Medicaid Transformation Grant Application
Cover Sheet

State: Wisconsin

Project Title: Wisconsin Medicaid Transformation for Health Care Quality and Patient Safety: Component 1, Value-Driven Health Care Initiative

Submitting Agency: Department of Health and Family Services, Division of Health Care Financing

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Value-Driven Health Care Initiative

A B S T R A C T

The American health care system faces extraordinary challenges. For consumers and other stakeholders to make informed choices, transparency can be achieved through the adoption of standard measures of quality and cost-of-care, interoperable health systems, and properly placed incentives. The goal of this proposal is to transform how the Medicaid program uses its data to support effective and efficient health care. This does not require new data collection. The innovation is to use existing data in new ways to measure performance across the entire Medicaid population and to create new partnerships with other payers and with private sector organizations focused on standard setting and public reporting. This proposal represents the commitment of the Wisconsin Medicaid program to act as a full partner with the significant transparency developments already underway in Wisconsin and to align its work with the four cornerstones for value-driven health care articulated by Secretary Leavitt.

Estimated Budget Total: $2,097,866.15
2007: $1,462,494.43
2008: $ 635,371.72

Proposed Goals and Expected Outcomes for Improving Effectiveness and Efficiency of Wisconsin Medicaid:

1. Collaborate with the Department of Employee Trust Funds to align the health care purchasing power of the two largest public payers. Establish shared goals and expectations for care and health care outcomes that are based on national standards and that can be used in future state agency contracts with private health care providers.
2. Align the Wisconsin Medicaid program's quality measurement strategies with the Wisconsin Collaborative for Healthcare Quality (WCHQ) performance measurement and reporting activities to create baseline information that will provide a foundation for performance improvement plans.
3. Select and pilot HEDIS®, PQRI, and/or other emerging standardized national measures in the Medicaid program to compare outcomes for the Medicaid population with the Medicare and private health care markets, enable interstate benchmarking, and reduce the reporting burden on health plans and providers.
4. Provide Medicaid data to the Wisconsin Health Information Organization (WHIO) to populate its data repository and produce public reports about the cost and outcome of health care reported across episodes of care for both public and private payer sources.
5. Use health information technology being developed with the redesigned MMIS to disseminate the information about performance for use by health plans and providers.
6. Provide technical assistance to safety-net providers currently using electronic health record systems (EHRs) to be full participants in quality measurement and surveillance reporting including establishing formal links to the state public health system to monitor quality and population health improvement.
7. Disseminate lessons learned and evaluation results to health care providers, purchasers, and payers including federal and state agencies, both in Wisconsin and nationally.

Value-Driven Health Care Initiative

P R O J E C T N A R R A T I V E

1. Statement of Project/Need

The Wisconsin Medicaid Program proposes two distinct yet interrelated components to design and implement ways to transform Wisconsin Medicaid's programs and systems. The purpose is to support a coherent, whole system approach to the adoption and use of health information technology and health information exchange among providers and payers that is grounded in developments in both the public and private sectors in Wisconsin. The goals are to transform how the Medicaid program uses its data to support effective and efficient health care and to bring the benefits of health information technology to the Medicaid population served by safety-net providers.

Health information today is fragmented, often inaccessible and error prone. Patients, providers, public health authorities, and payers often make important health care decisions with inadequate information. Better information is needed so all health care practitioners, including the safety-net providers, can deliver effective, patient-centered, timely, efficient, and equitable health care consistent with the six aims for improvement established by the Institute of Medicine.[1]

Despite the spending on health care in the U.S.--representing 16% of the Gross Domestic Product and rising--all Americans are at risk for receiving substandard care.[2] Studies by the Rand Corporation indicate clinicians provide care consistent with evidence-based recommendations only about 55% of the time.[3] Wisconsin's commitment to using health information technology to support quality improvement is based on recognition that improved quality will help reduce health care costs. Moreover, the successful design and implementation of value-driven health care purchasing strategy depends on the wide availability of information on health care results and costs. These principles form the basis of our Medicaid Transformation Grant (MTG) application.

With this MTG proposal there is a wonderful opportunity to accelerate ground breaking work already underway in Wisconsin, led by health care provider organizations, physicians, public health, technology companies, scholars, and public and private health care purchasers. Wisconsin already enjoys a high level of information technology adoption as many large systems and public health agencies are moving ahead with electronic health record (EHR) systems and other technology investments. Led by the performance of hospitals, Wisconsin was ranked first in the nation in health care quality based on information in the "State Snapshots" compiled by the federal Agency for Health Care Research and Quality released on June 11, 2007. [4] Wisconsin has a large proportion of physicians in large group practices, with most already using

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[1] Institute of Medicine, *Crossing the Quality Chasm: A New Health System for the 21st Century*. (Washington: National Academies Press, 2001)
[2] G. F. Anderson, *et.al.*, "*Health Care Spending and the Use of Technology in OCED Countries*," *Health Affairs*, Volume 25, no. 3 (2006): 819-831
[3] E. A. McGlynn, et.al., "*The Quality of Health Care Delivered to Adults in the United States*," New England Journal of Medicine 348, no. 26 (2003): 2635-2645
[4] Guy Boulton., "S*tate is No. 1 in Health Care.*" Milwaukee Journal Sentinel June 12, 2007

EHR systems and other health information technology as well as large health care systems--many with advanced health information systems. There is strong commitment to quality improvement and leadership in the health care sector including the two medical schools and professional associations. Collaboration between Wisconsin's public and private health care purchasers is nationally recognized. In *States in Action: A Quarterly Look at Innovations in Health Policy*, the Commonwealth Fund noted that Wisconsin has "…a number of ongoing efforts intended to promote transparency and, eventually, improve the performance of the health care system. Public and private stakeholders are collecting information on the quality and costs of health care at the physician, hospital and health plan levels in order to make reliable, comparative data available to providers, employers and consumers. The groups are working together and building on each other's work, rather than duplicating efforts."[5]

Wisconsin has seized the opportunity to deploy technology to transform health care by developing a statewide 5-year strategic plan for eHealth that is built on three pillars: 1) Create an eHealth technology platform to provide needed information at the point of patient care; 2) Encourage the development, alignment, and implementation of value-based purchasing policies and actions across the public and private sectors; and 3) Link Health Information Technology (HIT) and Health Information Exchange (HIE) developments to prevention and disease management activities. This plan, the *Wisconsin eHealth Action Plan*, was developed at the direction of Wisconsin Governor Jim Doyle.[6] Its purpose is to achieve a better, safer, and more efficient health system and thereby improve the overall health of Wisconsin's population.

Wisconsin Medicaid is working to advance the State's eHealth agenda in an effort to address rising health care costs and to ensure high-quality care is being provided to the population served. These are goals consistent with the objectives outlined in President Bush's Executive Order of August 21, 2006. The Medicaid program has formally pledged its commitment to Secretary Leavitt's four cornerstones of value-driven health care, and intends to use this Medicaid Transformation to be a full partner with the other public and private initiatives underway in Wisconsin. The two components of our application will align Medicaid program activities with the *Wisconsin eHealth Action Plan* to 1) Transform how the Medicaid program uses its data to support value-driven health care; and 2) Bring the benefits of health information technology to essential providers to the Medicaid population by implementing electronic health record systems in a majority of the state's Community Health Centers (CHCs).

This document describes Component 1: Value-Driven Health Care Initiative. The goal is to transform how the Medicaid program uses its data to support effective and efficient health care through more comprehensive and cross-cutting health care quality measurement and reporting strategies. This does not require new data collection. The innovation is to use existing data in new ways to measure performance across the entire Medicaid population and to create new partnerships with other payers and with private sector organizations focused on standard setting and public reporting. This work will extend the already successful quality measurement work the WI Medicaid program is doing in managed care through its Medicaid Encounter Data Driven

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[5] Sharon Silow-Carroll and Fouad Pervez, Commonwealth Fund. *States in Action: A Quarterly Look at Innovations in Health Policy*, Summer 2006. July 6, 2006. Volume 5.
[6] *Wisconsin eHealth Action Plan*. December 1, 2007. http://ehealthboard.dhfs.wi.us

Core Measure Set (MEDDIC-MS) protocols and tools. This will be accomplished by the following sets of complementary activities:

- Collaborate with the Wisconsin Department of Employee Trust Funds (ETF) to create an alliance between the two biggest public purchasers of health care in the state to align goals, performance measures, and the use of incentives and rewards for health care outcomes. Together these two payers cover about 23% of the Wisconsin population. ETF manages health benefits for state and some local employees and retirees and has operated on a value-based purchasing model for the past 5 years. The agency has already implemented a Pay-for-Performance (P4P) program, a tiered premium structure, and an evidence-based drug formulary. This alliance is based on a shared vision for population health improvement and how to accomplish it. The Secretaries of the two agencies are both members of the eHealth Care Quality and Patient Safety Board appointed by Governor Jim Doyle and committed to operating under the principles articulated by Secretary Leavitt for value-driven health care. The two agencies will establish shared goals and expectations for care and health care outcomes for their populations that are based on national standards and that can be used in future state agency contracts with private health care providers.

- Align the Wisconsin Medicaid program's quality measurement strategies with the performance measurement and reporting activities of the Wisconsin Collaborative for Healthcare Quality (WCHQ). Founded in 2003, the WCHQ is a multi-stakeholder organization--including physician groups, hospitals, health plans, employers and labor organizations--that seeks to achieve transparency and improve the quality and cost-effectiveness of health care services by publicly reporting comparative measures of performance. The Collaborative's information on its member physician practices, hospitals and health plans is reported via an interactive web-based tool that enables users to identify variation by physician practices. This information can be used for a variety of purposes from quality improvement to consumer decision making. With the support of this Medicaid Transformation Grant, the performance measures developed by the WCHQ will be applied to the entire Medicaid population—using existing Medicaid fee-for-service claims data and encounter data reported by health plans to establish baseline data about health status, the impact of chronic diseases, and the performance of health plans and physicians. This baseline information will provide the foundation for performance improvement plans to be developed by Medicaid staff in collaboration with ETF. The Medicaid program will also partner with the WCHQ to obtain detailed analysis of the data reported by its members (representing 50% of all Wisconsin physicians) by payment source. This disaggregation will also provide performance results for the part of the Medicaid population served by fee-for-service providers, compared to other payer sources, thus filling gaps in available information about the fee-for-service population. Finally, the Medicaid program will supply data for WCHQ to use in conjunction with its role as one of six pilot sites for the "Better Quality Information for Medicare Beneficiaries" (BQI) initiative of CMS.

- Select and pilot HEDIS®, PQRI, and/or other emerging standardized national measures in the Medicaid program to compare outcomes for the Medicaid population with the Medicare and private health care markets, including the population covered by ETF, enable interstate benchmarking, and reduce the reporting burden on health plans and providers, The Medicaid

Program will pilot 3 to 5 metrics to apply to its data and use the results of these measures to make informed decisions about its P4P strategies and contracts with the health plans as well as incorporate the information in public reports.

- Support Cornerstone #3 for Value-Driven Health Care: Transparency of Price, through a public-private collaborative effort to measure the overall cost of services by providing Medicaid data to the Wisconsin Health Information Organization (WHIO) to populate its data repository and produce public reports about the cost and outcome of health care reported across episodes of care for both public and private payer sources. WHIO is a collaborative organization formed in 2005 to improve the quality of health care in Wisconsin. This will be done through the collection, interpretation, and presentation of longitudinal, all-payer, patient-based administrative claims data to provide a holistic market-based view of provider care practices including entire episodes of care. This will support provider quality improvement efforts through measurement and reporting and promote value-driven decision making by consumers and payers by providing comparable information about provider cost, efficiency and outcomes. WHIO is governed by a multi-stakeholder board that includes providers, payers and purchasers, including the Secretaries of the Department of Employee Trust Funds and the Department of Health and Family Services.

- Use HIT being developed with the redesigned Medicaid Management Information System (MMIS) to disseminate the information about performance for use by health plans and providers. The MMIS system will include a new Medicaid web portal, consistent with the national Medicaid Information Technology Architecture (MITA) framework that will be ready to use by January 2009 to report on health care outcomes for the Medicaid population. Using the web portal for this purpose also supports the strategy set out in the *Wisconsin eHealth Action Plan* to develop a set of statewide health information exchange services as part of the technology platform to support value-based purchasing. Eventually the state intends to use a web portal to provide and support the use of practice guidelines and clinical decision support for health care providers. These will help drive future performance-based reimbursement for Wisconsin Medicaid.

- Provide technical assistance to safety-net providers to be full participants in value-driven health care and establish formal links to the state public health system to monitor quality and population health improvement. This will align the Medicaid, WCHQ, HEDIS®, and Patient Electronic Care System (PECS) quality standards used by the CHCs by mapping them to the electronic health record system(s) used by the CHCs. With support from the MTG this will be piloted in two health centers that have well-established EHR systems. Medicaid will contract with the Wisconsin Primary Health Care Association to coordinate activities with health centers and public health programs. A surveillance reporting network to the Wisconsin Division of Public Health will be established to transmit de-identified surveillance data (e.g., disease states, risk factors, etc.) and quality measures. This data will then be analyzed and displayed using Wisconsin's Public Health Information Network (PHIN). Clinic-specific data views will be created along with a statewide summary view. Statewide data will be incorporated into the 'burden of' chronic disease surveillance reports and aligned with the objectives of statewide public health chronic disease control plans (e.g., diabetes, asthma, improved surveillance, quality improvements). Clinic-specific views will provide

drill-down, business-intelligence views that only clinic members can see (via role-based access control).

2. Project Justification

The issues surrounding transparency in quality and cost of health care are powerful enough to have warranted an Executive Order from President Bush directing agencies that administer or support health insurance programs to take steps that will result in more complete and open information for consumers. In his August 21, 2006 briefing, the President said he hoped the Federal action would be followed by similar commitments in the private sector and in state and local government. Steps outlined in the Order include the sharing of information about quality of care delivered by doctors and hospitals. The Order also requires agencies and their health care contractors to promote the use of interoperable health information technology products so data can be easily shared. The Executive Order is a first step in a larger plan to provide transparent information on health quality and price for all American consumers. This MTG proposal represents the commitment of the Wisconsin Medicaid program to act as a full partner with the significant transparency developments already underway in Wisconsin and to align its work with the four cornerstones for value-driven health care articulated by Secretary Leavitt.

By taking a broad population view of existing Medicaid data, the program will be able to establish a baseline for the current health status of all Medicaid beneficiaries, across managed care and fee-for-service programs. At the present time, about 40% of the population is served by fee-for-service and the primary data source for the population is claims data. For the population served by managed care, the Medicaid program receives extensive encounter data. This baseline data is required to set standards and to measure progress as part of an overall strategy to achieve more cost-effective care across the entire Medicaid population.

Partnering with other payers and with organizations focused on value-driven health care purchasing will permit the Medicaid program to evaluate and compare care for its population with other payers including Medicare and private sources. This information is essential for setting standards and measuring progress as part of an overall strategy to achieve high quality, efficient health care and eliminate disparities in care quality and health outcomes which will save lives and dollars. Leveraging the web portal being designed for the new MMIS is an efficient way to exchange health information with providers and consumers.

3. Project Goals and Outcomes

The goal for this component is to transform how the Medicaid program uses its data to support fair, effective, efficient value-driven quality health care. This will be done by creating strategic alliances with key organizations in Wisconsin that are developing standard measures of quality and resource use/cost-of-care, analyzing existing data in new ways, and by focusing on how to use this data to develop quality and cost standards and to craft incentives.

This initiative incorporates the following objectives, methods, and anticipated results:

- **Objective 1:** Collaborate with ETF. **Methods:** Work with ETF to establish performance measures and incentives for health care outcomes that will be used by both agencies for future contracts with health care providers. **Results:** Through this collaboration, the two agencies will establish shared goals and expectations for care and health care outcomes for their populations that are based on national standards and that can be used in future state agency contracts with private health care providers.

- **Objective 2:** Align the Wisconsin Medicaid program's quality measurement strategies with the performance measurement and reporting activities of the Wisconsin Collaborative for Healthcare Quality (WCHQ). **Methods:** The existing performance measures developed by the WCHQ will be applied to the entire Medicaid population using existing Medicaid claims data and encounter data reported by health plans to establish baseline data for this population about health status, the impact of chronic diseases and the performance of health plans and physicians. Medicaid will also obtain detailed analysis of the data now being reported by WCHQ members (representing 50% of all Wisconsin physicians) by payment source. The Medicaid program will supply data to WCHQ for data aggregation as part of the BQI project and will coordinate activities around public reporting about the measurement results from the BQI initiative to both physicians and consumers. **Results:** This baseline information will provide the foundation for problem identification and resolution, and creation of performance improvement and disparity elimination plans. In addition to providing comparison on performance measures by payer, this will also provide performance measures for the part of the Medicaid population served by fee for service, compared to other payer sources to fill gaps in current performance data and drive higher quality and efficiency across the entire Medicaid program.

- **Objective 3:** Select and pilot HEDIS®, PQRI, and/or other emerging standardized national measures in the Medicaid program to compare outcomes for the Medicaid population with the Medicare and private health care markets, including the population covered by ETF, enable interstate benchmarking, and reduce the reporting burden on health plans and providers. **Methods:** Analyze policy implications and population impact such as the impact of interruptions in Medicaid eligibility periods. These create a barrier to high quality care and also create measurement issues. In consultation with ETF, the Medicaid program will select 3 to 5 new metrics to apply to Medicaid data. **Results:** The specified metrics are incorporated into Medicaid P4P program contracts with the health plans effective January 2009.

- **Objective 4:** Provide Medicaid data to the Wisconsin Health Information Organization (WHIO) to populate its data repository and produce public reports about the cost and outcome of health care reported across episodes of care for both public and private payer sources. **Methods:** Extract data from the Medicaid data warehouse or other sources to meet WHIO specifications for the Phase 2 of the WHIO development which will begin in late 2008. **Results:** WHIO public reports issued in early 2009 will incorporate Medicaid data with private payer information about health care costs across episodes of care and achieve transparency of health care costs.

- **Objective 5:** Use HIT being developed with the redesigned MMIS to disseminate the information about performance for use by health plans and providers. **Methods:** The MMIS system will include a new Medicaid web portal, consistent with the national MITA framework that will be ready to use by January 2009. **Results:** The web portal will be used in this initiative to report to health care providers on health care outcomes for the Medicaid population.

- **Objective 6:** Provide technical assistance to safety-net providers to be full participants in quality standards and surveillance reporting including establishing formal links to the state public health system to monitor quality and population health improvement. **Methods:** Establish a pilot demonstration at 2 health centers that have already implemented EHRs. Align quality indicators and surveillance data by mapping to clinical information in the health centers' EHR systems. Establish secure HL7 messaging into Wisconsin's Public Health Information Network (PHIN). Wisconsin PHIN has advanced HL7 messaging, security, role based access, and analysis, visualization, and reporting (AVR) capabilities. Advanced epidemiologic analytic capabilities are supported by the SAS Business Intelligence Server. Geographic Information Services (GIS) are provided by the ESRI ArcInfo web server environment. **Results:** Secure, role based access to the PHIN web portal is available to the two health centers that participate in the project. They will be able to access clinic specific and statewide data views providing dashboards, detailed multivariate modeling, and GIS maps of quality indices, process and metrics of chronic care management, and disease surveillance for the two health centers that participate in the project. A surveillance system will be ready for use by other safety net providers once they have implemented an EHR system. Vital information from safety net providers is supplied to public health for disease prevention and control efforts.

- **Objective 7:** Disseminate findings. **Methods:** The Medicaid program will use the evaluation results for this project to prepare a briefing paper and host a conference on best practices and disseminate the results of this value-driven health care initiative. **Results:** Health care providers, purchasers and payers including federal and state agencies, both in Wisconsin and nationally, will learn from the experiences of this initiative.

4. Estimate of Impact to Beneficiaries

This initiative will impact the entire statewide Medicaid population of 852,972, representing 17 percent of the Wisconsin population[7] as well as thousands of Medicaid providers, including safety-net providers. The safety-net providers include the 17 federally funded Community, Migrant, and Homeless Health Centers; 11 tribal health clinics; and 61 rural health clinics which provide vital, comprehensive care to over 60,000 Medicaid recipients. They are the primary health care homes for some of Wisconsin's most vulnerable populations, such as low-income children and their caretakers, and the elderly, blind, and/or disabled.

This proposal includes technical assistance for the safety-net providers because of the significance of small provider groups and community health centers in the Medicaid network.

[7] *Clients served by DHFS Programs as of April 2007*. Report prepared by Department of Heath and Family Services, Office of Program Initiatives and Budget. June 8, 2007

This segment of the provider community also represents a targeted area of growth for WCHQ as small group practices of fewer than 20 physicians and solo practitioners rarely participate in collaborative quality reporting and care-improvement initiatives. This project will improve Wisconsin Medicaid's understanding of the needed kinds of support for small group practices to comply with health care data collection and reporting.

The intent is that all Medicaid beneficiaries will get the right care at the right place and right time. Medicaid has implemented selected performance measures now for the part of the population served by managed care (MEDDIC-MS) but does not have good information about outcomes of care for fee-for-service recipients or across the entire population. Currently about 40% of the entire Medicaid population is served by fee-for-service providers. The community health centers serve a very high proportion of Medicaid fee-for-service patients. There is very limited information about outcomes for this population compared to the population served by other payers and the uninsured. Establishing a baseline for the population will provide key information needed to set standards and measure provider performance and cost of care for all beneficiaries, and allow for comparisons that can help progressively eliminate disparities in care and health outcomes for Medicaid beneficiaries.

5. Description of Magnitude of the Transformation/Systems Change

The scope of the project is broad because it aligns the Medicaid program with significant quality-measurement and other value-driven health care initiatives already well-established in Wisconsin. These include the P4P initiatives used by ETF, ground breaking work done by the Wisconsin Collaborative for Healthcare Quality and the development work underway by WHIO to create a data repository to track health care costs across episodes of care. The specific activities described in this proposal represent an orderly transition from the current situation, from Medicaid not being directly involved with any of these organizations, to a new way of operating in which value-driven health care principles and actions drive program operations for the entire population. Data analysis activities represent a significant change in how the program has used its data historically and position it for the future as a program that looks across the whole population, using measures that apply to all served by the program, comparable to measures used by Medicare and other public and private payers. This establishes a foundation for objective and continuous quality measurement, comparisons, and levers for spurring improvement and eliminating disparities.

The partnerships developed with ETF, WCHQ and WHIO will serve as a model for other states for advancing and implementing value-driven health care programs. ETF has operated on a value-based purchasing model for the past 5 years and already implemented a pay-for-performance program, a tiered premium structure, and an evidence-based drug formulary. The lessons they have learned as a public agency with deep experience with P4P will be an asset to any Medicaid program. Although just 4 years old, the WCHQ has gained the respect of national health leaders including regulators and consumer and quality advocates. WCHQ is endorsed as an example in the recently published "Value-Driven Health Care: A Guide for State Medicaid Agencies."[8] Developing a strong partnership between the Wisconsin Medicaid Program and the

[8] *Value-Driven Health Care: A Guide for State Medicaid Agencies*, Version 1.0 – May 2007 http://www.leapfroggroup.org/media/file/Purchaser_Guide_Final2-08-07.pdf

WCHQ provides a real opportunity to transfer lessons learned to other states. The sharing of knowledge, data, and collective support between the private partners and the public payer for Medicaid patients can become an enormous driver in developing consistently excellent expectations for Medicaid patients across the country. WHIO is less that 2 years old and one of the few broad-based, public-private organizations in the nation focused on aggregation of health care data to measure health care costs across episodes of care. Medicaid's participation with WHIO will create a model worthy of replication in other states. The project scope for this MTG initiative includes a conference to disseminate findings to other states.

6. Description of Sustainability of the Project

Most components of the initiative will result in the development of permanent capacity and infrastructure, such as the population health baseline information, partnerships with other organizations, adoption of WCHQ measures for reporting, and the P4P program standards and implementation plans. This will largely automate the production of objective, comparable and longitudinal data, thus the longer-term positive impacts of initial investments in these programs will be highly sustainable through routine program operations. Furthermore, the public reporting of such data and its use in value-driven reimbursement systems is likely to generate considerable attention and private investment in quality improvement by the providers themselves.

7. Evaluation Plan

The Wisconsin Medicaid Program will comply with the statutory annual reporting requirements of section 1903(z) (3) (C) (ii) & (iii) of the Social Security Act and submit an annual report to the Secretary of the U.S. Department of Health and Human Services. The project will include an independent evaluation. This evaluation will be conducted by Dr. Patricia Brennan and her team from the University of Wisconsin-Madison. Dr. Brennan has degrees in both nursing and engineering, and is professionally recognized for developing a number of sophisticated models for evaluating economic impact of health system transformations. Dr. Brennan will:

- Assess the impact of new performance measures developed from the Medicaid population baseline.

- Develop a set of criteria for establishing the validity and reliability of the WCHQ performance measures for the Medicaid population. The requirement for discriminative trending and monitoring systems requires a set of confidence measures be developed to ensure significant trends are identified.

- Develop a model to correlate P4P incentives and quality of care outcomes and assess the relationship between the incentives and the changes in outcomes as discriminated from other underlying trends in the care system.

Evaluation findings will be incorporated into the "Lessons Learned Conference" planned at the end of this project and sponsored by the Medicaid program.

8. Description of Project Implementation Readiness

Wisconsin is very well-positioned to launch this project given the high quality of health care and exceptional degree of collaboration that already exists across the public and private sectors, as well as the planning activities of the eHealth Board, as reflected in the statewide *eHealth Action Plan,* the experience of ETF and willingness to collaborate with the Medicaid program, and the current stage of developments in the private sector with the WCHQ and WHIO.

The timing is good for the Medicaid program to begin to analyze its data in new ways. The MMIS system redesign will be completed during the 18 months covered by this MTG and help to manage massive amount of encounter data from HMOs and fee-for-service claims data to use to advance the value-driven health care cornerstones, including establishing a baseline on the health of the Medicaid population.

The timing is also good for Wisconsin's public health system. Wisconsin's Public Health Information Network (PHIN) has matured into a robust system with service-oriented architecture (SOA) for Analysis, Visualization, and Reporting (AVR) of public health service and surveillance data. PHIN has sophisticated analytic and GIS tools to display, model, and predict the determinants of health outcomes and quality indicators. PHIN has also been working closely with WHIE, the State Laboratory of Hygiene, the University of Wisconsin Department of Family Medicine, and others in clinical care to establish secure HL7 messaging capabilities and establish interoperability between public health and clinical care. Thus the PHIN platform is ready to bring CHCs into its modern public health surveillance environment and provide an advanced tool set to monitor chronic care, quality measures, and disease outcomes.

MetaStar, Wisconsin's External Quality Review Organization, (EQRO) is well prepared to validate performance measures and is already under contract with the Wisconsin Medicaid program for conducting performance measure validation for HMOs and Managed Health and Long-Term Care Organizations, as well as the Medicaid program's MEDDIC-MS. Additionally, MetaStar is licensed by NCQA to conduct HEDIS® Compliance Audits™ and has audited over 300 commercial, Medicare and Medicaid health plans. Most importantly, they have performed successfully on a multiyear project with the state of Minnesota to develop systems to report and validate "HEDIS-like" measures from encounter data. For this project, MetaStar will (1) assist the state with enhancing its existing performance measurement system and strategies; (2) review and validate the source code used for producing the measures; (3) analyze results for reasonability, comparing them with comparative and benchmark data; and (4) recommend possible investigations if necessary (i.e., if results are not reasonable). MetaStar is an unbiased partner who can bring lessons learned from working with many clients on quality measurement.

Within the state agency, the DHFS has created an eHealth Chief of Staff position focused on the State's HIT planning and implementation activities and the Medicaid program has created a Policy Initiatives Advisor position to lead health care IT initiatives in the Wisconsin Medicaid Program and align program goals with the *Wisconsin eHealth Action Plan*. Both positions will participate in the oversight and coordination of the MTG-funded activities. The Medicaid program also intends to secure the services of a medical director for this initiative who in addition to his experience as Medical Director of Milwaukee Health Care for the Homeless, City

of Milwaukee Health Commissioner, and co-founder of the Wisconsin Health Information Exchange, has worked as a consultant for the national eHealth Initiative on HIT projects, including advising the New York City Primary Health Care Information Consortium that created a common HIT purchasing and acquisition process for the city's FQHCs.

9. Timeline and Budget

The following chart, "*Timeline for Component 1: Value-Driven Health Care Initiative,*" provides the project implementation plan.

This is followed by the budget section that includes the following:

- Estimated budget total that is separated by each grant year
- Total estimated funding requirements by year, broken down by personnel and fringe benefits, contractual costs, supplies, equipment and other costs.

Timeline "Component 1: Value-Driven Health Care Initiative"						
Objectives and Delivery Dates	Oct 2007 to Dec 2007	Jan 2008 to Mar 2008	Apr 2008 to Jun 2008	Jul 2008 to Sep 2008	Oct 2008 to Dec 2008	Jan 2009 to Mar 2009
1. Collaborate with the Department of Employee Trust Funds for ongoing planning, policy development and contract development						
2. Establish Medicaid population baseline ▪ Aggregate Medicaid FFS and encounter data, update routinely						
▪ Apply WCHQ algorithms						
▪ Secure analysis of WCHQ data by payer source						
▪ Develop benchmarks for the population						
▪ Work in collaboration with ETF to establish contract requirements that reflect expected outcomes						
▪ Update baseline as new data becomes available						
3. Supply data to WCHQ for the BQI initiative						
4. Pilot HEDIS® and/or other emerging national measures ▪ Policy analysis to select 3-5 new measures to apply to Medicaid						
▪ Vet with stakeholders/establish P4P and/or contract requirements using these measures						
▪ Implement new P4P and/or contract terms						
5. Supply Medicaid data to WHIO to build a data repository about health care provided across episodes of care from multiple payer sources ▪ Aggregate data to WHIO specifications ▪ Incorporate results into Medicaid population baseline						
6. Enhance the MMIS web portal for public reporting of performance standards						
▪ Initiate new public reporting						
7. Public health/community health center pilot for quality standards and surveillance reporting ▪ Develop requirements for surveillance and quality measures						
▪ Set-up servers at 2 CHCs/ link to PHIN						
▪ SAS BI and GIS analytic requirements						
▪ Web reporting development and testing						
▪ Surveillance/quality reports produced						
8. Evaluation ▪ Design, data collection & analysis						
▪ Report writing						
9. Disseminate findings - Plan and conduct "Lessons Learned" Conference						

Budget for Component 1: Value-Driven Health Care				
Personnel and Fringe				
Classification	**FTE %**	**Hourly rate**	**FFY 2007**	**FFY 2008**
Grant Manager/Executive Sponsor	0.3	50.00	$ 31,200.00	$ 15,600.00
Program and Plannning Analyst/Project Mgr.	1.0	32.50	$ 67,600.00	$ 33,800.00
Business Analyst	1.0	32.50	$ 67,600.00	$ 33,800.00
Financial Specialist 4	0.1	15.54	$ 3,232.32	$ 1,616.16
Staff Total	***2.4***		***$ 169,632.32***	***$ 84,816.16***
Fringe 0.4622 of Salary			$ 78,404.06	$ 39,202.03
Indirect 0.045 of Salary			$ 7,633.45	$ 3,816.73
Salary & Fringe Total			***$ 255,669.83***	***$ 127,834.92***
Contractual Costs				
Medical Director			$ 332,800.00	$ 166,400.00
Data analysis to apply WCHQ algorithms (vendor TBD)			$ 300,000.00	$ 50,000.00
WCHQ to analyze member data by payer source			$ 30,000.00	$ 5,000.00
MetaStar to validate new performance measures			$ 60,000.00	$ 28,000.00
EDS or APS to create Medicaid data extracts for WCHQ & WHIO			$ 50,000.00	$ 50,000.00
EDS to add health care performance reporting to MMIS web portal			$ 15,000.00	$ 15,000.00
UW DoIT for SAS BI and GIS systems enhancements for CHCs			$ 200,000.00	$ 100,000.00
WPHCA to coordinate public health surveillance with CHCs			$ 25,000.00	$ 12,500.00
Summit to disseminate findings (vendor TBD)			$ 5,000.00	$ 15,000.00
UW-Madison for project evaluation			$ 96,771.00	$ 49,510.00
Contract Subtotal			***$ 1,114,571.00***	***$ 491,410.00***
Supplies				
Miscellaneous (1,200 per FTE annually)			$ 2,880.00	$ 1,440.00
Supplies Subtotal			***$ 2,880.00***	***$ 1,440.00***
Equipment				
UW DoIT (PHIN vendor) for server acquistion and install at 2 sites			$ 60,000.00	$ -
Equipment Subtotal			***$ 60,000.00***	***$ -***
Other Costs				
Rent	FTE at $2624 per FTE annually		$ 6,297.60	$ 3,148.80
Network	FTE at $1740 per FTE annually		$ 4,176.00	$ 2,088.00
Phone	FTE at $475 per FTE annually		$ 1,140.00	$ 570.00
Internal Services	FTE at $3300 per FTE annually		$ 7,920.00	$ 3,960.00
Training	FTE at $100 per FTE annually		$ 240.00	$ 120.00
Travel	FTE at $2000 per FTE annually		$ 4,800.00	$ 2,400.00
Mtg/Telecon Call Expense	One per month average at $400 each		$ 4,800.00	$ 2,400.00
Other Costs Subtotal			***$ 29,373.60***	***$ 14,686.80***
Total each FFY			**$ 1,462,494.43**	**$ 635,371.72**
Grand Total				**$ 2,097,866.15**