Early Lessons Learned from An FQHC Payment Reform Learning Collaborative in Texas:

Funders Perspective, May 2018

A collaborative partnership between:

EPISCOPAL HEALTH FOUNDATION

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Piloting An FQHC Payment Reform Learning Collaborative in Texas: Funders' Perspective

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Executive Summary

This issue brief summarizes the events and activities involved in the payment reform readiness initiative organized by the Episcopal Health Foundation (EHF), the St. David's Foundation (SDF) and the Robert Wood Johnson Foundation (RWJF). In Spring 2017, Federally Qualified Health Centers (FQHCs) were invited to learn about payment reform and the key elements involved in successfully implementing the concept at a health center. At this initial convening, national payment reform experts detailed current and upcoming mandates that the Centers for Medicare and Medicaid Services (CMS), the Texas Health and Human Services Commission (HHSC) and many state managed care organizations (MCOs) will be requiring of FQHCs. Following this convening, all FQHCs in the shared EHF and SDF service areas were offered the opportunity to complete a payment reform readiness assessment tool that was developed by the National Association of Community Health Centers (NACHC) in partnership with JSI. In Fall 2017, the FQHCs who completed the readiness assessment survey were invited to learn about their findings, and examine their areas of readiness, as well as areas of needed development for participation in payment reform. A review of the survey responses reveals that the clinics face challenges within each of the four payment reform domains assessed: 1) Organizational Leadership and Partnership Development, 2) Change Management and Practice Transformation, 3) Use of Data and Information, and 4) Financial, Operational Analysis, Management and Strategy. In the final analysis, the assessment indicated that responding FQHCs would benefit from multiple levels of technical assistance, and that these efforts should be tailored individually, because a one-size-fits-all approach will not work. This payment reform initiative will serve as a launching point for the three foundations, informing strategy development for supporting Texas FQHCs in navigating the implementation of payment reform. The supporting foundations look forward to partnering with FQHCs as they build their capacity to better engage in payment reform work.

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Background

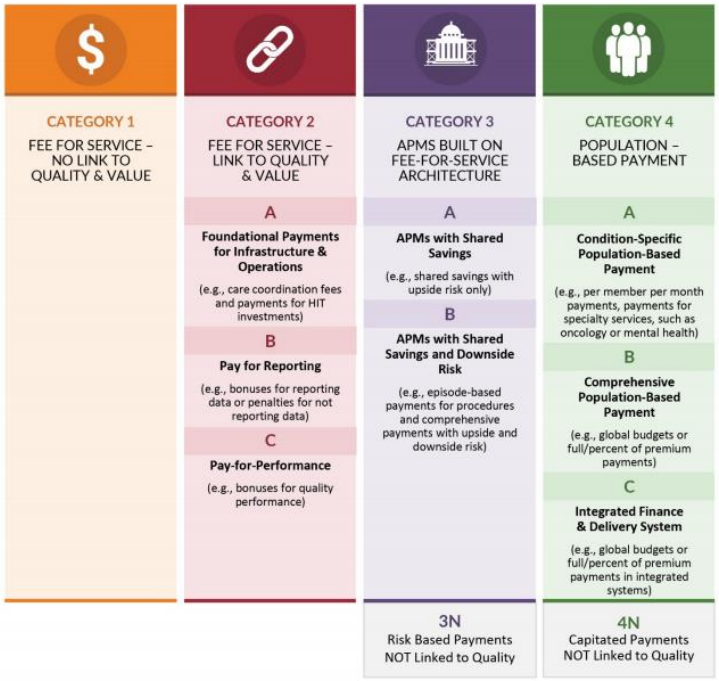
The broad national interest in developing new models of payment for health care services that reward value over volume has resulted in the formation of many learning collaboratives to support the transition to value-based payments (VBP). Building upon these national trends, EHF partnered with RWJF and SDF to develop a learning collaborative for FQHCs in Texas. The goals of this collaborative were: (1) to identify, learn about and leverage existing payment reform educational and training resources and draw early lessons learned from other payment reform experiences; (2) to engage key stakeholders, such as HHSC and MCOs in planning conversations; (3) to administer the NACHC payment reform readiness assessment tool to gauge FQHCs' capacity and readiness to engage in payment reform work; and (4) to identify opportunities to build the capacity of FQHCs to move forward successfully in the payment reform environment.

FQHCs participated in two convenings where they heard from MCO representatives, national payment reform experts, and state Medicaid officials. Following the initial learning session, technical assistance was made available to FQHCs to help them complete a payment reform assessment. At the second gathering, FQHCs received individualized data analyses from their surveys and discussed opportunities to leverage work. As a result of this process, FQHCs gained insight into their state of readiness for participation in payment reform and identified opportunities and specific areas for future training and technical assistance.

Spring 2017: First Convening

The initial convening was the first time that these stakeholders in Texas were brought together to discuss value-based payment. At this meeting FQHCs heard from payment reform experts Health Management Associates (HMA), Starling Advisors and the Safety Net Advancement Center (SNAC) about the elements of payment reform, including how practice transformation, innovative uses of data, the coordination of social determinants of health, and a balance of incentives and disincentives can be financially advantageous to FQHCs. These national experts explained the value-based payment continuum, which includes four categories of alternative payment methods (APMs) in which reimbursements become increasingly linked to quality and value of care (Figure 1).

Figure 1. Alternative Payment Model Framework



Source: https://hcp-lan.org/workproducts/apm-whitepaper.pdf

After talking about the concept of payment reform, the consultants directed the discussion to the national landscape. CMS and many state MCOs are incorporating incentives into their provider reimbursement arrangements across the nation. Similarly, representatives from HHSC, United Health, and the state association of community health plans reported that implementation of VBP programs are also underway within the state of Texas. At the contractual level, HHSC has put in place value-based targets for MCOs to meet that increase by level of risk over the next four years. In turn, MCOs have required providers, including FQHCs, to have incentive arrangements, some of which began in September 2017.

Summer 2017: FQHC Payment Reform Readiness Survey

Following the initial convening, 35 FQHCs were offered the opportunity to complete a payment reform readiness assessment tool that was developed by the NACHC in partnership with JSI. Eighteen of the 35 FQHCs completed the survey.

The survey is designed to assess the core readiness areas needed for participation in a variety of payment reform models in use by both public and private payers. The key domain areas of readiness include organizational leadership and partnership development (6 questions); change management and service delivery transformation (12 questions); robust use of data and information (5 questions); and financial and operational analysis, management and strategy (7 questions). There are three readiness levels with the tool: 1 to 3: Beginning to Develop Readiness; 4 to 6: Basic Requirements in Place; and 7 to 9: Fully Developed or Advanced Readiness.

Fall 2017: Second Convening

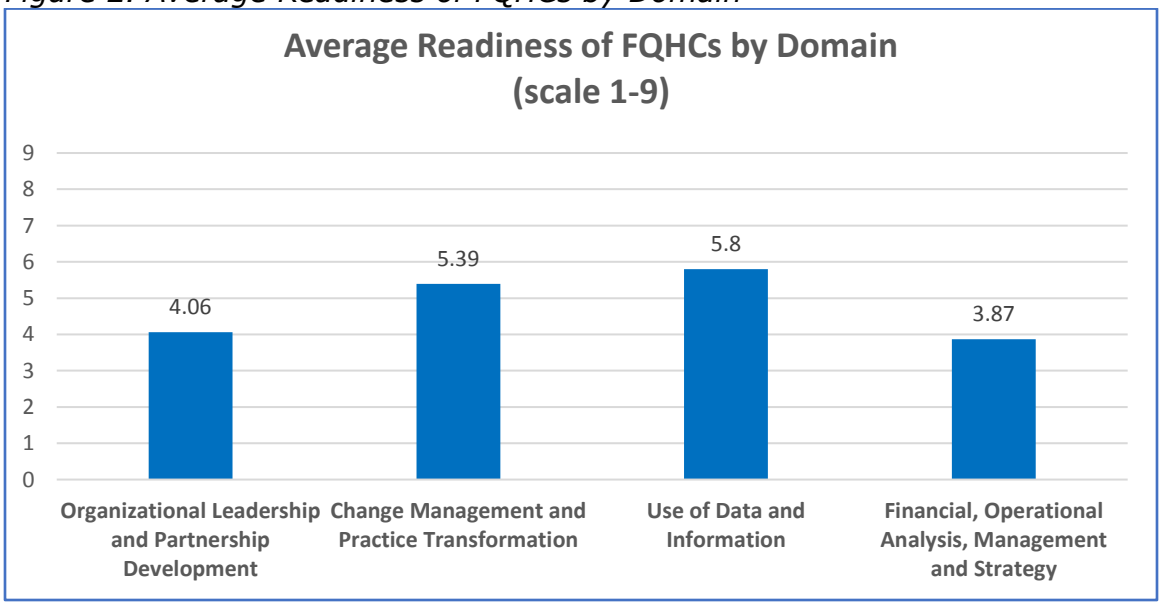
The second convening around payment reform occurred in Fall 2017. All 18 FQHCs who chose to participate in the readiness assessment survey were sent the survey findings and invited to the event. Eleven FQHCs attended the Fall gathering where they heard from national experts, HHSC and the state association of community health plans. The focus of the second convening was driven by the findings of the FQHC readiness assessment survey, so that FQHCs could use these findings to strengthen their capacity for participation in payment reform.

As FQHCs learned about their areas of readiness, as well as areas of needed development for participation in payment reform, presenters offered related guidance. HHSC presented a value-based purchasing roadmap with guiding principles, current VBP programs, and keys to success. MCO representatives outlined state plans for implementing VBP measures through 2021 and emphasized the need for MCOs and providers to partner in order to successfully address upcoming VBP requirements. After hearing from private consultants, Starling Advisors, about value-based options in consideration of health reform uncertainties at the national level, as well as lessons from other states, the FQHCs broke up into groups to discuss next steps for how to take action locally.

Overall Findings and Important Themes

The average FQHC payment reform readiness by domain is demonstrated below (Figure 2). None of the average scores on any of the four domains indicate a "Fully Developed or Advanced Readiness" for payment reform. The lowest average readiness fell in the Financial, Operational Analysis, Management and Strategy domain indicating "Beginning to Develop Readiness" in this domain. The Use of Data and Information and Change Management and Practice Transformation domains fall within the "Basic Requirements in Place" readiness stage.

Figure 2. Average Readiness of FQHCs by Domain



The domain scores above represent the averages given by the 18 responding FQHCs to all the questions within each domain.

A review of the survey responses reveals that the clinics face challenges within each of the four domains and would benefit from multiple levels of technical assistance. Below is a discussion about each of the domain issues, survey findings and key themes that emerged from the second convening.

Organizational Leadership and Partnership Development

In the Organizational Leadership and Partnership Development domain, the clinics ranked some of their lowest average scores on the survey, indicating that clinic Board members and clinic leadership are not wholly promoting clinic transition to value-based practices (Figure 3). This lack of support for payment reform at the decision-maker level ultimately translates to lower scores in the other payment reform domains. When leadership is not knowledgeable about payment reform, they are not likely to take steps such as building a supportive IT infrastructure or coordinating staffing models around value-based care. These survey findings were reinforced by discussions at the second convening. Clinic leaders expressed the need to increase their understanding of value-based care and "where the market is heading." Technical assistance in this area has great potential to assist clinics in moving forward in preparedness for payment reform.

Figure 3. Organizational Leadership and Partnership Development

The scores above represent the average responses given by the 18 responding FQHCs to each question.

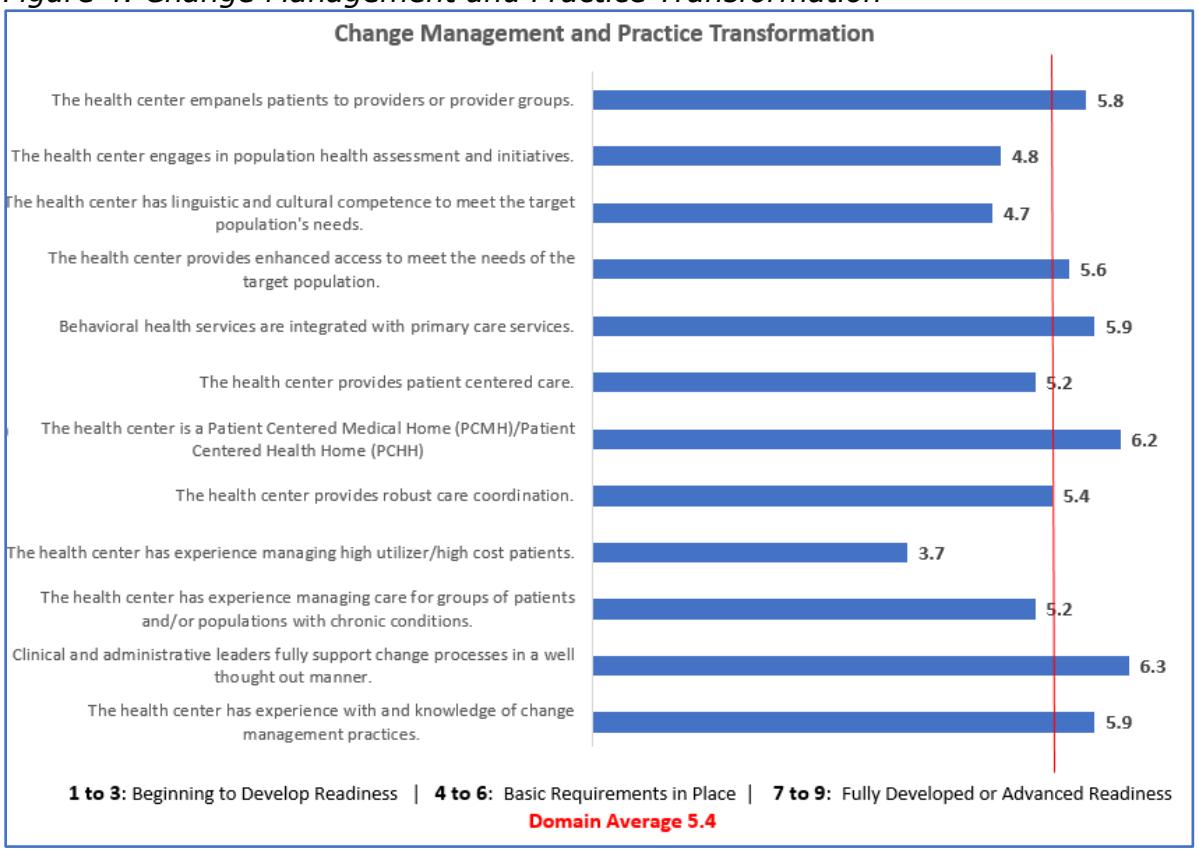
One of the most prominent themes that developed at the convening was the need to build collaborative partnerships with key stakeholders in the clinics' communities. These partners include, but are not limited to, MCOs and hospitals as well as with

other clinics. Building relationships with their MCOs can help sites identify ways to work more closely on data needs, track down patients who are assigned but have not been seen by the clinics, and develop common metrics across plans to create meaningful incentive programs. As part of this work, the Texas Association of Community Health Plans voiced interest in working with the FQHCs to engage health plans around these matters. Such a collaboration could provide a strategy for initiating payment reform at the sites, and this approach would provide specific models regarding which sites can develop and improve their readiness in each of the domains. For numerous participants, building relationships and working more collaboratively with their colleagues was discussed as a way to share data platforms, develop staffing options for shared staff, or simply share resources. The survey data supports the clinics' stated need to work together and with other partners. An examination of the individual questions that make up the Organizational Leadership and Partnership Development domain shows that clinics are still at the "Beginning to Develop Readiness" level for developing partnerships. However, in response to the statement "*The health center has experience developing partnerships to address service area needs and take advantage of opportunities in the local healthcare marketplace,"* the score was 6.1 (Figure 3), among the highest average scores in response to a single readiness question.

Change Management and Practice Transformation

Related to population health management, survey findings indicate that clinics need to work on identifying and managing high-utilizer/high-risk patients and on developing processes to better manage other patient populations that are included in registries for chronic conditions. In the Change Management and Practice Transformation Domain on the readiness assessment survey, the average clinic score on the measure, "*The health center has experience managing high-utilizer/high cost patients,"* was in the "Beginning to Develop Readiness Stage," (Figure 4). In response to the statement, "*The health center provides robust care coordination,"* the average clinic response was higher, in the "Basic Requirements in Place" stage. This score is higher but leaves room for this practice to be addressed more effectively. At the Fall Convening, clinic leaders recognized this as an area where guidance would benefit their efforts to move forward in the payment reform process. They expressed the need to improve their care coordination abilities.

Figure 4. Change Management and Practice Transformation

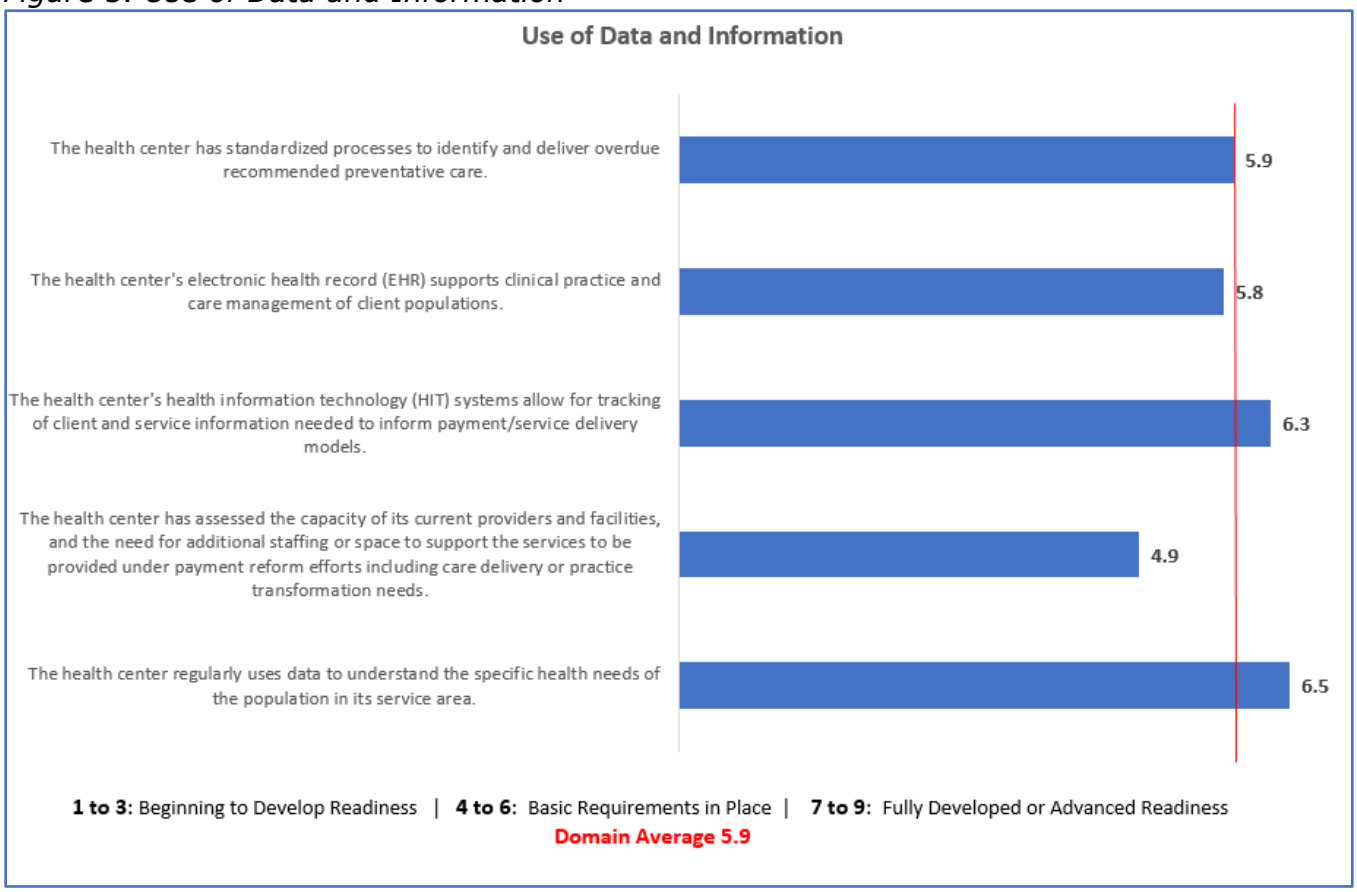


The domain averages above represent the average of the scores given by the 18 responding FQHCs to all the questions within each domain.

Use of Data and Information

The need for centers to look at their staffing was also evidenced in the Use of Data and Information Domain. The average of clinic responses to the question, "*The health center has assessed the capacity of its current providers and facilities, and the need for additional staffing or space to support the services to be provided under payment reform efforts including care delivery or practice transformation needs,"* was on the low end of the "Basic Requirements in Place," category (Figure 5).

Figure 5. Use of Data and Information



The domain averages above represent the average of the scores given by the 18 responding FQHCS to all the questions within each domain.

Some of the biggest challenges for the clinics are related to data, across all levels- from having an IT infrastructure, to collecting data, and using it to demonstrate the value that they provide to their patients. The difficulties with data management greatly affect a clinic's abilities to participate in payment reform activities. For example, clinics cannot engage in population health management without an effective IT system. In the survey, the average clinic response to the statement, "*The health center's electronic health record (EHR) supports clinical practice and care management of client populations,"* was in the middle of having "Basic Requirements in Place" (Figure 5).

At the Fall convening, a group of action steps evolved around the data, such as exploring ways to get data from other providers, especially hospitals, and increasing data analytic capabilities and infrastructure. The clinics identified concrete needs, including having an on-site evaluation of clinic operations from experts to identify needed changes or opportunities for improvement and increasing care coordination capabilities. They also noted the need to develop a risk stratification methodology to better understand which patients might require more care coordination and to provide more concrete information and data when empaneling patients.

Financial, Operational, Analysis, Management and Strategy

Clinics face challenges related to finances and operations as well. Survey data shows that two of the lowest clinic averages were in the Financial, Operational Analysis, Management and Strategy domain. The average response to the statements, "*The health center has analyzed its ability to engage in risk-based contracts*," and "*The health center has an established strategy for coordination of performance-based incentives and payment reform strategies across payer types,*" fell in the earliest stage, "Beginning to Develop Readiness," category (Figure 6).

Figure 6. Financial, Operational, Analysis, Management and Strategy

The domain averages above represent the average of the scores given by the 18 responding FQHCs to all the questions within each domain.

NEXT STEPS

Almost all FQHC representatives said that the convening provided important value to their health center. Close to three quarters of participants were more knowledgeable about their own health center's readiness to participate in payment reform within the different domains, and they knew about the resources that were available to them. The participating clinics left the event with actionable steps such as collaborating with other FQHCs, educating their Board members, and taking a more proactive approach in connecting with payers.

Overall, there is a need for training and technical assistance for payment reform readiness across all four domains. As discussed in the section above, board leadership, population health management, patient data infrastructure, and risk-based contract development were identified as emerging priorities for future training

and technical assistance efforts. It is also clear from our analysis that these efforts should be tailored individually, because a one-size-fits-all approach will not work. The supporting foundations look forward to partnering with FQHCs as they build their capacity to better engage in payment reform work.