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**Transforming state health system performance in Oklahoma**

Case study: Oklahoma State Department of Health provider performance program

The move to value-based care is driving states to gather and analyze more data on health system performance than ever before. But are states using the right quality measures to drive the outcomes they want? To answer that question, the Oklahoma State Department of Health (OSDH) engaged Deloitte to help redefine its provider performance program. Our innovative approach used scientific evidence from a wide range of research sources to develop and recommend new measures to incentivize providers.

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### Transforming the provider performance program

The state of Oklahoma ranks 45th nationally for health statistics<sup>1</sup> and 50th for health system performance.<sup>2</sup> When the state was awarded a State Innovation Model (SIM) design grant, OSDH leaders seized the opportunity to establish a provider performance program. Measuring health system performance using only traditional health care quality measures might not create the dramatic improvement in outcomes called for in the SIM plan. So they turned to Deloitte to help them with an innovative solution designed to help improve the health of their citizens.

### Defining meaningful metrics

Deloitte's challenge was to help OSDH identify quality measures that could deliver a measurable impact on outcomes. We worked closely with OSDH to identify a targeted set of measures that aligned with evidence-based interventions and demonstrated significant impacts on health system performance, quality, and cost. These recommendations give the state a solid foundation to build a transformational program. By narrowing in on the most meaningful metrics, the new program would also simplify reporting requirements.

### Engaging Deloitte

OSDH wanted to develop a state health transformation plan that established a multi-payer initiative to adopt an episodes-of-care alternate payment arrangement and implement a multi-payer set of new quality measures. Ultimately, the goal of the state's plan is to move Medicaid members and public employees from two separate care management systems to a combined value-based, full-risk model.

OSDH engaged Deloitte to guide the development of the plan, including program design, governance, policy, funding levers, and a quality program framework.

Deloitte's clinical quality subject matter advisors identified the evidence-based measures that showed the biggest impact—or return on investment—on health system performance, quality, and cost. We focused on the five public health priorities impacting Oklahoma's health status rankings:

- Obesity
- Diabetes
- Hypertension
- Tobacco use
- Mental and behavioral health disorders

Because of the impact of socioeconomic issues on these clinical conditions, the team looked closely at the evidence base in an effort to reduce the impact of social determinants of health, such as homelessness, food security, community/social belonging, and economic stability.

Deloitte's clinical quality subject matter advisors identified the evidence-based measures that showed the biggest impact—or return on investment—on health system performance, quality, and cost.

<sup>1</sup> "State Data for Oklahoma," America's Health Rankings, <http://www.americashealthrankings.org/OK>

<sup>2</sup> "Aiming Higher, Results from a Scorecard on State Health System Performance, 2015 Edition," The Commonwealth Fund, [http://www.commonwealthfund.org/~media/files/publications/fund-report/2015/dec/2015\\_scorecard\\_v5.pdf](http://www.commonwealthfund.org/~media/files/publications/fund-report/2015/dec/2015_scorecard_v5.pdf)

### **Focusing on results**

Rather than starting with a traditional review of the most commonly used quality measures, the Deloitte team began with the state's five public health priorities. We then reviewed the scientific evidence on medical and social interventions for those priorities, identifying the ones that had delivered results. Finally, we recommended metrics aligned with those interventions so that the state could measure and provide incentives for quality of care delivered through program payment.

Our research also led us to adjust some standard measures to account for new scientific evidence. For example, the one NCQA HEDIS metric measuring for tobacco cessation interventions requires health plans to report on patients aged 18 and above.<sup>3</sup> But several research articles showed that smoking habits often begin in adolescence, well before patients turn 18.<sup>4</sup> So we adjusted the measure to require reporting for patients starting at age 12.

The engagement team delivered a logical framework for evaluating quality measures. We populated those frameworks to create models that identified causation and correlation for various interventions/activities on short-, medium-, and long-term outcomes. The "logic models" also identified potential risks, required resources, and organizations that OSDH could team with to execute the program. OSDH can use these graphic illustrations to explain the transformation program to providers, plans, and stakeholders.

The Deloitte team provided additional value by recommending steps the state should consider to operationalize the program, such as the data collection process, reporting frequency, and policy levers to support implementation. These included the process to establish benchmarks and health system performance targets; provider and Regional Care Organization (RCO) data collection and reporting considerations; and leading practices for working with stakeholders. The team also provided OSDH, in its transformation plan, with an initial approach to implementation, including governance, federal approval steps, and procurement.

### **Improving population health**

Deloitte's approach helped the state focus its new, value-based program on the latest evidence base to achieve specific public health goals. OSDH now has access to quality and performance measures that align with key evidence-based interventions for: the five target conditions; social determinants of health and resource utilization; and a method for identifying interventions and metrics for additional health conditions.

In the immediate term, these measures can help OSDH determine a clear direction on the interventions and activities in which to invest as it develops new Medicaid waiver and public health programs. The measures provide a well-defined framework designed to assess health system performance and allocate financial incentives in ways that can help improve overall population health for Oklahomans. By thinking more broadly about the interventions that can impact the population, the state of Oklahoma now has a clear path forward.

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<sup>3</sup> State of Healthcare Quality, NCQA, <http://www.ncqa.org/report-cards/health-plans/state-of-health-care-quality/2015-table-of-contents/smoking-cessation>

<sup>4</sup> "Preventing tobacco use among youth and young adults," A Report of the Surgeon General, US Department of Health and Human Services, 2012

**Deloitte approach**

The diagram consists of five horizontal bars, each representing a step in the Deloitte approach. Each bar contains an icon on the left, a right-pointing chevron, and text describing the step. The bars are colored in a gradient from teal to green.

- Understand program goals and issues**  
*Gain understanding of critical issues and goals of SIM program, such as public health concerns, chronic disease burden and quality issues impacting the delivery of care in Oklahoma*
- Research evidence that supports interventions in flagship areas**  
*Perform analysis of systematic reviews and reports such as CMS, IOM, Cochrane Collaboration, Community Guide Task Force, Health People 2020, CDC, systematic reviews in PubMed and the Surgeon General's Report*
- Study process and outcome metrics that measure Impact of Interventions**  
*Identify resources/influencers aligned to the interventions, identify quality measures that correspond to the evidence-based interventions for each health focus area, describe expected outcomes*
- Compare with current quality measures and approach**  
*Provide analysis of gaps between evidence-based interventions and associated measures with current library of SIM quality measures; includes review of source definition, population numerator and denominators*
- Provide insight and recommendations to align activities with value**  
*Deliver recommendations for specific metrics that align goals of project with most impactful interventions and measurement criteria*

**For more information about improving your state's health system performance, contact:**

**Russ Pederson**  
Principal  
Deloitte Consulting LLP  
rpederson@deloitte.com

**Jim Jones**  
Specialist Leader  
Deloitte Consulting LLP  
jamesdjones@deloitte.com



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