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Building Value in Medicaid

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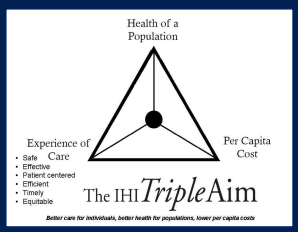
Medicaid Managed Care Model

- >20 Year transition to managed care model: ~92% of Medicaid populations now enrolled in a health plan
  - **Why?**
    - Emphasize preventive care
    - Improve access to care
    - Ensure appropriate utilization of services
    - Ensure care coordination through a medical home
    - Improve client and provider satisfaction
    - Improve health outcomes, quality of care, and cost effectiveness
    - Promote care in the least restrictive, most appropriate setting

The Triple Aim



The Triple Aim as a Value Based Concept

Goals

- Improve the experience of care (Better Care and Services)
- Improve the health of populations (Healthier People)
- Reduce per capita costs (Smarter Spending)

Value oriented: Pursue simultaneous improvement of all three aims

~~Lower cost, lower quality~~
~~Better quality, higher cost~~
Lower cost, same quality
Better quality, same cost
Better quality, lower cost!!

Key Value-Based Programs

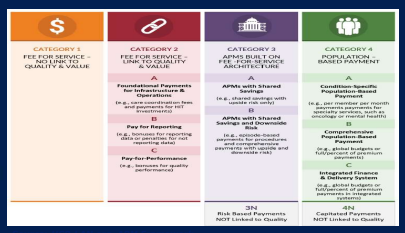
MEDICAL PAY FOR QUALITY	Budget neutral program that creates incentives and disincentives for managed care organizations based on their performance on quality measures identified by HHSC. Health plans that excel on meeting the measures are eligible for additional funds above their existing premium payments; health plans that don't meet their measures can lose funds.
MCO VALUE-BASED CONTRACTING WITH PROVIDERS	HHSC Contractual requirement for MCOs to develop value-based or alternative payment models with providers.
HOSPITAL QUALITY BASED PAYMENT PROGRAM FOR PPR/PPC	Hospital program designed to improve rates of potentially preventable readmissions and complications (PPRs and PPCs) though incentives and disincentives. Program is operated in both managed care and fee-for-service.
DELIVERY SYSTEM REFORM INCENTIVE PAYMENT (DSRIP) PROGRAM	Incentive payments to hospitals and other providers that develop programs or strategies to enhance access to health care, increase the quality and cost-effectiveness of care, and improve the health of patients and families served.
QUALITY INCENTIVE PAYMENT PROGRAM (QIPP)	Incentivizes nursing facilities to improve quality and innovation in the provision of nursing facility services, using the CMS five-star rating system as its measure of success.

MCO APMs with Providers

The What and Why

- APMs are value-based contracting models where providers assume increased accountability for both quality and total cost of care. The term is often used synonymously with value-based payment (VBP) but may also refer to a more systematic approach to VBP where APMs exist along a continuum with progressively greater emphasis on the management of a population (e.g. shared savings, bundled payments, and capitation).
- **Why:** to align payment with value and reward success!

A Common Framework for APMs



MCO APMs with Providers

Fiscal Year 2018 MCO contracts include requirements for:

- **VBP Targets** (ratios of $ paid in VBP relative to overall medical expense), increasing over 4 years (overall and risk based)
- Data collection by HHSC
- Data/report sharing by MCOs with providers
- Dedication of MCO resources to support VBP
- Ongoing one-on-one dialogue with MCOs AND providers on their VBP efforts and barrier identification

MCO APMs with Providers

Year	Overall VBP target	Risk Based VBP Target
2018	25% of medical expense in a VBP model for MCOs and dental contractors (DCs)	10% of medical expense in a risk based VBP model for MCOs; 2% for DCs
2021	50 % of medical expense in a VBP model for MCOs and DCs	25% of medical expense in a risk based VBP model for MCOs; 10% for DCs

MCO Value-Based Provider Contracts- What HHSC Sees thus Far

- First, a **BIG THANK YOU** to MCOs and providers.

Past and Future Efforts

- 2012 initial survey to MCO on APMs:
  - Nearly all MCO provider reimbursement in a fee-for-services (FFS) model with no link to quality or value
- 2013-2016:
  - MCO contract language on APMs and informational deliverables developed
  - Ongoing one-on-one dialogue with MCOs on their APM efforts and barrier identification

MCO Value-Based Provider Contracts- What HHSC Sees thus Far

Past and Future Efforts, cont.

- 2017 progress (one year prior to implementation):
  - Approximately 40% of MCO provider reimbursement in an APM with a link to quality/value
  - Significant focus on primary care models

MCO Value-Based Areas of Focus, 2017

Provider Type	Number of Models	Percent
ACO	4	1.5%
Dental Home	3	1.1%
Home Health	13	4.7%
Hospitals (inpatient)	47	17.2%
Hospitals (outpatient)	8	2.9%
Nursing Facilities	4	1.5%
OB/GYN	27	9.9%
Other Provider Type	15	5.5%
Outpatient Behavioral Health	20	7.3%
Pharmacy	11	4.0%
Primary Care	105	38.3%
Specialist	13	4.7%
Urgent Care	4	1.5%
TOTAL	274	100%

MCO Value-Based Provider Contracts- What HHSC Sees thus Far

- Most VBP models based on fee for service fee schedule with add on payments for achievement of metric(s):
  - ↑ HEDIS Measures
  - ↓ Potentially Preventable Events
  - ↑ After Hours Availability
- Mostly primary care, some specialist or other facility based providers
- Most have "upside" only
- Although there are some partial capitation for primary care/group practices and bundled payment models
- MCOs are meeting providers "where they are at"

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Is VBP Increasing Access

VBP is a strategy for increasing provider participation in Medicaid

- VBP encourages more efficient delivery of care and allows health plans to share resulting savings with providers
- Health plans report they paid a net of $84 million in incentives to providers in 2017, including $72 million to physicians
- It's too soon to conclude that provider participation in managed care is trending up, but HHSC is studying the newest data

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HHSC Resources to Support VBP

Web Resources (see reference slide for weblink):

- Current
  - MCO requirements for value-based contracting
  - Reporting template for health plan APMs with providers
  - Summaries of APM volumes 2012 – 2014
  - Set of outside Resources related to VBP and APMs
  - Webinars on HHSC's approach towards VBP and APM
- Future
  - Frequently Asked Questions on APMs
  - Success stories
  - APM analytic dashboard

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Value Based Payment Roadmap

Value-Based Payment Roadmap-Guiding Principles

- Continuous Engagement of Stakeholders
- Harmonized Efforts
- Administrative Simplification
- Data Driven Decision-Making
- Movement through the APM Continuum
- Rewarding of Success

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Roadmap: Key Principles

- Data integrity and analytical capacity is critical
- Maintaining open communications and transparency in processes/methods is critical
- Continuous engagement of stakeholders
- Use of effective measures to advance quality and efficiency
- Keep it simple and effective. Must also be clearly understood
- Balance of properly scaled incentives and disincentives
- Need for a coordinated approach, harmonize where possible
- Collaborative relationships between MCOs, health care systems, and providers are crucial

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Roadmap: Keys to Success

Challenges to Address

- Clients must always come first
- Accountability at all levels (patient to payer)
- Align financial and clinical models between multiple payers, provider types, and populations
- Increase level of VBP readiness and willingness across MCOs and providers
- Build in administrative simplification and maintain it
- Patient attribution – identifying which providers have primary responsibility for a patient's health

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Roadmap: Keys to Success

Challenges to Address, cont.

- Address challenges of rural providers and small practices
- Progress through the APM continuum
- Timely, comprehensive data and enhanced analytics
- Examine MCO rate setting for opportunities to support and sustain VBP/APM
- Examine historic roles of HHSC and MCOs
- This is a complex and long term endeavor that is evolving in a dynamic state, federal, commercial environment

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Value Based Payment and Quality Improvement Advisory Committee

- Committee of healthcare experts that advises HHSC on strategies to advance healthcare value
- Provides a forum to promote public-private, multi-stakeholder collaboration in support of quality improvement and value-based payment initiatives for Medicaid, other publicly funded health services, and the wider health care system
- Develops a report of recommendations every two years, inaugural report issued in December 2018
- Advancing the APM/VBP initiative continues to be a primary focus of the committee's work

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VBPQI Advisory Committee

Work planned by the committee to help advance APM/VBP includes:

- Identifying consensus measures, analytical frameworks, and data sharing to support quality improvement and VBP, starting with:
  - Maternal and Child Health
  - Behavioral Health
  - Population level/cross cutting initiatives
- Promoting awareness, education, and knowledge of best practices for APMs and value-based contracting (Toolkit)

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Future of the APM/VBP Initiative

- MCOs will likely meet or exceed targets for CY2018
- But…targets are not the goal; the goal is movement toward a value-driven system
- HHSC will continue to examine ways to support the principles as outlined in the VBP Roadmap:
  - Continuous Engagement of Stakeholders
  - Harmonized Efforts
  - Administrative Simplification
  - Data Driven Decision-Making
  - Movement through the APM Continuum
  - Rewarding of Success

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Future of the APM/VBP Initiative

- More VBP→ APMs to include greater penetration in home health, pharmacy, behavioral health, and collaborative models
- Support/promote more real time data exchange (Actionable Data)
- Measure results (HEDIS metrics, preventable events, total cost of care)
- Evaluate impact of the APM initiative, both overall and for the most promising models
- Support industry driven efforts for administrative simplification

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References

Links at HHS.Texas.Gov:

Medicaid and CHIP Quality and Efficiency Website:

https://hhs.texas.gov/about-hhs/process-improvement/Medicaid-and-chip-quality-and-efficiency-improvement

VBPQI Advisory Committee:

https://hhs.texas.gov/about-hhs/leadership/advisory-committees/value-based-payment-quality-improvement-advisory-committee

Medicaid Overview:

https://hhs.texas.gov/sites/default/files/documents/laws-regulations/reports-presentations/2019/leg-presentations/mcs-house-appropriations-feb-6-2019.pdf

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Thank You