Health Care Transformation Resources for State Leaders

State governments around the nation have a long history of acting as health care innovators and pioneers. With the population aging and more Americans becoming eligible for Medicaid, states are under increasing pressure to improve the quality, efficiency and affordability of the health care their residents receive. In recent years, states have responded by designing and implementing various programs to improve the performance of the health care system.

Governors play a critical role in health care transformation. Many states are identifying and working to scale local and regional programs, effectively improving individual and community health, while making health care more affordable for patients and preserving taxpayer resources. Additionally, states are leveraging those initiatives to prompt innovations across the public and private sectors.

To find the most promising initiatives and share them across the country, the National Governors Association (NGA) Center for Best Practices, the National Academy of Medicine (NAM) and the Peterson Center on Healthcare worked closely with governors, their senior staff and key stakeholders in five states—Alabama, Pennsylvania, Tennessee, Virginia and Wisconsin—to catalyze their health care transformation work and provide technical support for strategic planning and implementation. Lessons learned from state policy leaders were shared widely with states at a national meeting in Salt Lake City, Utah, October 2-4, 2015.

The resources collected here are designed to support the nationwide adoption of best practices that were identified. They include best practices and case studies from states where new practices have been adopted, implementation guidance for state leaders and additional resources collected through the State Health Leadership project. Also included are scholarly articles and policy tools chosen for their value to governors, their senior staff and key decision-makers.

Resources collected here are designed to support the nationwide adoption of best practices.

Though health care delivery transformation initiatives may differ depending on states’ unique context, much can be learned from states with similar goals. The materials included are intended to help governors answer specific questions about reforms, including:

- Where did the idea for reform originate, and how was it developed?
- What was the implementation process, and what were the outcomes?
- What key takeaways would successful policymakers highlight for their colleagues in other states taking similar steps?

Materials are organized into the following sections and include links to meeting presentations and resources with a brief description of each section, followed by links to key supplemental materials:

- Data-Driven Health Care
- Linking Physical and Behavioral Health
- Combating Heroin and Prescription Drug Abuse
- Rural Health and Workforce Planning
- Delivery System Transformation and Payment Reform
Data-Driven Health Care

Understanding the health care needs and use patterns of the population is critical for states to improve outcomes and lower costs. A number of states have started initiatives to build infrastructure, gain access to data, analyze it and surface insights to drive health care delivery system improvements.

Washington’s Analytics, Interoperability and Measurement Data Infrastructure

Washington is making data a key investment area of the Healthier Washington initiative, funded by the state’s State Innovation Model grant. The initiative aims to help people experience better health during their lives and receive better, more affordable and accessible care when they need it. Washington is building a robust capacity to manage updated data infrastructure, as well as implementing new tools and processes to support health data analytics, free-flowing information exchange and health measurement for communities and the health care sector. The state is combining data from multiple sources, including the Washington State Health Care Authority (Medicaid and Public Employee Benefits), an all-payer claims database, public health data and state health information exchange data, all to improve measurement and decision making at the state level.

Michigan: Data Dashboards

Since 2011, Michigan has been using a data dashboard to track progress toward policy goals, including health and health care goals. The approach has three parts: public-facing data dashboards, which track key policy priority indicators and grade the state’s progress with a simple thumbs up or thumbs down; scorecards for the state’s departments and training and technical assistance provided to agencies to support data-informed decision making. For example, the dashboards were used to initiate improvement efforts in infant mortality. Prompted by the data, the state held a summit in 2011 to develop a strategy and invest resources in infant mortality initiatives, tools for parents, providers and partnerships with local organizations. The infant mortality rate decreased from 7.7 percent in 2012 to 6.7 percent in 2014, and Michigan continues to monitor and work on outcomes in this area.

The National Academy of Medicine’s VITAL SIGNS: Core Metrics for Health and Health Care Progress

The NAM has proposed a new set of metrics for population health. According to the NAM, “thousands of measures are in use today to assess health and health care in the United States. Though many of these measures provide useful information, their sheer number—as well as their lack of focus, consistency and organization—limits states, providers and consumers from using the measures to improve performance. To achieve better outcomes at a lower cost, all stakeholders, including health professionals, payers, policymakers and members of the public, should be working with a consistent and reliable set of measures.” The NAM’s VITAL SIGNS recommended metrics represent a cogent and well-researched set of simplified core metrics for states to consider adopting as they move toward the triple aim of reducing cost, improving patient care and improving the health of populations.

NGA Resources:

- Using Data to Better Serve the Most Complex Patients

Other Resources:

- Kansas Quality Strategy
- Center for Disease Control and Prevention: State Strategies to Improve Health and Control Cost
- ONC Interoperability Roadmap

Linking Physical and Behavioral Health

Among the greatest opportunities for improving outcomes and lowering costs is increasing access to best-practice interventions for individuals with mental illness or substance use challenges. Improving access to evidence-based behavioral and physical health care and needed social supports for this population could lead to significantly improved health and quality of life for those individuals and substantially reduce cost of care. Individuals who suffer from multiple chronic conditions and have co-occurring mental illness incur costs 75 percent higher than those without a mental health condition. The addition of a co-occurring substance use disorder results in two-fold to three-fold higher health care costs.
Physical and Behavioral Health Integration in Virginia

Virginia, motivated by recent mental health crises and rising costs, has two efforts underway to increase access to mental health services. First, is the governor's Access Plan, which was enacted in 2014 after receiving approval from the Centers for Medicare & Medicaid Services (CMS) for its 1115 waiver. That plan integrates primary and behavioral health services and care coordination for Virginia’s uninsured with serious mental illness (SMI). The plan creates new Medicaid eligibility for individuals with SMI who earn 60 percent or below the poverty line. Second, the state (along with many others) is in the process of establishing certified community behavioral health clinics (CCBHCs) through a grant from the Substance Abuse and Mental Health Services Administration. CCBHCs will be modeled on federally qualified health centers, but will be designed specifically for behavioral health services.

NGA Resources:
- NGA Super Utilizer Materials

Other Resources:
- SAMHSA-HRSA Center for Integrated Health Solutions
- SAMHSA Certified Community Behavioral Health Centers
- Medicaid.gov: Behavioral Health Resources
- Improving Behavioral Health Access & Integration Using Telehealth & Teleconsultation: A Health Care System for the 21st Century
- Massachusetts Child Psychiatry Access Project
- Institute for Clinical and Economic Review: Enhancing Patient Outcomes and Health System Value through Integration of Behavioral Health into Primary Care
- Commonwealth Fund Report: State Strategies for Integrating Physical and Behavioral Health Services in a Changing Medicaid Environment
- SAMHSA Behavioral Health is Essential to Health

Combating Heroin and Prescription Drug Abuse

Prescription drug abuse has been a critical public health issue since the beginning of this century. Between 2002 and 2012, the number of Americans taking a medication stronger than morphine increased from 17 percent to 37 percent, while the rate of drug poisonings resulting in death from opioid analgesics nearly quadrupled. Similarly, heroin use has increased dramatically over the past decade. According to the Centers for Disease Control and Prevention (CDC), the rate of heroin-related overdose deaths also nearly quadrupled between 2002 and 2013. This issue has been a high priority for governors across the country in the public health arena, and state-based interventions are at the forefront of national solutions.

Vermont’s Hub-and-Spoke Model for Expanding Access to Substance Abuse Treatment

In order to address the epidemic of heroin and prescription drug abuse, the Vermont Department of Health created the state’s hub-and-spoke model for increasing access to care through a state Medicaid plan amendment. That model establishes substance abuse treatment centers as a hub for intensive treatment and specialty care, with provider’s offices and local clinics acting as the spokes for follow-up care and ongoing support services.

Nevada’s Comprehensive Prescription Drug Abuse Policy

Nevada passed legislation in 2015 mandating that prescribers check the state’s prescription drug monitoring program before prescribing opiates. The legislation also promotes the use and distribution of the overdose reversal drug Naloxone, as well as instituting Good Samaritan laws aimed at protecting those who report overdoses to emergency services.

Kentucky’s Approach to Inappropriate Prescribing Practices

Kentucky has undertaken a range of successful efforts to combat opioid abuse, including a bill that shut down a large number of clinics inappropriately prescribing or dispensing powerful narcotics for nonmedical reasons.

NGA Resources:
- NGA Prescription Drug Abuse Project Issue Briefs and Meeting Materials

Other Resources:
- ASHTO Prescription Drug Abuse project
- Johns Hopkins: The Prescription Opioid Epidemic: An Evidence-Based Approach
- CDC Vital Signs: Demographic and Substance Use Trends Among Heroin Users
- CDC: Today's Heroin Epidemic
- NIDA: Research Report on Heroin

Rural Health and Workforce Planning

Addressing the unique challenges to improving rural health is a primary goal of governors throughout the country. Notable differences from urban areas include provider shortages, added health burden associated with increased levels of poverty, increased incidence of substance misuse and solutions for improved health. Several successful state
initiatives to addressing those challenges have emerged and are beginning to spread nationally.

**University of Mississippi Medical Center Telehealth Model**

Mississippi had great success implementing telehealth services in rural areas. As a rural state with a high disease burden, Mississippi saw telehealth as an opportunity to provide access to health services for children, students, adults and the elderly in a preferred and less costly care setting in the community (versus hospital or specialty care settings far from home). The University of Mississippi Medical Center now serves as a telehealth hub for the state, offering services in 35 specialty areas. The hub’s telehealth center connects with community hospitals and clinics, schools and colleges, businesses, prisons and patients’ homes to offer an array of support, including teleconsultation with specialists, training and technical assistance. That approach has helped community hospitals working in rural areas reduce staffing costs and increase admissions. The program also has been successful in improving care for diabetic patients in the Mississippi Delta, through the use of home monitoring.

**New Mexico Project Extension for Community Health Outcomes**

New Mexico’s Project Extension for Community Health Outcomes (ECHO) is a model of care that links primary care clinicians with specialist care teams at university medical centers, with the goal of improving treatment of patients with chronic conditions needing complex care. Project ECHO increases knowledge and capacity in rural areas, allowing patients to receive the care they need in a setting near their homes. Research on the original ECHO model for increasing access to hepatitis C treatments in underserved areas of New Mexico, showed equal improvement among patients treated directly at the specialty clinic and those treated through the ECHO telehealth model. The project has been adapted to include telehealth for more than 13 conditions, including hepatitis C, mental illness, palliative care, chronic pain and complex chronic conditions. The project has spread rapidly—it is currently in 31 U.S. cities and more than 18 countries.

**National Center for Interprofessional Practice and Education: Workforce Development for New Models of Care**

States are beginning to rethink the number of health professionals they need, instead experimenting with models that focus on which types of professionals are needed for their specific populations. New team-based models of care, for example, place more emphasis on primary, preventive and upstream care than on specialist care. There is also increased integration between primary and specialty care, home health agencies and nursing homes, as well as linkages among the health care system, public health and community-based health services. This presentation offered important considerations for states expanding their workforce capacity through new team-based models of care.

**NGA Resources**

- Health Care Workforce Policy Academy Meeting Building a Transformed Health Care Workforce: Moving from Planning to Implementation Kickoff Meeting
- The Role of Nurse Practitioners in Meeting Increasing Demand for Primary Care
- The Role of Dental Hygienists in Providing Access to Oral Health Care
Governors and state health officials continue to face budget pressure stemming from ongoing increases in health care costs as well as the ongoing goal of improving the health of state residents. Increasingly, governors are interested in aligning economic incentives across public and private payers that will signal a movement away from traditional fee-for-service and toward value in the health care market. Some states have completed statewide plans to transform their Medicaid programs and many other states are planning statewide change that meets the unique needs of their states.

Oregon: Coordinated Care Organizations
Faced with a budget crisis in 2012, Oregon applied for and received an 1115 waiver from CMS, which allowed the state to move its Medicaid beneficiaries into coordinated care organizations (CCOs), or entities incentivized to achieve improved health outcomes for their beneficiaries. So far, the reform has been successful in improving health and reducing spending. Emergency department visits have decreased 21 percent and state spending on those visits has decreased 20 percent, while primary care visits have increased 18 percent. The number of adults requiring hospitalization for chronic conditions has significantly decreased and enrollment in patient-centered primary care homes has increased.

Alabama: Regional Care Organizations
Since 2013, Alabama has been working toward an 1115 Waiver restructuring the state's Medicaid program. Under the regional care organization (RCO) model, the state will be divided into regions with community-led organizations coordinating the health care of Medicaid patients within each area, with provider networks ultimately bearing the risks of contracting with the state to provide that care. Similar to Oregon's CCO program, RCOs are expected to improve health outcomes for beneficiaries and reduce inpatient admissions, in addition to creating a more sustainable funding structure for Alabama's Medicaid program.

Tennessee: Bundled Payments for Episodes of Care
Tennessee's Health Care Innovation Initiative began in 2013 with the intention of transforming how the state paid for health care, by rewarding improved outcomes and quality. The initiative has three statewide payment and delivery system reform strategies: supporting the creation of patient-centered medical homes; creating retrospective episodes of care, which bundle payments for a set of services provided around a particular health event; and measuring the quality of long-term services and supports. The initiative has allowed Tennessee's Medicaid program to stay on-trend for some of the lowest spending in the country while sustaining or improving quality of care. The program is tied for fourth place for lowest Medicaid spending per enrollee nationwide and has seen the third-lowest change in Medicaid spending between 2000 and 2013. The state also has seen quality improvement on 47 measures from 2014 to 2015.

Transforming Care for High-Need, High-Cost Patients
Across the country, states and health care systems are looking for ways to better serve patients with the greatest needs, who are also the highest users of costly health care services. These complex care patients, sometimes referred to as “super-utilizers,” typically have comorbid, serious conditions. Within Medicaid populations and other groups, such conditions often span both physical and behavioral health and are often further complicated by social factors such as housing instability, poverty or limited education. This fact sheet from the Commonwealth Fund presents key takeaways for states about successful complex care programs.
Creating a Culture of Health
The Robert Wood Johnson Foundation’s (RWJF) Culture of Health initiative seeks to create a culture that enables everyone in society to lead healthier lives. A culture of health is broadly defined as one in which good health and well-being flourish across geographic, demographic and social sectors; healthy equitable communities guide public and private decision making; and everyone has the opportunity to make choices that lead to healthy lifestyles. RWJF has outlined a number of initiatives at the state level that take steps toward accomplishing that aim.

NGA Resources:
- Alternative Approaches to Medicaid Expansion
- State Efforts to Collect and Share Data
- Designing and Implementing Medicaid Section 1115 Delivery System
- State Strategies For Leveraging Purchasing Power
- State Strategies For Addressing The Behavioral Health Needs
- NGA Convening of State Innovation Model (SIM) Design States
- Complex Care Programs Policy Academy
- Complex Care Data and Evaluation Learning Lab
- Using Data to Better Serve the Most Complex Patients
- Institute for Governors’ Health Policy Advisors
- Developing State-Level Capacity to Support Super-Utilizers Policy Academy Meeting
- Health Care: Decision Points for States
- Webinar: Financing and Delivering Medical “Hot Spotting” Initiatives
- State Roles in Delivery System Reforms
- Health Investments that Pay Off: Strategies for Addressing Asthma in Children
- New Hepatitis C Treatments: Strategies for States

Other Resources:
- The Henry J. Kaiser Family Foundation: DSRIP Overview
- Toolkit on Long-Term Services and Supports
- Health Affairs: Rebalancing Medicaid Long-Term Services and Supports
- Change Lab Solutions: Financing Prevention