

EOHHS Accountable Entity Program

Comprehensive AE Incentive Pool (AEIP) Funding & Structure

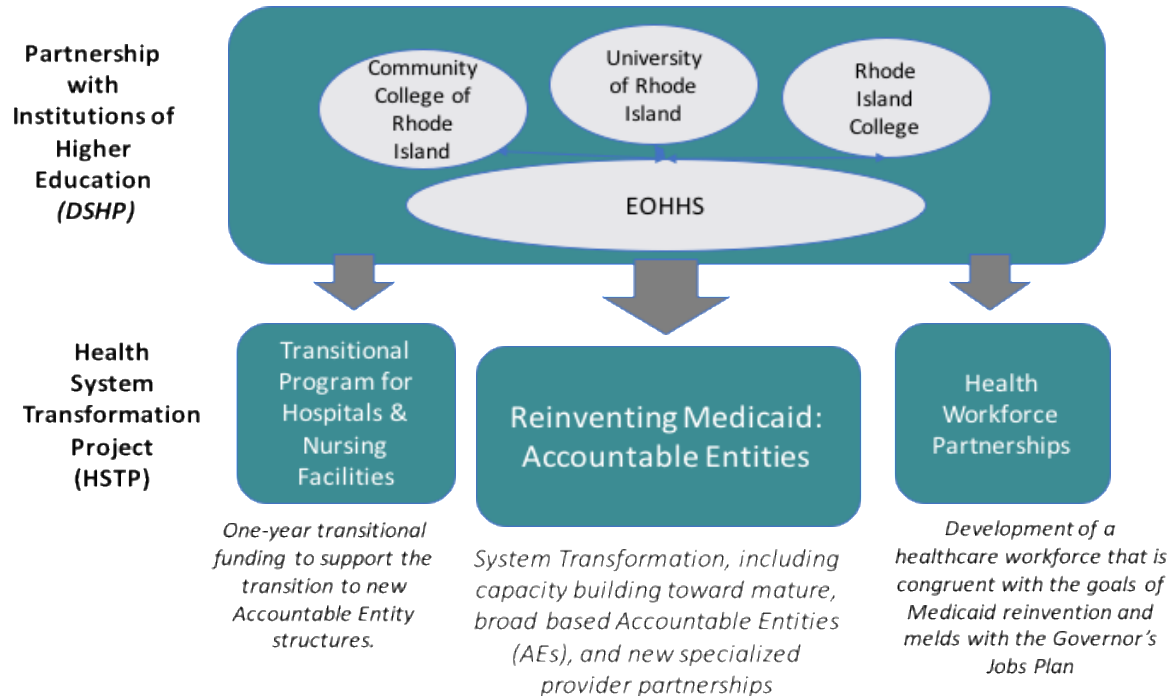
January 31, 2017

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

The Basics

- ❖ **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.***

Agenda

- ❖ Background and Context: HSTP & AE Program Approach
- ❖ Establishing the AE Incentive Pool (AEIP)
- ❖ Incentive Payment Details
- ❖ Questions and Discussion

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.**

Agenda

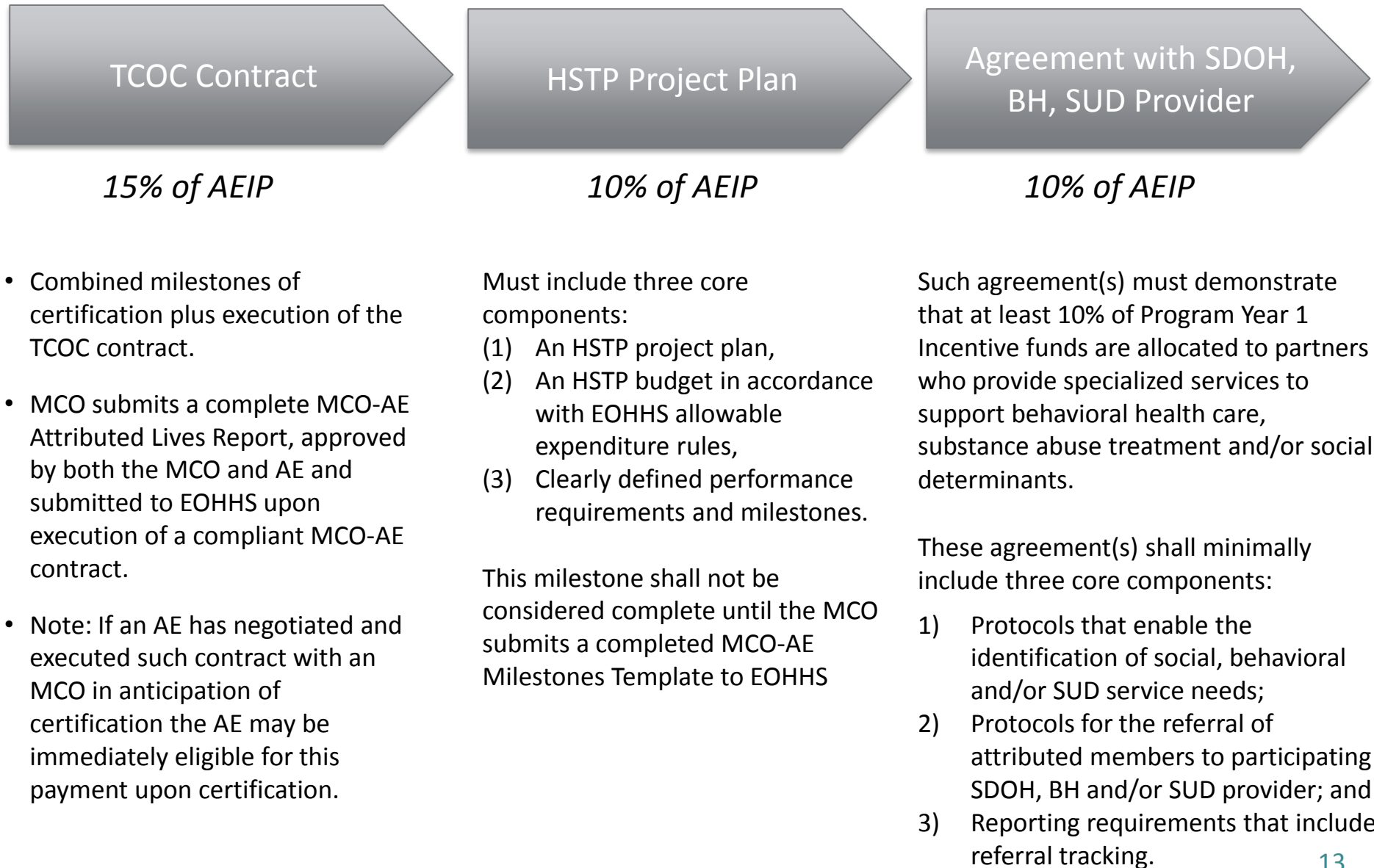
- ❖ Background and Context: HSTP & AE Program Approach
- ❖ Establishing the AE Incentive Pool (AEIP)
- ❖ Incentive Payment Details
- ❖ Questions and Discussion

AEIP Incentive Payment Schedule Requirements

Domain	Performance Milestone	%
1. Fixed Percentage Allocation Based on Specific Achievement (35%)	<ul style="list-style-type: none"> • AE Certification/Certification w/Conditions & Execution of TCOC Contract * • MCO submission of MCO-AE attributed lives report 	15%
	<ul style="list-style-type: none"> • Execution of Compliant Agreement for HSTP Project Plan 	10%
	<ul style="list-style-type: none"> • Execution of Compliant Agreement w/SDOH, BH, SUD Service Provider 	10%
2. Quarterly Reporting on Outcome Metrics	<ul style="list-style-type: none"> • Defined outcome measures in accordance with EOHHS measure specifications <ul style="list-style-type: none"> ✓ Preventable Admission ✓ Avoidable ED use ✓ Readmissions • At least 2 MCO-AE outcome metrics 	20%
3. Variable % Allocation Based on HSTP Project Plan	<ul style="list-style-type: none"> • Specific milestones with each AE HSTP Project Plan • Target AE specific opportunities • Focus on certification domains • No more than 30% of the AEIP can be dedicated to Domains 1-3 	45%

* 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



Example of Incentive Payments (AE w/ 15,000 Attributed Members)

Example	Attributed Members	Annual Member Months	PMPM Multiplier	AEIP Pool
AE-MCO #1	15,000	180,000	\$7.87	\$1,416,600
Milestones		Quarter of Completion	% Allocation	Earned Incentive \$
1.Fixed Percentage Allocations Based on Specific Achievements <i>(required allocation percentage)</i>			35%	\$495,810
AE Certification + Meet Value Based Metric through Execution of TCOC Contract		Q1	15%	\$212,490
Initiate Performance Based Incentive Arrangement: Execution of EOHHS Compliant Agreement for HSTP Project Plan		Q1	10%	\$141,660
Agreement with SDOH, BH, SUD provider			10%	\$141,660
2. Quarterly Reporting on Outcome Metrics <i>(required allocation percentage)</i>			20%	\$283,320
Q1		Q1	5%	\$70,830
Q2		Q2	5%	\$70,830
Q3		Q3	5%	\$70,830
Q4		Q4	5%	\$70,830
3. Variable Percentage Allocations Based on the HSTP Project Plan <i>(percentages shown below are illustrative, not required)</i>			45%	\$637,470
Focus Area #1			20%	\$283,320
Milestone #1			5%	\$70,830
Milestone #2			5%	\$70,830
Milestone #3			5%	\$70,830
Milestone #4			5%	\$70,830
Focus Area #2			10%	\$141,660
Milestone #1			2.5%	\$35,415
Milestone #2			2.5%	\$35,415
Milestone #3			2.5%	\$35,415
Milestone #4			2.5%	\$35,415
Focus Area #3			15%	\$212,490
Milestone #1			3.75%	\$53,123
Milestone #2			3.75%	\$53,123
Milestone #3			3.75%	\$53,123
Milestone #4			3.75%	\$53,123

Agenda

- ❖ Background and Context: HSTP & AE Program Approach
- ❖ Establishing the AE Incentive Pool (AEIP)
- ❖ Incentive Payment Details
- ❖ Questions and Discussion