Medicaid Accountable Entities Program Update

March, 2018
Health System Transformation Program (HSTP)

**Partnership with Institutions of Higher Education (DSHP)**

**Health System Transformation Project (HSTP)**

- **Community College of Rhode Island**
- **University of Rhode Island**
- **Rhode Island College**

**EOHHS**

- **Transitional Program for Hospitals & Nursing Facilities**
  - One-year transitional funding to support the transition to new Accountable Entity structures.

- **Reinventing Medicaid Phase II: Accountable Entities**
  - System Transformation, including capacity building toward mature, broad based AEs and new specialized provider partnerships.

- **Health Workforce Partnerships**
  - Development of a healthcare workforce that is aligned with the goals of Health System Transformation and the Governor’s Jobs Plan.
Medicaid Accountable Entities: Goals

❖ Substantially transition **away from fee-for-service** models

❖ Define Medicaid-wide **population health** targets (consistent with SIM), and link any incentive payments to performance

❖ Deliver **coordinated, accountable care for all**, with targeted support for **high-cost/high-need** populations

❖ Shift Medicaid expenditures **from high-cost institutional settings** to community-based settings as appropriate
Program Approach: Three Legged Stool

1. Certification
   Define expectations for Accountable Entities: capacity, structure, processes

2. Payment
   Require transition from fee based to value based payment model (APM Requirements)

3. Incentives
   Targeted Financial incentives to encourage/support for Infrastructure Development (HSTP)
Medicaid Accountable Entities: Opportunity

✓ **Target: high/rising risk population**
   Top 6% of Medicaid users accounting for 65% of cost, especially:
   Populations receiving institutional and residential services
   Populations with integrated physical and behavioral health care needs

✓ **Alignment of financial incentives (State, MCO, AE)**
   Shared responsibility for reduced cost, increased quality

✓ **Transition to risk**
   Using HSTP incentives to encourage/require increased AE financial risk
   and responsibility
Progress to Date

The AE Program has grown considerably since inception; first year financial performance is encouraging.

As of Q3 2017 over half (51%) of managed care enrollment is now attributed to AEs.

First year financial performance is encouraging, as 4 of 7 AE contracts accomplished shared savings in SFY 17.

Source Data: AE Attributed Lives: MCO Quarterly Attributed Lives Snapshot Reports
Medicaid Managed Care Enrollment: Q3 2017, RI Medicaid Monthly Managed Care Report as of 9/30/17 (Aug, Sept. Average)
*Participating AEs include: Blackstone Valley Community Health Center, CHC ACO, Integra, Prospect CharterCARE, & Providence Community Health Center

Source Data: MCO Shared Savings Reports
*Note: UHC Shared Savings results are reported for the period July 2016 – September 2017
Key Challenges

- Partnership: CMS, State, MCO, AE
- Flexibility and innovation vs. standardization
- State budget & administrative resources
- Sustainability
Incentive funding provides unique opportunity for startup funds to support investments in critical AE capacity and infrastructure.

- **AE Operations**
  Building, maintaining new provider capacity and infrastructure

- **AE Incentives**
  Interim support for AE Operations

- **Shared Savings**
  Source of ongoing funding to support AE operations

....Sustainability depends upon AE Savings replacing AE Incentives as source of funding
Interagency Alignment

Deliver coordinated, accountable care for all, with targeted support for high-cost/high-need populations

- High cost/high need populations (all)
- Population Differences
- Benefit Differences

Alternative Payment Models (APMs)
- Enhanced Provider Capacity
- Statewide Metrics

Set Targets & Metrics (all)
- APMs: Payor vs. Regulator
- How to enhance provider capacity

✓ ALIGNED
✓ MOSTLY ALIGNED
✓ ALIGNED
✓ SOME DIFFERENCES
Backup: Targeted Financial Incentives: HSTP

Permissible HSTP Expenditures

Details of Expenditures “Attributable to Establishment of AEs”

- Incentive based infrastructure funding to AEs
- Health Workforce Development
- HSTP design, implementation and evaluation
- Vital State Health Programs
Questions and Comments