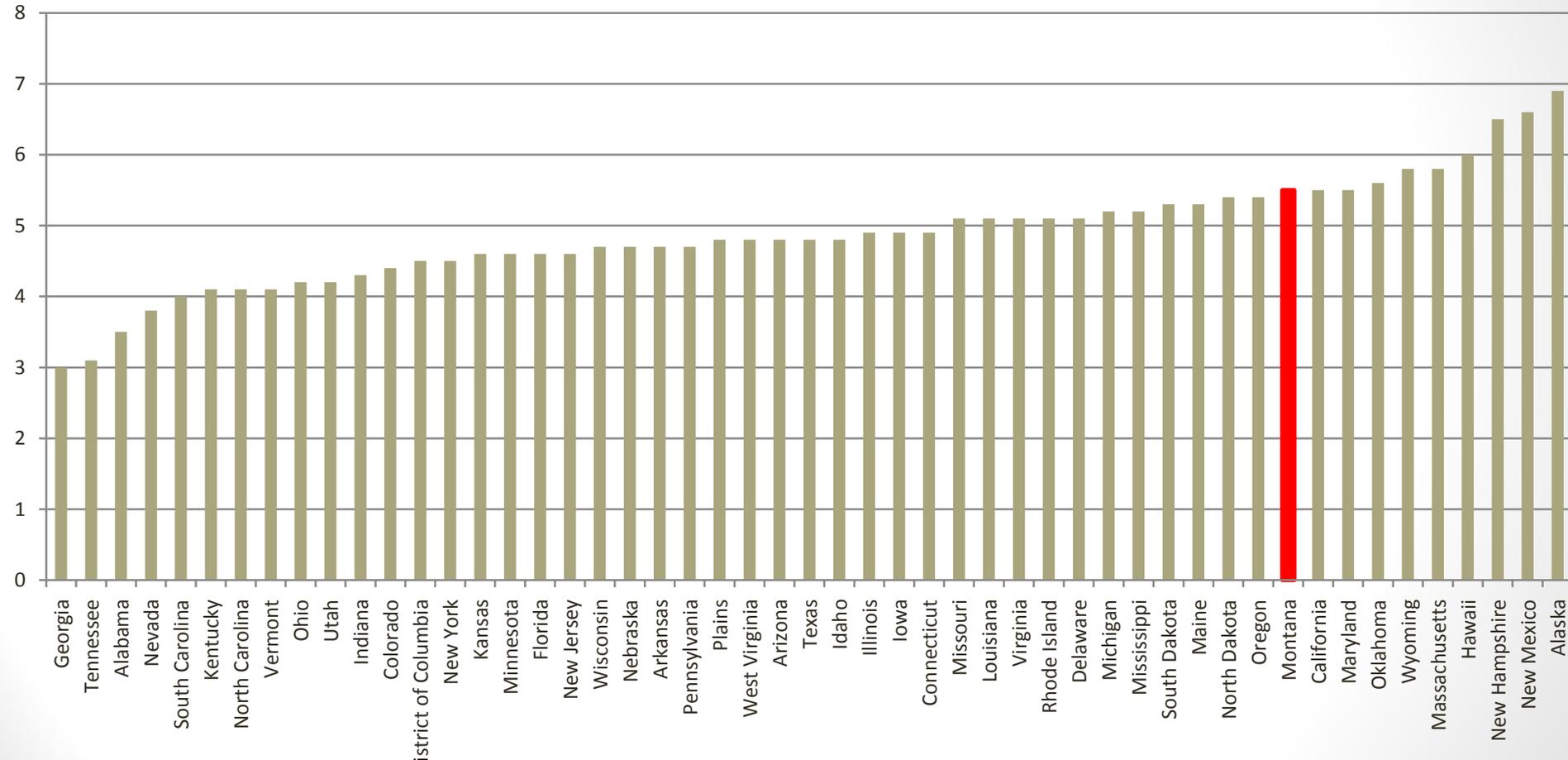
# Montana State Innovation Model Design Award Overview





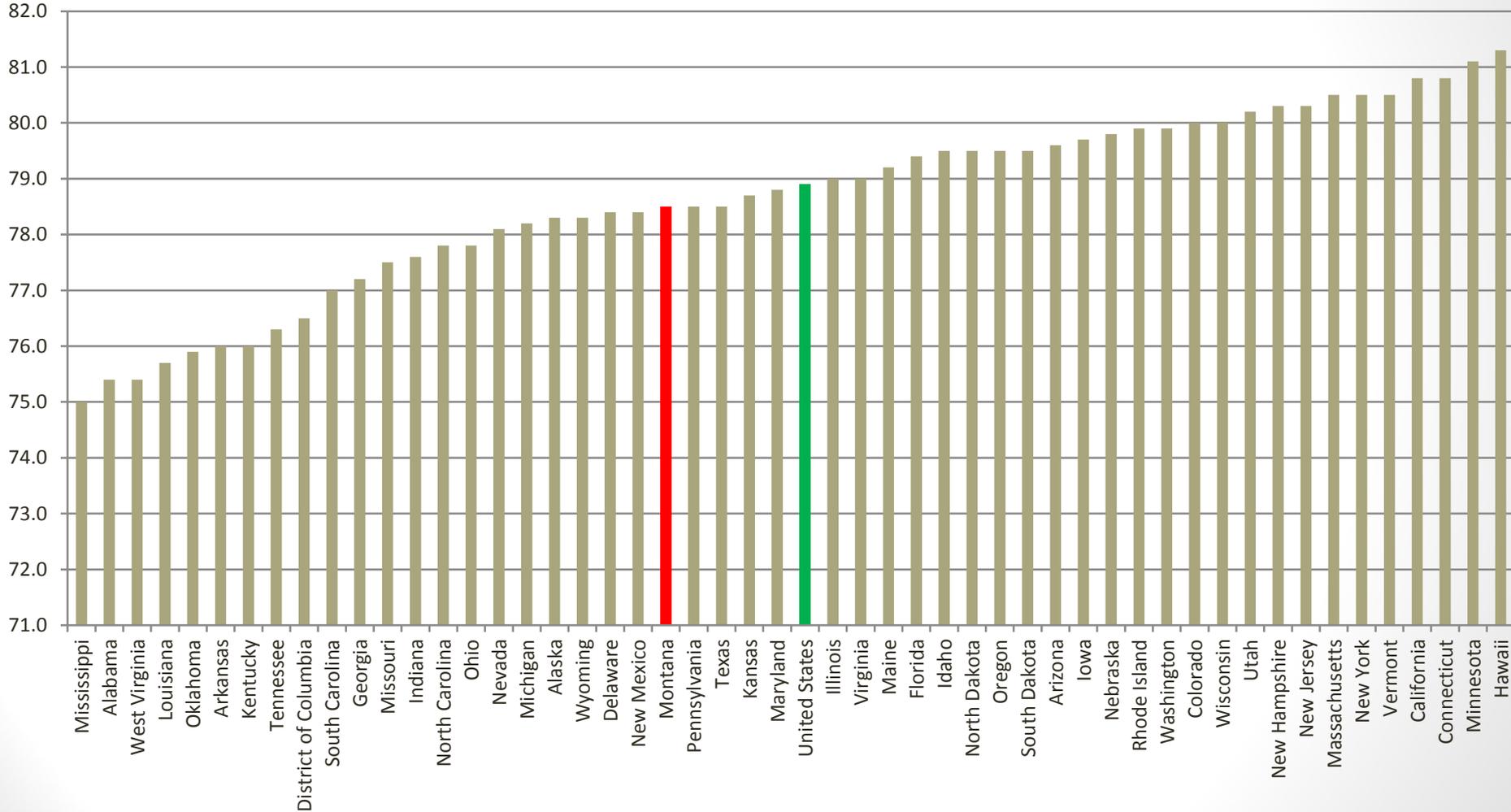
# Percent Increase in Per Capita Health Spending by State

Across all payers 2004-2009



Montana has seen average health care costs rise at greater rate than 41 other states

# Life Expectancy at Birth, 2009





# Prevention

## Immunizations

Only 2 states ranked worse than Montana for percentage of children ages 19-35 months who received recommended vaccines, 2011

## Mammograms

Only four states have worst rates of women over 50 who reported having a mammogram in the last 2 years. (2010)



# Health Disparities

## Lifespan

On average the lifespan of American Indians in Montana is twenty years less than their non-Indian neighbors, friends and coworkers.

## Healthcare Needs

American Indians are significantly more likely to suffer from cardiovascular disease, cancer, and respiratory illness

# Smoking leading cause of preventable death in MT



## *Deaths*

More than 1,400 Montanans die each year from tobacco-related disease.

## *Cost to Montanans*

Every year, Montanans pay more than \$441 million in medical costs attributable to smoking

## *Cost to business*

In Montana businesses pay more than \$305 million in lost productivity due to illness and time off.

## *Improvement is real, but must continue*

While tobacco use among Montanans has decreased over the past decade, the financial costs related to tobacco use to Montana remain higher than for any other preventable cause of illness and death.

# Montana Award Overview

- CMS Innovation Center and the Center for Medicare & Medicaid Innovation
- A private/public partnership supported by Governor Bullock's office, the Montana Department of Health and Human Services, the Montana Commissioner of Securities and Insurance, and the Montana Department of Administration.
- Received letters of support for the application from state's major payers, providers across the state, and consumer advocacy groups.
- SIM application submitted on July 21, 2014 to identify, design, and compile elements of Montana's plan.
- The Governor's Council on Healthcare Innovation and Reform will serve as the lead convener for the purchasers, payers, providers, and systems.
- May 2015 to June 2016.



# Montana's Statewide Innovation Model Design Award (SIM)

- \* Identify opportunities to better coordinate care and build efficiencies into Montana's healthcare system
- \* Explore opportunities to coordinate between public and private sector to control cost and improve health system performance

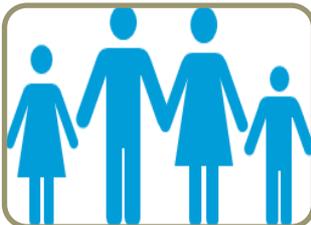
# Montana's Vision for Multi-Payer Innovation



# State Innovation –Core Elements

- o Improving Health
- o Baseline Healthcare Landscape
- o Value-Based Payment and/or Service Delivery Models
- o Leveraging Regulatory Options
- o Health Information Technology and Infrastructure
- o Stakeholder Engagement
- o Quality Measure Alignment
- o Alignment with State and Federal Initiatives

# How This Initiative Matters to Everyone



## Patient Perspective

- Right care, right time, right place: Access
- Better coordination of care
- Decreased need for unnecessary services – services match needs
- Less costly



## Employer Perspective

- Healthier workforce and improved productivity
- Decreased absenteeism costs
- Less costly care



## Health Plan/Payer Perspective

- Healthier, happier plan members
- Helps address factors outside of plan control, moves care upstream
- Decreased cost of care and lower utilization management needs
- Value-based health plan design



## Provider Perspective

- Better care for patients
- Increased satisfaction
- Financial support for previously uncompensated services
- Compensation based on value of care and quality rather than volume
- Team-based care



# Improving Health

State Health Improvement Plan	State Innovation Model (SIM)
Public Health and Safety Division of the Montana Department of Public Health and Human Services with key stakeholder groups and the public.	Multi-payer, providers, consumers and the public.
Completed June, 2013	June 2014-June 2015
<ul style="list-style-type: none"><li>• Information on the health status and health needs of Montanans.</li><li>• Focus on using evidence-based strategies and practices to address documented health needs.</li></ul>	<ul style="list-style-type: none"><li>• Identify opportunities to better coordinate care and build efficiencies into Montana's healthcare system.</li><li>• Explore opportunities to coordinate between public and private sector to control cost and improve health system performance.</li></ul>
Healthier Montana Task Force appointed as oversight body to direct and monitor the implementation of State Health Improvement plan.	Governor's Council on Healthcare Innovation and Reform will be appointed to contribute input and expertise from private and public sector payers, providers, and patient advocates

**Innovation Plan will use Health Improvement Plan to inform priorities and options.**



# Montana's Baseline Healthcare Landscape

# Snapshot of Montana Covered Lives



## **Individual Market (Incl. Exchange)**

**87,000 individuals (8% of the State's population) receive coverage in the individual market.**

- 50,000 are enrolled in Exchange plans, and roughly 80% of policies sold in the Exchange were for individuals receiving tax credits.\*

## **Employer-Sponsored Insurance**

**154,000 individuals (15% of the population) are covered through employer-sponsored plans.+**

- 42,000 individuals are covered in the fully-insured small group market

## **Medicare**

**As of 2013, 179,000 individuals were enrolled in Medicare (18% of the population).**

- 35,000 of these individuals were enrolled in Medicare Advantage plans.

## **Uninsured**

**As of August 2015, 151,000 individuals (15%) were uninsured.**

## **Medicaid/CHIP**

**As of May 2015, Montana Medicaid and CHIP covered over 155,000 individuals (15% of the population.)**

- About 75% of these enrollees are children, 20,000 are enrolled in CHIP.
- Expansion may add up to 45,000 Medicaid enrollees by the end of FY 2019.

## **Tribal Health/IHS**

**65,000 (6.5% of the population) identifies as American Indian.**

- Over 40% of these individuals are uninsured.
- 68% (including those without insurance coverage) report access to IHS
- American Indians made up less than 2% of the total marketplace enrollment as of April 2014.

## **State Employee Plan**

**The State employee plan covers 33,000 employees, dependents, and retirees, (3% of the population).**

- The State Employee Plan administers six state-run primary care clinics.

\* In 2011, 45% of those with employer sponsored insurance were in self-insured plans.

Note that population percentages and other figures are approximate, and in some cases the base years vary.

For sources, please see appendix and notes section



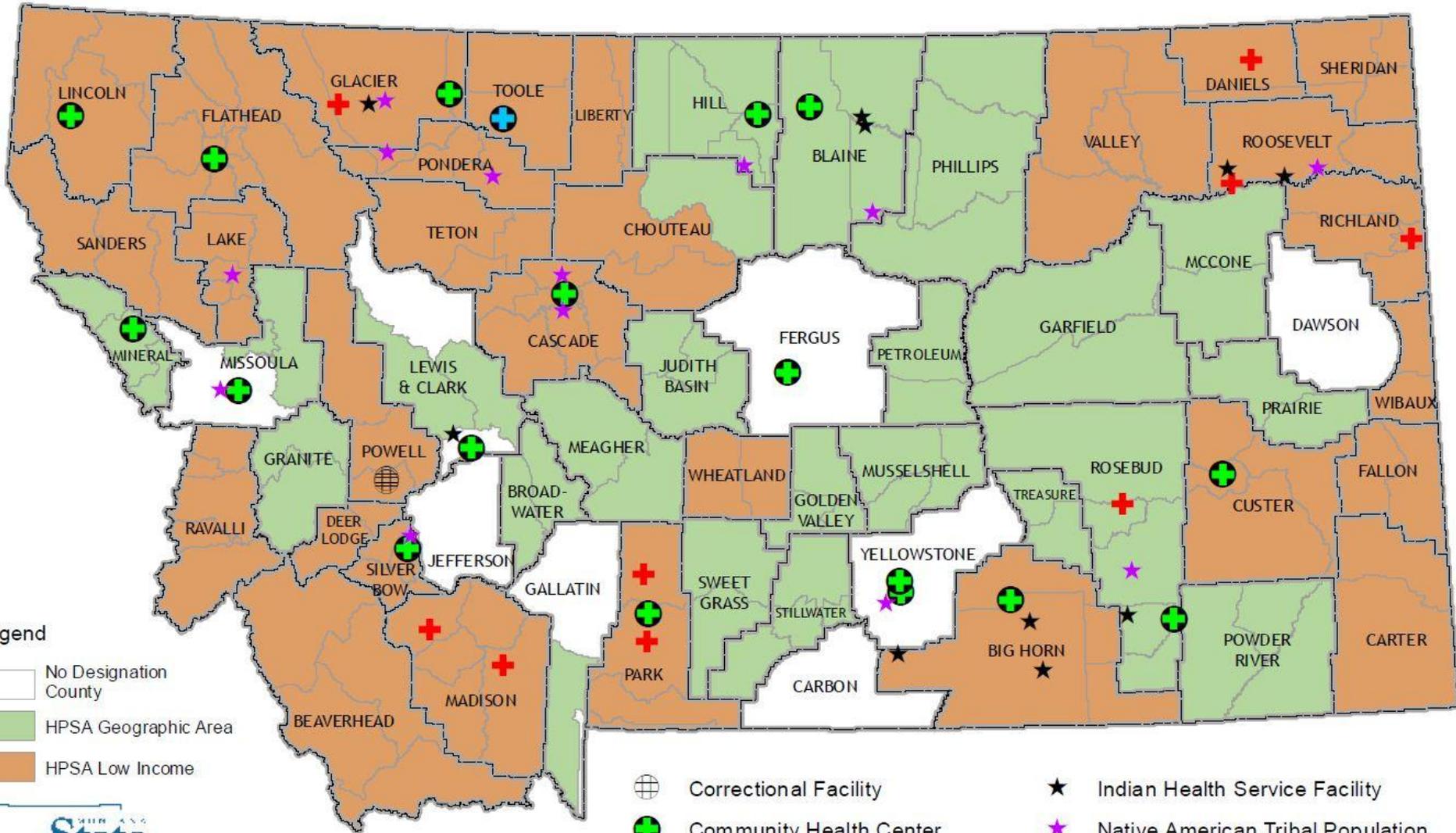
# Primary Care Systems

- Hospitals and practitioners in Montana, as elsewhere have consolidating into larger organizations that can spread costs across higher volumes of business.
- Already, more than 90 percent of all primary care doctors are employees of hospitals.

# Montana Primary Care

## Health Professional Shortage Areas (HPSAs)

# Healthcare Landscape



- Legend**
- No Designation County
  - HPSA Geographic Area
  - HPSA Low Income

- Correctional Facility
- ★ Indian Health Service Facility
- + Community Health Center
- ★ Native American Tribal Population
- + Federally Qualified Health Center
- + Rural Health Clinic



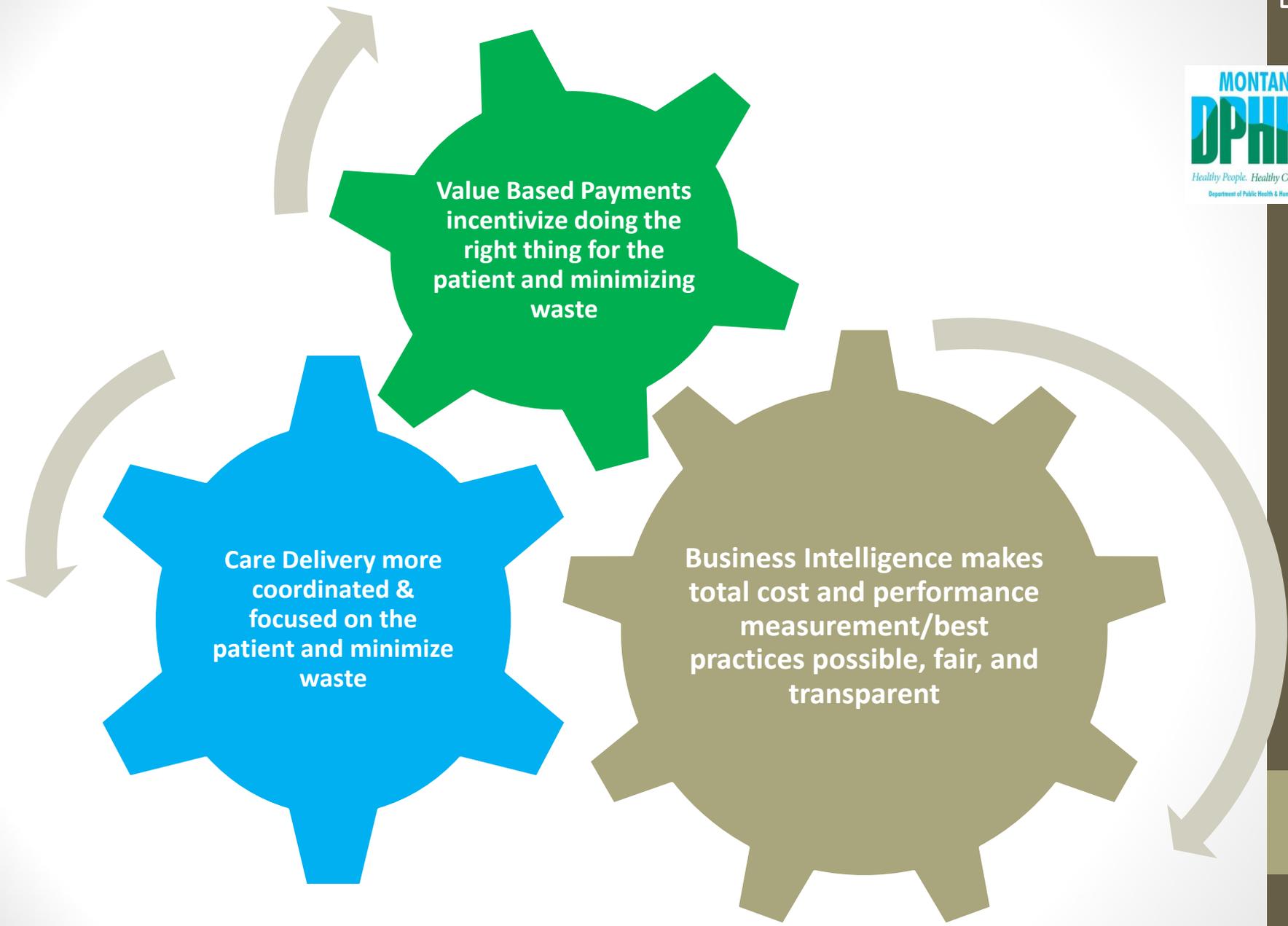


# Patient Centered Medical Homes

- Medicaid currently has contracts with five PCMH providers, reaching about 5,200 members.
- RiverStone Health (Billings)
- Partnership Health (Missoula)
- St. Peter's Hospital (Helena)
- Glacier Community Health Center (Cut Bank)
- Bullhook Community Health Center (Havre)

Medicaid PCMHs receive an additional per member per month (PMPM) fee for PCMH services, ranging from \$3 to \$15 based on members' health status, as identified by claims.

# Levers and Regulatory Flexibility and Options



**Value Based Payments**  
incentivize doing the  
right thing for the  
patient and minimizing  
waste

**Care Delivery more**  
coordinated &  
focused on the  
patient and minimize  
waste

**Business Intelligence** makes  
total cost and performance  
measurement/best  
practices possible, fair, and  
transparent

# To coordinate care and measure value we need information

## Clinical Data

- Hospital and clinic electronic health records
- Lab and radiology
- Pharmacy
- Health departments
- Indian Health Services

## Claims Data

- Medicaid & Medicare
- Employee health plans
- Commercial health plans
- Pharmacy benefits management organizations



# Electronic Health Records

	Number of Medicaid Providers	Enrolled in E H R Incentive Program
Active in-state hospitals enrolled in Medicaid	72	64
Critical Access Hospitals	47	34
Medicaid Dentists	557	80
Medicaid Mid-level practitioners	1139	172
Medicaid physicians/psychiatrists	2798	265

# Montana Already has Many Key Components in Place for Statewide Transformation

- ✓ State Health Improvement Plan and State of the State of Healthcare Analysis
- ✓ Healthcare Market Data from CSI
- ✓ Integrated medical systems
- ✓ Payment experiments and pilots that can serve as proof of concept
- ✓ Private Sector/Public Sector Collaboration
- ✓ Governor's Support
- ✓ Physician Engagement
- ✓ Employer Interest
- ✓ Public and Private Payer Participation
- ✓ Medicaid Engagement
- ✓ Medicaid Expansion
- ✓ Workforce development grant
- ✓ Many organizations and ongoing initiatives to serve specific patient populations

# At the table

## Private Payers

*Leadership from private payers who have implemented or are examining payment and/or delivery system reforms, and members of the Governor's Council on Healthcare Innovation and Reform.*

## Providers

*Leaders from key providers who have implemented or are examining payment and/or delivery system reforms, and members of the Governor's Council on Healthcare Innovation and Reform.*

- Hospitals and others
- Physicians & Physician Groups
- IHS, Indian Clinic or Tribal Health Directors

## Patients

*Leaders from key patient and consumer advocacy groups or constituencies who have been engaged or are advocating patient engagement, access to care, payment and/or delivery system reforms, and members of the Governor's Council on Healthcare Innovation and Reform.*

## Government and Public Payers

*Key leaders involved in regulating and overseeing payment and delivery including the State Employee Plan and Medicaid, particularly those with expertise on HIT initiatives and the State's PCMH program.*

- Insurance Commissioner's Office
- Department of Health and Human Services
- Public Health and Safety Division
- Department of Administration's Health Care Benefits Division (State Employee Plan)
- Governor's Office

# Stakeholder Engagement Update



Date	Meeting and Tentative Topics
September 11 <sup>th</sup>	<b>MMA Healthcare Innovation Summit</b> <ul style="list-style-type: none"><li>• Health IT/ SIM Overview session</li></ul>
October 6 <sup>th</sup> 10 – 11:30 am	<b>Stakeholder Webinar</b> <ul style="list-style-type: none"><li>• SIM overview</li><li>• Health care landscape</li><li>• Levers and authority</li></ul>
October 23 <sup>rd</sup> 9 – 10:30 am	<b>Stakeholder Webinar</b> <ul style="list-style-type: none"><li>• Case studies</li><li>• Care delivery and payment transformation options</li></ul>
November 3 <sup>rd</sup> 10 am – 2pm	<b>Governor’s Council on Innovation and Reform Meeting</b> <ul style="list-style-type: none"><li>• SIM overview and progress to date</li><li>• Care delivery and payment transformation straw model</li></ul>



Get Involved

[dphhs.mt.gov/sim](https://dphhs.mt.gov/sim)

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# Information and Infrastructure

What challenges do you face in your work or practice that could be addressed or minimized if you had better access to electronic health information and/or healthcare data?