Agency:	**107** Health Care Authority
Decision Package Code/Title:	**PL-IP Patient Decision Aids**
Budget Period:	**2013-15 Biennial Submittal**
Budget Level:	**PL –** Performance Level

Recommendation Summary Text

The Health Care Authority (HCA) requests $100,000($50,000 GFS), effective July 1, 2013 to pay health care providers when they use "shared decision making" (SDM) to assist patients when making choices about certain medical treatments. Shared decision making involves patients and clinicians making health care decisions in the context of current evidence and a patient's needs, preferences, and values. SDM typically is used for preference-sensitive conditions, or common health problems for which scientific evidence demonstrates more than one medically acceptable treatment option. Some examples of preference-sensitive conditions include low-back pain, early stage breast cancer, benign prostatic hyperplasia, and hip or knee osteoarthritis. In some cases the SDM will assist clients in choosing between low value high cost or higher value lower cost services.

These funds will be used to pay health care providers $30 per encounter when the SDM process takes place. SDM requires more time for a provider to counsel and discuss with a patient the choices, risks and benefits they may face from certain treatment options and typically requires the use of patient decision aids (PDAs) which are written, video or other materials that provide the information for a patient to learn about a procedure and make an informed decision.

Package Description

There is considerable interest in SDM and PDAs among patient advocacy groups, policy makers, clinician-educators and researchers. The overall use of SDM is limited for a variety of reasons:

- Physicians are busy and face multiple pressures ranging from fee-for-service payments that encourage delivery of more services at the expense of spending time talking with patients, as well as marketing by drug and device manufacturers.
- Inter-connected challenges to SDM include:
  - The lack of payment for SDM contributes to clinician views that there is inadequate time during patient visits for SDM because paid activities take priority.
  - The current fee-for-service payment system promotes providers' use of more-intensive vs. less-intensive interventions to increase revenue and does not reward discussions with patients about the benefits and risks of interventions for preference-sensitive conditions.
  - Engaging some patients in SDM can be challenging, for example, some patients have low health literacy, low numeracy, multiple chronic conditions or may fear being denied needed care.

SDM processes, under RCW 7.70.060, involve the use of PDAs which are print, audio visual or computer-based tools that help to inform patients about preference-sensitive conditions and elicit patient preferences at the point of care. PDAs support communication between patients and health care professionals to help patients understand the range of treatment options available, the likely consequences of different approaches, and patients' preferences. When incorporated into clinical practice for many preference-sensitive conditions, PDAs effectively reduce patients' conflict about decisions, improve patients' comprehension and participation, and improve adherence to some

treatment regimens and chronic disease control. RCW 7.70.060 provides enhanced liability protections for providers who engage patients in SDM using high quality PDAs.

HCA proposes to pay an enhanced Evaluation and Management (E&M) code, up one level for increased complexity, or allow use of an alternate code to incentivize use of SDM and pay for the additional time for an SDM discussion between a provider and client when certified PDAs are used. HCA estimates the use of 2 or 3 PDAs that will be certified under the process legislated in RCW 7.70.060. HCA estimates an additional 5 to 8 certified in the following year FY15. HCA will use the funds to pay for the performance of SDM using the certified decision aids.

Questions pertaining to this decision package should be directed to Clint Catron (360) 725-1846 or Clint.Catron@hca.wa.gov .

Questions pertaining to the programmatic portion of this package should be directed to Josh Morse (360) 725-0839 or Josh.Morse@hca.wa.gov

Fiscal Detail/Objects of Expenditure

	FY 2014	FY 2015	Total
1. Operating Expenditures:			
Fund 001-1 GF-State	$ 15,000	$ 35,000	$ 50,000
Fund 001-C GF-Federal Medicaid Title XIX	$ 15,000	$ 35,000	$ 50,000
Total	**$ 30,000**	**$ 70,000**	**$ 100,000**

	FY 2014	FY 2015	Total
2. Staffing:			
Total FTEs	-	-	-

	FY 2014	FY 2015	Total
3. Objects of Expenditure:			
N - Grants, Benefits & Client Services	$ 30,000	$ 70,000	$ 100,000
Total	**$ 30,000**	**$ 70,000**	**$ 100,000**

	FY 2014	FY 2015	Total
4. Revenue:			
Fund 001-C GF-Federal Medicaid Title XIX	$ 15,000	$ 35,000	$ 50,000
Total	**$ 15,000**	**$ 35,000**	**$ 50,000**

Narrative Justification and Impact Statement

This proposal is intended to provide incentive for providers to use SDM. PDAs support communication between patients and health care professionals to help patients understand the

range of treatment options available, the likely consequences of different approaches, and patients' preferences.

What specific performance outcomes does the agency expect?

Clients will be better informed on health care services that they have chosen. Providers will gain access to liability protections found in the SDM statute when certified by the HCA.

Performance Measure Detail

The HCA will track use of the SDM/PDA and attempt to look for off-set costs. The HCA will work with WSMA and Physician's Insurance to track any liability cases for risk reductions to providers using the PDA

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes, the PDA is a critical part of the Governor's payment innovation grant to Center for Medicare and Medicaid Innovation (CMMI). The SDM/PDA is also a key request of the provider community by the Bree Collaborative.

Does this decision package provide essential support to one of the Governor's priorities?

Yes. SDM improves the quality of health care in Washington using evidence-based decision tools, payment reform under the CMMI grant, and liability reform.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government (POG) process?

Yes. SDM supports evidenced-based medicine, as well as quality improvement in health care and patient-centered health care. This DP will provide payment for services that add value to the care purchased by the state.

What are the other important connections or impacts related to this proposal?

The provider community specifically has asked the Bree Collaborative to facilitate SDM and PDAs to assist in changing liability and risks when the providers refuse a client's request for an elective non-medically necessary procedure (e.g. Elective preterm delivery).

What alternatives were explored by the agency, and why was this alternative chosen?

In 2007 the legislature passed legislation to encourage SDM. The incentive in the law was a stronger liability protection for providers who engaged in SDM. The law requires that PDAs used be certified. No certifying body emerged nationally post 2007 and there was limited uptake of SDM. Revisions to

the SDM law in 2012 give HCA certification authority. This alternative is chosen to enhance more rapid uptake of SDM for preference of sensitive care.

What are the consequences of not funding this package?

This is a key item in the Bree and Pay reform grant, and if not funded it will reduce savings as providers will perform more client requested procedures.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.
This decision package is related to certifying PDAs in Washington State. A new Washington Administrative Code is being developed to support RCW 7.70.060 and will be completed in December of 2012.

Expenditure and Revenue Calculations and Assumptions

Revenue Calculations and Assumptions:

	FY 2014	FY 2015	Total
4. Revenue:			
Fund 001-C GF-Federal Medicaid Title XIX	$ 15,000	$ 35,000	$ 50,000
Fund 001-7 GF-Private/Local	$ -	$ -	$ -
Fund 001-C GF-Federal Medicaid Title XIX	$ -	$ -	$ -
Total	**$ 15,000**	**$ 35,000**	**$ 50,000**

Revenue expected from 50/50 split for Medicaid clients receiving services.

Expenditure Calculations and Assumptions:

HCA estimates the use of 2 or 3 PDAs that will be certified under the process with an escalating utilization cost of $30,000 for FY14, and an additional 5 PDAs that will cost $70,000 in FY15.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Payment for existing and new SDM PDAs will be an ongoing budget expense.