



# Michigan's State Innovation Model (SIM) Initiative Summary

Version 4.0

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*Michigan Department of Health and Human Services  
Policy and Planning Administration*

# State Innovation Model Initiative Summary



<b>Revision History</b>			
<b>Version</b>	<b>Date of Release</b>	<b>Summary of Changes</b>	<b>Owner</b>
1.0	05/19/2017	Initial distribution	SIM PMDO
2.0	03/06/2018	Updated distribution	SIM PMDO
3.0	10/25/2018	Updated CHIR definition	
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In 2015, the Centers for Medicare and Medicaid Services (CMS) awarded the State of Michigan approximately \$70 million over 4 years to test and implement an innovative model for delivering and paying for health care in the state. The award, made through the CMS State Innovation Model (SIM) initiative, was based on a plan submitted by the state in 2014, “Reinventing Michigan’s Health Care System: Blueprint for Health Innovation.”

## 1 Core Components

The state, through the Michigan Department of Health and Human Services (MDHHS), has organized the work of implementing its SIM initiative under three main umbrellas: Population Health, Care Delivery, and Technology. The Population Health component has at its foundation community health innovation regions, or CHIRs (pronounced “shires”), which are intended to build community capacity to drive improvements in population health. The Care Delivery component encompasses a patient-centered medical home (PCMH) initiative and the promotion of alternative payment models. The Technology component is where the state is leveraging its statewide infrastructure and related health information exchange initiatives to enable and support advances in population health and payment and care delivery strategies.

Recognizing that 20 percent of the factors that influence a person’s health outcomes are related to access and quality of care while socioeconomic, environmental, and behavioral factors account for 80 percent; the state has focused efforts in each of these areas on developing and strengthening connections among providers of clinical care (e.g., physician offices, health systems, and behavioral health providers) and community-based organizations that address social determinants of health. Clinical-community linkages are emphasized heavily in the state’s guidance for both CHIRs and PCMHs participating in the SIM initiative. Alternative payment models can provide a way for clinical providers to receive financial support for connecting patients to community resources, and the state’s technology solutions support the exchange of health information among partners.

## 2 Population Health

### 2.1 Community Health Innovation Regions

A Community Health Innovation Region (CHIR) is a unique model for improving the wellbeing of a region and reducing unnecessary medical costs through collaboration and systems change. CHIRs engage a broad group of stakeholders to identify and address factors that affect residents’ health, such as housing, transportation, and food insecurity, as well as access to high-quality medical care. The CHIR model creates a neutral space for partners to unite around a common vision, aligning their objectives and services to meet the needs of the community. The result is a community that is purposeful in its

response to residents’ needs, creating conditions that meaningfully support an individual’s ability to have a higher, more productive quality of life.

CHIR partners are organized by a neutral backbone organization that facilitates the development and implementation of key strategies, creating the necessary capacity to sustain progress on stated objectives. CHIR steering committees provide a clear leadership structure and promote shared accountability among partners for aligning their resources to address priority community health needs. It takes a comprehensive group of committed organizations to meet the needs of a community. No one entity can do this alone.

### 2.1.1 CHIR Regions and Backbone Organizations

CHIR Region	Backbone Organization
Genesee County	Greater Flint Health Coalition
Jackson County	Jackson Health Improvement Organization
Livingston & Washtenaw Counties	Center for Health and Research Transformation
Muskegon County	Muskegon Health Project
Northern Michigan Region <sup>1</sup>	Northern Michigan Public Health Alliance

The overarching mission of each CHIR is to align priorities across health and community organizations. Specifically, CHIRs assess community needs, define regional health priorities, support regional planning, increase awareness of community-based services, and increase clinical-community linkages. All CHIRs are required to focus on reducing emergency department utilization while also assessing community needs and identifying region-specific health improvement goals.

Each CHIR backbone organization receives a fixed amount of SIM funding to support administrative functions and a health improvement budget that varies based on the number of Medicaid beneficiaries in the region. Health improvement funding is used to support activities such as implementing clinical-community linkages or other programs, policies, or environmental strategies to improve the health of their communities.

To support clinical-community linkages, each CHIR has established a “hub” to serve people identified as needing assistance with social determinants of health. Referrals come into the hub from community-based organizations and primary care providers participating in the SIM PCMH Initiative. These community-based organizations and primary care practices screen patients using a common assessment tool and make referrals to the hubs when needs are identified. The CHIRs are developing a data sharing system to electronically track referrals and use of services.

<sup>1</sup> The Northern Michigan region is defined as the following 10 counties: Antrim, Benzie, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, and Wexford.

## 2.1.2 Health through Housing

Each CHIR has identified a lack of housing supports as a problem in their region. As a result, the MDHHS, with support from the Michigan State Housing Development Authority and the Michigan Coalition Against Homelessness, has launched the Health through Housing initiative—a multifaceted approach to building partnerships between housing and healthcare resources. The initiative consists of four components:

- **Conducting a frequent-user pilot** with housing service providers to ensure housing and other critical services reach clients who are experiencing homelessness and have especially high healthcare costs, ensuring a direct positive impact on their health and well-being.
- **Using data analytics** to identify and serve Michigan’s most vulnerable residents and prioritize them for housing and other services to address social determinants of health.
- **Building capacity** among housing and homeless service providers to enhance their capabilities as providers of permanent supportive housing (PSH) and identifying new sources of funding for permanent housing and other supportive services.
- **Improving local homeless response systems** in CHIRs to reduce barriers to housing, build better-integrated partnerships between the healthcare and housing communities, and improve overall health outcomes.

## 2.2 Plan for Improving Population Health

Michigan’s Plan for Improving Population Health (PIPH) will include an assessment of the overall health of the state as well as measurable goals, objectives, and interventions to improve the health of the entire state population; improve the quality of health care across the state; and reduce health care costs.

Michigan recognizes that the deep health inequities across the state cannot be addressed without changing the conditions in which people live. Thus, improving population health requires addressing non-health related issues that affect a person’s ability to achieve optimal health. Through SIM, the state has focused on coordinating efforts between the care delivery system and community-based organizations. The PIPH will build on capacity established through SIM to address social determinants of health, such as connecting people with services and supporting strategies that promote systems change.

MDHHS has continued to make progress on its PIPH, including convening an internal workgroup, which includes partners from mental health and Medicaid, to guide the development of the PIPH and to support department-wide alignment. The workgroup meets monthly and has achieved several milestones, including identifying metrics to illustrate the impact of the social determinants of health on Michigan residents, expanding stakeholder engagement, and beginning to draft the PIPH.

Michigan's PIPH will target social determinants of health by:

1. Establishing practices within the care delivery system to identify needs and link patients with community services.
2. Creating stronger linkages between clinical and community services and settings.
3. Working to improve community conditions so that the environments in which people live promote health, including the physical, service, social, and economic environment.

Michigan's PIPH work will conclude in 2019 and will build heavily on progress made in previous years. The MDHHS Public Health Administration SIM Workgroup will guide the development of the plan, forming committees to address each of the three items above. The workgroup will identify potential strategies for addressing social determinants of health, identify existing levers that can support moving these strategies into action, and will develop a PIPH implementation plan.

Alongside implementation of the Plan, a key area of focus will be generating robust stakeholder engagement and ownership for the strategies outlined in the Plan. The final draft of the complete PIPH will be available for public comment in fall 2019, with a final plan delivered to CMS in January 2020.

## 3 Care Delivery

### 3.1 Patient-Centered Medical Homes

With the state's focus on person- and family-centered care and strong evidence that the PCMH model delivers better outcomes than traditional primary care, the patient-centered medical home has been viewed, from the outset, as the foundation for a transformed healthcare system in Michigan. The SIM PCMH Initiative is built upon the principles of a patient-centered medical home that generally define the model regardless of the designating organization. Value is placed on the core functions of a medical home such as enhanced access, whole-person care, and expanded care teams that focus on comprehensive coordinated care.

More than 300 primary care practices are participating in the SIM PCMH Initiative. These practices represent more than 2,100 primary care providers and 340,000 Medicaid beneficiaries. Approximately 50 percent of the practices are in a SIM CHIR region.

Provider-delivered care management and care coordination (CMCC) services are the foundation on which SIM practice transformation objectives are based. Participating PCMHs are required to have embedded staff to provide CMCC services, and they are assessed on the percent of attributed beneficiaries receiving these services. In the first year of the SIM demonstration participants designed and began implementing processes to support clinical-community linkages in the primary care practice environment. This included adopting a brief screening tool to assess social needs, developing a plan to screen all patients in the practice, and linking patients to appropriate community-based resources.

These activities have continued in the subsequent years of the demonstration and have been bolstered by quality improvement activities that have allowed for strengthened relationships across community environments and sectors. Practices based within a SIM CHIR region are encouraged to work in close collaboration with CHIR partners to develop clinical-community linkage processes and support the alignment of interests and goals among healthcare and community-based organizations.

While participants are continuing to carry out and refine processes to support clinical-community linkages, practice transformation efforts in 2019 are focused on population health management. All participants are required to assign at least 95 percent of their patient population to a provider or care team within their practice and use quality and utilization reports from the initiative, other payer partners, or internal systems to promote care continuity and quality improvement.

The Medical Services Administration has plans to continue supporting the efforts of patient-centered medical homes through the development of alternative payment model parameters in Medicaid health plans through a mechanism referred to as the state-preferred PCMH Model.

### 3.2 Alternative Payment Models

In developing its model for health system transformation, the state understands the importance of providing incentives for delivering care based on value rather than on the number of services delivered. Alternative payment models (APMs) provide incentive payments to healthcare practices for providing high-quality and cost-efficient care. The state's overarching goal in promoting APMs is to foster service delivery innovation and maximize opportunities for providers to receive enhanced reimbursement for improving patient health.

The MDHHS SIM team worked closely with the Medical Services Administration managed care team to implement elements of the SIM APM strategy through the fiscal year 2017 Medicaid health plan (MHP) contract. MDHHS has adopted the Healthcare Payment Learning and Action Network APM Framework as its method for classifying provider payment types. The Healthcare Payment Learning and Action Network APM Framework is one of the most widely used approaches for organizing and measuring APM progress. To support MHPs in developing plans for increasing use of APMs, MDHHS is establishing guidelines on preferred APMs.

The state is continuing to engage public and commercial payers in conversations on the potential for multi-payer alignment, including payment strategies, quality measurement policies, and data sharing to reduce providers' administrative burden and improve delivery system performance. The statewide health information exchange infrastructure can support these efforts by providing a common platform for standardized data sharing.



## **4 Technology**

Michigan has established the Relationship and Attribution Management Platform (RAMP) to ensure a foundation for supporting care coordination and identifying relationships between patients and providers. RAMP either currently supports or will support several critical aspects of care management and coordination, including a health provider directory, a system for tracking active care relationships between patients and healthcare providers, exchange of quality-related data and performance results, and sending admission-discharge-transfer notifications. Leveraging the statewide health information exchange infrastructure in the development of RAMP allows the state to take advantage of a widespread network of networks to increase interoperability and support the goals of the initiative.

The SIM technology team worked with the Michigan Health Information Network to implement the Quality Measure Information (QMI) use case, which enables healthcare providers to transmit clinical quality measures electronically. The QMI use case provides Medicaid and other payers the ability to access and view quality measures across all of their providers.

To support CHIR technology needs, the SIM technology team is working to develop a use case for the collection and reporting of social determinants of health data, identifying the data-sharing needs and requirements of CHIRs and community-based organizations, and establishing standards for the technology platform and data requirements of clinical-community linkages.

## **5 Conclusion**

Together, these three components form the foundation for transforming healthcare delivery and payment in Michigan. CHIRs provide a community-based structure for engaging critical partners in identifying and addressing local health challenges with an eye toward preventing the need for intensive use of medical and social services. Patient-centered medical homes and other providers, supported by alternative payment models, will develop stronger connections with community resources and be encouraged to develop innovative approaches to service delivery. Technology that supports connections and information sharing across a diverse array of partners will provide the infrastructure needed to create better, more efficient, and more comprehensive care for Michiganders.

Michigan has experienced significant successes in healthcare transformation throughout the life of the SIM grant. As the fourth and final year progresses, Michigan SIM looks forward to meshing the practical successes of the SIM operations thus far with department goals under new leadership to continue the improvement of healthcare delivery in Michigan.