Key Findings and Next Steps of the Ohio Payment Reform Summit: Executive Summary

Ohio Colleges of Medicine
Government Resource Center

In order to facilitate the process of health care reform in Ohio, the Ohio Health Care Coverage and Quality Council (HCCQC) held a statewide health care Payment Reform Summit on December 4, 2010. The Summit's 139 participants included consumers, physicians, hospitals, other health care practitioners, employers, and public and private health plans staff.

The Summit's goals were to:

- Create a common understanding of the health care system's payment reform needs, challenges, and opportunities;
- Discuss and refine payment options to promote improved quality and outcomes, while bending the growth of health care spending;
- Develop ideas on how to move payment reform forward in Ohio; and
- Foster relationships among different parties at the state and regional levels to further health care improvement conversations.

Summit participants, divided into eight regional breakout groups, addressed policy options and local and state action steps under two general themes:

- Advancing patient-centered primary care in Ohio by supporting practice transformation, including consumer engagement and the integration of behavioral health in the primary care home; and
- Aligning payment to achieve improved health outcomes and better value across health care settings, included but not limited to strategies such as bundled or global payments and episode of care reimbursement.

Based on the breakout group discussions, the participants agreed that:

- The payment system needs to move away from the existing fee-for-service model because it rewards quantity over quality;
- Moving to a patient-centered primary care home model is a worthwhile goal; requiring payment reform to support practice transformation and team-based care;
- Payment reform to promote medical homes should include either a large monthly care management fee or a per-patient partial comprehensive care payment for outpatient services, along with financial incentives to reduce the overall rate of hospital readmissions;
- Either of these payments should be risk-adjusted and applied to all patients;
- Cost sharing should encourage patients to select and use a primary care home and appropriately use medications and/or other treatments for managing their health conditions;
- Any payment structure should ensure effective integration of behavioral and physical health services, including support for telemedicine;

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- Payment for major acute care events should become a single, prospectively-defined payment to cover the cost of hospital care, all physician and other health care practitioner services, and any short-term care following discharge;
- Payment reform should promote the reduction of preventable adverse events, including no additional payments for events that should not occur, and should support the reduction of avoidable hospital readmissions;
- Payment reform should be accompanied by greater transparency and public reporting of data;
- Information gleaned from the Summit should be shared with their peers, patients, and others, as well as begin or continue local payment reform discussions; and
- Continued state leadership on payment and delivery system reform is needed, including Medicaid participation in any multi-payer initiatives.

Participants also raised some important challenges to consider and address when moving forward with payment reform, including:

- Because providers will transform their entire practice or not transform at all, they must have multiple payers participate in payment reform and the reform changes must cover all of their patients;
- Because the costs of practice transformation will require that providers get some upfront financial and technical assistance to facilitate this transformation, funds that will need to come from public and private health plans;
- Practice transformation will require continued support for the adoption of electronic health records and the exchange of health information;
- Practice transformation will require much better coordination across health care settings and involvement of a much wider range of health care practitioners. This transformation requires technical assistance, including changes in workforce development. Payment structures must support this new approach to practice;
- A "free rider" concern is that many plans will hold off on making payment reform changes hoping to benefit from the investment of a few plans;
- The State must assist with any anti-trust concerns related to regional or state collaborative meetings associated with payment reform; and
- Payment reform requires flexibility because providers are at different points of readiness for change and resources will differ for small practices and practiced in rural and underserved areas.

According to the evaluations and discussions with participants, the Summit met its goals. The participants expressed interest in continuing the work on payment reform. Next steps include:

- Share this report with a workgroup from the Council's Payment Reform Taskforce and Enhanced Patient Centered Home Steering Committee to build upon the Summit results and propose specific action steps for regions and for the state;
- Include the report in the transition materials related to health care reform;
- Share the report with members of the Ohio General Assembly;
- Share participant contact information with all Summit participants to facilitate continuing regional meetings; and
- Share the report with all Summit participants so that they can build upon the agreements and discussions they had at the Summit and share the information with their peers and other people in their regions.