Evidence-Based Benefit Design & Value-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
- Unlike other plans, allows flexibility in benefit coverage design
- Must remain budget-neutral

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CACHET

- 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