EOHHS Accountable Entity Program
Comprehensive AE Incentive Pool (AEIP) Funding & Structure

January 31, 2017
Agenda

❖ Background and Context: HSTP & AE Program Approach

❖ Establishing the AE Incentive Pool (AEIP)

❖ Incentive Payment Details

❖ Questions and Discussion
Background: Health System Transformation Project

- In October 2016, CMS approved an amendment to RI’s Medicaid 1115 Waiver, bringing $129.8 M in federal financial participation to RI from Nov 2016 – Dec 2020*

- Funding is based on the establishment of a Health Workforce Partnership with RI’s three public higher education institutions, as illustrated:

- The majority of the financing from this waiver amendment will be provided to AEs as incentive-based infrastructure funding via the state’s managed care contracts

*The current RI 1115 Waiver expires at the end of CY 2018 – the STCs of the waiver amendment authorize $79.9 M in FFP through the end date of the waiver, with a commitment to extend authority through 2020 upon waiver renewal
AE Program Approach

Challenges

Nationally recognized Medicaid Managed Care program

Limitations (in RI & nationally)
- Fee based (vs. value based)
- Does not generally focus on health outcomes
- Limited emphasis on Population Health
- Opportunity to better meet the needs of those with complex health needs & exacerbating social determinants

Approach: Three Pillars

1. Certify Accountable Entities
   Define expectations for system transformation

2. APM Guidance
   Require transition from fee based to value based payment model

3. HSTP Incentive Funds
   Support Infrastructure Development

Goal: System Transformation

More effectively meet the real life needs of individuals and their families.

- “Break through” the financing and delivery system disconnects
- Build partnerships across payment systems, delivery systems and medical/social support systems
- Align financial incentives
Status and Timeline

- Medicaid Accountable Entity Application Posted: November 15, 2017
- Medicaid Application Due: February 15, 2018
- Certification: April 15, 2018
- MCO-AE contracts: July 1, 2018
Program Year 1
begins no later than July 1, 2018, ends June 30, 2019.

Incentive funds are administered through participating MCOs
with Total Cost of Care (TCOC) Models that EOHHS has determined to be in
compliance with EOHHS requirements.

Execution of an EOHHC compliant TCOC contract between an MCO and
Certified AE prior to July 1, 2018 is a critical milestone tied to incentive
funds. As such, EOHHS encourages participating parties to begin these
discussions as soon as possible, in anticipation of AE certification.
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Total Incentive Pool (TIP)

- $30 M Total Incentive Funds allocated to Program Year 1
- $21 M 70% allocated to the Comprehensive AE program: 10% of the Comprehensive AE program funds set aside for MCO Incentive Pool

=> $18.9 Million Total AE Incentive Pool (AEIP) for Comprehensive AEs in PY 1 = 90% of $21 M
AE-MCO specific pools

- Each AE-MCO arrangement has a defined AE Incentive Pool (AEIP)
- AEIP is based on PMPM multiplier $X$ estimate # of attributed lives

**Program Year 1: PMPM Multiplier is set at $7.87$ PMPM**

- Total AEIP Pool: $18.9$ M
- Current Pilot Enrollment: 143,000
- Estimated # Attributed Lives: 200,200 *(Current pilot + 40% growth)*
- Resulting Member Months: 2,402,400
**AEIP: Additional Details**

- **Determining the Number of Attributed Members**
  - The number of attributed members must be based on EOHHS Attribution Methodology.
  - The number of MCO-AE attributed member months shall be based primarily on the MCO-AE Attributed Lives Report, submitted to EOHHS upon execution of contract.
  - For the purpose of establishing the AEIP, the number of attributed lives for each AE-MCO relationship shall be fixed by EOHHS at the start of the MCO-AE contract period.

- **Fluctuations in the number of attributed members**
  - Fluctuations in the number of attributed members will not alter the value of the AEIP for the performance period unless there is a material reduction in attributable lives. However, changes in the number of attributed lives will continue to be a factor in calculations in TCOC related contracts with MCOs.
  - A material reduction shall be a reduction of 15% or more sustained over two quarters. In such case the AEIP appropriate reductions shall be made to any remaining payments.
  - The AEIP will not be increased if there is a growth in the attributed lives so as to not exceed the HSTP funds available to EOHHS for this initiative.

- **Funds in the AEIP that are not exhausted within the program year will be retained and applied to next year’s AEIP.**
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# AEIP Incentive Payment Schedule Requirements

<table>
<thead>
<tr>
<th>Domain</th>
<th>Performance Milestone</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Fixed Percentage Allocation Based on Specific Achievement (35%)</strong></td>
<td>• AE Certification/Certification w/Conditions &amp; Execution of TCOC Contract *</td>
<td>15%</td>
</tr>
<tr>
<td></td>
<td>• MCO submission of MCO-AE attributed lives report</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Execution of Compliant Agreement for HSTP Project Plan</td>
<td>10%</td>
</tr>
<tr>
<td></td>
<td>• Execution of Compliant Agreement w/SDOH, BH, SUD Service Provider</td>
<td>10%</td>
</tr>
<tr>
<td><strong>2. Quarterly Reporting on Outcome Metrics</strong></td>
<td>• Defined outcome measures in accordance with EOHHS measure specifications</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>✓ Preventable Admission</td>
<td></td>
</tr>
<tr>
<td></td>
<td>✓ Avoidable ED use</td>
<td></td>
</tr>
<tr>
<td></td>
<td>✓ Readmissions</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• At least 2 MCO-AE outcome metrics</td>
<td></td>
</tr>
<tr>
<td><strong>3. Variable % Allocation Based on HSTP Project Plan</strong></td>
<td>• Specific milestones with each AE HSTP Project Plan</td>
<td>45%</td>
</tr>
<tr>
<td></td>
<td>• Target AE specific opportunities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Focus on certification domains</td>
<td></td>
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<tr>
<td></td>
<td>• No more than 30% of the AEIP can be dedicated to Domains 1-3</td>
<td></td>
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</table>

* If an AE has negotiated and executed such contract with an MCO in anticipation of certification the AE may be immediately eligible for this payment upon certification
AEIP Incentive Payment: Domain 1 Details

TCOC Contract

15% of AEIP

- Combined milestones of certification plus execution of the TCOC contract.
- MCO submits a complete MCO-AE Attributed Lives Report, approved by both the MCO and AE and submitted to EOHHS upon execution of a compliant MCO-AE contract.
- Note: If an AE has negotiated and executed such contract with an MCO in anticipation of certification the AE may be immediately eligible for this payment upon certification.

HSTP Project Plan

10% of AEIP

Must include three core components:
1. An HSTP project plan,
2. An HSTP budget in accordance with EOHHS allowable expenditure rules,
3. Clearly defined performance requirements and milestones.

This milestone shall not be considered complete until the MCO submits a completed MCO-AE Milestones Template to EOHHS.

Agreement with SDOH, BH, SUD Provider

10% of AEIP

Such agreement(s) must demonstrate that at least 10% of Program Year 1 Incentive funds are allocated to partners who provide specialized services to support behavioral health care, substance abuse treatment and/or social determinants.

These agreement(s) shall minimally include three core components:
1) Protocols that enable the identification of social, behavioral and/or SUD service needs;
2) Protocols for the referral of attributed members to participating SDOH, BH and/or SUD provider; and
3) Reporting requirements that include referral tracking.
**Example of Incentive Payments (AE w/ 15,000 Attributed Members)**

<table>
<thead>
<tr>
<th>Example</th>
<th>Attributed Members</th>
<th>Annual Member Months</th>
<th>PMPM Multiplier</th>
<th>AEIP Pool</th>
</tr>
</thead>
<tbody>
<tr>
<td>AE-MCO #1</td>
<td>15,000</td>
<td>180,000</td>
<td>$7.87</td>
<td>$1,416,600</td>
</tr>
</tbody>
</table>

**Milestones**

1. **Fixed Percentage Allocations Based on Specific Achievements**
   - **AE Certification + Meet Value Based Metric through Execution of TCOC Contract**
     - Quarter of Completion: Q1
     - % Allocation: 15%
     - Earned Incentive: $212,490
   - **Initiate Performance Based Incentive Arrangement: Execution of EOHHS Compliant Agreement for HSTP Project Plan**
     - Quarter of Completion: Q1
     - % Allocation: 10%
     - Earned Incentive: $141,660
   - **Agreement with SDOH, BH, SUD provider**
     - Quarter of Completion: Q1
     - % Allocation: 10%
     - Earned Incentive: $141,660

2. **Quarterly Reporting on Outcome Metrics**
   - **Quarterly allocation percentage**
     - **Q1**
       - Quarter of Completion: Q1
       - % Allocation: 5%
       - Earned Incentive: $70,830
     - **Q2**
       - Quarter of Completion: Q2
       - % Allocation: 5%
       - Earned Incentive: $70,830
     - **Q3**
       - Quarter of Completion: Q3
       - % Allocation: 5%
       - Earned Incentive: $70,830
     - **Q4**
       - Quarter of Completion: Q4
       - % Allocation: 5%
       - Earned Incentive: $70,830

3. **Variable Percentage Allocations Based on the HSTP Project Plan**
   - **Percentages shown below are illustrative, not required**
   - **Focus Area #1**
     - Milestone #1
       - 20% allocation
       - Earned Incentive: $283,320
     - Milestone #2
       - 5% allocation
       - Earned Incentive: $70,830
     - Milestone #3
       - 5% allocation
       - Earned Incentive: $70,830
     - Milestone #4
       - 5% allocation
       - Earned Incentive: $70,830
   - **Focus Area #2**
     - Milestone #1
       - 10% allocation
       - Earned Incentive: $141,660
     - Milestone #2
       - 2.5% allocation
       - Earned Incentive: $35,415
     - Milestone #3
       - 2.5% allocation
       - Earned Incentive: $35,415
     - Milestone #4
       - 2.5% allocation
       - Earned Incentive: $35,415
   - **Focus Area #3**
     - Milestone #1
       - 15% allocation
       - Earned Incentive: $212,490
     - Milestone #2
       - 3.75% allocation
       - Earned Incentive: $53,123
     - Milestone #3
       - 3.75% allocation
       - Earned Incentive: $53,123
     - Milestone #4
       - 3.75% allocation
       - Earned Incentive: $53,123
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Establishing the AE Incentive Pool (AEIP)

Incentive Payment Details

Questions and Discussion