LTSS APM Program Requirements
Program Year 1

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LTSS APM Program Requirements

I. Background and Goals

In October 2016, the Centers for Medicare & Medicaid Services (CMS) approved the request made by the Rhode Island (RI) Executive Office of Health and Human Services (EOHHS) to amend the Rhode Island Comprehensive 1115 Waiver Demonstration to create a pool of funds focused on the design, development, and implementation of the infrastructure needed to support Accountable Entities. The Accountable Entity program includes two phases:

- Phase 1: Comprehensive Accountable Entity (AE) Program
- Phase 2: Long-Term Services and Supports Alternative Payment Methodology (LTSS APM) Program

The LTSS APM Program aims to:

- Encourage and enable LTSS eligible and aging populations to live successfully in their communities
- Improve and ensure equitable access to home and community-based services (HCBS) that prevent LTSS eligible populations from needing institutional LTSS
- Foster a sustainable network of high quality HCBS providers that are equipped to meet the diverse needs of LTSS members

EOHHS acknowledges that there are number of unique challenges to implementing an APM for LTSS populations and recognizes that the COVID-19 Public Health Emergency (PHE) has further exacerbated pre-existing challenges to LTSS provider capacity and sustainability. As such, the LTSS APM is being designed as a first step towards linking payment to quality and value and is intended to build on and advance broader state efforts to address the impacts of the PHE and critical HCBS workforce shortages, including changes adopted in the SFY 22 budget process, and workforce recruitment and retention funding through the ARPA Section 9817 for enhanced HCBS FMAP.

The LTSS APM will launch in July 2022 as an 18-month pilot program. The full program is expected to launch in January 2024, and run for four years, through December 2027.

LTSS APM Pilot Program		**LTSS APM Full Program**			
Readiness Jul – Dec 2022	**PY 1** CY 2023	**PY 2** CY 2024	**PY 3** CY 2025	**PY 4** CY 2026	**PY 5** CY 2027

This document outlines the LTSS APM program structure and articulates requirements for participating managed care organizations and providers. Note that a Program Implementation Manual containing detailed measure specifications, performance standards, and required reporting formats will be developed as an appendix to this document.

II. Eligible Participants

In alignment with the state of Rhode Island Medicaid program's global 1115 waiver special terms and conditions governing the Health System Transformation Project, the LTSS APM will be piloted through EOHHS' integrated managed care programs for dual eligible members. The pilot program period is aligned with the current term of the Medicare-Medicaid Program (MMP) demonstration, which has been extended through December 2023. Dual Eligible Special Needs Plans (D-SNPs) operating in the state will not be eligible to participate in the LTSS APM program during the pilot period. However, EOHHS anticipates expanding the LTSS APM program to include other managed care participants for the full program beginning in January 2024, dependent on initial results and pilot program learnings.

Home care agencies providing homemaker and CNA services are eligible to participate in the LTSS APM pilot program. Any home care agency contracted with participating managed care programs can enter into an agreement with that managed care entity to participate in the LTSS APM. There is no minimum membership threshold for participating agencies.

III. Program Structure and Measures

The LTSS APM program is structured to provide up-front funding to home care agencies to build the capacity to participate in this measurement-based incentive program. The program will include three phases: readiness, pay for reporting, and pay for performance.

LTSS APM Pilot Program	Phase 1: **Readiness**	Jul – Dec 2022	• Participants receive start-up funding for achieving program readiness milestones
	Phase 2: **Pay for Reporting**	PY 1 CY 2023	• Participants begin collecting and reporting data that can inform program improvements and investments
LTSS APM Full Program	Phase 3: **Pay for Performance**	PY 2 - 5 CY 2024 - 2027	• Participants are eligible to earn incentives based on attainment and improvement on defined measures

Home care agencies and managed care participants will have an aligned set of measures to encourage partnerships that maximize program impact. Phase 1 measures recognize program readiness achievements, while Phase 2 and 3 measures are responsive to the core goals of the LTSS APM program. These measures recognize achievements in improving equitable access to home care agency services that enable members to live successfully in their communities. Measures selected are intended to align with and augment broader state efforts to address the impacts of the PHE and critical HCBS workforce shortages.

Home Care Agency Measure Set

The home care agency measure set has a workforce performance focus in recognition of the critical importance of addressing direct care workforce shortages that fundamentally limit the availability of home care services. These measures are intended to track the impact of direct care

workforce investments on workforce stability over time. The home care agency measure set also includes hospital avoidance measures that recognize the important role home care agencies play in reducing acute care events and enabling members to remain in their home. EOHHS expects that early program years will focus on workforce stability and performance as a critical driver of equitable access to home care services, and that hospital avoidance will become a performance focus over time as improvements in workforce capacity and member access are realized. Note that all measure definitions will incorporate a race/ethnicity lens, as they will be defined in aggregate and by population subgroup.

Home Care Agency Measure Set[1]	Phase 1: **Readiness**	• Execution of a contract amendment with MCO to participate in the LTSS APM program • Submission of a reporting readiness assessment
	Phase 2 and 3: **Reporting and Performance**	**Workforce Performance Measures** • Employee retention rate • Consistent staff assignment • Service hours delivered vs. approved **Hospital Avoidance Measures** • Avoidable ED visits • Re-hospitalization • Medication adherence

Managed Care Measure Set

The managed care measure set is intended to identify specific home care agency capacity and access gaps and track progress towards addressing these gaps. Wait times for home care agency services will be measured across the managed care population with segmentation by characteristics such as geography, off hours care need, race/ethnicity, and diagnosis. This data is intended to identify specialized care capacity shortages and illuminate specific barriers to equitable access to home care. Managed care partners will also be held accountable to making progress towards EOHHS' overall rebalancing goal, measured as the share of LTSS utilization and expenditures on HCBS.

Managed Care Measure Set[1]	Phase 1: **Readiness**	• Execution of a contract amendment with home care agency to participate in the LTSS APM program • Submission of a reporting readiness assessment

[1] A Program Implementation Manual containing detailed measure specifications, performance standards, and required reporting formats will be developed as an appendix to this document.

	Phase 2 and 3: **Reporting and Performance**	**Home Care Agency Capacity and Access Measures** Home care agency wait times, segmented by: • Geography • Off hours care need • Race/ethnicity • Diagnosis **LTSS Rebalancing** • HCBS as % Total LTSS utilization and expenditures **Hospital Avoidance Measures** • Avoidable ED visits • Re-hospitalization • Medication adherence

Phase 1 Readiness Milestones

Incentive funding must be earned and awarded to participating providers via a Contract Amendment between the MCO and participating provider. The Contract Amendment shall:

- Be subject to EOHHS review and approval
- Include a defined process and timeline to evaluate whether a participating provider has earned an incentive payment. Failure to fully meet a performance metric within the timeframe specified will result in forfeiture of the associated incentive payment. There will be no payment for partial fulfillment.
- Stipulate that participating providers earn payments through demonstrated performance. The MCO must certify that a participating provider has met the performance metric as a condition for the release of associated HSTP funds to the provider.

Phase 2 and 3 Reporting and Performance Measurement

During Phase 2 and 3, MCOs and participating providers will be eligible to earn incentive funds based on the submission of quarterly reports. Detailed measure specifications, reporting periods, and performance standards will be articulated by measure in the Program Implementation Manual.

FFS Population Alignment

The LTSS APM program will be implemented through managed care, as is required by the terms and conditions of HSTP. EOHHS recognizes the importance of pursuing measure alignment across delivery systems and intends to track and monitor performance on population-based measures used in the LTSS APM program for the FFS population.

IV. Program Budget and Funding Allocation Methodology

EOHHS has allocated $25 Million in HSTP funding to support the LTSS APM program. Program funds will be distributed to participating home care agencies and managed care organizations, by year, as shown below.[2]

	LTSS APM Pilot Program		LTSS APM Full Program				
	Readiness Jul-Dec 2022	**PY 1 CY 2023**	**PY 2 CY 2024**	**PY 3 CY 2025**	**PY 4 CY 2026**	**PY 5 CY 2027**	**Total**
Total	**$2,500,000**	**$3,750,000**	**$3,750,000**	**$5,000,000**	**$5,000,000**	**$5,000,000**	**$25,000,000**
Home Care Agencies	$2,250,000	$3,375,000	$3,375,000	$4,500,000	$4,500,000	$4,500,000	**$22,500,000**
Managed Care	$250,000	$375,000	$375,000	$500,000	$500,000	$500,000	**$2,500,000**

Funding will be distributed to home care agencies and managed care organizations based on the volume of home care services delivered. Home care services include both Personal Care and Homemaker services provided by participating home care agencies.[3]

LTSS APM Pilot Program: Home Care Agency Incentive Pool Calculation[4]

	Incentive per 15-min Unit of Home Care	X 15-min Units of Home Care Delivered
Readiness Jul-Dec 2022	$0.85 ($3.40 per hour)	Determined at the end of the payment period
PY 1 CY 2023	$0.64 ($2.56 per hour)	Determined at the end of the payment period

LTSS APM Pilot Program: Managed Care Incentive Pool Calculation[4]

	Incentive per 15-min Unit of Home Care	X 15-min Units of Home Care Delivered
Readiness Jul-Dec 2022	$0.09 ($0.36 per hour)	Determined at the end of the payment period
PY 1 CY 2023	$0.07 ($0.28 per hour)	Determined at the end of the payment period

[2] EOHHS anticipates expanding the LTSS APM program to include other managed care participants for the full program beginning in January 2024; the by year budget allocation is intended to balance meaningful start-up funding in early program years against the expectation of a growing number of participants and members under the full program

[3] EOHHS has adapted the Incentive Pool Calculation methodology to conform with RI 1115 Waiver STC 46 in accordance with CMS guidance

[4] Funding amounts shown in the Incentive Pool Calculation tables are preliminary and are subject to change based on the actual number of participating entities and volume of services delivered

Payment and Reconciliation

Incentive funds will be distributed on a quarterly basis. Within thirty calendar days of the end of each quarter, MCOs shall submit to EOHHS a request for the release of any earned incentive funds in a format specified by EOHHS. MCOs shall also submit all evidence of completion of any milestones by participating providers. EOHHS shall process this submission and distribute earned incentive funds to the MCO on an agreed upon schedule. MCOs shall make associated payments to participating providers within thirty calendar days of receiving the earned incentive funds from EOHHS. 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.

Actual incentive payment amounts will be based on demonstrated performance; accordingly, incentive payments earned may be less than the amount an entity is eligible to earn.

Allowable and Disallowable Use of Incentive Funds

Incentive funds should be used to directly support the goals and objectives of the LTSS APM program. EOHHS will not prescribe how earned incentive funds are used, however EOHHS will require each participating home care agency and MCO to attest that earned incentive funds **will not** be used for specific expenditures as outlined below. This attestation is required to remain eligible to earn LTSS APM incentive funds. These non-allowable expenditures have been developed in alignment with Section 2 CFR 200 which outlines Financial Management and Internal Control Requirements for receipt, tracking and use of federal funds by non-Federal awardees, and shall be updated by EOHHS as appropriate.

Expenditures cannot include the following:

- Alcoholic beverages
- Medical Marijuana
- Copayments/Premiums
- Capital expenditures (unless approved in advance by EOHHS)
- Credit Card Payments Interest
- Debt restructuring and bad debt
- Student Loan Repayment
- Defense and prosecution of criminal and civil proceedings, and claims
- Donations, fund raising, and investment management costs
- Social activities (good and services intended for leisure or recreation), Hobbies (materials or courses)
- Fines and penalties
- Goods or services for personal use, including but not limited to entertainment, gift cards or other cash equivalents
- Idle facilities and idle capacity
- Insurance and indemnification
- Licenses (drivers, professional or vocational)
- Lobbying
- Marketing/member communication expense, unless approved in advance by EOHHS
- Memberships and subscription costs
- Patent costs