



HAWAII

Independent Physicians

ASSOCIATION

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Understanding the Macro and Micro Economics of Healthcare in Hawaii, Dr. Josh Green

Friends,

Healthcare can be an extremely complicated subject to navigate, especially when it comes to costs and expenses. I know many in our community have some questions when it comes to our state's healthcare such as, "Why are prices so high?" "What's being done to fund healthcare in rural areas?" "What are the ramifications of the Affordable Care Act?" "What are the costs of healthcare education?"

As members of the Hawaii IPA we are all focused on healthcare in the trenches, working on healthcare transformation, and HMSA's Māhie 2020 as providers. Our IPA also has been very engaged in the Queen's CIPN and the state's HHIE. Much of the work we do in these programs is becoming an integral part of our 21st century healthcare system.

In a recent two part series on ThinkTech Hawaii I sat down with Reg Baker, a prominent local business person and former Hawaii health insurance executive, to really look at Hawaii's healthcare system by the numbers, and try to clarify some of the common challenges to healthcare finance and function in our state.

The first part of the series focuses on the macroeconomics of healthcare in Hawaii and attempts to establish the big picture.

The second part of the series delves deeper into the microeconomics of our state's healthcare system and its influence and impact on individuals and providers.

You can access [Part 1](#) and [Part 2](#) of the ThinkTech Hawaii series via the links below. As always I welcome any questions, thoughts, or ideas you might have on the subject.

Thank you for all your hard work caring for Hawaii's patients.

Warmly,
Josh Green
Executive Medical Director

Part 1: <https://goo.gl/jRuLnO> Part 2: <https://goo.gl/OTihfg>

Quality Steering Committee Update, Dr. David Saito

As many of you know the HMSA Payment Transformation, Māhie 2020, pilots have started. Some PCP HIPA members on Oahu and Maui started on April 1, 2016 with a few others starting on May 1, 2016. These PCPs have been working hard participating with this process. These PCPs are receiving a global payment per patient which is calculated over 3 years of reimbursement (PMPM). As one can conclude, payment per month depends on the total patients on the doctor's panel. Patient attribution has been one problem so far. This is still being worked out. Additional performance (quality) measures have been added. These are influenza vaccines, screening for symptoms of clinical depression and anxiety, tobacco cessation and follow up, patient experience survey and Well-Being 5 survey; pediatrician measures include vaccination status and well child visits. Due to comments from the groups, HMSA has decreased the completion rate thresholds for the Well-Being 5 survey. The Physician Organization performance measures are CSHCN (Children with Special Health Care Needs) Screener completion, controlling high blood pressure rate, access to care-ED utilization, and hospitalization for potentially preventable complications. We are still in process to figure out some of these PO measures. As one can see the program significantly changes PCP practice patterns. Plans to start this program to the rest of the PCP community is some time in 2017.

More detailed information regarding the payment transformation pilot and Māhie 2020 moving forward can be found in the NKF update on Page 3.

Hawaii HIE Update, Dr. David Saito

Hawaii HIE has services which may be used for improving patient care. Firstly, a secure EHR to EHR exchange of health information can be done. This facilitates EHR neutral secure and timely exchange of patient's care summaries. The Community Health Record allows access to a patient's medical information across different areas of the health care system. There is a referral management module which is also an EMR neutral web based tool that allows providers to manage patient referral. Direct secure messaging is available with an email system that allows providers to exchange information and documents with other providers whether or not they have an EMR.

Hawaii HIE has this suite of services to assist providers to care for patients. Hawaii HIE will soon start charging for these and other services. Beginning January 2017 an annual subscription will be discounted if providers sign up by November 1, 2016 at \$40 per month per provider. This will include follow-on technical assistance of 1 hour per physician, customized technical assistance of \$200 per hour, help desk support during business hours and verification of Medicare/Medicaid eligibility and current licensure. If providers sign up later the cost will be \$50 per month. At this point, providers who do not opt for the service package above, access will be terminated.

If you are new to Hawaii HIE (also referred to as Health eNet) on-boarding of new users will start in July 2016. The first year fee will be \$1100. This will include the first year access subscription, in office training of 2.5 hours per physician, and the rest of the services listed in the previous paragraph.

Hawaii HIE will continue to offer health IT consulting services that include CMS quality payment program assistance. This includes MACRA/MIPS, meaningful use reporting and PQRS reporting. MU audit support is also available. This service will begin October 1, 2016 at a 12 month provider rate of \$3450.

Security awareness training will also be available. There will be one training per major island. The training fee is \$100 per person. Session will last 2 hours.

If you have questions and/or want to sign up with Hawaii HIE, contact them at helpdesk@hawaiihie.org or call 808-441-1411.

Finally, I will be rotating off the Hawaii HIE Board as of June 2016. They are hoping to bring on another practicing physician but this has not yet been finalized. Hawaii HIE is transitioning into another phase with charging for services. Time will tell if this will keep Hawaii HIE successful. I hope that physicians will continue to support Hawaii HIE.

Payment Transformation Update, Ray Shiraishi

In early 2016, Hawaii IPA agreed to participate in an HMSA pilot that will transform how primary care physicians are paid. This program is described by HMSA representatives as it "will lead the way to better care for communities across Hawaii". HMSA's payment transformation initiative seeks to strengthen the patient-provider relationship and patients' engagement in their health and well-being. The initiative started with a six-month pilot program in April. Fifty-six Hawaii IPA physicians across Oahu and Maui agreed to participate in the pilot program.

The transformation payment model will be rolled out to all participating HMSA physicians in 2017 and Hawaii IPA physicians, already in the pilot, are positioned to gain the benefits from participating as an early adopter. The transition from fee for service to a PMPM model requires redefining and redesigning aspects of practices. The guarantees in stability of payments, offered by HMSA to pilot participants until 2018, provide an environment to gain traction on transformation and successfully adapt to the change from volume to value. A reminder that this volume to value shift is also a CMS priority for health system transformation in the form of MACRA with the two paths: MIPS or APM.

The transition to the new primary care payment model was not without obstacles. New performance measures, although fewer in number, were introduced and physicians felt the burden of a dramatic shift in quality care deliverables. Of the performance measures, were three screeners or surveys; the Well Being 5, the PHQ 4/9 and a patient satisfaction survey. These proved to be a challenge to many physicians and their office processes. The Well Being 5 required patients to go online, register with username and password and spend 20 to 30 minutes answering questions about their overall "well-being". This included questions about their relationships in life, their economic security, their community and their physical health and energy. Doctors expressed the difficulty of having the technically challenged patients take the time to complete the survey. Another survey that became part of the everyday life in the pilot physician was the Patient Satisfaction Survey. This was administered through Cozeva and required that physicians either pre-plan and print the survey or print upon discharge. Although the survey was short in format, the extra burden of printing and mailing them back to HMSA proved to be troublesome for many offices. Since the launch of the pilot, HMSA has made adjustments to the weighting of these surveys and improved the clarity of the satisfaction survey. Lowering the thresholds for the Well Being 5 survey was a welcomed change as this was weighted heavily as a performance measure.

The change from a fee for service payment model to a per member, per month (PMPM) model was challenging for many doctors to understand and adjust. The PMPM calculation was an algorithm based on a three-year (2012, 2013, 2014) look back of fee for service charges divided by the number of member months. There were many questions arising from circumstances, perhaps not anticipated, of changing patient populations to scope of services that included extra procedures that were not captured in the fee for service analysis. Patient panel size and attribution became a hot topic and physicians tried to understand the "per member" reimbursement they were receiving.

Pediatricians found it difficult particularly because of the nature of newborn attribution to their panels and immunizations that were not captured and carved out of the PMPM analysis. In the end, a majority of physicians have come to terms with the monthly check they receive for their attributed lives on a PMPM basis. Hawaii IPA and HMSA were able to work out major discrepancies when they occurred in individual practices and adjust accordingly. Hawaii IPA is actively working on helping physicians adapt to the new order and processes of their practices. The PCMH model launched by HMSA about five years ago, was to serve as the foundation for building a practice that could effectively transition to this new type of payment model.

Payment Transformation Update, Ray Shiraishi (Continued)

Unfortunately, many offices were not able to transition completely and successfully as a Patient Centered Medical Home. Understanding that this deficiency exists in many offices, the need for a transformation was evident. The launch of the series Hawaii IPA Quality Collaborative Academy scheduled to kick-off on August 17th at Alan Wong's Pineapple Room is an effort to bridge this gap. The Quality Collaborative Academy is based on the following:

- Fresh perspectives are needed to adapt and adopt to this new payment model
- New strategies and ideas need to be learned and implemented
- Staff engagement is imperative
- Group support and collaboration is powerful and needs to exist to ensure mutual success
- Cohorts for Oahu, Maui, and Pediatricians

The only way this can be successful is for doctors and staff engage with the process. Participation must be encouraged as a requirement to gain all that is offered from this program. Subsequent meetings will be held to ensure sustainability.

The following are the scheduled events for the remainder of the year for Oahu:

9/14/2016
10/12/2016
11/09/2016
01/18/2017
02/08/2017

The kick-off meeting for Maui will be held on September 21st, 2017, the following are scheduled for the remainder of the year for Maui:

10/19/2016
11/30/2016
01/25/2017
02/22/2017
03/08/2017

For Pediatricians (on Oahu, videoconference for outer islands), the schedule for the year is as follows:

08/31/2016
09/28/2016
10/26/2016
11/30/2016
01/18/2017
03/01/2017

For more information regarding these events, please call 589-5901.

General MACRA Overview, Dr. David Saito

This is intended to be a general overview of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). I have gathered this information from various articles. My disclaimer is that I am not an expert on MACRA. However, I believe that if you care for Medicare patients you need to know about MACRA otherwise your reimbursement will decrease.

A recent article in Modern Healthcare reported that half of non-pediatric physicians have never heard of MACRA. This plan will put 4% or more of Medicare reimbursement at risk beginning in 2019 as noted below.

In the past Medicare payments for services for health care providers have depended on the Sustainable Growth Rate (SGR). In the past the SGR was changed by Congress to adjust the amount physicians were paid for services. Sometimes physicians were not paid because time ran out before Congress could readjust the SGR and our payments were held. MACRA ends the Sustainable Growth Rate and the game of "kicking the can down the road." It permanently eliminates the annual threat of physician payment cuts. It provides for positive annual payment updates lasting through 2019. The details of the new program are not set yet and we may need to be careful about what we wish for.

The proposed rule was issued on April 27, 2016 by the Centers for Medicare & Medicaid Services (CMS). It contains 952 pages. The deadline for comments to the proposal was closed recently and the final rule is expected sometime this autumn. CMS Acting Administrator Andy Slavitt told lawmakers on July 13, 2016 that the agency is considering delaying the start date for MACRA set to go into effect January 1, 2017. CMS is concerned that some physicians, mainly small practices and rural practices, may not be ready for the changes. Another article stated that at least 80% of practices may not participate in MACRA and consequently take the penalty.

MACRA changes how CMS rewards us for quality and value-based care rather than volume. It also combines the existing quality reporting programs into one streamlined program. These programs are Meaningful Use, Physician Quality Reporting System (PQRS) and the Value Modifier (VM or Value-based modifier). The combination of these programs will become the Merit-Based Incentive Payment System (MIPS). The measurement for this program is based on quality, resource use, clinical practice improvement and meaningful use of certified EHR technology. The details of these measures have not been set at this time. Based on the MIPS composite performance score, physicians and practitioners will receive positive or negative adjustment up to percentages. The following are the percentages and time frame. In 2019, up to plus or minus 4 percent, 2020, up to plus or minus 5 percent, in 2021, up to plus or minus 7 percent and in 2022 up to 9 percent. The adjustments are budget neutral (zero-sum game) and therefore, may include a scaling factor.

The other path for the Quality Payment Program is Alternative Payment Models (APMs). These are new payment and delivery models approved by CMS. Participation in these new models is voluntary. Physicians who choose APMs are exempt from participating in MIPS. It provides bonus payments for participation in eligible plans.

Dr. David Saito
VP Hawaii IPA

Upcoming Events

Hawaii IPA Quality Collaborative Academy

Oahu Kick-off

Wednesday, August 17, 5:30 pm—8:00 pm

Alan Wong's Pineapple Room

Ala Moana Shopping Center

Maui Kick-off

Wednesday, September 21

Time and Location TBD

Contact Melissa Hashimoto-Binkie at melissah@kidneyhi.org
for more information and to RSVP.

East Hawaii IPA 20th Annual Healthcare Symposium

Friday, August 19—Sunday, August 21

Fairmont Orchid, Hawaii Island

HIPA members get a special reduced registration rate of \$75

Go to easthawaiiipa.org for more information and to register.

Hawaii IPA Webinar Series

The Role of Pharmacies in Managed Care

Wednesday, August 10, Noon—1:00 pm

Webinars are held the second Wednesday of every month. Please go to <http://www.hawaiiipa.com/webinars>
for upcoming topics and <https://vimeo.com/channels/hipawebinars> to view past webinars.

QCIPN Town Hall Meetings

Town Hall meetings are held from 5:00 pm—6:30 pm at the

Queen's Conference Center on the following dates:

October 5, December 7, February 15, June 7

If you are unable to attend in person, be sure to go to queenscipn.org, view the recorded
meetings, and fill out the attestation form to receive credit for attending.