



## The Idaho State Healthcare Innovation Plan

**SHIP GOAL:** The goal of the Idaho State Healthcare Innovation Plan (SHIP) is to redesign Idaho’s healthcare system, evolving from a fee-for-service, volume-based system to a value-based system of care that rewards improved health outcomes.

**BACKGROUND:** In December 2014 The Idaho Department of Health and Welfare received a state innovation model grant for \$39,683,813. The grant, from the Center for Medicare and Medicaid Innovation, will fund a four-year model test that begins on Feb. 1, 2015, to implement the Idaho State Healthcare Innovation Plan (SHIP). During the grant period, Idaho will demonstrate that the state’s entire healthcare system can be transformed through effective care coordination between primary care providers practicing patient-centered care, and the broader medical neighborhoods of specialists, hospitals, behavioral health professionals, long-term care providers, and other ancillary care services.

Work on the SHIP began in 2013 when Idaho stakeholders came together to study Idaho’s current healthcare system and develop a plan for transformation. The 6-month planning process involved hundreds of Idahoans from across the state working together to develop a new model of care. In early 2014 Governor Otter established the Idaho Healthcare Coalition (IHC) which has continued to build on earlier stakeholder work and momentum. IHC members include private and public payers, legislators, health system leaders, primary care providers, nurses, healthcare associations and community representatives.

**PROGRAM GOALS:** Idaho’s plan identifies seven goals that together will transform Idaho’s healthcare system.

**Goal 1: Transform primary care practices across the state into patient-centered medical homes (PCMHs):** Idaho will test the effective integration of PCMHs into the larger healthcare delivery system by establishing them as the vehicle for delivery of primary care services and the foundation of the state’s healthcare system. The PCMH will focus on preventive care, keeping patients healthy and keeping patients with chronic conditions stable.

**Goal 2: Improve care coordination through the use of electronic health records (EHRs) and health data connections among PCMHs and across the medical neighborhood:** Idaho’s proposal includes significant investment in connecting PCMHs to the Idaho Health Data Exchange (IHDE) and enhancing care coordination through improved sharing of patient information.

**Goal 3: Establish seven regional collaboratives to support the integration of each PCMH with the broader medical neighborhood:** At the local level, Idaho’s seven public health districts will serve as regional collaboratives that will support provider practices as they transform to PCMHs.

**Goal 4: Improve rural patient access to PCMHs by developing virtual PCMHs:** This goal includes training community health workers and integrating telehealth services into rural and frontier practices. The virtual PCMH model is a unique approach to developing PCMHs in rural, medically underserved communities.

**Goal 5: Build a statewide data analytics system:** Grant funds will support development of a state-wide data analytics system to track, analyze and report feedback to providers and regional collaboratives. At the state level, data analysis will inform policy development and program monitoring for the entire healthcare system transformation.

**Goal 6: Align payment mechanisms across payers to transform payment methodology from volume to value:** Idaho's three largest commercial insurers, Blue Cross of Idaho, Regence and PacificSource, along with Medicaid will participate in the model test. Payers have agreed to evolve their payment model from paying for volume of services to paying for improved health outcomes.

**Goal 7: Reduce healthcare costs:** Financial analysis conducted by outside actuaries indicates that Idaho's healthcare system costs will be reduced by \$89 million over three years through new public and private payment methodologies that incentivize providers to focus on appropriateness of services, improved quality of care and outcomes rather than volume of service. Idaho projects a return on investment for all populations of 197 percent over five years.

#### **NEXT STEPS:**

**TIMELINE:** The SHIP model test period begins on 2/1/15 and extends over four years. The first year of the award period is considered a pre-implementation year which will be dedicated to getting project staff and contractors in place. By the end of calendar year 2015 the first cohort of primary care clinics will be identified and beginning their training to transform to PCMHs.

**DHW STAFFING:** DHW will hire 8 staff to provide support for the federal grant, manage the multiple contracts, and provide staff support for the Idaho Healthcare Coalition and the workgroups that report to the coalition.

#### **FOR MORE INFORMATION PLEASE CONTACT:**

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