JESSIE RODRIGUEZ
STATE REPRESENTATIVE ★ 21ST ASSEMBLY DISTRICT

SB 742: Establishing an Intensive Care Coordination Pilot Program
Testimony of State Representative Jessie Rodriguez
Senate Committee on Health and Human Services
February 6, 2018

Committee Chair Vukmir, committee members, thank you for the opportunity to testify on Senate Bill 742, 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 Senate Committee on Health
Senate Bill 742
Tuesday, February 6, 2018

Thank you Chair Vukmir and committee members for hearing Senate Bill 742. 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.

Senate Bill 742 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

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

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 Senate Bill 742.

WISCONSIN HOSPITAL ASSOCIATION, INC.

Date: February 6, 2018

To: Members of the Senate Committee on Health and Human Services

From: Kyle O'Brien, Senior Vice President Government Relations

Re: Support SB 742 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 SB 742, 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.

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SB 742 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 coordination services in emergency departments. These programs have already been proven by WHA members to reduce costs and deliver better care for patients. SB 742 will provide resources for more Wisconsin hospitals to use this successful and innovative model for Medicaid enrollees.

WHA asks you to pass SB 742 to enact an intensive care coordination Medicaid pilot program that will implement these effective and cost-saving care delivery models by hospitals and health systems across Wisconsin.

Aurora Health Care®

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February 6, 2018

Testimony to the Assembly Committee on Health
In Support of SB 742 – Emergency Department Care Coordination
Jane Pirsig-Anderson, Director, Aurora Family Service

Chair Vukmir, members of the Committee: thank you for your time today. My name is Jane Pirsig and I am the Senior Director of Family Social 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 Senate Bill 742, 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 oversee 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 SB 742, 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 half of all health care expenditures in the United States. These patients, known as high utilizers or super utilizers, are often impacted by unmet social needs such as unstable housing, lack of transportation, underlying behavioral health problems, and domestic violence. These unmet social needs can drive patients to use certain emergency health care services inappropriately. According to the Milwaukee Health Care Partnership, a coalition of health care providers, payers, and community partners, forty-seven percent of ED visits across the city are for non-emergent reasons. This improper utilization is not only costly and inefficient, but also prevents patients from connecting to the other critical 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, service coordination, and connecting patients to a medical home. We partner with patients and providers to remove those barriers caused by unmet social needs. For example, we will arrange transportation and housing, coordinate with behavioral health professionals, attend primary care appointments, and address safety concerns. We connect patients with every available resource so they can achieve a better quality of life. And for those patients enrolled in Medicaid managed care, we aim to connect the patient with their MCO.

It is important to note that these patients are often very difficult to connect with. Face-to-face encounters are critical to successful patient engagement, making provider-led interventions much more effective for this vulnerable population.

The results from our pilot study have been very strong and demonstrate that the type of short term intensive intervention outlined in SB 742 can significantly improve ED utilization among this small

segment of the population. Of the 255 patients studied since our program's initial 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. Senate Bill 742 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.

AHI

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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 Leah Vukmir
Members, Assembly Committee on Health
From: R.J. Pirlot, Executive Director
Subject: **SB 742, requested change to intensive care coordination pilot**
Date: February 6, 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.

Senate Bill 742 (SB 742) would create an intensive care coordination pilot program. During the 2017-19 state budget deliberation process, AHI raised concerns about a similar 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 largely been addressed in SB 742, when compared to the language vetoed from the budget. For example, the SB 742 now has the new payments to hospitals flowing through managed care organizations. The new bill also contains an information-sharing mechanism via the Wisconsin Statewide Health Information Network (WISHIN) program, helping to ensure managed care organizations who provide services to Medical Assistance recipients enrolled in the pilot are aware of when 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 modification to SB 742:

> 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.

As introduced, page 3, lines 23-25, of the bill requires a hospital or health care system to share information about the MA recipient's emergency department visit via WISHIN. WISHIN is an independent, not-for-profit organization which oversees a secure, information-sharing service to coordinate the exchange of information among healthcare providers and plans to help ensure care is coordinated and effective. Via WISHIN, managed care organizations are notified when a MA

recipient visit an emergency department and are informed to which primary care provider a patient was referred. In addition to the information managed care organizations receive via WISHIN, managed care organizations would like to receive from the hospital or the health care system, for example, the recipient's discharge instructions, medication instructions, and the plan to connect the recipient to a primary care provider. In short, the managed care organizations providing services under MA would like to be privy to the care plan the hospital has created to help ensure the care for the recipient is well-coordinated between the hospital and the managed care organization. Well-coordinated managed care for MA recipients helps provide them with better outcomes.

Again, AHI thanks the authors for the changes already made to SB 742 compared to the provision vetoed from the budget.

With the change noted above, AHI would be neutral on SB 742.