

Value-Based Purchasing Discussion

**A Presentation to the
Committee on Health and Human Services
Michelle Probert
Director, Office of MaineCare Services**



Goals for Session

1. Understand what Value-Based Purchasing (VBP) is, and how it supports goals to improve the cost and quality of care.
2. Learn about MaineCare's VBP goals and initiatives.

What is Value-Based Purchasing?

$$\text{VALUE} = \frac{\text{QUALITY}}{\text{COST}}$$

Now is (Still) the Time



February 2021

PolicyBRIEF

Produced by the Leonard Davis Institute of Health Economics and the Healthcare Transformation Institute at the University of Pennsylvania, with guidance from a national panel of experts.

THE FUTURE OF VALUE-BASED PAYMENT

Five Recommendations to Accelerate Adoption and Transformation

The JAMA Forum

October 27, 2020

Financial Stability as a Goal of Payment Reform— A Lesson From COVID-19

Suhas Gondi, BA¹; Dave A. Chokshi, MD, MSc^{2,3}

Issue Brief
May 2020



HEALTH AFFAIRS BLOG

RELATED TOPICS:

COVID-19 | TELEHEALTH | PAYMENT | GRANTS | SYSTEMS OF CARE

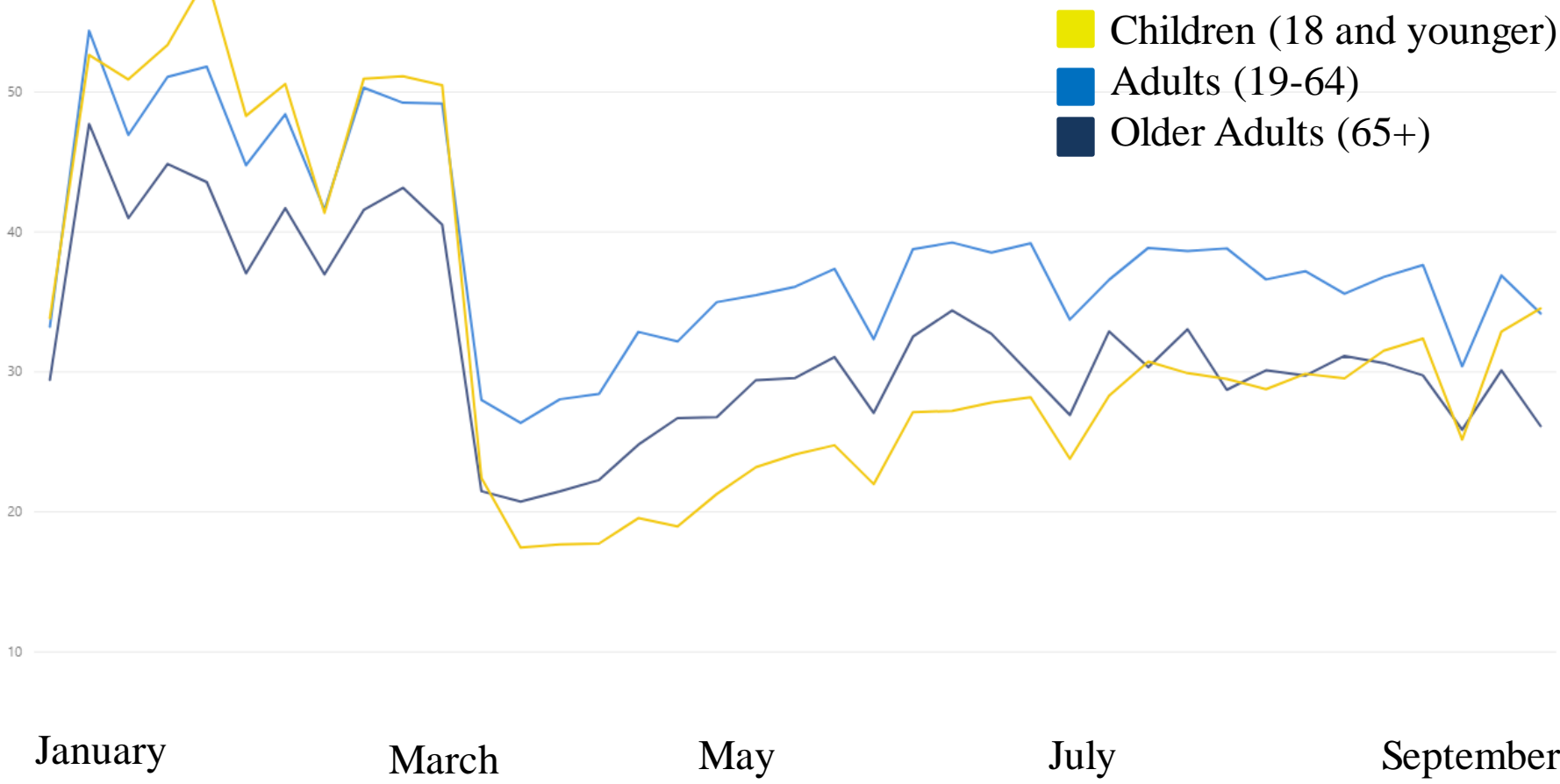
How Payment Reform Could Enable Primary Care to Respond to COVID-19

After COVID-19, A Payment Policy Reboot: Three Lessons From The Pandemic On How To Improve Value-Based Payment

Amol S. Navathe, Joshua M. Liao

MaineCare Primary Care Visits in 2020, By Age

Visits per 1000 Members per Week



What is Value-Based Purchasing?

Upside risk
Pay-for-Performance
Health Homes
Accountable Care Organizations
Patient-Centered Medical Homes
Bundled payments
Risk adjustment
Episodes of Care
Downside risk
Shared Savings Payments

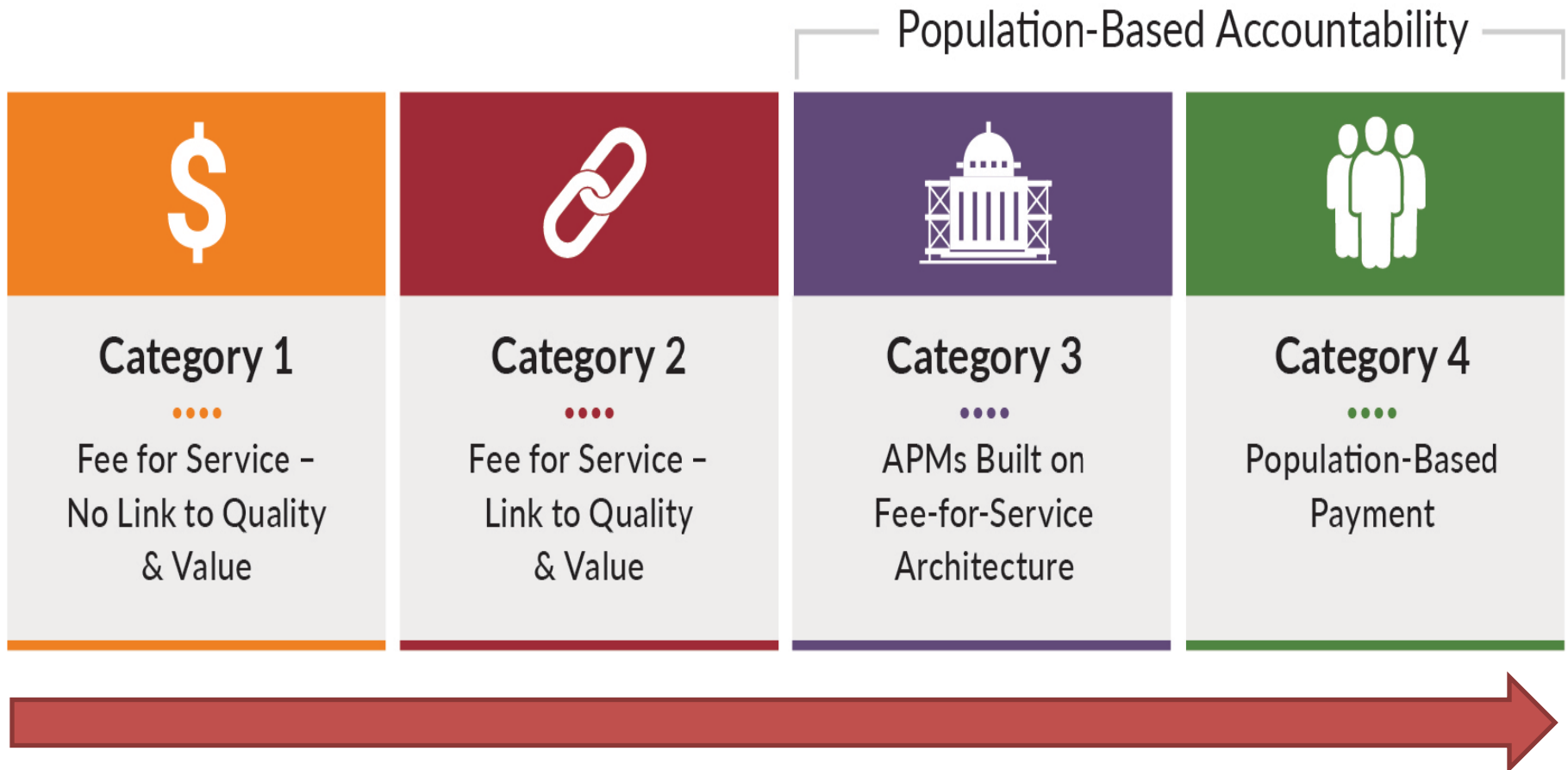
Delivery Systems

- Accountable care organizations
- Patient centered medical homes
- Centers of excellence

Alternative Payment Models

- Pay-for-performance
- Shared risk models
- Population-based payment
- Episodes of care

Alternative Payment Models (APMs) are the means to get to VBP



Source: [Alternative Payment Model \(APM\) Framework and Progress Tracking Work Group](#)

Examples of Initiatives Using APMs



Blue Cross Blue Shield: Hospital P4P

BCBS of Michigan provides bonus payments to hospitals who achieve success in quality, cost efficiency, and population health management, as long as they have received at least either a CMS Star Rating of 2 or a Leapfrog Safety Grade of “C”



Medicare Shared Savings Program

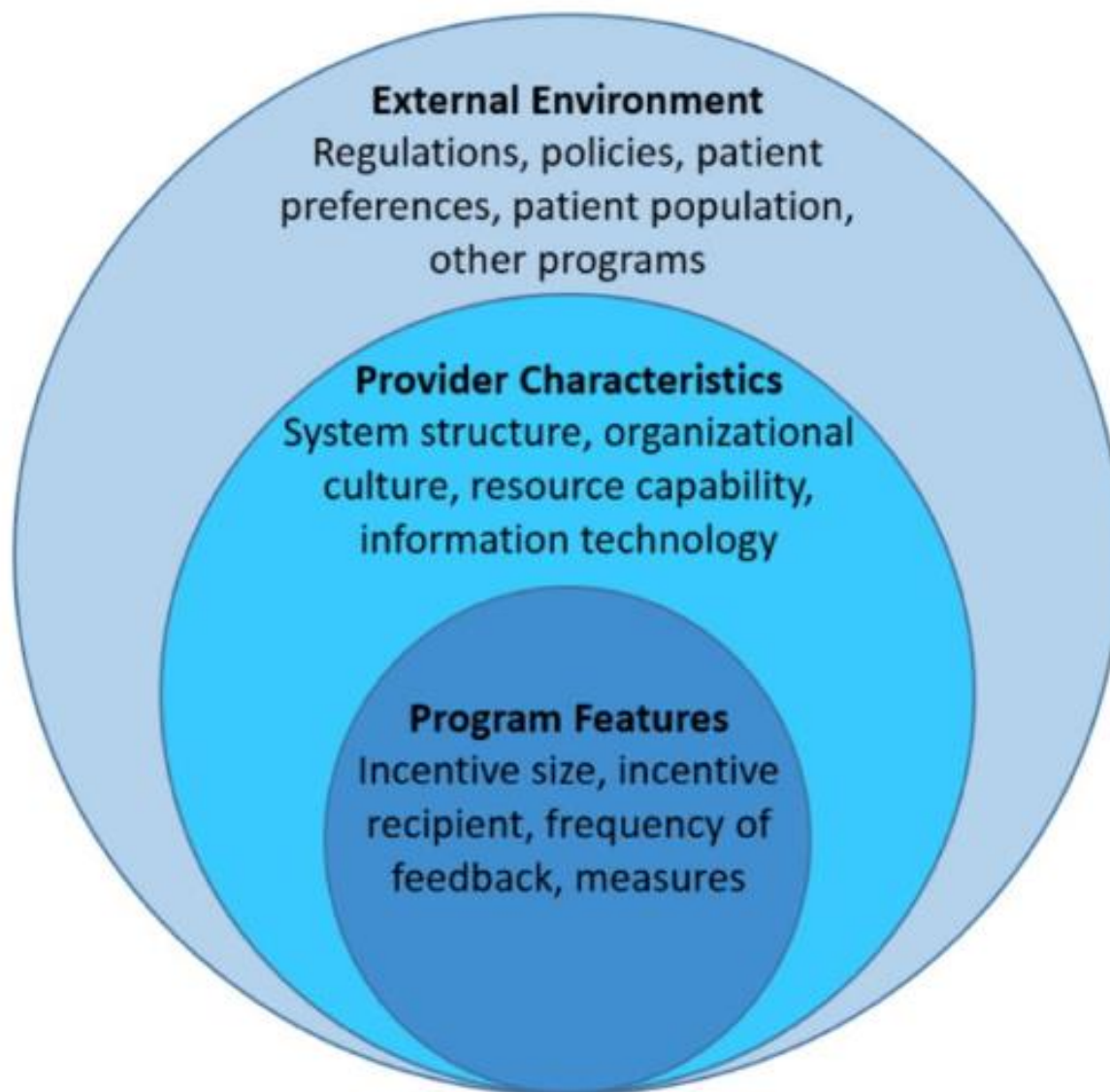
Groups of providers commit to being accountable for the costs of their Medicare members. They can receive a shared savings payment if they spend lower than projected costs and meet quality benchmarks



Carrum Center of Excellence, in use by State of Maine

Carrum contracts with Centers of Excellence to receive prospective bundled payments for procedures like joint replacements and bariatric surgery. Providers must absorb the cost of any readmissions.

VBP Success Depends on Multiple Factors



State Goals for APMs

Washington:
90% of publicly
funded health
payments linked
to VBP by 2021



New York: 15% of
managed LTC
expenditures in
Level 2 or above
by April 2020.

Arizona: 70% of
payments for acute
physical claims
linked to VBP by
2021.

2019 HCP-LAN Survey MaineCare APM Results



Category 1



Fee for Service –
No Link to Quality
& Value



Category 2



Fee for Service –
Link to Quality
& Value



Category 3



APMs Built on
Fee-for-Service
Architecture



Category 4



Population-Based
Payment

Source: [Alternative Payment Model \(APM\) Framework and Progress Tracking Work Group](#)



**2A: Health Homes
& Primary Care
Case Management**

**3A: Accountable
Communities**

**2C: Behavioral
Health Homes &
Primary Care
Incentive Program**

**3N: Opioid
Health Homes**

78%

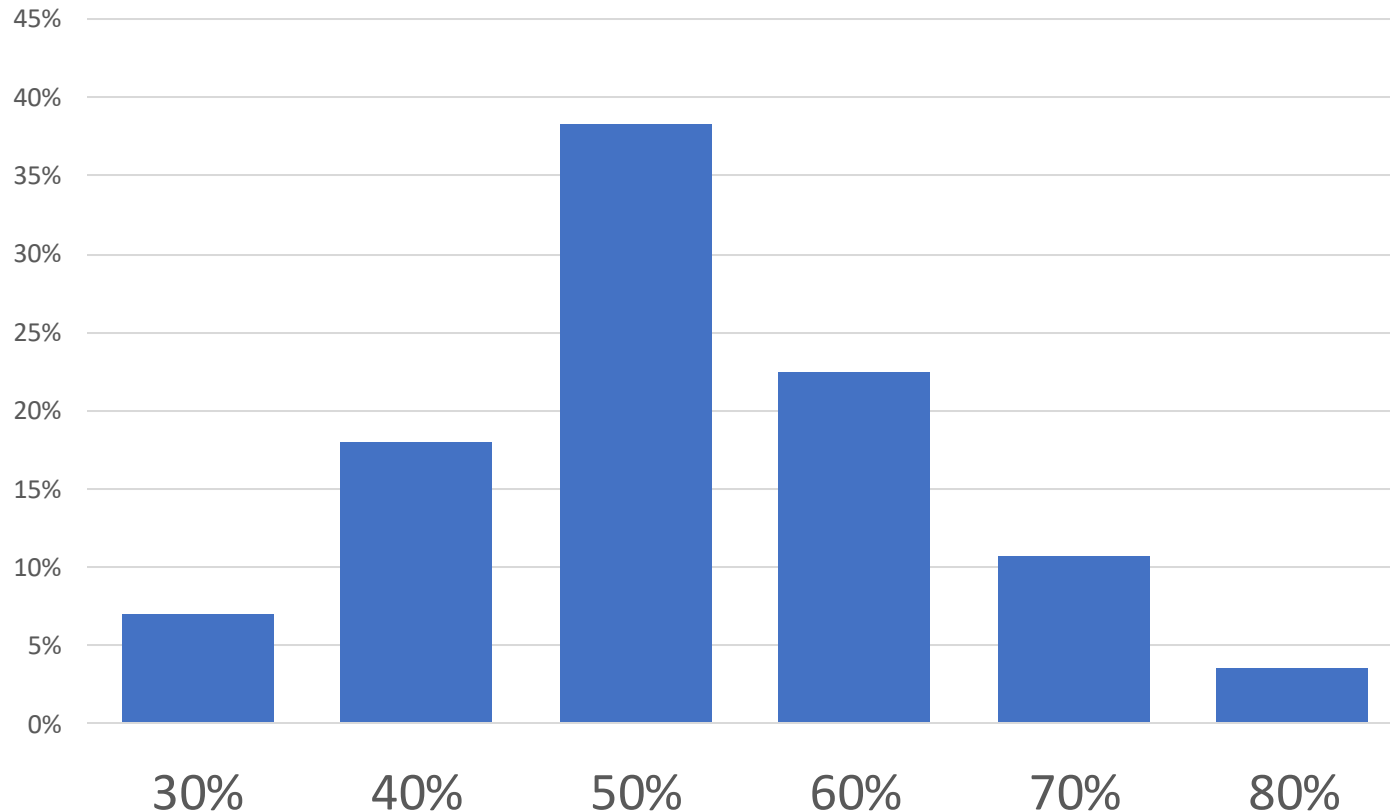
4%

18%

0%

Forum Poll: Provider Opinions

By the end of 2022, where do you think MaineCare should be in terms of the percent of payments in alternative payment models?



Department APM Goals

**By the end of 2022,
40% of MaineCare service payments will be paid
through APMs
(Category 2C or higher)**

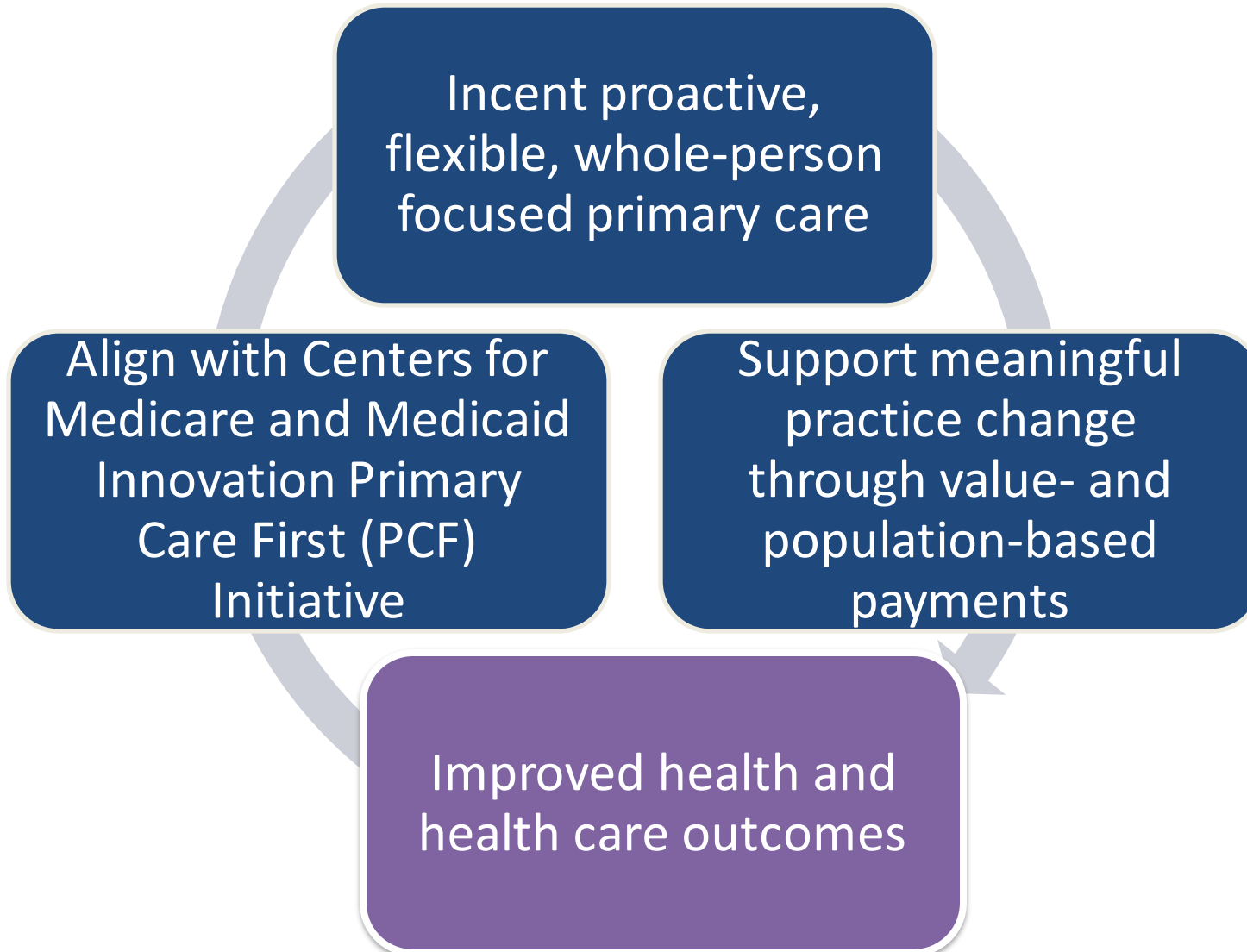
HCP/LAN Goal Statement*:

	Medicaid	Commercial	Medicare Advantage	Traditional Medicare
2020	15%	15%	30%	30%
2022	25%	25%	50%	50%
2025	50%	50%	100%	100%

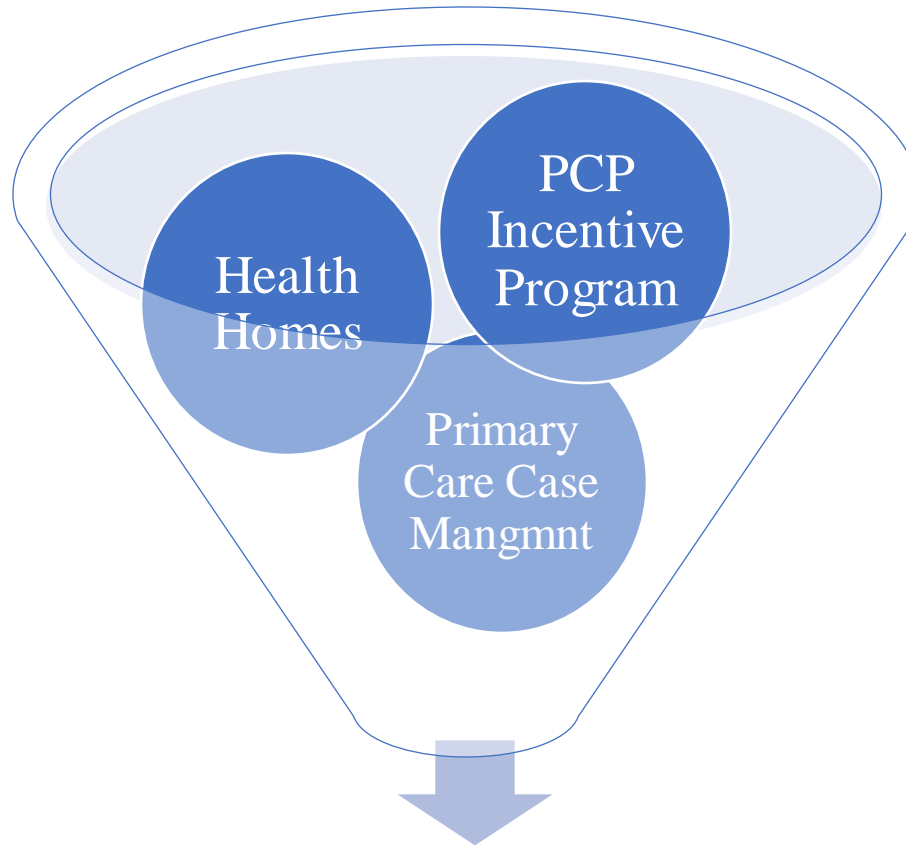
*Accelerate the percentage of US health care payments tied to quality and value in each market segment through the adoption of two-sided risk alternative payment models.

MaineCare's Upcoming VBP Initiatives

MaineCare Primary Care Evolution Goals

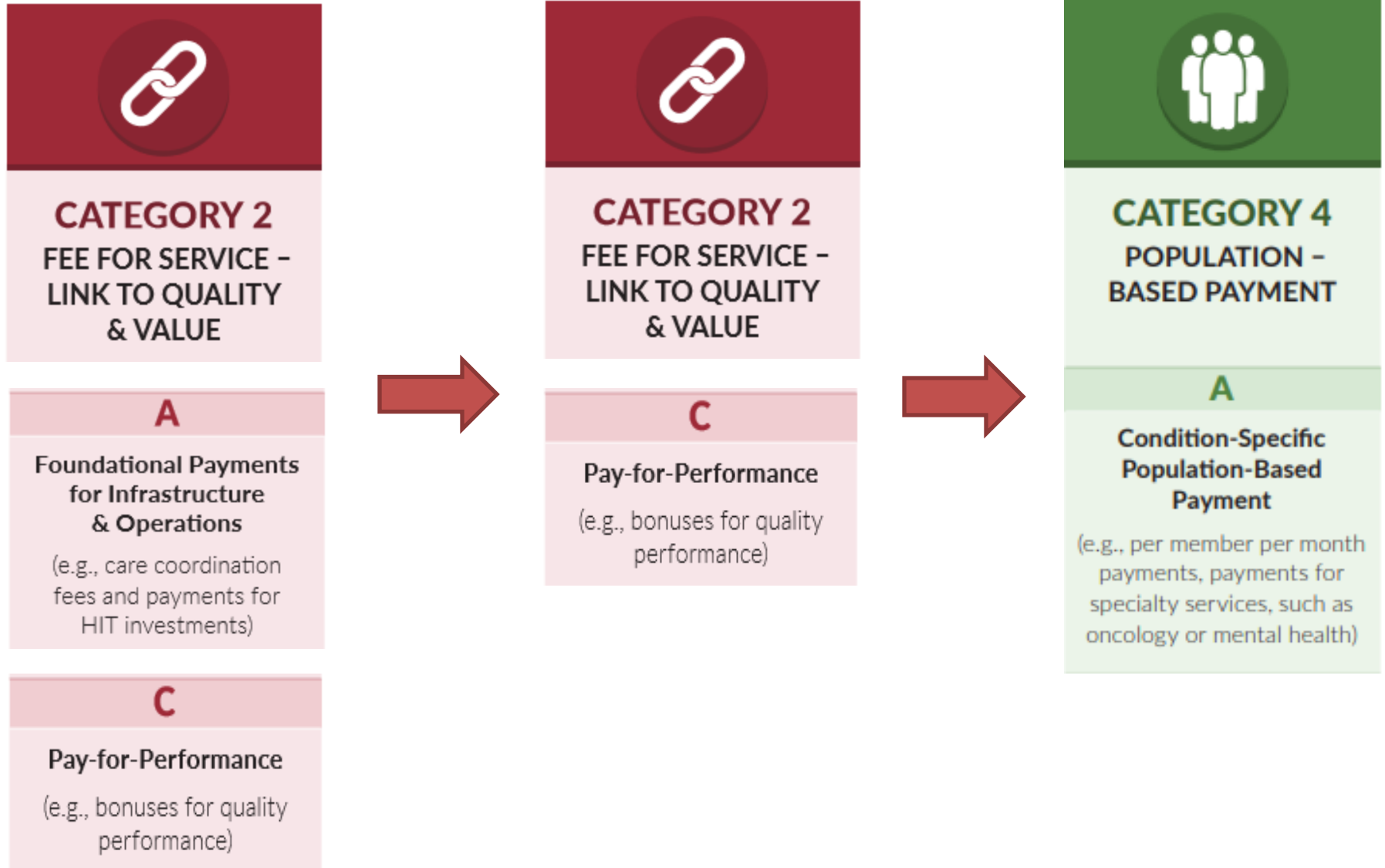


Primary Care 2.0



Single, Integrated Value-
Based Primary Care
Program

Primary Care: MaineCare's Next Steps



Primary Care 2.0 Transformations

Current State

Payments are not risk-adjusted at the member or practice level.
Some funds are tied to chronic condition eligibility.

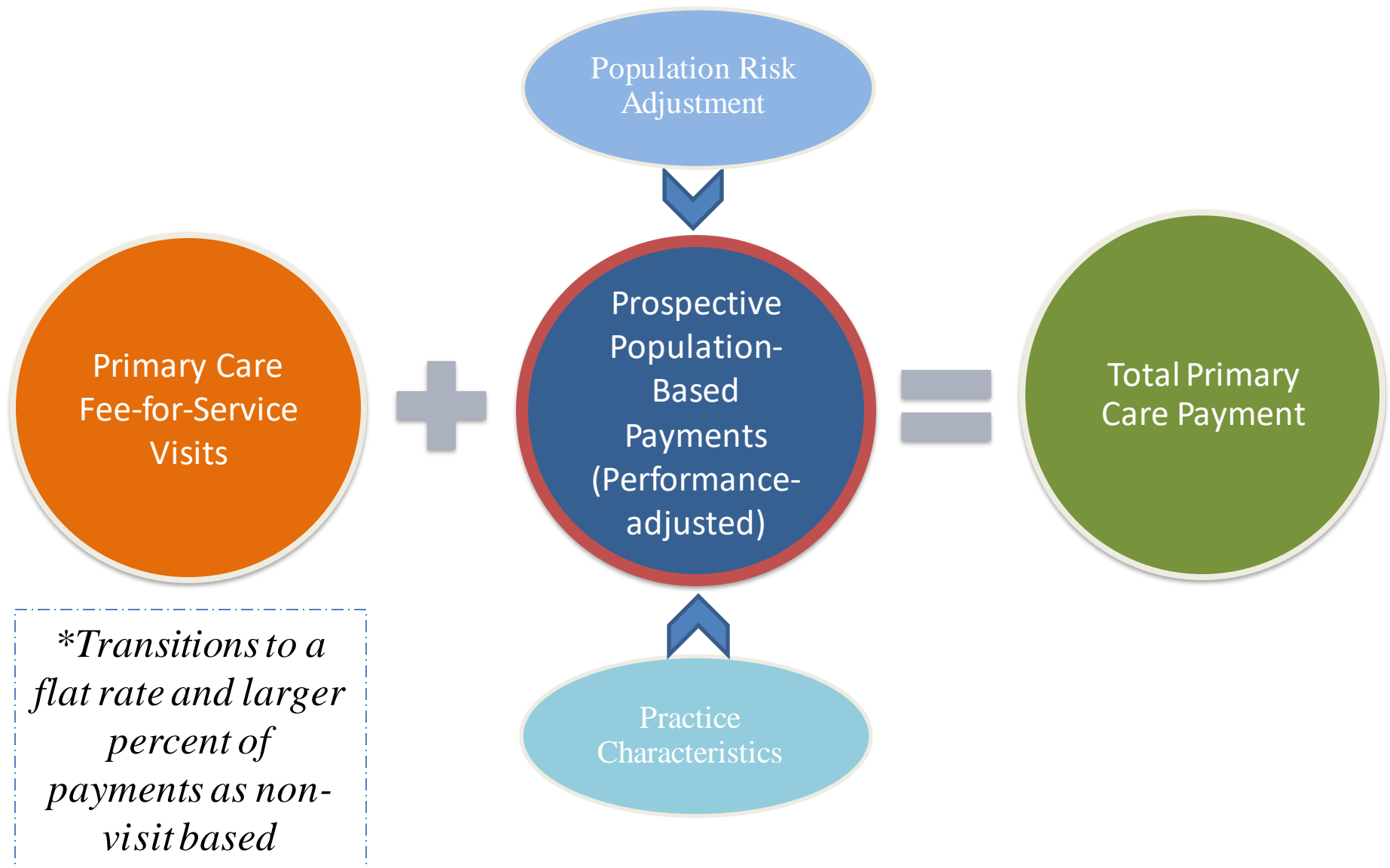
Most practices have no payments tied directly to quality; for others the tie is weak. Priority focus areas are not clear.

Primary Care 2.0

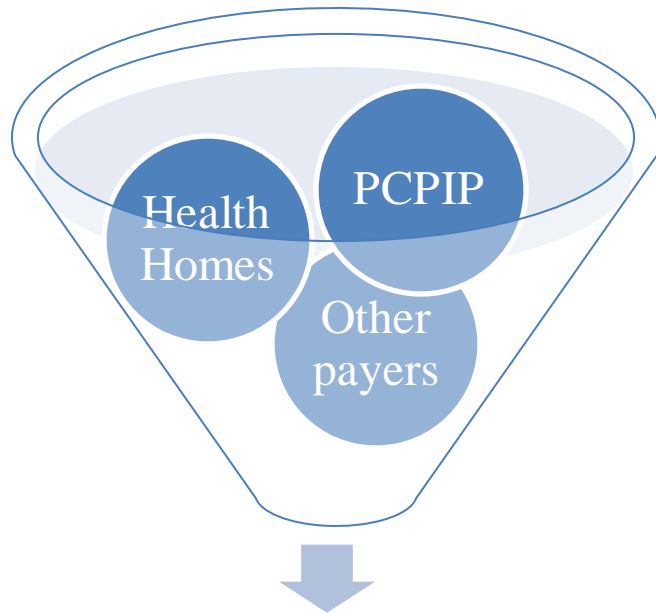
Redistribute funds to better support advanced practice characteristics and care for high-needs members while rewarding practices for quality and cost outcomes

Practices will have portion of reimbursement tied to a set of ~10 performance measures that reflect DHHS priorities, impact on costs, and multi-payer alignment.

MaineCare Primary Care 2.0



Primary Care 2.0 Proposed Quality Measures



No more than 10
measures in Primary
Care 2.0, many aligned
with Medicare

- Acute Hospital Utilization
- Adolescent Well-Care
- Antidepressant Medication Management
- Contraceptive Care
- Controlling High Blood Pressure
- Colorectal Cancer Screening
- Developmental Screening
- Lead Screening
- Total Cost of Care

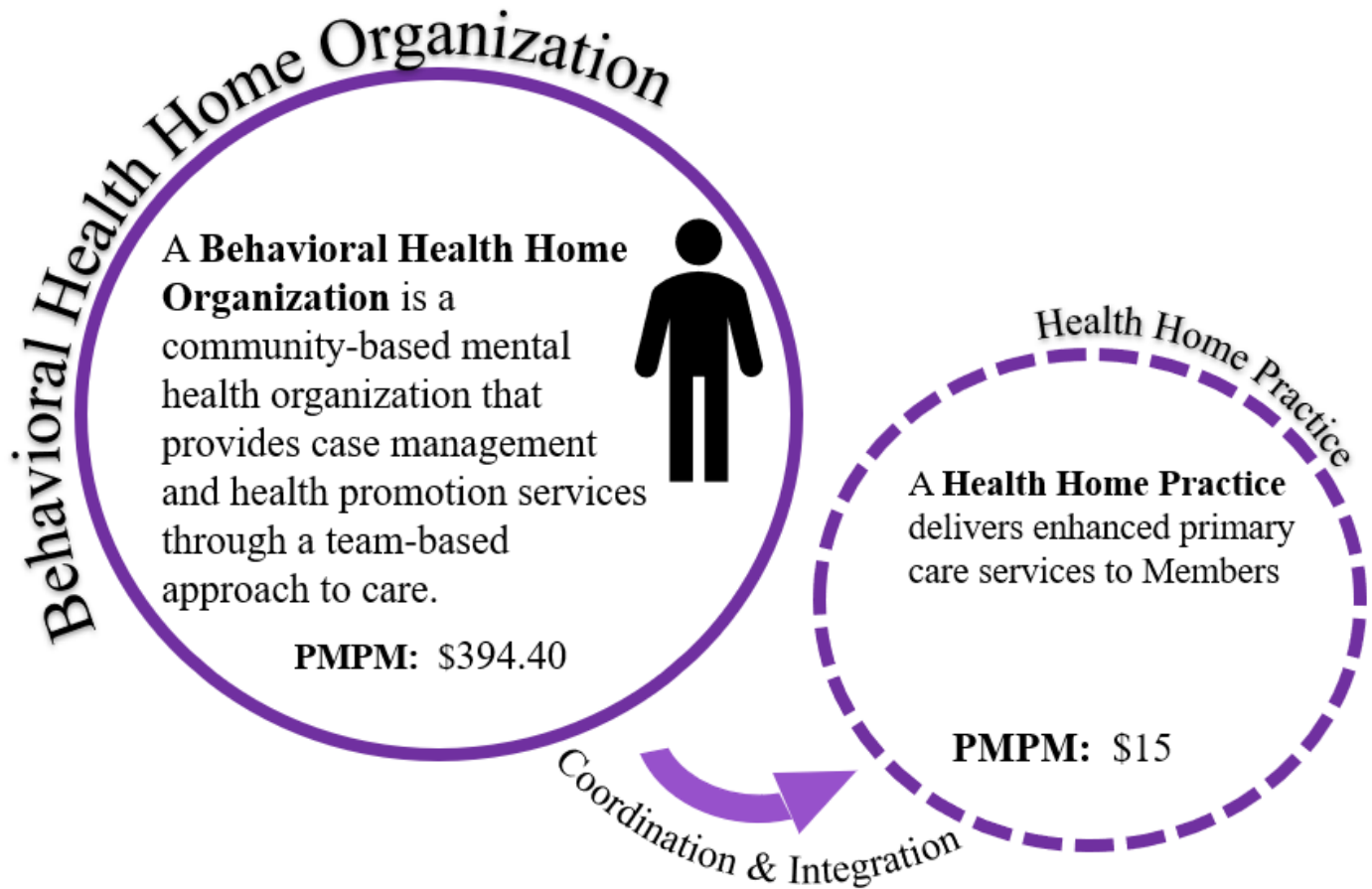
Behavioral Health Homes (BHH)



CATEGORY 2
FEE FOR SERVICE –
LINK TO QUALITY
& VALUE

C

Pay-for-Performance
(e.g., bonuses for quality
performance)



BHH Next Steps



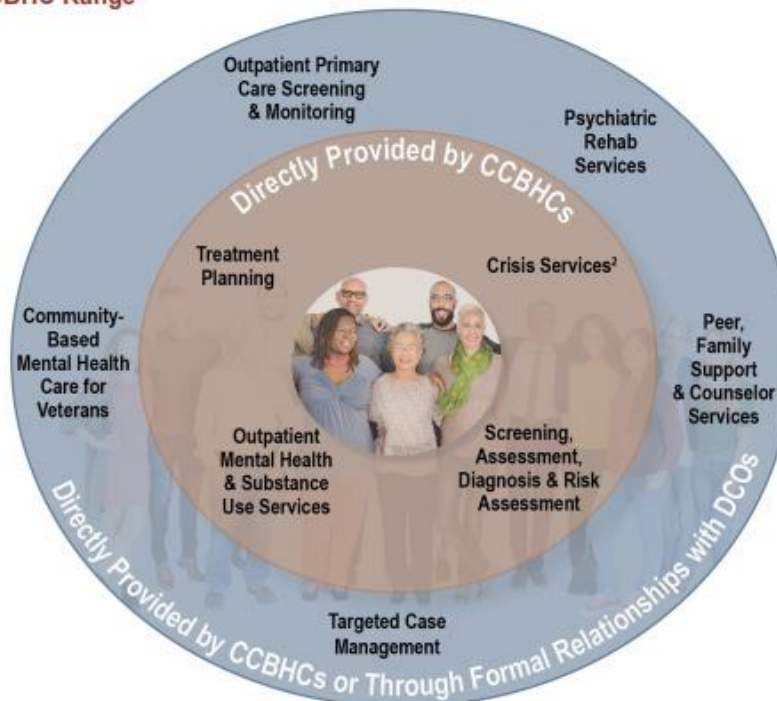
CATEGORY 2
FEE FOR SERVICE –
LINK TO QUALITY
& VALUE

C

Pay-for-Performance
(e.g., bonuses for quality
performance)

1. Evaluate BHH model alongside comparable services (Community Integration, Targeted Case Management)
2. Explore the Certified Community Behavioral Health Clinic (CC-BHC) model to offer a more comprehensive behavioral health APM, increase access to services, and improve quality of care.

**FIGURE A: CCBHC Range
of Services**



Opioid Health Homes (OHH)

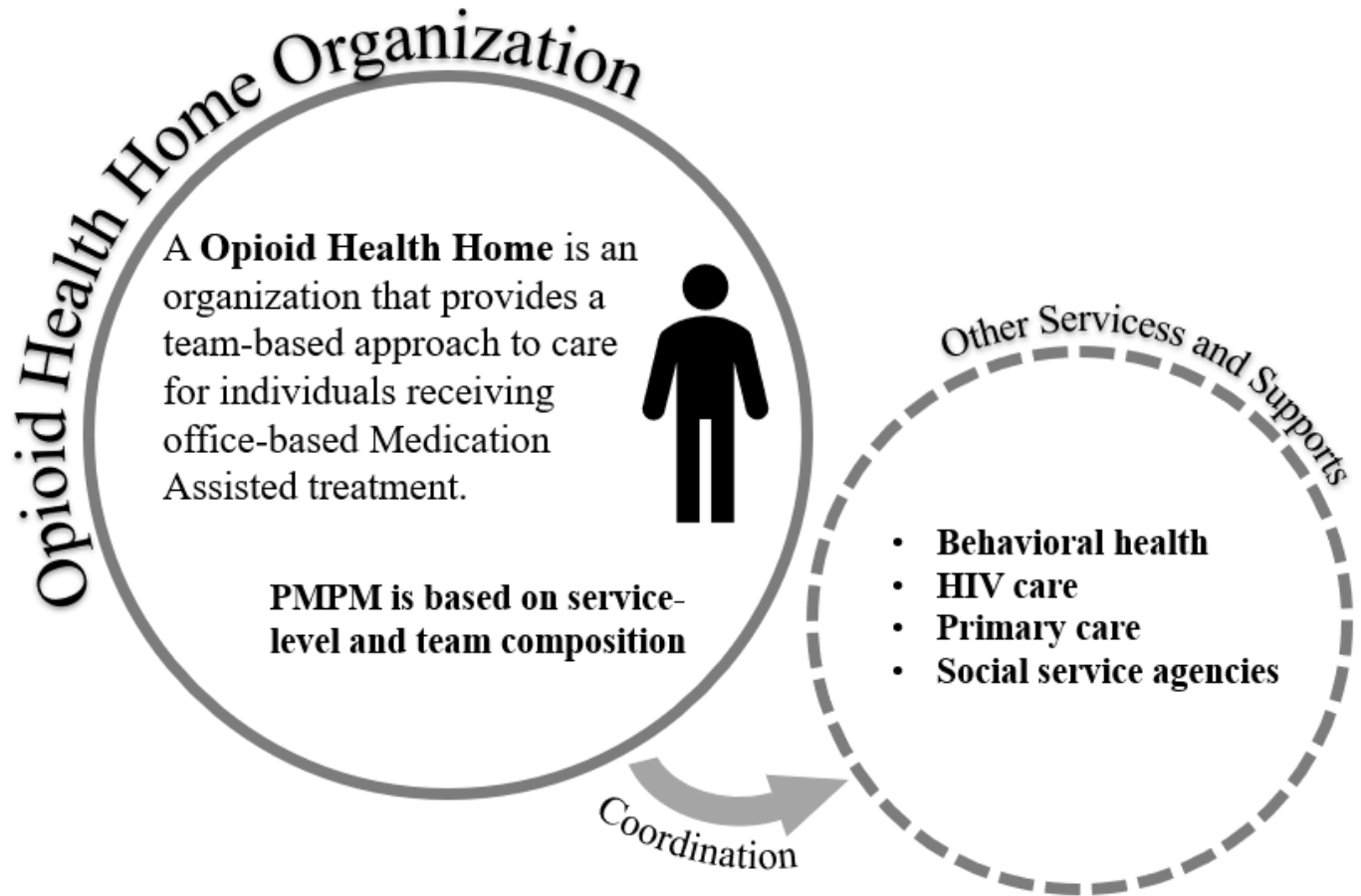


CATEGORY 3
APMS BUILT ON
FEE-FOR-SERVICE
ARCHITECTURE

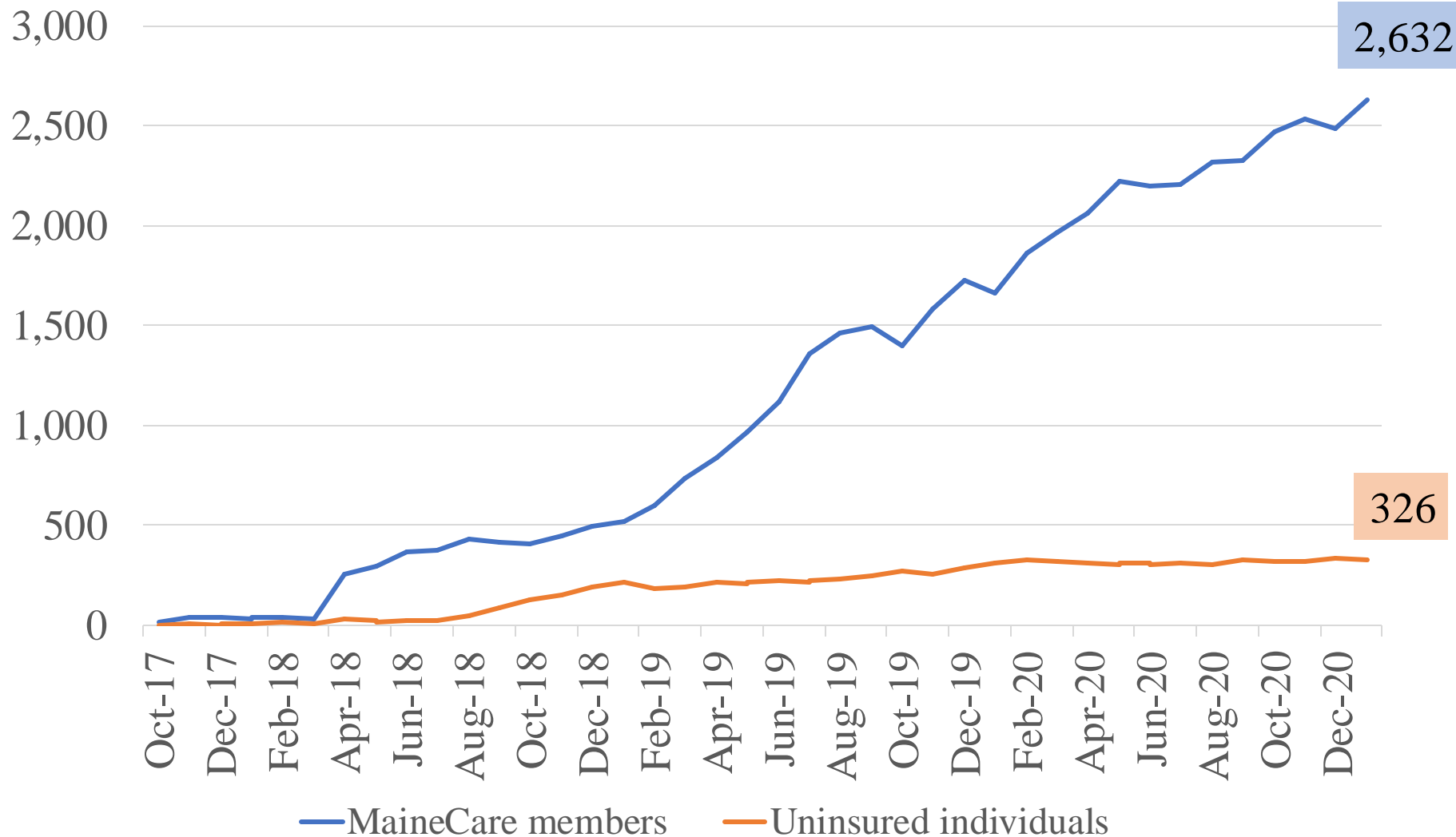
3N

Risk Based Payments
NOT Linked to Quality

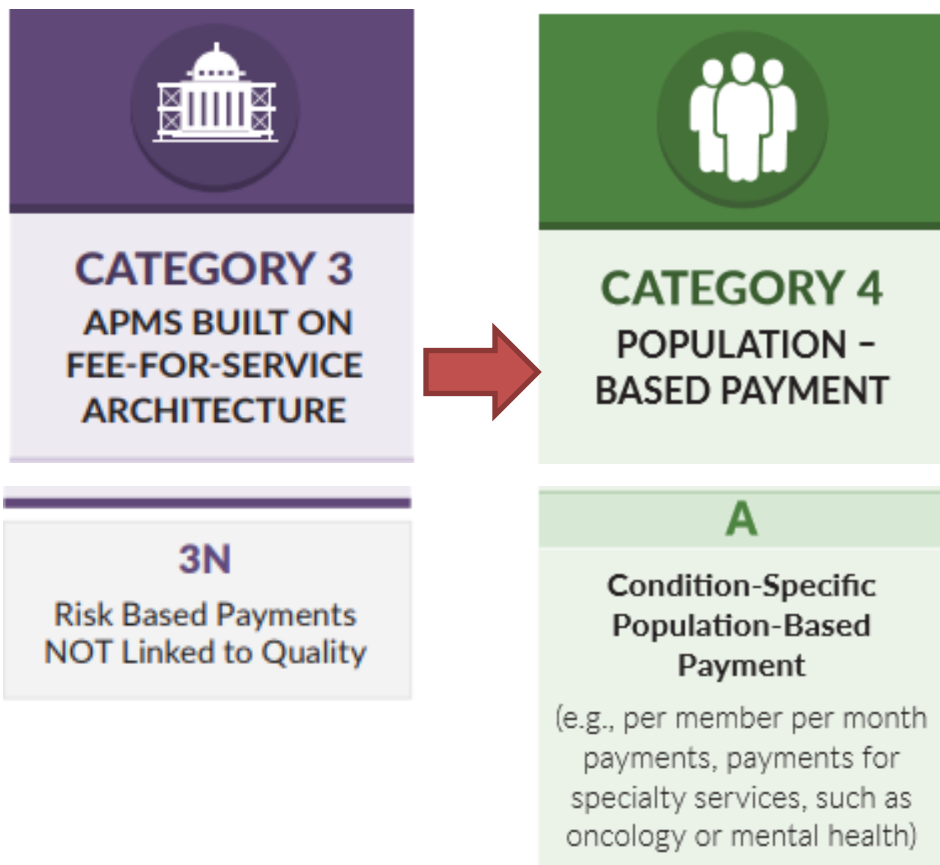
**Does not get
counted in APM %**



OHH Service Utilization



OHH Next Steps



1. Introduce pay-for-performance to support treatment, integration with primary care, and recovery:
 - Continuity of medication
 - Primary care visits
 - Employment/ engagement
2. Propose additional changes to:
 - Improve access to Opioid Use Disorder treatment
 - Better integrate with primary care
 - Meet the needs of individual members in treatment

Accountable Communities (AC)



CATEGORY 3 APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE

A

**APMs with
Shared Savings**

(e.g., shared savings with
upside risk only)

B

**APMs with
Shared Savings
and Downside Risk**

(e.g., episode-based
payments for procedures
and comprehensive
payments with upside
and downside risk)

Accountable Community

An **Accountable Community** is a group of providers who take responsibility for the cost and quality of care for attributed members through a **shared savings model**.

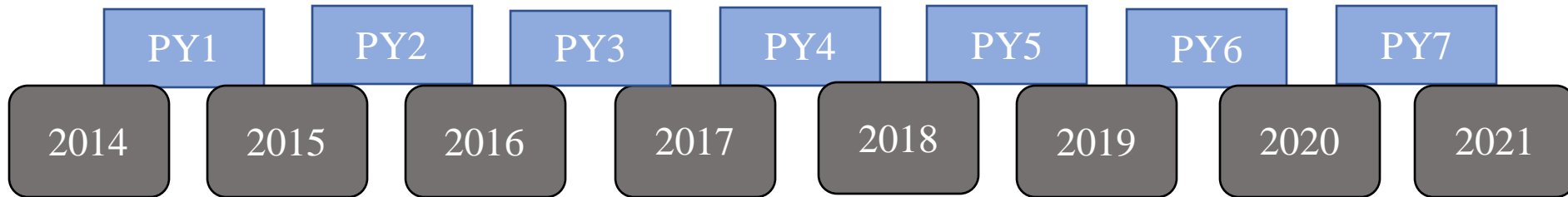


- ① Meet cost benchmarks
+ ② Quality achievement



**Shared Savings
Payment**

Program Growth and Results



	PY 1	PY 2	PY 3	PY 4	PY 5	PY 6	PY 7
Member attribution	32,070	45,781	52,067	54,283	56,705	62,076	111,898
PC practices	28	66	80	83	92	104	199
Savings achieved	\$5.41M	\$9.69M	\$8.96M	\$6.75M	\$4.02M	TBD	TBD
Shared savings payments	\$961,455	\$1.59M	\$1.52M	\$975,510	\$782,812	TBD	TBD

AC Next Steps



CATEGORY 3 APMS BUILT ON FEE-FOR-SERVICE ARCHITECTURE

A

APMs with Shared Savings

(e.g., shared savings with
upside risk only)

B

APMs with Shared Savings and Downside Risk

(e.g., episode-based
payments for procedures
and comprehensive
payments with upside
and downside risk)

- Incent ACs to be accountable for the cost of the full scope of Medicaid covered services
- Incent ACs to participate in a shared risk model
- Ensure ACs are assessing for and addressing health related social needs.
- Grow the AC program in terms of health system/practice group participation and attributed MaineCare member lives
- Improve the utility of MaineCare data provided to ACs to assist data-driven strategy and decision-making
- Improve the collaboration between MaineCare and the ACs and between the ACs and community-based organizations

AC Glidepath

Between June - December 2020, OMS—with technical assistance from Manatt Health and funding from the Maine Health Access Foundation—developed a glidepath for the next stage of the AC program.

OMS and Manatt developed the revised program recommendations in four stages:

- 1 Interview AC Lead Entities and participating providers to understand strengths and challenges of existing program**
- 2 Conduct detailed best practice review of successful Medicaid ACO programs in other states (Massachusetts, Minnesota and Rhode Island)**
- 3 Develop recommendations for next phase of AC program, including a glidepath for PY 8 – PY 10**
- 4 Share proposal with AC Lead Entities and providers for discussion and feedback**

Components of the AC Glidepath

Downside Risk

- **Implement gradual assumption of downside risk**, with opportunities to reduce downside risk by adopting special initiatives
- **Adopt financial risk mitigation strategies**, to address impact of COVID-19

Program Investments

- Focus on **optimizing existing MaineCare payment streams** to support population health
- Improve OMS/AC data exchange and analytics, through a new **AC Technical Advisory Committee**

New Requirements

- Implement new reporting requirements related to AC network adequacy and governance

Alignment of OMS VBP Programs

- **Align methodologies and requirements** across MaineCare and multi-payer initiatives to support State policy goals and minimize administrative burden for providers.

Components of the AC Glidepath

	PY 8 (Aug. '21)	PY 9 (Aug. '22)	PY 10 (Aug. '23)
Upside Shared Savings	50% <i>Cap at 10% benchmark</i>	55%* <i>Cap at 10% benchmark</i>	65% <i>Cap at 15% benchmark</i>
Base Program Downside Risk	<i>No downside risk</i>	30% <i>Cap at 3% benchmark</i>	40% <i>Cap at 3% benchmark</i>
Downside Risk with Participation in Department-Defined Initiatives	N/A	20% <i>Cap at 3% benchmark</i>	30% <i>Cap at 3% benchmark</i>



Current Model

Components of the AC Glidepath

Joint Population Health Management Strategy

AC Lead
Entity



Primary
Care 2.0
Practice



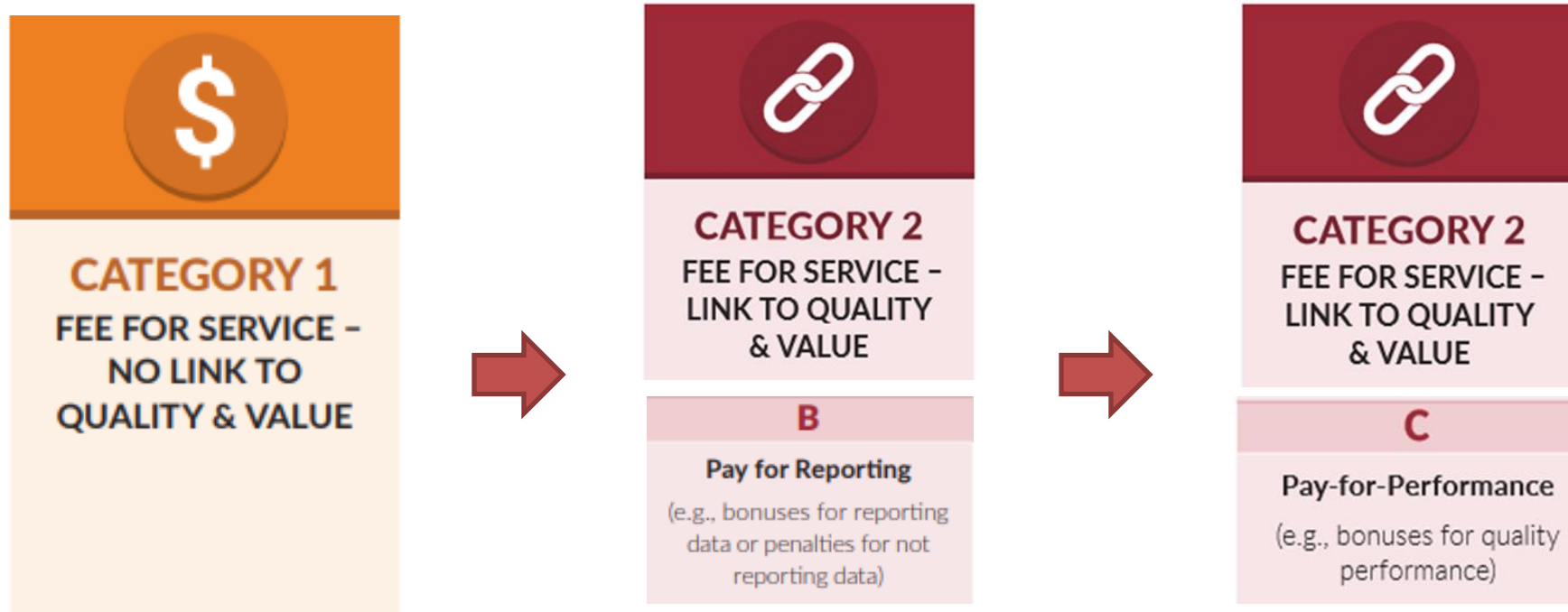
Community
Care Team



Section 19 Care Coordination

Make Long-Term Services and Supports (LTSS) care coordination more efficient and effective. “Good care coordination is key to positive consumer experience, contributes to quality outcomes and helps prevent avoidable hospitalization and nursing facility admissions.”

- [Recommendations for Reform: Aging & LTSS](#). OMS, OADS and the Aging and LTSS Advisory Committee. (2019)



What Else?

- Report regularly on progress towards 40% goal
- Assess opportunities for APMs as recommended in the Comprehensive Rate System Evaluation
 - Move away from Cost settlement payment approach
 - HCBS waiver services, nursing facilities, hospital payments
 - Propose a VBP “Sub-pool” for a portion of hospital supplemental payments
- Release a MaineCare VBP Roadmap:
 - ✓ Provides a comprehensive description of MaineCare’s payment and delivery system reform efforts
 - ✓ Establishes goals and objectives for MaineCare’s VBP strategy
 - ✓ Establishes MaineCare’s quality management structure
 - ✓ Describes the major initiatives that will be part of this work
 - ✓ Provides transparency into process and outcomes achieved

Questions

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