As healthcare organizations across America move from volume-based models to value-based models, their payment and cost evaluation methods must evolve accordingly. Through its Total Cost of Care (TCOC) Project, the Network for Regional Healthcare Improvement (NRHI), with support from the Robert Wood Johnson Foundation, is leading the way in establishing a standard way to report cost information so that it aligns with national efforts and yet is consistent, relevant and actionable at the local level. NRHI recognizes that regions of the country are in different places on the continuum of measuring and reporting Total Cost of Care. In an effort to leverage and spread learnings across regions, keep communities engaged and keep organizations moving forward with this work, a funding opportunity was offered for development regions to work on overcoming specific barriers.

These Case Studies are the stories of how development regions gathered lessons from the field and applied them to the field to meet the needs of their particular communities, and advance payment and cost reforms in the process.

The Barrier:
Gaining Stakeholder Consensus on Public Reporting

The Health Collaborative (THC) has an engaged Board of Directors, including all leading health system Chief Executive Officers (CEOs), corporate, payer and civic stakeholders. THC is a social enterprise based in Greater Cincinnati dedicated to improving quality in health and healthcare. We bring together those who provide care, pay for care, and receive care, to find mutual solutions to challenging problems. Together we set community standards for quality care, design and implement improvement strategies, and manage and analyze data to improve health and reduce cost.

The Health Collaborative believes that measuring outcomes and reporting provider performance improves quality and empowers patients to make informed choices. While much evidence shows this to be true, getting providers to agree to publicly share their data can be difficult, as was THC’s experience with reporting patient experience and clinical measures on its public-facing site, YourHealthMatters.org.

The Health Collaborative is committed to the Triple Aim: healthier people through better care and smarter spending. Our goal is to report on provider-level Total Cost of Care for the entire Greater Cincinnati region, increase multiple stakeholders’ engagement and support data transparency and public reporting. This aligns with THC’s mission to transform health and healthcare in Greater Cincinnati by serving as the region’s collaborative platform for innovation and improvement.

The Health Collaborative received a Development Site Grant from the Network for Regional Healthcare Improvement (NRHI) as part of a project funded by the Robert Wood Johnson Foundation.
senior executives. Many stakeholders in Greater Cincinnati are keenly interested in publicly reporting the Total Cost of Care. However, achieving full stakeholder buy-in and consensus to move forward with public reporting of cost data is the region’s biggest barrier.

While practices and providers are eager for this analysis, THC needs providers and payers to become comfortable with their results before they can commit to publicly reporting. This requires a mutually accepted methodology that produces accurate results, a self-assessment of one’s performance and sufficient opportunity to demonstrate an ability to improve. However, THC currently does not have full consensus regarding the definition of Total Cost of Care and the ideal methodology that should be used to calculate it. Specifically, there is a need for the methodology to include an adjustment for the hidden costs frequently incorporated within the ultimate fees paid. For example, a hospital required to maintain emergency trauma readiness within a community will have this resource cost spread across its reimbursement for fee-for-service billings. Gaining full stakeholder consensus is THC’s goal as a participant in NRHI’s TCOC project.

**What Cincinnati Stands to Gain**

This project provides an excellent opportunity for the Greater Cincinnati region to develop a standardized method of measuring and improving how the community pays for care. Ultimately, this will support the region in ensuring better care, smarter spending and healthier people. As trends in healthcare progress towards payment for value, transparency and uniform measurement across the region will assist in accelerating improvement for all stakeholders.

**Strategies to Overcome Barrier**

**Strategy 1: Stakeholder analysis**

The first step taken to gain support for adopting the TCOC measure was to conduct a stakeholder analysis focused specifically on reporting TCOC to better understand the perceived costs and benefits to each unique stakeholder group in the Greater Cincinnati region. THC staff participated in a day-long working session to identify key stakeholder groups and identify the top costs, benefits, and potential TCOC
champions and leaders in each stakeholder group. From the preliminary stakeholder analysis, THC developed a formal framework of talking points to address the concerns and/or questions from each stakeholder category to be referenced when speaking about the TCOC methodology.

**Strategy 2: Engage the Employer Council**

THC organized a group of representatives from major employers in the Greater Cincinnati/Northern Kentucky region. THC used this meeting to educate the region’s employers on the TCOC methodology and the significance of pursuing a TCOC transparency agenda in coordination with quality improvement efforts (See strategy #4).

**Strategy 3: Leverage Collective Impact work**

As part of THC’s backbone activities in leading the Greater Cincinnati/Northern Kentucky’s Collective Impact on Health work, now called GEN-H, a Finance & Payment action team was formed to address the cost component of the triple aim: healthier people, better care, smarter spending. Team membership included representatives from major health systems, payers, employers, and consumers in the region. THC staff presented the TCOC methodology to the Finance & Payment action team to educate them about the essential component of resource use measurement as a key differentiator in the measure.

**Strategy 4: Incorporating TCOC as part of primary care transformation**

THC has incorporated TCOC into its existing primary care transformation and quality improvement efforts under the Comprehensive Primary Care (CPC Classic), and plans to expand this as it moves into the next phase of the program: CPC+.

**Overcoming Additional Challenges – Expected and Unexpected**

**Understanding the HealthPartners Methodology:**

Because THC had several concurrent payment transformation activities underway at the time it began this project, an expected challenge was to find a way to seamlessly integrate it with this preexisting work in a way that was complementary. For example,
the CPC initiative captures cost data using a methodology that does not require paid amounts. Educating both THC staff and key stakeholders on the differentiating, but complementary, factors of the methodologies was critical as a foundation to addressing this challenge.

**Complexity of Cost Data:**
As THC worked with the payers in CPC Classic, it became quickly apparent that the way in which payers measure, submit and categorize claims data is quite variable. While some industry standards exist, they vary significantly between private and government payers. Definitions of cost also are different in that private plans distinguish between paid amounts and allowed amounts while government payers do not. The payers have not submitted data in a uniform method in this region.

**Engaging the Employers:**
While THC anticipated experiencing challenges in terms of the pace of certain stakeholder buy-in, it did not fully anticipate that the interest expressed by the employer group, specifically, would be as slow as it was initially. To address this, THC staff took a targeted approach to engage the employer group. THC presented the TCOC methodology at an Employer Council meeting to increase understanding of and interest in pursuing a TCOC transparency agenda. The group also highlighted the HealthPartners methodology as a way to bolster the current work of the CPC initiative.

**Stakeholder Champions:**
An additional unexpected challenge included the limited effectiveness of the stakeholder champions at this stage in the process due to unclear expectations of their role in engaging their peers around the significance of pursuing a total cost of care transparency agenda.

**Resources Required**
After mapping out the strategies to approach the identified barriers and challenges, THC relied upon a toolkit of comprehensive resources, both internal and external.

**NRHI:** A major external resource was the staff support from NRHI in guiding THC
through a successful stakeholder analysis which contributed to the development of
talking points for each stakeholder group – a key deliverable of the project. THC also
brought stakeholders to both NRHI national leadership seminars to further educate
and engage local champions in future efforts.

**Existing THC workgroups:** THC used existing affinity groups (The Employers Council
and the Finance & Payment action teams) to educate key employers, payers, providers,
and consumers in the Greater Cincinnati region on a viable way to pursue a Total Cost
of Care measure for the region.

**CPC Classic:** THC leveraged their existing work under the CPC pilot program and data
workgroup to integrate cost data they are already capturing along with clinical data.
Working with a vendor with 10+ years of experience in the standardization of claims
data and the mapping of claims data to the appropriate “buckets” of cost was helpful
in resolving much of the variability among claims submissions described above. The
subsequent production of reports aggregating the cost of care data across 9 payers
(both private and government) provided added credibility that such an approach
could be meaningful. Having the plans and practices co-own the process allowed for
transparency in working through the way in which the data was combined, risk adjusted
and calculated. This has created a trusted approach and structure that will serve the
region well as it expands into CPC+ and incorporates the HealthPartners’ Indices.

**HealthPartners:** In discussing a Total Cost of Care measure and its potential to
improve the success of achieving the Triple Aim in the region, THC staff relied upon
the publicly available resources developed by HealthPartners to address questions
related to the methodology and resource use component. Specifically, THC often cited
HealthPartners’ white paper, “HealthPartners Total Cost of Care and Resource Use,”
which is endorsed by the National Quality Forum (NQF).

**TCOC Project Team:** Throughout this effort, THC had access to the five original regions
in the TCOC project who provided insights, lessons learned and guidance from their
own experience. This helped THC inform their approach and avoid some of the pitfalls
others had experienced.
**Actions**

*Integration of work:* After completing the initial stakeholder analysis early on in the project, it became clear that THC’s concurrent work with data aggregation for the CPC program and the goals of the Collective Impact on Health initiative should inform each other rather than continue as stand-alone projects. This was underscored by the vested engagement of so many of the region’s key stakeholders in the work of both of these existing initiatives.

*Understanding the methodology:* Because THC was already working with an existing methodology to capture cost data under the CPC program, it was necessary to educate both staff and key stakeholder groups on the differentiating factors of the HealthPartners methodology—specifically the resource use component unique to HealthPartners.

*Educating Stakeholder Champions:* In addition to understanding the methodology, it became clear that stakeholder champions would need more information to make the case for the value of reporting TCOC.

**Results**

*Targeted stakeholder analysis:* THC was able to develop a comprehensive analysis of the key stakeholder groups it will need to engage in order to advance a TCOC reporting agenda in the region, as well as a unique value proposition for each.

*Stakeholder champions:* Through both the employer and physician champion summits offered by NRHI, and discussions with its existing workgroups (Finance & Payment action team; Employer Council) THC was able to identify and cultivate relationships with champions. Additionally, discussions regarding TCOC with the Finance & Payment action team supported their focus areas related to price, utilization, benefit design, and health economic literacy. This synergy significantly advanced the work of the action team as well as the larger initiative.
**Integration Strategy:** The TCOC methodology and specifically – the “Resource Use Index” – was introduced to the data aggregation work THC has been leading for four years under the CPC Classic program. Rather than approach the problem as an either/or selection of metrics it became clear that adding the two Health Partners’ TCOC indices added a new dimension to the measurement by accounting for resource use. This allowed the continued calculation of the estimated allowed amounts calculated in the existing methodology and allowed “continuity of trending” as the project enters into the next phase. Additionally, by engaging the health systems through their primary care practices, the TCOC is more readily accepted as it spans the entire scope of care: inpatient, outpatient, physician, specialist and pharmacy. This avoids a focus on specific hospital charges, which has been high on the list of sensitivities for the health system CEOs. As THC continues this work into the CPC+ phase, it will continue this transition to be able to trend data going forward with regard to the HealthPartners metrics while maintaining a historical performance compared to future performance using current metrics.

**The Qualified Entity certification:** Concurrent with the above initiatives in Collective Impact, CPC Classic, Employer Council and TCOC Champions, THC has successfully pursued CMS certification as a Qualified Entity. Under this program THC has access to Medicare fee-for-service claims data for three entire states: Ohio, Kentucky and Indiana. Access to and use of this rich data repository was deemed valuable by the provider community. Access was contingent on the combining of Medicare data with other payer data and establishing a public report which is something THC had already accomplished with their CPC Classic claims data aggregation. The region used this as incentive for the systems and 73 of the 75 practices involved in CPC allowing public reporting of TCOC by the end of 2016. As comfort with this effort grows, THC’s strategy is to expand public reporting as the CPC+ effort spreads to more practices.

**Benefit of the Community**

**Elevated regional recognition of TCOC:** This work elevated the importance of pursuing a cost transparency agenda for the region. Additionally, it underscored that the region is uniquely positioned to measure and report TCOC as a natural evolution of the clinical
and quality measures it has been tracking for four years under the CPC Classic program and identified THC as a natural partner in advancing this work due to these concurrent payment transformation activities.

**Qualified Entity:** Engaging stakeholders around the value and methodology of TCOC informed THC’s thinking on their Qualified Entity report and how to proceed with it.

### Continuing Challenges

**Standardization of methodologies:** Because the data aggregation work under the CPC Classic project employed a methodology for measuring Total Cost of Care different than specified in the HealthPartners methodology, some work is still to be done to include the HealthPartners methodology and the “Resource Use Index” that is unique to the latter.

**Successful implementation and reporting:** Employer action, provider buy-in and payer participation will be required in order to advance this work to successful implementation in the form of reporting data.

### Lessons Learned

**Cost is Complicated:** There is a significant level of sensitivity around reporting Total Cost of Care due to the difficulty involved in defining and measuring it. While the Greater Cincinnati/Northern Kentucky region has developed trust and familiarity around reporting quality and utilization measures, they are much easier to define and standardize than the differing approaches to capturing costs (e.g. paid amount, allowed amount, charged amount, resource use). Similarly, satisfaction with the product depends on the end user of the data. Employers and health plans require real time costs i.e. dollars spent. Providers are very keen on risk adjusting the data so as to equitably compare their performance. Hospital CEOs like the HealthPartners approach as it includes resource use indices.

**TCOC—The next phase in data transparency:** Rather than be introduced as a new, stand-alone initiative, this project would need to be integrated into the
existing work of THC’s current payment transformation and presented as the next phase in data transparency efforts in order to be successful and embraced by all relevant stakeholders.

By introducing the region to the national interest and existing activity in measuring and reporting TCOC, THC was able to elevate the importance of a cost transparency agenda. THC brought diverse stakeholders together in an unprecedented way, and will continue to do so as the region pursues data transparency in support of the triple aim: healthier people, better care, and smarter spending.

**Stakeholders Actions**

*CPC Practices:* As a result of an increased focus on cost transparency in the region, primary care practices participating in the CPC Classic project have implemented new processes within their practices to influence high-cost services such as Emergency Department utilization. They are interested in understanding their own cost data in order to implement strategies that will ultimately reduce unnecessary utilization and cost which in and of itself would improve the level of care.

*Collective Impact:* As THC continues to integrate cost data with the Collective Impact on Health initiative (GEN-H) and related work with the Finance & Payment Action team, they anticipate more change to follow from employers, providers, payers and consumers alike.

**Advice to Others Facing Similar Barriers**

*Listen:* Understand your stakeholder concerns and questions around TCOC, and address them with targeted approaches to show how to improve processes and allocation of resources to reduce cost, rather than the reduction of outward costs for the patient. In facilitating this work: foster collaboration, not competition.
Next Steps

THC will add to its present approach the ability to apply the HealthPartners Resource Use Index. This allows the relative comparison of TCOC in the market without revealing “allowed amounts” that is a concern for participating providers.

In addressing concerns about the timeliness of claims data, two different but complementary solutions may be explored: 1) Investigate 30-, 60-, and 90-day claims data to determine the capture of utilization data in an attempt to report trends in utilization closer to the time of occurrence; 2) Integrate current THC work in event notification to calculate week-to-week counts for CPC attribution of a practice’s Emergency Department visits and discharges.

There is a need to focus on actionable reports if physicians are to engage in their data. To this end, THC will explore the creation of an “Aggregated Data – Clinical Impact” group to supplement current efforts to take meaningful and actionable reports to practices.

Perform data usefulness analyses of commercial plans and compare to determine the value of CPC Classic, data aggregation and set the stage for support for CPC+. This will be critical to keep plans and practices engaged in our data aggregation and cost transparency efforts.
Acknowledgments

This report was developed with support from the Robert Wood Johnson Foundation.

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ABOUT THE NETWORK FOR REGIONAL HEALTHCARE IMPROVEMENT (NRHI)
The Network for Regional Healthcare Improvement is a national organization representing over 35 regional multi-stakeholder groups working toward achieving the Triple Aim of better health, better care, and reduced cost through continuous improvement. NRHI and all of its members are non-profit organizations, separate from state government, working directly with physicians, hospitals, health plans, purchasers and patients using data to improve healthcare. For more information about NRHI, visit www.nrhi.org.

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October 31, 2016