EOHHS Medicaid Infrastructure Incentive Program:

Attachment L 2: Requirements for Medicaid Managed Care Organizations and Certified Accountable Entities
Program Year Two Requirements

Amended for Technical Corrections
June 1, 2019

Rhode Island Executive Office of Health and Human Services

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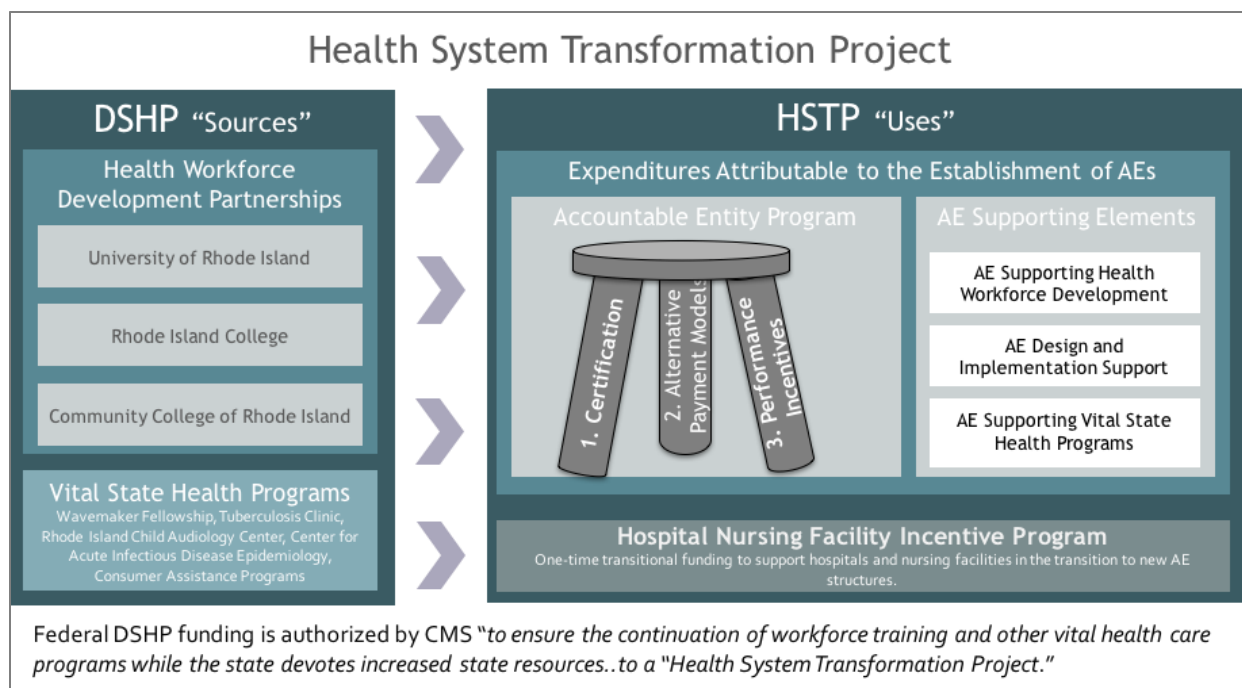
EOHHS Incentive Program Requirements

I. Background and Context

Beginning in late 2015, the Rhode Island (RI) Executive Office of Health and Human Services (EOHHS) began pursuing Medicaid waiver financing to provide support for Accountable Entities (AEs) by creating a pool of funds primarily focused on assisting in the design, development and implementation of the infrastructure needed to support Accountable Entities. RI submitted an application for such funding in early 2016 as an amendment to RI's current Global Medicaid 1115 Waiver. In October 2016, the Centers for Medicare & Medicaid Services (CMS) approved this waiver amendment, bringing $129.8 million in Federal Financial Participation (FFP) to RI from November 2016 through December 2020.[1]

This funding is based on the establishment of an innovative **Health Workforce Partnership** with RI's three public institutions of higher education (IHE): University of Rhode Island (URI), Rhode Island College (RIC), and the Community College of Rhode Island (CCRI), as illustrated below.



The majority of the financing from this waiver amendment will be provided to AEs as incentive-based infrastructure funding via the state's managed care contracts. Other CMS supported components include:

[1] The current Rhode Island 1115 Waiver is a 5-year demonstration, ending 12/31/2023. The STCs include DSHP funding authority through 2018, with a commitment articulated in the cover letter to extend this authority thru 2020 upon waiver renewal for a total funding opportunity of $129 Million.

- Investments in partnerships with Institutions of Higher Education (IHEs) for statewide health workforce development and technical assistance to AEs
- One-time funding to support hospitals and nursing facilities with the transition to new AE structures[2]
- Project management support to ensure effective and timely design, development and implementation of this program
- Project demonstration pilots and project evaluation funding to support continuous program learning, advancement and refinement
- Other supporting programs, including Consumer Assistance, Wavemaker Fellowship, TB Clinic, RI Child Audiology Center, and Center for Acute Infectious Disease Epidemiology

The Special Terms and Conditions (STCs) of the waiver amendment include expenditure authority for this program of up to $79.9 million FFP through the end date of the current waiver.

HSTP AE Advisory Committee established by EOHHS.

The HSTP AE Advisory Committee shall provide input and guidance on the strategic direction of the Medicaid HSTP AE program.
This committee shall be co-chaired by the EOHHS Medicaid Director and an appointed co-chair. The Advisory Committee shall be conducted in a public meeting format. The Medicaid HSTP AE Advisory Committee shall be representative of diverse interests and include Consumer Advocates, Managed Care Organizations, Certified Medicaid Accountable Entities, Health Provider Organizations, Clinical and Population Health Experts, and State Agency representatives.

II. Medicaid Infrastructure Incentive Program (MIIP)

Over the course of program years 1 through 4 EOHHS projects it will allocate an estimated $95 million to the AE program through the Medicaid Infrastructure Incentive Program (MIIP), as shown below. This allocation is subject to available funds captured in accordance with CMS approved claiming protocols, and annual EOHHS review and approval. This program shall begin no earlier than January 2018 and shall be aligned with the state fiscal years as shown below.

	Program Year 1 SFY 2018-19 *Jan 2018-Jun2019*	Program Year 2 SFY 2020 *Jul 2019- Jun 2020*	Program Year 3 SFY 2021 *Jul 2020-Jun 2021*	Program Year 4 SFY 2022 *Jul 2021-Jun 2022*	Total
Medicaid Infrastructure Incentive Program (MIIP)	$30 M	$30 M	$20 M	$15 M	$95 M

The MIIP shall consist of two core programs:

[2] The STCs limit this program to be one-time only and to not exceed $20.5 million, paid on or before December 31, 2017.

(1) Comprehensive AE Program; and (2) Specialized AE Pilot Program.* EOHHS shall allocate available HSTP funds to these programs as follows, subject to available funds and EOHHS identification of priority areas of focus and assessment of readiness. This allocation shall be revisited annually.

AE Programs	Program Year 2		Full Program
	$	%	
Comprehensive AE Program	$22.5 M	75%	70 - 75%
Specialized AE Pilot Program*	$7.5 M	25%	25 - 30%
Total Funds	$30 M	100%	100%

*The Specialized AE Pilot Program includes both the Specialized LTSS and Specialized Pre-eligibles components. Note that authority for the Pre-eligibles program is dependent upon CMS approval under the RI Medicaid 1115 waiver. The Specialized AE Pilot Program is pending.

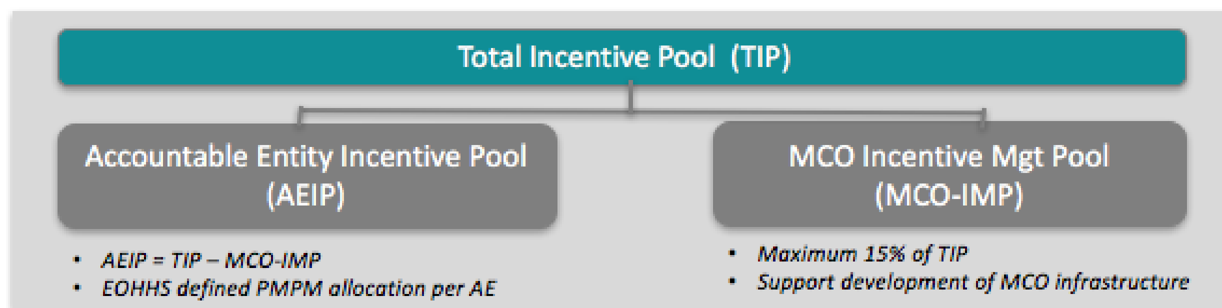
AEs participating in both the Comprehensive AE Program and Specialized AE Pilot Program will be eligible to receive funding from both incentive pools.

III. Determining Maximum Incentive Pool Funds

A. Maximum Incentive Pools

The MIIP shall include three dimensions:

The Total Incentive Pool (TIP), which is composed of the AE Incentive Pool (AEIP) and the MCO Incentive Management Pool (MCO-IMP), as depicted below.



The Managed Care Organization shall have distinct responsibilities with respect to the AEIP and the MCO-IMP. The respective portion of potential incentive dollars that the AE will actually earn within the AEIP and that the Managed Care Organization will actually earn within the MCO-IMP will be based on performance.

Maximum Total Incentive Pool (TIP)

The maximum Total Incentive Pool (TIP) is provided in the table below. This TIP shall be allocated to AEIP and MCO-IMP pools specific to each MCO-AE relationship by EOHHS based on

the guidelines established below and specific funding details defined and released by EOHHS on a yearly basis.

1. **MCO Incentive Management Pool (MCO-IMP)**
   Assuming satisfactory MCO performance, the MCO Incentive Management Pool that can be earned by the MCOs shall be thirteen percent (13%) of the Total Incentive Pool. However, to the degree that the MCO has more than the minimally required number of contracts with AEs, the maximum MCO-IMP shall be increased by one percent for each AE contract to a maximum of fifteen percent (15%). These funds are intended for use toward advancing program success, including program administration and oversight, assisting with the development of the necessary infrastructure to support a new business model, and establishing shared responsibilities, information requirements and reporting between EOHHS, the MCO and the Accountable Entities.

2. **Accountable Entity Incentive Pool (AEIP)**
   The Accountable Entity Incentive Pool shall equal the Total Incentive Pool minus the maximum MCO Incentive Program Management Pool (AEIP =TIP – MCO-IMP). This shall determine the total annual amount and schedule of incentive payments each participating AE may be eligible to receive from the Accountable Entity Incentive Pool.

   Consistent with this structure, Program Year 2 MIIP funds shall be allocated as follows, subject to available funds:

MIIP Funds **Program Year 2** *Jul 2019 – Jun 2020*	Accountable Entity Incentive Pool (AEIP)	MCO Incentive Management Pool (MCO-IMP)	Total Incentive Pool (TIP)
Comprehensive AE Program	$19,125,000	$3,375,000	**$22,500,000**
% Total	*85%*	*15%*	*100%*

3. **Additional Program Year Two Incentive Funding for Clinical Data Exchange and Validation Activities**

   For Program Year 2 generation of certain Common Measure Slate measures, EOHHS is requiring MCOs to collect clinical data from AEs via electronic data exchange, consistent with milestone requirements separately established in writing by EOHHS. These data shall be used to calculate baseline performance for assessing Program Year 3 performance improvement.

   In recognition of the level of effort required to ensure these clinical data are a) collected and then aggregated by the AE, b) exchanged with contracted MCOs, and c) assessed and confirmed for each AE for completeness and validity, EOHHS has allocated additional incentive funds to Program Year Two to support these activities.

   $2,790,000 in unallocated Program Year One incentive funds are allocated to these activities. These funds were budgeted for allocation in Program Year One, but based on the actual number of MCO contracts and AE attributed lives, were unallocated to specific MCO-IMP and AEIP incentive pools in Program Year One. The additional funding has been allocated equally

to the MCO-IMP and AEIP for Program Year Two, resulting in increased total available MIIP funds for Program Year Two, as shown below:

MIIP Funds **Program Year 2** *Jul 2019 – Jun 2020*	Accountable Entity Incentive Pool (AEIP)	MCO Incentive Management Pool (MCO-IMP)	Total Incentive Pool (TIP)
Clinical Data Exchange and Validation Funding	$1,395,000	$1,395,000	**$2,790,000**
% Total	*50%*	*50%*	*100%*
Total PY 2 Funding	$20,520,000	$4,770,000	**$25,290,000**
% Total	*81%*	*19%*	*100%*

The additional incentive funding has been incorporated in the MCO-IMP and AEIP eligible incentive funding amounts provided in the following section.

B. Calculating AE-Specific Incentive Pools

1. MCO-IMP AE-Specific Incentive Pools

Each MCO-IMP is a defined, fixed amount per AE contract that is specific to the relationship between the MCO and AE. The value of each MCO-IMP shall be determined by EOHHS based on:

(a) the number of contracts that the MCO has with AEs; and
(b) whether those contracts have been fully executed by August 30, 2019.

For Program Year 2, the MCO-IMP eligible incentive funding amount per AE contract is shown below. Note that eligible MCO-IMP incentive funds are reduced by 20% for contracts executed after August 30, 2019.

Program Year 2: MCO-IMP Eligible Incentive Funding Amount per AE Contract		
Contract Executed:	*By August 30, 2019*	*After August 30, 2019*
AE Contract 1	$460,000	$368,000
AE Contract 2	$460,000	$368,000
AE Contract 3	$460,000	$368,000
AE Contract 4	$105,000	$84,000
AE Contract 5	$105,000	$84,000
Total MCO-IMP Funding *(3 MCOs with 5 AE Contracts each)*	$4,770,000	$3,816,000

2. AEIP AE-Specific Incentive Pools

AEs certified through the 2019 EOHHS certification process that are in good standing, and in qualified Alternative Payment Methodology (APM) contracts consistent with EOHHS requirements, must be eligible to participate in the Medicaid Infrastructure Incentive Program. EOHHS establishes an AE-Specific Incentive Pool to establish the total incentive dollars that may be earned by each AE during the period. The MCO implements and operates the AE Incentive Pool and determines whether an AE achieves the milestones.

For Program Year 2, the AEIP AE-Specific Incentive Pool amount shall be derived from a per member per month (PMPM) multiplier times the number of attributed lives, in accordance with the following formula.

Program Year 2: AEIP AE-Specific Incentive Pool Calculation		
PMPM Multiplier*	x Attributed Lives	x 12
$8.44	At the start of each Program Year in accordance with EOHHS defined requirements	Translate to Member Month

*Note that the PMPM Multiplier shown above has been established by EOHHS for Program Year 2; the PMPM Multiplier will be defined and released on a yearly basis by EOHHS.

In order to establish a clear TIP for each MCO-AE relationship, the value for each AEIP and MCO-IMP shall be fixed by EOHHS prior to the beginning of the performance period. EOHHS recognizes that over the term of the performance period there will be fluctuations in the number of attributed members. Such changes will not alter the value of the AEIP for the performance period unless there is a material reduction in the number of attributable lives. A material reduction shall be a reduction of 15% or more sustained over two quarters. In such case the AEIP will be reduced accordingly with appropriate reductions made to any remaining incentive payments within the AEIP. The AEIP will not be increased if there is a growth in the attributed lives so as to not exceed the HSTP funds available to EOHHS for this initiative. However, changes in the number of attributed lives will continue to be a factor in calculations in TCOC related contracts with MCOs.

EOHHS' determination of the value of the AEIP shall be based upon the number of AE attributed lives. Such determination shall be consistent with attribution provisions set forth in this document. Upon its determination of the AEIP for each AE-MCO relationship EOHHS shall communicate in writing to both the MCO and the respective AE the established TIP for that MCO-AE relationship.

IV. AE Specific Health System Transformation Project Plans (HSTP Project Plans)

Under the terms of Rhode Island's agreement with the federal government, this is not a grant program. AEs must earn payments by meeting metrics defined by EOHHS and its managed care partners, and approved by CMS, to secure full funding.

Certified AEs and MCOs must jointly develop individual Health System Transformation Project Plans (HSTP Project Plans) that identify clear project objectives and specify the activities and timelines for achieving the proposed objectives. Actual AEIP incentive payment amounts to AEs will be based on demonstrated AE performance, accordingly, incentive payments actually earned by the AE may be less than the amount they are potentially eligible to earn. MCOs shall not be entitled to any portion of funds from the Accountable Entity Incentive Pool that are not earned

by the AE. Any monies not remitted to an AE from the Accountable Entity Incentive Pool must be returned to EOHHS.

Specifications Regarding Allowable AE Specific HSTP Project Plans

Approvable HSTP Project Plans must specify:

- Core Goals
  Approvable project plans must demonstrate how the project will advance the core goals of the Health System Transformation Project and identify clear objectives and steps for achieving the goals.
- Data Driven Identification of Shared MCO/AE Priorities
  Plan must identify a set of shared MCO/AE priorities based on population specific analysis of service needs, capabilities and key performance indicators. To inform this work the MCO shall provide a population specific analysis of the AE's attributed population. The data driven assessment may provide a basis for risk segmentation of the population served by the AE that can help guide project plans. Data analyses may identify patterns of gaps in coordinated care for population subgroups such as adults with co-occurring medical and behavioral health needs and/or may identify avoidable inpatient or emergency department utilization in specific geographic areas. Project plans then focus on tangible projects within the certification domain areas, such as IT capability to identify and track needs, increasing capability to exchange quality data, strengthen targeted care management, or patient engagement processes. This provides for the linkage between recognized areas of need/opportunity and developmental tasks. Shared priorities must be developed through a joint MCO/AE working group that includes clinical leadership from both the MCO and the AE[3] and using a data driven approach to consider issues such as:
  - EOHHS priorities, as defined in Section V
  - Data driven assessment of the specific needs of the population served by the AE
  - The service profile of the AE (current and proposed)
  - Specific gaps in AE capacities and capabilities as defined in the AE Certification Application
  - Key Performance gaps, in quality and outcomes, relative to the populations served
  - Areas of potential enhancement of workforce skill sets to better enable system transformation

AE Specific Core Projects: Workplan and Budget

The AE must develop a multi-year workplan and budget to address these priorities over the course of the program. The overarching goals, objectives and core projects do not necessarily need to change from year to year. However, EOHHS expects the specific project milestones will

[3] Note: Membership in this Working Group shall be specified in the AE application, as a condition of certification.

change year over year as the AE achieves milestones and moves on to the next phase of the project.

A more detailed workplan and budget must be developed for Program Year 2 that identifies a requested set of core projects in the pertinent Domains needed to address the Shared MCO/AE Priorities. Workplan objectives for subsequent years (Program Years 3-4) would be at a higher level with increased refinement for the subsequent periods. Project plans may span MCOs, however allocation must be distributed equitably (such as a similar percentage allocated for each MCO) and cannot exceed the total amount. Project plans must be linked to the domain areas eligible for award of AEIP funds described in Section VI.

- Performance Areas and Milestones
  Approvable project plans must set milestones and deadlines for the meeting of metrics associated with each of the Core Projects to ensure timely performance, **consistent with requirements in Section VII.**

MCO Review Committee Guidelines for Evaluation

The MCO shall convene a review committee to evaluate the HSTP Project Plan described above. The MCO Review Committee, in accordance with EOHHS guidelines, shall determine whether:

- Core Projects as submitted are eligible for award
  Eligible core projects will include a workplan that clearly addresses EOHHS priority areas and includes the types of activities targeted for funds.
- Core Projects that merit Incentive Funding
  Projects must show appropriateness for this program by including the following:
    - Clear statement of understanding of the intent of incentive dollars
    - Rationale for this incentive opportunity, including a clear description of the objective for the project and how achieving that objective will promote health system transformation for that AE
    - Confirmation that the project does not supplant funding from any other source. Project Plan can be the same across MCOs, but project funding must be equally distributed and non-duplicative of any submissions made to another MCO
    - The inclusion of a gap analysis and an explanation of how the workplan and associated incentive plan and budget address these gaps
    - Clear interim and final project milestones and projected impacts, as well as criteria for recognizing achievement of these milestones and quantifying these impacts
- Incentive Funding request is reasonable and appropriate
  The funding request must be reasonable for the project identified, with funds clearly dedicated to this project. The level and apportionment of the incentive funding request must be commensurate with value and level of effort required.

Upon approval of the HSTP Project Plan by the MCO Review Committee, the MCO shall submit the HSTP Project Plan to EOHHS. EOHHS will review and approve each HSTP Project Plan. EOHHS

can request participation in the MCO review and approval process to expedite the process as needed.

Development of the HSTP Project Plan and its acceptance by the MCO Review Committee and EOHHS shall be considered a Performance Milestone of the HSTP Program, as specified in Section VII.

Required Structure for Implementation

The Incentive Funding Request **must be awarded to the AE via a Contract Amendment** between the MCO and the AE. The Contract Amendment shall:

- Be subject to EOHHS review and approval
- Incorporate the central elements of the approved AE submission, including:
  - Stipulation of program objective
  - Scope of activity to achieve (may be incorporated via reference to separate project plan)
  - Performance schedule and performance metrics
  - Payment terms – basis for earning incentive payment(s) commensurate with the value and level of effort required.
- Define a review process and timeline to evaluate progress and determine whether AE performance warrants incentive payments. The MCO must certify that an AE has met its approved metrics as a condition for the release of associated Health System Transformation Project funds to the AE.
- Minimally require that AEs submit quarterly reports to the MCO using a standard reporting form to document progress in meeting quality and cost objectives that would entitle the AE to qualify to receive Health System Transformation Project payments; such reports will be provided to EOHHS by the MCO.[4]
- Stipulate that the AE earn payments through demonstrated performance. The AE's failure to fully meet a performance metric under its AE Health System Transformation Project Plan within the timeframe specified will result in forfeiture of the associated incentive payment (i.e. there will be no payment for partial fulfillment).
- Provide a process by which an AE that fails to meet a performance metric in a timely manner (thereby forfeiting the associated Health System Transformation Project Plan Payment) can reclaim the payment at a later point in time (not to exceed one year after the original performance deadline) by fully achieving the original metric in combination with timely performance on a subsequent related metric.
  Note: AE performance metrics in the "Fixed Percentage Allocations Based on Specific Achievements" category are specific to the performance period and must be met by the close of the performance year in order for an AE to earn the associated incentive payment.

[4] Reporting templates will be developed in partnership with EOHHS

Payment and Reconciliation

In advance of the MCOs payments to AEs, the MCO shall receive payment from EOHHS in the amount and schedule agreed upon with EOHHS. AEIP and MCO-IMP milestones will be paid on a quarterly basis. MCOs shall make associated payments to AEs within thirty (30) calendar days of approving AE milestone achievement based on satisfactory evidence. The MCO will maintain a report of funds received and disbursed by transaction in a format and in the level of detail specified by EOHHS. Within thirty (30) calendar days of the end of each calendar quarter, the MCO will provide the report to EOHHS for internal tracking of funds. The MCO will work with EOHHS to resolve any reporting discrepancies within fifteen (15) calendar days of notification of such discrepancy.

Within forty-five (45) calendar days after the close of each program year, EOHHS will review the budgeted AEIP funds retained by the MCO and deduct associated AEIP funds from the following program year incentive pool. At the conclusion of the program and/or termination of an agreement, any Incentive Program funds that are not earned by EOHHS Certified AEs as planned will be returned to EOHHS within thirty (30) calendar days of such request by EOHHS. An AE's failure to fully meet a performance metric within the time frame specified will result in forfeiture of the associated incentive payment (i.e., no payment for partial fulfillment). An AE that fails to meet a performance metric in a timely fashion can earn the incentive payment at a later point in time (not to exceed one year after the original performance deadline) by fully achieving the original metric in combination with timely performance on a subsequent related metric.[5]

HSTP Project Plan Modifications

Subcontracts between the AE and the MCO associated with AE-specific HSTP Project Plans may only be modified with state approval. EOHHS may require that a plan be modified if it becomes evident that the previous targeting/estimation is no longer appropriate or that targets were greatly exceeded or underachieved.

V. EOHHS Priorities

Each MCO's AE Incentive Pool budget and actual spending must align with the priorities of EOHHS as developed with the support of the HSTP AE Advisory Committee and shown below. Note: This is a draft set of priorities – a final set of priorities shall be reviewed by the HSTP AE Advisory Committee and confirmed by EOHHS.

- Integration and innovation in behavioral health care
- Integration and innovation in SUD treatment

[5] This is a CMS requirement per our Special Terms and Conditions of the 1115 waiver. CMS Waiver List, page 176 states: "An AE's failure to fully meet a performance metric within the time frame specified will result in forfeiture of the associated incentive payment (i.e. no payment for partial fulfillment). An AE that fails to meet a performance metric in a timely fashion can earn the incentive payment at a later point in time (not to exceed one year after the original performance deadline) by fully achieving the original metric in combination with one-time performance on the next metric in the performance sequence, in accordance with the requirements for Material Modifications described in section VIII.C.3 of this document."

- Integration and intervention in social determinants, including cross system impacts

Comprehensive AEs shall be required to demonstrate that at least 10% of Program Year 2 incentive funds are allocated to partners who provide specialized services to support behavioral health care, substance abuse treatment and/or social determinants.

Comprehensive AEs shall be required to demonstrate that at least 10% of Program Year 2 incentive funds are allocated to partners who provide specialized services to support behavioral health care, substance abuse treatment and/or social determinants.

VI. HSTP Projects Eligible for Award of AEIP Funds

HSTP Project Plans must focus on tangible projects within the AE Certification domain areas, linking recognized areas of need and opportunity to developmental tasks. HSTP projects eligible for award of AEIP funds must be linked to one or more of the eight domains described below.

EOHHS anticipates that in early program years HSTP projects may be weighted toward development in core readiness domains 1-3, as AEs build the capacity and tools required for effective system transformation. However, over time HSTP projects must shift toward system transformation capacities (domains 4-8). For Program Year 2, HSTP projects linked to the Readiness Category (Category A, Domains 1 through 3 below) are limited to no more than 25% of an AE's total incentive pool.

	Domains	HSTP Projects Eligible for Award of AEIP Funds
A. Readiness	1. Breadth and Characteristics of Participating Providers	• Building provider base, population specific provider capacity, interdisciplinary partnerships, developing a defined affiliation with community based organizations (CBOs) • Developing full continuum of services, Integrated PH/BH, Social determinants
	2. Corporate Structure and Governance	• Establishing a distinct corporation, with interdisciplinary partners joined in a common enterprise
	3. Leadership and Management	• Establishing an initial management structure/staffing profile • Developing ability to manage care under Total Cost of Care (TCOC) arrangement with increased risk and responsibility
B. IT Infrastructure*	4. Data Analytic Capacity and Deployment	• Building core infrastructure: EHR capacity, patient registries, Current Care • Provider/care managers' access to information: Lookup capability, medication lists, shared messaging, referral management, alerts • Patient portal • Analytics for population segmentation, risk stratification, predictive modeling • Integrating analytic work with clinical care: Clinical decision support tools, early warning systems, dashboard, alerts • Staff development and training – individual/team drill downs re: conformance with accepted standards of care, deviations from best practice

	Domains	HSTP Projects Eligible for Award of AEIP Funds
C. System Transformation	5. Commitment to Population Health and System Transformation	• Developing an integrated strategic plan for population health that is population based, data driven, evidence based, client centered, recognizes Social Determinants of Health, team based, integrates BH, IDs risk factors • Healthcare workforce planning and programming
	6. Integrated Care Management	• Systematic process to ID patients for care management • Defined Coordinated Care Team, with specialized expertise and staff for distinct subpopulations • Individualized person-centered care plan for high risk members
	7. Member Engagement and Access	• Defined strategies to maximize effective member contact and engagement • Use of new technologies for member engagement, health status monitoring and health promotion
	8. Quality Management	• Defined quality assessment & improvement plan, overseen by quality committee

* The state may make direct investments in certain technology to support provider to provider EHR communication, such as dashboards and alerts. This investment would be made directly by the state with vendor(s) which would have the capacity and expertise to create and implement this technology in AEs statewide. This may be done in certain technology areas where direct purchasing by the state would result in significant efficiencies and cost savings. The products and tools resulting from this direct state technology investment would be made available to all AEs at no upfront charge. AEs would have the choice to either utilize the statewide tool at no charge or pay for their own tool. In this case, HSTP funds would not be available for the AE to separately purchase such a tool.

VII. Required Performance Areas and Milestones

A. Accountable Entity Incentive Pool (AEIP)

AEs must develop AE specific HSTP Project Plans. These plans shall specify the performance that would qualify an AE to earn incentive payments. The HSTP Project Plan must include clearly defined performance requirements and milestones. These milestones will represent tangible points of progress in the development of enhanced capabilities in agreed upon areas of the Domains identified in Section VI. Achievement of these milestones will be the basis for incentive payments during the course of the performance period. The HSTP Project Plan shall support the AE in developing and enhancing its capacity for effective system transformation and for achieving quality and performance outcomes. Allowable incentive programs and milestones must be targeted to identified AE-specific opportunities for improved capability, and must focus on capabilities in one or more of the Domains identified in Section VI.

Earned AEIP funds shall be awarded by the MCO to the AE in accordance with the distribution by performance area defined in the AE specific HSTP Project Plan, consistent with the requirements defined below:

AEIP Required Performance Areas and Milestones		
Performance Area	**Minimum Milestones**	**PY 2 Allocation**
Developmental Milestones: Fixed Percentage Allocations Based on Specific Achievements	• Execution of an EOHHS qualified APM contract with the MCO, including performance milestones agreed upon by both parties (5%) • Submission of a detailed HSTP Project Plan in accordance with state specified template within 60 days of execution of APM contract (5%) • Execution of an agreement with SDOH, BH, and/or SUD Provider by the end of the calendar year (10%)	20%
Annual Reporting on Outcome Metrics[6]	Outcome Metrics Reporting Requirements: • Inpatient Admissions per 1,000 • 30 Day Readmissions • ED Visits per 1,000 • Ambulatory Care Sensitive ED Visits[7] • MCO/AE Specific Performance Targets (at least two measures)[8]	15%
Developmental Milestones: Variable Percentage Allocations Based on the HSTP Project Plan	• Developmental milestones MCO/AE defined (at least 3 unique developmental milestones per Core Project per year) *Note: The HSTP Project Plan shall allocate at least 10% of the funding allocated to the variable milestones category to activities associated with electronic clinical data exchange between the MCO and AE that the AE will undertake in support of the clinical data validation process ongoing during Program Year 2. This funding allocation may be reduced if the MCO attests that the AE has adequate capacity to support the clinical data validation process and does not require this investment.*	65%
Total		100%

The early milestones are intended to allow AEs to develop the foundational tools and human resources that will enable AEs to build core competencies and capacity. In accordance with EOHHS' agreement with CMS, participating AEs must fully meet milestones established in the AE specific HSTP Project Plan prior to payment. EOHHS recognizes the financial constraints of many participating AEs and that timely payment for the achievement of early milestones will be critical to program success.

[6] For Program Year 2, outcome metrics will be assessed on a pay for reporting basis. EOHHS anticipates transitioning outcome metrics to pay for performance in Program Year 3, and increasing the funds allocation to this performance area accordingly.

[7] EOHHS has defined the Ambulatory Care Sensitive ED Visits measure based on a modified version of the Billings NYU classification system, and will provide detailed measure specifications for implementation of this measure.

[8] At least two MCO/AE Specific Performance Targets targeted to performance areas based on an analytic profile of the utilization patterns, need characteristics, and service gaps of the AE's attributed population shall be agreed to by the MCO and AE.

B. MCO Incentive Management Pool (MCO-IMP)

MCO-IMP funds are intended for use toward advancing AE program success, including program administration and oversight, assisting with the development of the necessary infrastructure to support a new business model, and establishing shared responsibilities, information requirements and reporting between EOHHS, MCO, and AE.

MCO-IMP funds shall be earned based on satisfactory MCO performance relative to the MCO-IMP Performance Milestones outlined below.

MCO-IMP Required Performance Areas and Milestones		
Performance Area	**Minimum Milestones**	**PY 2 Allocation**
Core Performance Areas and Milestones		**70%**
APM Contracting with AEs	• Execution of APM contract with Certified AE for the period August 30, 2019 forward (5%) • Execution of AEIP Incentive Contracts with required number of AEs (10%)	15%
AEIP Program Development	• Provision of population specific data analysis of the AE's attributed population to help Inform HSTP Project Plan development (10%) • MCO Review Committee for evaluation of AE proposals has met and established specific incentive provisions for the AEIP contract[9] (5%)	15%
AEIP Program Implementation	• Implementation of Shared Management Structure, including conducting at least one Shared Management meeting per quarter with the Contracted AE (5%) • Provision of Monthly Attribution Rosters - within fifteen (15) calendar days of the start of each month, and in support of the MCO/AE co-signed attribution report submitted to EOHHS at the start of the program year (15%) • On a monthly basis, provision and review of member specific "claims level" utilization and cost data to each AE in accordance with EOHHS required specifications (10%)	30%

[9] Within 60 days of executing an APM contract, AE must submit an HSTP Project Plan to MCO (November 1, 2019). MCO must approve HSTP project plans within 30 days of submission from AE and submit approved HSTP project plan to EOHHS within 10 days of approval, including documentation of the MCO Review Committee's formal review process and a summary report of the recommendations provided to the AE. If the initial HSTP Project Plan submission is not approved by the MCO Review Committee, specific criteria including a process for the AE to resubmit the HSTP Project Plan shall be provided to the AE and EOHHS. If the HSTP Project Plan is not approved by EOHHS, a revised HSTP Project Plan must be re-submitted to EOHHS within 10 days. EOHHS and MCOs can meet to expedite this process as needed.

AEIP Program Oversight	• Quarterly Report on results of monitoring of member access to care (5%) • Summary reports on assessment of AE Performance to determine whether Incentive Payments have been earned and if applicable, basis for AEIP payments to be made (10%) • Completion of required operational, quality, and financial reporting to EOHHS on AE initiative (10%) • Quarterly reporting on outcome metrics, as defined in Part A above (15%)	40%
Clinical Data Validation Performance Areas and Milestones		**30%**
Operational Plan	Detailed plan describing the operational steps the MCO will take a) with each AE to obtain electronic clinical data needed to generate each AE P4P measure and b) to calculate hybrid measures with the data obtained from the AEs. • Due to EOHHS November 1, 2019 • Because AEs differ in structure and in the screening tools they are using, and because some MCOs are already receiving AE clinical data files, the plan should have AE-specific detail • The plan should extend through the production of PY2 (CY2019) Common Measure Slate calculations for measures requiring clinical data, to be completed by July 1, 2020 • Include dates and the names of responsible MCO and (as applicable) contractor staff • Final reporting instructions to be provided by EOHHS to MCOs by September 1, 2019	40%
Data Validation Plan	Data validation plan describing how the MCO will have the completeness and accuracy of AE-reported clinical data externally validated, including audit procedures, and what steps will be taken when an AE's data fails the validation process. • Due to EOHHS December 1, 2019 • The data validation plan will be evaluated against that employed by Minnesota Community Measurement (MNCM) • The MCO should use MNCM or another vendor approved by the State. MCOs may choose to consider NCQA eMeasure certification vendors • Final reporting instructions to be provided by EOHHS to MCOs by September 1,2019	40%
Implementation Status Reports	Summary reports detailing the status of work with each AE, including progress made since the prior status report, and identification of major issues that need to be resolved. • Four reports to be submitted, due: November 1, 2019, February 1, 2020, April 1, 2020, June 1, 2020 (5% per report)	20%
Total: All Milestones		**100%**