**Public Stakeholder Session slide deck presented on April 6, 2015**

**Slide 1**

**Public Stakeholder Session: Creating a Sustainable MassHealth Program**

Executive Office of Health & Human Services

April 6, 2015

**Slide 2**

**Goals for today**

* Introductions
* Review current state of MassHealth and need for sustainability
* Discuss priority areas for MassHealth and gather feedback
* Share next steps and timelines

**Slide 3**

**The Commonwealth has a rich history in health care**

* First in nation to secure **nearly universal health coverage** for all citizens
  + 97% insured
  + 91% of residents report having a usual source of care
* Significant **involvement and engagement with stakeholders**, advocates, and members
* Health care reform efforts rooted in **strong collaboration between private and public sectors**
* **Legislative** **mandate** to move toward alternative payment methods
* **Innovation through new programs** (e.g., One Care, Primary Care Payment Reform)

**Slide 4**

**However, MassHealth is currently unsustainable**

The graph on this slide shows the growth of MassHealth expenditures from Fiscal Year (FY) 2010 to FY 2016. The x-axis shows FY 2010 through FY 2016. The y-axis shows billions of dollars from 0 to 16. The bottom line on the graph shows the total net state cost, which starts from $3.6 billion in FY 2010 and rises to $6.7 billion in FY 2016. The middle line shows the total MassHealth revenue, which includes federal financial participation, or federal matching dollars and revenue from assessments. This line starts at $6.0 billion in FY 2010 and rises to $8.7 billion in FY 2016. The top line shows total MassHealth spending, which starts at $9.6 billion in FY10 and rises to $15.3 billion in FY16. The data points are in the chart below:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **FY10** | **FY11** | **FY12** | **FY13** | **FY14** | **FY15** | **FY16** |
| Total Net State Cost (in $Billions) | 3.6 | 4.3 | 5.0 | 5.5 | 5.8 | 6.3 | 6.7 |
| Total MassHealth Revenue (in $Billions) | 6.0 | 6.9 | 6.0 | 6.0 | 6.8 | 8.1 | 8.7 |
| Total MassHealth Spending (in $Billions) | 9.6 | 11.3 | 11.0 | 11.6 | 12.5 | 14.5 | 15.3 |

Based on this graph, we can calculate the growth in each of these categories. The growth in total net state cost, total MassHealth revenue, and total MassHealth spending grew significantly in FY 2014 through FY 2015 compared with growth in FY 2010 through FY 2014. The growth proposed in the state budget in each of these categories is significantly lower for FY 2015 through FY 2016.

|  |  |  |  |
| --- | --- | --- | --- |
|  | FY10 – FY14\* | FY14 – FY15 | FY15 – FY16 |
| Total Net State Cost (Percent) | 12.0 | 9.9 | 5.3 |
| Total MassHealth Revenue (Percent) | 2.5 | 19.4 | 7.3 |
| Total MassHealth Spending (Percent) | 6.8 | 15.9 | 5.6 |

\*The growth in FY 2010 – FY 2014 is the Compound Annual Growth Rate (CAGR), which is the year-over-year growth rate of an investment over a specified period of time.

The source of this data is MassHealth.

**Slide 5**

**Massachusetts spends more on health care than any other state**

The graph on this slide shows the Per capita personal health care expenditures in 2009. The x-axis lists all 50 states in the US and the y-axis has dollar amounts from $0 to $10,000. The states on the x-axis are organized from lowest to highest per capita personal health care expenditures. The graph also has a horizontal line which represents the national average between $6,000 and $7,000. 27 states are below that national average and 23 states are above the national average. Massachusetts is the last state represented in the graph, as it has the highest level of per capita health care expenditures at over $9,000. The District of Columbia is not included in this graph, and the sources of the data are the Blue Cross Blue Shield of Massachusetts Foundation, March 2013 report (<http://www.bluecrossfoundation.org/publication/updated-health-care-costs-and-spending-massachusetts-review-evidence>) and the Centers for Medicare & Medicaid Services, [*Health Expenditures by State of Residence*](https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsStateHealthAccountsResidence.html), CMS, 2011.

**Slide 6**

**We also have opportunities to improve care coordination, integration, and the experience of care**

The Current System:

* Rewards volume
* Built to address emergency or short-term medical events; difficult for members to navigate the system
* Multiple doctors treating the same patient for the same condition without talking to each other
* Limited transparency into quality and efficiency of care
* Patient information often stored in silos or paper medical records

A Sustainable System:

* Rewards outcomes and value
* Member’s health managed seamlessly across providers and over time (not visit by visit)
* Providers act as a team to ensure coordination of right services
* Easy to understand quality and cost data made available to consumers and providers
* Appropriate electronic health information readily available across care teams and with consumers

**Slide 7**

**Our priorities for MassHealth**

* Improve customer service and member experience
* Fix eligibility systems and operational processes
* Improve population health and care coordination through payment reform and value-based payment models
* Improve integration of physical and behavioral health care across the Commonwealth
* Scale innovative approaches for populations receiving long term services and supports
* Improve management of our existing programs and spend

**Slide 8**

**Restructuring MassHealth: principles of our approach**

Patient-centered: Focus on improving quality and member experience

Clinically appropriate: Ensure clinically sound design with close input from Massachusetts patients and providers

Appropriate by population: Account for varied member populations and providers (not a one-size-fits-all model)

Pragmatic: Identify solutions that can be implemented in a practical and timely manner

Data-based: Make design decisions based on facts and data

Financially sustainable: Ensure improvements lead to a more cost effective and sustainable system

**Slide 9**

**We are committed to stakeholder engagement and collaboration**

* We are **committed to gathering input**
* We will be **holding sessions starting in May** across the state
* We invite you to **bring constructive ideas**:
  + Things we need to improve
  + Strategies we should consider
* After these sessions, **we will evaluate and share next steps on timelines/** sequencing of work
* We will **engage stakeholders as we begin to develop specific proposals**

Topical areas for input:

* Member and provider experience
* Payment reform to improve population health and care coordination
* Integration of physical and behavioral health
* Approaches for improving care and sustainability for long term services and supports (LTSS)

**Slide 10**

**Our focus for today**

* Walk through each of the four topical areas
  + Member and provider experience
  + Payment reform
  + Integration of physical and behavioral health
  + Approaches for improving care/ sustainability for LTSS
* Share some early thoughts on priorities
* Discuss and listen to comments from the group
* *Note: this is an initial discussion. We will be going into more detail for each topic in the meetings starting in May*

**Slide 11**

**Member and provider experience: priorities and discussion**

* Improve coordination between MassHealth and the Connector
* Evolve our customer service capabilities
  + Reduced wait times
  + Right knowledge to support members
  + Increased automation to improve our workforce effectiveness
  + Customer satisfaction metrics
* Enhance our provider-facing customer service
  + Improve business interfaces with providers
  + Meaningful partner in delivering quality care to members
* Maximize the use of technology
  + Examples: web, telephone, email, text
  + Reduced barriers to communication
  + More real-time response capability

**Slide 12**

**Payment reform: priorities and discussion (1 of 2)**

* Goal: **every MassHealth member has a provider who is accountable for overall health, quality, and cost of care**
  + Providers rewarded for improving effectiveness of care
  + Incentives to invest in care coordination
  + Data transparency
* Some things to **balance**:
  + Not a one-size-fits-all model
  + At the same time, approaches must scale across MassHealth
* To be successful, we will need a **cohesive strategy** that we commit to and design/ roll out at scale (vs. uncertainty of many unrelated pilots and efforts)
* We will also need to **sequence initiatives**

**Slide 13**

**Payment reform: priorities and discussion (2 of 2)**

Framework for payment reform:

* For much of the population: **ACO and PCMH model**, depending on level of scale and sophistication of the accountable provider
* For those with significant mental health and substance use: **health homes and accountable care models for a BH provider**
* For those who use LTSS or need other support to live independently: **integrated care models** (including scaling innovative approaches like One Care)
* In addition, **bundled payments** for certain high spend areas (for example, surgical procedures, acute exacerbations of COPD)

We look forward to working through proposed design dimensions with stakeholders

**Slide 14**

**Payment reform: building on past efforts and looking forward**

Efforts to date

* Launch of innovative One Care program
* Launch of Primary Care Payment Reform (PCPR) program
* Stakeholder and technical engagement on Medicaid ACOs
* Previous target of January 2016 launch for MassHealth ACOs (timeline has been on pause)

Example topics to discuss in upcoming meetings

* How ACOs and PCMH complement each other in reaching scale
* How to account for range in provider capabilities for managing population health
* How to catalyze greater behavioral health integration
* How to scale and sustain programs like One Care
* Proposed timelines for roll out

**Slide 15**

**Integrating physical and behavioral health: priorities and discussion**

* Behavioral health (BH) care is critical for the MassHealth population
  + ~25% of our members utilize BH services
  + Most complex members often have BH conditions
  + BH and physical health care often siloed, not coordinated
* Goal: Improve integration of physical and BH care in existing programs and new payment models
  + Reduce barriers to integration (e.g., payment policies, existing programs)
  + Ensure new payment models (e.g., ACOs) promote BH integration
  + Address opioid addiction crisis
* Topics for further discussion
  + Elaborating definition of BH integration
  + Lower vs. higher acuity populations in new payment models
  + BH-primary care integration
  + Specialized approaches (e.g., Health Homes)
  + Clinical/access standards and quality measures
  + Approaches to assessing the level of care needed for each member

**Slide 16**

**Improving care and sustainability for LTSS: priorities and discussion**

* Goal: every LTSS member has an entity accountable for coordinating overall care and outcomes/ cost, based on level of need and direction from the individual
* Principles
  + Increased access to and integration of LTSS care
  + Community first
  + Person-centered planning along with improved coordination of care
  + Financial sustainability and cost-effectiveness
* Potential strategies
  + Expand integrated care model (like One Care, PACE, and SCO)
  + Promote integration of LTSS care into new payment models (ACOs, episodes of care) where appropriate
* Topics for further discussion
  + Best approach for scaling One Care, PACE, and SCO
  + Role of episodes of care or ACO models encompassing LTSS
  + Types of supporting data and infrastructure required
  + Approaches to assessing the level of care needed for each member

**Slide 17**

**Additional topic areas and discussion**

**Slide 18**

**Next steps and future engagement**

* Conduct stakeholder input meetings starting in May
  + Times/ locations to be announced
  + *www.mass.gov/hhs/masshealth-innovations*
* After stakeholder input meetings complete, we will
  + Evaluate input
  + Share priorities and timelines
* The timelines we develop will sequence various efforts
  + Some things beginning now (improving customer service)
  + Stagger other initiatives
* We will be conducting significant stakeholder engagement once we begin working through more specific proposals – details to follow

**Slide 19**

Thank you  
  
Share feedback and pose questions  
Sign up for mailing lists and invitations[**MassHealth.Innovations@state.ma.us**](mailto:MassHealth.Innovations@state.ma.us)[**www.mass.gov/hhs/masshealth-innovations**](http://www.mass.gov/hhs/masshealth-innovations)