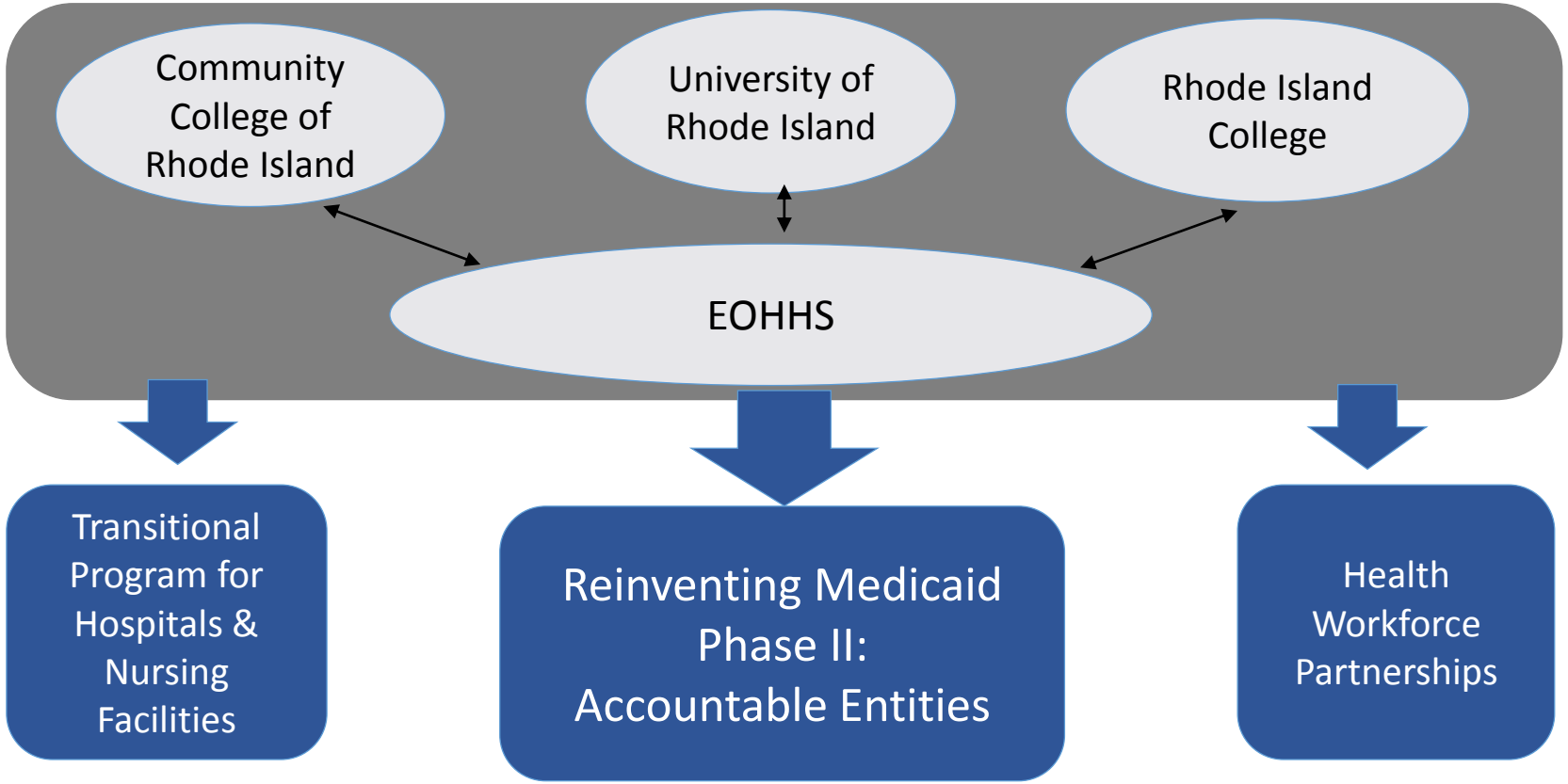
Medicaid Accountable Entities Program Update

March, 2018

Health System Transformation Program (HSTP)

Partnership with Institutions of Higher Education *(DSHP)*



Health System Transformation Project *(HSTP)*

One-year transitional funding to support the transition to new Accountable Entity structures.

System Transformation, including capacity building toward mature, broad based AEs and new specialized provider partnerships

Development of a healthcare workforce that is aligned with the goals of Health System Transformation and the Governor's Jobs Plan

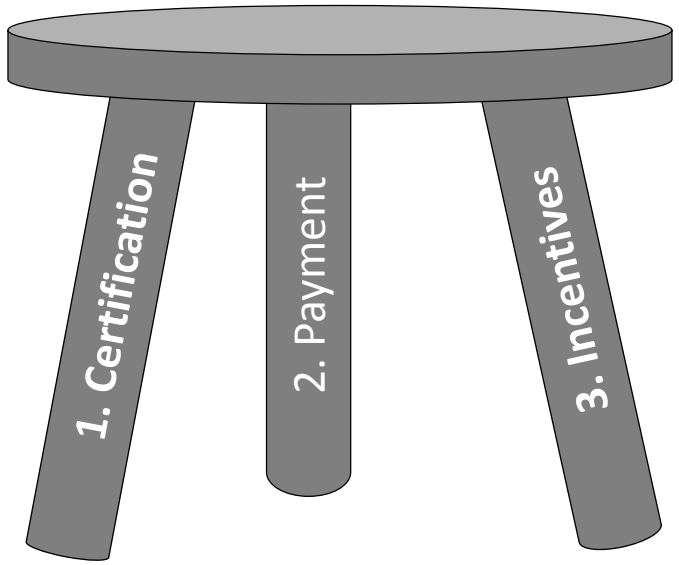
Medicaid Accountable Entities: Goals

- Substantially transition **away from fee-for-service** models
- Define Medicaid-wide **population health** targets (consistent with SIM), and link any incentive payments to performance
- Deliver **coordinated, accountable care for all,** with targeted support for **high-cost/high-need** populations
- Shift Medicaid expenditures **from high-cost institutional settings** to community-based settings as appropriate

Medicaid Accountable Entities: Approach

Program Approach: Three Legged Stool

1. **Certification**
   Define expectations for Accountable Entities: capacity, structure, processes



3. **Incentives**
Targeted Financial incentives to encourage/support for Infrastructure Development (HSTP)

2. Payment
Require transition from fee based to value based payment model (APM Requirements)

Medicaid Accountable Entities: Opportunity

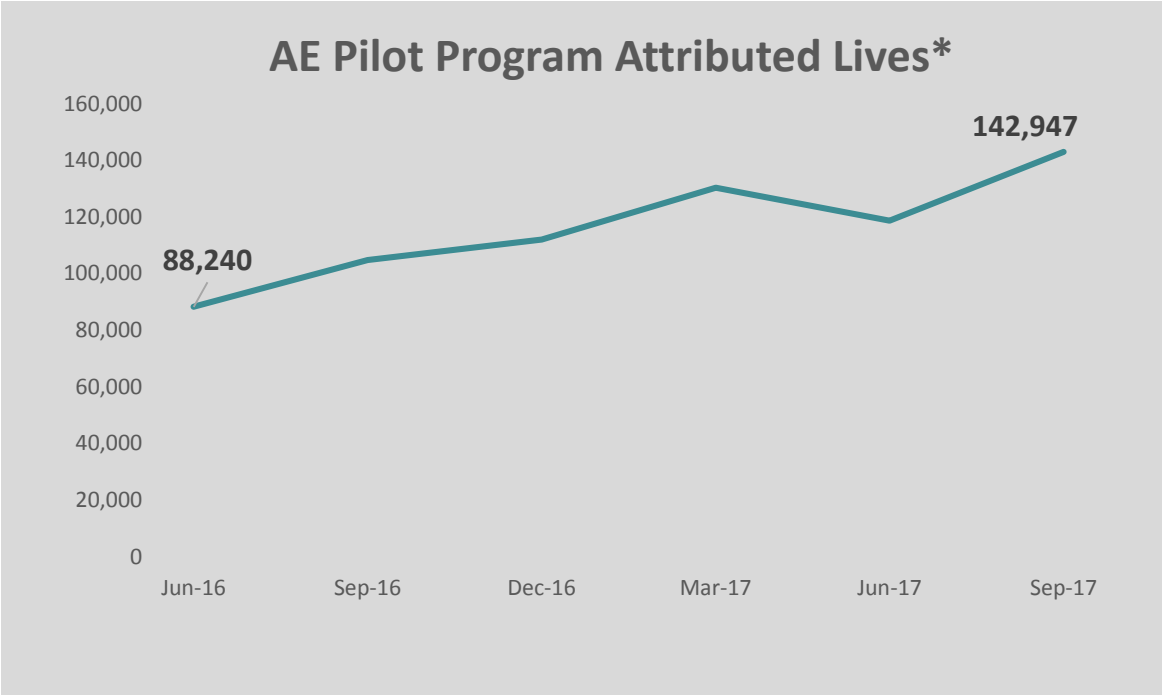
- ✓ **Target: high/rising risk population**
  Top 6% of Medicaid users accounting for 65% of cost, especially:
  Populations receiving institutional and residential services
  Populations with integrated physical and behavioral health care needs

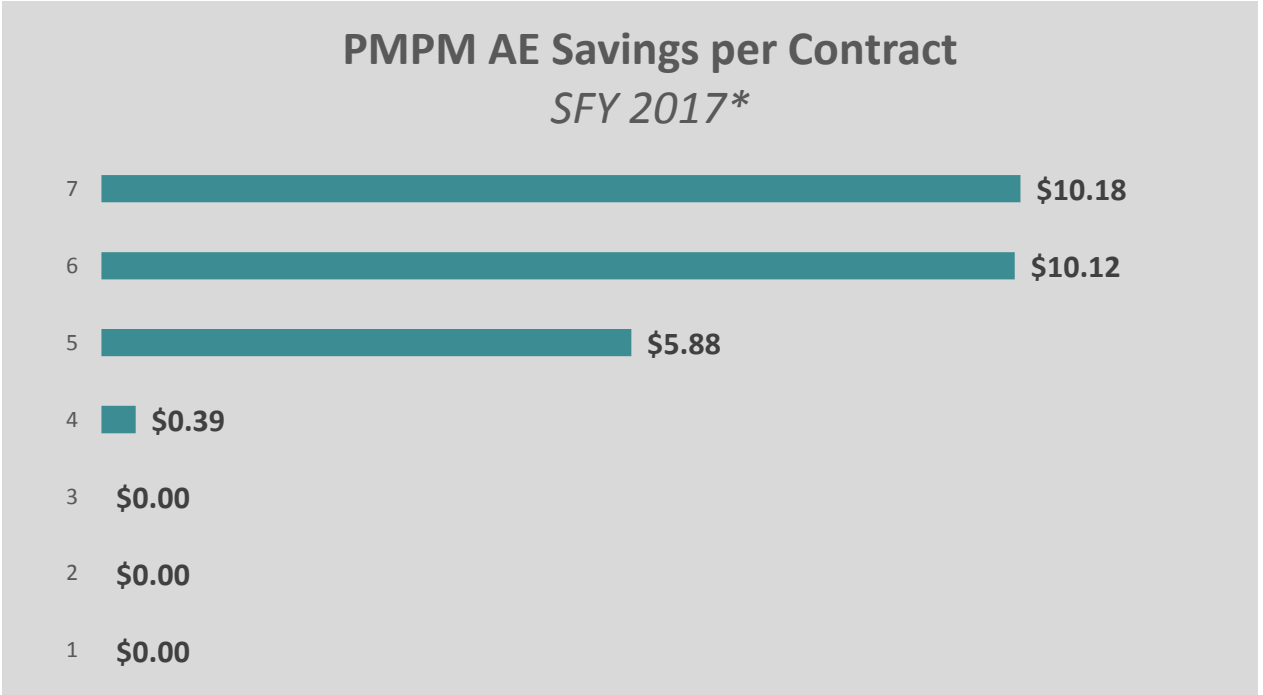
- ✓ **Alignment of financial incentives (State, MCO, AE)**
  Shared responsibility for reduced cost, increased quality

- ✓ **Transition to risk**
  Using HSTP incentives to encourage/require increased AE financial risk and responsibility

Progress to Date

The AE Program has grown considerably since inception; first year financial performance is encouraging





As of Q3 2017 over half (51%) of managed care enrollment is now attributed to AEs.

First year financial performance is encouraging, as 4 of 7 AE contracts accomplished shared savings in SFY 17.

Source Data: AE Attributed Lives: MCO Quarterly Attributed Lives Snapshot Reports
Medicaid Managed Care Enrollment: Q3 2017, RI Medicaid Monthly Managed Care Report as of 9/30/17 (Aug, Sept. Average)
*Participating AEs include: Blackstone Valley Community Health Center, CHC ACO, Integra, Prospect CharterCARE, & Providence Community Health Center

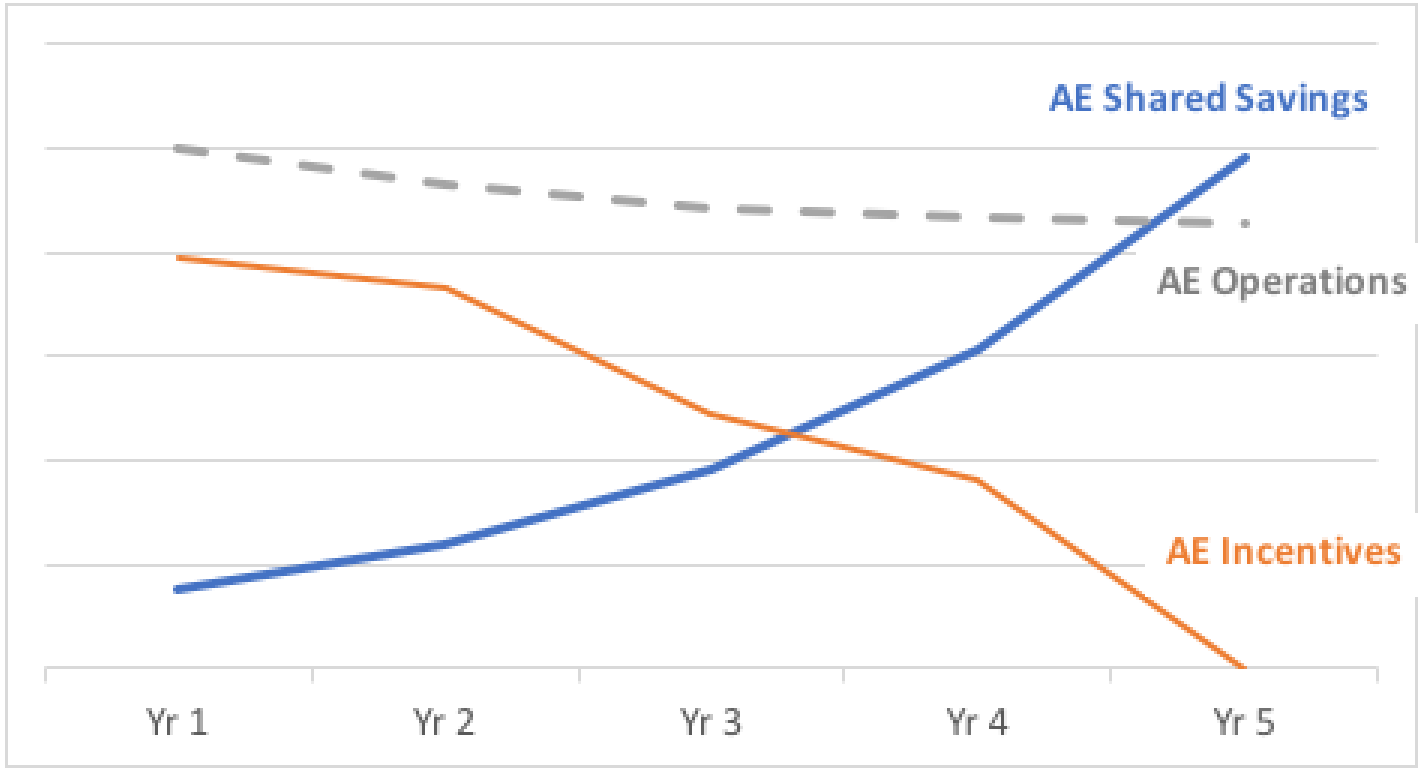
Source Data: MCO Shared Savings Reports
*Note: UHC Shared Savings results are reported for the period July 2016 – September 2017

Key Challenges

- Partnership: CMS, State, MCO, AE
- Flexibility and innovation vs. standardization
- State budget & administrative resources
- Sustainability

Sustainability

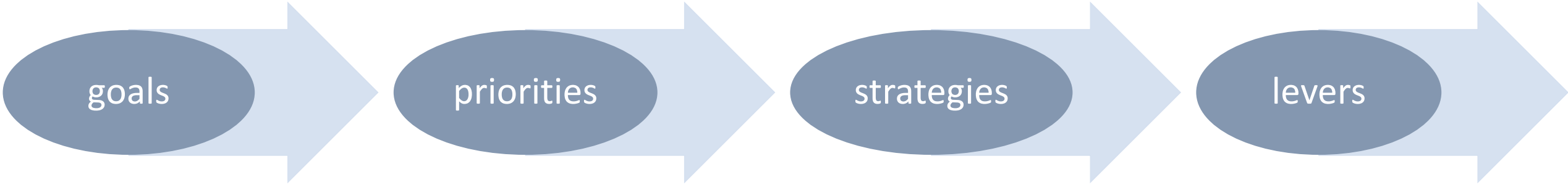
Incentive funding provides unique opportunity for startup funds to support investments in critical AE capacity and infrastructure….



- **AE Operations**
  Building, maintaining new provider capacity and infrastructure
- **AE Incentives**
  Interim support for AE Operations
- **Shared Savings**
  Source of ongoing funding to support AE operations

….Sustainability depends upon AE Savings replacing AE Incentives as source of funding

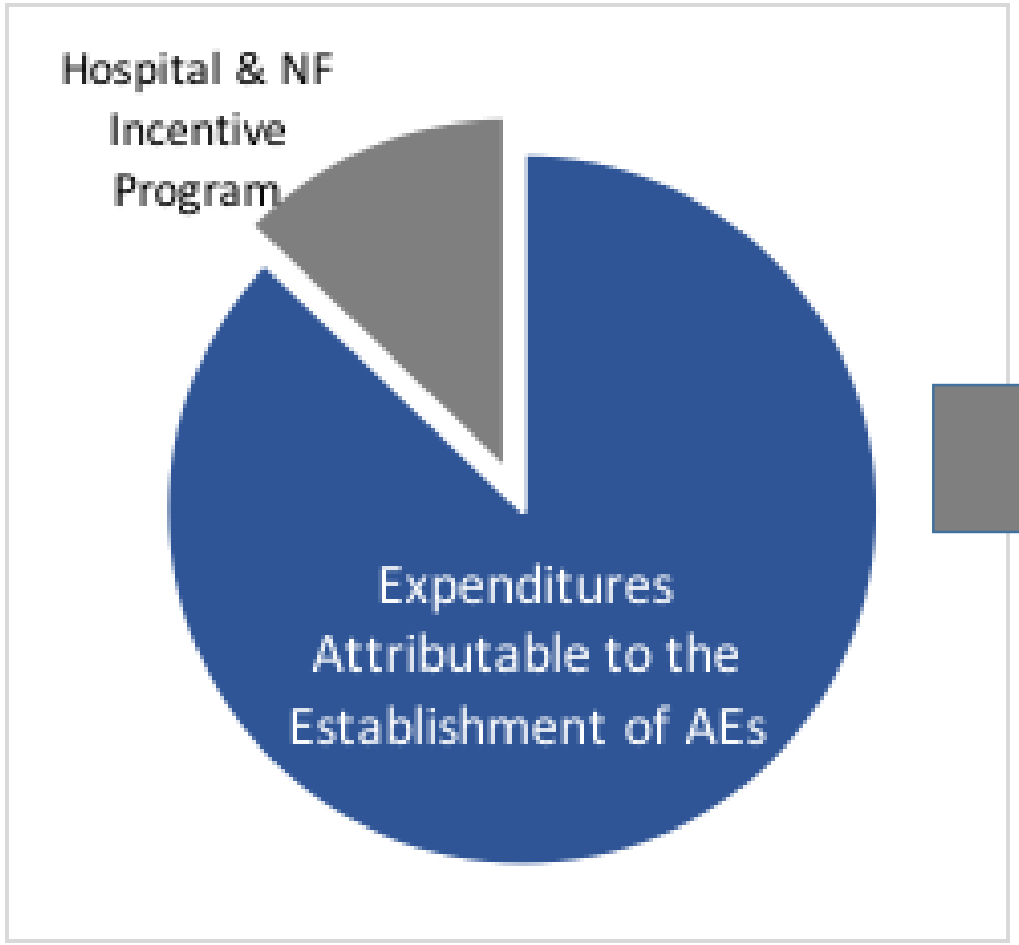
Interagency Alignment



✓ ALIGNED	✓ MOSTLY ALIGNED	✓ ALIGNED	✓ SOME DIFFERENCES
Deliver coordinated, accountable care for all, with targeted support for high-cost/high-need populations	❑ High cost/high need populations (all) ❑ Population Differences ❑ Benefit Differences	❑ Alternative Payment Models (APMs) ❑ Enhanced Provider Capacity ❑ Statewide Metrics	❑ Set Targets & Metrics (all) ❑ APMs: Payor vs. Regulator ❑ *How to* enhance provider capacity

Backup: Targeted Financial Incentives: HSTP

Permissible HSTP Expenditures



Details of Expenditures
"Attributable to Establishment of AEs"

- Incentive based infrastructure funding to AEs
- Health Workforce Development
- HSTP design, implementation and evaluation
- Vital State Health Programs

Questions and Comments