ATTACHMENT L - Accountable Entity Program Overview

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I. Background and Context

The Health System Transformation Project (HSTP) is RI Medicaid's signature care delivery transformation and value-based payment initiative that aims to reduce costs, improve quality of care, and improve population health outcomes. It was created through RI Medicaid's 1115 Demonstration Waiver[1], which provided federal authority and a federal financing mechanism to implement and enable a shift from fee-for-service to a value-based payment model. Specifically, the Demonstration Waiver authorized Rhode Island to claim federal Medicaid matching funds for activities not typically matchable, which created a pool of new funding that the state was authorized to use to establish Accountable Entities (AEs), the core of HSTP. AEs are RI Medicaid's version of Accountable Care Organizations (often called ACOs), provider organizations that take on accountability for health care quality and outcomes, and the total cost of care of their population. AEs constitute the central framework for transforming the structure of the delivery and payment model, as envisioned by the Reinventing Medicaid Workgroup that was convened by Governor Raimondo in March 2015.

II. AE Program Description

EOHHS views the development of AEs as the core objective of its Health System Transformation Project. The AE is an interdisciplinary partnership of providers with a strong primary care base that ensures coordinated access to other services, including specialty care, behavioral health care, and social support services. AEs are accountable for healthcare costs and quality of care for attributed populations and must adopt a population health approach that is population-based, data-driven, evidence-based, person- and family-centered, recognizes and addresses social determinants of health, includes care management and care coordination, and integrates behavioral and physical healthcare. After the completion of a two-year pilot program, the AE Program launched July 1, 2018.

III. AE Program Structure

EOHHS, with stakeholder input, established certification standards for Accountable Entities as well as requirements for contracted Managed Care Organizations (MCOs) to contract with AEs. Starting in 2018, certified AEs entered into contracts with MCOs that incorporated total cost of care (TCOC) payment methodologies, including provisions related to member attribution, shared savings/risk arrangements, and incentive-based infrastructure or performance payments. As of state fiscal year 2024, there are currently seven Certified AEs and two (MCOs) participating in the program.

[1] Refer to https://eohhs.ri.gov/media/37081/download?language=en

By certifying AEs and implementing a total cost of care model inclusive of quality measures, as well as designing AE and MCO incentive payment programs to support development of value-based care infrastructure, EOHHS aimed to shift financial incentives for providers. These structures encouraged AEs to reduce unnecessary healthcare costs, rewarded AEs for meeting quality and performance benchmarks, and promoted care coordination and population health management. In particular, over the course of seven years, incentive funds were increasingly tied to achievement of measurable outcomes, rather than to process milestones. AEs have successfully met program milestones and improved performance on healthcare quality measures in order to earn incentive program funds. In addition, EOHHS leverages HSTP funds to invest in AE activities to improve social determinants of health, another central pillar needed for population health.

AE Core Pillars	Description
1. Value Based Payment Model (TCOC) and Quality Framework	▪ Certified AEs enter into Alternative Payment Methodologies (APMs) on Total Cost of Care (TCOC) with managed care partners in accordance with EOHHS defined requirements, to reduce costs while improving quality of care. ▪ Incorporated within the payment model is a Quality Measure Set; AEs must meet healthcare quality targets and show improved performance, to inform distribution of any shared savings and AE obligation of any shared losses (when applicable). *Additional guidance is outlined in program document Attachment J: Total Cost of Care*[2]
2. AE Application and Certification Standards	▪ AEs demonstrate that they meet defined requirements and standards set forth by EOHHS to become a certified and participate in the AE Program. ▪ AE certification standards are organized into eight domains and two categories and were updated by EOHHS in Program Year 7 to require recertification every two years rather than annually. *Additional guidance is outlined in program document Attachment H: AE Certification Standards.*[3]
3. Attribution Requirements	▪ In the Comprehensive Accountable Entity (AE) program, AEs are responsible for the cost and quality of care for the Medicaid members who are patients of primary care providers affiliated with the AE. "Attribution" refers to the

[2] Refer to Resource Documents | Executive Office of Health and Human Services
[3] Refer to Resource Documents | Executive Office of Health and Human Services

	identification of those members for whom each AE is responsible. *Additional guidance is outlined in program document Attachment M: Attribution Guidance.*[4]
4. Infrastructure Incentive Program Requirements	▪ AEs have earned incentive funds by meeting program milestones and improving outcomes, through HSTP projects and quality-based outcome measures. ▪ Additionally, EOHHS invested in central health IT projects, technical assistance, and workforce development and training initiatives to build system capacity and generate efficiencies, in support. *Additional guidance is outlined in program document Attachment L: Accountable Entity Roadmap_PY7.*[5]
5. SDOH Investments	▪ EOHHS invested more than $3.5M of HSTP funds in projects to address health related social needs, enable clinic – community coordination, and support AEs in impacting upstream social determinants of health to improve population, such as: o Community Resource Platform o Rhode to Equity o Participatory Budgeting *Additional guidance is outlined in program document Attachment L: Accountable Entity Roadmap_PY7.*[6]

Continuation of Ongoing State Engagement

The 1115 Demonstration Waiver authority to claim additional federal funding to support HSTP expired in 2024 and Rhode Island has used the resulting funding pool as prescribed, to establish AEs. Having reached this new stage, EOHHS will continue to support the AE Program by maintaining the technical requirements needed for the TCOC methodology and by working to advance value-based payment across payers and provider types in Rhode Island and to address cost drivers that may not be in an AE's direct control. As such, EOHHS is committed to the broader advancement of value-based payment in Medicaid and partnering with the Office of the Health Insurance Commissioner and key stakeholders within the state to advance policies aimed at containing costs, improving quality of care, and improving population health.

EOHHS will continue to implement the following strategies to support the AE Program over the long term:

[4] Refer to Resource Documents | Executive Office of Health and Human Services
[5] Refer to Resource Documents | Executive Office of Health and Human Services
[6] Refer to Resource Documents | Executive Office of Health and Human Services

a. Maintain and continue to implement the TCOC methodology, including setting TCOC targets and conducting necessary analysis to support MCO TCOC implementation.

b. Monitor opportunities to enhance Medicaid coverage to provide reimbursement for high value services that require consistent support (e.g., Community Health Workers) and incorporate these into the TCOC model.

c. Leverage contractual relationships with MCOs to increase the support of care management and social determinants of health (SDOH) activities.

d. Continue to drive delivery system accountability, quality performance, and demographic data standards, to create efficiencies and improve quality of care for Medicaid members.

e. Leverage multi-payer statewide policies to increase adoption of a range of alternative payment methodologies.