# State Payment Reform in Practice

## Four Takeaways from the Second Delta Center Convening

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**Community health centers and community behavioral health centers are facing a time of unprecedented complexity and uncertainty.** There is generally a feeling of building the payment reform plane while flying it—where is this payment reform plane going?

In the face of these challenges, organizations like primary care associations (PCAs) and behavioral health state associations (BHSAs) are critical. These are the organizations that have the capacity to look toward the future, to separate the signal from the noise, and make sure that our safety net of primary care and behavioral health providers can survive and thrive in this environment.

The Delta Center recently hosted the collaborative's second convening for grantees to learn from experts and each other. Slides and materials from the Seattle convening are available on the Delta Center website. Here are four takeaways from the convening:

### 1. Defining a North Star helps guide transformation.

Payment reform and care transformation involve many stakeholders and myriad decisions. To guide this process, Craig Hostetler, former director of the Oregon PCA, recommended taking the time to articulate a "north star," the compelling reason, or the "why," behind embarking on a reform process. Payment reform is not the ultimate end goal but a facilitator for a broader vision. This guiding vision will likely include better outcomes for patients, lower costs (and thus, sustainability) for the total health system, improved health equity and transformation of care that improves the experience of both providers and patients. It should be **inspiring and broad** enough so that all stakeholders can see their interests represented.

In Oregon, providers and payers identified patient-centered care and advancing the health equity mission of health centers as guiding principles for their transformation. The PCA was able to gain stakeholder consensus that volume-based pay was a barrier to achieving true patient-centered

**The Delta Center for a Thriving Safety Net** was launched in May of 2018 and brings together PCA and BHSA leaders from 13 states for a two-year learning and action collaborative.

The Delta Center is led by JSI Research & Training Institute, Inc. in partnership with the MacColl Center for Health Care Innovation @ KPWHRI and the Center for Care Innovations, and with national partners the National Association of Community Health Centers and the National Council for Behavioral Health.

One of the primary goals of the Delta Center is to foster collaboration between primary care and behavioral health at the state level.

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*"Our priority is getting input from members, and looking for the overlap between primary care and behavioral health to identify one clear lens to look through."*

*- Delta Center Participant*

care in a medical home model and broader health equity goals. Oregon health centers ultimately drove payment transformation because they were looking for solutions to provider burnout, time and incentives to test new approaches to addressing social determinants, and aligned payment that supported patient-centered care for vulnerable populations.

In addition to the Triple Aim, Oregon chose to name **health equity** as a "fourth aim" and to include equity in their vision statement. Oregon's North Star? To: "Lead the transformation of primary care to achieve health equity for all." In this vision, payment reform and bending the cost curve were not the "why" but rather a step toward a shared goal. Craig reminded Delta Center grantees that it is important to identify a north star that is a short and memorable statement that can be broadly communicated to stakeholders. He also reflected that while the final vision itself needed to be compelling, the process of determining a guiding vision and creating stakeholder buy-in was as important as articulating a shared "north star" outcome.

## 2. Learning communities can lift up strategies to address common challenges.

Change is hard work, often accompanied by fear of the unknown and concern for what is at stake. Those undertaking this change can take heart from knowing that others are in similar boats—and draw from collective learnings to overcome obstacles and chart a course forward. During the peer sharing sessions, each team described their recent experiences in this work.

Many teams spoke of the importance of **building trust** as a precursor to advancing change. Trust can emerge from identifying areas of mutual benefit, from involving stakeholders at all levels and embracing the lengthy process of stakeholder engagement. Teams also stressed the importance of acknowledging cultural differences and power dynamics, and building a shared understanding of each stakeholder's context, concerns, and priorities.

Another theme was the inherent complexity of determining the details for payment reform. What measures are meaningful? Who decides what is meaningful? How can what is meaningful be measured? Stakeholders will need a collaborative approach and plenty of patience to land on a workable agreement.

Finally, teams emphasized the importance of **cultivating champions** who will bring value-based payment and care to their health centers. They stressed the need to help leadership navigate changes and to provide concrete support, such as change management training.

## 3. Leadership requires listening and crafting a ‘story’ that resonates.

Primary care providers and community behavioral health providers will see their day-to-day work change as a result of payment reform. To be effective, state association leaders must actively listen and create solutions with members at every point in their journey. Like all stakeholders, members appreciate the opportunity to share their stories and have their ideas heard. Members bring on-the-ground experience that can inform policy priorities and training and TA provision.

As presented by Veenu Aulakh of the Center for Care Innovations, the strategies to engage members are numerous. Surveys can provide a snapshot of member capacity in value-based payment and care. Interviews can provide rich insight into the opportunities and challenges that members face. Seemingly simple activities like “I like, I wish, I wonder” can elicit thoughtful feedback to shape the focus and structure of TA. Regardless of the method, a willingness to listen is critical to understanding members’ experiences and responding to their needs.

In addition, Cyndee Lake of Blank Page described principles for telling an effective story that will inspire stakeholders to take action. One principle is to focus on the ‘why’ for pursuing the change. It is also critical to think about the issue from the perspective of the audience. What are the top things that will motivate them? What will unlock their commitment? Finally, effective stories include the vision for what success will look like when the goal is achieved.

## 4. For a shared future, start with understanding past differences.

Despite similar roots in social justice and overlapping client populations, primary care and behavioral health have had starkly divergent histories of funding. In the 1960s and 1970s, federal law established both community health centers and community mental health centers (CMHCs). However, subsequent years brought substantial setbacks

*“It’s not too late to get ahead of the discussion in value-based pay...*

*Figure out what motivates you, your staff, and stakeholders—what’s the reason you’re here?*

*You might lead with:*

- *Wouldn’t it be ironic if vulnerable populations had access to the best care?*
- *We need to fix our broken health care system—we’re leading the way*
- *We could affect 27 million people*
- *What if we could eliminate differences in life expectancy with those with mental health conditions?”*

*- Delta Center Participant*

*"If people did not meet access to care standards, we couldn't provide care to them. This didn't endear us to our CHC partners, because they would refer, and we had to say no. We had to become focused on the most seriously mental ill in our state."*

*- Delta Center Participant*

for behavioral health services as federal support and funding eroded in ways that imposed strict parameters around whom was eligible for BH care and ultimately forced providers to restrict access to care. Challenges included chronic underfunding, the exclusion of institutionalized mental health from Medicaid funding, and a shift to block grants to states for mental health funding. Even in recent economic downturns (e.g., the 2008 recession), public mental health services experienced cuts while primary care was protected. The result? A narrowing in the eligible service population and narrowed scope of funded services in behavioral health.

Meanwhile, FQHCs experienced a broadening in their patient population, services, and payer mix. Most importantly, FQHCs received 330 grants for the uninsured, other federal supports, and a federally protected reimbursement system known as the Prospective Payment System (PPS), which was designed to ensure health centers could cover their costs without having to use federal grant dollars meant for uninsured patients to subsidize low Medicaid rates. The contrast between the two fields demonstrates how federal status and protected funding streams provide considerable supporting infrastructure—and the impact of not having such support.

These divergent backgrounds have led to tension and misunderstanding between primary care and behavioral health providers, in state and federal policy battles and on the ground in referral relationships. Ann Christian, CEO of the Washington Council for Behavioral Health and Bob Marsalli, CEO of the Washington Association for Community Health, presented on their efforts to establish a better relationship between their two state associations by acknowledging and sharing how context has driven a lack of integration and collaboration in the past. Many commented that this was the most profound learning of the day. The team described steps they are now taking—partly inspired by the Delta Center—to move forward and build understanding. They have presented to each other's boards of directors and are meeting regularly. Their joint participation in the Delta Center has opened communication lines and inspired action towards a more collaborative future.