Alternative Payment Models

2022

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TODAY'S TOPICS

1. What are Alternative Payment Models?
2. How is APM Data Categorized?
3. APM Data Collection in Rhode Island
4. Rhode Island Alternative Payment Model Technical Specification
5. APM Data Use + Examples

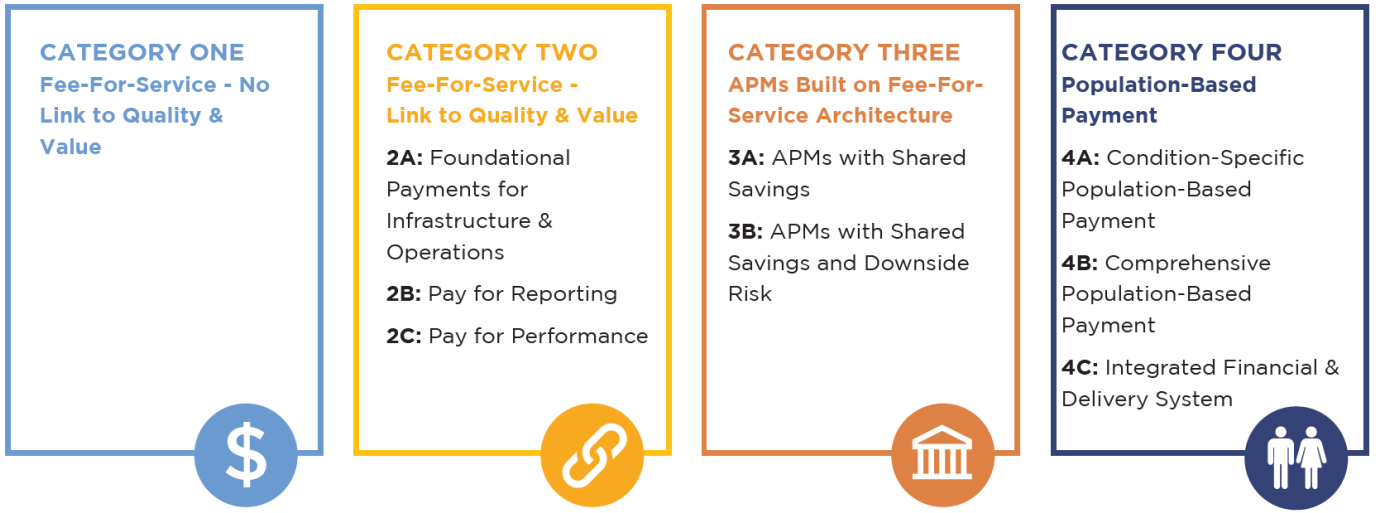
What are Alternative Payment Models?

- Move from Volume to Value – Implement APMs – Improve quality of care – Control costs
- Typical method of paying for healthcare services is a fee-for-service model, claims data
- Alternative Payment Models (APMs) include non-fee-for-service (non-claims) payments
- APM data supplements claims payment data to provide a full picture of healthcare payments
- Types, amounts, and covered services under APMs vary across contracts
- Examples of APM (non-claims) payments include:
  - Care management fees
  - Incentive payments
  - Infrastructure or operations payments
  - Shared savings payments and risk settlements
  - Population-based payments

*Generally, APMs are intended to give providers new incentives to control overall costs (e.g., reduce unnecessary services and provide services in the most appropriate setting) while maintaining or improving quality.

How is APM Data Categorized?

- Data collection across states is not standardized and is conducted and aggregated by different stakeholders
- While there is no standard categorization of APM data, HHS formed the Health Care Payment Learning & Action Network to provide a framework for organizing and advancing use of APMs
- The HCPLAN APM Framework below concretizes an abstract framework that is designed to provide a common lexicon for purchasers, payers and providers, but that may sometimes be difficult to interpret.



RI APM Data Collection

- Rhode Island, like Oregon, Massachusetts, and Colorado, mandates collection under the APCD.
- Data collection nuances:
  - Data provided by Payers to include Contract ID, Provider/Organization, and Lines of business, and payment model
  - Reporting Year (Calendar year) vs Performance Period
  - Annual data collection process

Project and Submission Timeline	Date
APM File kick-off Meeting	Nov 2022
Test File Submission (CY 2020)	April 2023*
Historic File Submission (CY 2021 & 2022)	1/31/24
First Annual Regular Submission (CY 2023)	1/31/25
* At least 150 days after kick-off meeting - per Regulation	

Rhode Island Alternative Payment Model Technical Specification

Field ID	Field Name	Hashed	Type	Max. length	Required?	Description/Codes/Sources	Threshold
RIAPM00	Submitter Code	No	Text	8	Yes	Use this field to report the submitter code assigned by the Data Management Vendor (Onpoint Health Data).	100%
RIAPM01	Contract ID	No	Text	30 (Minimum length 2)	Yes	Internal ID of the entity receiving the payment or bearing the risk. Contract ID should be consistent throughout all reporting so that all payments/risk attributed to the same Contract ID can be summed up to capture the total payments/risk attributable to that contract entity by the payer. If RIAPM08 = A or V, leave this field null.	100%
RIAPM02	Billing Provider or Organization NPI	No	Text	10	Yes	NPI for the billing provider or organization which received the payment from the submitter. If RIAPM08 = A or V, leave this field null.	100%
RIAPM03	Billing Provider or Organization Tax ID	No	Text	9	Yes	Federal taxpayer's ID of the billing provider or organization/facility which received the payment from the mandatory reporter. Include leading zeros and do not include dashes. (Example: 012345678) If RIAPM08 = A or V, leave this field null.	100%
RIAPM04	Billing Provider Last Name or Organization	No	Text	100	Yes	Last name of the billing provider or the full name of the organization which received the payment from the mandatory reporter. If RIAPM08 = A or V, leave this field null.	99%
RIAPM05	Billing Provider First	No	Text	25	Situational	First name of the billing provider which received the payment from the mandatory reporter. Leave blank if the	99%

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Rhode Island Alternative Payment Model Technical Specification

RIAPM06	Billing Provider or Organization Entity Type	No	Numeric	2	Yes	Valid Values: 1 – Person 2 – Facility 3 – Professional Group 4 – Retail Site 5 – E-Site 6 – Financial Parent 7 – Transportation 8 – Other *(See APM Reference Table 1)* If RIAPM08 = A or V, leave this field null.	100%
RIAPM07	Line of Business	No	Text	4	Yes	Indicates insurance line of business. Only report the following lines of business using the codes listed below: COMM = Commercial MADV = Medicare Advantage ACO = Accountable Care Org. AE = Accountable Entity	100%
RIAPM08	Payment Model	No	Text	1	Yes	Indicates the payment model type that is being reported. (See APM Reference Table 2) If there is more than one payment type with a single Contract ID, then separately report each payment type. Note: All Payment Models are mutually exclusive with respect to payments. Payments to the same Contract ID will be summed up to capture the total payments to that contract. Valid value "A" and "V" must be reported once for each distinct line of business (RIAPM07)	100%
RIAPM09	Reporting Period Start	No	Date	8	Yes	Effective date of reporting period for reported Insurance Line of Business and Payment Model. For example, for	100%

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Rhode Island Alternative Payment Model Technical Specification

Payment Model Breakdown

- Fee for Service with Link to APM
- Fee for Service Without Known Link to APM
- Payments based on Patient Centered Primary Care Home (PCPCH) tier level
- Foundational payments for infrastructure and operations – that are not based on PCPCH tier level
- Pay for Reporting
- Pay for Performance
- Alternative Payment Models with Shared Savings
- Alternative Payment Models with Shared Savings and Downside Risk
- Risk Based Payments Not Linked to Quality
- Condition-Specific Population-Based Payment
- Comprehensive Population-Based Payment
- Integrated Finance and Delivery System
- Capitation Payments Not Linked to Quality

Rhode Island Alternative Payment Model Technical Specification

A	All Member Months	Total enrollment during the Reporting Period Start & End Data (RIAPM09 &RIAPM10). This value must be reported only once for every distinct line of business (RIAPM07). Enrollment should be reported (in de-duplicated member months) for insurance policies that align with the inclusion criteria of annual NAIC/SERFF filings and should only be reported for those members for whom the mandatory reporter was the primary payer.
V	Alternative Arrangement Member Months	Total enrollment in alternative payment models during the Reporting Period Start & End Data (RIAPM09 &RIAPM10). This value must be reported only once for every distinct line of business (RIAPM07). Enrollment must be reported for members under each payment category. Enrollment should be reported (in de-duplicated member months) for insurance policies that align with the inclusion criteria of annual NAIC/SERFFfilings and should only be reported for those members for whom the mandatory reporter was the primary payer.

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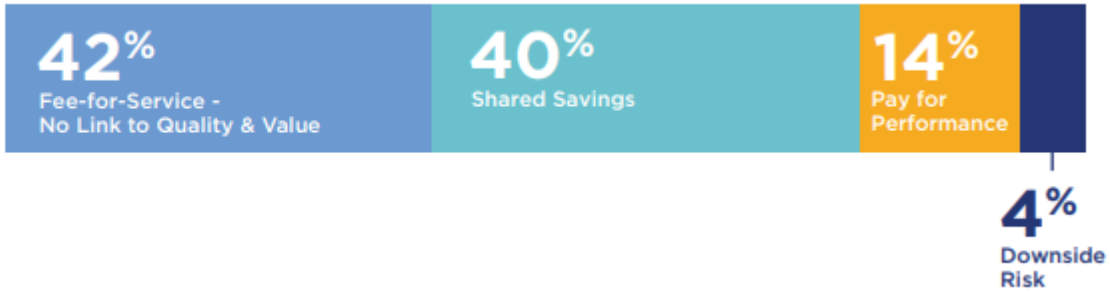
APM Data Use

- Data is typically not released to the public and reserved primarily for internal use
- Examples use cases:
  - Tracking movement towards value-based care/total cost of care accountability
  - Primary Care Spending
  - Total cost of care/total health care expenditures

- Example:

EXHIBIT 13: Percent of Total Cost of Care in Contracts Tied to APMs in Delaware in 2019[75]



Source: Delaware Department of Insurance's Office of Value-Based Health Care Delivery (2021)

APM Data Use Examples (Mass.)

- **Total Medical Expenditure:** Total expenditures for health care services in a given year, divided by the number of member months in the payer's population.
- **Health Status Adjusted TME:** TME adjusted to reflect differences in the health status of member populations.
- **Managing physician group TME:** TME for members required by their insurance plan to select a primary care provider (PCP), as well as for members who are attributed to a PCP as part of a contract between the payer and provider.
- **APM adoption:** The share of member months associated with a primary care provider engaged in an alternative payment contract with the reporting payer.

Center for Health Information and Analysis "*Annual Report on the Performance of the Massachusetts Health Care System*" 2022

Total Medical Expenses & Alternative Payment Methods

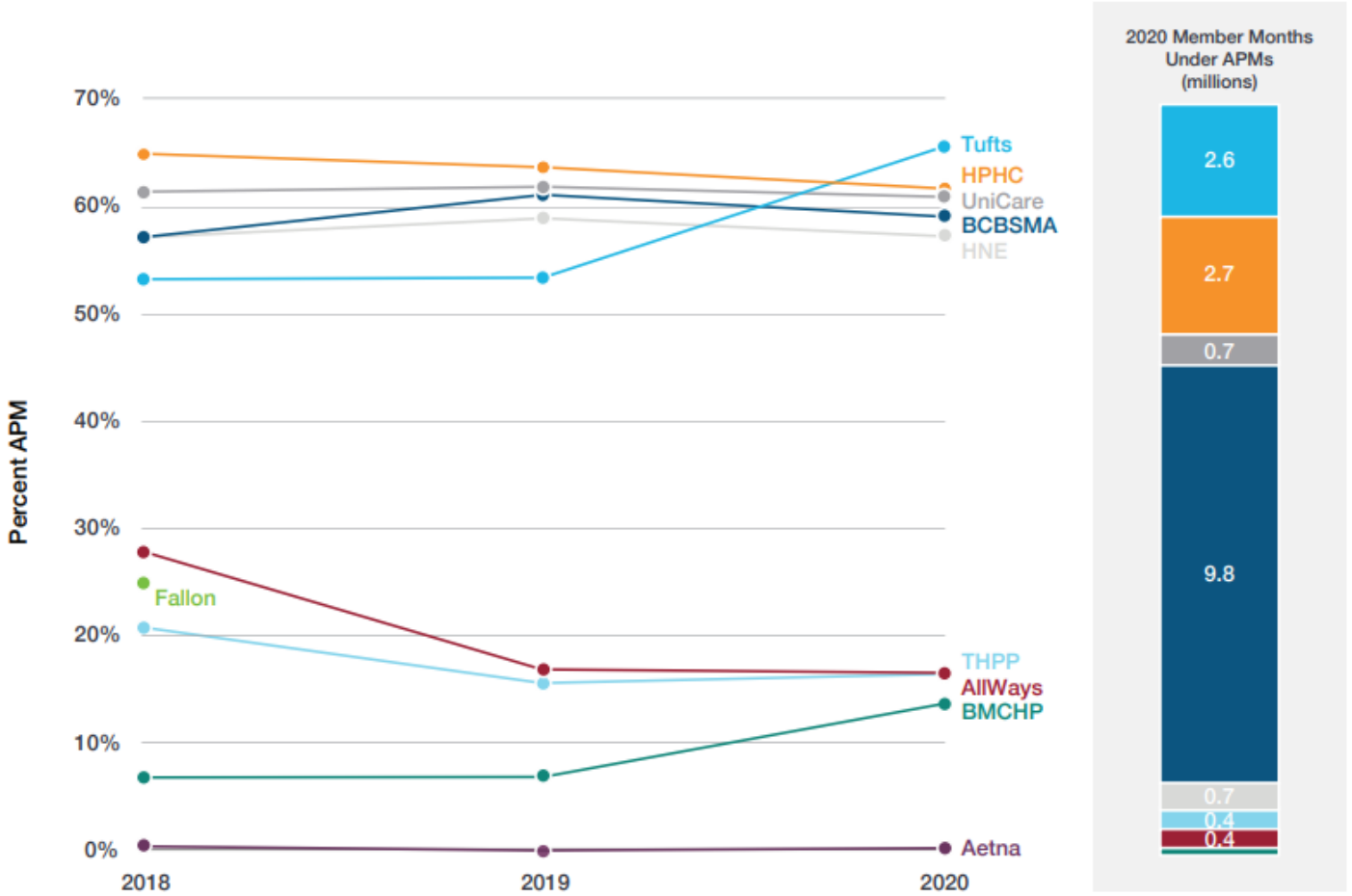
Nine of 13 commercial payers reported utilization of APM arrangements in 2020. Consistent with prior years, HPHC, UniCare, BCBSMA, HNE, and Tufts had the majority of their members' care paid for through an APM arrangement. However, HPHC, UniCare, BCBSMA, and HNE all reported a slight decrease in APM adoption during this period.

Tufts showed a marked increase in adoption in 2020, with 65.8% percent of members covered under an APM, the highest of all commercial payers. BMCHP also demonstrated a large increase in APM adoption, nearly doubling from 7.5% in 2019 to 14.3% in 2020.

AllWays showed a small decrease, and THPP and Aetna showed similar proportions of APM adoption compared to 2019.

Fallon moved all commercial members to FFS contracts as of 2019, reporting no APM utilization for 2019 and 2020. Consistent with prior years, Cigna, United Healthcare, and HPI reported no APM usage for 2020.

APM Adoption Trends by Commercial Payers, 2018-2020



While Tufts and BMCHP showed significant increases in APM adoption in 2020, APM use fell for the state's two largest payers: BCBSMA and HPHC.

Source: Payer-reported APM data to CHIA.

Note: Cigna, Health Plans, Inc. (HPI), and United Healthcare reported no use of APMs in all three years. Membership under APMs is measured by the share of member months associated with a primary care provider engaged in an alternative payment contract with the reporting payer. The data displayed above includes both full-claim and partial-claim members.

Total Medical Expenses & Alternative Payment Methods

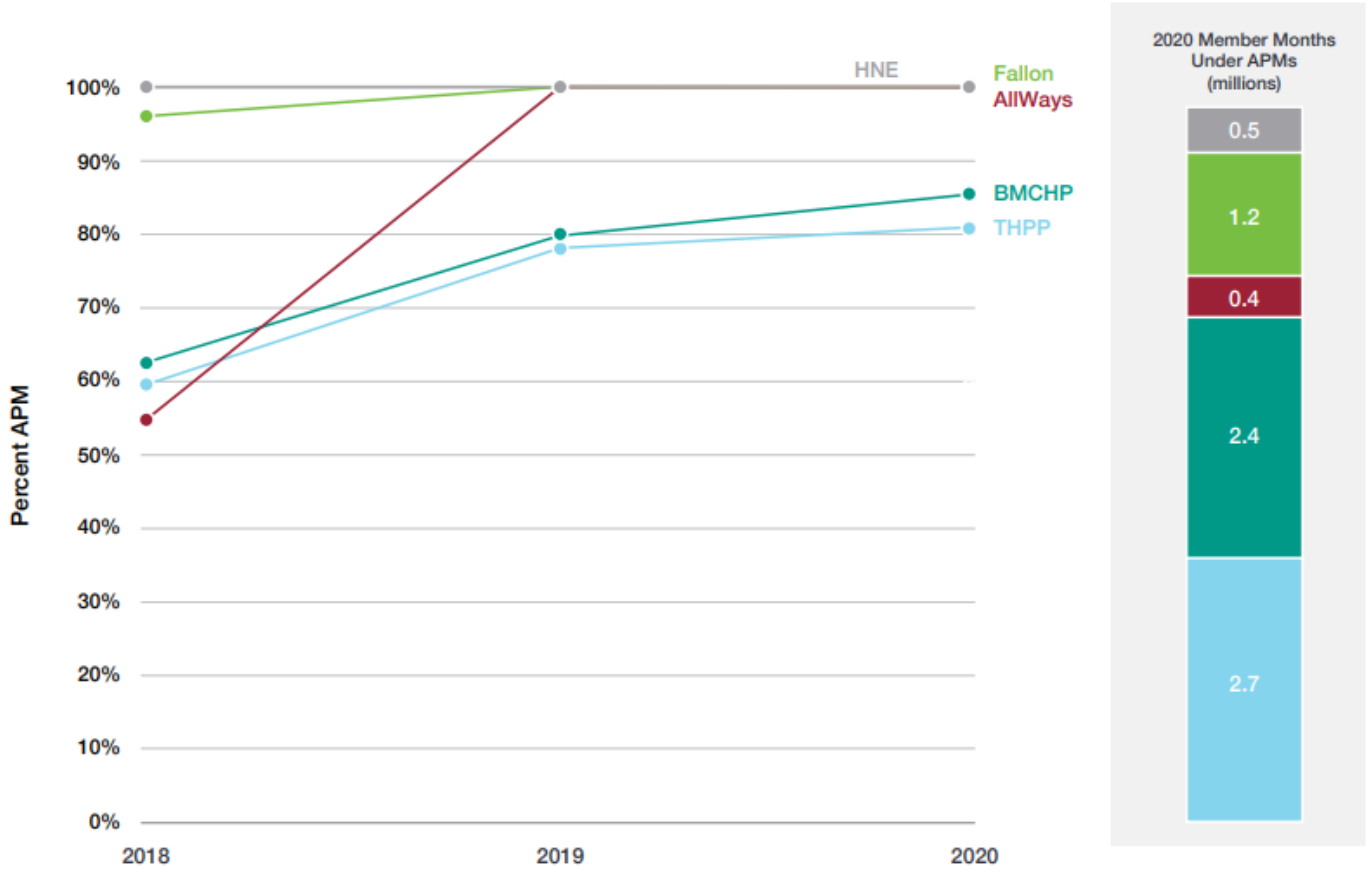
MassHealth MCO and ACO-A payers reported continued increases in APM utilization following the implementation of the MassHealth ACO program in 2018.

In 2020, all five MassHealth MCO and ACO-A payers reported high use of APM contract arrangements, covering 87.8% of total members, an increase from 84.5% in 2019.

Consistent with previous years, HNE continued to report all members under an APM contract in 2020. Beginning in 2019 and continuing in 2020, AllWays and Fallon reported all members under an APM arrangement as well.

The two largest payers with MassHealth MCO and ACO contract arrangements, BMCHP and THPP, also reported increases in APM adoption between 2019 and 2020, with 2020 rates at 86.0% and 81.4%, respectively. For both payers, 100% of ACO-A contracts were under an APM arrangement in 2020.

APM Adoption Trends by MassHealth MCOs and ACO-As, 2018-2020

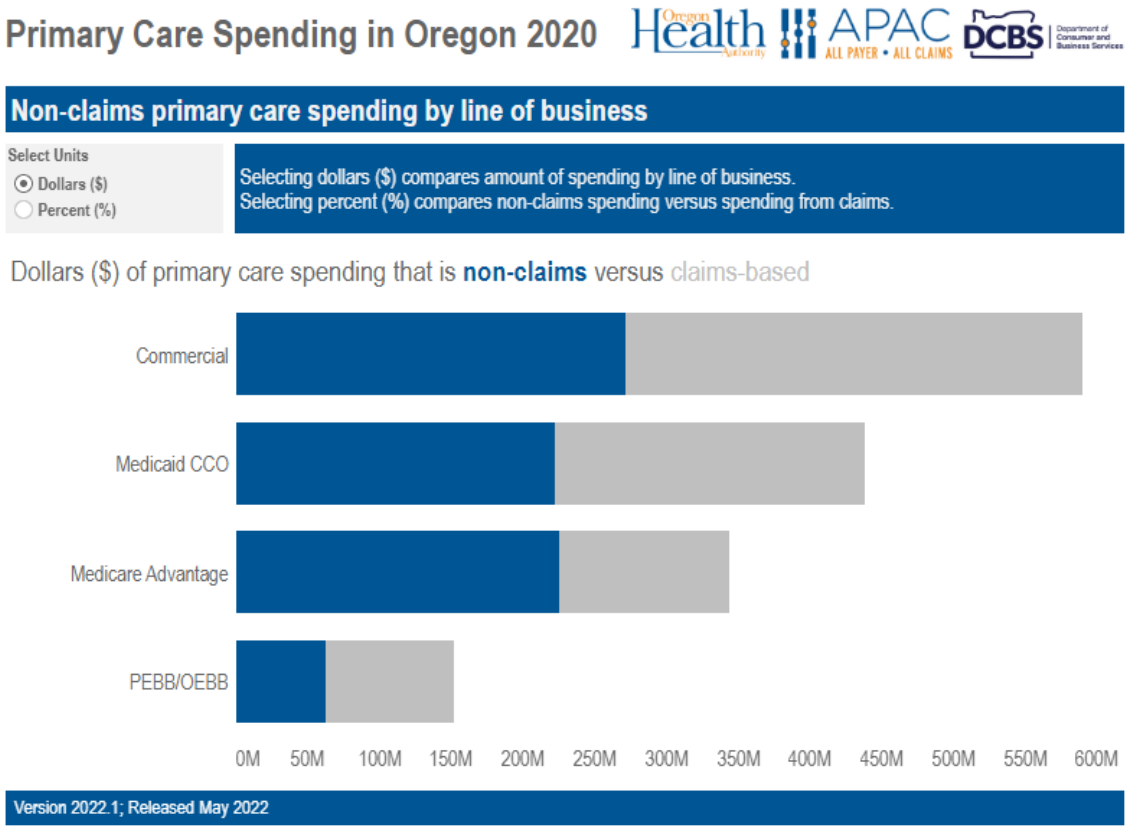


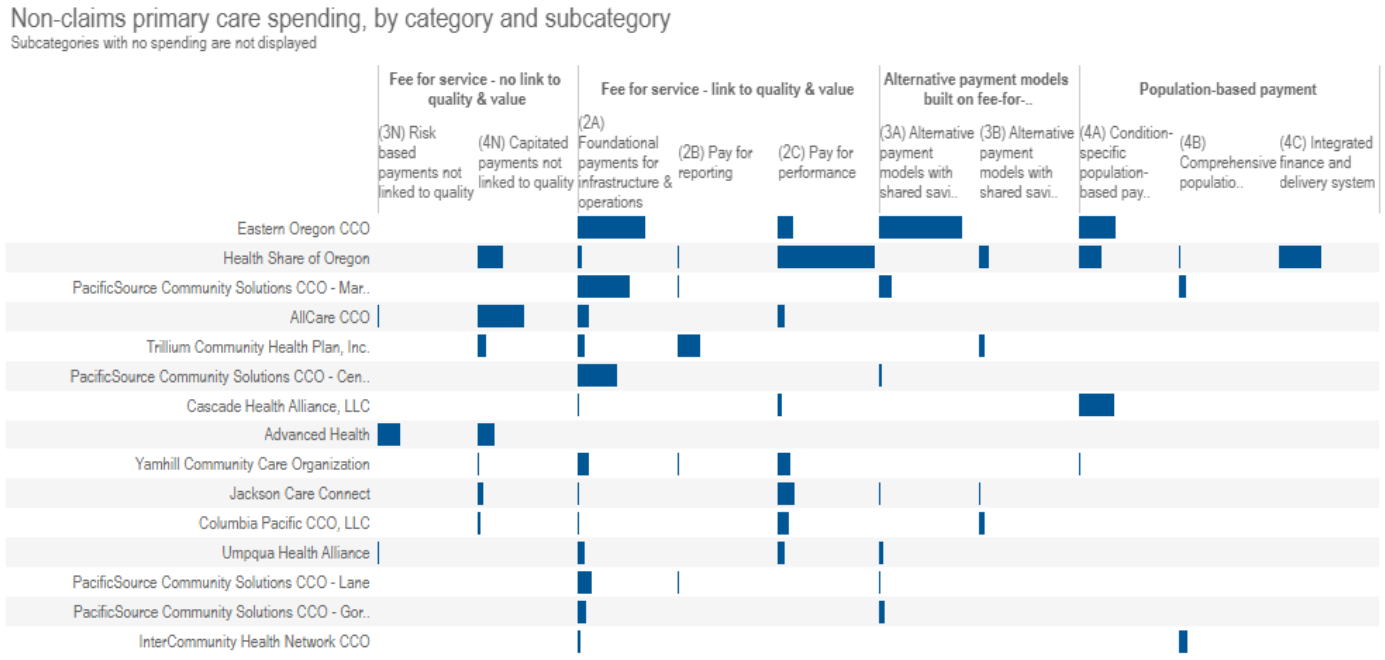
The three payers that exclusively manage ACO-A plans reported 100% APM adoption for their members.

Source: Payer-reported APM data to CHIA.

Notes: Membership under APMs is measured by the share of member months associated with a primary care provider engaged in an alternative payment contract with the reporting payer.

Oregon Examples





[Workbook: Primary Care Spending in Oregon 2020 (state.or.us)]

Questions and Contacts

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