Evidence-Based Benefit Design & Value-Based Based Purchasing

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• Benefit plans
• Innovations in benefit design
  – Core Plan
• Payment reform
  – Value-based purchasing
• Future for Wisconsin
Benefit Plans

• Wisconsin has multiple health plans for low income populations and children
  – Medicaid- elderly, blind, and disabled (EBD)
  – BadgerCare Plus- low income families/children
    • Standard
    • Benchmark
    • Core
Standard Plan

- Pregnant women, parents, children ≤ 200% FPL
- Benefits/cost-sharing same as for EBD
- Members cannot be denied services for failure to pay copays
Benchmark Plan

• Higher income children, pregnant women, and self-employed parents
• More limited benefits package
• Hard limits for certain services
• Higher cost-sharing
• Can be denied services for failure to pay copays
Core Plan

• Adults without dependent children with income less than 200% of the FPL

• Fewer services covered than Standard or Benchmark Plan

• Covers very limited brand name drugs
Core Plan- some member requirements built in

- Limited cost-sharing
- Members can be denied service for failure to pay cost-sharing
- Health Needs Assessment (HNA)
- Annual physical examination
Core Plan

• Created as part of a CMS waiver

• Unless other plans, allows flexibility in benefit coverage design

• Must remain budget-neutral
Core Plan

• Created as part of a CMS waiver

• Unlike other plans, allows **flexibility in benefit coverage**

• Must remain **budget-neutral**
Clinical Advisory Committee on Health and Emerging Technology

- Established in 2008
- Created as part of the waiver for the Core Plan
- Makes recommendations to the Secretary on:
  - Core Plan Benefit Changes
  - Coverage decisions on emerging technologies
CACHET

• Goal is to adjust benefit package for the needs of the actual population being served

• Utilizes HNA, annual physical data, administrative data on utilization, and best-available evidence

• Examples of recent benefit changes:
  – SBIRT, Hospice services, ARBs…
Payment Reform

- Value-based purchasing
  - Pay for performance (P4P)
  - Rate Reform
  - Evidence-Based HealthCare Initiative
  - Data-Driven Reimbursement
P4P

- Initiative with Managed Care Organizations
- Carrot and Stick approach to incentivize quality health care delivery
- Some limitations, as current measures use administrative data that captures process
- Moving forward with Milwaukee RFP, to incorporate PQI measures of ASH → more about outcomes
Rate Reform

• Given economic climate and budgetary shortfall, need to reduce rates
• Desire to avoid across-the-board cut
• Engaging CACHET members and other stakeholders for input
• May inform/allow legislators to adjust rates in a more nuanced fashion going forward
EBHI

- CACHET, plus ad hoc members from throughout the state
- Begin evaluating the effectiveness of services already covered using best-available evidence to determine whether coverage policy should be continued or modified
- Multiple sources of data to be reviewed (MED, CER, IOM, Cochrane, etc.)
Data-Driven
Differential Reimbursement

• Multiple innovative sources
  – WHIO
  – WCHQ

• May further inform the legislature on ways to nuance rate changes, and not further prejudice the status quo

• Much may depend on national reform…
National Reform: challenges/opportunities for WI

- HR 3200- mandate over time to increase Medicaid payments to primary care to Medicare levels
  - Could result in additional costs to state in excess of $100M
- < 50% of small businesses (2-50 employees) currently offer health insurance
- Wisconsin infrastructure is strong
  - New IT platform launched in the past year
  - Took 4 years to implement
Summary

• Wisconsin has multiple innovative initiatives positioning it to lead nationally in value-based purchasing and payment reform

• Continued collaboration between the legislature, large state and other purchasers, academic medical centers, and non-profit organizations essential