OHHS Accountable Entity Program
Incentive Program

September 11, 2017
Agenda

❖ **Background:** Medicaid Infrastructure Incentive Program (MIIP)
   1115 Waiver Amendment: Health System Transformation Project

❖ **Setting the Maximum Pool**
   Planned Allocation of Funds by Year and Program
   Determination of Maximum AE and MCO Incentive Pool Funds and AE-Specific Pools
   AE Program Advisory Committee

❖ **HSTP Plans: Process and Structure**
   Specifications for Allowable AE Specific HSTP Project Plans
   MCO Review Committee Guidelines for Evaluation
   Required Structure for Implementation and Reconciliation

❖ **Allowable Uses of Funds**
   EOHHS Priorities
   Allowable Areas of Expenditure
   Required Performance Areas and Milestones
**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 (today’s discussion)"

**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
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 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 thru 2020 upon waiver renewal

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.
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Planned Allocation of Funds by Year

Over the course of Program Years 1 through 4, EOHHS projects it will allocate an estimated $77M to the AE program through the MIIP, as shown below:

<table>
<thead>
<tr>
<th>Program Year</th>
<th>SFY 2018-19*</th>
<th>Program Yr 2 SFY 2020</th>
<th>Program Yr 3 SFY 2021</th>
<th>Program Yr 4 SFY 2022</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicaid Infrastructure Incentive Program (MIIP)</td>
<td>$20 M</td>
<td>$30 M</td>
<td>$15 M</td>
<td>$12 M</td>
<td>$77 M</td>
</tr>
</tbody>
</table>

*Note that Program Year 1 may be an extended performance period to allow for differential start dates; it must begin no earlier than January 1, 2018 and no later than July 1, 2018 and must end on June 30, 2019.
Planned Allocation of Funds by Program

- Three core programs: Comprehensive AE Program, Specialized LTSS Pilot AE Program, Specialized Pre-eligibles AE Pilot Program**
- EOHHS shall allocate available funds to these programs based on identification of priority areas of focus and assessment of readiness
- This allocation shall be revisited annually

<table>
<thead>
<tr>
<th>AE Programs</th>
<th>Program Year 1</th>
<th>Full Program</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>%</td>
</tr>
<tr>
<td>Comprehensive AE Program</td>
<td>$14 M</td>
<td>65-70%*</td>
</tr>
<tr>
<td>Specialized LTSS Pilot AE Program</td>
<td>$6 M</td>
<td>30-35%*</td>
</tr>
<tr>
<td>Specialized Pre-eligibles Pilot AE Program**</td>
<td>$0 M</td>
<td>0%</td>
</tr>
<tr>
<td>Total Funds</td>
<td>$20 M</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Authority for this program is dependent upon CMS approval under the RI Medicaid 1115 waiver renewal, to be submitted to CMS in December 2017, effective 1/1/2019.
Distribution of Funds between AE and MCO Pools

Funds shall be distributed between AE Incentive Pool & MCO Incentive Management Pool:

Program Year 1 MIIP funds shall be allocated as follows, subject to available funds:

<table>
<thead>
<tr>
<th>Program Year 1</th>
<th>AEIP</th>
<th>MCO-IMP</th>
<th>Total Incentive Pool</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 2018-Jun 2019</td>
<td>$12.9 M</td>
<td>$ 1.1 M</td>
<td>$14.0 M</td>
</tr>
<tr>
<td>Comprehensive AE Program</td>
<td>$5.5 M</td>
<td>$0.5 M</td>
<td>$6.0 M</td>
</tr>
<tr>
<td>Specialized LTSS Pilot Program</td>
<td>$18.4 M</td>
<td>$1.6 M</td>
<td>$20.0 M</td>
</tr>
<tr>
<td>% Total</td>
<td>92%</td>
<td>8%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Calculation of AE-Specific Incentive Pools

Each MCO must create an AE-Specific Incentive Pool for each Certified AE to establish the total incentive dollars that may be earned by each AE during the period.

**Comprehensive AE-Specific Incentive Pools**

shall be the sum of: (a) a fixed-amount base incentive pool per AE, plus (b) an incentive pool derived from a pmpm times the number of attributed lives, as below:

<table>
<thead>
<tr>
<th>Estimated pmpm*</th>
<th>x Attributed Lives</th>
<th>x 12</th>
<th>+ Estimated Base Incentive Pool*</th>
</tr>
</thead>
<tbody>
<tr>
<td>$4.00</td>
<td>At the start of each Program Year in accordance with EOHHS defined guidance</td>
<td>Translate to Member Month</td>
<td>$750,000 Fixed Amount per AE</td>
</tr>
</tbody>
</table>

*The pmpm and base incentive pool are dependent upon the number of Certified AEs and attributed lives in the program; these amounts are only estimates, and shall be finalized by EOHHS within 30 days of AE Certification.

**Specialized LTSS Pilot AE-Specific Incentive Pools**

shall be determined on a per AE basis, based on the number of Certified participating LTSS Pilot AEs. This pool shall be finalized by EOHHS within 30 days of AE certification.

- Note that 20% of the AE Specific Incentive Pool shall be set aside to support the potential shared savings associated with each AE’s Total Cost of Care target, inclusive of the required quality multiplier.
AE Program Advisory Committee

An AE Program Advisory Committee shall be established by EOHHS and shall be chaired by EOHHS, with a community Co-Chair and representation from participating MCOs, AEs, and community stakeholders.

The AE Program Advisory Committee shall:

- Support the development of AE infrastructure priorities
- Help target Medicaid Infrastructure Incentive Program funds to specific priorities that maximize impact
- Review specific uses of funds by each AE and MCO, such that individual AE Project plans are designed and implemented to maximum effect
- Support effective program evaluation and integrated learnings
- Help target effective ways to leverage the intersection between AE project plans and workforce development partnerships
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   Required Performance Areas and Milestones
HSTP Plans: Overview

❖ AEs must earn payments by meeting metrics defined by EOHHS and its managed care partners and approved by CMS to secure full funding.

❖ Certified AEs and MCOs must jointly develop individual Health System Transformation Project Plans (HSTP Plans) that identify clear project objectives and specify the activities and timelines for achieving the proposed objectives.

❖ Actual incentive payment amounts to AEs will be based on demonstrated AE performance; incentive payment amounts actually earned by the AE may be less than the amount they are potentially eligible to earn.

❖ MCOs shall not be entitled to any portion of funds from the Accountable Entity Incentive Pool that are not earned by the AE.
Allowable AE Specific HSTP Project Plans

Approvable HSTP Project Plans must specify the following

❖ **Core Goals**
  Approvable project plans must demonstrate how the project will advance core goals of the HSTP program and identify clear objectives and steps for achieving the goals

❖ **Data driven Identification of Shared MCO/AE Priorities**
  - Plans must identify a set of shared MCO/AE priorities, based on population specific analysis of service needs and capabilities and key performance indicators
  - Shared priorities must be developed through a joint MCO/AE working group that includes clinical leadership from both the MCO and the AE, using a data driven approach

❖ **AE Specific Core Projects: Workplan and Budget**
  - The AE must develop a multi-year workplan and budget to address these priorities over the course of the program (Program Year 1-4); a more detailed workplan and budget must be developed for Program Year 1
  - Each core project must be MCO specific

❖ **Performance Areas and Milestones**
  Approvable project plans must set milestones and deadlines for the meeting of metrics associated with each of the Core Projects to ensure timely performance
MCO Review Committee Guidelines for Evaluation

- MCO shall convene a Review Committee to evaluate the HSTP Workplan & Budget

- EOHHS shall have a designee that participates in the MCO Review Committee; in the event that the EOHHS designee has strong reservations as to the appropriateness or adequacy of the proposed project, the designee may refer the proposed project for EOHHS review and approval

- The MCO Review Committee, in accordance with EOHHS guidelines, shall determine whether:
  - Core Projects as submitted are eligible for award
  - Core Projects merit Incentive Funding
  - Incentive Funding request is reasonable and appropriate

- Note that the development of the proposed project plan and its acceptance by the MCO Review Committee shall be considered the first Performance Milestone of the HSTP Program
Required Structure for Implementation

The Incentive Funding Request **must be awarded to the AE via a Contract Amendment between the MCO and the AE.**

The Contract Amendment shall:

- Be subject to EOHHS review and approval
- Incorporate the central elements of the approved AE submission, including: program objective, scope of activity, performance schedule, and payment terms
- Define a review process and timeline to evaluate progress and determine whether AE performance warrants incentive payments
- Minimally require that AEs must submit semi-annual reports to the MCO using a standard reporting form, and that such reports will be shared directly by the MCO with EOHHS
- Stipulate that the AE must earn payments through demonstrated performance; the AE’s failure to fully meet a performance metric will result in forfeiture of the associated incentive payment (no payment for partial fulfillment)
- Provide a process by which an AE that fails to meet a performance metric in a timely fashion can reclaim the payment at a later point in time by fully achieving the original metric in combination with timely performance on a subsequent related metric
Distribution of Funds

Reconciliation

In advance of the MCOs payments to AEs, the MCO shall receive payment from EOHHS in the amount and schedule agreed upon with EOHHS.

The following requirements will apply to distribution of incentive payments:

- Contractor shall make associated payments to AEs within 15 calendar days of receipt of payment
- The MCO will maintain a report of funds received and disbursed by transaction in a format and in the level of detail specified by EOHHS, and will provide the report to EOHHS for reconciliation within 15 calendar days at the end of each calendar quarter
- The MCO will work with EOHHS to resolve any discrepancies within 15 calendar days of notification of such discrepancy

Project Plan Modifications

Subcontracts between the AE and the MCO associated with AE-specific HSTP Project Plans may only be modified with state approval.
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EOHHS Priorities

- EOHHS Priorities will be developed with support of the AE Program Advisory Committee.
- A draft set of priorities is shown below; the final set of priorities will be reviewed by the Advisory Committee and confirmed by EOHHS.

<table>
<thead>
<tr>
<th>Program</th>
<th>Priorities</th>
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<tbody>
<tr>
<td>Comprehensive AEs</td>
<td>• Integration and innovation in behavioral health care</td>
</tr>
<tr>
<td></td>
<td>• Integration and innovation in SUD treatment</td>
</tr>
<tr>
<td></td>
<td>• Integration and intervention in social determinants, including cross system impacts</td>
</tr>
<tr>
<td>Specialized Pilot LTSS AEs</td>
<td>• Developing programs and care coordination processes to enable people to reside safely in a community setting and to promote timely care transitions and reduced institutional/ED utilization</td>
</tr>
<tr>
<td></td>
<td>• Home and Community based Behavioral Health capacity development for specialized adult day care, home care, and alternative living arrangements with capacity to serve members with behavioral health and/or dementia/Alzheimer’s related service needs</td>
</tr>
<tr>
<td></td>
<td>• Repurposing skilled nursing capacity for acute psychiatric transitions and/or adult day capacity</td>
</tr>
</tbody>
</table>
Allowable Areas of Expenditure

- Allowable uses of funds are structured in eight (8) domains
  - 3 core readiness domains
  - 5 system transformation capacity domains

- EOHHS anticipates that incentives in Program Year 1 may be weighted toward core readiness domains; however, over time the allowable areas of expenditure will be required to shift toward system transformation capacities

- In Program Year 1, investment in core readiness domains is limited as follows:
  - Comprehensive AEs may devote **no more than 30%** of the total HSTP incentive pool to projects in the readiness category (Domains 1-3)
  - Specialized AEs may devote **no more than 60%** of the total HSTP incentive pool to projects in the readiness category (Domains 1-3)
Allowable Areas of Expenditure: Details

<table>
<thead>
<tr>
<th>Domains</th>
<th>Allowable Uses of Funds</th>
</tr>
</thead>
</table>
| **1. Breadth and Characteristics of Participating Providers** | - Building provider base, population specific provider capacity, interdisciplinary partnerships, developing a defined affiliation with community based organizations (CBOs)  
- Developing full continuum of services, Integrated PH/BH, Social determinants                                                                                           |
| **2. Corporate Structure and Governance**            | - Establishing a distinct corporation, with interdisciplinary partners Joined in a common enterprise                                                                                                                    |
| **3. Leadership and Management**                     | - Establishing an initial management structure/staffing profile  
- Developing ability to manage care under Total Cost of Care (TCOC) arrangement, with increased risk and responsibility                                                                                       |
| **4. Data Analytic Capacity and Deployment**         | - Building core infrastructure: EHR capacity, patient registries, Current Care  
- Provider/care managers’ access to information: Lookup capability, medication lists, shared messaging, referral management, alerts  
- Patient portal  
- Analytics for population segmentation, risk stratification, predictive modeling  
- Integrating analytic work with clinical care: Clinical decision support tools, early warning systems, dashboard, alerts  
- Staff development and training – individual/team drill downs re: conformance with accepted standards of care, deviations from best practice                                                                 |
| **5. Commitment to Population Health and System Transformation** | - Developing an integrated strategic plan for population health that is population based, data driven, evidence based, client centered, recognizes Social Determinants of Health, team based, integrates BH, IDs risk factors  
- Healthcare workforce planning and programming                                                                                                                        |
| **6. Integrated Care Management**                    | - Systematic process to ID patients for care management  
- Defined Coordinated Care Team, with specialized expertise and staff for distinct subpopulations  
- Individualized person-centered care plan for high risk members                                                                                                        |
| **7. Member Engagement and Access**                  | - Defined strategies to maximize effective member contact and engagement  
- Use of new technologies for member engagement, health status monitoring and health promotion                                                                             |
| **8. Quality Management**                            | - Defined quality assessment & improvement plan, overseen by quality committee                                                                                                                                              |
# Required Performance Areas and Milestones

HSTP Project Plans must specify the performance that would qualify an AE to earn incentive payments; in Year 1, earned funds must be distributed by performance area as shown:

<table>
<thead>
<tr>
<th>Performance Area</th>
<th>Minimum Milestones</th>
<th>Program Year 1</th>
</tr>
</thead>
</table>
| **Developmental Milestones**            | • Detailed Health System Transformation Project Plan, including a specified set of Core Projects, and a proposed Infrastructure Development Budget by Project and Domain in accordance with state specified template  
• Quarterly Progress and Financial Reports in accordance with state defined template  
• Developmental milestones MCO/AE Defined  
(at least 3 unique developmental milestones per Core Project per year) | 75%            |
| **Value based purchasing metrics**      | • Demonstrated APM Progression, development of defined modeling capabilities to manage care under a TCOC approach.  
• Marginal Risk Requirements  
• Minimum required share of marginal risk for which the AE is liable, in accordance with EOHHS define APM guidelines | 5%             |
| **Outcome Metrics**                     | **Comprehensive**  
• Preventable Admissions  
• Readmissions  
• Avoidable ED Use  
• MCO/AE Specific Performance Targets | 20%            |
|                                         | **Specialized**  
Total Cost of Care, inclusive of quality multiplier, in accordance with state defined APM guidance | 100%           |

Total 100%