PLAN/PROVIDER INCENTIVE WORKGROUP PROPOSAL: P4P TO IDENTIFY AND SIGNIFICANTLY REDUCE DISPARITIES

Proposed Approach – The state would develop a P4P program targeting Medi-Cal Managed Care plans to identify and significantly reduce or eliminate areas of known racial or ethnic disparities. This approach would supplement other quality improvement initiatives and drive toward statewide 5-year waiver targets to significantly reduce racial and ethnic disparities.
Target Population – Medi-Cal managed care members from racial and ethnic groups with health-related disparities.
Incentive Approach – Core design elements of the program would include:

1. Development of data collection standards and submission of data related to sociodemographic factors by plan for: race, ethnicity, gender, preferred language, sexual orientation, and gender identity.
    - This approach would be phased-in, with pay for reporting and stratification of quality and outcomes measures by race and ethnicity in years one and two.

2. Identification of, and development of incentive payments for improvements to reduce disparities by health plan within six target areas with known racial or ethnic-related disparities:
    - Diabetes care
    - Child and maternal health
    - Asthma
    - Hypertension and congestive heart failure
    - Behavioral Health
    - Readmissions

Quality Approach – Plan incentives based upon performance and improvement on a set of core quality measures developed by DHCS based on the disparities within the six target areas listed below, to focus health plans on targeted improvements to identify and reduce disparities.
Desired Outcomes – Each target area would link to a statewide 5 year achievement goal at the end of the waiver as outlined below.

1. **Diabetes – Waiver 5-year Goal: Significantly reduce racial and ethnic disparities in preventable lower extremity amputations among patients with diabetes.**

Evidence: The Dartmouth Atlas Produced a report in 2014[1] showing that the rate of diabetes-related amputations was three times higher among Blacks when compared to other Medicare beneficiaries. Because this analysis relied on Medicare data, which groups beneficiaries as "Black" and "Non-Black" (a category which includes Latinos and Asian/Pacific Islanders), the extent of racial and ethnic disparities may be masked somewhat by California's diversity when compared with less diverse states, nationally.

Still, based on California data related to disparities in diabetes care, there are several known disparities. The table, below shows data drawn from the Agency for Healthcare Research and Quality's (AHRQ) 2010 California Snapshot on diabetes-related disparities:

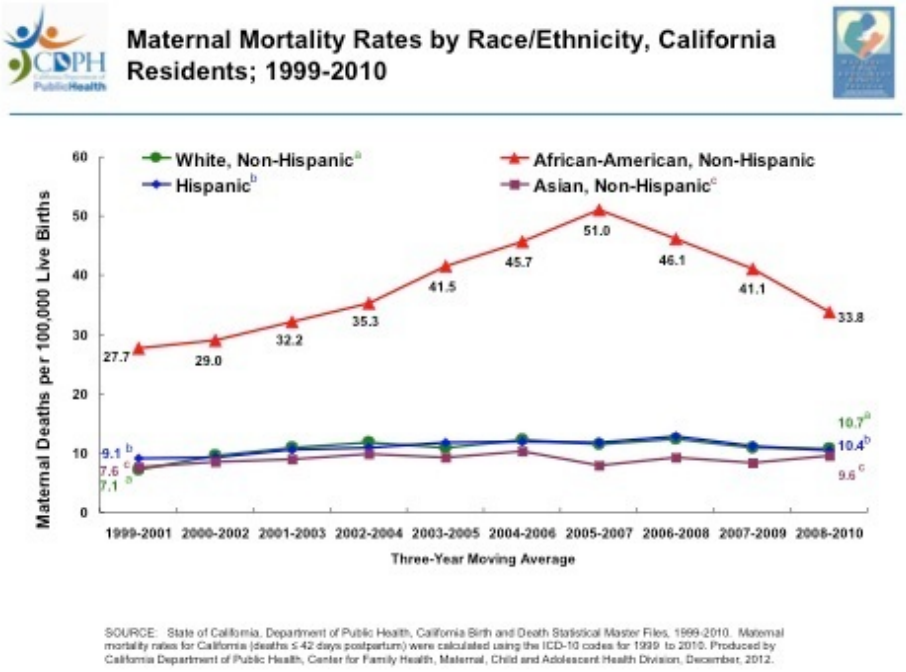
[1] Variation in the Care of Surgical Conditions: Diabetes and Peripheral Arterial Disease, The Dartmouth Atlas, http://www.dartmouthatlas.org/downloads/reports/Diabetes_report_10_14_14.pdf

	African American	Latino	Asian/Pacific Islander	White
Preventable hospital admissions for diabetes with long-term complications (per 100,000 adults, 18 and over) http://cpehn.org/chart/diabetes-long-term-complications-california-adults-2010	269.1	187.9	68.9	77.0
Preventable hospital admissions for diabetes with short-term complications (per 100,000 adults, 18 and over) http://cpehn.org/chart/diabetes-short-term-complications-california-adults-2010	138.6	43.3	11.5	46.5
Preventable hospital admissions for diabetes with short-term complications (per 100,000 youths, age 6 through 17) http://cpehn.org/chart/diabetes-short-term-complications-california-youth-2010	34.1	18.4	7.5	27.7
Preventable lower extremity amputations among patients with diabetes (per 100,000 adults, 18 and over) http://cpehn.org/chart/diabetes-related-amputations-california-adults-2010	69.9	51.8	12.6	20.7
Preventable hospital admissions for uncontrolled diabetes without complications (per 100,000 adults, 18 and over) http://cpehn.org/chart/uncontrolled-diabetes-without-complications-california-adults-2010	38.2	20.6	6.0	7.7

This P4P initiative would target improvements in quality of diabetes care overall, with a 5-year goal of greatly reducing (or significantly improving) racial and ethnic disparities related to amputations.

2. **Child and Maternal Health Waiver 5-year Goal: Significantly reduce racial and ethnic disparities in maternal and infant mortality.**

Evidence: African-American mothers are three times more likely to die from pregnancy-related causes, according to data from California's Department of Public Health. Disparities among African-American and Latinas have been worsening as well.

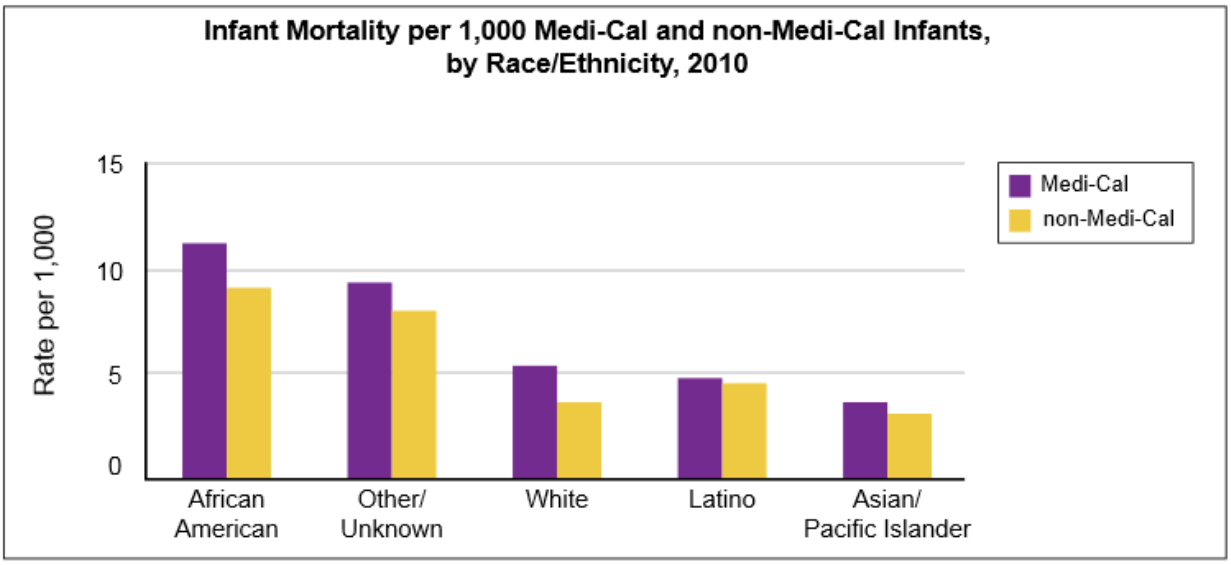


SOURCE: State of California, Department of Public Health, California Birth and Death Statistical Master Files, 1999-2010. Maternal mortality rates for California (deaths ≤ 42 days postpartum) were calculated using the ICD-10 codes for 1999 to 2010. Produced by California Department of Public Health, Center for Family Health, Maternal, Child and Adolescent Health Division, December, 2012.

According to an analysis by the California Maternal Quality Care Collaborative, "Maternal mortality for U.S.-born Hispanics increased by 47% from 1999-2001 to 2008-2010. This increase in maternal mortality among this group is a concerning development since over half of all births in California, or more than a quarter of a million births annually, are

to Hispanic women. In particular, U.S.-born Hispanics account for an increasing proportion of births within California and among all Hispanic births."[2]

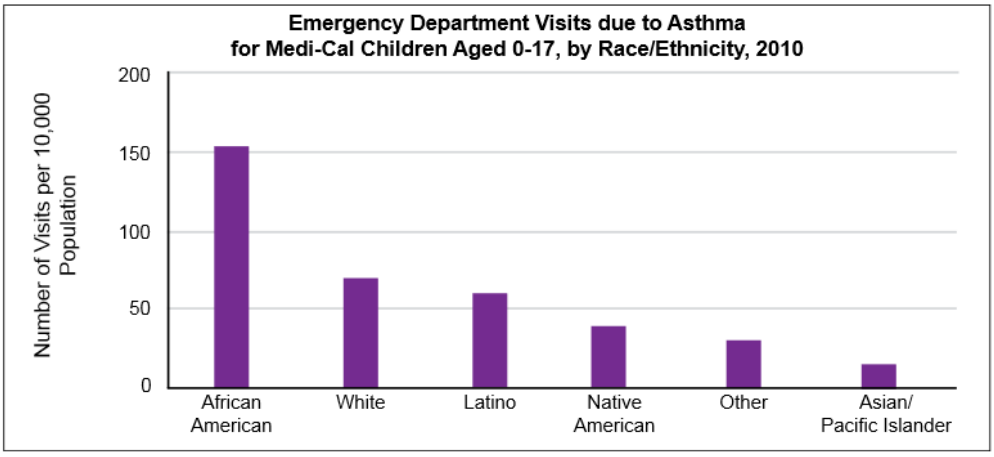
In addition, infant mortality is higher overall for infants on Medi-Cal and among African-Americans, infants are more than twice as likely to die as other infants according to data from the California Department of Public Health:



Source: Birth Cohort File, California Department of Public Health, 2010.
Note: Rates for Native Americans were not shown due to small numbers. Rates for the groups "Other" and "Unknown" as well as "Asian" and "Pacific Islander" were combined to get more reliable rates.

3. **Asthma Waiver 5-year Goal: Reduce avoidable admissions due to asthma by 50% and targeted reductions in avoidable admissions for African Americans by 75%.**

Evidence: Asthma prevalence is highest among African Americans and rates of asthma-related emergency room visits are three times higher for African American children.



Source: Numerators: Office of Statewide Health Planning and Development (OSHPD) Patient Discharge Data, 2010; Denominators: Medi-Cal MIS/DSS, 2010.
Note: Members eligible for both Medicare and Medicaid were excluded.

4. **Hypertension Waiver 5-year Goal: Reduce health disparities in preventable hospital admissions for hypertension and congestive heart failure.**

[2] 8. Xu J, Kochanek KD, Murphy SL, Tejada-Vera B. Deaths: Final data for 2007. National vital statistics reports; Vol 58 no 19. Hyattsville, MD: National Center for Health Statistics. 2010.

Evidence: According to data from AHRQ's 2010 California Snapshot, African American adults' preventable hospital admission rate for hypertension (124.93 per 100,000) was five times that of Whites (22.52 per 100,000). Latinos are twice as likely as White to have preventable hospital admissions and preventable admissions for congestive heart failure. Additional summary data on disparities are included below:

	African American	Latino	Asian/Pacific Islander	White
Preventable hospital admissions for hypertension (per 100,000 adults, 18 and over) http://cpehn.org/chart/hypertension-california-adults-2010	124.9	42.3	30.2	22.5
Preventable hospital admissions for angina without procedure (per 100,000 adults, 18 and over) http://cpehn.org/chart/angina-without-procedure-california-adults-2010-0	60.7	35.8	18.2	24.6
Preventable hospital admissions for congestive heart failure (per 100,000 adults, 18 and over) http://cpehn.org/chart/congestive-heart-failure-california-adults-2010	829.7	352.2	223.4	272.4

5. **Behavioral Health Waiver 5-year Goals: Stratify behavioral health approaches in the waiver by race, ethnicity, gender, sexual orientation and gender identity. Increase screening for mental health and substance use disorders by areas of identified disparities. Identify strategies that seek to address other significant impacts and aspects of behavioral health including domestic violence.**

Students Reporting Depression-Related Feelings Statewide:[3]

African American	28.8%
Latino	31.4%
Native American	31.6%
Asian	27.8%
Pacific Islander	34.0%
White	27.2%

All below statistics are statewide, not just for Medi-Cal .

Physical or Psychological Intimate Partner Violence During Pregnancy:[4]

African American	15.2%
Latino	10.5%
Asian/Pacific Islander	9.4%
White	4.4%
Statewide Total	**8.8%**

Prenatal Depressive Symptoms:

African American	23.8%
Latino	20.1%
Asian/Pacific Islander	11.2%
White	11.2%
Statewide Total	**16.4%**

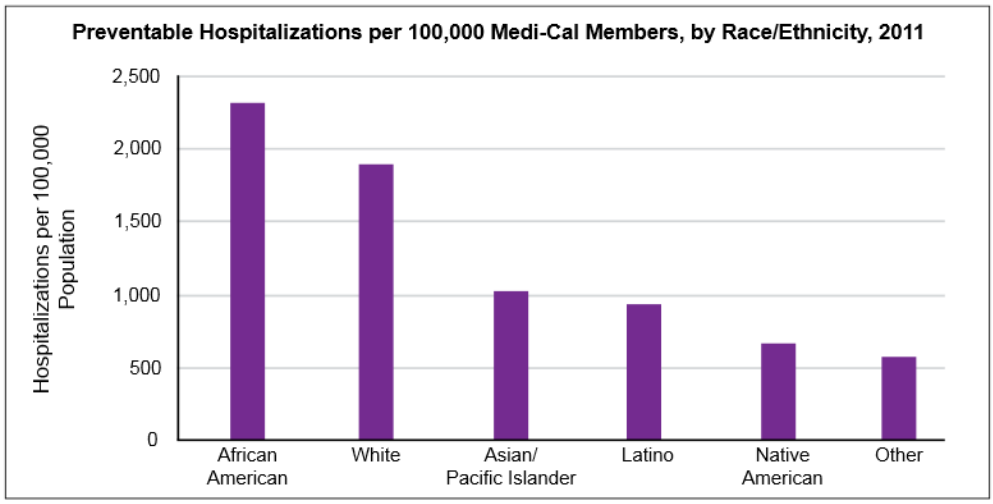
[3] Available at: (http://cpehn.org/chart/depression-related-feelings-california-2008-2010)
[4] California Department of Public Health: (http://www.cdph.ca.gov/data/surveys/MIHA/MIHASnapshots/SnapshotbyRace2012.pdf)

Postpartum Depressive Symptoms:

African American	24.2%
Latino	16.9%
Asian/Pacific Islander	14.7%
White	13.6%
Statewide Total	**16.0%**

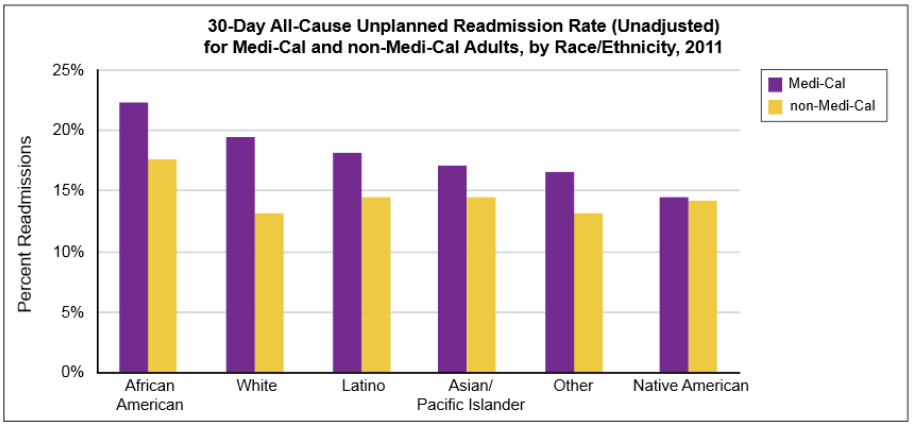
6. Preventable Hospitalizations/Readmissions Waiver 5-year Goal: Eliminate racial/ethnic disparities in the rate of preventable hospitalizations, readmissions and hospital acquired infections.

Evidence: The baseline for preventable hospitalizations in the overall population is 1,243 per 100,000. For Medi-Cal it is 1,290. This chart shows that African Americans are at about double the average.



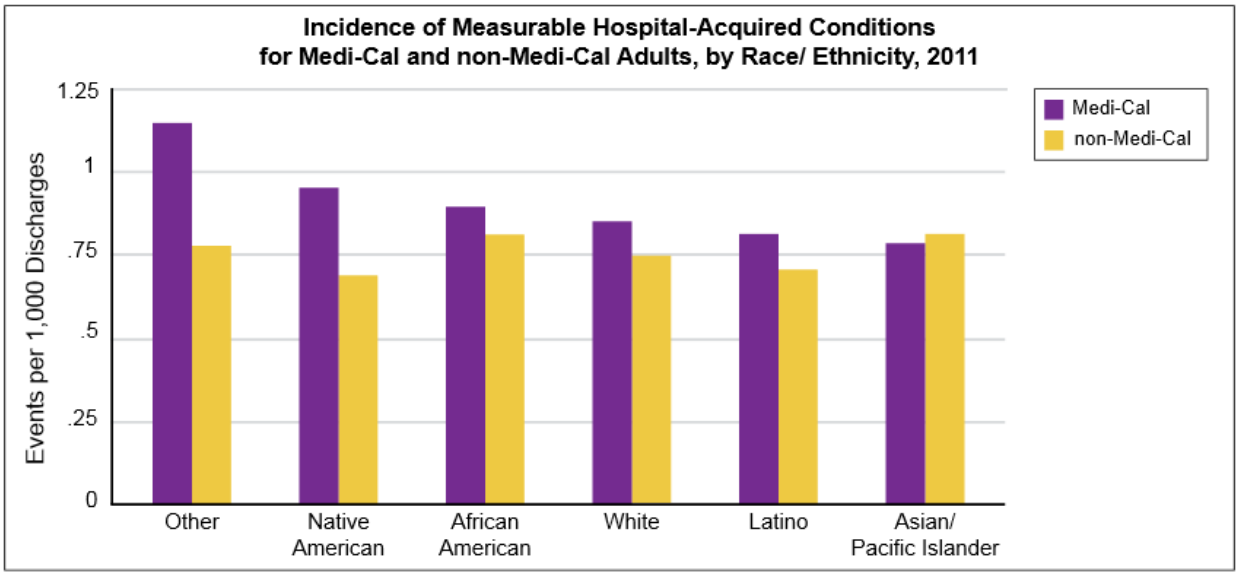
Source: Numerators: Office of Statewide Health Planning and Development (OSHPD) Patient Discharge Data, 2011; Denominators: Medi-Cal MIS/DSS, 2011.
Note: Rates produced from the Agency for Healthcare Research and Quality (AHRQ) Prevention Quality Indicators Composite, Version 4.4. Members eligible for both Medicare and Medicaid were excluded.

The baseline for the entire state for readmissions is 14.1%. In Medi-Cal it is 18.7%. The chart below shows that over 1 in 5 African Americans on Medi-Cal are readmitted.



Source: Office of Statewide Health Planning and Development (OSHPD) Discharge Data, 2011.

Hospital-acquired conditions averaged 0.75 per 1,000 hospital discharges for the California non-Medi-Cal population and 0.84 per 1,000 discharges for Medi-Cal members. The chart below shows that for most populations, the rate of hospital-acquired conditions in Medi-Cal is higher than for those not in Medi-Cal. Native Americans and African Americans have particularly high rates.



Source: Office of Statewide Health Planning and Development (OSHPD), Patient Discharge Data, 2011.
Note: Rates produced from the Agency for Healthcare Research and Quality (AHRQ) Patient Safety Indicator (PSI) Composite, Version 4.4.

Alignment with other DHCS Initiative: Alignment with DHCS' "Strategy for Quality Improvement in Health Care," and recommendations of the Let's Get Healthy California Taskforce.

Role of DHCS –

With the support of a stakeholder advisory group, DHCS would:

- Contractually require each plan to stratify plan reporting by race, ethnicity, preferred language, sexual orientation, and gender identity.
- Develop a pay-for-performance incentive program to incentivize plans to achieve 5-year waiver goals statewide, as outlined above, with
    - Stable core measure set (performance measures, specifications, benchmarks)
    - Develop a set of tools and resources to support plans with implementation and maintenance
    - Monitor, revise, and improve P4P programs on an ongoing basis to ensure desired impact and unintended consequences are identified
    - Provide resources, tools and training for frontline staff and providers to assist in the identification and reduction of health disparities
- Include information on racial, ethnic, and other disparities in the DHCS Medi-Cal managed care dashboard

Examples: Most managed care plans already operate P4P programs. Massachusetts attempted a P4P to reduce disparities in 2006, but it was focused on individual hospitals in a state with relatively low racial/ethnic diversity, which made finding adequate samples by hospital a challenge, along with the short time frame allotted.

Conclusion: Clearly certain populations in Medi-Cal and statewide are experiencing preventable conditions and the long-term complications of those conditions at alarmingly higher rates. In order to achieve the proposed 1115 waiver goals, a primary strategy of health plans, providers and DHCS must be the standardization of data collection, identification of disparities, and development of strategies that specifically target the reduction of those disparities in a comprehensive way. This pay-for-performance incentive proposal will assist plans and providers in targeting the necessary resources to achieve the foundation for meeting those long-term goals.