REINVENTING MICHIGAN'S HEALTH CARE SYSTEM
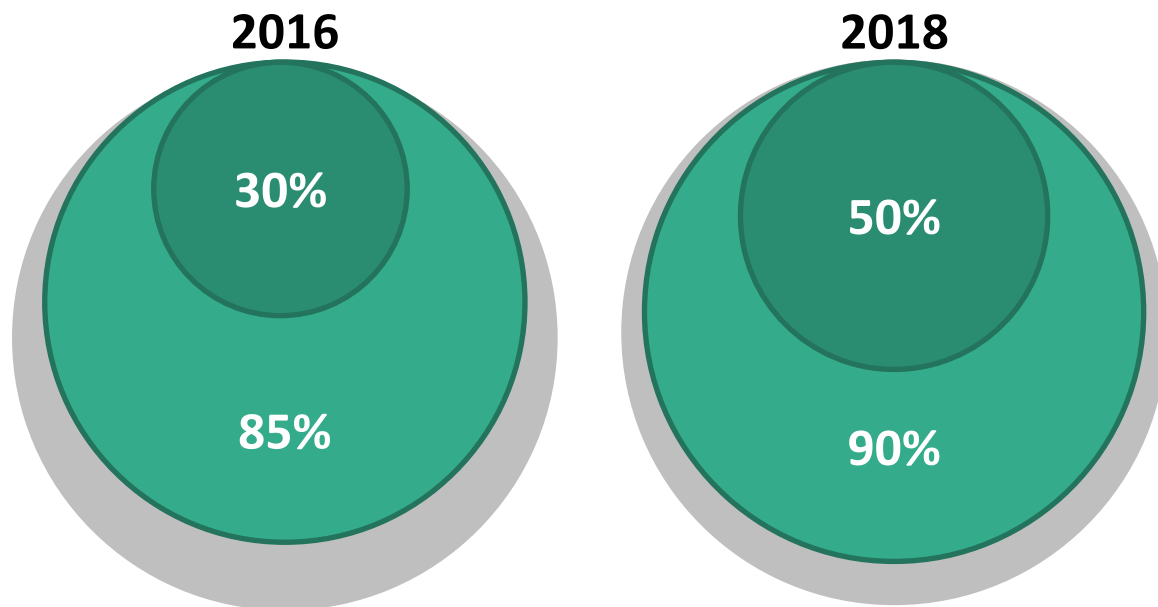## Blueprint for Health Innovation

State Innovation Model

Context:
# Centers for Medicare and Medicaid Services Payment Reform Targets

Planned percentage of Medicare FFS payments linked to quality and alternative payment models

2016

30%

85%

2018

50%

90%

All Medicare Fee for Service

Fee for Service linked to quality

Alternative payment models

Adapted from Centers for Medicare & Medicaid Services, January 26, 2015

Round 2 Model Test States
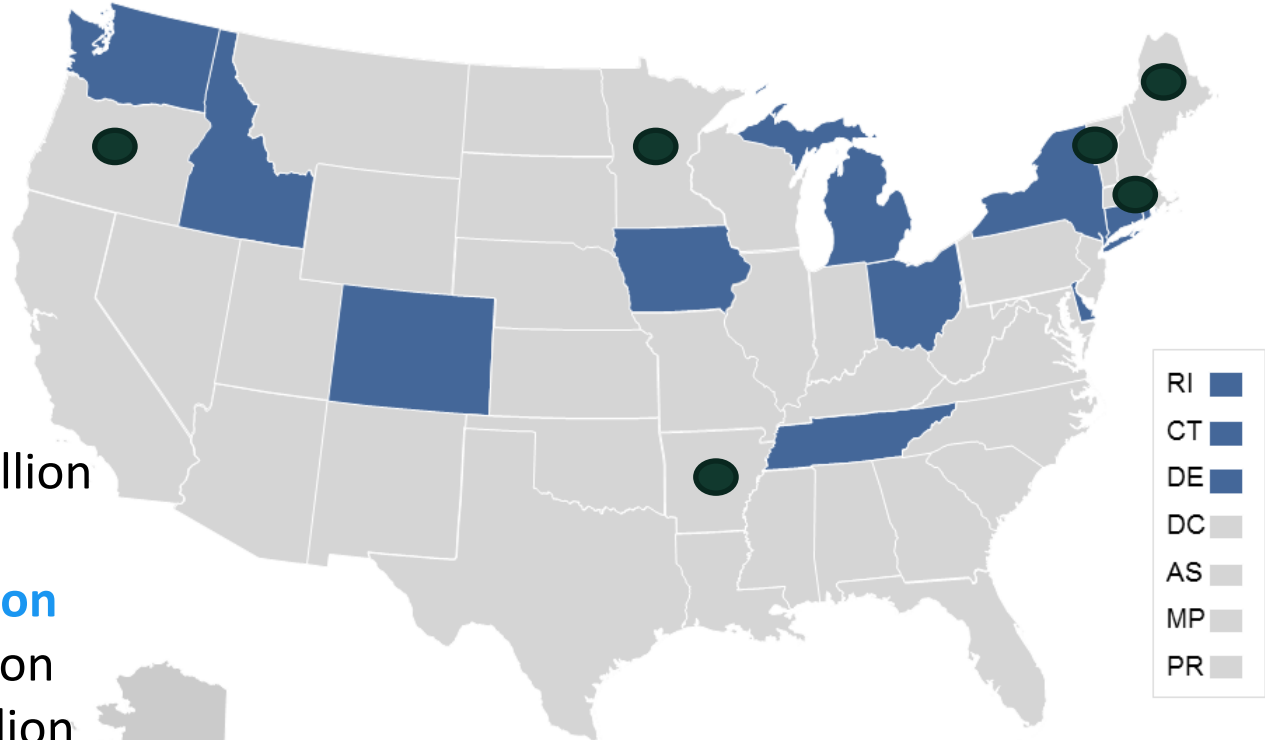
New York - $99.9 million
Ohio - $75 million
Michigan - $70 million
Colorado – $65 million
Tennessee - $65 million
Washington - $64.9 million
Connecticut - $45 million
Iowa - $43.1 million
Idaho - $40 million
Delaware - $35 million
Rhode Island - $20 million

Source: Centers for Medicare & Medicaid Services

RI
CT
DE
DC
AS
MP
PR

● Round 1 Test States

Michigan State Innovation Model Proposal Overview

- *Michigan Blueprint for Health Innovation* developed with broad stakeholder engagement in 2013
- Model Test proposal submitted July 2014
  - Closely follows *Blueprint*
- Proposal presentation at Center for Medicare and Medicaid Innovation: October 2014
- $70 Million award announcement: December 2014
- Project begin date: February 1, 2015

Phased Model Test

Wave I Regions

- Have all model components and capabilities
- Prior experience with pay for value
- May include Level I and II Accountable Systems of Care

Wave II Regions

- Have some, but not all, model components and capabilities
- Could benefit from additional planning, investment, community convening, before implementation
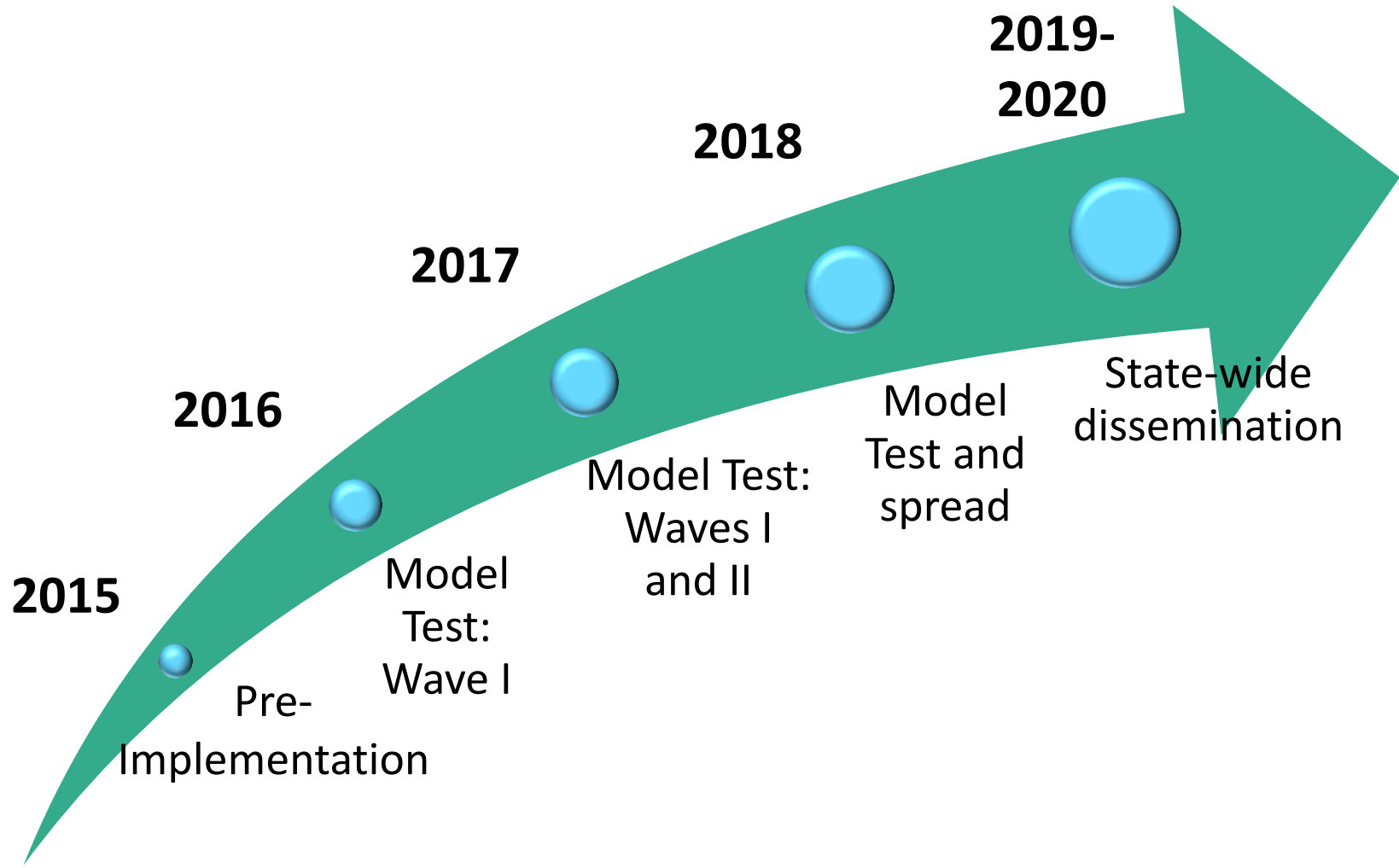- May include Level I and II Accountable Systems of Care

State Innovation Model Target Populations

- Healthy babies
- Emergency Department super-utilization (8+ visits/year)
- Multiple chronic conditions

Michigan's Model Test Timeline

2015

Pre-Implementation

2016

Model Test: Wave I

2017

Model Test: Waves I and II

2018

Model Test and spread

2019-2020

State-wide dissemination

Michigan's *Blueprint* Raises the Bar

Patient Centered Medical Home

+ Systems of Care

Patient Centered Medical Home

+ Accountable Systems of Care

+ Population health capacity

+ Payment reform

Policy

Infrastructure for a Learning Health System

Accountable Systems of Care

CURRENT

- Physician organizations
  - Cover all of Michigan: both provider and health system led
  - Contracting and credentialing support
  - Practice coaching and quality improvement
  - Support for patient centered medical home transformation
- Medicaid managed care

FUTURE

- Emphasize whole-system transformation, anchored by strong primary care and effective care management
- Create systems that coordinate care within and beyond health care system (e.g., improved transitions in care)
- Better leverage health information technology and health information exchange
- Link with Community Health Innovation Regions for better outcomes

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Payment Reform

- Align with trend toward payment for population level performance, moving away from fee-for-service
  - Level I: Shared savings (upside risk)
  - Level II: Capitation models

- Designed to drive:
  - Consistent delivery of high-quality, person/family-centered care
  - Reductions in low-value care
  - Reductions in avoidable acute care utilization

- Provide for investments in community health

Health Information Exchange/ Health Information Technology

- Key functions of Health Information Exchange in State Innovation Model:
  - Support care coordination within Accountable Systems of Care and across the health care system
  - Support community linkages to better address social determinants
  - Allow real-time performance monitoring, rapid-cycle improvement processes
- Infrastructure components
  - Electronic Medical Record functionality
  - Connection to sub-state Health Information Exchange
  - Data aggregator

Community Health Innovation Regions: Utilizing Existing Capacity

- Multipurpose collaborative bodies
- Chartered Value Exchanges
- Health Improvement Organizations
- Community Benefit

CURRENT

- Work together for collective impact on population health:
  - Assess community need
  - Define common priorities
  - Adopt shared measures of success
  - Engage in mutually reinforcing strategies towards common priorities
- Implement systems to coordinate health care, community services, and public health
- Invest in population health

FUTURE

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Community Health Innovation Regions

- *Blueprint for Health Innovation:* Description of CHIR

- In **C**ommunity **H**ealth **I**nnovation **R**egions, partners act cohesively with a broad-based vision for region-wide impact, to make the environment healthier and to connect health services with relevant community services.

- The process begins with a collaborative community health needs assessment that identifies key health concerns, illuminates root causes of poor health outcomes, and sets strategic priorities. Action plans are developed to organize and align contributions from all partners for collective impact.

Community Health Innovation Regions: CHIR Support for SIM Test Goals

Goals and Characteristics of Michigan's Future Health System

Goal I. Strengthen the primary care infrastructure to expand access for Michigan residents

Goal II. Provide care coordination to promote positive health and health care outcomes for individuals requiring intensive support services

Goal III. Build capacity within communities to improve population health

Goal IV. Improve systems of care to ensure delivery of the right care, by the right provider, at the right time, and in the right place

Goal V. Design system improvements to reduce administrative complexity

Goal VI. Design system improvements that contain health care costs and keep insurance premiums affordable for individuals/families and employers/businesses

Community Health Innovation Regions: SIM Characteristics & CHIR Roles

Goals and Characteristics of Michigan's Future Health System

Community-centered design requires the involvement of all stakeholders within a community in the identification of priorities, interventions, and strategies to maintain and improve the health of the community's residents. This approach emphasizes engaging the community in decision-making, and assures community influence in health policy and the design of the health care delivery system. At the same time, the State should seek to provide a framework for the delivery of services that leads to a consistent experience of care across the state.

A community-integrated health system is a multi-sectoral approach at a regional or local level that recognizes the role that communities can and must play in promoting health and preventing disease. A community-integrated system places the health care delivery system in the broader system of environmental, social, and community health. Medical care is part of a network of community resources, services, and policies that can and should be used to improve the health of a community

Community Health Innovation Regions: CHIR Development Approach

- Build upon formal entities, with a backbone infrastructure, that:
  - Engage cross-sector partners within a geographic region in population-level strategies to improve health and wellness
  - Partner with public health
  - Assure community assessments are conducted and set strategic priorities with the community
  - Engage and mobilize patients and community members in community-centered health and wellness strategies
  - Engage Accountable Systems of Care to create integration across clinical, behavioral, and social care services
  - Organize regions to take a "health-in-all-policies" approach

- Demonstrate the added value of investments in Community Health Innovation Regions to reduce health risks in the community
- Secure sustainable financing mechanisms for the backbone infrastructure and population-level activities

Community Health Innovation Regions: Structure of CHIR

- A 'backbone organization' will provide overall support for the operations of the decision-making body of the CHIR, including:
  - Administration
  - Facilitation of decision-making body
  - Support CHIR in consensus building among partners
  - Implementation monitoring
  - Data services

The backbone organization is the legal entity that enables the CHIR to function as a single entity. The CHIR may also be incorporated as an entity, and may utilize existing regional collaborative bodies that are themselves incorporated separate from any individual organization.

Community Health Innovation Regions: Cross-sector Stakeholders

- The CHIR decision-making body is required to demonstrate representation and broad stakeholder commitment to the SIM Model from:
  - Health systems and ASC providers
  - Community organizations and human service providers
  - Community members
  - Payers
  - Employers
  - Behavioral health
  - Public health
  - Philanthropy
  - Local government
  - Others

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Community Health Innovation Regions: CHIR Requirements

To achieve collective impact through collaborative community projects, the CHIR must develop:

- A geographic boundary within which all participant organizations agree to use for operational and measurement purposes of the SIM Model Test

- Develop and conduct a single community-wide CHNA that involves participation from all CHIR participants

- Develop a cross-sector CHIP related to the CHNA that establishes shared priorities among all stakeholders, and involves each CHIR participant in the Community Health Improvement Plan

- Pursue innovations in community data sharing in support of a shared dashboard of measures that CHIR participants are accountable for

Community Health Innovation Regions: CHIR Requirements

To achieve collective impact through collaborative community projects, the CHIR must develop sustainable financing:

- SIM funding will provide support for administrative oversight during the Model Test period
- The CHIR should test new business models that align investments across organizations in order to:
  - Sustain operations of CHIR decision-making body
  - Create sustainable financing for the population health improvement strategies identified in the CHIP
  - Support the efforts of local public health departments in their goals for overall health improvement
  - Leverage local public health department infrastructure for community development.

Pre-Implementation Update

- Complete
  - Accountable System of Care and Community Health Innovation Region capacity assessments reviewed
- To Do
  - Region and site selection
  - Develop key program materials for feedback
- Looking ahead
  - Finalize programs
  - Develop operational plans with Model Test participants
  - Execute agreements with Model Test participants
  - Launch Model Test learning system
  - Implement payment reform