

What is SNAP?

Safety-Net Hospital Challenges

Transitioning Medicaid

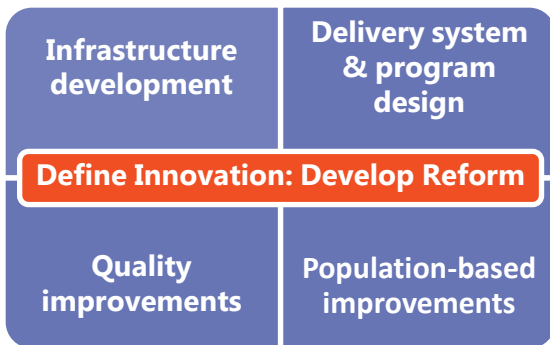
Innovative Solutions

Every day, Pennsylvania’s safety-net hospitals lead the way in tackling the challenge of being primary providers of care for the state’s low-income and medically vulnerable residents: more than 2.2 million Medical Assistance recipients, 1.4 million uninsured people, hundreds of thousands of low-income seniors, and many insured people of modest means who struggle daily to afford both health care and healthy living. Between unprecedented access to affordable health insurance and the expansion of the state’s Medical Assistance program, this challenge has never been greater. In this paper, SNAP addresses one of the keys to meeting this challenge successfully: Innovation.

Powerful Forces Calling for Change

Even as Pennsylvania’s hospitals, led by its safety-net hospitals, tackle this considerable challenge, others are seeking even more from them: insurers, government, and others are all demanding change – major change. They are demanding that hospitals reconfigure their care delivery structures and develop and invest in new ways of serving their patients and their communities; that they work more cooperatively with doctors, skilled nursing facilities, insurers, and others to realign financial incentives through bundled payments, accountable care organizations, and other new care delivery and payment mechanisms; that they provide more care on an outpatient basis and less in the hospital; and that they accept payments based on the results they produce rather than the services they deliver.

Tackling New Challenges



Some of the new government-mandated challenges hospitals face are very specific, such as reducing the number of infections patients suffer while hospitalized; reducing the number of patients who require readmission to the hospital shortly after they are discharged; and employing specific, proven measures when caring for patients with certain medical problems. For the most part, achieving such objectives requires, more than anything else, diligence: understanding the steps needed to succeed and cultivating a culture that demands the rigorous application of evidence-based solutions.

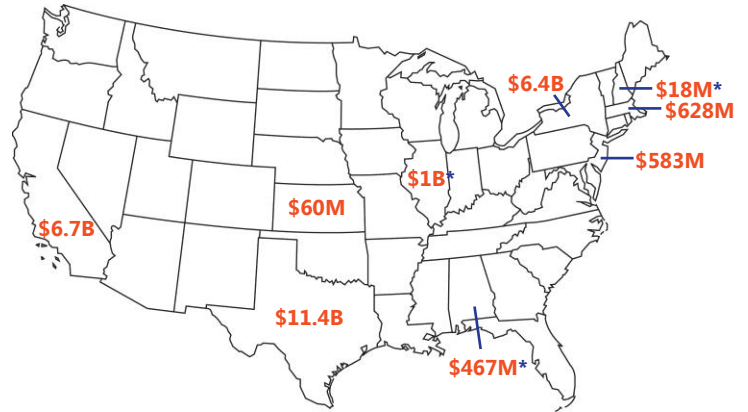
Other challenges, however, are much broader. In particular, the Affordable Care Act established three overarching health care objectives: improve the quality of care, improve the health of communities, and reduce the cost of care. Achieving such broad and elusive objectives will be far more difficult and far more complex. It will require determination, analytic thinking, research, creativity, resources, and a willingness to look beyond what we have always done in search of new and better ways. In other words, it demands innovation.

Pursuing Innovation

Pennsylvania’s safety-net hospitals have long worked in partnership with the state to serve low-income Pennsylvanians, whether those low-income individuals were uninsured, under-insured, or insured by Medical Assistance. Over the years, safety-net hospitals have worked with the state to develop and implement numerous innovations, including better ways to serve Medical Assistance patients, better ways to pay for Medical Assistance services, and better ways to finance Medical Assistance itself. Now, achieving the goals of improving the quality of care, improving the health of communities, and reducing the cost of care through the means suggested for achieving these objectives will require an entirely new level of partnership and innovation.

Fortunately, the federal government has created a number of opportunities for states ultimately to achieve savings while working with stakeholders to pursue innovation in the organization, delivery, and payment of health care services. One such tool is Medicaid waivers that bring significant new federal resources to states to help them invest in innovative ways to serve their low-income and medically vulnerable residents. An important part of these waivers is what is known as delivery system reform incentive payments, often called “DSRIP.”

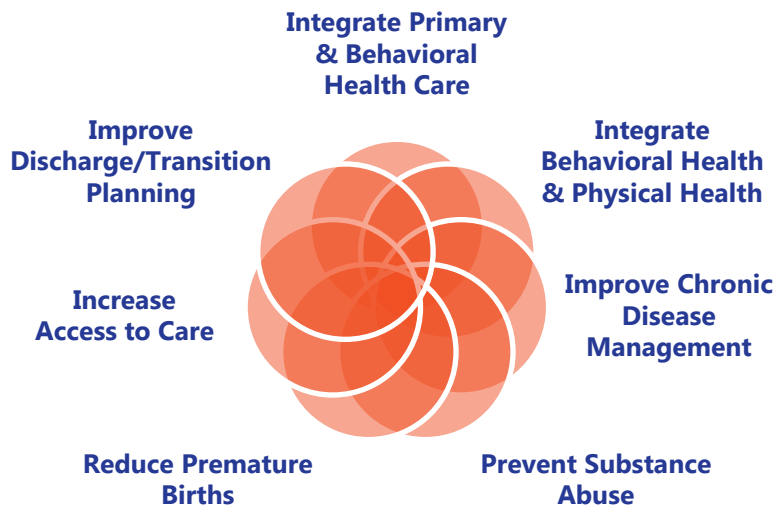
Through DSRIP programs, providers compete for these special funds and earn them based on their ability to propose and successfully execute projects that meet narrowly defined and mutually agreed-upon objectives in several major areas over a five-year term: **infrastructure development, delivery system and program innovation and system redesign, clinical outcomes and quality improvements, and population-based improvements.** Six states have already initiated DSRIP programs and another three await federal approval to launch such endeavors.



5 Year DSRIP State Funding Total

*Denotes pending federal approval

Those mutually agreed-upon objectives often emerge through health planning initiatives launched with the help of state innovation model planning grants, often referred to as SIM grants, that have been awarded by the federal Center for Medicare & Medicaid Innovation to foster the very innovation that is so critical at this time. Pennsylvania has already completed a major round of SIM planning with the help of a broad range of stakeholders, including representatives of the Safety-Net Association of Pennsylvania, and late last year the state was awarded another \$3 million by the federal innovation center to continue planning the development of innovative care delivery models and payment methodologies. The federal innovation center presents other opportunities for the state to pursue support for innovation as well.



Other states are doing great things with their DSRIP resources, SIM grants, and other paths to innovation: they are pursuing better ways to integrate primary and behavioral health services, developing evidence-based strategies for disease management in high-risk populations, working to improve patient self-management of chronic medical conditions, making greater use of medical homes, improving support for maternal and child health and the reduction of premature births, launching psychiatric care demonstrations, implementing new reimbursement systems, and much more.

Now, Pennsylvania can learn from the efforts of other states – and even surpass them.

Pennsylvania, Health Care Innovation, and Safety-Net Hospitals

Ever since Medicaid was introduced in the mid-1960s and especially since the last public acute-care hospitals in Pennsylvania closed in the 1980s, private safety-net hospitals have served as the state’s primary partner in serving low-income and medically vulnerable Pennsylvanians. No one knows more about serving this population – the challenges it poses, the opportunities it offers, the pathways to improvement.

And now, no one is in a better position and is more prepared to work in partnership with the state to blaze a new path of innovation in the commonwealth – a path that will improve the quality of care, improve the health of communities, and reduce health care costs. The members of the Safety-Net Association of Pennsylvania look forward to the prospect of working with state leaders to forge a new, better direction in the delivery and payment of health care for low-income and medically vulnerable Pennsylvanians.

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