California State Innovation Model (CalSIM)

Overview and Progress to Date
A State Health Care Innovation Plan Must:

- Provide a broad vision of health system transformation and payment reform;
- Include a strategy for delivery system evolution into a higher quality, higher value health care delivery system where care is delivered according to a community-led integrated care strategy;
- Utilize the tools and policy levers available to states to provide better health, better care, and lower costs through improvement for Medicare, Medicaid, and Children’s Health Insurance Program (CHIP) beneficiaries, documenting how the state will consider using its full executive and legislative authority to support health system transformation;
A State Health Care Innovation Plan must (cont.):

- Include care models and interventions that will improve quality, reduce costs, reduce health disparities, and address the social, economic, and behavioral determinants of health;

- Additional weight will be given to Model Testing proposals that integrate community health and community prevention activities in their multi-payer models;

- Cover the entire state and describe an environment where the preponderance of care in the state will be delivered in accord with the Plan’s goals. However, the models built within the context of the Plan may vary across a state to account for geographic and/or other regional variations.

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States’ Health Care Innovation Plans will form the basis for a potential second round of implementation funding for State Innovation Model Testing Grants.
Center for Medicare and Medicaid Innovation: State Innovation Model Testing Award Guidelines

Model Testing proposals must:

• Implement a multi-payer model in the context of the State’s Health Care Innovation Plan;
• Utilize the tools and policy levers available to States to provide better health, better care, and lower costs;
• Describe how model testing funds will be used to produce better health, better care, and lower costs through care improvement for Medicare and Medicaid;
Model Testing proposals must (cont.):

- Provide evidence underlying the proposed approach and explain how the model will address social, economic and behavioral determinants of health and reduce health disparities;
- Describe the policy, regulatory or legislative authority supporting the model;
- Explain how the proposed model will build upon existing healthcare reform initiatives in the State; and
- Describe the process for performance monitoring, data collection, and tracking and reporting of progress.
Let’s Get Healthy California
Framework: Basis for CalSIM

The Triple Aim:
Better Health • Better Care • Lower Costs

Health Across the Lifespan
Living Well: Preventing and Managing Chronic Disease

Healthy Beginnings: Laying the Foundation for a Healthy Life

End of Life: Maintaining Dignity and Independence

Pathways to Health

Redesigning the Health System: Efficient, Safe, and Patient-Centered Care

Creating Healthy Communities: Enabling Healthy Living

Lowering Cost of Care: Making Coverage Affordable and Aligning Financing to Health Outcomes

Health Equity: Eliminating Disparities
California Health and Human Services Agency
Let’s Get Healthy California/
California State Innovation Model (CalSIM)
The Triple Aim
Better Health · Better Care · Lower Costs

- California Public Employees' Retirement System
- Covered California
- California Department of Insurance

Interagency Agreement with University of California, Davis Institute for Population Health Improvement

- Innovation Director
- Senior Academic Advisor

- California Department of Health Care Services
- California Department of Managed Care
- Office of Statewide Health Planning and Development
- California Department of Public Health
California Health and Human Services Agency
Let’s Get Healthy California/
California State Innovation Model (CalSIM)
The Triple Aim
Better Health · Better Care · Lower Costs

1. Healthy Beginnings:
Laying the Foundation for a Healthy Life
Co-Leads:
- Children Now
- Service Employees International Union – United Healthcare Workers West
State Liaisons:
- California Department of Education
- California Department of Public Health

2. Living Well:
Preventing and Managing Chronic Disease
Co-Leads:
- California Primary Care Association
- Kaiser Permanente
- Pacific Business Group on Health
State Liaisons:
- California Department of Health Care Services
- California Department of Public Health

3. End of Life:
Maintaining Dignity and Independence
Co-Leads:
- California HealthCare Foundation
- Coalition for Compassionate Care of California
State Liaisons:
- California Department of Health Care Services
- California Health and Human Services Agency

4. Redesigning the Health System:
Efficient, Safe, and Patient-Centered Care
Co-Leads:
- California Association of Physician Groups
- California Association of Public Hospitals and Health Systems
- California Hospital Association
- University of California Center for Health Quality and Innovation
State Liaisons:
- California Department of Health Care Services
- California Office of Statewide Health Planning and Development

5. Creating Healthy Communities
Enabling Healthy Living
Co-Leads:
- California State Association of Counties
- The California Endowment
State Liaisons:
- California Department of Public Health

6. Lowering the Cost of Care:
Making Coverage Affordable and Aligning Financing to Health Outcomes
Co-Leads:
- California Health and Human Services Agency
- Integrated Healthcare Association
State Liaisons:
- California Health and Human Services Agency
### Work Group #1 – Healthy Beginnings: Laying the Foundation for a Healthy Life; Payment Reform, Public Policy and Private Sector Recommendations Submitted to Date

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Payment Reform</th>
<th>Public Policy</th>
<th>Private Sector</th>
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</thead>
<tbody>
<tr>
<td><strong>Childhood Fitness:</strong> Calls for better enforcement of school physical education guidelines in an effort to reduce obesity and increase physical fitness among children.</td>
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<tr>
<td><strong>Childhood Obesity / Diabetes / Healthy Diets:</strong> Recommends that the California Department of Public Health (CDPH), the California Department of Health Care Services (DHCS), and First 5 California collaborate as leaders of sister agencies to support breastfeeding as the optimal way to feed infants, and to promote the introduction of solid foods at around six months of age. This recommendation aims to reduce the incidence of childhood obesity by establishing clear, consistent recommendations and policies across organizations, programs, and businesses throughout California. Research suggests that early infant feeding can impact a child’s risk for obesity, making infancy a critical period in obesity prevention.</td>
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<tr>
<td><strong>Early Learning / Developmental Screening:</strong> First 5 California, DHCS, and the Department of Developmental Services (DDS) should collaborate as leaders of sister agencies to seek systems change to improve the rate of child developmental screenings. Also, these agencies should work with health plans and providers to promote best practices for developmental screening. This recommendation aligns with national standards and federal requirements and represents an important first step for early intervention and school readiness.</td>
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<tr>
<td><strong>GIS Mapping:</strong> Recommends using CDPH Geographic Information System (GIS) mapping to better target public resources to “hot spots” for child immunizations, infant mortality, asthma hospitalizations, and childhood obesity. GIS mapping will allow resources to be better targeted to where they are needed as public allocation decisions can be based on timely data about actual incidence of disease.</td>
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<td>✓</td>
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<tr>
<td><strong>Mitigating Childhood Trauma:</strong> Urban children and youth exposed to violence and poverty experience numerous physical and mental health challenges that are often overlooked or misunderstood in traditional health care and child service settings. Left unaddressed, trauma and chronic stress can have serious long-term negative effects on children. Thus it is recommended that CalSIM support the development of training materials and guidelines for pediatricians to help them detect children experiencing high levels of toxic stress and trauma and link these children/families to appropriate resources.</td>
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<tr>
<td><strong>School Health Center Pilots that rely on Tele-health:</strong> Provide integrated health team (Physician extender, Care Coordinators, Behavioral Coaches, Educators, Physician) via telehealth based in schools for students and family members to teach them the skills needed to improve high-risk behaviors and empower them around their health.</td>
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# Work Group #2 – Living Well: Preventing and Managing Chronic Disease; Payment Reform, Public Policy and Private Sector Recommendations Submitted to Date

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<tbody>
<tr>
<td><strong>Medi-Cal Diabetes Prevention Program:</strong> Recommends facilitating of a convening of all payers including Medi-Cal with the goal of all plans and payers funding the Center for Disease Control (CDC) recognized Diabetes Prevention Program as well as legislation authorizing the Medi-Cal Program to reimburse providers for the delivery of the program. This program has shown a reduction in the progression from pre-diabetes to diabetes in participants after an average of 3 years post program completion.</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td><strong>Patient Centered Health Home:</strong> Codifying into California law a definition for patient-centered health home with standardized metrics that includes DHCS to draw down the Affordable Care Act’s (ACA) Section 2703 funding, thereby creating a standard understanding of the definition of a patient-centered health home in California.</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td><strong>Patient-Centered Health Home for Medically Complex Patients:</strong> Support the promotion and sustainability of care models designed to manage medically complex patients with patterns of high utilization, multiple chronic conditions, and who live at home. The grant would not directly fund the additional services; rather, it would be used to eliminate barriers to spreading and scaling the provision of these services across California. Promotion of this model would be across all payer types, and include support for accessing ACA Section 2703 funds.</td>
<td>✓</td>
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<tr>
<td><strong>Value-Based Insurance Design to Remove Financial Barriers to Medications:</strong> Advance the adoption of benefit designs that reduce financial barriers to medications for employees and dependents living with chronic illnesses. Benefit modifications can be implemented by self-funded employers as well as health plans across the public and private sectors.</td>
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<tr>
<td><strong>Wellness Trust at the State Level:</strong> Create a Wellness Trust Fund with oversight by an appointed Advisory Body funded by a statewide tax. This recommendation promotes the creation of a sustainable and regenerating funding source for activities that build healthy communities by creating environments which facilitate physical activity among California residents, improve diets, and reduce tobacco consumption.</td>
<td>✓</td>
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<tr>
<td><strong>Workplace Wellness:</strong> Advance the adoption of well designed workforce wellness programs by California employers. The grant would not fund these programs, but the State could support developing a library of resources and guidance to help employers to design workforce wellness programs that can achieve results tailored to the needs of individuals within their workforce.</td>
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## Work Group #3 – End-of-Life: Maintaining Dignity and Independence; Payment Reform, Public Policy and Private Sector Recommendations Submitted to Date

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<tr>
<td><strong>Caregiver Training and Support:</strong> Provider organizations would partner with community agencies and stakeholder organizations to develop/modify, disseminate, and implement tools, trainings and processes that support formal and informal caregivers (family and friends) who care for seriously ill patients in their homes. Caregivers are an integral part of the health care teams’ effort to provide quality care. When caregivers are well-prepared and supported, they play a pivotal role in helping seriously ill individuals realize their stated preference of receiving care at home.</td>
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<tr>
<td><strong>Creating Advance Care Planning Systems:</strong> Engage large healthcare providers (e.g., integrated healthcare systems, medical groups, hospitals, and payors) in establishing systems within their organizations for consistently and reliably soliciting, documenting, and honoring patient treatment preferences. Patients and families will have the information, time, and support they need to make informed treatment decisions.</td>
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<tr>
<td><strong>Improving Access to Palliative Care for those with Advanced Illness:</strong> Recommends that public and private payment structures and policy shall provide patient benefits and provider payment to ensure access to comprehensive end of life care in hospital and community settings for all patients facing advanced illness with significant risk of death in the next year. By eliminating policy and payment barriers that prevent Californians from receiving appropriate care towards the end of life and targeting interventions appropriately, service utilization patterns change, leading to respecting patient’s preferences, increased quality and lowered costs of care.</td>
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<tr>
<td><strong>Improving Payment Incentives for those with Advanced Illness:</strong> Physician payments should be separated from the volume or cost of drugs or services they prescribe. Chemotherapy is used as an initial implementation step for the broader application of this principle. This recommendation highlights the importance for developing a mechanism that provides incentives for the coordination of care, alignment of care with patient preferences, and access to palliative care for patients with cancer.</td>
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### Work Group #3 – End-of-Life: Maintaining Dignity and Independence;
Payment Reform, Public Policy and Private Sector Recommendations Submitted to Date *Continued*

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<tr>
<td><strong>Integrate Palliative Care Across the Care Continuum:</strong> Develop and implement strategies that integrate palliative care concepts, competencies and clinical services in all health care settings – hospitals, clinics, nursing facilities, residential care, and through skilled home care; develop a standard way to report service provision so access and volume can be tracked; incorporate current best practices into care delivery, for example those put forth in the Clinical Practice Guidelines for Quality Palliative Care, developed by the National Consensus Project for Quality Palliative Care.</td>
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<tr>
<td><strong>Palliative and End of Life Workforce Development:</strong> Suggests that the Office of Statewide Health Planning and Development (OSHPD) and the California Healthcare Workforce Policy Commission should assess the general and specialty palliative care workforce needs in the state, and to take steps to mitigate shortages. This would develop the workforce needed to provide general and specialty palliative care-related services to Californians facing end of life, and to increase the skills and competencies of all healthcare providers to address the information and process needs of patients, and families with respect to advance care planning.</td>
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<tr>
<td><strong>Public Empowerment and Awareness of Advance Care Planning:</strong> Recommends a public education campaign to design and implement an interactive, culturally and linguistically appropriate effort to inform and encourage advance care planning for a range of life/illness circumstances and health literacy levels. Also, recommends a health system and provider campaign to prepare providers and health care systems to respond to the increased public awareness and act on requests for information and action as needed.</td>
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### Recommendation

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<tr>
<td><strong>Aligned Payment Innovation eXchange (APIX):</strong> Recommends the creation of APIX: the Aligned Payment Innovation eXchange, a statewide, formally chartered payment innovations clearinghouse. Such an entity would enable the continued learning, evaluation, and dissemination of practices that serve the Triple Aim.</td>
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<tr>
<td><strong>Coordinated Acute Care Transition: Cross Sector Collaboration:</strong> Expand currently successful acute care transition teams to include a single hospital component and collaborative public and private sector ambulatory system components, sustained through a shared savings methodology. Pilot in 5 -10 counties and expand.</td>
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<tr>
<td><strong>Encouraging the Evolution of Visit-based Care (e-consults):</strong> Recommends the development of pilots to reimburse specialists and primary care physicians for electronic consultation. Such consultation enables patients to remain with their primary care providers when possible and appropriate, creates more efficiencies across the delivery system, and improves access to care.</td>
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<tr>
<td><strong>Improving Maternity Care in California:</strong> Recommends aligning with existing national and state efforts to address this issue, particularly exploring of disparities in cesarean delivery (C-section) rates in California and the contributing factors behind the decision to deliver via cesarean; and piloting the use of “blended” public and commercial rates to incentivize adherence to national clinical standards and guidelines regarding avoidable cesarean deliveries. For example, a pilot could partially allocate the Medi-Cal global payment for prenatal care and delivery to hospitals that employ a team of “laborists:” hospitalists who can allow patients to labor rather than recommend unnecessary C-sections.</td>
<td>✓</td>
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<tr>
<td><strong>Increasing Access to Care through Qualified Health Care Interpreters:</strong> Increase the use of qualified health interpreters for Medi-Cal patients in California. Target 100 specified high volume providers of Medi-Cal service to diverse patient populations in geographies of high volume use such as Los Angeles County and two other metropolitan areas to assure ability of the model to expand statewide. Currently Medi-Cal recipients in California do not access qualified health care interpreters in a large number of encounters with physicians and healthcare providers. While some hospitals/systems have begun to provide interpreter services more effectively and many community clinics are staffed by bilingual staff from their community, there are major gaps in the delivery of cost effective healthcare interpretation.</td>
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<tr>
<td><strong>Omnibus Training Workforce for the Multidisciplinary Team Care of California’s Future:</strong> Strengthen and interweave specific, team-based care coordination strategies into training programs for each of the frontline disciplines. Because of the different nature of training programs for different disciplines, each one must be developed in a deliberate, customized fashion by experienced educators, yet synchronized with the expectations of future delivery system employers and alert to national innovations.</td>
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<tr>
<td><strong>Publicly Reported Data Stratification:</strong> Disparities in health care are widely documented and have important implications for the health of California’s population. Unequal care also has implications for the quality and cost of health care. Elimination of inequities in care can result in improved population health by addressing systems barriers and improving the delivery of patient centered care. To achieve this goal requires that publicly reported quality data be stratified by race/ethnicity, preferred language, and payor source.</td>
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<tr>
<td><strong>Reducing Costs through Care Coordination (adopt new Current Procedural Terminology (CPT) Codes):</strong> Recommends the adoption and utilization of new CPT codes for transitional care management and complex chronic care coordination, which went into effect January 1, 2013. Additionally, recommends an assessment by the State of California to identify elsewhere in the industry existing payment models that encourage care coordination with potential applicability within state funded health care programs and for current and retired state employees, including the identification and prioritization of innovative and effective care coordination techniques that could lower State costs.</td>
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<tr>
<td><strong>Team-Based Primary Care: Practice Coaching:</strong> This recommendation endorses the efforts of the California Advanced Primary Care Institute (CAPCI) to create stepwise regional/community-based practice coaching service to accelerate patient centered, modernized, team-based delivery systems. CAPCI is a multi-stakeholder 501c3 foundation including providers, purchasers, payers, and public interest organizations formed in 2012 to marshal the collected expertise and resources to support primary care redesign on behalf of our patients and communities and reverse the declining trend of primary care career choices.</td>
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<tr>
<td><strong>Technically Enabled Primary Care and Specialty Collaboration (a.k.a. “Project ECHO® (Extension for Community Healthcare Outcomes)” Model):</strong> The goal of the Project ECHO® model is to reengineer primary care-specialist relationships to equip rural and remote primary care providers with the capacity to safely and effectively treat complex diseases. The model re-visions the roles of primary and specialty providers for specific conditions where the evidence strongly supports that best practice care results in improved quality indicators and/or cost containment.</td>
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### Work Group #5 – Creating Healthy Communities: Enabling Healthy Living; Payment Reform, Public Policy and Private Sector Recommendations Submitted to Date

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<td><strong>“Accountable Care Community” (“ACC”):</strong> Support the development of “Accountable Care Communities” in California. An ACC builds on Accountable Care Organization (ACO) concepts but its mission is to improve the health of the entire community and it includes a strong emphasis on community prevention efforts and upstream environmental and social determinants of health. Demonstration funding could be used to build on ACOs and extend their reach to improve community population health outcomes. Among other things, these “ACCs” would provide a comprehensive, yet contained, vehicle to test payment reform options that incentivize prevention and population health.</td>
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<td><strong>Complete Streets:</strong> Amend criteria for State bicycle and pedestrian funding programs to prioritize/give extra weight to cities that have adopted bicycle and/or pedestrian master plans. After 5 years these local master plans would be required to receive state bicycle and pedestrian funding. This will increase opportunities and places for safe walking and biking for physical activity to reduce risks for chronic diseases and improve health.</td>
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<tr>
<td><strong>Establishing a Farm to Fork Office:</strong> Establish an interagency California Farm to Fork Office jointly staffed by the California Department of Education (CDE), California Department of Food and Agriculture (CDFA), and California Department of Public Health (CDPH) to encourage and expand the availability of affordable and locally grown produce through “farm-to-fork” policies and programs. Establishing a Farm to Fork office will provide a much needed home for interagency activities and efforts to promote California agriculture through procurement practices, capacity for schools to work with local farmers, support to increase access to farmers markets; and, advocacy to reduce barriers for securing Supplemental Nutrition Assistance Program (SNAP) benefits and utilizing them in places where fresh produce is sold.</td>
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<tr>
<td><strong>EveryBody Walk Campaign:</strong> Develop and implement a statewide “Every Body Walk! California (EBW!CA) campaign that engages all sectors across the state in a shared commitment to increase walking among adults, youth and children. The primary campaign strategy will be to secure commitments from organizations across all sectors of California to participate and to use their own assets and resources to increase walking among their employees, customers, students, congregants, patients and clients.</td>
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### Work Group #5 – Creating Healthy Communities: Enabling Healthy Living; Payment Reform, Public Policy and Private Sector Recommendations Submitted to Date

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<tr>
<td><strong>Health in All Policies (HiAP) Task Force:</strong> Build on the 2010 Report from the Strategic Growth Council, and the Brown Administration’s effort to sustain the HiAP Task Force, to advance healthy food, physical activity, and safety priorities of the Healthy Community Goal. By including HiAP in the SIM application, California can continue to support and lead both state and local cross-sectoral strategies for better management, coordination and action to address community-level prevention, health inequities and chronic health conditions. Primary prevention is linked to and included in the broader health reform efforts, so programmatic and financial alignment will help to achieve positive health outcomes for all Californians.</td>
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<td><strong>Healthy Prepared Meals:</strong> Develop a pilot program that provides opportunities to purchase low cost healthy meals for families through conveniently located access points such as schools, worksites, transit hubs, or neighborhood centers to secure healthy affordable meals for families in communities where retail access is limited.</td>
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<tr>
<td><strong>Integrator at an Individual / Patient Level:</strong> Provide reimbursement for a range of preventive services and programs, including community based prevention programs and “connectors”, as recommended by a physician or other “licensed practitioner,” such as community health workers. This change would enable a broader range of qualified providers, such as community health workers or medical assistants, to be reimbursed as well as open the door to payment for a wider range of evidence-based community prevention programs and services. Bundled episode payments may ultimately be a good mechanism for supporting community health workers or other navigator type functions.</td>
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<tr>
<td><strong>Wellness Trust at the State or Local Level:</strong> Establish a Health and Wellness Trust at the state or local level to solicit, receive, pool and distribute funding to benefit population-wide, community level prevention and wellness programs and services, targeting communities with the most significant health inequities and the conditions that lead to the most costly preventable chronic diseases. A Trust would provide a means to pool resources from within the health care system, including hospital community benefits. A trust could also provide a means to draw in and leverage resources from outside of the health care sector, such as from philanthropy, private donations, community reinvestment, LISC or transportation funding.</td>
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California will be home to the highest quality and most efficient health care system in the country.

The Triple Aim
Better Health - Better Health Care - Lower Costs

Goals
Reward Value and Innovation - Improve Quality of Care - Promote Care Coordination - Create Transparency - Foster Competition

Target
By 2022: California's Annual Growth Rate (CAGR) for health expenditures to be in line with the rate of growth in GDP
By 2016: To be determined

Framework
Measuring Cost, Quality, and Health

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<th>Costs</th>
<th>Quality</th>
<th>Population Health</th>
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<tr>
<td>Geography</td>
<td>Top 20 Episodes</td>
<td>NQF Quality Metrics</td>
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Commercial
- HMO
- Non-HMO

Medi-Cal
- Managed Care
- Non-Managed Care

Medicare
- Medicare Advantage
- Non-Managed Care

Reform Strategies: A Call to Action

Transformational Strategies
- Payment Reform
- Private Sector
- Public Policy

Incentives

Building Blocks:
- Any Needed Enabling Legislation/Regulatory Changes
- Health Information Exchange
- Clinical/Administrative Data
- Other

Implementation Vision to Create Cohesive State Health Care Innovation Plan

• General Agreements
  • Increase clinical integration
  • Seek synergies between health care and public health
  • Leverage purchaser contracts (Medi-Cal, CalPERS, Covered CA, PBGH) to implement health care innovations as feasible in partnership with payers and providers
  • Pilot community-based approaches in qualifying geographies

• Not General Agreement
  • Maximize global capitation
Timeline

• July
  • July 18th meeting to discuss additional recommendations
  • Meet with foundations to discuss interests
  • Meet with payers and providers to discuss recommendations
  • Continue analyses

• August
  • Purchaser meeting
  • Continued discussions and analyses
  • Draft State Health Care Innovation Plan (SCHIP) by month’s end

• September
  • Public review of draft SCHIP

• October
  • Finalize SCHIP