

Sustainability Plan for Santa Cruz Beacon (SCB) Consortium

A wide range of strategies are 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 access services and IZ and CD 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 a core network linking and routing key clinical information. 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 smaller quality improvement services are needed as a core annual budget. Santa Cruz County has a long tradition of maintaining core capacity of successful grants in partnership with community health partners through innovative approaches. The following funding streams will be utilized to insure ongoing funding for the infrastructure and the valuable services of the SC Beacon platform:

Regional Expansion: These investments will serve the community on an ongoing basis and form a foundation that can be expanded to 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 SBC 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 501(c)3 and its work gives 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.

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 SBC 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 used to sustain SC HIE

and the other OCHIN. It has also been used locally to support our emergency dispatch and EMS system with partners contributing money or in-kind contribution.

Core County Support: The immunization registry and communicable disease surveillance and reporting systems are extremely valuable to Public Health. County funding will assist with the Beacon community to allow ongoing access to communicable disease information and surveillance. 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 SBC 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 PH staff in the proposal, and a \$250,000 toward the future of this key community resource. This is estimated to be 40% of the ongoing infrastructure costs.

Payment Reform & Purchasers/Payers Support: One of key opportunities from SBC 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. The first year of SBC a Payer collaborative will be formed with insurance representatives including the Alliance for Medicaid and Region IX of CMS for Medicare. 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 SBC 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 that 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, SBC will propose a cost sharing methodology, which allows insurance support of SBC.

PACE Program: One of the models which Santa Cruz has desired to implement locally is a PACE program. The On Lok program in San Francisco is a model of good continuity of care and creative use of capitated financing for seniors and disabled members with Medicare and Medicaid. With the data available from SBC, the County will have critical information to plan a PACE program with other partners. The PACE

program does depend on having the critical information related to transitions in care available from SBC. A PACE initiative can contribute and support the SCB.

Assistance to Other Regions: One of the services that SBC will use to support its ongoing budget and innovate is technical assistance to other regions of the State and US who do want to build their own version of the SBC. A cost structure for this will be developed to make this learning and support possible.

A **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 SBC 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 SBC in place, the community can effectively apply for grants from Foundations and AHRQ and others to measure a variety of clinical and cost effectiveness models. Many of these grants will 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, the SBC partners feel confident that these funding streams can be developed to provide a solid foundation for the ongoing costs of the SCB program. It will take a combination of sources and local groups working together but again the track record on these efforts is strong. Compared to the value, the ongoing costs are actually a modest amount of money to raise. SBC 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.

Core Ongoing Budget for Year 4 and 5 (1,243,110) add 2.3% for year 5

Local Subscription Model: Hosp(140,00) Medical Prov (80,000), other org (80,000)

PAYER Subscriptions by beneficiary (\$460,000)

COUNTY HEALTH \$497,244 (\$250,000 PLUS balance as discussed above)

REGIONAL EXTENSIONS \$175,000 Monterey

TECHNICAL ASSISTANCE TO OTHER REGIONS \$140,000

HEALTH DISTRICT CONTRIBUTION \$120,000

PACE \$120,000

CLINICAL AND HIT RESEARCH/BEST PRACTICE GRANTS \$175,000

Annual potential revenues to support SCB Core: \$1,987,244 (It is important to overshoot the goal to support the core because some sources may not materialize and others may come in higher or lower. This gives us room to insure we can sustain the core SBC.