

Perspectives from States on Catalyzing Multi-Payer Initiatives

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NATIONAL ACADEMY
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About NASHP

For over 35 years, the **National Academy for State Health Policy** (NASHP) has been a nonpartisan organization committed to developing and advancing state health policy innovations and solutions.

NASHP provides a unique forum for the productive exchange of strategies across state government, including the executive and legislative branches.



Engaging States on Multi-Payer Initiatives

Project:

Catalyzing Alignment to Improve Value in Health Care: Charting a Path Ahead for States

Activity:

In January 2022, established and engaged a cross agency National State Advisory Group to:

- Understand state interests and what is needed to advance multi-payer alignment to reduce costs and improve health care
- Build upon lessons from past reform experience to inform future approaches

National Multi-Payer Reform Advisory Group

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Current Health Care Delivery Context

Challenges for States

- Lack of flexibility to navigate the pandemic exposed health system weaknesses and inefficiencies
- Continuing rising health costs, exacerbated by the rise in inflation
- Workforce shortages and population shifts in rural and urban areas impacting utilization, costs, and charges
- Disproportionate financial gains and losses across hospitals and providers; threatens to increase monopolies and exacerbate closures affecting access to care
- Lack of support dedicated toward post-acute care needs
- Fragmentation across and within health care and related social support systems

Current Health Care Delivery Context *(cont.)*

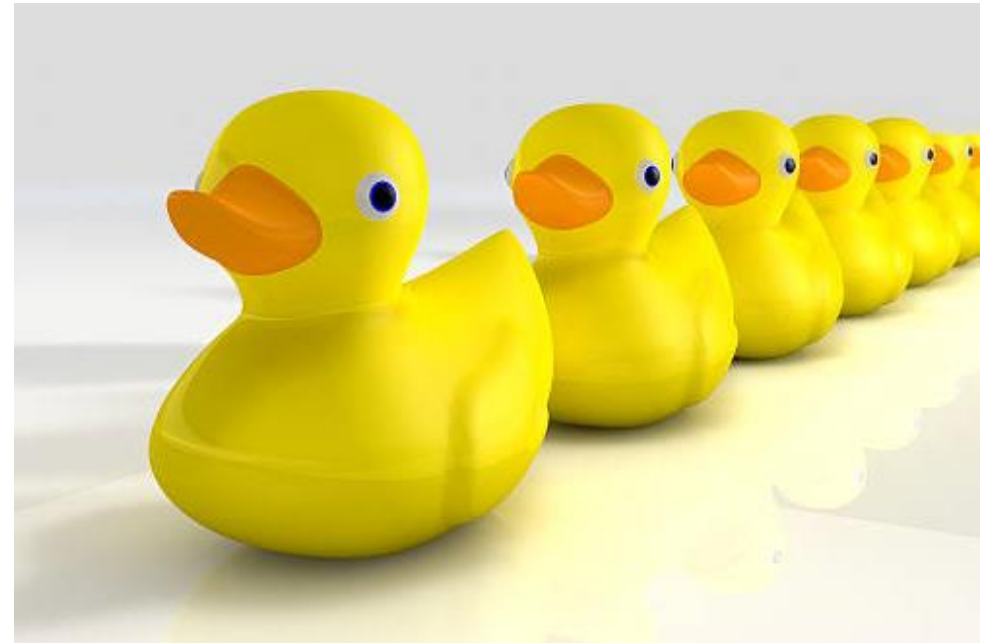
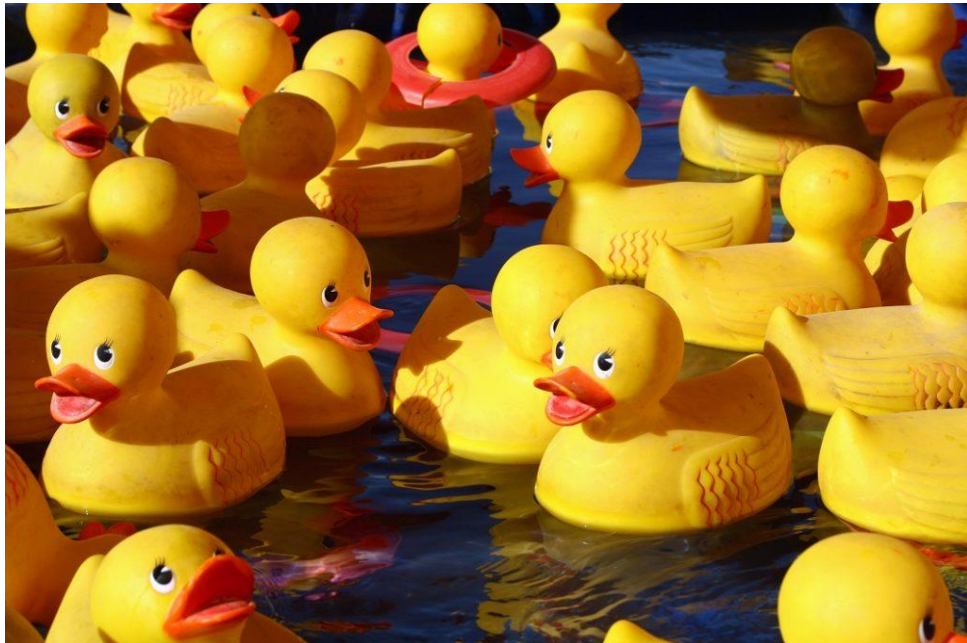
States' Focus Areas

- Local population-based health approaches to meet community needs
- Address health equity
- Outpatient supports to those with chronic conditions to minimize avoidable hospitalizations and improve care outcomes
- Maintain and increase access to high-quality providers

State Vision: A System that Improves Value and Health Outcomes



Multi-Payer Alignment Needed to Move from Current to Visionary Health System



Why Align Payers?

- Multi-payer alignment is needed to drive large-scale health system change including improved efficiency and lower cost
 - Aligned payers, including public payers and employers, can create pressure to change key partners' business practices e.g., providers
 - Reduces redundancy and excess administrative processes
 - Ensures continuity across the coverage and care continuum
 - Improving patient access to care
 - Minimizing care disruption when coverage source changes
 - Enables unified movement to achieve shared goals e.g., addressing health equity



State Lesson

Medicaid reforms alone cannot impact the overall health market

Why Engage in Multi-Payer Initiatives Now?

- High and rising health costs are **creating an affordability problem** for consumers
 - Transform the system to financially prioritize quality and value over volume
 - Need to increase administrative efficiencies and invest in the health care/social determinants of health workforce
- COVID pandemic identified vulnerabilities within the health system – resulting in **renewed interest to support systemic reforms**
 - Reliance on fee-for-service, volume-based payment put providers at financial risk and service volume experienced extreme fluctuations
 - Pandemic-fueled provider burnout has led to workforce shortages
 - Highlighted need to invest in primary care and behavioral health
- Purchasers, including employers, **seek solutions to address workforce shortages and rising costs**
 - Health insurance is a critical benefit – employers striving to offer comprehensive benefits to attract and retain employees, but want to invest in good care, not just coverage.


State Identified Challenges

- **Engagement for real change across health care purchasers**
 - Need to move away from the “special sauce” mindset toward uniform goals
 - Multiple public payers each designed to operate for a specific population
 - Commercial plans develop their own payment and delivery processes
- **Limited provider and payer capacity for testing ideas**
 - Need to invest in successful reforms with low risk for provider burnout
- **Disparate data infrastructure across payers and providers**
 - Need upfront funding supports for data sharing and enabling technology across all reform participants
 - Differing metrics create redundancy and administrative burden

State Identified Challenges (contd.)

- **Rural providers cannot participate in the same way in payment and delivery reforms due to lack of population density**
 - Need different/creative approaches to payment methodology
- **Lack of central authority that regulates and/or coordinates across payers**
 - **Major payers** – Medicaid, individual marketplaces, employer-sponsored insurance (fully insured or self-insured), state employee health plans, and Medicare – are accountable to different oversight agencies across state and federal governments
 - Need alignment across agencies and leaders to ensure clear a clear and unified vision is executed across payers through coordinated policies or social contracts
- **Sustainability**
 - Need strong buy-in by all partners to sustain federal and/or state leadership changes

State Identified Areas Ripe for Multi-Payer Reform Efforts



Primary Care	<ul style="list-style-type: none">• Create reliable revenue streams• Enable more effective efficient primary care focused modes (<i>ex. Advanced Primary Care</i>)
Behavioral Health	<ul style="list-style-type: none">• Increased flexibility for care delivery• Investments in the workforce
Maternal Health	<ul style="list-style-type: none">• Incentivize alternative care settings• Fund multiple types of providers (<i>e.g., doulas, mid-wives</i>)

What's Needed for Multi-Payer Reforms?

- Clear Definitions – alignment of what? By whom?
- Buy-in from all partners – including payers, providers, governments (i.e., state and CMS)
- Proactive employers
 - Example: Purchasers Business Group on Health - [Advanced Primary Care Model](#)
- Information technology upgrades, community information exchange, and data sharing

- Ideas for incentivizing employer engagement

- Shared savings
- Predictability of plan and providers for employees over time
- Alignment across states/regions (for large employers with multi-state operations)
- Increased quality that results in improved health outcomes for employees

Conclusion

- **Post-pandemic environment** — including impacts on the economy, utilization, and workforce and renewed focus on addressing equity and exposed health system inefficiencies — drive engagement in reforms aimed at improving value and outcomes
- **Payer alignment holds promise to improve efficiency, coordination, and value but requires:**
 - aligned leadership and goals across public AND private payers, including employers
 - workforce and infrastructure investments, and
 - consideration of unique needs including those of rural populations
- **Key focus areas** include population-based approaches, especially those aimed at bolstering primary care, behavioral health, and maternal health.



Thank you!

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