Pension & Health Benefits Committee

California Public Employees' Retirement System

Agenda Item 8

December 15, 2015

ITEM NAME: Population Health Management Initiative

PROGRAM: Health Benefits

ITEM TYPE: Information

EXECUTIVE SUMMARY

This information item provides an update of activities performed by staff concerning a standardized approach to population health management (PHM) within an integrated health management (IHM) delivery system. A working paper was prepared and sent to each health plan for critique in order to standardize a common approach for all health plans serving California Public Employees' Retirement System (CalPERS) members. CalPERS staff then worked with health plan staff to develop a population health dashboard. Efforts are underway to develop methods in which the dashboard elements can be populated in order to develop baseline population health data.

BACKGROUND

One definition of "population health" is "the health outcomes of a group of individuals, including the distribution of such outcomes within the group."[1] The federal Centers for Medicare & Medicaid Services is placing a "greater focus on population health management as opposed to payment for specific services,"[2] which is consistent with industry-wide best practices.

One initiative in the CalPERS 2013-2015 Business Plan[3] was "Standardize health plans' approach to population health management across the continuum of care for active and retired members." In 2013, staff formed a Benefit Programs Policy and Planning (BPPP) PHM committee to address this Business Plan initiative. The Committee included members from the Health Plan Administration Division, Health Policy Research Division, and the Center for Innovation. The Committee reviewed the literature on PHM and developed a Request for Information (RFI) to solicit PHM models from contracted health plans. Within the RFI staff sent seven graphical model illustrations as examples of population health and asked plans to remit their own.

---

[1] Kindig D, Stoddart G. What is population health? Am J Public Health. 2003 Mar; 93(3):380-3. At http://ajph.aphapublications.org/doi/full/10.2105/AJPH.93.3.380.

[2] Rajkumar R, Conway PH, Tavenner M. CMS--engaging multiple payers in payment reform. JAMA. 2014 May 21;311(19):1967-8. At http://jama.jamanetwork.com/article.aspx?articleid=1864086.

[3] At https://www.calpers.ca.gov/docs/forms-publications/2013-15-business-plan.pdf.

Each health plan provided its view of population health and included its models of population health. Once all the plans' responses were compiled, the committee deconstructed all of the PHM models to identify similarities and differences, To address any omissions or ambiguities in the plans' submissions, staff conducted follow-up phone calls with the health plans.

ANALYSIS

Population Health Model Development

Staff defined "population health" as "the health outcomes of CalPERS members." Although some studies define the "population" of interest as a geographically-circumscribed "community," the Committee noted that CalPERS members receiving health benefits are distributed throughout the world. Wellness, disease detection, and treatment of detected diseases can be understood as strategies to return members to the optimum state. Staff then developed a graphical representation of the CalPERS PHM model (Attachment 1, Figure 1).

The center of the PHM model is member-centric with the focus on member health outcomes. Encircling CalPERS member health outcomes is a ring which represents informatics which is essential to gather baseline data, measure progress on health outcomes, and to coordinate a health plan's activities. The factors determining CalPERS population health are then conceptualized into two categories:

- Determinants that health plans *cannot* influence directly (e.g., genetic factors, socioeconomic status, and the environment). These are placed at the bottom of the diagram.

- Determinants that health plans *can* influence directly which are then categorized corresponding to the three commonly-accepted levels of prevention:
    - primary prevention, which refers to prevention of disease before it actually occurs;
    - secondary prevention, to the detection of disease that is not yet clinically evident; and
    - tertiary prevention, to treating disease that is present.

Integrated Health Model Delivery System

The IHM model serves as an optimal delivery system system through which PHM services might be delivered. The IHM model (Attachment 1, Figure 2) depicts available, evidence-based methods and tools that health plans should have to affect the entire continuum of care from birth to end-of-life.

The furthermost ring of the IHM model depicts required network, team, and information technology elements that influence CalPERS member health outcomes. Information technology allows risk stratification, informatics, data mining, and the

use of performance indicators. IHM relies on teams and networks to affect health, and includes patient management, hospital/medical group risk sharing, and integrated information sharing through electronic health records that are accessible by providers across the continuum of care.

Each ring that surrounds CalPERS Member Health Outcomes traverses the continuum of patient management and emphasizes coordination across sites of care, including transitional care. Each successive ring, moving out from the Member Health Outcomes core, identifies approaches that positively affect member health, with prevention and primary care being most effective at maintaining an optimum health state. Further out from prevention and primary care are pre-chronic and chronic care, behavioral care, and prescription drug therapies and specialty care, which require more complex interventions. Ultimately, the model recognizes that all these approaches can be influenced by personal behavior on the part of the member.

These two interrelated CalPERS models, i.e., PHM and IHM, depict the staff approach to implementing a standardized PHM approach within its CalPERS health plans through an IHM delivery system. Both models contain the core goal of affecting and measuring CalPERS member health outcomes and both illustrate a set of strategies that should be used to improve member health. While PHM can be accomplished independent of an IHM model, CalPERS PHM model can be understood to be implemented using the available CalPERS IHM infrastructure approach.

<u>CalPERS Health Plans' Critique of CalPERS PHM and IHM models</u>
In 2014-2015, health plans were provided a working paper of the PHM and IHM models as integrally related and were asked to critique the CalPERS approach. CalPERS staff and health plans held discussions during quarterly business reviews and exchanged comments on the PHM model from which the health plans provided a written critique. In general, all health plans found the CalPERS PHM model delivered through an IHM system to be comprehensive, forward-thinking, and appropriate to improve health status and control costs. Most health plans were satisfied that their own models were consistent with CalPERS' concept. Physician reviewers commented that the CalPERS document sparked lively conversations with their colleagues.

After reviewing the CalPERS PHM model, some health plans adjusted their own models to emphasize the importance of the Triple Aim - high quality, affordable, accessible care - to well-developed and integrated PHM and IHM models. Most health plans talked about programmatic approaches contained within each respective population health model; i.e., the need for coordinated care teams, transitional care, organizational integration, and a holistic approach to patient care

across the continuum. Patient centered homes and care were stressed as part of the holistic approach.

Most health plans noted that social determinants of health were proving to be the most difficult to address as they were considered outside their scope of practice. A few plans suggested that CalPERS leverage it's state influence to promote health by supporting community initiatives and fostering public policy discussions/change.

The respondents found that providers practicing to evidence-based medicine, influencing prevention/self-care behaviors, risk stratification, predictive modeling, and enhanced coordination of care were important to any population health model. Health plans with fully integrated delivery systems provided glimpses into how such systems can support a robust population health model approach.

Conclusion

The PHM strategic initiative concluded on June 30, 2015, with the health plans' identification of data elements that might be included in a PHM dashboard for internal use in tracking health plans' clinical performance and other population health measures for CalPERS population. The proposed dashboard elements can be found in the Table in Attachment 1. A plan's ability to populate the dashboard fully will depend on the ability to extract the data through an electronic health record system or other data exchange platform.

Though PHM is no longer on the Business Plan, as part of core workload, staff will continue to track and monitor the integration of PHM and IHM activities, require population of data elements on the PHM dashboard, and report through Quarterly Business Review meetings.

Meanwhile, PHM concepts continue to evolve; for example, in April 2015 the Institute of Medicine proposed a set of 15 "Core Metrics for Better Health at Lower Cost"[4] that are more expansive than the proposed dashboard data elements in addressing the determinants of health that are beyond the scope of the health plans. Staff will continue to assure that CalPERS health benefits reflect best practices in the area of population health.

BUDGET AND FISCAL IMPACTS

Not applicable.

BENEFITS/RISKS

Not applicable.

[4] Institute of Medicine. Vital signs: core metrics for health and health care progress. Washington, DC: The National Academies Press, 2015. At http://www.nap.edu/catalog/19402/vital-signs-core-metrics-for-health-and-health-care-progress.

ATTACHMENTS
Attachment 1 – CalPERS-Specific Model of Population Health Management

_____
KATHY DONNESON, Chief
Health Plan Administration Division

_____
DOUG P. McKEEVER
Deputy Executive Officer
Benefit Programs Policy and Planning