



# **Rhode Island Health System Transformation Program**

**Update for health care providers**

**March 16, 2016**

# Rhode Island Health System Transformation Program

Update:

1. Funding Status
2. Proposed Program Eligibility Criteria
3. Proposed Payout Mechanism and Process
4. Review of Final Set of Measures
5. Next Steps



# 1. Funding status

- We have asked CMS for approval of federal match on current state expenditures
- We have proposed new CNOMs and new DSHPs: the bulk of the match is associated with workforce training programs
- We have proposed a very deliberate matching of training programs with future workforce needs
- Awaiting approval of our requests



## 2. Proposed program eligibility criteria

- A provider is eligible to participate in this incentive program if:
  - At least 30% of all patient volume in outpatient and inpatient lines of business are Medicaid, dual eligible, and/or uninsured; and
  - The facility is currently contracted as a Medicaid managed care provider, inclusive of Rhody Health Options.



# 3. Proposed payout mechanism and process

RI Health Care Transformation Program									
Proposed budgeted expenditures by year, in \$ millions; Draft Feb 27, 2016									
		Year 1	Year 2	Year 3	Year 4	Year 5	TOTAL		
<b>Estimated funds available, all sources; all funds</b>		\$ 41.0	\$ 36.4	\$ 57.4	\$ 75.4	\$ 85.4	\$ 295.6		
Percent	Proposed Budgeted Expenditures						Basis of Payment	Limits on Use of Payment	
90%	Performance-based Incentive Payments to Qualifying Hospitals	\$ 26.3					\$ 26.3	Measured structural changes and minimum quality measures	no restrictions
	Performance-based Incentive Payments to Qualifying Skilled Nursing Facilities	\$ 13.1					\$ 13.1	Measured structural changes and minimum quality measures	no restrictions
	Planning Grants to Certified Accountable Entity (AE) Partnerships		\$ 16.4				\$ 16.4	Application for 6 month grants	planning activities; develop application for infrastructure funds
	Infrastructure Grants to AEs		\$ 16.4	\$ 51.7	\$ 67.9	\$ 76.9	\$ 212.8	Application and resulting contracts (e.g. 10 AEs at an average grant of up to \$21m )	infrastructure investments as specified in contract; 5% of annual grants subject to performance measures
5%	Workforce Development Activities		\$ 1.8	\$ 2.9	\$ 3.8	\$ 4.3	\$ 12.7	Interagency Agreement specifying deliverables (with colleges, universities, loan repayment programs, etc.)	deliverables specified in agreement
5%	Program Administration	\$ 1.5	\$ 1.8	\$ 2.9	\$ 3.8	\$ 4.3	\$ 14.3	State staff, contractors, Health Plans, university/colleges, interagency agreements with partner state agencies	program administration: health data analysis and reporting (university); Provider/AE oversight and monitoring (Health Plans); other administration (staff, contractors, other state agencies)
	Workforce planning analysis and recommendations report(s) conducted by colleges and university	\$ 0.5					\$ 0.5	Interagency Agreement specifying deliverables	Produce workforce development reports and recommendations proposal



### 3. (continued) Proposed payment mechanism & process

- Utilize current Pay for Performance program infrastructure and system to operationalize the RI Health Care Transformation program.
- EOHHS will distribute payments to providers via the MCOs. The Health Plans will distribute the funds on a predetermined schedule as defined by EOHHS.
- Each Health Plan will receive payment that corresponds to a specific provider performance report that details each specific hospital and nursing facility, the performance measure, baseline for each measure, identified benchmark, performance score, and dollars allocated for each measure.
- The total amount to be paid for each provider will be equally distributed among each Health Plan. However, EOHHS anticipates that only NHPRI will be providing the incentive payments to the nursing facilities.



### 3. (continued) Funding allocation

- The final set of recommended measure will be equality weighted.
- The dollar allocation for each measure by provider will be determined by taking the total dollar value for each measure and multiplying by the % of total claims paid in the first three quarters of SFY 16 (July 2015-March 2016).
- The total amount to be paid for each provider will be equally distributed among each Health Plan, when applicable.



# 4. Proposed measures

Hospitals	Nursing Homes
1.) 30 day hospital re-admissions (Medical)	1.) Nursing Home Readmissions
2.) 30 day hospital re-admissions (Behavioral Health)	2.) Increase in Currentcare Enrollment
3.) Overall % of revenue derived from APM payment in total and stratified by revenue based from the following APM arrangements	3.) % of long-stay residents who are receiving antipsychotic drugs in the target period
4.) % of Medicaid patients enrolled in currentcare.	
5.) Increase in Currentcare Enrollment	
5.) Reduction in Catheter Associated Urinary Tract Infection (CAUTI) infection rate	
6.) Reduction in C-Diff infection rate	

- A performance benchmark will be established for each measure based on a baseline measurement time period (July, 1, 2014-June 30, 2015).
- EOHHS will recommend a minimum performance target (absolute improvement of X %) for each measure, where applicable.
- Provider reported information to be submitted by 8/1/2016



# 5. Next steps

