JESSIE RODRIGUEZ
STATE REPRESENTATIVE ★ 21ST ASSEMBLY DISTRICT

AB 871: Establishing an Intensive Care Coordination Pilot Program
Testimony of State Representative Jessie Rodriguez
Assembly Committee on Health
January, 25 2018

Committee chairman, committee members, thank you for the opportunity to testify on Assembly Bill 871, legislation that creates a pilot for an intensive care coordination program aimed at reducing costs for high utilizers of emergency health services.

Wisconsin is known for having one of the best health care systems in the country with hospitals that provide some of the best care according to recent quality reports from the Centers for Medicare and Medicaid Services. Wisconsin is also a leader when it comes to developing new methods that improve access to care while controlling costs.

Wisconsin once again has the opportunity to lead the way with this innovative approach to reducing costs for Medicaid enrollees who access health care through hospital emergency departments.

Last year, more than 10,000 people in Wisconsin visited an emergency room seven or more times at a cost of more than $50 million dollars. This small group of patients are known as high utilizers and accounted for 111,000 emergency department encounters last year. Using emergency departments for primary care is a costly and inefficient use of Medicaid dollars and puts a strain on hospital resources in addition to reducing access to emergency care for those who truly need it.

This legislation will create a limited pilot program that encourages hospitals to provide intensive care coordination for high utilizers on Medicaid for up to two six month periods. High utilizers will work with coordinators to address their complex

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health needs by establishing a primary care provider, working with a managed care organization and developing a support system outside of the hospital.

Last fall, the Joint Finance Committee included $1.5 million in the budget for the creation of a pilot program that would encourage hospitals to create innovative intensive care coordination programs. The program was vetoed due to concerns but the funding was left in place. Over the last several months, working with the Department of Health Services and others those concerns have been addressed.

The data overwhelmingly demonstrates the success of this program. In Milwaukee, at Aurora St. Lukes and Sinai of the 255 patients that enrolled in primary care coordination there was a 44 percent average reduction in the number of emergency department visits and even better, 77 percent reduction over a 7-12 month period. At Wheaton Franciscan St. Joseph Campus in Milwaukee the implementation of a care coordination program led to a reduction in emergency department visits by 5,000.

By implementing this pilot program, Wisconsin will once again lead in developing innovative programs that have the potential for significant cost savings while improving access to healthcare for some of our most vulnerable populations. I encourage your support for this legislation. Thank you.

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Alberta Darling
Wisconsin State Senator
Co-Chair, Joint Committee on Finance

Testimony before the Assembly Committee on Health

Assembly Bill 871

Thank you Chair Sanfelippo and committee members for hearing Assembly Bill 871. This bill incentivizes care coordination for high emergency department utilizers.

In 2016, over 10,000 individuals visited emergency departments seven or more times in Wisconsin. This emergency department usage comes at an estimated cost of $53.5 million, a 36% increase since 2014. Individuals who utilize emergency departments at this rate are known as "high utilizers," and they accounted for over 111,000 emergency department encounters last year.

High utilization of emergency departments is not only inefficient, but is not beneficial for the patient's health either. According to data from the Department of Health Services, approximately 36% of emergency department visits are billed to Medicaid. Over utilization of the emergency department puts an incredible strain on Medicaid expenditures, as well as putting a strain on hospitals themselves. When individuals with non-emergent needs come to the emergency department, they create a delay for individuals who truly need the emergency department's capabilities. To compound these issues, individuals who come to an emergency department frequently do not receive the proper level of care they could receive if they were regularly seeing a primary care doctor, dentist, or other specialist for their reoccurring health needs.

It is time for the State of Wisconsin to continue moving forward and innovate our strategy for healthcare delivery for our high utilizer population. Hospitals throughout the state have already begun to implement pilot "care coordination" policies to reduce inappropriate emergency department utilization.

The concept is simple. Care coordinators work with high utilizers to determine the cause of the overutilization. Then, the coordinator works with that patient to develop a comprehensive strategy to create better health outcomes. From solving transportation and child care issues to connecting the patient with a local primary care doctor, the care coordinators work to create an individualized care plan that truly produces better health outcomes for the patient. For example, Aurora's pilot coordination program showed an average reduction in emergency department visits of 44% after 6 months in the program and of 77% after 12 months.

Assembly Bill 871 expands upon the work that is already being done in our state. The bill provides funds for hospitals to continue to innovate with the care coordination model. The bill is structured to provide incentives for reducing emergency department visits, which reduces costs to our state's Medicaid expenditures immensely. This bill is

critically important to innovating our healthcare system, improving health outcomes for our citizens, and saving the state money for years to come.

I would like to thank Representatives Sanfelippo and Rodriguez for their work on this bill. I was proud to support this initiative in the state budget, and I am proud to author this legislation now.

I urge your support on Assembly Bill 871.

Wisconsin Association of Health Plans

The Voice of Wisconsin's Community-Based Health Plans

TO: Members, Assembly Committee on Health
FROM: Tim Lundquist, Director of Government & Public Affairs
SUBJECT: Suggested Changes to Assembly Bill 871
DATE: January 25, 2018

Assembly Bill 871 requires the Department of Health Services (DHS) create a program to compensate hospitals and health systems for intensive care coordination services provided to Medical Assistance recipients.

The legislation specifies that if a hospital or health care system participating in the program provides services to Medical Assistance recipients enrolled in managed care, DHS shall make any payment under the program to the managed care organization with which the hospital or health care system has an agreement to provide services to Medical Assistance recipients.

The bill further specifies the managed care organization shall pass the payments made on to the hospital or health care system no later than 30 days after receiving the payment from DHS.

Wisconsin's community-based health plans question the rationale for requiring managed care organizations administer these payments.

As drafted, Assembly Bill 871 creates additional administrative responsibilities for health plans without providing additional funding.

We request language requiring managed care organizations administer the pass-through payments be removed from the bill.

Assembly Bill 871 already contemplates direct payments from DHS to participating hospitals and health systems; removing this responsibility from managed care organizations simply requires DHS provide direct payments for the remainder of the care coordination program.

If you have questions regarding this issue, please contact Tim Lundquist at 608-255-0921.

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January 25, 2018

Testimony to the Assembly Committee on Health
In Support of AB 871 – Emergency Department Care Coordination

Robert Marrs, Manager, Aurora Integrated Family Support Services
Jane Pirsig-Anderson, Director, Aurora Family Service

Chair Sanfelippo, members of the Committee: thank you for your time today. I am Robert Marrs, the manager of integrated family support services at Aurora Health Care. Aurora is an integrated health care delivery system that serves more than 1.2 million patients a year at our clinics, pharmacies, and 15 hospitals throughout eastern Wisconsin. On behalf of Aurora, I am here to support Assembly Bill (AB) 871, an innovative Medicaid proposal that will deliver better care for patients and further strengthen Wisconsin's unique health care model by directly addressing the problem of unnecessary Emergency Department (ED) utilization.

In my role at Aurora, I manage what we call our Coverage to Care program, which is a comprehensive social work case management approach that connects ED high utilizers to the medical and community resources they need. This is the type of focused, intensive intervention that is supported by AB 871, helping to bridge a care coordination gap for Medicaid patients who have not responded to traditional case management. Based on my experience, the needs addressed in this legislation are great.

Research shows that 5% of patients account for nearly 25% of all emergency department visits in the United States. And the Milwaukee Health Care Partnership recently found that 47% of ED visits were for non-emergent reasons. This occurs because many patients simply do not understand how to use the health care system appropriately, or for a number of reasons, are unable to do so. Non-emergent visits are often driven by unmet social needs such as housing, transportation, family and community violence, substance abuse, or unemployment. In some of these cases, high utilizers are visiting the emergency department as much as a half-dozen times a month.

This improper utilization is not only costly and inefficient, but it prevents patients from connecting to the resources they need to achieve long-term stability in the community. It also limits resources for those who truly need emergent care. As the state's largest private provider of Medicaid services, we have developed a solution to this costly care continuity challenge, and the legislation before you today leverages our positive results.

In our Coverage to Care model, a master's degree-trained social worker identifies and works with high utilizers of the ED to develop a comprehensive needs-based care plan focused on health care literacy, advocacy, coordination and a medical home. We work with them to help solve social issues that might be impacting their health, like difficulty with transportation or child care. We also make referrals to community resources. Many of these patients are difficult to connect with outside of the face-to-face point of care, making provider-led interventions much more effective for this unique population. And for those patients enrolled in Medicaid managed care, we aim to connect the patient with their MCO.

The results from our pilots have been very strong and demonstrate that the type of short term intensive intervention outlined in AB 871 can significantly improve ED utilization among this small

segment of the population. Of the 194 patients studied since our program's launch in 2015, we tracked a 39% decrease in ED visits at Aurora Sinai and a 68% decrease in ED visits at Aurora St. Luke's.

However, the services being tested by Coverage to Care are currently unreimbursed by the Medicaid program. AB 871 would address this by aligning incentives with what our experience shows will lead to greater efficiency, facilitate better care, and provide patients with the knowledge and skills they need to improve the quality of their lives.

Please support this important legislation and partner with hospitals in finding innovative and effective health care reform. With that, we'd be happy to answer any questions. Thank you for your time.

TO: **Members, Assembly Committee on Health**

FROM: **Lisa Maurer, MD, President**
Wisconsin Chapter, American College of Emergency Physicians

DATE: **January 25, 2018**

RE: **Assembly Bill 871 – MA Intensive Care Coordination**

Wisconsin Chapter, American College of Emergency Physicians (WACEP) represents more than 500 physicians statewide who have advanced training in Emergency Medicine.

We appreciate the opportunity to provide testimony and encourage your support for the Intensive Care Coordination envisioned by AB 871, with one caveat:

> We ask that AB 871 be amended to specifically allow a private emergency physician group to apply to participate in the reimbursement program just as hospitals and health systems may apply.

We agree that care coordination efforts designed to reduce unnecessary emergency department utilization among Medicaid participants is an excellent policy initiative and we applaud this effort, and wish only to enhance it by adding the potential for private emergency physician groups to be involved.

In some hospitals, all of the emergency department physicians are hospital employees, therefore such a hospital or system applying to participate in the care coordination program will necessarily include the hospital's emergency physicians. However, about 45% of all emergency physicians in Wisconsin are employed in private groups who contract with hospitals to provide the hospital's emergency medical services; in other words, many hospitals – including some of those with the highest Medicaid populations – do not employ their own emergency physicians. In these contracted settings, we believe the emergency physician group may also be an appropriate entity to apply for and manage the care coordination program.

In making this suggestion, we envision a private physician group being held to the same application and management criteria as hospitals and health systems. We simply request that those private emergency physician groups be given an equal opportunity to apply should they be interested, and feel they are capable of doing so.

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Anthem Blue Cross and Blue Shield in Wisconsin
Children's Community Health Plan
Delta Dental of Wisconsin, Inc.
MHS Health Wisconsin.
Molina Healthcare of Wisconsin
UnitedHealthcare of Wisconsin
WPS Health Insurance

To: Chairperson Joe Sanfelippo
Members, Assembly Committee on Health
From: R.J. Pirlot, Executive Director
Subject: **AB 871, requested changes to intensive care coordination pilot**
Date: January 25, 2018

The Alliance of Health Insurers (AHI) is a statewide trade association representing health plans doing business in Wisconsin, as both commercial plans and as Medicaid plans.

Assembly Bill 871 (AB 871) would create an intensive care coordination pilot program. During the 2017-19 state budget deliberation process, AHI raised concerns about this pilot program, but AHI did state it supports the overarching goal of reducing unnecessary visits to the emergency department by promoting using health care in more appropriate settings.

Many of AHI's concerns have been addressed in AB 871, when compared to the language vetoed from the budget. For example, the new bill now has the new payments to hospitals flowing through managed care organizations. The new bill also contains an information-sharing mechanism via the state's WISHIN program, helping to ensure managed care organizations who provide services to Medical Assistance recipients enrolled in the pilot of aware of when and why a recipient visits an emergency department. These provisions are important to help ensure that care of recipients in the pilot is not disaggregated from managed care. AHI thanks the authors for these changes to the original pilot program language.

AHI respectfully requests you consider the following modifications to AB 871:

1. Page 3, line 3: strike "hospital or health system" and insert "department." We would prefer the Department of Health Services defines what is "frequent emergency department use" rather than having this defined by the potential recipient of a payment to reduce emergency department use. The language currently is very open-ended and appears to allow the hospital to define who to identify to participate in the pilot for the hospital to qualify for additional dollars. AHI respectfully suggests the department would be better suited to identify the populations to be targeted.
2. Page 3, line 11: insert after "provide" "to the managed care organization, if the Medical Assistance recipient is enrolled in managed care, and". This would be another step to ensure for recipients enrolled in managed care that the recipient's managed care organization is, for example, provided with discharge instructions, helping to maintain care coordination.

3. Page 5, line 14 and line 16: limit the additional $250 per enrollee payment to only those enrollees for whom there is demonstrated progress in emergency department utilization. In short, why pay a bonus for an enrollee who has not reduced emergency department utilization? This would be better aligned with how incentives for managed care organizations are provided to improve care. For example, the Medicaid Managed Care Program withholds payments to Medicaid managed care organizations – more than $32 million per year – if the managed care organizations are not able to reduce member emergency room utilization.
4. Page 5, lines 7-20, generally. As drafted, the additional $250 per enrollee payment is awarded so long as there is a reduction in emergency department visits for at least half of the enrollee population. We respectfully suggest the Department of Health Services sets the benchmark for what is sufficient progress to earn the additional payment. The agency, for example, sets such criteria, for the outcomes required for incentive payments for managed care organizations.

Again, AHI thanks the authors for the changes made to AB 871 compared to what was vetoed from the budget.

With these changes noted above to better align hospital incentives to reduce emergency department utilization with existing incentives for managed care organizations, AHI would be neutral on AB 871.

Cc: Assembly Speaker Robin Vos
Senate Majority Leader Scott Fitzgerald
Senator Alberta Darling
Representative Jessie Rodriguez

WISCONSIN HOSPITAL ASSOCIATION, INC.

Date: January 25, 2018

To: Members of the Assembly Committee on Health

From: Joanne Alig, Policy Advisor
Kyle O'Brien, Senior Vice President Government Relations

Re: Support AB 871 to Reduce Cost, Utilization of Emergency Room Care in Medicaid

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Wisconsin's hospitals are a core partner in developing solutions to strengthen population health, promote wellness and encourage appropriate use of health care services among our state's residents. Hospitals are on the front lines, providing critical care every day to patients in need, and providing crucial safety net services to those on Medicaid.

As such, the Wisconsin Hospital Association two years ago convened a group of our members from across the state to discuss the Medicaid program and ways to improve care for Medicaid patients. Hospitals from large urban centers of the state, as well as those in rural communities, identified a concerning trend in the Medicaid program. **Over 10,000 Wisconsin Medicaid recipients use a hospital emergency department seven times or more in a twelve month period.** Nearly 3,300 of these Medicaid beneficiaries have used a hospital emergency department seven times or more in **both** 2015 **and** 2016.

The current interventions for care management are not enough to successfully manage this high-utilizer population. WHA members believe there is a better way, enabled through AB871, to meet the needs of these patients and ensure that patients can successfully participate in Wisconsin's current Medicaid managed care model.

Several WHA members have instituted programs to better transition individuals who frequent hospital emergency departments as their medical home to a primary care provider or appropriate community care agency. These intensive care coordination programs leverage the role of emergency department providers in the care management process as an effective tool to better coordinate care for patients, especially those super-utilizers of the hospital emergency department with chronic conditions.

WHA estimates that these high-utilizer emergency department visits alone account for **$52 million** in cost to the Medicaid program on an annual basis. Provider intensive care coordination programs within hospital emergency departments have shown strong promise in reducing utilization of the emergency department, connecting patients with primary care providers and improving care outcomes for patients.

In partnership with the legislative authors of AB 871, Wisconsin's hospitals and health systems are identifying a utilization and care management gap in our Medicaid program and developing a proactive solution to address that problem. These types of innovative reforms from Wisconsin's hospitals and health systems should come as no surprise, since Wisconsin consistently ranks as having the highest quality health care in the country and has led the nation in health care delivery reform.

AB 871 allows our state to lead again, by leveraging Wisconsin's highly integrated health care delivery system to the benefit of Medicaid enrollees and Wisconsin taxpayers by incenting intensive care

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coordination services in emergency departments. These programs have already been proven by WHA members to reduce costs and deliver better care for patients. AB 871 will provide resources for more Wisconsin hospitals to use this successful and innovative model for Medicaid enrollees.

WHA asks you to pass AB 871 to implement an intensive care coordination Medicaid pilot program to implement these effective and cost-saving care delivery models by hospitals and health systems across Wisconsin.