As healthcare organizations across America move from volume-based models to value-based models, their payment and cost evaluation methods must evolve accordingly. Through the 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 each development region 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 Commercial Insurers Participation

The Washington Health Alliance (Alliance) operates a voluntary All Payer Claims Database (APCD) and has been doing so since 2004. The voluntary APCD includes claims information on up to 4 million Washingtonians from data provided by 23 data suppliers including the six main commercial carriers in the state, all five Medicaid Care Organizations and several major self-funding organizations including Boeing, King County and the Association of Washington Cities. The
Alliance reports publicly on quality metrics at the clinic, medical group (of four or more providers) and hospital levels. The Alliance also conducts and reports publicly on the CG-CAHPS Patient Experience survey. Since its inception, the Alliance has been unable to secure commitments from commercial insurers to voluntarily submit pricing information, despite repeated efforts. Claims-level pricing data has been the missing piece in the value puzzle.

The Alliance’s goal is to report on “value” in healthcare. Their definition of value is high-quality care and a great patient experience at a fair price. Price is the missing piece to the existing data set. The Alliance intends to work closely with all of their stakeholders to be certain that reports developed that include pricing data are accurate and are supported by stakeholders so they are actionable. Data must be turned into accepted, actionable information if they are going to collaboratively move the market to value.

Initially, the Alliance identified the barrier of securing legislation to create and eventually lead a legally mandated all payer claims data base (APCD). However, as the realities of this arrangement became more clear, the organization shifted their focus to gaining access to pricing information through voluntary support and cooperation of commercial data submitters. This would result in the addition of pricing claims data to the Alliance’s voluntary APCD. It is hoped that if the three largest insurers agree, other commercial plans, and self-insured data submitters will follow. The Alliance also confirmed that they will continue to get data from Medicaid managed care organizations (MCOs) given the contract requirements with the Washington State Health Care Authority to provide data to the Alliance. Further, the Alliance intends to investigate becoming a Qualified Entity and adding Medicare data as well.

What Washington State Stands to Gain

The Alliance will be able to report on all aspects of value,—quality, cost and patient experience. The Alliance enjoys a very strong reputation as a trusted, neutral third party. That trust is essential to their success and they work hard to maintain it in everything they do. This environment of deep trust allows them to ask the tough questions and facilitate conversations to closure.
Strategies to Overcome Barrier

In the past, several commercial carriers were unwilling to provide claim level price data to the Alliance on a voluntary basis. The Alliance facilitated a two year conversation, in 2012 and 2013, which included senior leaders from all stakeholder groups. During the process, in-depth discussions occurred about the specifics of what data would be used and agreement on a plan was tentatively reached. In the end, two payers declined to participate. At that juncture, the Alliance Board opted to pursue a legislatively mandated APCD (WA-APCD) due to the lack of success in convincing major payers to share price data voluntarily.

Led by the Governor’s office, legislation was passed in 2014 that ultimately proved too narrow given the limited number of payers included (only Medicaid and state employees) and other onerous restrictions on the use of data.

In 2015, the Alliance helped form and lead a multi-stakeholder group of interested parties to address legislative changes. This group championed new, improved legislation, which was signed into law in May of 2015.

The 2015 legislation was not everything the Alliance hoped for; however, it was a positive step forward for the state. Billed amounts, paid amounts, copays, deductibles and allowed amounts must be included in the claims data submitted under this mandate. The legislation provided for a lead organization to develop, manage and sustain the mandated APCD. Unfortunately, the Alliance was not chosen as the lead organization.

Within a week of not being chosen to lead the State’s APCD, the Alliance secured the commitment from the six major commercial insurers, the five Medicaid Care Organizations and the largest self-insured purchasers in Washington State to continue to support the Alliance’s voluntary effort. At the Alliance Board of Director’s retreat on September 27, 2016, the Board identified adding pricing data to the Alliance’s voluntary APCD as the top strategic priority. Leaders from all six commercial plans in Washington have agreed to this direction, with discussions underway with the Medicaid MCOs. The Alliance is in active conversations about the timing and process for adding pricing data to their voluntary effort in the most expeditious way possible.
Overcoming Additional Unexpected Challenges

The Office of Financial Management (OFM), the agency designated to oversee WA-APCD, conducted two RFP processes to select the lead organization for WA-APCD. The first process had so many restrictions attached to it that the Alliance chose to withdraw in a public way. Examples of these restrictions included the fact that those who pay for or are paid for healthcare were not allowed to govern WA-APCD. This would have meant the Alliance Board of Directors could not govern WA-APCD. Another key issue was that the contractual arrangement contemplated did not provide a means for the Alliance to protect its intellectual property developed over many years. While the second RFP addressed some of these issues, significant contractual issues still remained.

Resources Required

Very active support of senior leaders on the Alliance Board was essential for pursuing the RFP and for defining “threshold issues” for the organization, that is, issues on which the Alliance was not prepared to compromise. Post the WA-APCD RFP decision, Board strength is also essential to implementing the strategy to add price information to the Alliance’s APCD. There is simply no replacement for strong, trusting relationships with statewide healthcare leaders.

The Alliance is also lucky to have technical expertise in their staff and through their data partner, Milliman. Running a voluntary APCD or pursuing a mandated APCD requires tremendous depth and technical know-how.

The Alliance is appreciative of the resources available through NRHI to do this work. It is very helpful to have insight and expertise from those around the country who are ahead in TCOC implementation. The materials developed by NRHI were also helpful education and communication tools.

Actions

The Alliance knew from the start that if they were unsuccessful in being named as the lead organization for the mandated APCD or if they chose not to participate in the RFP process because they did not believe they could run an efficient and
effective APCD under the terms, that they would redouble their efforts to grow and expand their voluntary effort. They talked extensively with data submitters about this alternative position and even presented it as an alternative strategy during an Alliance Board of Directors retreat over a year ago. Therefore, it was no surprise to data submitters post OFM’s decision that they asked for continued voluntary submissions.

**Results**

Ongoing commitment to the voluntary APCD was secured quickly following the decision by OFM not to award the lead organization contract to the Alliance. The Alliance was able to retain this support 1) because of the trust that has been built for over a decade as a data aggregator and a trusted convener; 2) because it was not a surprise that they would be asking; and 3) because they worked hard to present a very good case to the state to create a strong public-private partnership by leveraging the Alliance’s database and relationships.

The Alliance communicated their intent and the elements of their proposal broadly. If they had not been “all in” in their commitment to try to make WA-APCD work, including their response to the RFP and their leadership in getting the legislation passed, they would not have had the level of support they enjoy to continue the voluntary database.

**Benefits to the Community**

This work further solidified the role of the Alliance as the neutral, trusted third-party convener.

**Continuing Commitment**

Although the Alliance has initial agreements from the commercial payers to submit pricing data voluntarily, they are early in the process. They intend to continue their approach of honest, open conversations to make this a reality. This will mean working cooperatively to develop methodologies for reports that do not divulge proprietary financial information that identifies, or can be re-engineered to identify,
contract details between providers and health plans. Every health plan will have a different internal process for approval. The Alliance will be sensitive to these nuances while aggressively driving to closure and voluntary submission.

**Lessons Learned**

Be careful what you ask for. A mandated solution may come with lots of strings attached including strong state oversight and complicated rules for data requests, release and reporting.

**Stakeholders Actions**

The Alliance’s hard work on helping to shape the WA-APCD legislation and its excellent proposal to lead WA-APCD were valued by their members and helped strengthen their leadership position in the community. Members of the Alliance’s Board of Directors were unanimously committed to the threshold issues developed for doing this work under state contract. Their unanimity and steadfastness earned them kudos within the membership.

**Advice to Others Facing Similar Barriers**

Think very strategically about the approach to getting stakeholder buy-in. The Alliance’s approach to be a great team player, supporting and advocating for the legislative effort was well received by their members. OFM’s decision not to select the Alliance to lead the mandated effort strengthened healthcare leaders’ desire to support their work. The Alliance believes they would not have had the same response if they did not pursue the RFP process and invest tremendous time and energy in it.

**Next Steps**

The Alliance is going to work hard to quickly incorporate pricing data into their voluntary APCD. They also plan to leverage their existing committee structure, which allows them to draw upon the knowledge and counsel of their multi-stakeholder members to advise on the best way to incorporate pricing data into their work.
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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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