Progress on the Implementation of the Global Payment Program (GPP)

July 18, 2018

Agenda

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- Service Valuation
- Thresholds
- Global Budgets
- Midpoint Evaluation Results
- Questions

GPP Overview

GPP Overview

The GPP establishes a statewide pool of funding for the remaining uninsured by combining federal Disproportionate Share Hospital (DSH) and uncompensated care funding, where select Designated Public Hospital systems can achieve their “global budget” by meeting a service threshold that incentivizes movement from high cost, avoidable services to providing higher value, and preventive services.

Program Goals:

- Improve
- Promote
- Incentivize

GPP Overview

Public Health Care Systems (PHCS)

Los Angeles County (LA Co.) health system
- a. LA Co. Harbor/UCLA Medical Center
- b. LA Co. Olive View Medical Center
- c. LA Co. Rancho Los Amigos National Rehabilitation Center
- d. LA Co. University of Southern California Medical Center

Alameda Health System
- a. Highland Hospital
- b. Alameda Hospital
- c. San Leandro Hospital

Arrowhead Regional Medical Center
Contra Costa Regional Medical Center
Kern Medical
Natividad Medical Center
Riverside University Health System -- Medical Center
San Francisco General Hospital
San Joaquin General Hospital
San Mateo County General Hospital
Santa Clara Valley Medical Center
Ventura County Medical Center

GPP Overview

Methodology:

- Combine funding: DSH + Safety Net Care Pool (SNCP)
- Establish global budgets based on threshold amounts
- Based on a points system
- Example: A PHCS that reached 95% of their point threshold will receive 95% of their global budget

Service Valuation

Service Valuation

- Each eligible service a PHCS provides will earn the PHCS a number of points.
- The intent is to provide flexibility while encouraging a shift to cost-effective care that is person-centered.

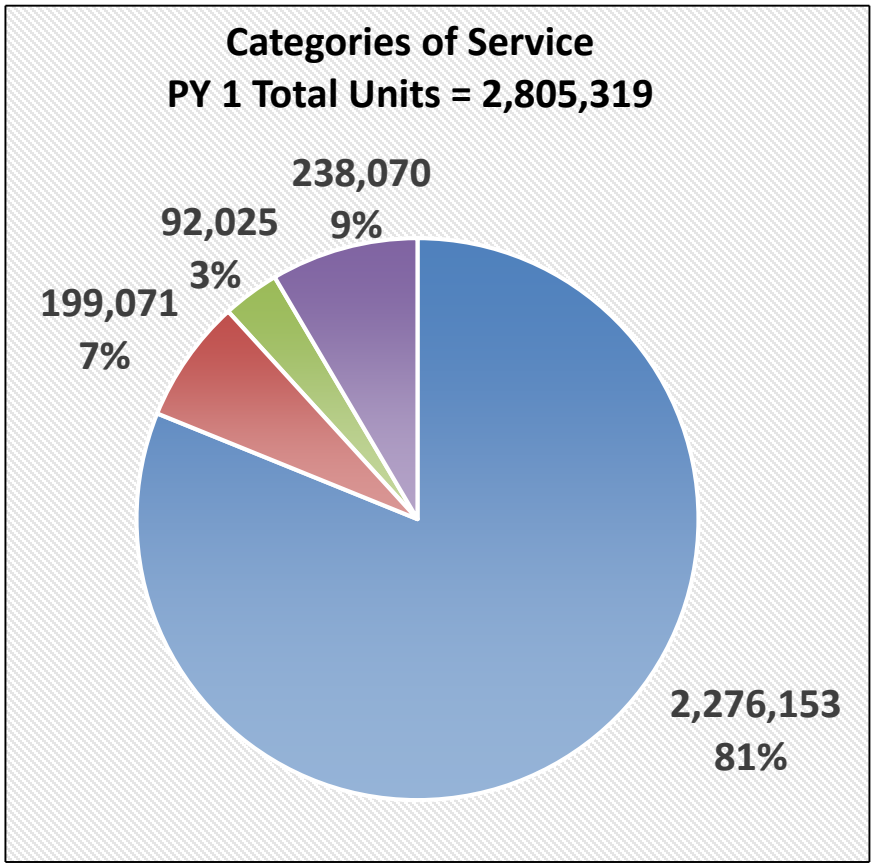
Categories and Tiers of Services

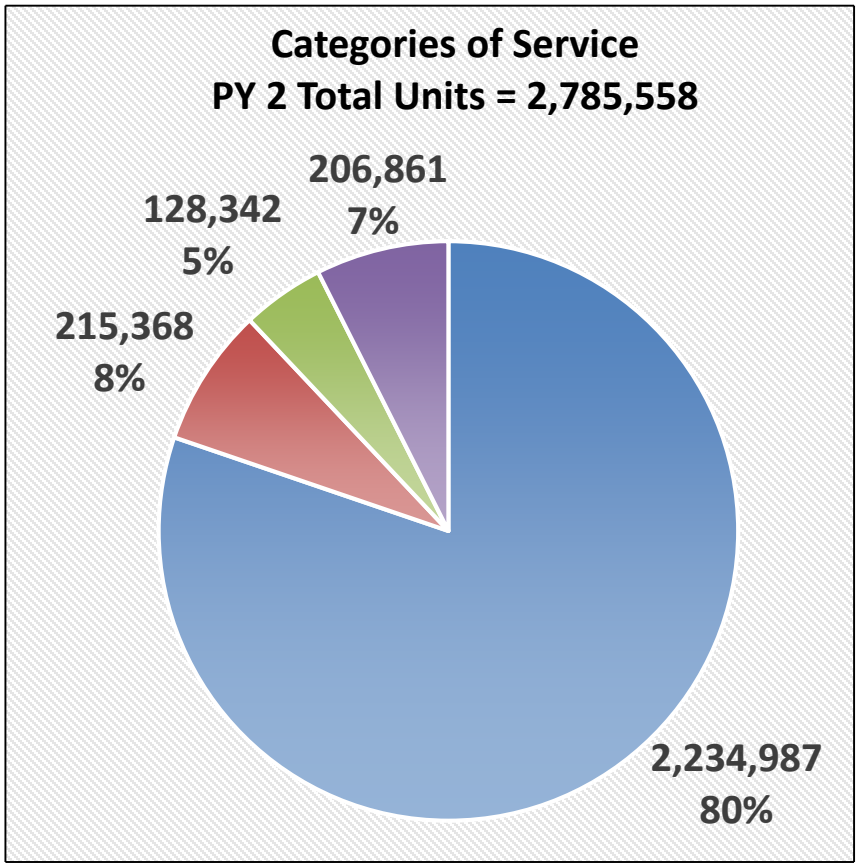
- Services associated with points in the GPP are grouped in both categories (1-4) and tiers (A-D) within categories.
- Categories 1 through 4 are groupings of health care services that are organized according to their similar characteristics.

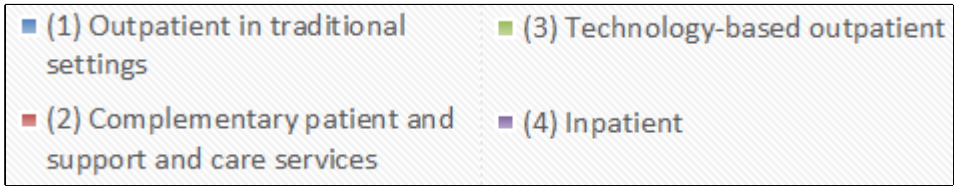
GPP Categories

Category Number	Category Description	Characteristics
1	Outpatient in traditional settings	Outpatient services in traditional settings
2	Complementary patient support and care services	Outpatient services both inside and outside of the clinic, including health education, health coaching, group and mobile visits, etc.
3	Technology – based outpatient	Technologically-mediated services such as real-time video consultations or e-Consults between providers.
4	Inpatient	Services are those involving facility stays, including inpatient and residential services.

Program Year (PY) 1 vs. PY 2:







Change in Point Values

Category of service	Initial point value (cost-based)	Point value PY 1	Total Units PY 1	Point value PY 2	Total Units PY 2	Point value PY 3	Point value PY 4	Point value PY 5
OP ER	160	**160 0%**	**104,551**	**158 -1%**	**94,260**	156 -2.5%	152 -5%	152 -5%
Mental health ER / crisis stabilization	250	**250 0%**	**17,104**	**248 -1%**	**17,585**	244 -2.5%	238 -5%	238 -5%
IP med/surg	634	**634 0.%**	**32,860**	**630 -0.6%**	**29,651**	624 -1.5%	615 -3%	615 -3%
IP mental health	341	**341 0%**	**25,454**	**339 -0.6%**	**26,320**	336 -1.5%	331 -3%	331 -3%

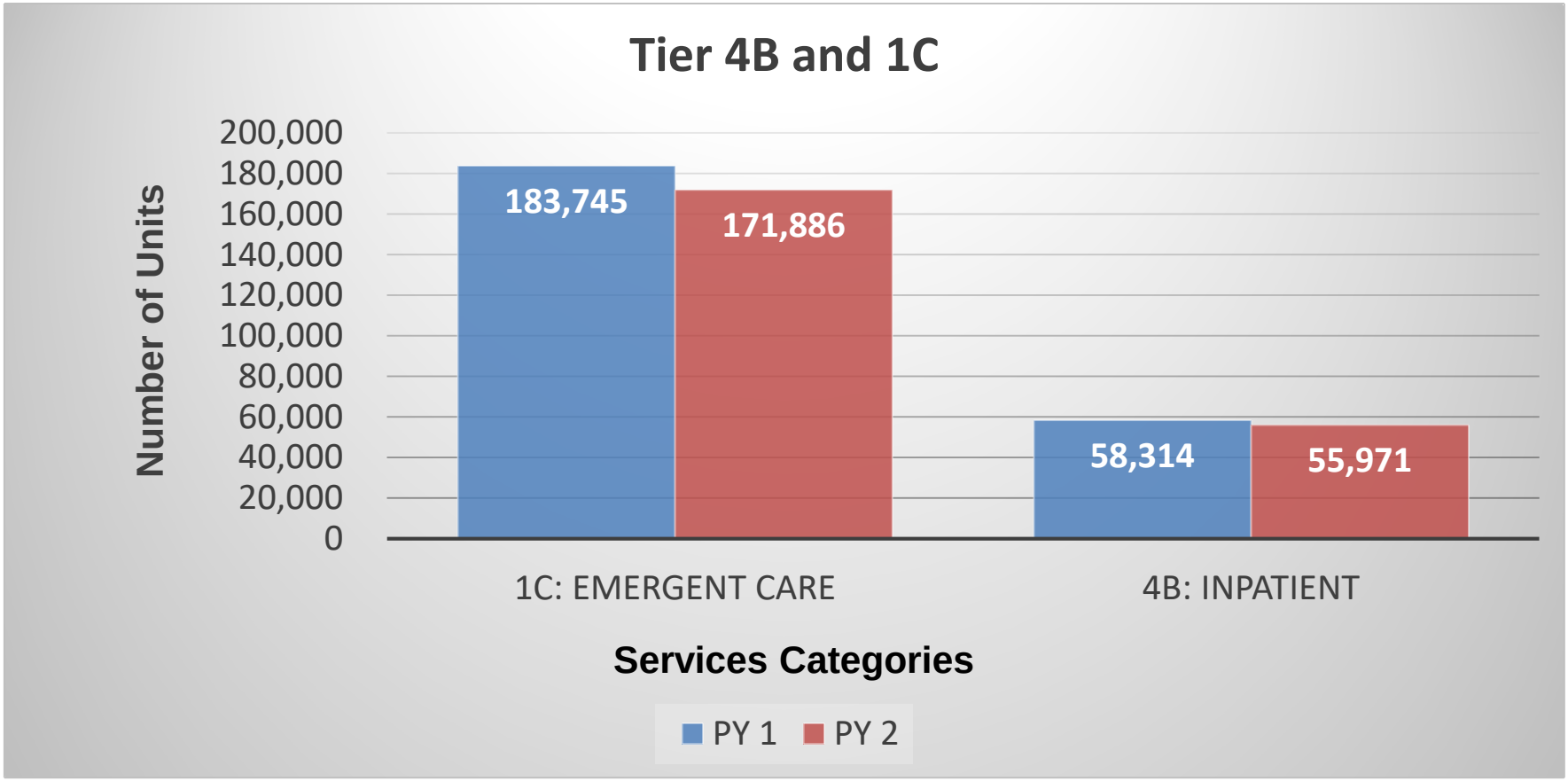
- Points are modified over the course of the GPP from being linked to cost, to being linked to both cost and value.

Tier 1C and 4B

Tier	Tier Description	Service Type	Initial Point Value
1C	Emergent Care	OP ER	160
		Contracted ER (contracted provider)	70
		Mental health ER / crisis stabilization	250
4B	Acute inpatient, moderate intensity	Medical/surgical	634
		Mental health	341

- Tier 1C and 4B service values should decline over time.
- These services are higher-cost and judged as most likely to be reducible through efforts at coordination, earlier intervention, and increased access to appropriate care.

PY 1 vs. PY 2:


Tier 4B and 1C
Number of Units
200,000
180,000
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
183,745
171,886
58,314
55,971
1C: EMERGENT CARE
4B: INPATIENT
Services Categories
PY 1
PY 2

Thresholds

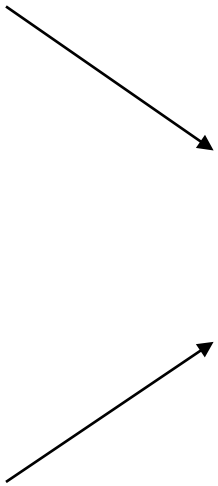
PY 1 vs. PY 2 Thresholds

Public Health Care System	PY 1 System Thresholds	PY 1 % of Threshold	PY 2 System Thresholds	PY 2 % of Threshold
Alameda Health System	19,151,753	102%	19,760,279	100%
Arrowhead Regional Medical Center	7,525,819	89%	7,764,944	93%
Contra Costa Regional Medical Center	5,674,651	108%	5,854,957	110%
Kern Medical	3,633,669	101%	3,749,125	131%
Los Angeles County Health System	101,573,445	105%	104,800,830	99%
Natividad Medical Center	2,959,964	102%	3,054,014	96%
Riverside University Health System Medical Center	8,066,127	92%	8,322,419	99%
San Francisco General Hospital	12,902,913	99%	13,312,889	89%
San Joaquin General Hospital	3,021,562	108%	3,117,569	102%
San Mateo County General Hospital	8,733,292	106%	9,010,783	98%
Santa Clara Valley Medical Center	19,465,293	99%	20,083,781	95%
Ventura County Medical Center	9,213,731	80%	9,506,487	65%

Global Budgets

GPP Budget

PY 1 GPP Payment Calculations	
DSH Allotment FFP	$1,191,387,603
Private	$80
NDPH	$13,500,000
DPHs	$1,177,887,523
DPH - UC - 26.296%	$309,737,303
DPH - Other	$868,150,220
SNCP Allotment FFP	$236,000,000
DPH Other	$868,150,220
GPP Allotment FFP	$1,104,150,220
GPP Total (IGT + FFP)	$2,208,300,440



Year	Total Budget
15/16	$2,208,300,440
16/17	$2,278,466,770
17/18	$2,345,101,050

Payments

Public Health Care System	PY 1 System Budgets	PY 1 Total Paid	PY 2 System Budgets	PY 2 Total Paid to Date
Alameda Health System	$209,451,069	$210,740,530	$216,106,147	$214,860,138
Arrowhead Regional Medical Center	$82,305,303	$73,544,116	$84,920,464	$71,182,394
Contra Costa Regional Medical Center	$62,060,205	$64,020,870	$64,032,100	$63,853,483
Kern Medical	$39,739,227	$39,818,873	$41,001,897	$40,887,523
Los Angeles County Health System	$1,110,846,961	$1,142,739,933	$1,146,142,907	$1,142,945,748
Natividad Medical Center	$32,371,325	$32,576,908	$33,399,889	$33,306,720
Riverside University Health System Medical Center	$88,214,323	$81,314,378	$91,017,236	$85,174,389
San Francisco General Hospital	$141,111,308	$139,774,247	$145,594,965	$123,688,489
San Joaquin General Hospital	$33,044,985	$34,128,288	$34,094,953	$33,990,375
San Mateo County General Hospital	$95,510,700	$97,709,022	$98,545,448	$97,978,825
Santa Clara Valley Medical Center	$212,880,065	$211,718,183	$219,644,096	$200,352,866
Ventura County Medical Center	$100,764,969	$80,215,096	$103,966,666	$81,995,960
Total	**$2,208,300,440**	**$2,208,300,440**	**$2,278,466,770**	**$2,190,216,910**

Program Evaluations

GPP Evaluation Design

Two evaluations: Midpoint and Final

The evaluations will assess whether changing the payment methodology results in more cost-effective and higher-value care as measured by:

- Delivering more services at lower level of care
- Expansion of the use of non-traditional services
- Reorganization of care teams
- Better use of data collection
- Cost avoidance
- Additional investments in infrastructure

Midpoint Evaluation

The midpoint report focused on two questions:

1. Did the GPP allow PHCS to build or strengthen primary care, data collection and integration, and care coordination to deliver care to the remaining uninsured?

2. Did the utilization of non-inpatient non-emergent services increase?

Midpoint Evaluation Results

All 12 PHCS addressed or tackled improvement efforts across all six improvement domains in primary care transformation:

- Data collection and tracking - (most challenging)
- Improving coordination of care
- Improving access to care - (least challenging)
- Improving staffing - (least challenging)
- Improving team-based care
- Improving the delivery system

Midpoint Evaluation Results

Early trends in the aggregate data suggest changes in utilization of services that align with the goals specified for the GPP.

Number of PHCS	Finding
8	Increase in outpatient non-emergent services
7	Decrease in ER visits
6	Decrease in inpatient medical and surgical stays
12	Strategies implemented are now part of overall culture

Midpoint Evaluation Results

The GPP has helped the PHCS successfully increase existing services and develop new services.

Category	Number of PHCS		
	Increased Existing Services	Developed New Services	Multiple Modifications
1. OP services in traditional settings	6	5	4
2. Complementary patient support and care services	8	9	5
3. Technology-based OP services	8	8	4
4. IP services	5	6	5

Midpoint Evaluation Results

The utilization of non-traditional services has increased from PY 1 to PY 2.

Tier Description	Average # of PHCS Providing Services	
	PY 1	PY 2
Non-physician visits	6.33	7.33
Prevention and patient support	3.00	4.67
Chronic and integrative care services	2.50	2.75
Community-based encounters	3.00	4.00
Email and text encounters	1.75	2.75
Technology-enabled services	3.50	5.25
Residential non-traditional	3.00	4.50

Note: Within the 7 tiers, there are 33 non-traditional services.

Summary

The data from the first two years of the demonstration clearly show that the goals of the program are being met.

While there are challenges, overall the GPP is allowing the PHCS to successfully make changes within their systems that allow them to deliver more cost-effective and higher-value care to the uninsured.

Questions?