

**PODCAST SERIES: State Health Policy News and Updates for Health Centers**

**Title: Talking about Payment Reform at the 2015 PCA HCCN Conference in Del Ray, FL (Nov 18, 2015)**

**Produced by: Heidi Emerson with Kersten Lausch**

**INTRODUCTION:**

Hello and welcome to NACHC Health Center News. You are listening to a State Health Policy podcast series developed by State Affairs at the National Association of Community Health Centers, NACHC. This is Heidi Emerson and in this podcast series, we will discuss timely issues and breaking news in state health policy that affect health centers and their communities.

**NARRATOR:**

Today's podcast will be providing highlights and live coverage from the 2015 NACHC PCA HCCN Conference which was held in Del Ray, Florida, on November 15-18<sup>th</sup>. Over 200 representatives from state primary care associations, Health Center Controlled Networks, and health centers attended this conference which included a pre-conference training on PCA HCCN Corporate Compliance, and numerous educational sessions on Quality Improvement, Predictive Analytics, and Promising Practices for Networks.

The keynote speaker, Jeff Goldsmith, President of Health Futures, Inc., talked about the changing health care environment followed by a presentation by Patricia Moten Marshall, President of SynerChange Chicago, who spoke about how to lead change. The audience also heard examples of leading change from HCCN and PCA CEOs.

Accountable care and value based care and payment models were key topics under discussion by PCAs and HCCNs, and one afternoon focused specifically on Payment Reform in states. Kersten Burns Lausch from State Affairs talks to speakers participating in this discussion about their perspectives and the key issues facing health centers and PCAs today.

**NARRATOR:**

Kersten speaks with Mary Takach, Senior Program Director at the National Academy for State Health Policy, and moderator of the panel entitled "Payment Reform Perspectives" that looks at the payer perspective on payment reform. Panelists included Chris Bowers from Centene, Darren DeWalt from the CMS Innovation Center, and Christie Tieglund from Inovalon.

**KERSTEN:**

Mary, today you moderated a great panel looking at the payer perspective on payment reform, so I was wondering if you could give us those takeaways about the big lessons learned or the big pieces where that is relevant for PCAs and health centers.

**MARY:**

There is a tremendous amount of payment reform activity going on in the states that presents amazing opportunities like never before for providers like FQHCs to take part in these reforms. What we learned is that FQHCs need to be able to sell themselves, show the value they have, their capabilities for participating in these delivery system models. So being able to show that they can produce quality

metrics and cost savings and patient satisfaction, so that they are providers that are going to bring the change in transformation that these systems demand.

NARRATOR:

Speaking with one of the panelists, Chris Bowers, Senior Vice President of health plans for Centene Corporation, Kersten explores his perspective on how health centers can prepare for payment changes and delivery system transformation.

KERSTEN:

Chris, if there is one thing you could communicate to a health center that is considering or beginning to engage in payment reform and delivery reforms, what would that be?

CHRIS:

Well Kersten I think that is an important question. I think that if I were to look at one thing, I would basically title it front end investment. At Centene, we work really hard to match up provider and center capability with appropriate payment methodology, and the way that we assess what is the appropriate payment methodology is pretty simple. We basically ask a series of questions; I'll walk through some of those questions.

The first is pretty easy, what is the provider sample size how many members does the center have. And the way I would look at that is if you got 300 or less members you are probably going to be on the left side of that payment innovation continuum down around the fee for service or some of the pay for performance quality measures. But if you got a panel size of 1000 or larger, you are going to have a situation where we may be able to consider a more advanced payment methodology.

Another question: what is the financial condition of a provider. Whenever we are taking a look at whether or not a provider is willing to take risk, we've got to really understand whether or not the providers got their financial wherewithal in order to accept risk. Another question: is the provider is rural or urban. More often than not, we find that the rural providers do not have the necessary infrastructure in order to really manage risk effectively. Physician alignment. Now this is a really important one from the standpoint it almost might be a gating question in that if you don't have a center that's got the physicians aligned with the administration with the understanding of what the real focus of what the payment innovation model is, you are probably not going to be successful.

A couple of others: has the provider signed an innovative deal with another payer? At Centene, we view that as if the answer to that is yes, the likelihood for success with an innovative payment model goes up probably by 50% because we believe that the provider has some experience. Has the provider performed well in other Centene programs? This is a real question to us because we are going to look at not only did they perform well in the programs, but are they good partners? And when we looked at typically when we are in this sort of situation, we believe that the center is probably looking to move down that continuum with a more sophisticated model. And if we haven't had good success with that particular center, chances of moving on that continuum are greatly reduced.

NARRATOR:

Some of the other questions that Chris asks at Centene are around provider capabilities such as after-hours care, after-hours nurse lines, and transportation, and outreach programs. He believes that

providers are often engaged in only 20-30 % of their membership, but they need to be engaged with well over 50% in order to affect quality. He also looks at whether the provider participates in quality programs, like HEDIS or STARS, and particularly, looking measures around member and provider satisfaction which are important to CMS, and the states. He also stresses the importance of coding and billing capabilities at health centers.

CHRIS:

Coding and billing capabilities are becoming more and more important all the time. And quite honestly, it is one of things that we see as a weakness in a lot of the centers that we work with, in the fact that they haven't got the sophistication around the billing and coding. And this really plays into the risk adjustment methodologies and hitting quality targets, like HEDIS and Stars.

So, these are some of the questions that we ask in terms of does a provider have the capability to manage risk, and really what I'm looking at here, the way I view that is that front end risk investment. All the things that I talked about are aspects invested at the front end to be successful in working in these different innovative payment methodologies, whether it is a simple pay for performance around quality metrics, or it's a more sophisticated risk sharing methodology where the provider is taking upside and downside risk. Hope that helps.

NARRATOR:

If you are interested in learning more about NACHC conferences and resources, you can check out NACHC's website [www.nachc.org](http://www.nachc.org)

CLOSING:

This concludes our program. Join us again soon for another edition of the state health policy podcast series on NACHC Health Center News, NACHC's podcast series on state policy issues that affect health centers and their communities. Thanks for listening.