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December 15, 2011

Governor John Lynch  
State House  
107 North Main Street  
Concord, New Hampshire 03301-4951  
Re: Senate Bill 450

Dear Governor Lynch:

As required under SB 450 (2008), you will find attached the fourth Legislative Report of the Citizens Health Initiative. This report provides a brief background on the Initiative, a summary of the work that we have undertaken over the past year through our Pillar Projects and an overview of the work that we anticipate continuing in 2012. As in previous years, we welcome the opportunity to discuss this report with the appropriate House and Senate committees, as well as respond to questions that members of the House and the Senate may have.

Four key projects are presented in this year's report.

First, the Medical Home Pilot Initiative, a Pillar Project of the Initiative, winds down its active phase at the end of 2011. Nine clinical sites from around the state and all our major commercial carriers participated in this pilot, which has shown very promising preliminary results. New Hampshire is one of a handful of states around the country that has such a pilot, and the data that we are now collecting shows that a Medical Home environment is of significant value to patients and providers alike. This value is evident by both the quality and the cost effectiveness of this program detailed in this report. The Initiative has begun a full evaluation of the Medical Home project and results will be released as they become available. Strategic discussions are now underway to determine how to best maximize system improvements and learning and make them available to the health system in a way that will benefit New Hampshire residents.

Second, we are completing the first planning year of our five-year Accountable Care Organization (ACO) Pilot, another Initiative Pillar Project. Five health care systems from around the state, along with the commercial carriers and with the collaboration of the Department of Health and Human Services and the Department of Insurance, are involved in this multi-stakeholder pilot. The ACO model holds great promise to move beyond the limited, procedure-focused and increasingly expensive fee for service convention that has dominated the health care system. The ACO Pilot is an attempt to affix accountability on local clinical leaders to find the right balance for cost, access and quality in their region's health system. Again, further detail is presented in this report on this very promising and important effort.

Third, after a number of months of study, meetings and extensive research, our Health Promotion and Disease Prevention Pillar Project is building on the release of their report, "A Strategic Plan for Integrating the Work of NH's Public Health and Medical Care Systems." This document outlines a plan for our state to take the critical step of integrating our Public Health and Medical Care systems,

to create and sustain a healthy population. The work outlined in this plan is central to the long-term control of health costs and promotion of good health.

Fourth, late last year, the Initiative convened a group of over three dozen stakeholders to briefly review the current work of the Initiative, but also to explore at length what that the group saw as some of the most important work that lay before our state in the health and health care arenas. The group strongly reinforced the need (that we have mentioned in each of our previous reports to the Legislature) for a thoughtful health plan that would help guide our state as we move forward. There is an old saying that “If you don’t know where you are going, any path will get you there.” Therefore, we believe that it would be wise to consider how our state might move forward to establish such a plan. What would it look like? Who would be involved in crafting such a plan? What are the most successful efforts in this regard that other states have undertaken? Further discussions at the Initiative and with key stakeholders have told us that this is, indeed, an important effort where the Initiative can add value to the discussion. We will be working over the next year on the process that will create a road map for New Hampshire’s health and its health care system.

Finally, the Initiative itself is undergoing some changes. After years as a “virtual organization”, the Initiative is finding a permanent organizational home at the NH Institute for Health Policy and Practice and has its first full-time Director, Jeanne Ryer. The staff of the Institute for Health Policy and Practice will continue to provide important resources, but this step will provide additional leadership, administrative and organizational resources.

Again, we thank you and your colleagues for once more receiving this report. We look forward to meeting with the appropriate committees at a convenient time when the Legislature reconvenes to further discuss the important work that we have been privileged to undertake here in New Hampshire.

Sincerely,

A handwritten signature in black ink, appearing to read 'James W. Squires'.

James W. Squires, MD  
President  
Endowment for Health

A handwritten signature in black ink, appearing to read 'Philip Boulter'.

Philip Boulter, MD  
Co-Chair  
NH Citizens Health Initiative

Enclosure: 2011 Year End Summary

CC: Pamela Walsh  
Jeanne Ryer



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## NH CITIZENS HEALTH INITIATIVE A MULTI-STAKEHOLDER COLLABORATIVE EFFORT

*The goal of the New Hampshire Citizens Health Initiative is to create and sustain a public dialogue that will measurably improve the systems that finance and provide health care in New Hampshire in order to accomplish two fundamental objectives: assuring a healthy population and creating an effective system of care.*

### **OVERVIEW OF REPORT CONTENT**

This year's report includes: 1) a brief historical overview of the Initiative, 2) description of our current Pillar Projects, and 3) additional activities undertaken by the Initiative. We have also attached reports/publications completed in the past year by the Initiative including: 1) A Practical Guide and tools created by the Health Promotion Disease Prevention teams on integration approaches to improve population health, and 2 ) [Accountable Care – The Overarching Vehicle for Rehabilitating Health Care – A New Hampshire Perspective Issue Brief](#).

Initiative meetings and activities are documented regularly on our website ([www.citizenshealthinitiative.org](http://www.citizenshealthinitiative.org)). We encourage interest and involvement.

### **BACKGROUND**

The NH Citizens Health Initiative (Initiative) was borne out of recommendations from the Endowment for Health's Pillar Project. The Pillars Project recognized that high-quality, cost-effective care could not be realized without specific intent, focused effort and a well-defined health care framework. The Pillars Project further acknowledged the requirement that the effort must be sustained if the goals were to be achieved.

From its inception, the NH Citizens Health Initiative has functioned as a collaborative organization with diverse financial and advisory support from foundations, educational institutions, government sources and insurers. It has engaged leadership from health care stakeholders as well as the general public, to determine its structure and focus, and on an ongoing basis, its work streams.

Each of the Initiative's work streams, or Pillars, are chaired by a leader from the sector and facilitated by staffing obtained through the Institute for Health Policy and Practice at the University of New Hampshire.

New Hampshire's Governor John Lynch convened the first meeting of the Initiative. Over its history, the Initiative has obtained financial support from:

- Endowment for Health
- New Hampshire Charitable Foundation
- HNH foundation
- NH Department of Health and Human Services
- NH Department of Insurance
- Norwin S. and Elizabeth N. Bean Foundation
- Robert Wood Johnson Foundation
- The University of New Hampshire
- WellPoint Foundation
- Harvard Pilgrim Health Care Foundation
- Local Government Center Trust
- MVP Health Care
- Dartmouth-Hitchcock Medical Center

Historically and for most of 2011, the Initiative has been led by a Chair and Director and has an executive committee, the Founders & Funders group. It has worked as an initiative, under no formal corporate or not-for-profit structure, but rather advancing its good work through the collaborative efforts of its myriad of stakeholders and staffed by the NH Institute for Health Policy and Practice. In 2011, the Initiative became a program of the NH Institute for Health Policy and Practice, which will continue to provide an organizational home and staffing for the Initiative. Jeanne Ryer, a core participant since the Initiative's inception, became the Initiative's first full-time Director in October. The staff of the Institute for Health Policy and Practice will continue to provide important resources, but this step will provide additional leadership, administrative and organizational resources.

### **INITIATIVE VISION & GOALS**

Over the next decade, New Hampshire will take a 'health first' approach so that all citizens will benefit from proven approaches that improve health and prevent disease. When care is needed, it will be delivered according to the highest quality standards and it will be provided in an efficient, measurable, and scientifically sound manner to help individuals sustain or improve health. The organization and financing of care will occur in a logically constructed and understandable system.

Our long-term goal is to create and sustain a public dialogue that will measurably improve the "systems" that finance and provide health care in New Hampshire in order to accomplish two fundamental objectives:

- Assure a healthy population; and
- Create an effective system of care.

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## **PILLAR PROJECTS**

### **HEALTH PROMOTION DISEASE PREVENTION**

The leading causes of illness and death among New Hampshire citizens are tobacco use, inadequate physical activity and nutrition, and unhealthy alcohol use (Pound of Prevention, 2007). The charge of the Health Promotion and Disease Prevention (HPDP) effort within the Initiative is to facilitate implementation of evidence-based public health practices to improve health and reduce preventable illness and mortality. The group accomplishes its work by convening experts, engagement across our projects, a strategic focus at the community level, and sharing results with legislators and the general public. Current work is focused on facilitating the successful adoption at the organizational, community, and state level of strategies to integrate the work of NH's health care and public health systems, which traditionally have operated as siloed systems. A statewide plan, *A Strategic Plan for Integrating the Work of New Hampshire's Public Health and Medical Care Systems*, was published in 2010. In 2011, the group worked to increase awareness of the Plan among key stakeholders and specifically to identify feasible approaches to incorporate integration strategies that address one or more of NH's health behavior priorities (unhealthy eating, sedentary lifestyle, tobacco use, and unhealthy alcohol use) and developed tools and strategies to promote awareness of the public health and medical care integration. In 2012, the effort will focus on identifying a specific focus (e.g., heart or lung health) to test and implement integration in both primary medical care and public health practice. See Appendix A for more information about Health Promotions Disease Prevention Pillar 2011 accomplishments and proposed objectives for 2012.

### **MEDICAL HOME**

The Initiative convened the NH Multi-Stakeholder Medical Home Pilot in January 2008 to value, prescribe and reward primary medical care that is tightly coordinated and of superior quality and efficiency. The pilot is a collaboration of the four major health insurance carriers, Anthem Blue Cross Blue Shield NH, Cigna Health Care, and Harvard Pilgrim Health Care and MVP Healthcare. The pilot sites include nine primary care practices with nearly 100 clinicians, 39,000 commercially insured members and more than 130,000 unique patient visits per year. Per member per month (PMPM) payments by the commercial carriers to the sites began effective June 2009. All nine pilot sites attained National Committee for Quality Assurance (NCQA) Patient Centered Medical Home Level 3 certification. See Appendix B for more information about 2011 Medical Home Pillar accomplishments and proposed activities for 2012.

### **PAYMENT REFORM/ACCOUNTABLE CARE ORGANIZATION PILOT**

The Payment Reform Pillar is comprised of leadership from the State Department of Insurance

and Department of Health and Human Services, insurance carriers, NH Hospital Association, behavioral health centers, hospitals, primary and specialty care clinicians and the NH Medical Society. The intent of this Pillar is to reform the health care payment system to align goals and incentives across disciplines and sites of care, across employers, carriers and providers of care, and to do so in a way that improves quality, outcomes and efficiency. The Pillar launched an Accountable Care Organization (ACO) Project in 2010 with five integrated health care systems that are focused on slowing the rate of increase in health care costs while concurrently improving patient outcomes. The project is a five-year initiative, the current planning phase of which is focused on defining the global budget and shared savings payment structure, clinical performance measurement data needs and entities, form and content of a learning collaborative and communications strategy and plan. In 2011, the ACO Project received a two-year grant from the Robert Wood Johnson Foundation to assist in implementing the NH Accountable Care Organization Pilot. Funding, which totals \$250,000, supports the provision of reliable and actionable data and analytics that will enable reporting and measuring outcomes across all five systems. See Appendix C for more information about 2011 Payment Reform Pillar accomplishments and future activities.

## **OTHER ACTIVITIES**

### **NH PURCHASERS GROUP ON HEALTH (NHPGH)**

The NH Purchasers Group on Health ([www.nhpgh.org](http://www.nhpgh.org)), a purchasers group comprised of five of the largest public purchasers in the state, representing more than 125,000 individuals, was facilitated by Initiative staff at its founding four years ago. Since that time it has become a self-supporting entity with staffing contracted through the NH Institute for Health Policy and Practice. In 2011, it continued its efforts at improving transparency in health care to drive changes in the organization and process of health care and improve quality and cost. NHPGH continued production of the NHPGH Hospital Cost and Quality Scorecard ([www.nhpghscorecard.org](http://www.nhpghscorecard.org)); promoted use of the NH Health Cost web site ([www.nhhealthcost.org](http://www.nhhealthcost.org)); and continued to benchmark data from its members on cost, quality, and preventive services. These core activities will continue in 2012, and integrate with other Initiative projects as appropriate.

### **PRIMARY CARE WORKFORCE COMMISSION**

The Citizens Health Initiative is appointed to the Primary Care Workforce Commission established by House Bill 1692. Primary care workforce for the purpose of this commission includes Primary Care Medical Practice, Dental, and Behavioral Health. The first meeting was October 18, 2010 and the Commission has met twelve times since. The Commission is co-chaired by Representative Laurie Pettingill and Barbara Arrington, University of New Hampshire College of Health and Human Services. During the course of 2012, the Commission meetings

were centered on learning the current gaps in dental and primary care, understanding current licensing requirements (i.e. what information is collected during licensing that would help understand workforce demographics), briefing on barriers to primary care access upcoming report, and developing an inventory of primary care workforce funded programs administered through New Hampshire State Agencies. Specific activities included:

- Proposed legislation was submitted to add additional representation to the Commission.
- Oral Health workforce information was presented to the Commission including:
  - Bi-State Primary Care and the New Hampshire Dental Society presented the 2010 Survey of Active Licensed Dental Hygienists in New Hampshire and 2010 Survey of Active Licensed Dentists in New Hampshire.
  - Information provided on the Pew Oral Health Project.
  - Update on the University of New England Dental School (opening 2013). Emphasis is on rural northern New England for both recruitment and clinical placement.
- Board of Nursing and Board of Medicine licensing processes and collected metrics.
- Inventory of programs administered through state agencies touching primary care workforce.
- Presentation by the Community Health Institute on preliminary data on barriers to existing primary care services in the state of NH.

### **HEALTH SYSTEM TRANSFORMATION AND PAYMENT REFORM DISCUSSION SERIES**

In the Fall of 2011, the Initiative held a series of presentations and focused discussions for all of the participants in the NH Medical Home Pilot Project the NH ACO Pilot Projects and The original NH Citizens Health Initiative Payment Reform work group. Topics were:

- All Payer Claims Data: Current Use in NH and Other States and Future Potential
- Care Coordination and Patient Engagement
- System Assessment and Evaluations

The informational sessions were followed by a brainstorming discussion of the options for New Hampshire and the Initiative and identifying a path forward on these important issues. Early results from the Initiative's Medical Home Pilot show that while all systems in transformation efforts are improving practices and results, some show significantly better results than others. Building on that, the group's direction was:

- Identify and analyze the high performing systems and practices in New Hampshire.
- What are these organizations doing differently to garner high quality and increased efficiency?
- Disseminate the clinical and organizational best practices throughout the state.

- Bring the highly successful health system transformations to scale across the state.
- Convene payment reform participants and thought leaders regularly to ensure knowledge of the many efforts in New Hampshire and identify potential areas for partnerships.

### **NEW HAMPSHIRE'S HEALTH ROADMAP: PLANNING PROCESS**

In late 2010, as a part of the its planning efforts, the Initiative hosted a facilitated discussion with a broad group of NH stakeholders to discern health policy issues that might benefit from further discussion and exploration. Over three dozen stakeholders representing hospitals, providers, public health, consumers, businesses, and the insurance perspectives participated in this conversation. The group discussed a range of different topics affecting NH's evolving health care system and the health of its citizens. At the end of this discussion, group consensus identified some the following as the top three priority areas for NH worthy of further exploration.

After further review and discussion, the Initiative's leadership group worked over a period of several months to understand whether and how the Initiative could play a constructive role in establishing a State Health Plan. Key questions include: What do we mean by a State Health Plan? Who are the critical stakeholders that should and must play a role in the development and support of such a plan? What are the most successful examples of similar efforts by other states? If such an effort were to be taken on, what are the requirements for leadership, support, production, and adoption for a successful effort? Finally, what if any, role should the Initiative play in an endeavor of this type?

The results of these discussions and further discussions with stakeholders, the Initiative elected to pursue a planning process to establish a process to develop a Roadmap for New Hampshire's Health as a potential Pillar Project for 2012.

## Appendices

- A. Health Promotion/Disease Prevention Pillar Summary
- B. NH Multi-Stakeholder Medical Home Pilot/Medical Home Pillar Summary
- C. Payment Reform Pillar/Accountable Care Organization Summary

## Attachments

1. [Medical Care and Public Health System Integration: A Practical Guide](#)
2. [A Chronic Disease Integration Case Study](#) and accompanying [Chronic Disease Integration Case Study Worksheet](#)
3. [A Comprehensive Community Health-Clinical Integration Approach to Address Obesity Diagram](#)
4. [Accountable Care – The Overarching Vehicle for Rehabilitating Health Care – A New Hampshire Perspective](#)

Previous Annual Reports can be found at: <http://citizenshealthinitiative.org/reports-presentations>

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## Appendix A

### HEALTH PROMOTION/DISEASE PREVENTION PILLAR SUMMARY DECEMBER 2011

#### 2011 Accomplishments

The 2011 accomplishments of the Health Promotion Disease Prevention group, summarized by objective, are below.

1. Increase awareness statewide about the “Strategic Plan for Integrating New Hampshire’s Public Health and Medical Care Systems.”
  - Presented about the concept and practice of integration (including development of the State Integration Plan) at the Association for Community Health Improvement’s annual national conference and at the NH State Chronic Disease Conference.
  - Reached out to key stakeholders to increase awareness about and buy-in to the State Integration Plan. These key stakeholders included: the NH Medical Society, the UNH College of Health and Human Services, the NH Public Health Association, the NH Public Health Training Center, Concord Hospital Family Health Center Dartmouth Family Practice Residency, and State of NH Employee/Retiree Health Benefit Advisory Committee (HBAC).
  - Revised the State Integration Plan in May to incorporate feedback received from stakeholders about the Plan.
  - Hosted a working session on June 29th to bring together key public health and medical system stakeholders to identify and develop workplans for two to three concrete activities that carry out State Integration Plan. Stakeholders selected and brainstormed the following two areas for concrete work:
    - Creating education/training products and other tools to build the capacity of public health and medical students and practitioners to participate in integration efforts
    - Building mechanisms to facilitate communication between public health and clinical stakeholders.
  - Developed a journal manuscript about advancing the integration of the public health and medical systems in NH.
  
2. Discern feasible approaches to incorporate integration strategies that address one or more of NH’s health behavior priorities (unhealthy eating, sedentary lifestyle, tobacco use, and unhealthy alcohol use) into the NH Citizens Health Initiative’s Accountable Care Organization (ACO) Pilot.

- Advocated for the inclusion of population health measures related to healthy weight, tobacco cessation, and healthy alcohol use) in the clinical quality measure set to be used by the NH CHI’s Accountable Care Organization Pilot.
3. Develop tools and strategies to promote awareness about integration and facilitate the linking of medicine, public health, and other community stakeholders to address NH’s health behavior priorities.
- Created knowledge and skill building resources to help state and community stakeholders understand the concept and practice of public health and medical system integration. These include:
    - [Medical Care and Public Health System Integration: A Practical Guide](#) (See attachments).
    - A hands-on case study exercise and accompanying [worksheet](#) to educate public health and medical practitioners as well as community-based organizations about the value of integration approaches to health promotion and disease prevention.
    - [A Comprehensive Community Health-Clinical Integration Approach to Address Obesity Diagram](#) that illustrates potential stakeholders and strategies to addressing obesity based on community readiness (see attachments).
  - As a result of the aforementioned June 29th stakeholder meeting, two sub-groups of participants have been formed, one focusing on the development of training and education to advance integration and the other on building communication and relationships between NH’s public health and medical care systems. These groups have been meeting since early fall to identify practical approaches to addressing their respective topics.

In addition to the above work, the HPDP also began to explore the issue of how to engage community residents in improving their own health and the health of their community. To support this conversation an initial review of best practices with respect to engaging citizens in improving the health of their community was completed.

### **2012 Proposed Objectives**

At its November meeting, the HPDP group decided to re-position the nature of its work for 2012. Historically, the group has operated as a “study and review” body for important issues related to health promotion and disease prevention. However, starting in 2012 the HPDP group would like to transition to a project-based orientation, similar to other Initiative Pillar efforts. Initial feedback received from the HPDP group about a potential health frame (e.g., heart or



lung health) for an integration-related project is currently being weighed by Initiative leadership along with feedback received from the Medical Home and ACO Pillars about forward trajectory. The goal is to define a project that would facilitate linking the work on with the Medical Home and ACO Pillar Projects. Once the project parameters are defined, a set of objectives for the HPDP will be framed and presented for approval by the HPDP group.

## Appendix B

### NH Multi-Stakeholder Medical Home Pilot Summary December 2011

The New Hampshire Citizens Health Initiative Multi-Stakeholder Medical Home Pilot represents a collaboration among The Initiative (NHCHI) medical home workgroup, the Center for Medical Home Improvement and the four private New Hampshire Health Plans: Harvard Pilgrim Health Care, CIGNA, Anthem, and MVP Healthcare. The goal of the pilot is to value, prescribe and reward medical care that is tightly coordinated and of superior quality and efficiency.

Planning for the project began in January of 2008, with sites selected in December 2008. Payment by the commercial payers to the pilot sites for the two year pilot commenced in July 2009 for the PMPM payment period of 06/01/2009 through 5/31/2011. In June 2011, the four participating Health Plans agreed to extend the PMPM pilot payment period through 12/31/2012.

The practices recognized as patient-centered medical homes receive per member per month compensation for the time and work physicians and their staff spend to provide comprehensive and coordinated services. This approach is distinctly different from the current system which solely pays for procedures and treatment of individual diseases.

The nine pilot sites selected for the project represent the full spectrum of practice types and sizes, including a residency program, with geographic distribution that covers nearly the entire state, in both urban and rural settings. The practices selected provide services for more than 39,000 commercially insured members, and 130,000 unique patient visits per year, or greater than 10% of the state population.

Each site was required to achieve, minimally, Level 1 Patient-Centered Medical Home Recognition by NCQA in order to participate and was required to fully implement Medical Home practices and submit to NCQA for recognition by May 1, 2009.

By December 2010, all nine sites in the pilot were recognized at Level 3, the highest level of recognition by NCQA.

In 2011, the pilot sites participants and stakeholders collaborated in the following areas:

- Pilot Extension
  - Support from all health plan stakeholders to continue PMPM payments to extend the pilot through December 31, 2011.

- Public awareness and promotion of Patient-Centered Medical Homes: The Initiative, in collaboration with Pfizer, Inc., developed and launched two Patient-Centered Medical Home mini-documentaries promoting the work of the NH pilot participants.
  - [PCMH Overview Documentary](#): An overview of the concept and breadth of medical homes told by participants and stakeholders of the NH multi-stakeholder medical home pilot.
  - [PCMH Relationships Documentary](#): The importance of relationships in patient-centered medical homes shown from the perspective of patients and health care professionals who were interviewed at pilot sites across New Hampshire.
- Preliminary Cost and Quality Measurement
  - Medical Home Web Reporting Site, <http://medical-home.unh.edu/> – The Center for Health Analytics at the University of New Hampshire launched an enhanced website for the submission of EMR data and reporting on 32 clinical quality measures. The new website supports both the nine NH pilot sites and 26 pilot sites in Maine. Reports in the system provide benchmarking information across the New Hampshire and Maine pilot sites.
  - Preliminary Indicator Report – The Center for Health Analytics at the University of New Hampshire also developed a set of preliminary indicator reports looking at total cost and three quality indicators across the nine pilot sites. The information allowed sites to evaluate the trending of their data prior to and during a portion of the pilot period, as well as their comparison with average cost and quality in New Hampshire. The reports were based on claims data from the NH Comprehensive Health Information Set (<http://www.nhchis.org/>).

## 2012 Proposed Objectives

To support a transition from pilot to operational model, the following activities are proposed for 2012:

- Formal Pilot Evaluation: The Initiative has engaged with a researcher from Brandeis University to complete a formal evaluation of the NH multi-stakeholder medical home pilot to be completed in 2012. We believe that evaluating the success of the pilot to date will offer further insight and support for the potential of Patient-Centered Medical Homes (PCMH) to make a difference in utilization, cost, and quality outcomes for New Hampshire residents, and offer lessons for other states investing in similar models of reform. The broad research questions to be addressed are:
  - How do health care organizations implement the patient-centered medical home model?
  - Does the PCMH improve utilization, cost, and quality?

- Do pilot sites with more robust PCMH models (i.e., higher levels of "medical homeness") exhibit better utilization, cost, and quality?
- Do pilot sites with higher levels of relational coordination exhibit better utilization, cost, and quality?
- The Path Forward: The Initiative will continue to facilitate multi-stakeholder conversations to explore how best to support patient-centered primary care in New Hampshire.

### **About Patient-Centered Medical Homes**

The patient-centered medical home concept re-centers health care on the patient's needs and priorities by providing primary, preventive, and chronic condition care that is personalized for each patient. It emphasizes the use of care coordination and health information technology, including electronic health records, to help prevent and manage chronic disease. It also features consumer conveniences such as same-day scheduling and secure e-mail communications. The medical home strengthens the patient-physician relationship by allowing the doctor and team of health professionals to spend more time with each patient and to develop and follow through on an individualized plan of care.

Medical homes have been shown to improve health outcomes, reduce costs and improve patient, family, physician and staff satisfaction.

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## Appendix C

### **PAYMENT REFORM PILLAR/ACCOUNTABLE CARE ORGANIZATION SUMMARY December 2011**

In New Hampshire, we are uniquely positioned to design and implement a reimbursement system that values, prescribes and rewards medical care that is tightly coordinated and of superior quality and efficiency. In August 2010, the NH Citizen's Health Initiative (The Initiative), which is staffed by the NH Institute for Health Policy and Practice (IHPP), launched a statewide, five-year Accountable Care Organization (ACO) pilot project in an effort to achieve the level of cost and quality performance of the top five "low cost, high quality" states. The project encompasses the commercial insurance market and includes five delivery systems statewide. It is aligned with the State of NH's efforts to provide affordable and accessible health care for the citizens of NH. This ACO pilot project builds on a long-term relationship between The Initiative and several organizations including, but not limited to, the NH Department of Health and Human Services, The NH Department of Insurance, the NH Medical Society, the NH Hospital Association, and the four private commercial carriers (Anthem Blue Cross Blue Shield of NH, CIGNA HealthCare, Harvard Pilgrim Health Care and MVP Health Care). The participating delivery systems represent a total population of greater than 400,000 individuals of the total 1.3 million NH citizens and 700 of the 3,900 practicing clinicians in the state. The pilot systems were selected through a competitive application process.

#### **The New Hampshire Accountable Care Organization (ACO) Pilot**

- The pilot is a collaboration of five delivery systems which include: six hospitals, 60 primary care sites, three home health agencies, five hospice agencies, 40 behavioral health providers, seven community health centers, as well as independent and employed regional clinicians. Health care delivery systems involved in the project are the Central New Hampshire Health Partnership in Plymouth, Exeter Health Resources, Southern New Hampshire Health System in Nashua, Cheshire Medical Center/Dartmouth Hitchcock Medical Center Keene, and a North Country consortium of Cottage Hospital, Littleton Hospital, and Ammonoosuc Community Health Services.
- The ACOs in the pilot, in conjunction with commercial carriers and other stakeholders, will jointly define a common financial framework that will outline the assumption of responsibility by an ACO for a population of patients which includes a baseline budget, budget target and quality performance requirements.
- The project is facilitated through The Initiative, which serves as a convening white-space. The Initiative will facilitate an ACO pilot and community-level consumer engagement strategy and implementation, including messaging,

benefit design evaluation, focus groups and program and communications design recommendations.

- All data about the pilot, including quality, cost, and efficiency outcomes with benchmarks will be reported transparently, and with adherence to HIPPA privacy regulations.

## **2011 Accomplishments (Planning Phase)**

### Robert Wood Johnson Foundation Grant Award

In May 2011, the NH Citizens Health Initiative received a grant from the Robert Wood Johnson Foundation to assist in implementing the NH Accountable Care Organization Pilot. Funding which totals \$250,000, supports the provision of reliable and actionable data and analytics that will enable reporting and measuring outcomes across all five systems. The funding allows the pilot to add valuable actuarial and technical staff, as well as physician leadership to the team.

### ACO Model Review and Selection

The ACO pilot team spent significant time and effort in the spring of 2011 reviewing ACO models, such as the Alternative Quality Contract, that are currently in use or being piloted across the United States. The pilot sites had the opportunity to speak with provider groups that are currently engaged in these models to understand impacts and success criteria for their organizations. In addition to private models and pilots, the group analyzed the proposed CMS regulations for the Shared Savings Program and submitted a letter on behalf of the pilot participants voicing concerns with the draft regulations (such as the exclusion of Federally Qualified Health Centers and Critical Access Hospitals). Many of the groups concerns were addressed in the final regulations released in fall of 2011. The pilot sites are currently evaluating the final regulations and feasibility of entering the Shared Savings Program in 2012.

### Data Validation and Analysis

- Analysis of the populations for which the NH ACO pilot sites will be responsible for has been done to date using the NH Comprehensive Health Information System (<http://www.nhchis.org/>). Evaluating the usefulness of cross-carrier claims data aggregated by an independent third party to support ACO development is a unique aspect of the NH pilot.
- To date, the group has looked at ACO population size using different “patient assignment” methodologies, population condition prevalence, cost of care data to support the definition of a global budget and a suite of quality and utilization metrics proposed by the clinical subcommittee.
- Initial validation against an individual insurance carrier data set gave positive results that the All Payer Claims Database

- is appropriately capturing claims to support ACO analysis. The analysis needs for the ACO pilot have shown that the following information would further support ACO analyses in the future: information regarding patients who select a primary care physicians (PCP election) through their benefit package and data for the NH border areas regarding patients who patron the ACOs, but live in Maine, Massachusetts or Vermont.
- We continue to evaluate ways that APCD data can be used to support ACO development, but feel the APCD has been the key data source in developing methodologies for ACO patient populations, common financial framework and claims-based utilization and quality measures.
- The NH ACO project will make its metrics, algorithms, and processes available to other states and health systems that are developing ACO models going forward.

### **Common Financial Framework**

Through the Robert Wood Johnson Foundation funding, the NH pilot team engaged an actuarial consulting firm to guide the analytic plan and development of a common financial framework to be used by the pilot sites and insurance carriers for individual contract negotiations supporting the ACO model. The actuary led the group in discussions regarding the importance of credible populations, patient assignment methodologies, development of the baseline budget and budget targets, risk sharing arrangements to access savings and how a quality threshold and score could be applied to shared savings to help maintain the importance of quality care. Scenario modeling was provided to all pilot sites showing the potential monetary impact to their organizations under different models and outcomes. A proposed financial framework was distributed in November 2011 and is currently under review.

### **ACO Ethics**

Participants in the NH ACO pilot are keenly aware of the negative impacts and public sentiment from the managed care days of the 1990's. The group agreed that for the New Hampshire ACO pilot to succeed, ACOs must be trusted and respected by patients and physicians. With support from the Director of the Harvard Pilgrim Ethics Advisory Board, the pilot participants engaged in initial case study discussions regarding potential ethical dilemmas within an ACO environment. In addition, these case studies were discussed at a Harvard Pilgrim Ethics Advisory Board meeting in the fall of 2011 with representatives from the pilot present. The pilot team was provided with a "consultation report" from the advisory board with their thoughts and recommendations. The pilot participants have agreed that the development of an ACO ethics process during the implementation phase of the project will be important and incorporated in the plan.

## 2012 Goals

To support the pilot transition from planning to implementation phase, the following activities are proposed for 2012:

### ACO Contracting

After sign-off of the ACO common financial framework, participating pilot sites and insurance carriers will continue their individual negotiations with the framework as the base for their conversations.

### Employer and Consumer Engagement

While initial discussions have taken place, both employer groups and patient advocates will be included more robustly as we near the pilot implementation phase. We plan to have discussions regarding communication strategies, benefit design evaluation, focus groups and community engagement sessions.

### Data and Reporting Needs to Support ACO Operations

While APCD data is highly valuable as currently configured and has proven particularly useful for planning analysis, it is not likely to address the full breadth of clinical and operational needs of the ACO Pilot. For example, APCD systems do not include the uninsured population, premium information, back-end settlements, or clinical outcome information, nor is identifiable patient information available. A thoughtful Needs Analysis will be undertaken to understand operational requirements for the pilot sites moving forward.

### Learning Community

During the implementation phase, ACOs pilot sites will participate in a formal learning collaborative, where they will be responsible for reporting progress towards pilot goals, improving overall and process-specific performance, sharing best practices, and participating in the development and publication of a sharable tool-kit.

In addition, the Initiative is working with partner organizations in Maine to facilitate the sharing of tools and best practices across newly forming ACOs.

