



Governor's Office of  
Health Transformation

# Transforming Payment for a Healthier Ohio

Greg Moody, Director  
Governor's Office of Health Transformation

HPIO: Paying for value over volume

March 17, 2016

[www.HealthTransformation.Ohio.gov](http://www.HealthTransformation.Ohio.gov)



## Ohio's Path to Value

Modernize Medicaid	Streamline Health and Human Services	Pay for Value
<i>Initiate in 2011</i>	<i>Initiate in 2012</i>	<i>Initiate in 2013</i>
<i>Advance Governor Kasich's Medicaid modernization and cost containment priorities</i>	<i>Share services to increase efficiency, right-size capacity, and streamline governance</i>	<i>Engage private sector partners to set clear expectations for better health, better care and cost savings through improvement</i>
<ul style="list-style-type: none"><li>• Extend Medicaid coverage to more low-income Ohioans</li><li>• Eliminate fraud and abuse</li><li>• Prioritize home and community based (HCBS) services</li><li>• Reform nursing facility payment</li><li>• Enhance community DD services</li><li>• Integrate Medicare and Medicaid</li><li>• Rebuild community behavioral health system capacity</li><li>• Restructure behavioral health system financing</li><li>• Improve Medicaid managed care plan performance</li></ul>	<ul style="list-style-type: none"><li>• Create the Office of Health Transformation (2011)</li><li>• Implement a new Medicaid claims payment system (2011)</li><li>• Create a unified Medicaid budget and accounting system (2013)</li><li>• Create a cabinet-level Medicaid Department (2013)</li><li>• Consolidate mental health and addiction services (2013)</li><li>• Simplify and integrate eligibility determination (2014)</li><li>• Refocus existing resources to promote economic self-sufficiency</li></ul>	<ul style="list-style-type: none"><li>• Join Catalyst for Payment Reform</li><li>• Support regional payment reform</li><li>• Pay for value instead of volume (State Innovation Model Grant)<ul style="list-style-type: none"><li>– Provide access to medical homes for most Ohioans</li><li>– Use episode-based payments for acute events</li><li>– Coordinate health information infrastructure</li><li>– Coordinate health sector workforce programs</li><li>– Report and measure system performance</li></ul></li></ul>

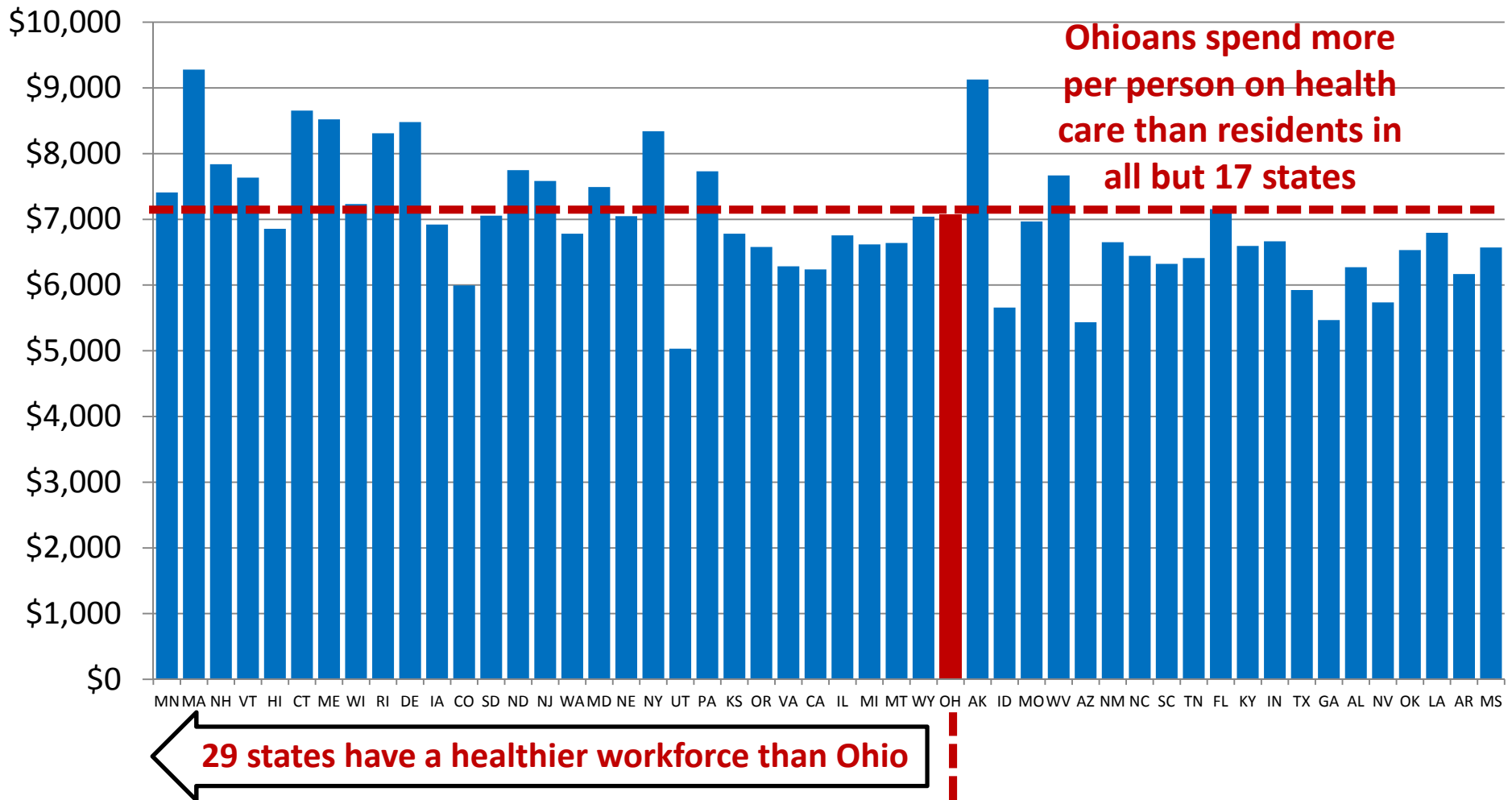


Governor's Office of  
Health Transformation

- 1. Ohio's approach to paying for value instead of volume**
2. Patient-Centered Medical Home (PCMH) Model
3. Episode-Based Payment Model

# Ohio can get better value from what is spent on health care

Health Care Spending per Capita by State (2011) in order of resident health outcomes (2014)



Governor's Office of  
Health Transformation

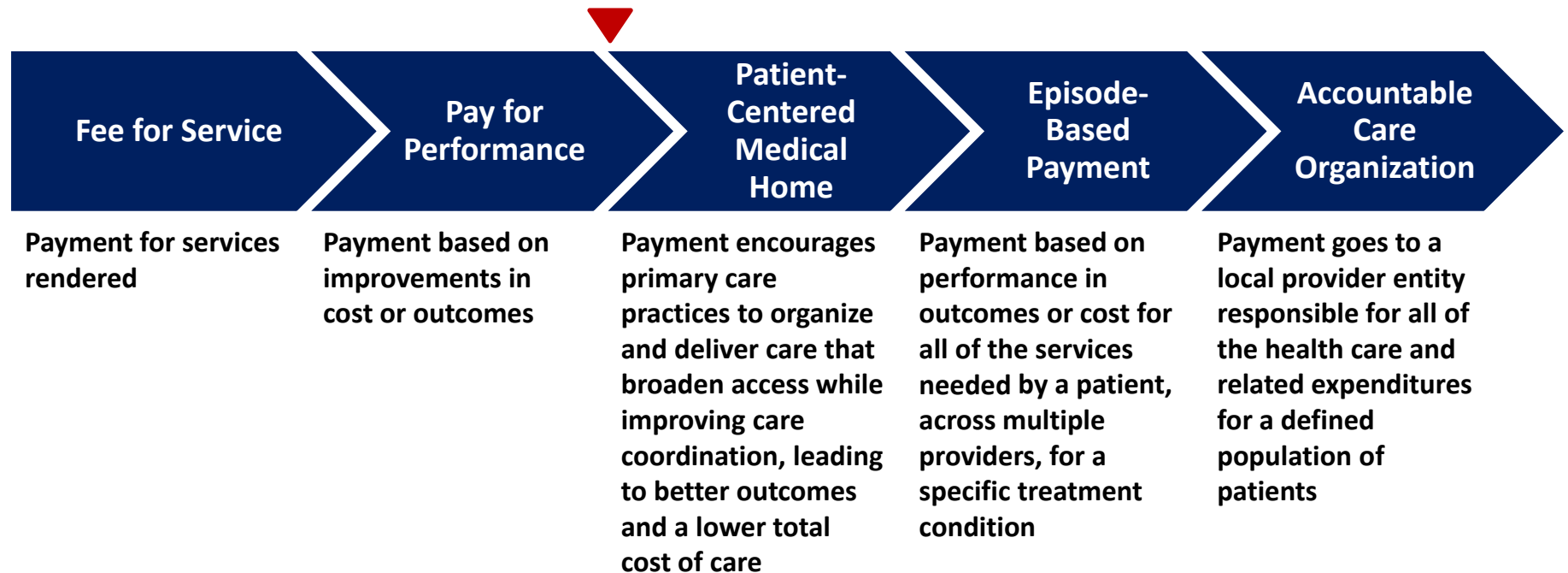
Sources: CMS *Health Expenditures by State of Residence* (2011); The Commonwealth Fund, *Aiming Higher: Results from a State Scorecard on Health System Performance* (May 2014).



# Value-Based Alternatives to Fee-for Service



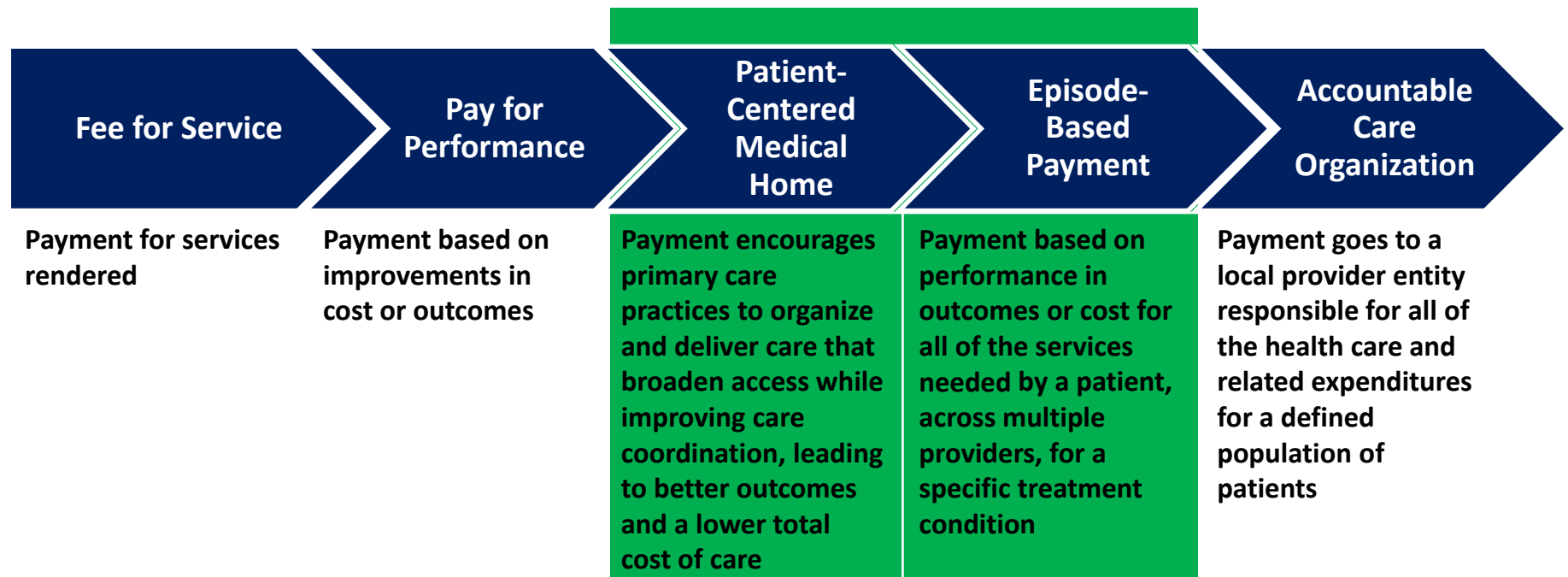
**Most payers have implemented some form of pay for performance and at least begun to consider PCMH, episode or ACO alternatives**



# Value-Based Alternatives to Fee-for Service



Ohio's State Innovation Model focuses on (1) increasing access to patient-centered medical homes and (2) implementing episode-based payments



**Multi-payer participation is critical to achieve the scale  
necessary to drive meaningful transformation**





# Ohio's approach to multi-payer alignment

## "Standardize"

Standardize approach with an identical design only when:

- In the best interest of patients
- Alignment is critical to provider success or significantly eases implementation for providers
- There are meaningful economies of scale
- Standardization does not diminish sources of competitive advantage among payers
- It is lawful to do so

**Example:**  
**Quality Measures**

## "Align in principle"

Align in principle but allow for payer innovation consistent with those principles when:

- It benefits providers to understand where payers are moving in same direction
- Differences have modest impact on providers from an administrative standpoint
- Differences are necessary to account for legitimate differences among payers (varied enrollees, etc.)

**Example:**  
**Gain Sharing**

## "Differ by design"

Differ by design when:

- Required by laws or regulations
- An area of the model is substantially tied to competitive advantage
- There exists meaningful opportunity for innovation or experimentation

**Example:**  
**Amount of Gain Sharing**

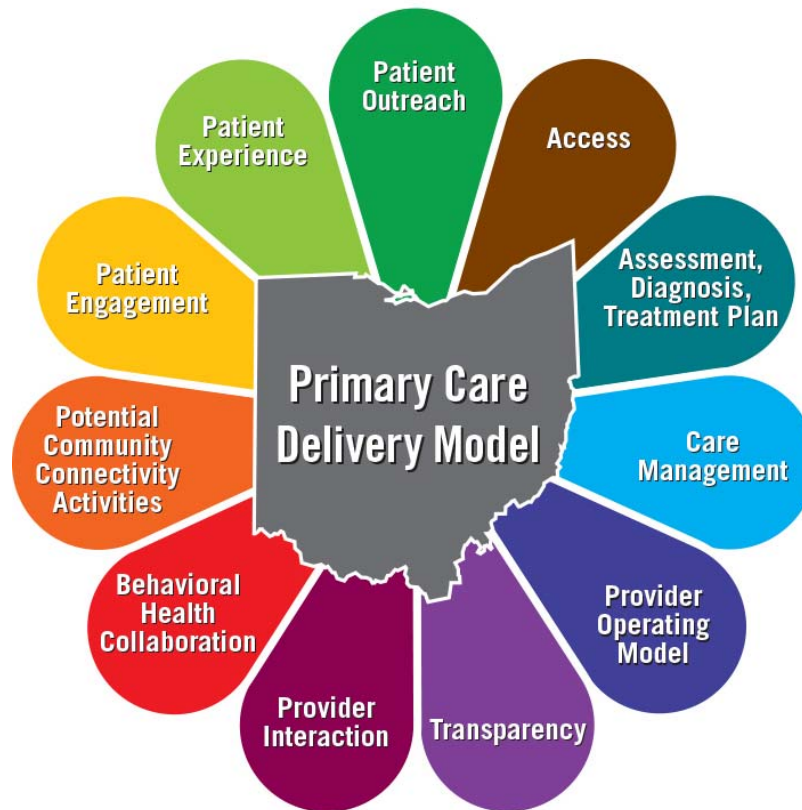


Governor's Office of  
Health Transformation

1. Ohio's approach to paying for value instead of volume
- 2. Patient-Centered Medical Home Model**
3. Episode-Based Payment Model

# Ohio's vision for PCMH is to promote high-quality, individualized, continuous and comprehensive care

- Patient Experience:**  
Offer consistent, individualized experiences to each member depending on their needs
- Patient Engagement:**  
Have a strategy in place that effectively raises patients' health literacy, activation, and ability to self-manage
- Potential Community Connectivity Activities:**  
Actively connect members to a broad set of social services and community-based prevention programs (e.g., nutrition and health coaching, parenting education, transportation)
- Behavioral Health Collaboration:**  
Integrate behavioral health specialists into a patients' full care
- Provider Interaction:**  
Oversee successful transitions in care and select referring specialists based on evidence-based likelihood of best outcomes for patient
- Transparency:**  
Consistently review performance data across a practice, including with patients, to monitor and reinforce improvements in quality and experience



- Patient Outreach:**  
Proactive, targeting patients with focus on all patients including healthy individuals, those with chronic conditions, and those with no existing PCP relationship
- Access:**  
Offer a menu of options to engage with patients (e.g., extended hours to tele-access to home visits)
- Assessment, Diagnosis, Care Plan:**  
Identify and document full set of needs for patients that incorporates community-based partners and reflects socioeconomic and ethnic differences into treatment plans
- Care Management:**  
Patient identifies preferred care manager, who leads relationship with patients and coordinates with other managers and providers of specific patient segments
- Provider Operating Model:**  
Practice has flexibility to adapt resourcing and delivery model (e.g., extenders, practicing at top of license) to meet the needs of specific patient segments

## **“Health care homes save Minnesota \$1 billion”**

State-certified patient-centered health care home performance (2010-2014) compared to other Minnesota primary care practices ...

- Better quality of care for diabetes, vascular, asthma (child and adult), depression, and colorectal cancer screening
- Significantly smaller racial disparities on most measures
- Better care coordination for low-income populations
- Major decrease in the use of hospital services
- Saved \$1 billion over four years, mostly Medicaid (\$918 million), but also Medicare (\$142 million)



**Governor's Office of  
Health Transformation**

Source: University of Minnesota School of Public Health *Evaluation of the State of Minnesota's Health Care Homes Initiative, 2010-2014* (December 2015).

# Payer alignment on PCMH requirements in Ohio

“Standardize”	“Align in principle”	“Differ by design”
<div><div>1</div>6 process requirements</div> <div><div>2</div>6 activity requirements</div> <div><div>3</div>4-8 efficiency measures</div> <div><div>4</div>20 clinical quality measures</div> <p>Consistent public <b>messaging</b> of Ohio’s PCMH model</p> <p>Commitment to 30-40% patient volume in the PCMH model <b>by 2018</b>, and &gt;80% when fully implemented</p> <ul style="list-style-type: none"><li>PCMH enrollment does not require EHR or accreditation</li></ul>	<p>An ongoing stream of <b>new funds to support clinical and operational activities</b> that are currently not compensated or undercompensated</p> <ul style="list-style-type: none"><li>Sufficient to compensate for the new clinical activities required by PCMH</li><li>At risk based on performance on standard processes and activities, clinical quality, and efficiency metrics</li></ul> <div><div>5</div>A stream of gain-sharing payment to <b>award PCMHs for lowering total cost of care</b></div> <p><b>Attribution</b> model that aligns all members with a PCMH</p>	<p><b>Payment levels</b> for new payment streams</p> <p><b>Thresholds and risk adjustment methodology</b> for payment streams</p>

# Payment streams will be tied to specific requirements

Requirements	1 6 Process Measures	2 6 Activity Measures	3 Efficiency Measures	4 20 Clinical Measures	5 Total Cost of Care
	<ul style="list-style-type: none"> <li>Risk stratification</li> <li>Same day appointments</li> <li>24/7 access</li> <li>Practice uses a team</li> <li>Care management</li> <li>Relationship continuity</li> </ul>	<ul style="list-style-type: none"> <li>Risk stratification</li> <li>Population management</li> <li>Care plans</li> <li>Follow up after hospital discharge</li> <li>Tracking of follow up tests and specialist referrals</li> <li>Patient experience</li> </ul>	<ul style="list-style-type: none"> <li>ED visits</li> <li>Inpatient admissions for ambulatory sensitive conditions</li> <li>All-cause readmission rate</li> <li>Generic dispensing rate of select classes</li> </ul>	<ul style="list-style-type: none"> <li>16-20 measures aligned with CMS/AHIP core standards for PCMH</li> </ul>	
Payment Streams	<p>Scoring weight shifts from standard processes and activities...</p> <p>...to efficiency and clinical quality over time</p>				
PCMH operational activities PMPM					
Quality and financial outcomes-based payment	"Must have" processes targeting access to care			Quality gate	Based on self-improvement and performance relative to peers

## Ohio's statewide PCMH rollout

- Spring 2016 – finalize PCMH care delivery and payment model
- Throughout 2017 – recruit primary care practices to commit to the PCMH model and support practice transformation
- January 1, 2018 – performance period begins for:
  1. Operational activities PMPM
  2. Quality and financial-outcomes based payment
  3. One-time practice transformation support for some practices
- Fall 2016 – exploring an early enrollment process beginning January 1, 2017 for some already-accredited PCMHs



Governor's Office of  
Health Transformation




Governor's Office of  
Health Transformation


1. Ohio's approach to paying for value instead of volume
2. Patient-Centered Medical Home Model
3. **Episode-Based Payment Model**




# Retrospective episode model mechanics


Patients and providers continue to deliver care as they do today

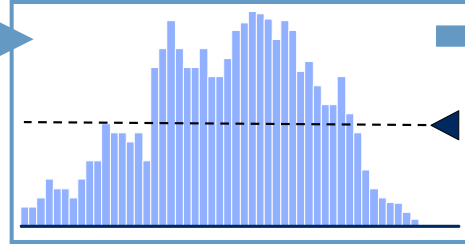
1   
**Patients** seek care and select providers as they do today

2   
**Providers** submit claims as they do today

3   
**Payers** reimburse for all services as they do today

Calculate incentive payments based on outcomes after close of 12 month performance period

4   
Review claims from the performance period to identify a '**Principal Accountable Provider**' (PAP) for each episode

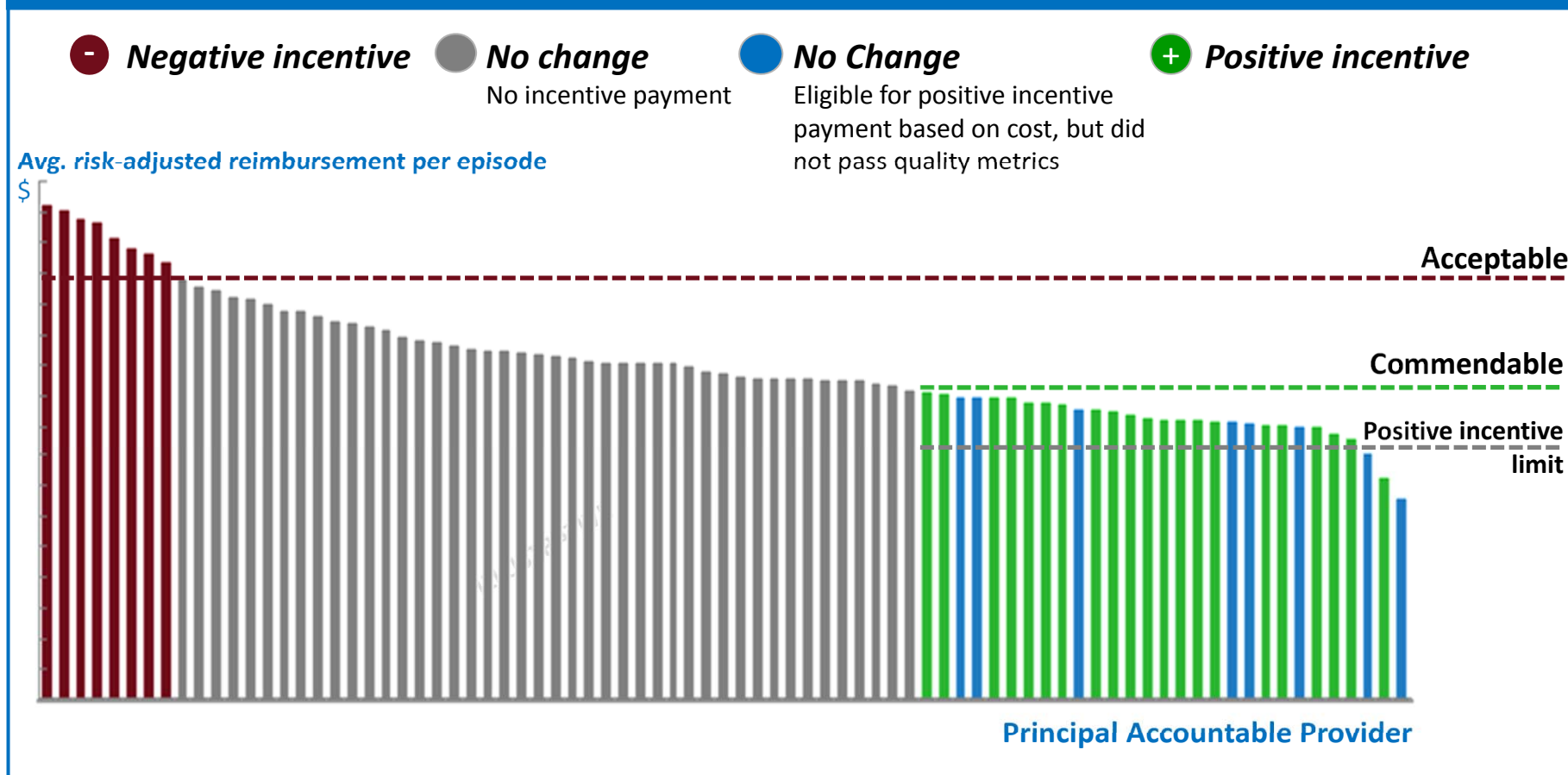
5 Payers calculate **average risk-adjusted reimbursement per episode** for each PAP  
  
**Compare** to predetermined "commendable" and "acceptable" levels

6 **Providers may:**

- **Share savings:** if average costs below commendable levels and quality targets are met
- **Pay negative incentive:** if average costs are above acceptable level
- **See no impact:** if average costs are between commendable and acceptable levels

# Retrospective thresholds reward cost-efficient, high-quality care

## Provider cost distribution (average risk-adjusted reimbursement per provider)



Governor's Office of  
Health Transformation

NOTE: Each vertical bar represents the average cost for a provider, sorted from highest to lowest average cost

# Selection of episodes

## Principles for selection:

- Leverage episodes in use elsewhere to **reduce time to launch**
- Prioritize meaningful **spend across payer populations**
- Look for opportunities with **clear sources of value** (e.g., high variance in care)
- Select episodes that incorporate a **diverse mix** of accountable **providers** (e.g., facility, specialists)
- Cover a **diverse set of “patient journeys”** (e.g., acute inpatient, acute procedural)
- Consider **alignment with current priorities** (e.g., perinatal for Medicaid, asthma acute exacerbation for youth)

## Ohio’s episode selection:

### *Episode*

### *Principal Accountable Provider*

#### **WAVE 1 (launched March 2015)**

- |                                    |                                     |
|------------------------------------|-------------------------------------|
| 1. Perinatal                       | Physician/group delivering the baby |
| 2. Asthma acute exacerbation       | Facility where trigger event occurs |
| 3. COPD exacerbation               | Facility where trigger event occurs |
| 4. Acute Percutaneous intervention | Facility where PCI performed        |
| 5. Non-acute PCI                   | Physician                           |
| 6. Total joint replacement         | Orthopedic surgeon                  |

#### **WAVE 2 (launch January 2016)**

- |                                |                                  |
|--------------------------------|----------------------------------|
| 7. Upper respiratory infection | PCP or ED                        |
| 8. Urinary tract infection     | PCP or ED                        |
| 9. Cholecystectomy             | General surgeon                  |
| 10. Appendectomy               | General surgeon                  |
| 11. Upper GI endoscopy         | Gastroenterologist               |
| 12. Colonoscopy                | Gastroenterologist               |
| 13. GI hemorrhage              | Facility where hemorrhage occurs |

# All of the details to run the first 13 episodes are available online

## Summary definitions

- Overview of definitions resulting from clinical advisory group process
- 2-page overview of all design elements

## Detailed business requirements

- Detailed word file including all of the specifics required to code an algorithm

## Code sets

- Excel file containing specific diagnosis and procedure codes used for trigger, included claims, exclusions, risk adjustment, etc.

## Perinatal episode definition (1/2)

Area	Episode base definition
Episode trigger	• A delivery Pz code and a confirmatory live birth Dx on any claim type
Episode window	• Episodes begin 280 days before the date of delivery • Episodes end 60 days after discharge from the delivery facility
Claims included	• During the pre-trigger window: All inpatient, outpatient, professional claims tied to relevant prenatal care (e.g. screening, examinations, placenta previa, pre-eclampsia, vomiting, etc.) less excluded medical less excluded medications • During the trigger window: All inpatient, outpatient, professional, less excluded medications • During post-trigger window: Same claims and medications as pre-trigger admissions during the first 30 days less specific exclusions
Principal accountable provider	• The PzP is the physician or physician group responsible for billing • The billing provider ID on the claim with the procedure will be used • Payers may alternatively choose to identify the PzP based on the responsible for the triggering claim

## Perinatal episode definition (2/2)

Area	Episode base definition
First adjustment and episode exclusion	• Risk adjustment: Factors for use in risk adjustment will be provided later in 2015 • Episode exclusion: There are three types of exclusions: <ul style="list-style-type: none"><li>- Business exclusions<ul style="list-style-type: none"><li>• Members under 12 years old</li><li>• Others: Multiple payers, third party liability, inconsistent enrollment, PzP out of State, no PzP, dual eligibility, long-term care, long hospitalization, missing APR-DRS, missing included facility, and incomplete episodes</li></ul></li><li>- Clinical exclusions<ul style="list-style-type: none"><li>• Members with any of 8 clinical factors:<ul style="list-style-type: none"><li>• Members with an unusually large number of comorbidities</li><li>• Members who self-treatment against medical advice or died</li><li>• High cost outlier exclusions: Outliers' risk adjusted spend is 3 standard deviations above the mean (after business and clinical exclusions)</li></ul></li></ul></li><li>- Quality metrics linked to gain sharing:<ul style="list-style-type: none"><li>• Prenatal HIV screening rate</li><li>• Prenatal GBS screening rate</li><li>• G-section rate</li></ul></li></ul>
Quality metrics	• Quality metrics for reporting only: <ul style="list-style-type: none"><li>• Percent of episodes with follow-up visit within 60 days</li><li>• Percent of episodes with prenatal gestational diabetes screening</li><li>• Percent of episodes with prenatal hepatitis B screening</li><li>• Number of ultrasounds</li><li>• Percent of episodes with obstetrical examination</li></ul>

### 2.3.3 Claims included in episode spend

Episode spend is calculated on the basis of claims directly related to or stemming from the pregnancy. Claims that are included in the calculation of episode spend are referred to as included claims. Claims that are not included in the calculation of episode spend are referred to as excluded claims. The criteria to identify included claims depend on the time window during which a claim occurs.

- **Pre-trigger window:** Included claims during the pre-trigger window consist of the following:
  - Included hospitalizations: Hospitalizations are included in the calculation of episode spend if they contain an included diagnosis code in any diagnosis field. All repeat claims that are part of an included hospitalization are included claims. All repeat claims that are part of an included hospitalization are included claims. Any pharmacy, outpatient, and professional claims that occur during an included hospitalization are included claims. Any pharmacy, outpatient, and professional claims that occur during an excluded hospitalization are excluded claims.
  - Included diagnoses: Outpatient and professional claims with an included diagnosis code in any diagnosis field and that do not occur during a hospitalization are included claims.
  - Included procedures: Outpatient and professional claims with an included procedure code and that do not occur during a hospitalization are included claims.
  - Included medications: All pharmacy claims that do not occur during a hospitalization are included claims.
- **Trigger window:** All inpatient, outpatient, professional, and pharmacy claims during the trigger window are included claims.
- **Post-trigger window:** Inpatient, outpatient, professional, and pharmacy claims during the post-trigger window that are related to the perinatal episode or include potential complications are included claims. Included claims during the post-trigger window fall into five hierarchical groups:
  - Included hospitalizations in the post-trigger window: 1. Hospitalizations are included in the calculation of episode spend when the reason for the hospitalization was unrelated to the episode. Hospitalizations that are unrelated to the episode are identified using excluded APR-DRS DRG codes.

## Detailed Business Requirements Perinatal episode

s14-c06 d01

State of Ohio

August 31, 2015

CONFIDENTIAL REQUIREMENT  
Any use of the content without written permission is strictly prohibited.

### 4.1 Episode output table

The episode output table contains the set of episodes identified by the algorithm and the characteristics of each episode. The table below lists the episode output table.

Episode ID	Episode Start Date	Episode End Date	Episode Type	Episode Status	Episode Reason	Episode Category	Episode Subcategory	Episode Code	Episode Description
1	2015-01-01	2015-01-01	1	1	1	1	1	1	1
2	2015-01-01	2015-01-01	1	1	1	1	1	1	1
3	2015-01-01	2015-01-01	1	1	1	1	1	1	1
4	2015-01-01	2015-01-01	1	1	1	1	1	1	1
5	2015-01-01	2015-01-01	1	1	1	1	1	1	1
6	2015-01-01	2015-01-01	1	1	1	1	1	1	1
7	2015-01-01	2015-01-01	1	1	1	1	1	1	1
8	2015-01-01	2015-01-01	1	1	1	1	1	1	1
9	2015-01-01	2015-01-01	1	1	1	1	1	1	1
10	2015-01-01	2015-01-01	1	1	1	1	1	1	1
11	2015-01-01	2015-01-01	1	1	1	1	1	1	1
12	2015-01-01	2015-01-01	1	1	1	1	1	1	1
13	2015-01-01	2015-01-01	1	1	1	1	1	1	1
14	2015-01-01	2015-01-01	1	1	1	1	1	1	1
15	2015-01-01	2015-01-01	1	1	1	1	1	1	1
16	2015-01-01	2015-01-01	1	1	1	1	1	1	1
17	2015-01-01	2015-01-01	1	1	1	1	1	1	1
18	2015-01-01	2015-01-01	1	1	1	1	1	1	1
19	2015-01-01	2015-01-01	1	1	1	1	1	1	1
20	2015-01-01	2015-01-01	1	1	1	1	1	1	1
21	2015-01-01	2015-01-01	1	1	1	1	1	1	1
22	2015-01-01	2015-01-01	1	1	1	1	1	1	1
23	2015-01-01	2015-01-01	1	1	1	1	1	1	1
24	2015-01-01	2015-01-01	1	1	1	1	1	1	1
25	2015-01-01	2015-01-01	1	1	1	1	1	1	1
26	2015-01-01	2015-01-01	1	1	1	1	1	1	1
27	2015-01-01	2015-01-01	1	1	1	1	1	1	1
28	2015-01-01	2015-01-01	1	1	1	1	1	1	1
29	2015-01-01	2015-01-01	1	1	1	1	1	1	1
30	2015-01-01	2015-01-01	1	1	1	1	1	1	1
31	2015-01-01	2015-01-01	1	1	1	1	1	1	1
32	2015-01-01	2015-01-01	1	1	1	1	1	1	1
33	2015-01-01	2015-01-01	1	1	1	1	1	1	1
34	2015-01-01	2015-01-01	1	1	1	1	1	1	1
35	2015-01-01	2015-01-01	1	1	1	1	1	1	1
36	2015-01-01	2015-01-01	1	1	1	1	1	1	1
37	2015-01-01	2015-01-01	1	1	1	1	1	1	1
38	2015-01-01	2015-01-01	1	1	1	1	1	1	1
39	2015-01-01	2015-01-01	1	1	1	1	1	1	1
40	2015-01-01	2015-01-01	1	1	1	1	1	1	1
41	2015-01-01	2015-01-01	1	1	1	1	1	1	1
42	2015-01-01	2015-01-01	1	1	1	1	1	1	1
43	2015-01-01	2015-01-01	1	1	1	1	1	1	1
44	2015-01-01	2015-01-01	1	1	1	1	1	1	1
45	2015-01-01	2015-01-01	1	1	1	1	1	1	1
46	2015-01-01	2015-01-01	1	1	1	1	1	1	1
47	2015-01-01	2015-01-01	1	1	1	1	1	1	1
48	2015-01-01	2015-01-01	1	1	1	1	1	1	1
49	2015-01-01	2015-01-01	1	1	1	1	1	1	1
50	2015-01-01	2015-01-01	1	1	1	1	1	1	1
51	2015-01-01	2015-01-01	1	1	1	1	1	1	1
52	2015-01-01	2015-01-01	1	1	1	1	1	1	1
53	2015-01-01	2015-01-01	1	1	1	1	1	1	1
54	2015-01-01	2015-01-01	1	1	1	1	1	1	1
55	2015-01-01	2015-01-01	1	1	1	1	1	1	1
56	2015-01-01	2015-01-01	1	1	1	1	1	1	1
57	2015-01-01	2015-01-01	1	1	1	1	1	1	1
58	2015-01-01	2015-01-01	1	1	1	1	1	1	1
59	2015-01-01	2015-01-01	1	1	1	1	1	1	1
60	2015-01-01	2015-01-01	1	1	1	1	1	1	1
61	2015-01-01	2015-01-01	1	1	1	1	1	1	1
62	2015-01-01	2015-01-01	1	1	1	1	1	1	1
63	2015-01-01	2015-01-01	1	1	1	1	1	1	1
64	2015-01-01	2015-01-01	1	1	1	1	1	1	1
65	2015-01-01	2015-01-01	1	1	1	1	1	1	1
66	2015-01-01	2015-01-01	1	1	1	1	1	1	1
67	2015-01-01	2015-01-01	1	1	1	1	1	1	1
68	2015-01-01	2015-01-01	1	1	1	1	1	1	1
69	2015-01-01	2015-01-01	1	1	1	1	1	1	1
70	2015-01-01	2015-01-01	1	1	1	1	1	1	1
71	2015-01-01	2015-01-01	1	1	1	1	1	1	1
72	2015-01-01	2015-01-01	1	1	1	1	1	1	1
73	2015-01-01	2015-01-01	1	1	1	1	1	1	1
74	2015-01-01	2015-01-01	1	1	1	1	1	1	1
75	2015-01-01	2015-01-01	1	1	1	1	1	1	1

FILE HOME INSERT PAGE LAYOUT FORMULAS DATA REVIEW VIEW DEVELOPERS

2130 2015-01-01 2015-01-01 Risk Factor 050 Spontaneous, Interventive, and other health problems - CCS

Sheet	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design	Description	Code	Type	Design
-------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------	-------------	------	------	--------

*This is an example of  
the multi-payer  
performance report  
format released in  
2016*

# EPISODE of CARE PROVIDER REPORT

EPISODE NAME

Q1 + Q2 YYYY

Reporting period covering episodes that ended between Start Date to End Date

PAYER: Payer Name

PROVIDER ID: PAP ID

PROVIDER: Provider Name

## Eligibility requirements for gain or risk-sharing payments

- ✓ **Episode volume:** You have at least 5 episodes in the current performance period.
- ✓ **Spend:** Your average risk-adjusted spend per episode is below the commendable threshold.
- ⚠ **Quality:** You are not currently eligible for gain-sharing because you have not passed all quality metrics linked to gain-sharing.
- i **This report is informational only.** Eligibility for gain or risk-sharing will be determined at the end of the performance period and any applicable payments will be calculated at that time.

## Episodes included, excluded & adjusted

Total episodes#



# % of your episodes have been risk adjusted

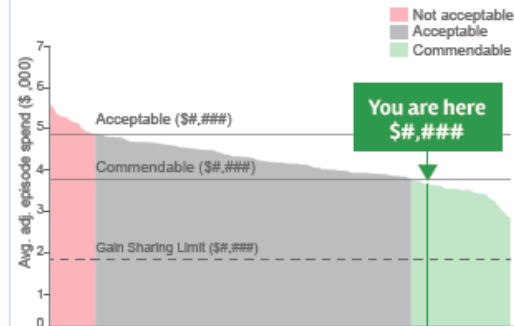
## Quality metrics

You achieved # of # quality metrics linked to gain sharing

Quality metric 01	#%	✓
Quality metric 02	#%	✓
Quality metric 03	#%	✗
Quality metric 04	#%	✗

## Risk adjusted average spend per episode

Distribution of provider average episode spend (risk adj.)



## Key performance

Rolling four quarters

	Performance period 2016	Reporting period 2015
Avg adjusted episode spend (\$ ,000)	#,###	#,###
# of included episodes	#	#
Your spend percentile	#%	#%



Governor's Office of  
Health Transformation

DISCLAIMER: The information contained in these reports is intended solely for use in the administration of the Medicaid program. The data in the reports are neither intended nor suitable for other uses, including the selection of a health care provider. The figures in these reports are preliminary and are subject to revision. For more information, please visit <http://medicaid.ohio.gov/Providers/PaymentInnovation.aspx>.

# Selecting the next waves of episodes

## Principles for selection:

- Leverage episodes in use elsewhere to **reduce time to launch**
- Prioritize meaningful **spend across payer populations**
- Look for opportunities with **clear sources of value** (e.g., high variance in care)
- Select episodes that incorporate a **diverse mix** of accountable **providers** (e.g., facility, specialists)
- Cover a **diverse set of “patient journeys”** (e.g., acute inpatient, acute procedural)
- Consider **alignment with current priorities** (e.g., perinatal for Medicaid, asthma acute exacerbation for youth)

## Ohio’s episode selection:

### *Episode*

#### ***WAVE 3 (launch January 2017)***

#### ***Preliminary list of potential episodes to design in 2016:***

HIV	Hepatitis C	Neonatal
Hysterectomy	Bariatric surgery	Diabetic ketoacidosis
Lower back pain	Headache	CABG
Cardiac valve	congestive heart failure	Breast biopsy
Breast cancer	Mastectomy	Otitis
Simple pneumonia	Tonsillectomy	Shoulder sprain
Wrist sprain	Knee sprain	Ankle sprain
Hip/Pelvic fracture	Knee arthroscopy	Lumbar laminectomy
Spinal fusion exc. cervical	Hernia procedures	Colon cancer
Pacemaker/defibrillator	Dialysis	Lung cancer
Bronchiolitis and RSV pneumonia		

#### ***WAVE 4 (launch January 2018)***

***Design work begins on behavioral episodes in June 2016 ...***





Governor's Office of  
Health Transformation

[www.HealthTransformation.Ohio.gov](http://www.HealthTransformation.Ohio.gov)

CURRENT INITIATIVES

BUDGETS

NEWSROOM

CONTACT

VIDEO



### *Current Initiatives*

#### Modernize Medicaid

Extend Medicaid coverage to more low-income Ohioans  
Reform nursing facility reimbursement  
Integrate Medicare and Medicaid benefits  
Prioritize home and community based services  
Create health homes for people with mental illness  
Rebuild community behavioral health system capacity  
Enhance community developmental disabilities services  
Improve Medicaid managed care plan performance

#### Streamline Health and Human Services

Support Human Services Innovation  
Implement a new Medicaid claims payment system  
Create a cabinet-level Medicaid department  
Consolidate mental health and addiction services  
Simplify and integrate eligibility determination  
Coordinate programs for children  
Share services across local jurisdictions

#### Pay for Value

Engage partners to align payment innovation  
Provide access to patient-centered medical homes  
Implement episode-based payments  
Coordinate health information technology infrastructure  
Coordinate health sector workforce programs  
Support regional payment reform initiatives  
Federal Marketplace Exchange

### State Innovation Model:

- Overview Presentations
- Patient-Centered Medical Home (PCMH) payment model
- Episode-based payment model
- Population health plan
- Health IT plan