



December 27, 2019

Ms. Cynthia Smolens
Sr. Procurement Specialist
Arizona Health Care Cost Containment System
Procurement Office
701 E. Jefferson, MD 5700
Phoenix, AZ 85034

RE: Differential Adjusted Payment Strategies Request for Information

Dear Ms. Smolens,

Thank you for the opportunity to provide input on the AHCCCS Administration's Differential Adjusted Payment (DAP) Strategies Request for Information (RFI #YH20-0070).

I am responding to the RFI on behalf of the Arizona Hospital and Healthcare Association (AzHHA). AzHHA is a statewide association of more than 80 hospital, healthcare and affiliated health system members. We represent short-term acute care, behavioral health, post-acute care, and critical access hospitals, as well as their affiliated clinics and staff. We are also contracted with the state, federal government and private foundations to administer several programs to improve quality of care, patient safety, and emergency preparedness. We partner with healthcare providers, health plans, public health, emergency management, and community organizations around the state to implement these programs.

Our response to the RFI is grounded in that broader context, and our general position remains unchanged from our response to last year's RFI. In reiterating our response from 2018, first we will address the Administration's overall strategy and DAP principles as laid out in the RFI. Second, we will discuss specific metrics for hospitals that we believe meet the Administration's guiding principles, including two new recommendations.

Overall Strategy and DAP Principles

AzHHA agrees that any approach to value-based purchasing (VBP) should be grounded in guiding principles. Our Board of Directors adopted a set of principles for Medicaid VBP several years ago, several of which align with the DAP approach and principles laid out in the RFI. **Having said this, we strongly believe the Administration’s principles should be incorporated into a broader, formalized strategic approach that brings together experts on healthcare quality improvement, metrics, best practices, and Medicaid data. Such a panel, if convened regularly, could advise the Administration on metrics and benchmarks that align with the Administration’s Quality Strategy, and that provide the greatest opportunity to improve the quality of care and health outcomes for AHCCCS members.** AzHHA envisions this panel advising the Administration on a multi-year strategy that will identify performance metrics and benchmarks a year and more in advance. We believe this proposed process is important for a number of reasons:

1. There is a wealth of expertise within the provider community, at the Arizona Department of Health Services, and at the state’s Medicare Quality Improvement Organization that AHCCCS can tap into to help identify appropriate metrics. AzHHA itself has 2 staff members who work under a federal grant with hospital Directors of Quality on data collection, analysis and performance improvement. These individuals and their peers are passionate about quality improvement and eager to participate in collaborative efforts to improve health outcomes for all Arizonans, including the identification of Medicaid-appropriate metrics.
2. Convening these experts with AHCCCS staff and health plan representatives will allow all stakeholders to vet Medicaid data in a transparent manner and identify areas of greatest need for improvement, and then collectively determine realistic metrics that also meet the Administration’s principles.
3. Convening a panel of experts would help mitigate biases that may occur when individual providers (potential DAP recipients) simply suggest metrics from the narrow scope of their own performance.
4. Developing a multi-year strategy with metrics and benchmarks identified a year or more in advance will give providers advance notice of the Administration’s priorities and allow for reallocation of provider resources if necessary. In addition, many Medicare measures (several of which we expect will meet AHCCCS’s principles) are tied to performance data from previous years, and providers should be given time to improve scores if these will be used for AHCCCS DAP purposes.¹

¹ We know, for example, from data that hospitals have reported to AzHHA as part of our Hospital Improvement Innovation Network that many hospitals’ performance has shifted greatly relative to data publicly available through Hospital Compare. As such, many hospitals believe

5. Finally, convening this panel would help the Administration achieve some of the broader goals outlined on page 53 of the Agency's *Quality Strategy, Assessment, and Performance Improvement Report* (July 1, 2018). These include striving for:
 - Systemic research and sharing of best practices and lessons learned both locally and nationally.
 - Broader participation in collaborative community efforts to improve the health status of Arizonans; and potentially
 - The provision of technical assistance programs with subject matter experts.

We would make one final point relative to the Administration's DAP principles. AzHHA strongly supports the statement under Principle 2 that data be non-controversial. **As such, we do not support the use of metrics based on proprietary data or formulas. This would include using benchmarks from organizations such as Healthgrades and The Leapfrog Group, the latter of which was suggested in the RFI.**

Hospital Metrics

Because we believe so strongly in the expert panel approach outlined above, AzHHA is hesitant to suggest specific metrics for the coming year. However, we understand the Administration's time constraints and desire for specific information that could be acted on in CYE 2021 and CYE 2022. With this in mind, we believe that for all hospital types the Administration should consider maintaining the current metrics until a panel of subject matter experts can be convened to advise on the development of new metrics. The Administration should also continue building on participation in the health information exchange by adding the transfer of additional types of information. For CYE 2022, AHCCCS should consider adding the transfer of advance directives. Legislation added last year transfers the advance directives registry to Health Current, and this transfer should be completed next year.

In addition, the proposal that was not finalized this year for hospitals that enter into care coordination agreements to improve care to American Indian/Alaska Native members should be explored. Healthcare disparities associated with this population are well-documented, and such care coordination has tremendous potential to improve their health outcomes.

that the data publicly available through Hospital Compare is not a good reflection of current performance.

Additionally, we would like to suggest that the AHCCCS Administration work with the Health Resources and Services Administration's Federal Office of Rural Health Policy to incorporate Medicare Beneficiary Quality Improvement Project (MBQIP) metrics for Critical Access Hospitals (CAHs). The MBQIP allows CAHs to view their own quality data and measure their outcomes against other CAHs, and it provides an opportunity for CAHs to partner with other hospitals in the state around quality improvement initiatives to improve patient outcomes.

Last, we recommend that AHCCCS work with the Arizona Department of Health Services to collaboratively develop a maternal mortality metric. As you are no doubt aware, maternal death rates are on the rise across the nation. Furthermore, according to the latest Arizona Maternal Mortality Review report, 89% of pregnancy related deaths in Arizona are preventable. A maternal mortality metric would yield data to assist Arizona with its efforts to improve the health and welfare of its future mothers and their families.

Thank you for the opportunity to comment on the DAP RFI. These payments have been historically helpful in assisting hospitals to maintain a positive operating margin. In addition, the payments provide a meaningful way for AHCCCS to distinguish providers who support designated actions to improve AHCCCS member experience, improve health and reduce the cost of care. Please feel free to contact me if you have any questions.

Sincerely,



Debbie Johnston
Senior Vice President, Policy Development