

Working Together to Improve Healthcare, Population Health, and Efficiency in California

California State Innovation Model Design Grant Application

Public Webinar
September 7, 2012

Welcome



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Secretary

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Objectives of this Webinar

- Describe the State Innovation Model (SIM) design grant application
- Explain California's opportunity for innovation and approach to the SIM grant
- Request your support and participation in the model design process

How this Webinar Will Run

Overview of the path ahead

- We will present for around 30-45 minutes
 - Following the presentation, we will address a selection of questions submitted by you during this session
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Your questions

- During this webinar, if you have questions on anything we cover, please submit through the GoToWebinar chat box
- Questions can be submitted at any time during the presentation and will be seen only by the hosts
- If you have any problems submitting the questions through the meeting, please email them to:
Scott Murray – smurray@chhs.ca.gov

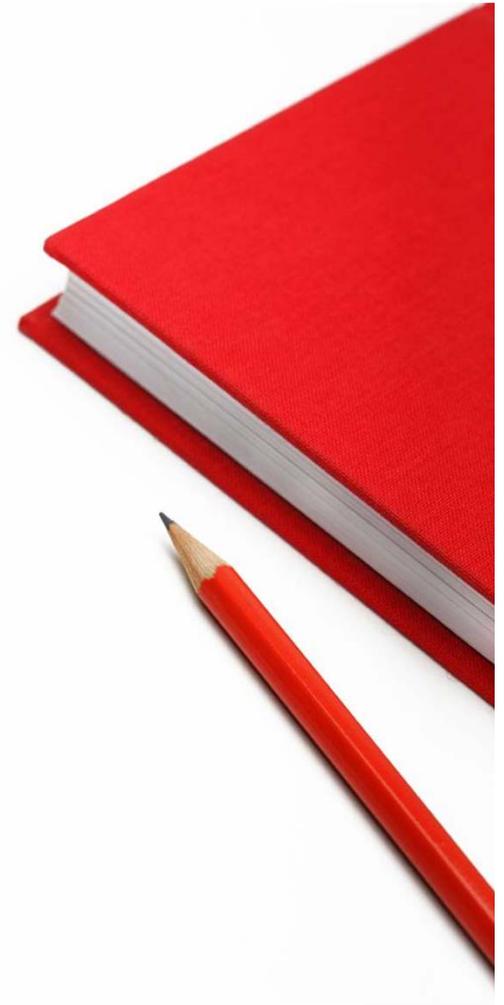
Agenda

Introduction and Overview

Approach to SIM Grant

Working Together

Questions



State Innovation Model Initiative

Who

- Center for Medicare and Medicaid Services
- CMS Innovation Center

What

- Support for testing new payment and service delivery models across states
- State Innovation Model (SIM) Design grant: \$1-3M over 6 month grant period to gather stakeholders and design an Innovation Model
- Potential for SIM Testing grant worth \$20-60M in the future

When

- Applications due Sept 24th, award date Dec 4th
- Design phase is a 6 month period, followed by Testing Grant application in June 2013

Why

- CMS wishes to support States in lowering healthcare costs while improving quality of care
- Using multi-stakeholder engagement plan for designing, supporting, and rolling out Innovation Model

Two key Concepts for the Innovation Model Process

State health care innovation plan

- Describes the vision and approach to transform payment and care delivery
- Demonstrates how the state can integrate existing public and private efforts
- Pushes the shift from volume-based to value-based models
- Engages payers, providers, purchasers, and broader communities to improve health and healthcare with reduced cost

Payment and service delivery model

- Offers specific delivery system designs (e.g. Accountable care organizations, patient-centered medical homes) that innovate from standard care delivery
- Aligned payment plans to support new delivery systems and reward value
- Innovative care models should impact broad base of the State's population, and change should be supported by a wide range of stakeholders

Additional Detail on the Innovation Model Process

	<u>Key activities for each phase</u>	<u>Logistics</u>
Design phase	<ul style="list-style-type: none">▪ Build the State Innovation Plan in a collaborative manner▪ Select an innovative model for testing and design roll-out	<ul style="list-style-type: none">▪ Up to 25 states will be awarded \$1-3M for 6 month design phase▪ States may apply for round 2 of Model Testing in mid-2013
Testing phase	<ul style="list-style-type: none">▪ Begin innovative model pilots across the State▪ Ensure careful monitoring of quality, cost, and health outcomes	<ul style="list-style-type: none">▪ Up to 5 states will be awarded \$20-60M for a 3 year testing phase▪ Can be stopped if outcome metrics are not met

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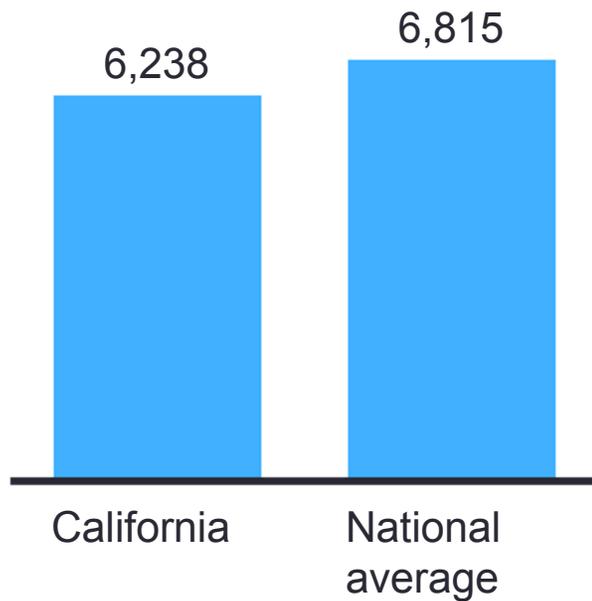
Questions



California's Unique Opportunity to Change Healthcare Cost Growth

California currently has lower than average healthcare spending per-capita...

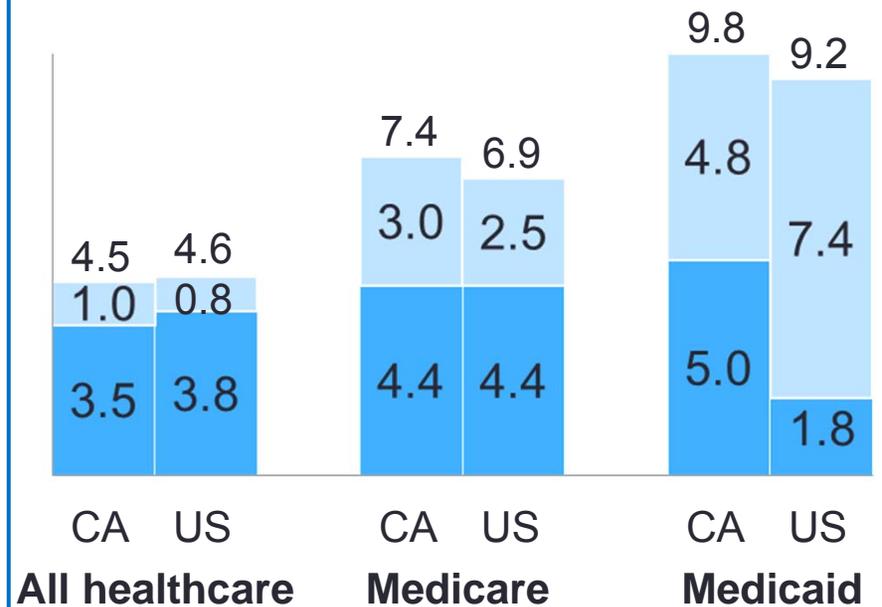
Per capita spending
\$ / year



...but also has costs that are rising faster than national average for some groups

Annual spending growth
% growth per year

■ Enrollment growth
■ Per capital spending growth



Trends that Impact the Model Design Choices for California

Demographics

- Higher than national average uninsured population
- Higher than national average poverty rates for adults

Payer landscape

- High rates of managed care and HMO penetration
- Significant use of capitation and pay-for-performance in existing contracts

Provider landscape

- Primary care physician shortages (current and projected)
- High cost of building in California especially with seismic requirements

The State Innovation Model should build on existing payment and delivery innovation happening across California

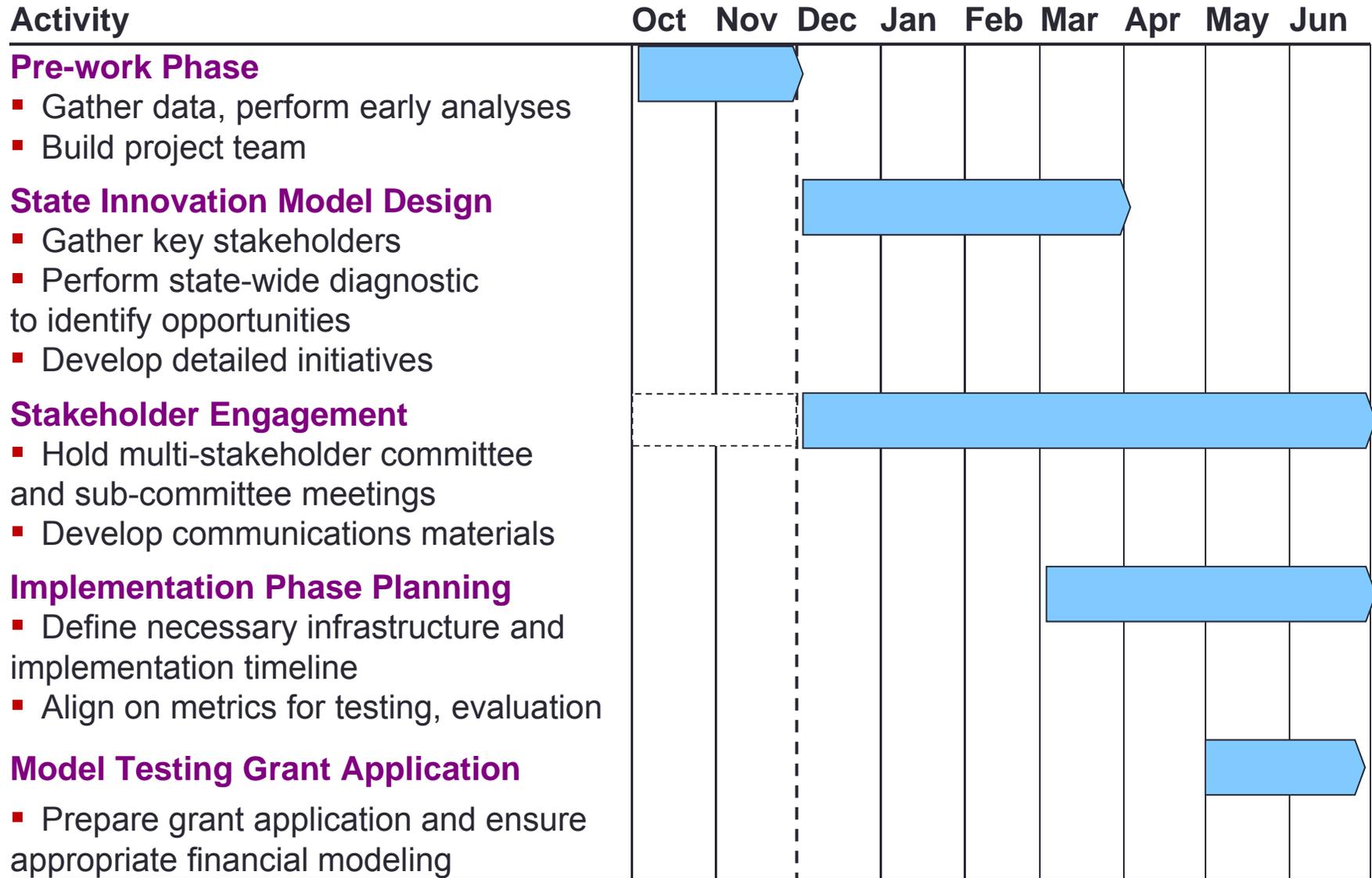
Sample existing innovation efforts

- Medicare Accountable Care Organizations
- Sacramento ACO (Hill Physicians, Dignity Health, Blue Shield California)
- California Health Benefits Exchange
- Medi-Cal Coordinated Care Initiative
- *And many others...*

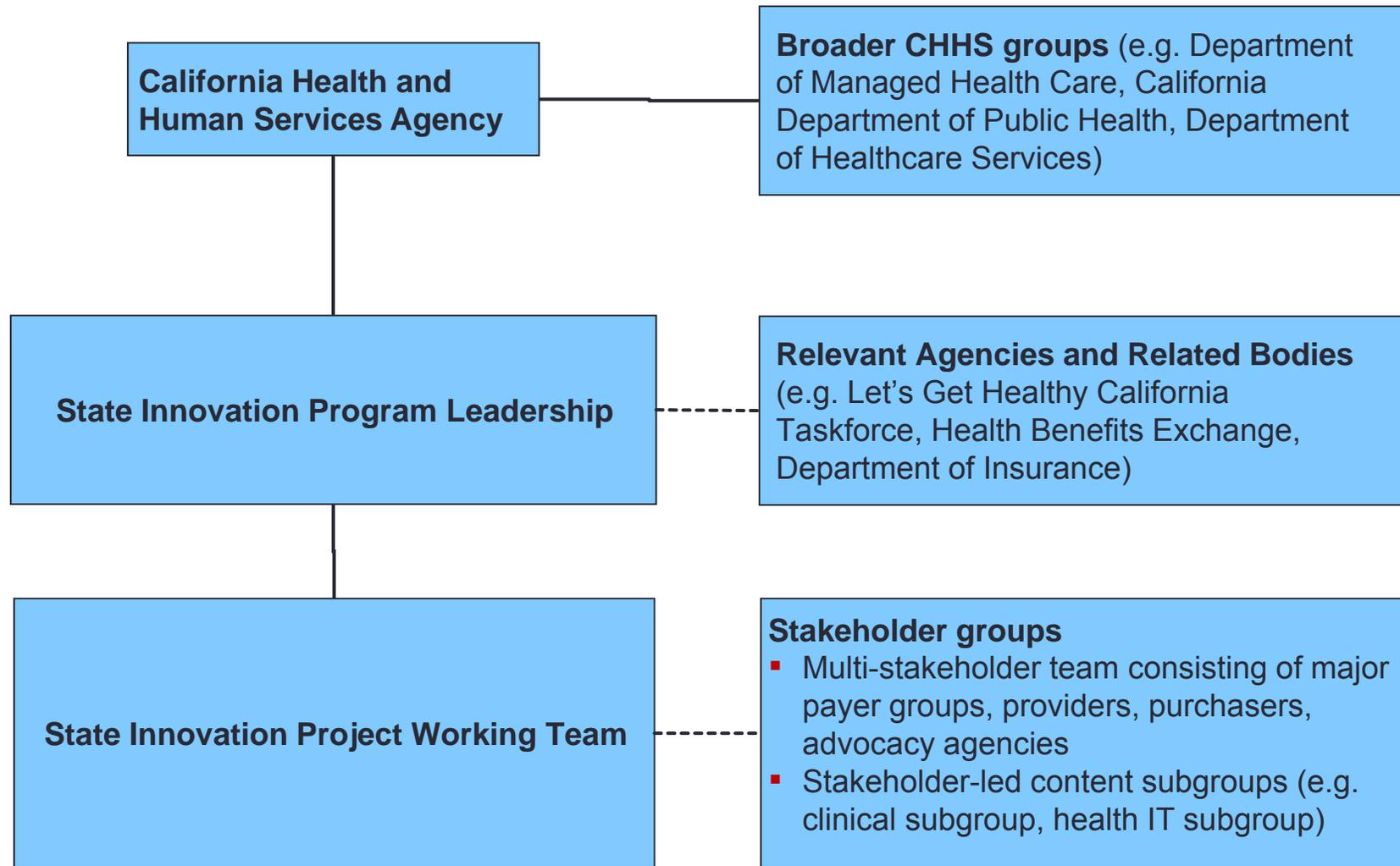
Unique features of the SIM

- Multi-stakeholder initiative bringing together payer groups, providers, purchasers, and advocacy agencies
- State-wide effort to impact quality, efficiency, and cost
- Support and funding from CMS to help drive this project forward

Projected Timeline for SIM design Process



Project Organization



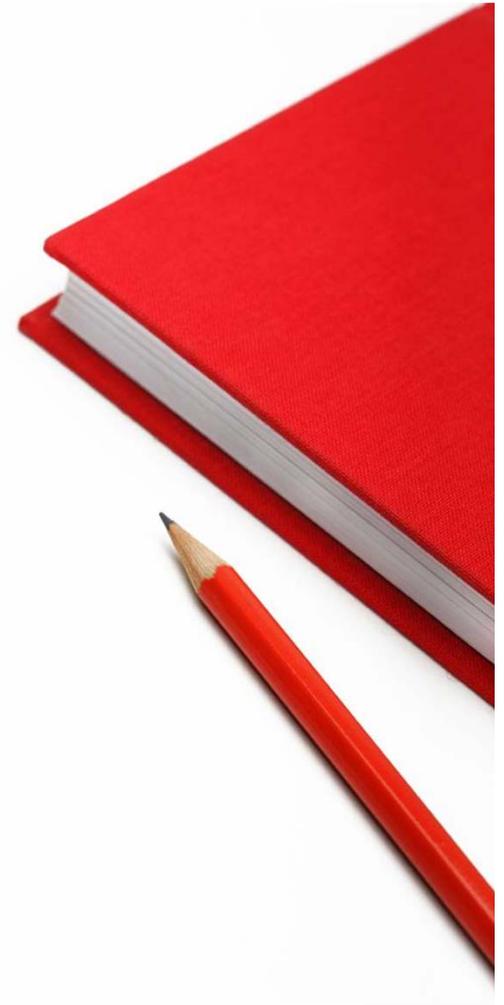
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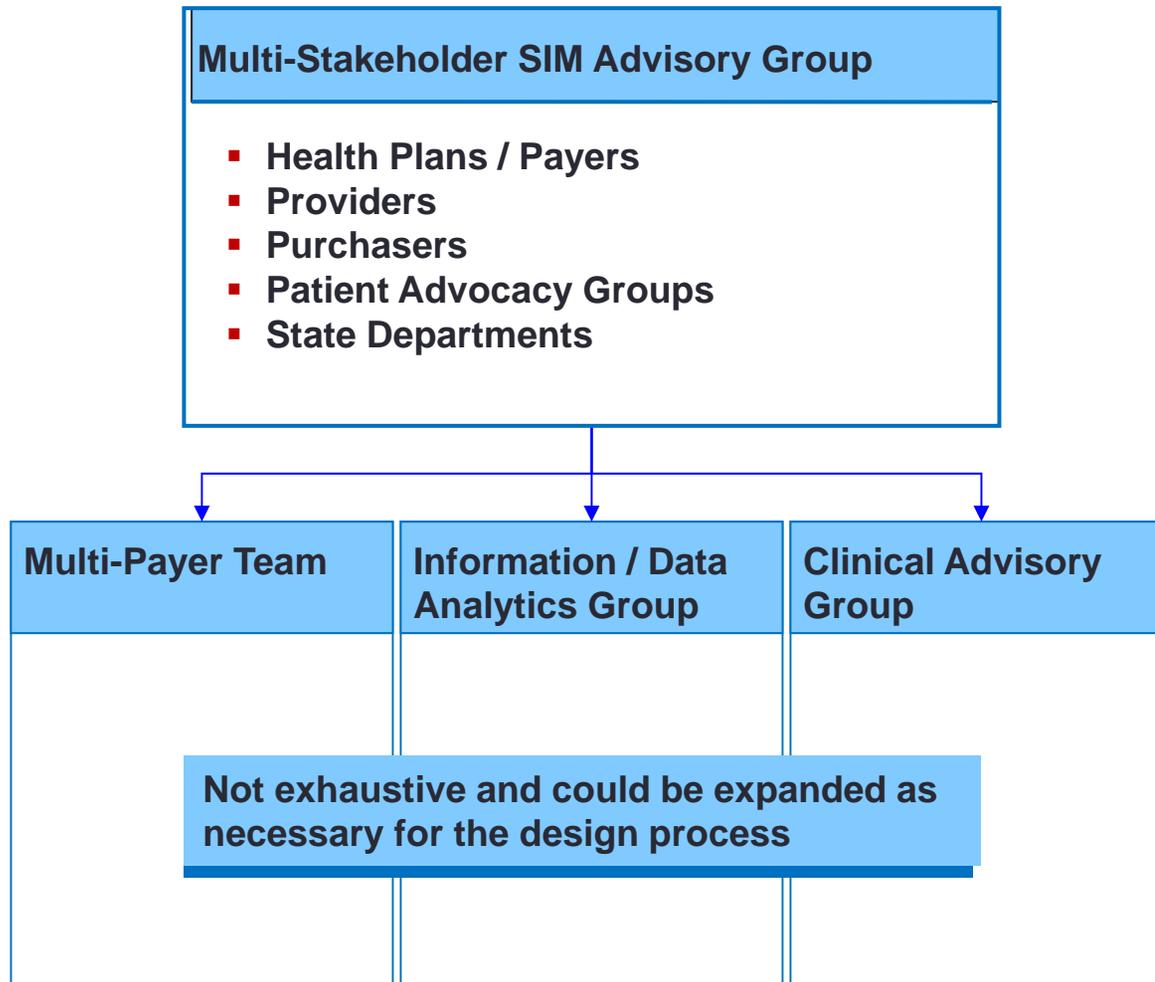
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Stakeholder Engagement – Example



Stakeholder Support and Participation

HOW YOU CAN HELP

- Letter of Support for Grant Application
- Identify Senior Leaders for Participation in Design Process
- Provide Data, Analytical Expertise, etc. during Design Process
- Email us at: Innovate@chhs.ca.gov

Unique Opportunity for California

- **Common Goal: Improve healthcare delivery across all sectors**
- **Opportunity to Create California-Specific Innovations**
- **Multi-Sector Solutions: Need a diversity of stakeholder participation and input to be successful**

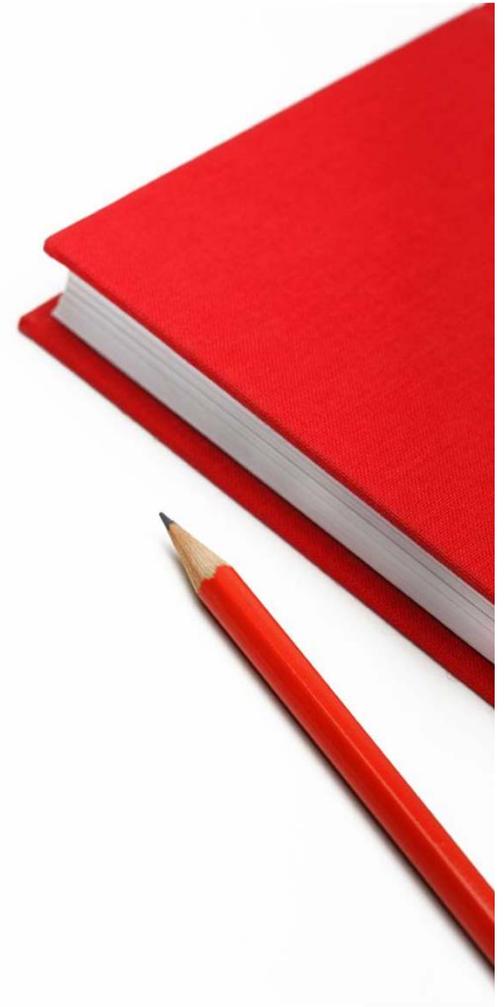
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Your questions received during this discussion

**Contact us at:
Innovate@chhs.ca.gov**