

## State Innovation Model (SIM)

**LEAD**  
the **WAY**

*Building a People-Centered Health System*



Trinity Health is one of the largest multi-institutional Catholic health care delivery systems in the nation, serving diverse communities that include more than 30 million people across 22 states. We are building a People-Centered Health System to put the people we serve at the center of every behavior, action and decision. This brings to life our commitment to be a compassionate, transforming and healing presence in our communities. We advocate for public policies that support better health, better care and lower costs to ensure affordable, high quality, people-centered care for all.

The State Innovation Model (SIM) Initiative presents an unprecedented opportunity to improve population health; integrate public health, community resources and the health care delivery system; address workforce and information technology needs; and reduce long-term health risks for people, particularly high-need populations. To do so, states must ensure these efforts are transformative, broad-based, and sustainable. With the goal of transforming 80 percent of a state's health care payment systems into value-based models, this is truly transformative work.

The Center for Medicare and Medicaid Innovation (CMMI) is providing significant grant funding – almost \$1 billion – to support the development and testing of innovative health care payment and delivery models through SIM. The CMMI SIM Initiative offers states important financial and technical support and funding to drive multi-payer, provider and community stakeholder innovation and change on a new scale. SIM funding has been available to states for three stages of readiness: Testing, Pretesting and Design. The 17 Testing states include: Arkansas, Colorado, Connecticut, Delaware, Idaho, Iowa, Maine, Massachusetts, Michigan, Minnesota, New York, Ohio, Oregon, Rhode Island, Tennessee, Vermont and Washington.

### What Can Policymakers Do?

Engage All Stakeholders and Align Public and Private Innovation Efforts

#### *Recommendations:*

- Engage a public-private health innovation/transformation entity to implement plan.
- Include all key populations – Medicaid, Medicare, Dual-Eligible, Marketplace, commercial, and state employees.
- Bring all major payers and health systems to the table.
- Align the SIM Initiative with other delivery reform efforts including state-run initiatives, Delivery System Reform Incentive Payment program, Financial Alignment Demonstrations, Comprehensive Primary Care Initiative, and the Medicare Shared Savings Program.

Prioritize Community and Population Health

#### *Recommendations:*

- Integrate public health, community-based, and behavioral health services across the entire care continuum, including support for clinical social workers and community health workers.
- Leverage existing community-based entities to help integrate population health goals into care from local providers.
- Create a state-wide population health plan that targets the preventable drivers of poor health, obesity for example; addresses the social determinants of health, housing for example; and works to eliminate health disparities. Ensure this plan is developed and implemented in tandem with, not in a silo, from delivery system reform.

### Driving Alternative Payment

Model Test states are developing plans to transition at least 80 percent of payment from traditional fee-for-service to alternatives that link payment to value. To reach this goal and advance true transformational change, states need to engage all stakeholders – patients, payers, providers, purchasers and state agencies – in strategic development and implementation.

# State Innovation Model (SIM)

## Structure Payment Policy to Support Transformation

### Recommendations:

- Think big, because at the end of five years, transformative change should be in place and sustainable.
- Create a "glide path" for providers to gradually transform to more sophisticated, risk-based models. Phase risk into value-based payment strategies over time and create more simplified financial models with an appropriate risk and reward balance.
- Structure payment to incent participation including, for example, appropriate patient-centered medical home per member per month award amounts, or appropriate shared savings opportunities.
- Invest in practice transformation, giving providers adequate resources to adopt new models of delivery and health information technology.
- Ensure appropriate risk adjustment allowing for the clinical and socio-demographic characteristics of the patients.

## Fund and Enable Strategies that Support Transformation

### Recommendations:

- Measure readiness, including: payer participation, covered populations, governance, and needed supports for bold delivery and payment reform.
- Invest in health information technology (HIT) that supports access to complete, accurate, reliable and timely data, and support federal efforts to advance and secure interoperability.
- Implement a consistent, common set of quality and cost measures across all payers to support continuous quality improvement.
- Develop a state-wide workforce plan that supports system transformation and delivers population health outcomes.
- Learn from other states; participate in learning collaboratives.

## Integrating Community & Population Health with Delivery System Reform

### SIM State Examples Worthy of Replication:

In **Michigan**, Community Health Innovation Regions (CHIRs) will help to connect patients with local community services and leverage community benefit and public health efforts to address broad determinants of health that drive health outcomes. One lead entity – the "backbone organization" – will take responsibility for assuring all functionality of the collaborative; this includes organizing community stakeholders to assess community needs, identifying shared priorities and strategies, and implementing and monitoring the effectiveness of these strategies.

In **Idaho**, the state's seven public health districts are serving as Regional Collaboratives (RCs) supporting local practices as they transform to patient-centered medical homes, and serving as the public health/physical health integrator linking these practices to the broader medical neighborhood including community services.

## Strategies & Payment Policies that Support Transformation

### SIM State Examples Worthy of Replication:

In **Delaware**, the newly created non-profit DE Center for Health Innovation (DCHI), in coordination with the DE Health Care Commission and Health Information Network, is responsible for the implementation of the SIM plan. The DCHI is chaired by a business representative and has five committees – clinical, healthy neighborhoods, patient and consumer, payment model, and workforce and education – each with clearly defined milestones and work streams. A clinical scorecard has been drafted, staff is being hired and external stakeholders are being asked to assist with funding. Pay for value and total cost of care payment models will be incrementally introduced over the five-year test period. As a result of this early SIM coordination, Delaware just became the first state to get every hospital in an MSSP.

In **New York**, the Delivery System Reform Incentive Payment (DSRIP) and SIM efforts are closely aligned, both with the stated goal of achieving integrated, value-based care through population health-based care delivery models and payment innovation. Efforts are coordinated by a Health Innovation Council with four multi-stakeholder work groups focused on: integrated care; HIT, transparency and evaluation; workforce; and access to care.

Digital Access: <http://advocacy.trinity-health.org/> • [advocacy@Trinity-Health.org](mailto:advocacy@Trinity-Health.org) • #CareInnovation #PaymentReform #PopHealth #SIM

**Mission:** We, Trinity Health, serve together in the spirit of the Gospel as a compassionate and transforming healing presence within our communities.

**Core Values:** Reverence • Commitment to Those Who Are Poor • Justice • Stewardship • Integrity

