

# 7 KEY COMPONENTS OF HEALTH CARE DELIVERY SYSTEM AND PAYMENT TRANSFORMATION



**MYERS AND  
STAUFFER**<sup>LC</sup>  
CERTIFIED PUBLIC ACCOUNTANTS

# MYERS AND STAUFFER'S GUIDELINES FOR HEALTH CARE PERFORMANCE

The current health care environment is one of innovation that is rapidly evolving. With the introductions over the past several years of the Health Information Technology for Economic and Clinical Health (HITECH) Act, the Patient Protection and Affordable Care Act (ACA), Medicare and the Children's Health Insurance Program (CHIP) Reauthorization Act (MACRA), and the 21st Century Cures Act, health care transformation is inevitable. To show its commitment to providing better care, healthier people, and smarter spending, the Centers for Medicare & Medicaid Services (CMS) plans to tie 85% of all Medicare fee-for-service payments to value or quality by 2018. As further proof of its intentions, CMS has committed to using Medicaid as a catalyst for delivery system reform through State Innovation Models (SIM), Delivery System Reform Incentive Programs (DSRIP), Section 1115 demonstration waivers, the Innovation Accelerator Program (IAP), Section 1332 State Innovation Waivers and modernized rules for Medicaid managed care and information technology (IT) systems.

The expansion of managed care as well as ACA provisions have resulted in states losing Medicaid supplemental payments, seeing an increase in newly insured patients, and facing unsustainable cost growth. Forward thinking states, the federal government, and other payers have begun looking for ways to generate more efficiencies while improving care. Specifically, states are exploring alternative delivery systems, funding options, and payment structures.

Health concerns are numerous and complex, and they are often influenced by more than the obvious health care issues. Individual behaviors as well as other determinants of health like the individual's social, economic, and physical environments are often overlooked but can be even more influential on health and health outcomes than direct medical care. The conditions in which people live, learn, and work affect a wide range of health risks and outcomes. Any approach to comprehensive health care delivery system transformation must recognize the important role social determinants of health play in improving health outcomes, changing patient behaviors, and preventing unnecessary costs.


As health care moves to a more coordinated and integrated model in which providers are increasingly accountable for health outcomes, recognition and incorporation of social determinants of health, and the triple aim into the health care delivery and payment landscape is essential. This transition will not be easy or quick. Changes of this magnitude require thoughtful planning and a highly strategic approach to development, implementation, and evaluation of effectiveness. To support states in these efforts, Myers and Stauffer has developed these Guidelines for Health Care Performance.



## Why Myers and Stauffer?

With 40 years of experience supporting states and the federal government with design, implementation, and operation of government-sponsored health care programs, Myers and Stauffer is a market leader in advancing Delivery System and Payment Transformation (DSPT) strategies. We leverage our extensive knowledge of Medicaid policy and program operations to support improvement of population health outcomes and to ensure efficient health care spending through delivery system improvement, Alternative Payment Model (APM) innovation, and enhancing patient experiences.

We operate on the principles of extraordinary client service and an unwavering commitment to quality. We are highly regarded for our professional objectivity, innovation, expert team, and unparalleled service. We are recognized as a national leader in consulting with states on tried and true delivery systems like managed care as well as emerging health care programs such as Delivery System Reform Incentive Payment (DSRIP), State Innovation Model (SIM), and Certified Community Behavioral Health Clinic (CCBHC) projects. Myers and Stauffer continues to follow our time honored approach to consistently consider the experience of the consumer, provider, and other relevant stakeholders to ensure the efficient use of scarce health care resources in order to maximize quality and outcomes. Additionally, we believe in providing the best service to our clients, including thoughtful and sustainable solutions.



**CMS' Triple Aim works to ensure Medicaid beneficiaries have access to high-quality care that produces optimal health outcomes.**

**Better Care** incorporates access to care, quality of care received by individuals, and the individual's experience with the health care delivery system.

**Healthier People** requires identifying common population health issues, evidence-based clinical practice guidelines, approaches to address social determinants of health, and mechanisms to measure change or improvements in population health.

**Smarter Spending** creates incentives for strategic investments in the health care delivery system and paying for value and outcomes over merely the volume of services provided.



## MYERS AND STAUFFER'S GUIDELINES FOR HEALTH CARE PERFORMANCE

**Quality Improvement. Efficient Spending. Innovative Delivery.**

Myers and Stauffer has deep Medicaid experience and expertise, and we understand that health care delivery system and payment transformation (DSPT) requires more than a simple restructuring of the current system. It requires a true reengineering effort and a new way of thinking. Transformation must focus on the value of results in the health care system over the quantity of services provided. Our guidelines include seven key components that must be present for successful transformation.

### 1 Strategic Planning and Design

Wide sweeping DSPT requires extensive strategic planning and thoughtful design. Comprehensive strategic planning activities on the front end of transformation efforts create an environment for long term success, including financial and operational sustainability. Major strategic planning and design areas that must be considered include:

- **Vision and Executive Buy-In:** A vision without executive support rarely succeeds. Buy-in (as well as communication internally and to stakeholders) is crucial to success.
- **Governance:** Establishing a governance structure for the strategic planning and design process helps to achieve several successes. A structured process that aligns with the established goals and proposed initiatives will help to focus discussions, drive accountability, and

direct priorities. Governance will also help all involved to understand responsibilities for moving transformation forward as well as who is responsible for decision making.

- **Stakeholder Engagement:** DSPT requires broad stakeholder engagement across communities that are inclusive of the population's diverse participants. We respect the importance of understanding the goals, needs, and perspectives of each of the impacted stakeholder groups as an important ingredient to effective strategic planning and design of DSPT initiatives.
- **Leveraging Existing Initiative and Resources:** Alignment of the health improvement efforts of such agencies as Medicaid, child welfare, corrections, juvenile justice, behavioral health, public health, and education among others, often results in greater outcomes than any one of these agencies could achieve separately. Identifying these resources and leveraging their existing efforts achieves a synergy that promote DSPT success.
- **Change Management:** True transformation is far from business as usual. DSPT efforts must incorporate plans for how change will be approached, managed, and supported. This plan must consider changes not just within the programmatic and structural operations, but for the people involved as well.



- **Financing/Sustainability:** Financial planning must include the early identification of funding sources as well as addressing long term sustainability that survives a temporary infusion of capital. Strong policies that establish the appropriate incentives for payers, providers, and beneficiaries are required.
- **Time:** Allowing sufficient time for the design, development, and implementation of a thoughtful program that reflects stakeholder engagement is critical. Allowing sufficient time for the transformation efforts to achieve the desired results while monitoring early indicators of success or the need to readjust is often a delicate balance.

Deliberate and thoughtful strategic planning and program design are imperative to achieving true transformation. We have led the strategic planning and associated DSPT efforts in a number of states by supporting our clients in all phases of health care transformation. We assist our clients with designing and customizing stakeholder-informed programs that meet the vision of the state's leadership and ensure executive buy-in. We help our clients by promoting the momentum of a well-defined vision, supporting a strong governance structure, and by leveraging complementary federal, state, and local resources and initiatives.

## 2 Implementation and Oversight

Equally important to strategic planning is the thoughtful implementation and development of a comprehensive and ongoing approach to program evaluation. Myers and Stauffer has developed a suite of project management

solutions to support all stages of program design, implementation, and ongoing oversight. These include turnkey but customizable solutions that support the lifecycle of DSPT initiatives. We understand that success is a function of strong project management and meaningful change that meets our client's needs, attention to detail, and complete dedication to our clients. As part of our approach, we integrate detailed strategic and project planning with methodologically sound and comprehensive oversight and evaluation strategies.

The importance of marrying detailed strategic and project planning with sound and appropriate implementation and evaluation strategies cannot be overstated. Innovative models of payment and delivery require many new administrative activities for state Medicaid programs. States must be able to navigate this new way of doing business in areas such as attribution modeling, quality measure identification, baseline benchmarking, performance data analytics, and health IT strategy and deployment.

***Myers and Stauffer brings decades of experience in program integrity and auditing to help proactively identify risk areas during the design phase of our clients' delivery system and payment transformation initiatives.*** We support accurate and complete reporting processes so that the integrity of the data remains intact and holds providers accountable. Strong contract compliance monitoring is critical to ensure that applicable requirements are properly honored. Ongoing analysis of performance and routine, in-depth reviews of self-reported information safeguard the program.

# SUCCESSFUL HEALTH CARE TRANSFORMATION

Thoughtful Strategic Design

Strong Project Planning

Broad Stakeholder Engagement

Detailed Research Skills

Powerful Analytic Skills

Active Operational Oversight

Comprehensive Evaluation Strategy

**Health Care Reform**

Healthier People  
Better Care  
Smarter Spending

Myers and Stauffer is also skilled in program evaluation initiatives. This includes both formative evaluations to assess the implementation of the project as well as summative evaluations that focus on the outcome of the initiative.

### **3 Care Coordination and Integration**

Transformation of delivery and payment systems requires coordinated and integrated care – features which have traditionally been under-represented in the publicly funded health care system. These efforts move providers away from treatment silos to a more patient-centered model where clinicians collaborate and review the entire needs of the patient in a holistic manner.

Improved access of patient health information at the point of care is critical to achieving true coordinated care. Federal and state efforts to encourage the adoption and meaningful use of electronic health records (EHR), as well as the development of extensive statewide health information exchanges (HIE) have equipped providers with greater infrastructure to better coordinate and integrate care. Combined with accepted best practices, these advances make it possible to bridge care gaps quicker than ever before.

Myers and Stauffer has experience helping our clients evaluate and plan their DSPT efforts to achieve coordinated and integrated care. We have conducted reviews of existing delivery system models to identify gaps in integrated care models and opportunities for designing coordinated solutions. Our work to support design and implementation of SIM and DSRIP programs demonstrates our in-depth understanding and expertise of effective care coordination and integrated care models. Myers and Stauffer has the expertise and experience to help our clients successfully achieve their integrated care goals.

### **4 Value over Volume**

In the traditional health system, providers have a financial incentive to provide more services or services with the highest margin – not the services that produce the best outcomes at the best cost profile. The transition to alternative payment models (APMs) that include a value-based payment (VBP) system that rewards quality and outcomes requires thoughtful planning. Often, this transition requires providers to build capacity and infrastructure before they are able to report on quality and outcomes.

Similarly, payers must collate, analyze, and evaluate data streams from the patient, provider, program, and delivery system levels, as well as other sources to plan, monitor, and respond to changes to outcomes in near real-time manner.

State Medicaid programs are increasingly introducing APM models to promote smarter spending, better care, and healthier people. Meanwhile, states have implemented a variety of delivery system and payment reforms, including full-risk managed care models, PCMHs, health homes, accountable care organizations, and DSRIP programs. Well-implemented APM reforms should consider and synergize with these broader efforts to effectively transform health care delivery. The complexity of the existing delivery system and the trajectory of state transformation efforts must be considered during the development of APM models.

As demonstrated by our design and implementation of state innovation projects, including SIM and DSRIP initiatives, Myers and Stauffer has expertise in developing quality improvement projects designed to build capacity for APMs. Across our DSRIP engagements, we have reviewed over 1,450 project plans designed to improve quality and outcomes – with a decrease or no increase in costs. We have supported the transition from volume to value with technical assistance to the participants and through the facilitation of learning collaborative sessions. We also have worked with states to develop a roadmap to value-based purchasing that spans multiple payers in the private and public sectors.

### **5 Population Health Focus**

A focus on population health at a provider, payer, state, and national level is a strong component of health care DSPT. Mapping population outcomes back to treatment approaches can help to determine the best practices and also opportunities for improvement. This process is a more inclusive measure of performance in APM models. The more payers can collaborate their efforts around common population health goals the more successful the transformation.

To improve population health, states need to recognize – and address – the social determinants of health. Issues such as safety, food insecurity, homelessness, economic resources, education, and transportation issues, are increasingly becoming part of patient treatment plans. It is important to recognize that health and outcomes are

influenced by the environments where people live, learn, and work. Creating solutions to these needs requires partnerships and the incorporation of programs and community resources that are traditionally overlooked by the medical model and treatment plan.

Myers and Stauffer has experience planning, developing, and supporting population health improvement strategies. We have helped clients identify existing programs and resources that can be aligned and leveraged – or developed where none existed – to improve population health. We are adept at recognizing and incorporating social determinants of health, which must be addressed in the DSPT model. We also recognize the importance of collaboration across the various state agencies that serve the targeted populations. Incorporating these programs, their strengths, and resources brings additional levers for success. Our DSRIP and SIM experience brings population health and the health of a provider's patient population to the forefront of the DSPT discussion. Further, our involvement in stakeholder engagement activities has underscored the importance of considering the social determinants of health when innovating health care delivery systems to improve population health.

## 6 Health Information Technology

The use of EHRs and a robust HIE are critical to delivery system and payment reform efforts. EHRs and HIEs give clinicians easy access to accurate and timely information for their patients. These tools are necessary to measure baseline and outcome measures that feed into alternative payment models. This infrastructure allows administrators, providers, and other stakeholders to view population health statistics, improvement, trends, and disparities.

The sharing of data between health care providers, payers, and appropriate state agencies is a critical component of DSPT since transformation relies heavily on the ability to have and exchange complete and accurate clinical, quality, and financial data. Effective data sharing and real-time access to accurate patient information are necessary to achieving success in DSPT and reaching state health outcome goals.

Myers and Stauffer has extensive experience using the data available through the Medicaid Management Information System (MMIS) along with provider EHR systems and other input sources such as public health registries to appropriately assess population health care needs, accurately track patient progress, calculate clinical performance measures, and report

on overall quality and population health improvements. We understand the clear reliance and dependency on a strong health information technology (HIT) infrastructure that can facilitate the data necessary to support DSPT.

## 7 Federal Authorities

With many options available for states, determining the appropriate federal authority to pursue to implement DSPT can be difficult. Each state has unique programmatic goals and objectives, environmental landscape, and beneficiary needs that must be considered as part of its transformation effort. The selection of the most appropriate federal authority is crucial to accomplish the state's health outcome objectives.

Myers and Stauffer is skilled at evaluating programmatic objectives, statute and regulatory guidance, and assisting our clients with their selection of the appropriate authority. We leverage our extensive Medicaid knowledge and experience to assist clients in fully exploring their existing authority under Medicaid state plan options, as well as considering and utilizing other waiver authorities and coordinated waiver applications to achieve their DSPT goals. While we have national experience, our recommendations are always provided in the context of the local health care environment. In short, we continuously provide options that consider the political landscape, local culture and customs, industry environment, budgetary constraints, statewide health care objectives, and other factors.

## WE CAN HELP

Myers and Stauffer understands the call to action for government health care payers to transform their health care delivery systems and move from a volume-driven payment system to one based on achievement of high quality and improved health outcomes. This transformation focuses on the value of results in the health care system over the quantity of services. As states design and implement DSPT models, Myers and Stauffer is a trusted and proven Medicaid partner that is actively involved and at the forefront of DSPT initiatives.

**For more information please visit us at [mslc.com/GuidelinesforPerformance.aspx](https://mslc.com/GuidelinesforPerformance.aspx). You will find more detail on all seven important guidelines and ways that Myers and Stauffer can help.**



[www.mslc.com](http://www.mslc.com)  
800.374.6858

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**Jerry Dubberly, PharmD, principal**  
jdubberly@mslc.com  
404.524.0775 x367

**Jared Duzan, CFE, principal**  
jduzan@mslc.com  
800.877.6927

**Amy Perry, CPA, member**  
aperry@mslc.com  
800.374.6858