# AE Program Year 2 Requirements

## Public Stakeholder Meeting

November 14, 2018

# AE Program Updates

**Program Year 1 Incentives**

Signed MCO/AE contracts triggered first payments totaling $2.4 M

**1115 Wavier Renewal**

CMS decision targeted by December 31

**EOHHS/Office of the Health Insurance Commissioner MOU**

Will establish a process for assessing and certifying AE capacity for down-side risk

**AE Advisory Committee will meet January 30th**

Leveraging AEs to integrate behavioral health care with primary care

**AE/MCO HSTP Project Plans to be submitted to EOHHS**

HSTP Project Plans will determine the timing of much of the remaining PY1 incentive funding

# Today's Meeting:
# Program Year 2 Requirements

- **Background**

- Review of Comments

    1. Attribution

    2. Incentive Program

    3. Total Cost of Care

- Next Steps

- Public Comment

# AE Requirements Timeline

**Program Year 1**
*SFY 2019*

**Program Year 2**
*SFY 2020*

**Program Year 3**
*SFY 2021*

**December 15, 2018**
PY 2 Requirements submitted to CMS

**Summer 2019**
PY 3 Requirements development begins

**December 15, 2019**
PY 3 Requirements submitted to CMS

**Program Year 2 Goal:**
Minimally modify AE program requirements to allow for consistency and stability of the model

**Program Year 3 Goal:**
Consider more substantive changes to the AE program requirements to move the program forward

# Initial Proposed Program Year 2 Modifications

Key Revisions included in the draft/released PY 2 Requirements

❑ Elimination of the Specialized AE Pilot Program specifications in recognition of the **delay in Specialized AE Pilot Program development and implementation**

❑ Articulation of the **PY 2 incentive funding specifications**
-- **Pool:** basis for the allocation of funds to AEIP + MCO-IMP
-- **Performance:** required performance areas and milestones

❑ Incorporation of program requirements and **technical corrections communicated since the release of the PY 1 Requirements**

# Program Year 2 Comment Review Process

❑ Draft PY 2 Requirements released on September 18, 2018
30-day public review period ended on October 19, 2018

❑ EOHHS received comments from eight stakeholder entities

- MCOs: NHP, THPP, UHC
- AEs: BVCHC, IHP, PHSRI
- BHDDH
- The Economic Progress Institute (EPI)

❑ EOHHS performed a detailed review of all comments

- Clarifications to Program Year 2 requirements
- Modifications to Program Year 2 requirements
- Program Year 3 Considerations

❑ Comments are posted on the EOHHS website:
http://www.eohhs.ri.gov/Initiatives/AccountableEntities/PublicComments.aspx

# Considerations for Program Year 3

Substantive comments related to the following broad areas have been cataloged for further consideration for PY 3

**ATTRIBUTION**
- Transparency of the AE to the member
- PCP assignment process
- IHH-based attribution

**INCENTIVE**
- MCO-IMP vs. AEIP funding allocation
- Required number of MCO/AE contracts

**TOTAL COST OF CARE**
- Downside risk requirements
- Shared savings and loss pool parameters
- Historic base cost calculation

**QUALITY AND OUTCOMES**
- Transition Outcome Metrics to pay-for-performance
- Alignment of MCO and AE expectations
- Measure specifications, scoring methodology

# Quality and Outcomes

- EOHHS is currently in the process of securing an SME to move forward the work of refining the quality and outcome measures framework

- SME Scope of Work:
    - Recommend specific enhancements to the Medicaid AE Quality standards
    - Recommend specific enhancements to the Medicaid AE Outcome Measurement plan
    - Convene stakeholders to seek robust input and advice
    - Recommend specific enhancements to the Medicaid Comprehensive Quality Strategy

# Focus of Today's Meeting

Program Year Two AE Requirements

❑ Background

❑ **Review of Comments**

    1. **Attribution**

    2. **Incentive Program**

    3. **Total Cost of Care**

❑ Next Steps

❑ Public Comment

# Attribution Requirements Overview

❑ Defines the Population Eligible for Attribution

❑ Specifies Certified AE-Identified Providers

❑ Establishes an Attribution Hierarchy
- IHH Assignment, determined by BHDDH
- PCP Assignment by the MCO

❑ Defines process for quarterly updates to PCP assignment and attribution

# Stakeholder Feedback: Attribution

**Modifications to PY 2 Requirements**

- Eliminate the attribution logic exception for IHH members who change their PCP to one participating in an AE

**Clarifications to PY 2 Requirements**

- Members enrolled in an IHH include members enrolled in Assertive Community Treatment (ACT)
- Reference to Rhody Health Options (RHO) members removed; the population eligible for attribution remains unchanged (Medicaid-only beneficiaries enrolled in managed care)

**PY 3 Considerations**

- Transparency of the AE to the member
- PCP assignment process
- IHH-based attribution

# Incentive Program Requirements Overview

**Overall Funding: Medicaid Infrastructure Incentive Program (MIIP)**

- Comprehensive vs. Specialized Allocation
- Allocation AEIP and MCO-IMP

**HSTP Project Plan**

- Required Components, Process of Evaluation
- Structure of Implementation, Reconciliation

**AEIP Requirements**

- EOHHS Priorities, Allowable Areas of Expenditure (Domains)
- Required Performance Areas and Milestones

**MCO-IMP**

- Required Performance Areas and Milestones

# Stakeholder Feedback: Incentive Program

**Modifications to PY 2 Requirements**

- Monthly attribution rosters will be due 15 days from the start of the month (as opposed to 10 days)
- A member level detail report beneath the MCO/AE co-signed attribution report must be provided to the AE in advance of signing

**Clarifications to PY 2 Requirements**

- Outcome Metrics -  AE Engagement Requirements (AE Outcome Metrics meeting and submission of an AE Outcome Performance Plan) will be further defined

**PY 3 Considerations**

- Flexibility of MCO-IMP vs. AEIP funding allocation
- Required number of MCO/AE contracts
- Transition Outcome Metrics to pay-for-performance

# Stakeholder Feedback: Incentive Program

## AEIP PY 2 Funding Allocation

❑ **Domain 1 Reduction**
Anticipates less start-up cost associated with these milestones in PY 2, as compared to PY 1

❑ **Reporting on Outcome Metrics**
Reduction recognizes that outcome metrics will remain pay for reporting in PY 2; EOHHS anticipates increasing the funding allocation to this category when outcome metrics are transitioned to pay-for-performance in PY 3

| AEIP Performance Area | PY 1 | PY 2 |
|---|---|---|
| **Developmental Milestones:** Fixed Percentage Allocations Based on Specific Achievements | 35% | 20% |
| **Quarterly Reporting on Outcome Metrics** | 20% | 15% |
| **Developmental Milestones:** Variable Percentage Allocations Based on the HSTP Project Plan | 45% | 65% |
| **Total** | **100%** | **100%** |

# Stakeholder Feedback: Incentive Program

## MCO-IMP PY 2 Funding Outcome Metrics

❑ EOHHS received feedback that outcome metrics should be included in the MCO-IMP funding allocation

❑ Outcome Metrics to be distinguished as a distinct MCO-IMP milestone

| MCO-IMP Performance Area | PY 2 | PY 2 Revised |
|---|---|---|
| APM Contracting with AEs | 20% | 15% |
| AEIP Program Development | 20% | 15% |
| AEIP Program Implementation | 30% | |
| AEIP Program Oversight | 30% | 40% |
| Quarterly report on results of monitoring to member access to care | 10% | 5% |
| Summary reports on AE incentive performance and payments | 10% | |
| Completion of required operations, quality, and financial reporting | 10% | |
| Outcome Metrics | | 15% |
| Total | 100% | 100% |

# Stakeholder Feedback: Incentive Program

*Value based* agreement with SDOH, BH, and/or SUD provider

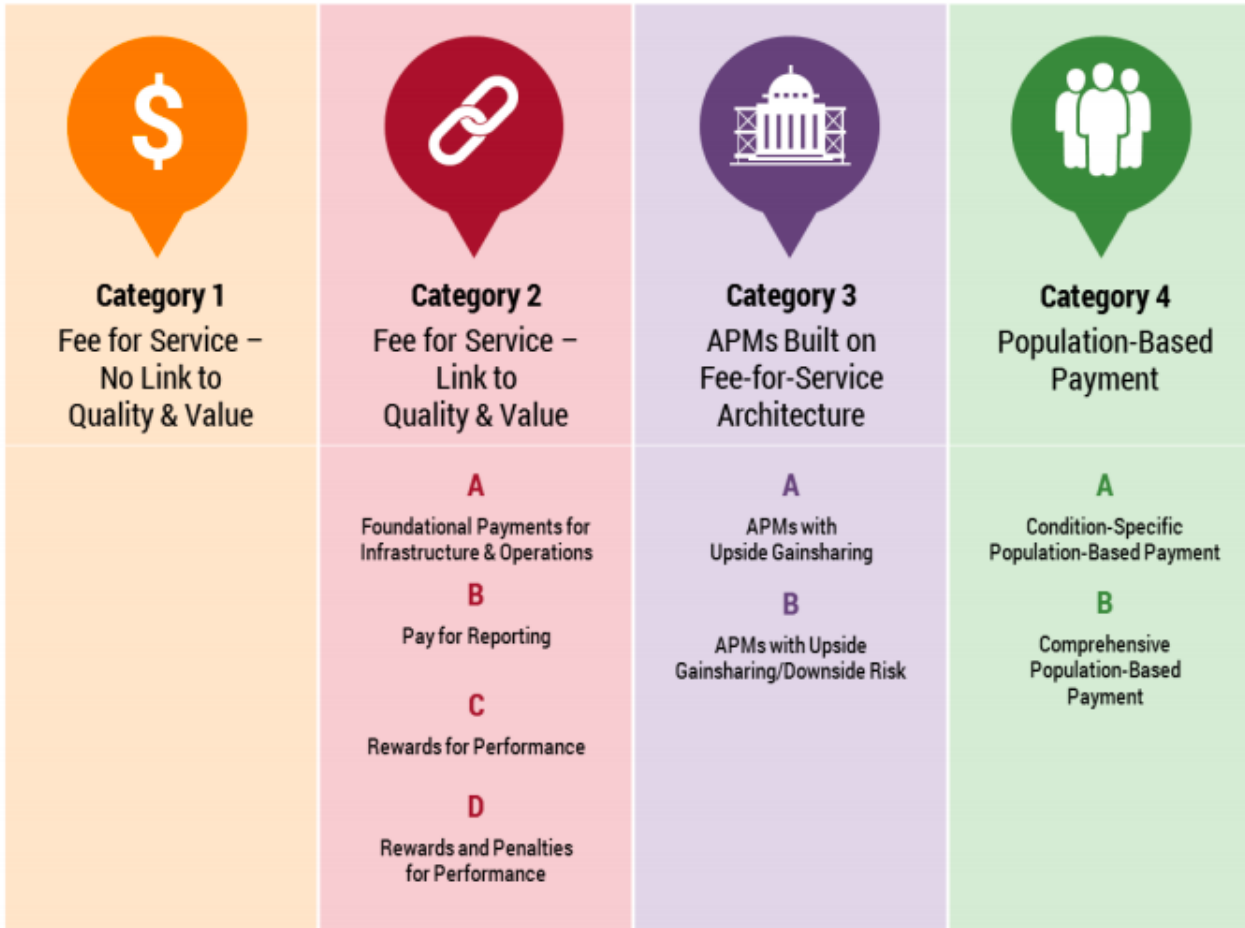***Must be in accordance with the standards defined by HCP-LAN for a Category 2 APM***

- ❑ In order to qualify as a **Category 2 APM**, the executed agreement must include one or more of the following:
  - Foundational payments for infrastructure and operations
  - Pay for reporting
  - Rewards for performance
  - Rewards and penalties for performance
- ❑ The execution of a value based agreement is intended to encourage development of meaningful partnerships in PY 2

# Stakeholder Feedback: Incentive Program

## HCP-LAN APM Framework

### Figure 1. APM Framework (At-A-Glance)



| Category 1 | Category 2 | Category 3 | Category 4 |
|---|---|---|---|
| Fee for Service – No Link to Quality & Value | Fee for Service – Link to Quality & Value | APMs Built on Fee-for-Service Architecture | Population-Based Payment |
| | **A** Foundational Payments for Infrastructure & Operations | **A** APMs with Upside Gainsharing | **A** Condition-Specific Population-Based Payment |
| | **B** Pay for Reporting | **B** APMs with Upside Gainsharing/Downside Risk | **B** Comprehensive Population-Based Payment |
| | **C** Rewards for Performance | | |
| | **D** Rewards and Penalties for Performance | | |

Source: Health Care Payment Learning and Action Network, *Alternative Payment Model (APM) Framework: Final White Paper,* https://hcp-lan.org/workproducts/apm-whitepaper.pdf

# Stakeholder Feedback: Incentive Program

Additional Program Clarifications

❑ The inclusion of an additional AE for PY 2 will not change the AEIP or MCO-IMP funding amounts shown
(MCO-IMP funds are available for up to 5 AE contracts)

❑ The quarterly report on results of monitoring of member access to care is a standard report included in the MCO reporting calendar

❑ Ambulatory Care Sensitive ED Visits measure specifications will be shared as soon as possible for MCO/AE review

# TCOC Requirements Overview

**Setting the Performance Target**

**Performance and Savings/Risk**

**Defining the Historical Base**

- AE specific historical cost
- Covered services
- Mitigation of impact of outliers
- Adjusting for changing risk
- Required cost trend assumptions

**Required Adjustments to the Historical base**

- Prior year savings
- Historically low cost AEs

**TCOC Expenditure Target for the Performance Period**

- Required cost trend assumptions
- Adjusting for Changes to the attributed risk profile

**Actual Expenditures for the Performance Period**

- Calculate actual expenditures consistent with historical base methodology

**Shared Savings/Loss Pool Calculation**

- Small sample size adjustment
- Impact of Quality and Outcomes
- Maximum allowable shared savings pool

**AE Share of the Savings/loss**

- AE share of savings/loss
- Required progression to downside risk

# Stakeholder Feedback: Total Cost of Care

**Modifications to PY 2 Requirements**

In order to preserve TCOC model stability in PY 2, **no significant modifications** will be made to the TCOC model requirements for PY 2.

**Clarifications to PY 2 Requirements**

- Changes in covered services
- Risk adjustment requirements, including transparency
- Small sample size adjustment
- Cost trend assumptions, treatment of budgetary savings

**PY 3 Considerations**

- Downside risk requirements + approval process
- Shared savings and loss pool parameters
- Pharmacy cost exclusion
- Historic base cost calculation + risk normalized

# Focus of Today's Meeting

Program Year Two AE Requirements

❑ Background

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❑ **Next Steps**

# Next Steps

- Next meeting: November 26, 2018

- AE PY 2 Requirements due to CMS: December 15th

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Program Year Two AE Requirements

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❑ Next Steps

❑ **Public Comment**