PROSPECT HEALTH
SERVICES RI, INC.
Quality Service ~ Quality Care

March 26, 2019

SENT VIA ELECTRONIC MAIL

Libby Bunzli
Special Assistant to the Medicaid Director
Executive Office of Health and Human Services
Virks Building 3 West Road
Cranston, RI 02920

RE: Comments on Draft EOHHS RI Medicaid Policy Statements

Dear Ms. Bunzli:

We are responding to your call for comments on the draft RI Medicaid policy statements issued by your office. The comments below and the attached proposed modifications are provided to you on behalf of Prospect Health Services of RI, a provisionally certified Accountable Entity (AE), and the patients and affiliated providers of CharterCARE Provider Group of RI (IPA) and CharterCARE Health Partners. As you know, Prospect and CharterCARE have been at the forefront of advocating for more rapid progress to advanced alternative payment methodologies to replace the inefficient and ineffective fee for service reimbursement system. As such, we heartily support EOHHS acting as catalyst for health system and payment reform in Rhode Island by issuing these policies.

Member Assignment

We agree with EOHHS that member assignment is the critical starting point for the all-important beneficiary/physician relationship (and affiliated AE relationship) and that assignment must be accurate and not subject to disruption by changing business relationships between AEs and MCOs. In addition, not all MCOs are equal in their dedication and behavior to further payment and health system reform and market and other pressure must be applied to the MCO laggards. Finally, membership volume in risk relationships between an AE and MCO makes them less susceptible to random variation and more sustainable over the short and long term. Therefore, we have introduced two important concepts in our proposed changes to the Member Assignment Policy.

The first change is intended to enhance the AEs ability to differentially recognize MCOs who are like-minded in their dedication to payment and health system reform and to achieve collaboration, volume, stability and sustainability in those relationships in order to expand the use of advanced alternative payment methodologies and the partnerships they require. We propose that if an AE terminates a relationship with one MCO to concentrate its efforts and resources on partnerships with other MCOs, that EOHHS assignment could be different for the remaining MCOs, if requested by the AE. We propose

that the AE could request EOHHS to make up to 90% of the assignment to one of the remaining MCOs and that the AE demonstrate that such a request is to further progress toward payment and system reform. A positive outcome of this proposed change is that it enhances the power of the market to stimulate MCOs to be and be recognized as collaborative partners to the AEs in service to their beneficiaries and puts the spotlight and mounts pressure on the reluctant MCOs. The MCOs that are better partners with AEs will have more favorable assignment opportunities which is as it should be to move the market forward more quickly and voluntarily to payment and health system reform.

The second proposed change is to reduce any member assignment disruption and confusion when an AE terminates a relationship with an MCO. If a contract remains between the MCO and an individual physician after the AE has terminated its relationship with that MCO, the policy should be very clear that the AE contract supersedes any individual physician contracts the MCO holds for the purposes of member assignment.

Delegation to Accountable Entities

Delegation of meaningful functions from MCOs to AEs is critical to the AE and its providers successfully assuming accountability for the quality, outcomes and cost of the care and other services they provide to their population of beneficiaries. We agree with EOHHS that the determination of which functions should be delegated is best resolved through negotiation between the AE and MCO. The relatively minor change that we propose is to simply make clear that delegation by the MCO to the AE must be supported by adequate infrastructure funding and should be in addition to and separate from any transformation funding provided by the State's SIM grant.

While we do believe that negotiation is the correct vehicle to work through the delegated functions between AEs and MCOs, we also know and have been affected by MCOs who do not negotiate in good faith to move toward this necessary component of payment and delivery system reform. We have submitted comments in the past to EOHHS proposing a process be introduced in MCO contracts and EOHHS policy which requires recalcitrant MCOs to negotiate delegation and other components of payment and delivery reform in good faith with AEs. We have not reproduced the proposed process here, but we would be pleased to share it again with EOHHS staff upon request. We strongly believe that if we rely on negotiation to establish these rules of engagement, that there also must be process guard rails to ensure that the parties do indeed negotiate in good faith.

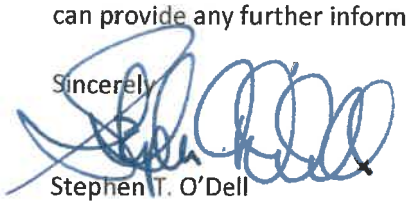
Risk Adjustment

We are proposing no changes to the Risk Adjustment Policy. We are in complete support of applying a tested, validated and industry accepted tool to risk adjust capitation payments to MCOs and require the same methodology be employed when MCOs make capitation payments to AEs. We are also pleased that EOHHS is going to test and study a model to incorporate social determinants of health in its risk adjustment model, which is frequently not included in risk adjustment models. We now know that the impact of social determinants on the total cost of care is significant and especially in this population, so we believe that this is an ultimate requirement for Rhode Island's Medicaid risk adjustment methodology.

We thank you and the Medicaid Director for the opportunity to comment on these important policy principles as the foundation for successful relationships among EOHHS, the AEs and the MCOs to

provide the best care and outcomes to the beneficiaries of the Rhode Island Medicaid program. If we can provide any further information in writing or in person, please contact me.

Sincerely,



Stephen T. O'Dell
Chief Executive Officer

cc: Patrick Tighe, Medicaid Director