

## Smart Care California (SCC)

Co-Chairs: Covered California, CalPERS, DHCS  
Summary of June 5, 2017 Meeting -- Meeting #6  
June 16, 2017

The main focus of the June 5 meeting was the importance of aligning payment strategies to support interventions to reduce C-section for low risk, first time births, also known as Nulliparous, Term, Singleton, Vertex (NTSV) C-section. Progress to date on low back pain and opioids was also discussed. The complete meeting packet and presentations will be available at:  
<http://www.iha.org/our-work/insights/smart-care-california/meeting-materials>.

### I. C-SECTION FOR LOW RISK FIRST TIME BIRTHS

#### Meeting Recap

#### Straw Proposal to Align Payment and Contracting with Medically Necessary Use of C-sections

SCC co-chair Lance Lang, MD, Chief Medical Officer of Covered California reviewed the multi-lever approach for reducing overuse, using C-section as an example. The multiple levers are: 1) data transparency; 2) quality improvement (QI); 3) purchaser requirements; 4) payment; 5) patient engagement; 6) Workforce; 7) Public Policy. This multi-lever approach is applicable for SCC's focus on opioids and low back pain as well.

Dr. Lang then introduced a straw proposal drafted by the SCC co-chairs, IHA, and CHCF to reduce unnecessary C-section (pgs. 9-10 of meeting packet). The straw proposal provides a menu of payment and contracting options that purchasers and health plans can align themselves with to support medically necessary use of C-section. The straw proposal includes the following:

- Payment Strategies
  - 1) Adopt a blended case rate payment for both physicians AND hospitals
  - 2) Pay less for C-sections without active trial of labor and without medical indication
  - 3) Include NTSV-section in existing hospital and physician quality incentive programs (P4P)
- Contracting Strategies
  - 1) Require or incent hospital participation in the California Maternal Quality Care Collaborative (CMQCC) Maternal Data Center
  - 2) Implement health plan network quality improvement requirements with a deadline

#### C-Section Payment as a Priority: Overview of value-based payment for birth in California and nationally

Elliot Main, MD, Medical Director of CMQCC and Chair of the CA Pregnancy-associated Mortality Review Committee was the meeting's featured speaker. Dr. Main reiterated the national and statewide importance of reducing NTSV C-section, noting the high rate, and more importantly, the wide degree of variation among California hospitals. Dr. Main echoed the need for a multi pressure point approach to reduce NTSV C-section and highlighted various efforts including ACOG's evidence-based guidelines for labor management and the CMQCC toolkit and QI collaborative for supporting vaginal birth.

Lastly, Dr. Main gave an overview of value-based payment efforts to reduce NTSV C-section including the national Health Care Payment Learning Action Network (HCP LAN) which he co-chairs, updates from the Center for Medicare & Medicaid Innovation (CMMI) State Innovation Models (SIM) initiative in Arkansas, Tennessee, and Ohio which piloted bundled payments that cover the entire maternity episode, and examples from other states on equalizing payments for vaginal and C-section delivery. Preliminary findings from the SIM bundled payment pilots have shown few reductions in costs or improvements in quality. Washington State combined vaginal birth and uncomplicated C-section deliveries into a single DRG and has seen a 15% reduction in NTSV C-section rates.

Aligning Birth Payment with Desired Outcomes: How has it worked so far and what are the challenges and lessons learned?

Following Dr. Main's presentation, participants heard from a panel of speakers to understand how payment and contracting strategies have been implemented on the front lines in the "real world" to reduce NTSV C-section:

- **Purchaser Perspective:** Lance Lang shared Covered California's contract requirement that holds health plans accountable for variation in C-section rates by 2019. Dr. Lang emphasized that Covered California's approach is a QI strategy with a deadline, not a narrow network approach. By participating in quality improvement efforts through CMQCC, hospitals have demonstrated the ability to hit the national target Covered California and Smart Care have adopted.
- **Health Plan Perspective:** Barb Wentworth, PhD, Senior Quality Specialist, and Pooja Mittal, DO, Medical Director PPO from Health Net presented on aligning payment with quality by implementing a blended rate payment to hospitals (equalized payment for birth regardless if vaginal or C-section delivery) starting in late 2017. Physicians are paid a bundled payment for all pre, post, and delivery related care. While the impact of implementing a blended rate hospital payment is not yet known, Health Net's efforts to adopt new payment models demonstrates an aligned response to Covered California's signal to reduce variation in NTSV C-section rates.
- **Provider/Hospital Perspective:** Allyson Brooks, MD, Ginny Ueberroth Executive Medical Director Endowed Chair, Women's Health Institute, and Maureen Sparks, Director Managed Care Contracts from Hoag Memorial Hospital Presbyterian presented on the need for "constant gardening" to maintain reductions in NTSV C-section. Hoag dramatically lowered their NTSV C-section rate when they implemented blended payment and adopted a QI strategy during the Pacific Business Group on Health's (PBGH) value based payment pilot. However, Hoag's NTSV C-section rates have since reversed back to near their original baseline. This example shows payment changes need to occur simultaneously with QI, patient education, and other efforts to sustain change.
- **Provider/Hospital Perspective:** Jim Leo, MD, Chief Medical Officer, and Jennifer McNulty, MD, Chair, Women's Health Best Practice Team from MemorialCare Health System shared multiple hospital payment approaches to reducing NTSV C-section including transitioning from per diem payments for birth to a DRG based payment, participating in ACOs, and blending payment for birth with one major plan. Physicians also receive bonuses for achieving a NTSV C-section goal. MemorialCare, who also saw reductions in NTSV C-section as a result of the PBGH value-based payment pilot, has seen sustained success in reducing NTSV C-section rates. MemorialCare's payment models have evolved in order to drive improvement.

Updates on Additional Activities to Reduce Unnecessary C-section: Consumer Reports, CMQCC, CHCF education materials, Yelp Hospital Data Project, and Hospital Honor Roll

Stephanie Teleki, PhD, Director, Evaluation & Impact at CHCF provided an update on Smart Care's consumer engagement efforts. CMQCC, CHCF, and Consumer Reports are currently developing and testing new patient education materials with focus groups. Yelp will also soon be adding maternity clinical measures onto the Yelp pages for each hospital (release expected by Fall 2017). This is the first time nationally that Yelp has included evidence-based clinical measures alongside patient reviews. The group was also reminded that Smart Care will be releasing its second annual honor roll award in the fall.

**Discussion and Next Steps**

- Alignment among hospitals, medical groups, providers, health plans and purchasers was a key theme. All stakeholders first need to align themselves around a robust quality metric, such as NTSV C-section, then stakeholders need some alignment around a model of care that support the desired outcome, and finally payers need to align payment and contracting that supports the care model.
- The purchasers in the audience expressed a need for common contract language that both providers and health plans can agree on.
- The outliers or “laggard” hospitals need special attention. The outliers typically do not respond to carrots so a payment strategy that does not penalize early adopters for doing the right thing and that does not reward “laggards” for care as usual is needed. Increased data transparency of hospital NTSV C-section rates, such as the SCC Hospital Honor Roll can help motivate “laggards” to change.
- The group reached consensus that a menu of payment options was necessary because there is not a single payment solution that will work across all payers.
  - The use of P4P was most popular with the caveat that the signal can be diluted if NTSV C-section is one of 60 measures. P4P, while easiest to implement, should also not be the only payment approach.
  - Blended payment should remain on the menu because it removes perverse incentives, although it may not be a priority for all plans.
  - There was interest in having a financial consequence for unnecessary scheduled C-sections, such as paying less for C-sections without a trial of labor, but current tracking mechanisms for progression of labor need to be enhanced before this can happen.
- Value-based payment must be done in concert with other strategies like patient education and QI to sustain improvement. Examples of QI interventions discussed included sharing unblinded provider data on a regular basis, use of the CMQCC supporting vaginal birth toolkit, and use of a 24/7 laborist model. Leadership and culture were also identified as factors for sustainability.
- SCC staff will revise straw proposal by adding a fourth payment strategy that encourages adoption of population-based payment models, such as ACO like arrangement. SCC will also add additional specifications on the payment option to pay less for C-sections without an active trial of labor so that it can be operationalized. The document will be circulated once revised and progress on adoption of the payment and contracting strategies by health plans and purchasers will be revisited at future meetings.

## II. LOW BACK PAIN

### Meeting Recap

Co-chairs Kathy Donneson, PhD, Chief, Health Plan Administration Division and Richard Sun, MD, MPH, Medical Consultant of CalPERS provided an update on low back pain. CalPERS, who spent \$106M last year on low back pain, has made appropriate treatment for low back pain an organizational priority and aims to prevent acute low back pain from becoming chronic. Dr. Toby Moeller-Bertram, who presented at the January 31 meeting, spoke to the CalPERS board about Desert Clinic Pain Institute's program for chronic pain patients. CalPERS plans to work with their pharmacy benefit manager to look at strategies to address opiate use, especially for the opioid naïve, and explore benefit design changes to encourage high value care. CalPERS is especially interested in Geisinger Health Plan's value-based insurance design for low back pain treatment which bundled five physical therapy visits for one patient co-pay. CalPERS is also looking to the Bree Collaborative in Washington State, which released a report in 2013 containing recommendations for purchasers/employers, health plans, hospitals, and individual providers to improve spine care.

### Discussion and Next Steps

- There was general agreement about increasing speed to PT. A concern was raised about limited access to physical therapists. The use of physical therapy assistants should also be considered as "access to PT".
- CalPERS will continue to explore appropriate measures for low back pain treatment. Some expressed desire for more patient-focused measures, such as return to work, however, this will be difficult to capture without going into medical records.
- Interventions for the appropriate treatment of low back pain need to be spread across the entire health care industry and not just suited for top performers who are typically integrated systems.
- The SCC project manager will distribute the table of potential low back pain measures to SCC participants for additional feedback.

## III. OPIOID

### Meeting Recap

Kelly Pfeifer, MD, Director, High-Value Care at CHCF provided updates on a roundtable discussion with health plan leaders on improving access to medication-assisted treatment for opioid addiction. Dr. Pfeifer also updated the audience about a day-long convening for chief medical officers (CMOs) and health system leaders to share best practices for safer opioid prescribing. Julia Logan, MD, MPH, Chief Quality Officer, at DHCS updated participants about the CDPH Opioid Policy Taskforce noting the high degree of alignment with SCC in regards to identifying provider best practices for management of patients on risky opioid regimens (such as high dose and concurrent use of benzodiazepines) and tapering. The Opioid Policy Taskforce is also working on consumer education. At the last meeting, participants were made aware of a health plan survey to identify approaches to curb the opioid epidemic, which was based off the SCC ["Curbing the Opioid Epidemic: Checklist for Health Plans and Purchasers"](#). The aggregated results of the SCC opioid health plan survey were included in the meeting materials packet on pg. 56.

### **Discussion and Next Steps**

- Curbing opioid use in the frail elderly vs. healthy seniors vs. the rest of the population must be considered. There may be slight variation in approaches to care across age groups.
- There will be a dedicated amount of time at the next Smart Care meeting to discuss next steps for the opioid health plan survey results.
- There is an overwhelming desire from providers for more guidance around specific approaches to avoid new starts, approaches for tapering patients on high dose opioids and other risky regimens, and more guidance around solutions for addiction management, such as suboxone use. The need for guidance was expressed both by participants at the day-long provider meeting and during today's SCC meeting. Dr. Pfeifer will write a meeting summary from the CMO convening to determine next steps.