

A NEW STATEWIDE STUDY ON IMPROVING TREATMENT PERFORMANCE

INCENTIVES

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Funded by the National Institute on Drug Abuse (NIDA)

http://www.dshs.wa.gov/dbhr/incentives_project.shtml



Brandeis University
The Heller School for Social Policy and Management



BHSIA Behavioral Health and
Service Integration Administration

PROJECT TEAM

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INCENTIVES OVERVIEW

Part I – Pay-for-Performance (P4P)

Part II – Incentive design

Part III – Implementation

PART I

Pay-for-Performance



Based on : Constance Horgan , Improving the Quality of Addiction Treatment Through Provider Pay-for-Performance, Presented at the College on Problems of Drug Dependence 74th annual scientific meeting, Contingency Management Working Group, June 2012.

INSTITUTE OF MEDICINE

Quality: “We have a large and growing chasm between actual health care delivery and the quality of the health care we need.” (2001)

P4P: “The systematic and deliberate use of payment incentives that recognize and reward high levels of quality and quality improvement can serve as a powerful stimulus to drive institutional and provider behavior toward better quality.” (2007)

CALLS FOR ALIGNING PAYMENT INCENTIVES WITH PERFORMANCE

- **Institute of Medicine (2001, 2006, 2007)**
- **Medicare (CMS 2003); Medicaid (CMS 2006)**
- **National Health Reform (PPACA 2010)**
- **National Drug Control Strategy (ONDCP 2010)**
- **Organization for Economic Co-Operation and Development (OECD 2010)**

PART II

Incentives Design



KEY ISSUES IN P4P DESIGN

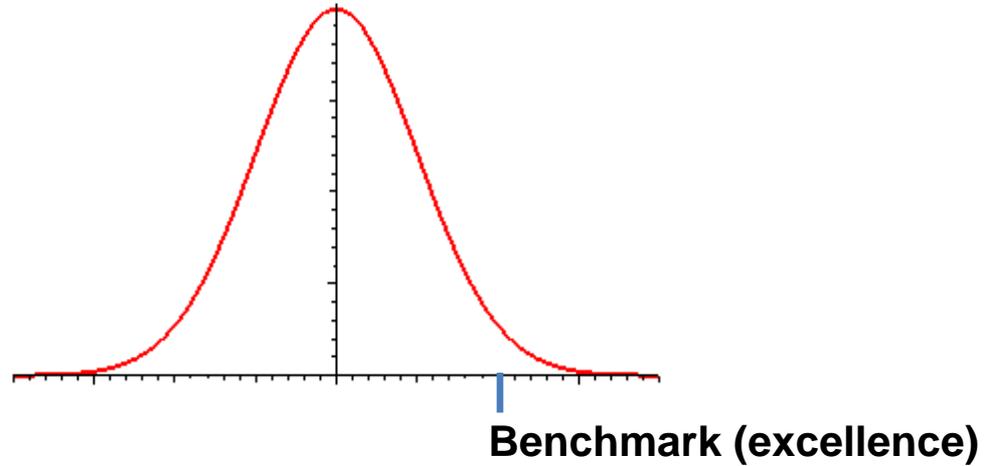
- **Selecting the performance measure**
 - Engagement after OP/IOP admission
 - Continuity after Detox discharge
 - Continuity after Inpatient/Residential discharge
- **Developing the reward structure**

HOW WASHINGTON INCENTIVES DESIGN WAS DEVELOPED

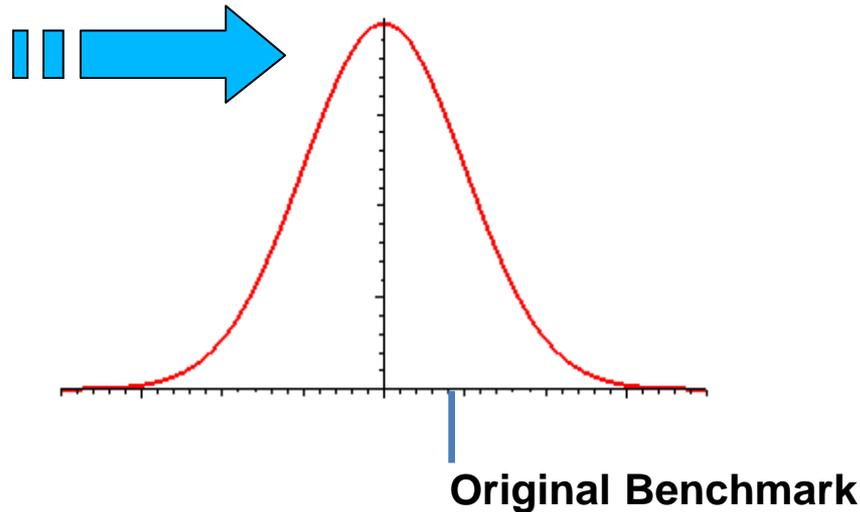
- **Looked at examples**
 - **Connecticut and Massachusetts projects (developed by Brandeis/Harvard NIDA Center)**
 - **Medicare Hospital Value Based Purchasing Program (part of Brandeis project for CMS)**
- **Asked for advice from experts**
- **Explored implications for Washington with 2011/2012 data**

SHARED GOAL OF IMPROVED PERFORMANCE

Baseline



**Improved Performance
Over Time**

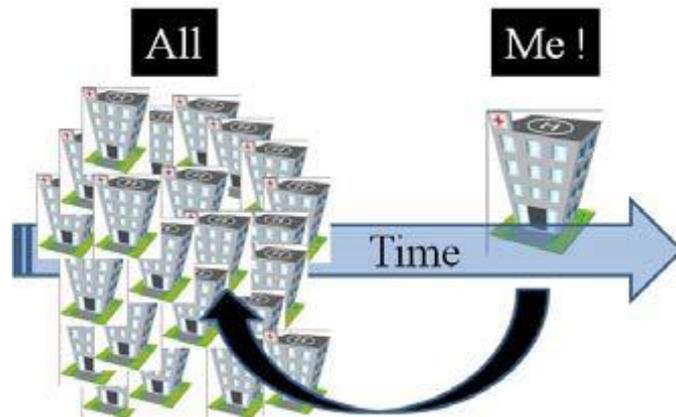


THREE OPTIONS FOR INCENTIVES DESIGN

- **Achievement** - Agencies get rewarded based on their current performance relative to a benchmark
- **Improvement** - Agencies get rewarded for improving current performance relative to their own prior performance
- **Mix of Achievement and Improvement** – Agencies that perform well AND agencies that are improving (even if not yet performing close to the benchmark level) get rewarded

OPTION #1 - ACHIEVEMENT

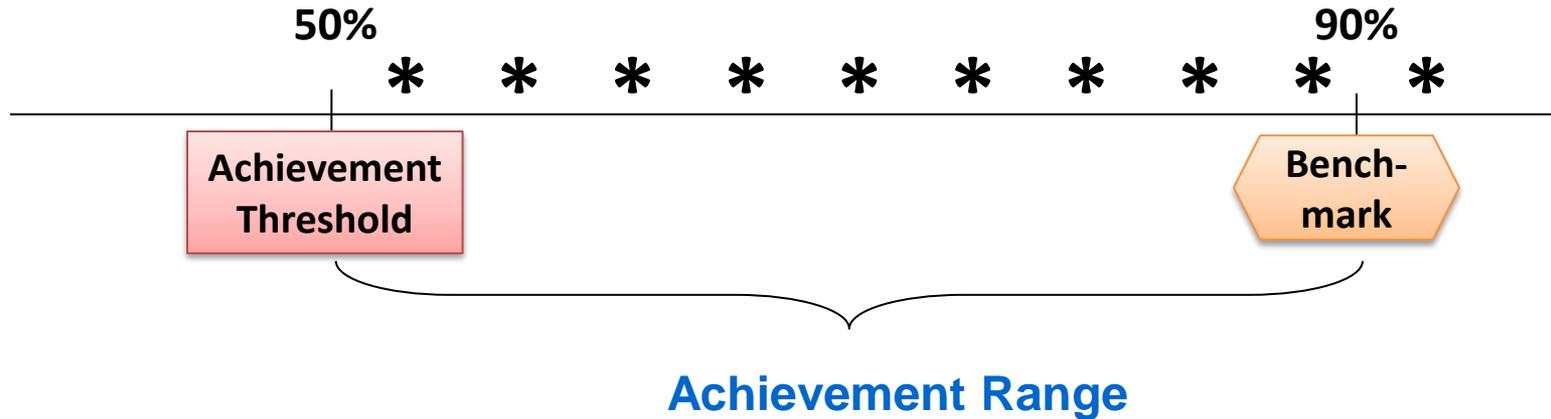
- Agencies are rewarded based on their performance relative to a benchmark
- Achievement points are awarded by comparing an individual agency's rates during the performance period with a benchmark



ACHIEVEMENT - TERMINOLOGY

- **Benchmark**
 - Reference point defining high level of performance
 - Operational definition: 90th percentile of baseline period
 - Receives 10 points
- **Achievement Threshold**
 - Minimum level of performance required to receive any achievement points
 - Operational definition: 50th percentile of baseline period
- **Achievement Range**
 - From achievement threshold to benchmark
 - Points range from 1-9

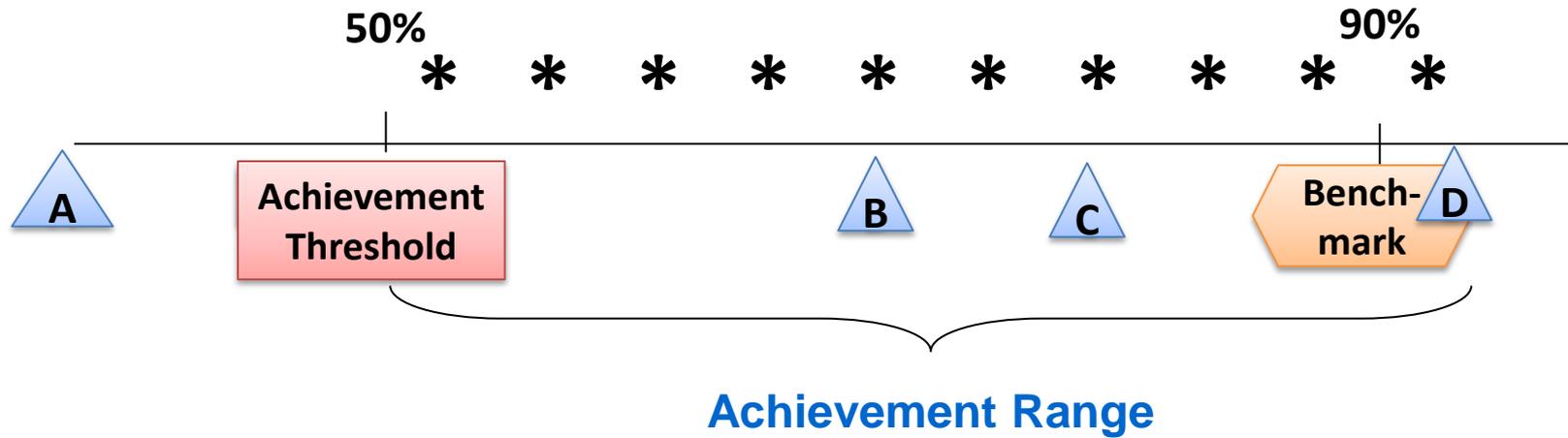
ACHIEVEMENT POINTS



How are achievement points awarded?

- Agency rate at or above the benchmark -- 10 points
- Agency rate less than the achievement threshold -- 0 points
- Agency rate equal to or greater than the achievement threshold and less than the benchmark -- 1-9 points

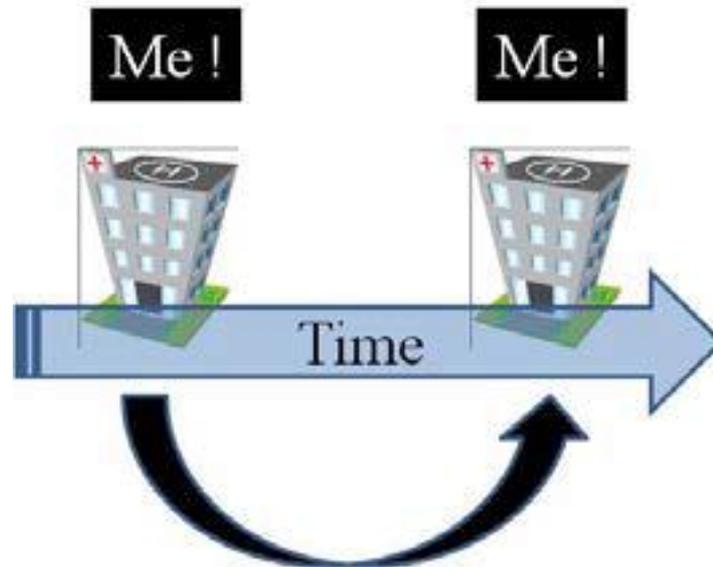
AGENCY ACHIEVEMENT EXAMPLES



- ***Agency A is below the achievement threshold so gets no points.***
- ***Agency B gets 5 points.***
- ***Agency C gets 7 points.***
- ***Agency D is above the benchmark so gets 10 points.***

OPTION #2 - IMPROVEMENT

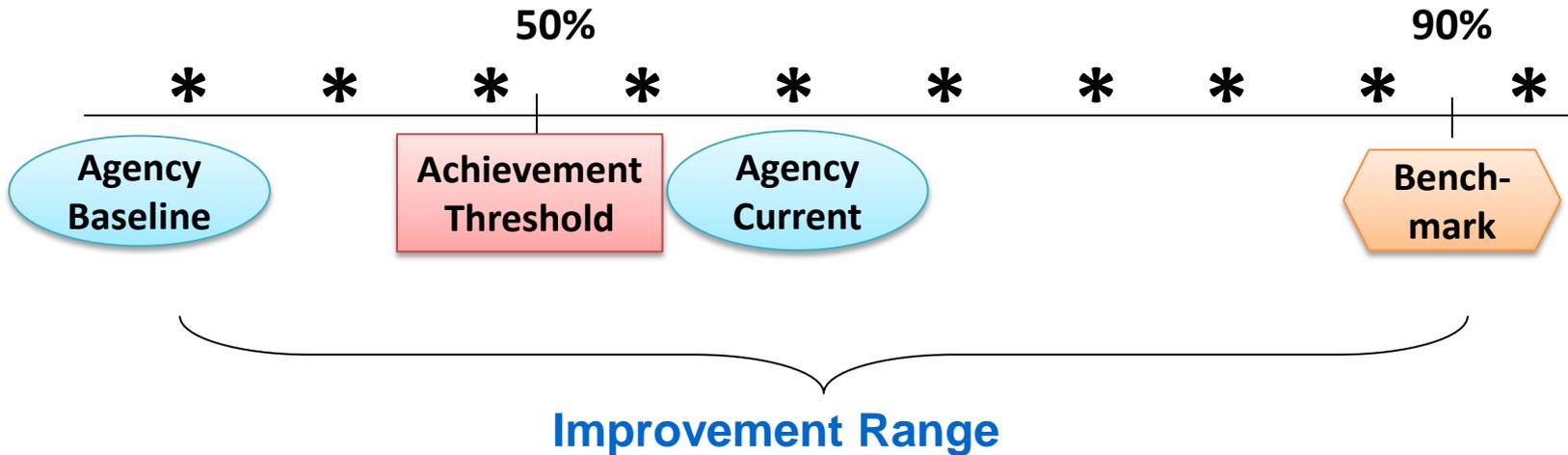
- Reward agencies which improve their performance
- Improvement points are awarded by comparing an agency's rates during the performance period to that same agency's rates from the baseline period.



TERMINOLOGY FOR IMPROVEMENT APPROACH

- **Benchmark** (same as for achievement)
 - Reference point defining high level of performance
 - Operational definition: 90th percentile of baseline period (quarters)
- **Agency Baseline**
 - Agency's own baseline period performance
 - Baseline for each agency will be calculated using average of performance in the baseline period
 - Rolling average will be updated each quarter
- **Agency Current Performance**
 - Agency's own performance in the implementation period
- **Improvement Range**
 - From agency baseline to benchmark
 - Points range from 0 - 9

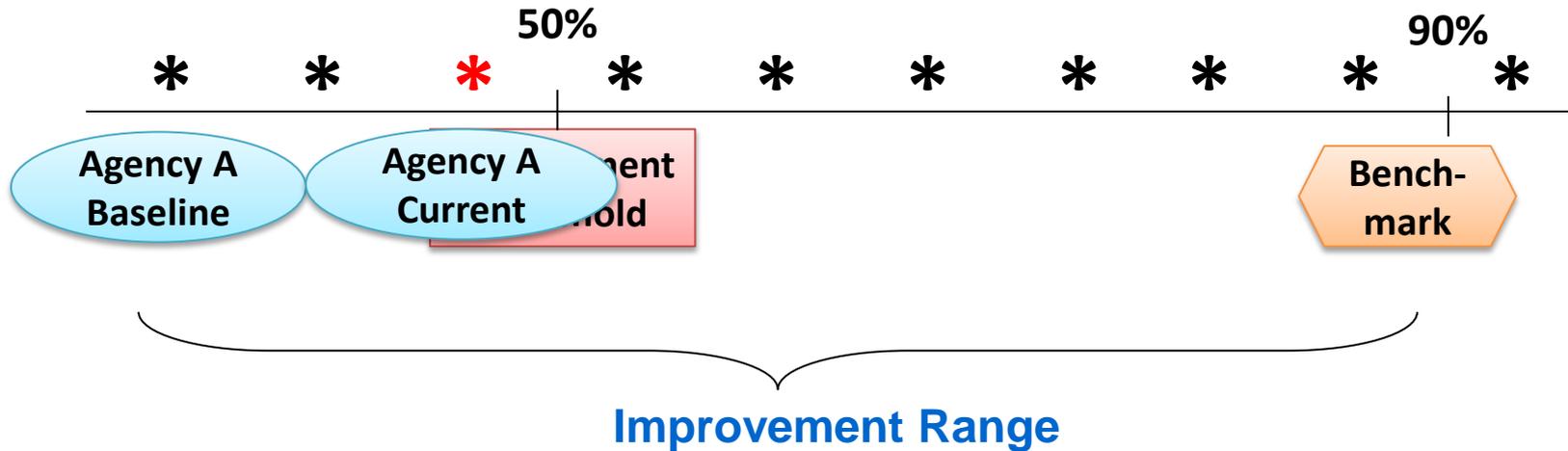
IMPROVEMENT POINTS



How are improvement points awarded?

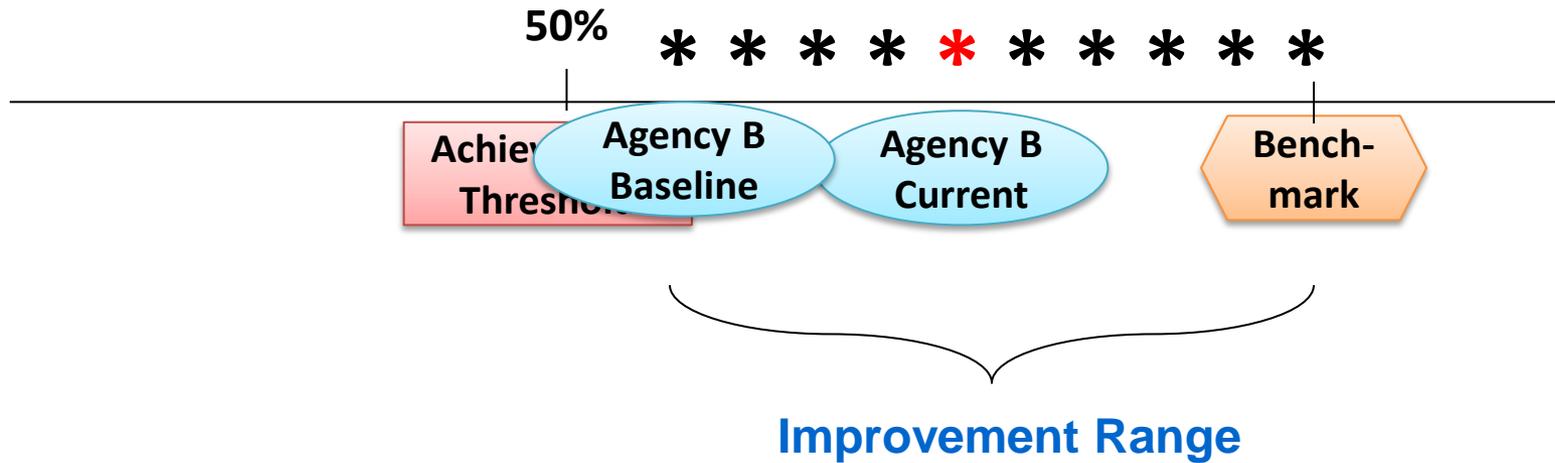
- Agency rate at or over the benchmark -- 10 points.
- Agency rate less than or equal to their own baseline period rate -- 0 points.
- Agency rate between their own baseline and the benchmark -- 0-9 points.

IMPROVEMENT EXAMPLE – AGENCY A



- Improvement points can be earned even if current performance is below the achievement threshold of the 50th percentile of all agencies at baseline.
- Agency A will get 3 points.

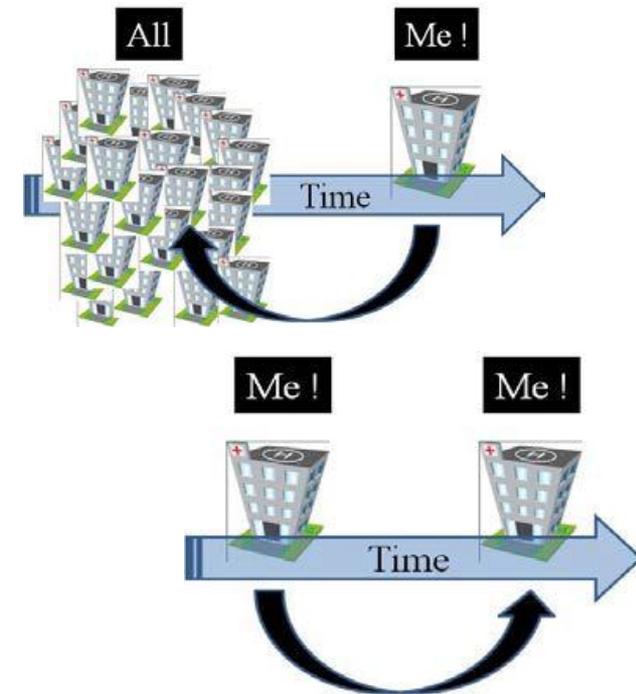
IMPROVEMENT EXAMPLE – AGENCY B



- Agency B will get 5 points.

OPTION # 3 - MIX OF ACHIEVEMENT AND IMPROVEMENT

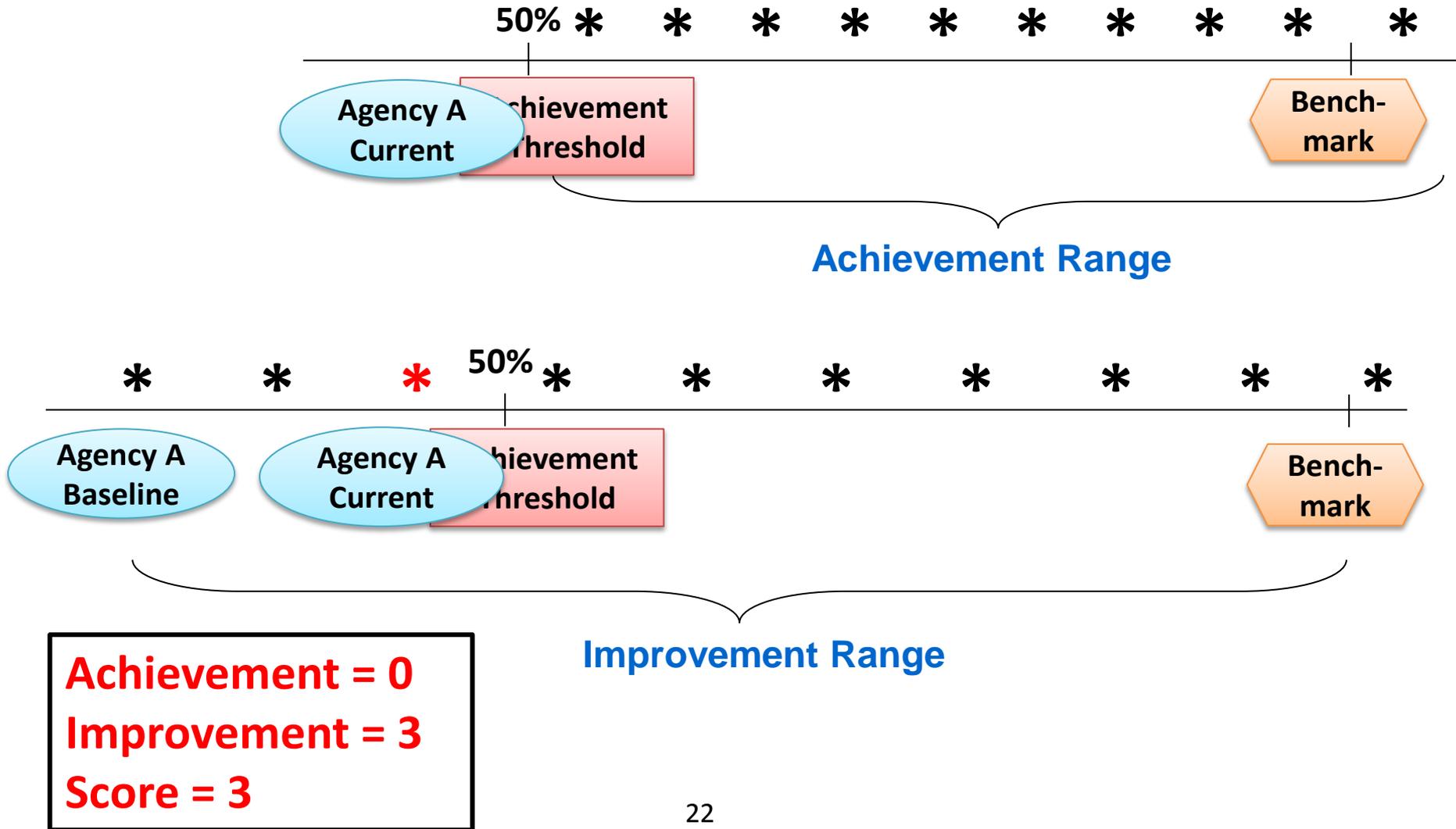
- Achievement Points
 - Points relative to achievement threshold and benchmark
- Improvement Points
 - Points based on agency improving from its own baseline performance



- Final Score -- whichever is higher

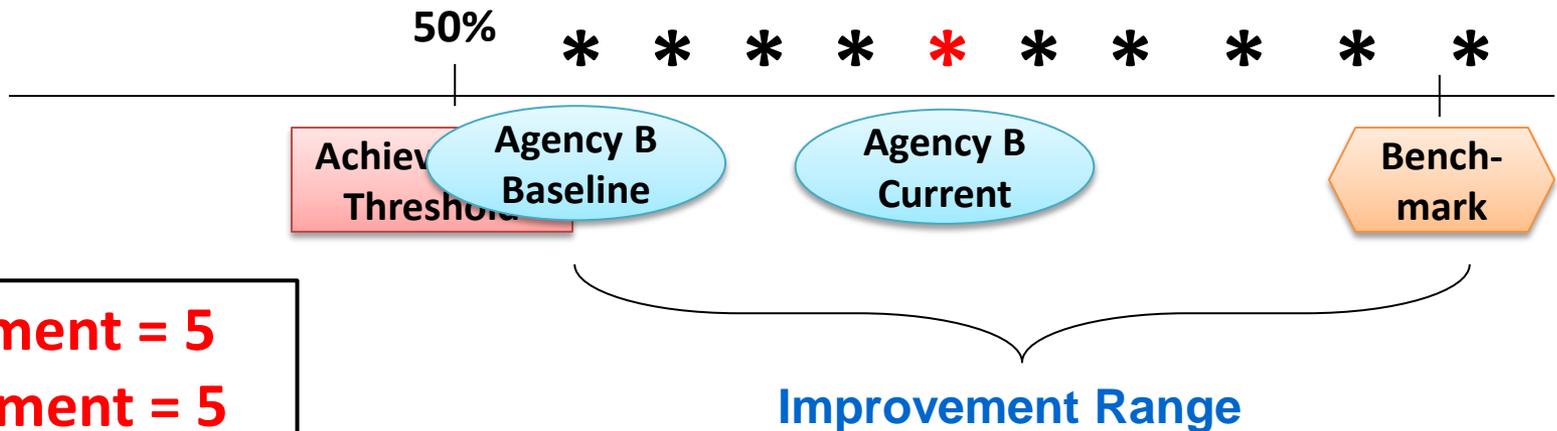
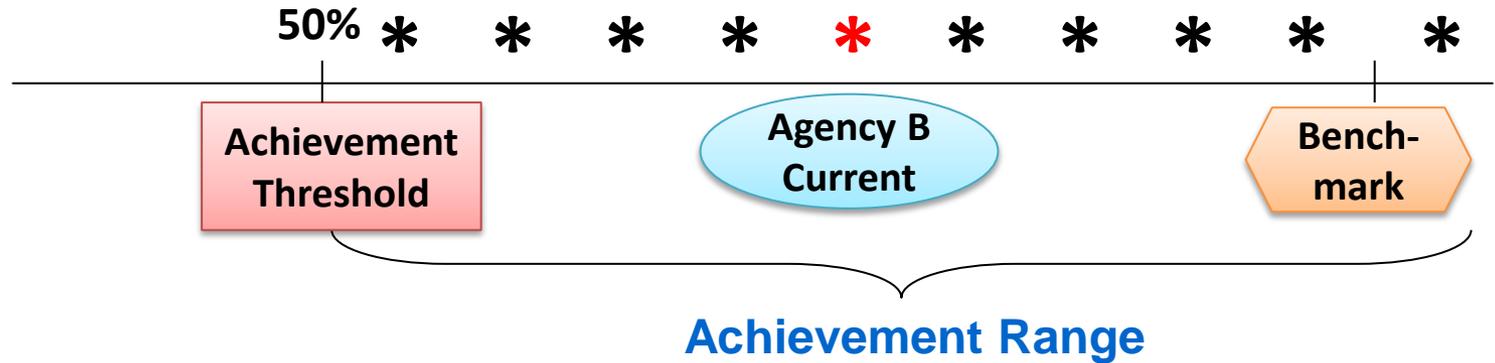
MIX OF ACHIEVEMENT AND IMPROVEMENT

AGENCY A



MIX OF ACHIEVEMENT AND IMPROVEMENT

AGENCY B



Achievement = 5
Improvement = 5
Score = 5

PART III

Implementation



WHAT DOES THIS MEAN FOR WASHINGTON?

- **Baseline – July 1, 2012 – June 30, 2013**
- **Quarterly calculation of agency performance starting October 1, 2013**
- **Quarterly payment of financial incentives approximately one month after end of the quarter**
- **Payment is provided directly (Residential) or through the counties (OP/IOP and detox)**
- **Separate performance measures and incentive payments for each level of care (OP/IOP, Detox, Residential)**

THRESHOLDS AND BENCHMARKS FOR PROJECT

- ***OP/IOP Engagement***
 - ***Achievement threshold: 76%***
 - ***Benchmark: 90%***
- ***Continuity of Care After Detox***
 - ***Achievement threshold: 29%***
 - ***Benchmark: 37%***
- ***Continuity of Care After Residential***
 - ***Achievement threshold: 40%***
 - ***Benchmark: 56%***

* Based on baseline period of 7/1/2012- 6/30/2013.

OUTPATIENT INCENTIVE PAYMENTS PER AGENCY PER QUARTER BASED ON IMPROVEMENT/ATTAINMENT POINTS (1-10)*

Size Category	Range admissions per quarter	Improvement/Attainment Points									
		1	2	3	4	5	6	7	8	9	10
1	20-31*	\$225	\$370	\$510	\$655	\$795	\$940	\$1,080	\$1,220	\$1,365	\$1,505
2	32-37	\$335	\$555	\$775	\$1,000	\$1,220	\$1,440	\$1,660	\$1,880	\$2,105	\$2,325
3	38-42	\$385	\$640	\$900	\$1,155	\$1,410	\$1,670	\$1,925	\$2,180	\$2,440	\$2,695
4	43-59	\$475	\$795	\$1,115	\$1,435	\$1,760	\$2,080	\$2,400	\$2,720	\$3,045	\$3,365
5	60-89	\$660	\$1,120	\$1,575	\$2,035	\$2,490	\$2,950	\$3,400	\$3,860	\$4,320	\$4,775
6	90-124	\$915	\$1,555	\$2,195	\$2,840	\$3,480	\$4,120	\$4,755	\$5,400	\$6,040	\$6,680
7	125-174	\$1,165	\$1,995	\$2,820	\$3,640	\$4,465	\$5,295	\$6,115	\$6,940	\$7,765	\$8,590
8	>175	\$1,420	\$2,430	\$3,440	\$4,445	\$5,455	\$6,465	\$7,470	\$8,480	\$9,485	\$10,495

*Performance score is calculated and incentives may be paid when the number of admissions is 20 or more. If an agency has less than 20 admissions in a quarter, then quarters are combined until reaching 20 admissions or at the end of three quarters.

Note: Counties will receive an 8% admin fee taken out of the payments listed above.

RESIDENTIAL INCENTIVE PAYMENTS PER CLIENT PER QUARTER BASED ON IMPROVEMENT/ATTAINMENT POINTS (1-10)

Size Category	Range discharges per quarter	Improvement/Attainment Points									
		1	2	3	4	5	6	7	8	9	10
1	20-34*	\$135	\$230	\$310	\$390	\$490	\$560	\$625	\$730	\$825	\$910
2	35-60	\$235	\$395	\$555	\$715	\$875	\$1,030	\$1,190	\$1,350	\$1,510	\$1,670
3	61-90	\$460	\$720	\$980	\$1,235	\$1,495	\$1,755	\$2,015	\$2,270	\$2,530	\$2,790
4	91-149	\$890	\$1,340	\$1,790	\$2,240	\$2,690	\$3,140	\$3,590	\$4,040	\$4,490	\$4,940
5	150-199	\$1,265	\$1,880	\$2,495	\$3,110	\$3,730	\$4,345	\$4,925	\$5,575	\$6,190	\$6,805
6	200-299	\$1,640	\$2,420	\$3,205	\$3,985	\$4,765	\$5,545	\$6,260	\$7,110	\$7,890	\$8,675
7	>300	\$2,015	\$2,960	\$3,910	\$4,855	\$5,805	\$6,750	\$7,595	\$8,645	\$9,590	\$10,540

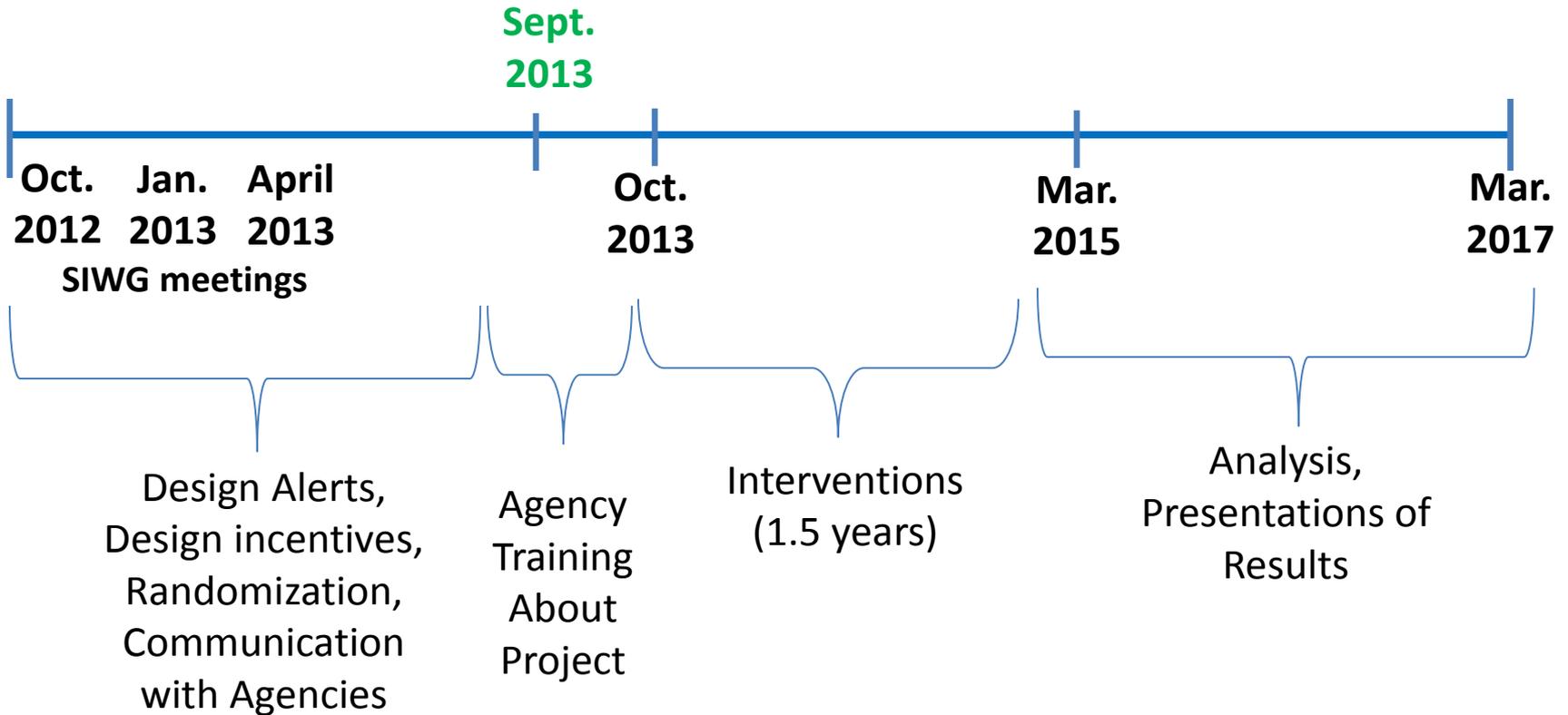
***Performance score is calculated and incentives may be paid when the number of admissions is 20 or more. If an agency has less than 20 admissions in a quarter, then quarters are combined until reaching 20 admissions or at the end of three quarters.**

DETOX INCENTIVE PAYMENTS PER AGENCY PER QUARTER BASED ON IMPROVEMENT/ATTAINMENT POINTS (1-10)

Size Category	Range discharges per quarter	Improvement/Attainment Points									
		1	2	3	4	5	6	7	8	9	10
1	20-100*	\$275	\$485	\$700	\$915	\$1,175	\$1,430	\$1,685	\$1,940	\$2,200	\$2,455
2	101-200	\$585	\$1,045	\$1,510	\$1,975	\$2,440	\$2,900	\$3,365	\$3,830	\$4,295	\$4,755
3	201-299	\$1,125	\$1,850	\$2,570	\$3,295	\$4,020	\$4,740	\$5,465	\$6,190	\$6,910	\$7,635
4	300-399	\$1,710	\$2,715	\$3,715	\$4,720	\$5,725	\$6,730	\$7,730	\$8,735	\$9,740	\$10,745
5	400-599	\$2,420	\$3,760	\$5,100	\$6,445	\$7,790	\$9,135	\$10,475	\$11,820	\$13,160	\$14,505
6	600-999	\$3,125	\$4,810	\$6,490	\$8,175	\$9,855	\$11,535	\$13,215	\$14,900	\$16,585	\$18,265
7	>1000	\$3,835	\$5,855	\$7,875	\$9,900	\$11,920	\$13,940	\$15,960	\$17,985	\$20,005	\$22,025

***Performance score is calculated and incentives may be paid when the number of admissions is 20 or more. If an agency has less than 20 admissions in a quarter, then quarters are combined until reaching 20 admissions or at the end of three quarters.**

PROJECT TIMELINE



SUMMARY

- **Incentive design based on state and national examples**
- **Rewards both achievement and improvement**
- **Financial incentives on a quarterly basis**

WRAP UP

Questions and Contact Information



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http://www.dshs.wa.gov/dbhr/incentives_project.shtml