

Payment Reform Readiness Assessment Tool: Arizona Trends

July 29, 2016

Preparing for Payment Reform Activities

1. Develop and maintain a robust understanding of payment reform efforts in the state and local environment.
2. Ensure a clear, shared vision of their organization's role in achieving the Triple Aim that can be used to assess emerging payment reform opportunities.
3. Critically assess current operations and capabilities.
4. Work collaboratively with other health centers, stakeholders and partners to accelerate transformation of the health care delivery system.



NACHC PAYMENT REFORM
READINESS
ASSESSMENT TOOL



Agenda

- Tool Structure
- Readiness Trends in Arizona
- Discussion/Q&A



Tool Structure



Tool Structure

Competency Areas: 4 domains key to payment reform readiness

- Organizational Leadership and Partnership Development
- Change Management and Service Delivery Transformation
- Robust Use of Data and Information
- Financial and Operation Analysis, Management and Strategy

Readiness Elements: 8-11 for each competency area with descriptive statements to assist health centers with identifying their level of readiness

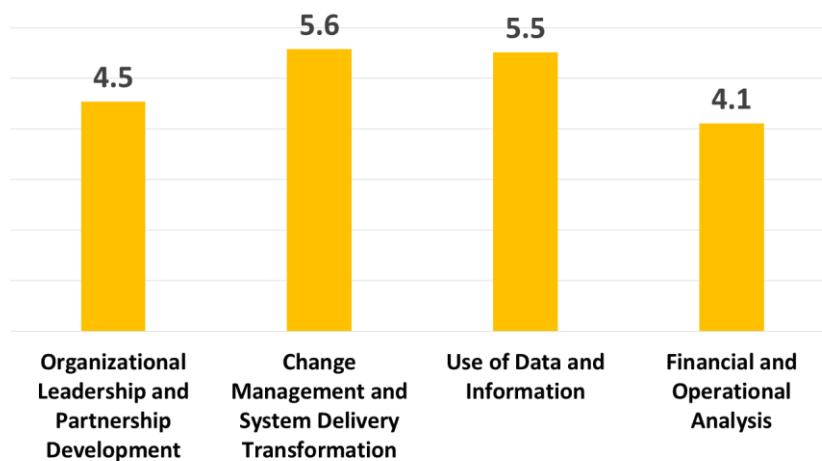
1 TO 3	4 TO 6	7 TO 9
BEGINNING TO DEVELOP READINESS	BASIC REQUIREMENTS IN PLACE	FULLY DEVELOPED OR ADVANCED READINESS



Arizona Readiness Trends



Average CHC Readiness by Domain



Domain 1: Organizational Leadership and Partnership Development



Domain 1: Organizational Leadership and Partnership Development

2. The health center's governance requirements and structure facilitate governance role in payment reform initiatives.

<p>The BOD has analyzed requirements for representation in governance structure of payment reform initiative by certain types of providers and/or specific regions.</p>	<p>Bylaws, membership requirements and conflict of interest policies of health center have been reviewed and modified as needed to allow for incorporation of new BOD members if required by payment reform initiative.</p> <p>Health center is active member in PCA or other entities facilitating health center involvement in payment reform initiatives.</p>	<p>Health center is represented (directly or through PCA) in governance and advisory body of payment reform initiatives, including ACOs and Medicaid initiatives.</p> <p>Where the health center is the primary entity behind a multi-entity service delivery effort, the health center BOD serves as the governing body for the effort, incorporating representation from other organizations as appropriate and allowed for in the health center's by-laws.</p>						
<p>1</p>	<p>2</p>	<p>3</p>	<p>4</p>	<p>5</p>	<p>6</p>	<p>7</p>	<p>8</p>	<p>9</p>

Min: 1
Max: 9
Average: 5.3

Domain 1: Organizational Leadership and Partnership Development

1. The BOD is knowledgeable about payment reform efforts and their implications for the health center's mission and services.

<p>The BOD regularly receives information/training regarding local and state payment reform initiatives, including how payment reform relates to existing payment models (including health center prospective payment system [PPS] payment).</p>			<p>Payment reform and service delivery transformation are substantive components of BOD strategic planning processes and discussions.</p> <p>The BOD has explored the relationship between payment reform and practice transformation efforts.</p>			<p>The BOD has identified preferred payment reform models, and organizational implications for engaging in them, including assessing desirability of risk-based arrangements.</p> <p>The BOD supports policy efforts (including health center and Primary Care Association (PCA) activities) to shape state-level payment reform.</p>		
■	■	■	■	■	■	■	■	■
1	2	3	4	5	6	7	8	9

Min:	2
Max:	6
Average:	3.6

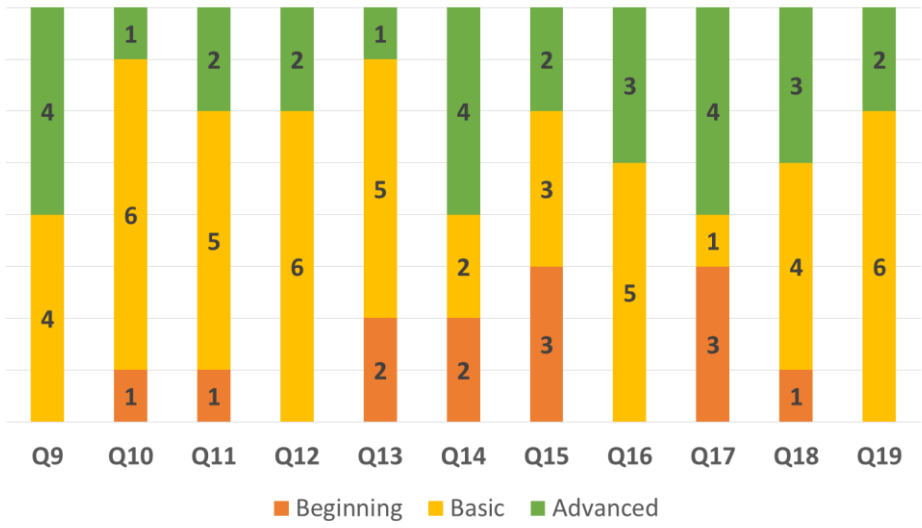
Domain 1: Organizational Leadership and Partnership Development

6. The health center has experience developing partnerships to address service area needs and take advantage of opportunities in the local health care marketplace.

<p>The health center has established informal referral relationships with other service delivery providers. The health center is able to articulate its "competitive advantage" (e.g. the particular strengths and opportunities it brings to partnerships).</p>			<p>The health center has developed formalized partnerships with other service providers to address specific needs of target population.</p> <p>The health center has established and articulated a negotiation /partnership strategy to guide its efforts.</p>			<p>The health center has led partnership development efforts involving multiple partners to develop integrated service delivery approaches for meeting target population needs, and /or leveraging new funding opportunities.</p> <p>The health center is involved in partnerships that focus on developing community-level systems of care, including consolidation of redundant services.</p>		
■	■	■	■	■	■	■	■	■
1	2	3	4	5	6	7	8	9

Min:	2
Max:	8
Average:	5.0

Domain 2: Change Management and Service Delivery Transformation



Domain 2: Change Management and Service Delivery Transformation

9. The health center has experience with and knowledge of change management practices.

<p>The health center has had limited involvement in Human Resources and Services Administration (HRSA)-funded disease collaboratives, Patient Centered Medical Home transformation, achieving Meaningful Use standards, or other clinical practice transformation efforts. Continuous Quality Improvement (CQI) efforts are primarily focused on clinical processes. The health center uses structured CQI methods such as Plan, Do, Study Act (PDSA), lean production, six sigma, and related tools.</p>	<p>The health center has selected and implemented a formal model for CQI in both clinical and non-clinical arenas, engaging staff from all levels of the organization in defining and implementing initiatives.</p> <p>The health center has participated in multiple practice transformation initiatives and has spread successful practices throughout the organization. The health center consistently uses CQI methods such as PDSA, lean production, six sigma and related tools.</p>	<p>The health center has developed an identity as a “learning” or CQI organization. QI measures are regularly shared with team members, leadership and staff.</p> <p>The health center has institutionalized support for change management, such as robust data and information systems and analysis to inform change processes, expectations of leadership staff to lead and support change efforts, and coaching (external or internal) to address implementation barriers.</p>						
1	2	3	4	5	6	7	8	9

Min:	4
Max:	8
Average:	6.4

Domain 2: Change Management and Service Delivery Transformation

10. Clinical and administrative leaders support change processes in a systematic fashion.

<p>The health center does not have an organizational approach to supporting change processes. Change and/or clinical practice transformation happen organically, led by department heads.</p>			<p>There is an organizational commitment to build staff capacity for change management through training and mentorship.</p> <p>Leaders have developed strategies to address past negative experience with change.</p> <p>Appropriate organizational resources (staff, technology, etc.) are dedicated to supporting the change process.</p>			<p>Change processes are imbedded in the organizational culture including job descriptions, performance review, and organizational benchmarks/score cards. There is regular communication, at all levels of the organization, regarding the purpose and objectives of change processes, their progress, and outcomes.</p>		
■	■	■	■	■	■	■	■	■
1	2	3	4	5	6	7	8	9

Min:	2
Max:	7
Average:	5.0

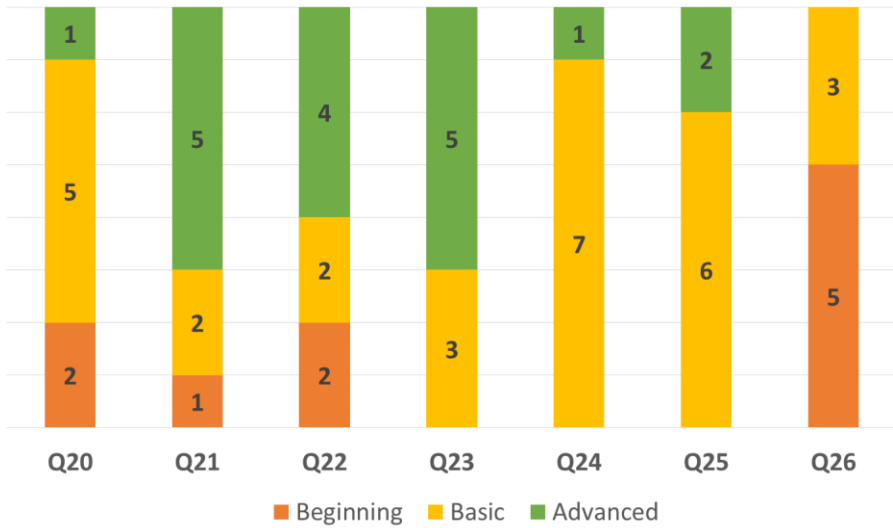
Domain 2: Change Management and Service Delivery Transformation

17. The health center provides enhanced access to meet the needs of the target population.

<p>The health center offers extended weekday evening and weekend hours at a minimum of one service delivery site, and for some services.</p>			<p>The health center has implemented extended hours for all services and at most sites. Scheduling options are patient and family-centered and are accessible to all patients. Health center has implemented open access.</p>			<p>Patients have 24/7 access to care team via phone, email or in-person visits. Health center has collaboration with other providers for readily accessible urgent care (or provides care directly).</p>		
■	■	■	■	■	■	■	■	■
1	2	3	4	5	6	7	8	9

Min:	2
Max:	9
Average:	5.8

Domain 3: Robust Use of Data and Information



Domain 3: Robust Use of Data and Information

23. The health center has assessed the capacity of its current providers and facilities, and the need for additional staffing or space to support the services to be provided under a specific payment reform model.

The health center has quantified current capacity and the need for any additional capacity.	The health center has identified specific strategies for maximizing current capacity (using providers to full extent of license; expanding facility hours, etc.), and/or for expanding capacity.	The health center has identified the specific staffing needed for proposed payment reform initiative, including potential impact on current demand, staffing mix or space needs that are different than those historically used.
■	■	■
1	2	3
■	■	■
4	5	6
■	■	■
7	8	9

Min:	5
Max:	8
Average:	6.6



Domain 3: Robust Use of Data and Information

26. The health center has robust Health Information Exchange (HIE) with providers/partners of proposed payment reform effort.

The health center obtains data on hospitalizations of its patients through a manual process. Data is claims based and not available "real time."	Payment reform partners exchange data on patient medication, lab results, health status assessment, and behavioral health assessments through manual or request- based processes. The partners have a shared referral tracking and follow-up system. The health center participates in state or regional- level all-payer claims data efforts.			Data is exchanged among partners in real-time using HIE. The health center is able to leverage cost and utilization data available from partners for advanced data analysis and management.				
■	■	■	■	■	■	■	■	■
1	2	3	4	5	6	7	8	9

Min:	2
Max:	6
Average:	3.6



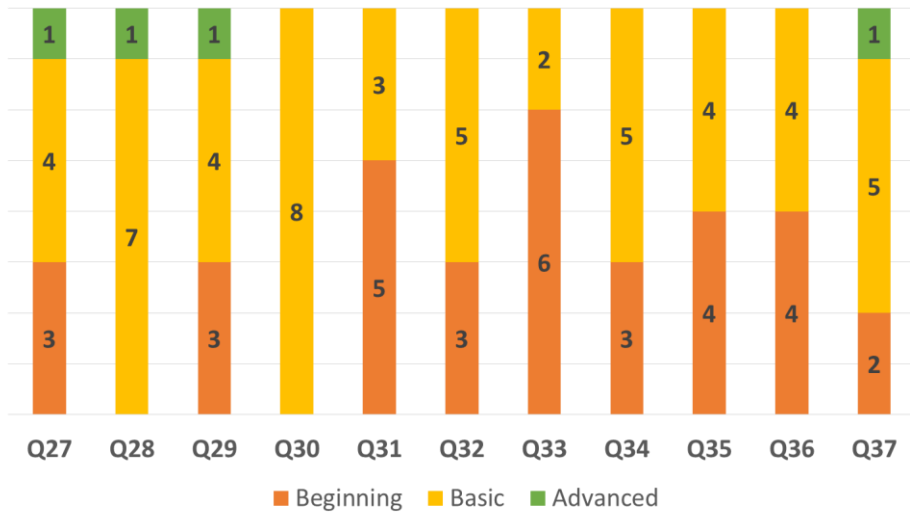
Domain 3: Robust Use of Data and Information

22. The health center uses data to understand its role within the broader health care marketplace, and its market share.

The health center regularly examines its penetration rate for low-income and uninsured populations in its service area. The health center has gathered data on other safety net providers serving the same patient population and their penetration rate.	The health center analyzes penetration into the service area/target population for a specific initiative. Understanding of other providers seen by own patient population: has mapped out specialty and hospital referral patterns.			Knows penetration in service area population, untapped demand within service area for specific services and/or populations; major competitors and how much of market they capture.				
■	■	■	■	■	■	■	■	■
1	2	3	4	5	6	7	8	9

Min:	2
Max:	8
Average:	5.5

Domain 4: Financial and Operation Analysis, Management and Strategy



Domain 4: Financial and Operation Analysis, Management and Strategy

28. The health center is able to track system-level utilization and cost data for its patients.

Health center will not have access to data on utilization or costs other than its own experience.	Health center is reliant on partners and/or state agencies to provide data on system costs incurred by health center patients included in the payment reform initiative.			Health center has ready access to both its own and system-level data regarding utilization and costs for patients in the reform effort.					
■	■	■	■	■	■	■	■	■	
1	2	3	4	5	6	7	8	9	

Min:	4
Max:	8
Average:	5.6

Domain 4: Financial and Operation Analysis, Management and Strategy

31. The health center has secured appropriate legal and compliance expertise for payment reform activities.

The health center has not independently analyzed legal and/or compliance implications of specific payment reform initiatives. Any analysis has been provided by partners and/or sponsors of payment reform initiatives.			Health center has identified legal/compliance issues related to specific payment reform initiatives, including anti-trust issues, governance requirements, maintenance of PPS payment protections, organizational liability and FTCA issues.			Health center has ensured internal expertise is adequate to address identified issues, or has contracted with external expertise as needed.		
■	■	■	■	■	■	■	■	■
1	2	3	4	5	6	7	8	9

Min:	1
Max:	6
Average:	3.4

Domain 4: Financial and Operation Analysis, Management and Strategy

30. The health center has experience and capacity to manage performance-based contracts.

The health center has experience negotiating and managing fee for service volume-based and managed care contracts.			The health center has experience negotiating and managing pay-for-performance based contract, and/or contracts with upside risk only.			The health center has (in house or contracted) experience negotiating risk-bearing contracts. The health center has analyzed its success under past contracts to inform current contracting strategies.		
■	■	■	■	■	■	■	■	■
1	2	3	4	5	6	7	8	9

Min:	4
Max:	6
Average:	5.0



Discussion



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