

**EOHHS Total Cost of Care Guidance for the LTSS Accountable Entity Program**  
**Neighborhood's Comments**  
**September 19, 2017**

Neighborhood Health Plan of Rhode Island is pleased to have the opportunity to review The Executive Office of Health and Human Services (EOHHS) Total Cost of Care Guidance of August 18, 2017.

Neighborhood appreciates EOHHS' approach to align the TCOC methodologies across Comprehensive and LTSS AE programs if the programs were similar this would allow for consistency and standardization for EOHHS and Neighborhood. However, the Comprehensive AE and LTSS AE programs are substantially different and as drafted Neighborhood has significant reservations with the proposed LTSS AE TCOC.

Neighborhood fully embraces EOHHS' intent around the LTSS AE, to promote the creation of networks of long-term care providers focused on keeping members healthy and living in the community while preventing unnecessary hospital utilization and improving quality. As the state's sole managed care partner in implementing the LTSS AE, we encourage EOHHS to consider a more iterative process to assessing the feasibility of any type of TCOC requirements. The LTSS AE is a new program with no replicable regional or national benchmarks, as a pilot we look forward to collaborating with EOHHS on how to develop a TCOC model.

**Small Population Size Drawbacks**

The most significant drawback to employing TCOC is the small population size of the LTSS AEs. It is likely that any LTSS AE coming forward will struggle to reach the minimum population size of 500 Neighborhood members. Neighborhood is assuming and strongly recommends any cost of care or quality calculations be carried out independently by the health plan and are not combined with data under fee-for-service Medicaid. Instead, Neighborhood recommends separation of LTSS AE contracting and requirements carried out by the health plan and state.

The small population size will make the proposed TCOC calculations unreliable and subject to significant variation, making the information difficult to interpret and use as a management tool for the LTSS AEs. The issue of small numbers will present a problem with setting benchmarks based on experience of an LTSS facility, as well creating a high probability of generating savings "by chance". Adoption of a Minimum Savings Rate in Year One may be seen as a disincentive and act as a barrier to attracting participants, further exacerbating the small population size concern

**Recommendation**

- EOHHS should consider starting with a simple set of quality metrics such as hospital admissions, readmissions and completion of Advanced Directives to begin the LTSS providers down the path of alternative payment arrangements.
- EOHHS to consider future opportunities under the 1115 waiver to allow for mandatory managed LTSS enrollment, creating larger scale for the LTSS AEs under managed care.

Neighborhood encourages EOHHS to keep any guidelines broad, allowing flexibility for Neighborhood and any potential LTSS AEs to negotiate the means by which measurement of quality or savings will occur. Given the formative nature of the LTSS AE and the minimal population size, Neighborhood recommends a less prescriptive approach to accommodate these new organizations. The LTSS AE program still has many unknowns which need to be explored during the pilot phase.



Neighborhood recognizes the potential for the LTSS AE concept to support LTSS rebalancing. However, we caution EOHHS to approach the guidelines in a more open fashion to attract the formation of LTSS networks.