

Sustainability Plan for SC Beacon Consortium

There are a wide range of strategies planned to sustain the Santa Cruz Beacon Consortium at the end of the 3-year grant. Access to State HIE and the NHIN network will allow substantial benefits with important communication with the VA, Social Security, CMS, CDC and others which the 3 hospitals and providers under contract to the VA will want to sustain. The medical home database services and disease reporting are valuable for all County Health Departments and health providers including hospitals, medical groups, and safety net providers in the region. The majority of the costs for the three-year grant were structured to expand and consolidate core network infrastructure and routing key clinical information across legal entities. The majority of the expenditures in the budget are one-time. The hardware and software infrastructure will need maintenance and core staff support for SCB. An annual budget of an estimated \$1.2 million, including a transitions in care Quality Improvement Council and teams of health navigators for coordinated care, are needed as a core annual budget. Santa Cruz County has a long tradition of maintaining core capacity and funding of successful grants in partnership with community health partners. The following funding streams will be utilized to insure ongoing funding for the infrastructure and the valuable services of the SC Beacon platform:

Local Annual Subscription Fee Structure: This core infrastructure and services has value to all of our community health providers both clinically and in terms of meaningful use. A subscription structure for the services of SCB will be developed for all members using the service taking into account the type of practice and size of the different legal entities. There will be hospital fee, large group practice fee, small group practice fee, and a solo practice fee. If possible minimal fees will be applied to the safety net FQHC clinics. A proposed fee structure is part of the second year work plan once the costs and service modules are defined. This type of model has been successfully used to sustain SC HIE and the OCHIN community clinic network. It has also been used locally to support our emergency dispatch and EMS system with partners contributing money or in-kind resources. Nominal monthly charges will be more than enough to offer estimated yearly operating costs.

Core County Support: Access to communicable disease surveillance and reporting systems are extremely valuable to Public Health. HSA is prepared to provide funding as SCB Shared Services will allow ongoing access to communicable disease information and surveillance saving significant time and resources while improving its effectiveness. Emergency Preparedness funding from Public Health for surveillance and surge data and capacity also can assist with support of this important health resource. Health prevention and promotion programs also benefit from the SCB because you can mine data and set baselines and measure impacts which is currently very difficult. Public health will commit space, administrative infrastructure, equipment, indirect costs, current public health staff as described in the proposal, and \$450,000 toward the future of this key community health resource. This is estimated to be 36% of the ongoing infrastructure costs.

Payment Reform & Purchasers/Payers Support: One of key opportunities from SCB and an effective HIE is the potential savings from reduced costs by avoiding events like

hospital readmissions, medication reactions/interactions, and emergency department visits that are not necessary if information is available and utilized at other points in care. We plan to form a Payer collaborative with insurance representatives including the Alliance for Medicaid and Region IX of CMS for Medicare in the first year. Note the letters from Pacific Business Group on Health and Others doing insurance/quality reform with insurance policy components. There is a solid track record already of data enhancing performance and outcomes with the Alliance quality incentive program. This program is being further expanded this year. This Payer group will work together to identify care opportunities and cost saving options in the SCB that could be supported by Payers. Linda Bergthold is included in the budget to coordinate this work and she has extensive experience in this field. The Alliance has already leveraged some of these benefits through a strong quality payment incentive system.

There are opportunities to expand savings and improve care by aligning payment incentives across different insurance carriers in the region. To do this the data, must be available to track these key events accurately and to monitor the shifts in practice re-design which lead to the avoidance of expensive and unnecessary events. By aligning reimbursement to reward quality transitions in care, particularly for the elderly or disabled who have serious and chronic conditions, substantial savings can be achieved. Key information at these critical times must be provided by a network which can assist clinicians at these key points in care. The partnership around payment reform can help be part of the funding if the services and information is helpful to save critical funds while not sacrificing quality. Based on numbers of members served in the region, SCB will propose a cost sharing methodology which allows insurance support of SCB and the transitions in care work.

Regional Expansion and Assistance to Other Regions: SCB Consortium plans to offer its Beacon HIE and HIT solutions to initially other counties in California who need this infrastructure to provide similar services enhancing quality and reducing costs. This can be accomplished with reasonable one-time and ongoing costs with the core infrastructure and links to common EHRs already built (Epicare, NextGen, Practice Partner, Eclinical Works). These EHRs are part of the existing networks being linked in the SCB and that learning can be expanded to new communities with modest costs because Monterey and Merced Counties heavily use the same software for EHRs. Similar to Santa Cruz these communities want access to the State HIE and NHIN and can more easily work through our SCB hub than building and organizing from the ground up. Few regions have as strong and as formal alliances between all the health partners and competing health organizations. The HIP 501C3 and its work give Santa Cruz strength in its health delivery system as well as its ability to organize cross legal entity systems. The regional expansion discussions with the other counties and their health partners will begin in the first year of the grant so funding can be available and in place for the end of the third year. Additionally, SCB will offer technical assistance to other regions of the State and US who do want to build their own version of the SCB. Our services can be offered on a project by project basis depending on the requirements or a fixed fee to replicate our shared services.

PACE Program: One of the models that Santa Cruz has wanted to implement locally is a PACE program, which creates a waiver for high-cost, high-need Medicare/Medi-Cal patients. The On Lok program in San Francisco is a model of a PACE program that

provides good continuity of care and cost-effective, innovative use of capitated financing for seniors and disabled Medicare/Medicaid members. With the real-time clinical and cost data available from SCB, the County will have the critical information on transitions in care that is required to plan a PACE program with other partners and generate savings that can be re-invested in the system — further supporting SCB and related initiatives.

Health District tax has been in the planning stages for several years. Polling has been done showing 60% support of likely voters in a variety of key health services. Some updated polling will happen this year. The SCB will be another component of this work, which enhances the effectiveness of efforts to improve public health assist individuals and systems serving the uninsured. Many counties have these districts taxes and they support safety net and public health functions.

Other Clinical and Research Grants: With the expanded SCB in place, the community can be a fertile base to measure a variety of clinical and cost effectiveness models, such as comparative effectiveness research. Many of these grants can be done with our UCLA research partners (see evaluation section and resumes). The unique access to such a range of cost and clinical data will provide an ideal “living lab” to demonstrate the effect of different models of care.

In summary, two major sources for sustainability for SCB are local subscription fees and payor cost savings programs. However, the SCB partners believe that other sources described above are real possibilities based on our track record on similar efforts. SCB is similar to a critical freeway system to key destinations for goods and services, and with it in place the value and opportunities expand over time. While the exact sustainability model will be developed in the first and second year of the Beacon project, we estimate future revenues and expenditures as follows:

	Annual Operating Budget	Anticipated Annual Revenues
Estimated Infrastructure Costs	\$1,243,110	
Local Subscription Model		
Hospitals		\$140,000
Medical Providers		\$ 80,000
Other Organizations		\$ 80,000
Payer Subscriptions (by Beneficiary)		\$460,000
County Health		\$497,244
Regional Extensions		\$275,000
TA to Other Regions		\$140,000
Health District Contribution		\$250,000
PACE Savings		\$120,000
Total	\$1,243,110	\$2,042,244

Annual potential revenues are adequate to support the SCB core capacity goal of \$1,243,110, even if some of these estimates do not come to fruition immediately.