New Jersey Delivery System Reform Incentive Program

“Blazing Trails in Health Reform”

May 19, 2015
NJ’s Pathway to DSRIP

“Do not go where the path may lead, go instead where there is no path and leave a trail”

- Since 2010, eight States have negotiated with CMS to implement a healthcare Delivery System Reform program target to the low income patient
- Approved under the Medicaid 1115 Waiver, the DSRIP program incentivizes providers to transform traditional health care delivery systems from high cost/ high utilization programs to achieve lower cost, better quality, better care
- NJ Low Income population is approximately 1.4 million – New Jersey Hospitals care for approximately ½ of this population annually
From an Inpatient Subsidy …

**NJ Low Income Funding Sources**

- Charity, 72%
- GME, 10%
- HRSF->DSRIP, 18%

**Hospital Relief Special Fund**

- Enacted in 2003 to help support NJ hospitals providing a disproportion share of inpatient services to low income patients with Behavioral Health, Substance Abuse, HIV, and High Risk Pregnancy
- Distribution Formula based on Inpatient care volume and percentage of charity/Medicaid FFS patients
- No Performance Risk
To minimize the impact of Federal Upper Payment Limit (UPL) dollars lost due the conversion of Medicaid FFS to Medicaid HMO, NJ reorganized its Hospital Special Relief dollars ($166.6 M) to meet the requirements for the Medicaid 1115 Waiver program.

DSRIP is the result of CMS granting NJ a five-year demonstration to continue to draw down the $83.3 M in federal matching dollars.

NJ Low Income population is approximately 1.4 million – Through the DSRIP program, New Jersey Hospitals have the opportunity to improve the care for approximately ½ of this population annually.

…To Delivery Reform

“It is not the mountain we conquer but ourselves”
# The New Jersey Difference

Participation in NJ DSRIP programs are required in order for hospitals *retain its low income subsidy funds*

<table>
<thead>
<tr>
<th>State</th>
<th>Demonstration Year</th>
<th>Total DSRIP Funding</th>
<th>Providers Eligible</th>
<th>Participating Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>2010-2015</td>
<td>$6.7 B NEW</td>
<td>All Public Hospitals</td>
<td>21</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>2012-2014 Extended to 2017</td>
<td>$628 M initial - NEW $690 M phase2</td>
<td>Designated Safety Net Hospitals</td>
<td>7</td>
</tr>
<tr>
<td>Texas</td>
<td>2010-2016</td>
<td>$11.4 B – NEW and repurposed funding</td>
<td>Public &amp; Private Hospitals and certain other providers</td>
<td>300+</td>
</tr>
<tr>
<td>New Jersey</td>
<td>2014-2017</td>
<td>$166 M – Repurposed Funding</td>
<td>All Acute Care Hospitals</td>
<td>54</td>
</tr>
<tr>
<td>New York</td>
<td>2015-2019</td>
<td>$6.4 B – NEW</td>
<td>Large Public Hospitals and certain safety net providers</td>
<td>TBD</td>
</tr>
<tr>
<td>Kansas</td>
<td>2015-2017</td>
<td>$ 60 M – Repurposed Funding</td>
<td>Designated large public teaching or boarder city children’s hospitals</td>
<td>2</td>
</tr>
</tbody>
</table>
The program is open to all NJ hospitals.

Historical HSRF hospital subsidy amounts were held less 20% in order to develop an incentive pool for non-HSRF hospitals.

Subsidy funds range from $14 M to $250,000 per hospital.

Regardless of funding amount, DSRIP program requirements the same for all hospitals.

- **DSRIP DY1 & 2:** Develop Infrastructure
- **DSRIP DY3:** 25% dollars at risk
- **DSRIP DY4 & 5:** 50% dollars at risk
- **HSRF:** Funding Fixed Annually
NJ DSRIP Goals and Program Options

- Improve Care/Case Management
- Improve Discharge Planning
- Expansion of Primary Care
- Improve Quality of Care
- Improve Access to Care
- Improve Patient Education
- Improve Delivery of Care
- Improve Training and Efficiency

Achieved through improved management of chronic diseases

- Asthma
- Behavioral Health
- Cardiac Care
- Chemical Addiction/Substance Abuse
- Diabetes
- HIV/AIDS
- Pneumonia
- Obesity
| Stage 1                  | • Infrastructure Development  
|                         | • Completion of application and procurement of project |
| Stage 2  
Fund Payment:  
DY3: 75%  
DY4: 50%  
DY5: 25%  | • Development of chronic medical condition redesign and infrastructure  
• Piloting and testing of chronic patient care models |
| Stage 3  
Fund Payment:  
DY3: 15%  
DY4: 35%  
DY5: 50%  | • Quality Improvement Reporting for Hospital-Specific DSRIP Chronic Disease Management Project |
| Stage 4  
Fund Payment:  
DY3: 10%  
DY4: 15%  
DY5: 25%  | • Population Focused Quality Improvement Reporting  
• Collection and reporting of 45 “universal” metrics from every hospital. (CMS removed 12 – April 29th) |
NJ DSRIP Measures & Pay For Performance

Subsidy Earned based on three types of measures:

- **P4R**: Data collection and reporting measure results
- **P4P**: Performance Measure – Uses a “reduction in gap” methodology where payment is earned by documenting an annual reduction of 10% or greater
- **UPP**: Universal Performance Pool – Measures eligible for incentive dollars where performance above benchmark

Incentive pool dollars are determined based on initial incentive pool ‘carve out’, non participating hospitals, and undistributed dollars due to underperformance.

Measurement Sources:

- EMR/ Chart Based Measures, 35%
- MMIS Claims Based, 65%
St. Joseph’s Regional Medical Center
DSRIP Program

- Historical HSRF Subsidy was $10.6 M
- 2nd largest provider of Charity Care / Medicaid services in the State
- 3rd poorest city in the State
- With approximately 69,000 or 12% of the low income population attributed to it, St. Joseph’s is one of the largest programs in the state
St. Joseph’s Regional Medical Center DSRIP Program

Stage 1: Program Selection and Infrastructure Development

Hospital-Based Educators Teach Optimal Asthma Care

**New or Substantially New Program**
Asthma Management was not a formalized program within the hospital, some development on Pediatric Pathways Organization had internal expertise and physician champions willing to lead program implementation
Opportunity to formalize program and expand to Adult population

**Able to Achieve Quality Improvements**
Internal Data Analytics of Low Income Population showed:
Admission / Readmission / Emergency Room Utilization rates very high due to poor patient compliance on medication usage, symptom management and post episode follow up

**Able to Achieve 50% ROI on Program Subsidy**
With a significant Asthma patient population, dedication of organizational resources and saving appeared to be obtainable
St. Joseph’s Regional Medical Center
DSRIP Program Stage 2: Program Development

SJRMHC
Asthma Program

Expanded Program to Adult Population
Addressed key lessons:
Medication Access
Emergency Use
Navigator Follow Up Protocol

Pediatric Pilot:
Developed Standardized Pathways for all Patients
Developed Communication Tools
Educated Asthma Educators, Care Managers and Other Key Staff
Developed Community Outreach Programs
St. Joseph’s Regional Medical Center
DSRIP Program Stage 2: Pathways and Tools
St. Joseph’s Regional Medical Center
DSRIP Program Stage 2: Trained Staff

- Developed career ladders for staff accomplishments

Certified Asthma Educators (AE-C)
- 4 Respiratory Therapists
- 1 Registered Nurse
- 1 Advance Nurse Practitioner
- 2 Pharmacists

Asthma Staff Education Classes
- 3 hour classes
- Approximately 283 staff employees

Outreach Programs
- Asthma Educators held 7 outreach program in our community
- About 550 adults and children were educated about asthma self-management.
St. Joseph’s Regional Medical Center
DSRIP Program Stage 2: Community Programs

Smoking Cessation Program

School Nurse Education Program
DSRIP Performance Reporting was a multidisciplinary effort
St. Joseph’s has partnered with other NJ Hospitals and organizations to identify strategies and tactics that work in other communities to address collaborative address these challenges such as:

- Fiscal reality of developing an outpatient programs with no new financial funding while maintaining existing program (HRSF) services and infrastructure for complex low income patients
- Limited community primary care access
- Medication Adherence – medication affordability
- Low Income socio-economic issues – Home/Community Environment, drug use, education levels, home conditions, nutrition
- Use of Outpatient Electronic Medical Record which is still in early adoption phase

“Somewhere between the bottom of the climb and the summit is the answer to the mystery why we climb”
NJ DSRIP NEXT STEPS

- DSRIP 2
  - DSRIP pilot ends 2017
  - CMS and State of NJ want to further expand concept of value based purchasing for low income patients
  - Nationally programs renewed have had a greater emphasis on performance
  - New Jersey program design … just starting