Primary Care Payer Action Collaborative (PAC)
Designing and Implementing an Alternative-to-FFS Payment in CPC+ Track 2

Lab 4: Implementing Primary Care Population-Based Payments in Medicaid

November 14, 2017
3:00 – 5:00 PM ET

If you require technical assistance, please contact Kristian Motta at kmotta@ripleffect.com.
Welcome and Introductions
Welcome

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Curriculum, Topics and Calendar

Introduction

Lab 1: Design

Lab 2: Implementation

Lab 3: Implementation (continued)

Lab 4: Implementing Primary Care Payments in Medicaid

Today!
# Today’s Agenda

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Today’s Objectives
Objectives for Lab 4

- Review considerations and processes specific to Medicaid in implementing a Track 2 alternative to fee-for-service payment model
- Review the use of State Plan Amendments to authorize Track 2
- Clarify when 1115 demonstration authority is needed and what the demonstration application process entails
- Discuss State experiences so far in designing and implementing alternative to FFS CPC+ Track 2 payments in Medicaid
- Identify open questions for possible future LAN PAC activity around Medicaid and CPC+
Antitrust Statement

PAC Participants agree that all activities are in compliance with federal and state antitrust laws. In the course of discussion, **no financial information from payer participants will be shared with other payers or the general public.**

During meetings and other activities, including all formal and informal discussions, each payer participant will refrain from discussing or exchanging information regarding any competitively sensitive topics. Such information includes, but is not limited to:

- PMPM
- Shared savings or incentive payments
- Information about market share, profits, margins, costs, reimbursement levels or methodologies for reimbursing providers, or terms of coverage
Previous Input & Questions on Medicaid
What We Have Heard

How do common existing Medicaid primary care payment structures align or not align with CMMI Track 2 principles?

What are other state Medicaid agencies in CPC+ doing for Track 2?

Can I use a SPA, or is 1115 Demonstration Authority required?
Medicaid-Specific Track 2 Considerations
Medicaid Payers Participating in CPC+

CPC+ includes a mix of Medicaid FFS and Medicaid Managed Care payers spanning 11 regions; 8 Medicaid Agencies are participating in the model. And, more than half of the participating payers in CPC+ offer a Medicaid Managed Care line of business.
Medicaid Authority & CPC+

- **Eight State Medicaid Agencies have signed MOU with CMMI to implement CPC+, including Track 2 payment.**
- **CMS is looking to work with states, taking advantage of Medicaid flexibility on payment, to figure out the best pathway that aligns with Track 2. However, States must also seek Medicaid authority to require specific Track 2 payment models in managed care or to implement Track 2 under a FFS system.**
  - Depending on design, state plan amendment (SPA), 1115 demonstration, or other authority will be needed.

**Process for Medicaid Track 2 Payment Approval**

1. **State proposes payment design to CMMI as part of payer application**
2. **CMS assesses alignment with Track 2 principles**
3. **State initiates discussions with CMCS/CMCHO on Medicaid authorities**
4. **Medicaid Approval to Implement Track 2 Payments**
Reminder: CPC+ Alignment Principles for Track 2 Alternative to FFS

Track 2 Alternative-to-FFS Hallmarks:

• Depart from fee for service in a way that would be a relative improvement to fee for service
• Payment is sufficient to bring patients into alternative forms of care
• Payment does not preclude comprehensiveness (e.g., screening for unmet social needs and creating linkages to social services)
• Work drives towards a regional, multi-payer initiative
Pathways to Track 2 Payments in Medicaid
Pathways to Track 2 Payments in Medicaid

Different authorities in Medicaid can be used to authorize Track 2 payment, depending on payment model design.

- CMMI confirmation that proposed payment model aligns with Track 2 Principles
- Payment model achievable under State Plan Amendment (SPA) Authority
- Payment model requires 1115 demonstration
- Payment model possible under managed care
- Medicaid approval to Implement Track 2 Payments
Pathways to Track 2 Payments in Medicaid: Streamlined State Plan Amendment Option

Model Aligns with CMMI Track 2 Principles

SPA Authority

**Traditional Primary Care Payment + Increased Care Management Fee Under SPA Authority**

- Under this model design, practices would receive an additional care management fee, in excess of that provided under Track 1, to allow more flexibility for provision of non-visit-based services, as a supplement to traditional primary care payment.

- Payment model needs to align with State Plan Rules under this pathway (e.g. cannot include pre-payment of FFS payments).

**Total payment to practice**

- **Today/Track 1**
  - FFS
  - Care management fee

- **Track 2 – SPA authority**
  - FFS – no change
  - Increased care management fee
Pathways to Track 2 Payments in Medicaid: Streamlined State Plan Amendment Option

Model Aligns with CMMI Track 2 Principles

SPA Authority

Traditional Primary Care Payment + Increased Care Management Fee Track 2 payment model is allowable under State Plan Authority

State Medicaid Director Letter #12-002 on Integrated Care Models

Section 1905(a)(25) and, by reference, 1905(t)(1) of the Act authorizes “coordinating, locating, and monitoring” services under the State Plan.

States may use care coordination payments to offer incentives to providers who demonstrate improved performance and/or perform a set of defined activities or services for enrolled beneficiaries.

“PMPM payments may reimburse providers for direct and indirect actions (e.g. monitoring patient treatment gaps or offering extended hours of operation) that aim to improve health and outcomes for all beneficiaries.”

- ICMs apply to broad range of provider types including individual physicians, nurse practitioners, physician assistants, and group practices
- ICM payment arrangements must still follow statutory and regulatory requirements (e.g. comparability, freedom of choice, beneficiary protections, etc.)
Pathways to Track 2 Payments in Medicaid: Streamlined State Plan Amendment Option

Model Aligns with CMMI Track 2 Principles → State plan authority (SPA)

Traditional Primary Care Payment + Increased Care Management Fee option aligns with CMMI Track 2 Hallmarks:

- Depart from fee for service in a way that would be a relative improvement to fee for service
  - Enhanced CM fee would be larger than Track 1 and meant to capture services not billable under standard FFS

- Payment is sufficient to bring patients into alternative forms of care
  - Aligned because significant new revenue may support delivery of services outside the traditional visit

- Payment does not preclude comprehensiveness (e.g., screening for unmet social needs and creating linkages to social services)
  - Aligned because significant new revenue may support delivery of services outside the traditional visit

- Work drives towards a regional, multi-payer initiative
  - Aligned because includes Medicaid among multiple payers participating in region
Questions or Comments?

If you have any questions you would like to take offline, please follow up with Lauren Icard at lauren.icard@us.gt.com
Expenditure authority under a 1115 demonstration is needed when a proposed payment does not meet state plan rules (e.g. to pre-pay for services that otherwise would be reimbursable under FFS)

- **Today/Track 1**
  - FFS
  - Care management fee

- **Track 2 – SPA authority**
  - FFS – no change
  - Increased care management fee

- **Track 2 – demonstration authority**
  - FFS – reduced
  - Prospective payment that replaces some % of FFS payments and also has a CMF component

Cannot “pre-pay” any FFS payments via a SPA. Therefore, demonstration authority is required.
Pathways to Track 2 Payments in Medicaid: 1115 Demonstration Option

**Model Aligns with CMMI Track 2 Principles**

1115 Demonstration process is governed by federal law and corresponding regulations and policies

CMS Policies; Affordable Care Act Section 10201(i); 42 CFR Part 431

- Section 1115 of the Social Security Act gives the Secretary of Health and Human Services authority to approve experimental, pilot, or demonstration projects that promote the objectives of Medicaid and CHIP. Each demonstration requires individual discussions with CMS on budget neutrality and requested authorities.

- Budget neutrality requires that spending under the demonstration must not exceed the level of spending that would have been seen in absence of the demonstration; states must provide historical budgetary data to establish budget neutrality.

- States must ensure public input into the development and approval of new 1115 demonstrations and extensions, in accordance with regulations.
If you have any questions you would like to take offline, please follow up with Lauren Icard at lauren.icard@us.gt.com
Pathways to Track 2 Payments in Medicaid: Managed Care

Model Aligns with CMMI Track 2 Principles

Under risk based managed care States and plans generally have more flexibility to implement alternative payment methodologies than are described in the State Plan. Managed care regulations apply.

CMS Final Medicaid Managed Care Rule: 81 FR 27487, 42 CFR 438.6

- Outlines how States and plans must contract to provide services in Medicaid under managed care
- Aligns Medicaid managed care rules with other insurance programs
- Modernizes Medicaid managed care rules to better protect beneficiaries and improve the beneficiary experience
- Aims to strengthen delivery system reform efforts and promote innovation and flexibility to achieve high-value care
- Allows States to direct managed care plans to make specific payments/participate in reforms (e.g. CPC+ Track 2)
- Note: CMS is reviewing this rule to ensure “maximum State flexibility” as noted in Administrator Verma’s letter to Governors
Pathways to Track 2 Payments in Medicaid: Managed Care

Model Aligns with CMMI Track 2 Principles

Managed Care

Discussion from Medicaid Managed Care Plans and Managed Care States

Under managed care, States and plans generally have more flexibility to implement prospective and capitated payment than under State Plan authority. What issues are arising in Track 2 payment that are specific to the managed care context?

Which topics would managed care plans like to discuss in future LAN meetings related to the Track 2 Alternative to FFS payment?
Discussion and Interactive Polling
Polling Question #1a:

Which CPC+ Region are you from?

<table>
<thead>
<tr>
<th>a) Arkansas</th>
<th>f) Louisiana (2018 Start)</th>
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<tbody>
<tr>
<td>b) Buffalo (2018 Start)</td>
<td>g) Michigan</td>
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<tr>
<td>c) Colorado</td>
<td>h) Montana</td>
</tr>
<tr>
<td>d) Hawaii</td>
<td>i) Nebraska (2018 Start)</td>
</tr>
<tr>
<td>e) Kansas City</td>
<td>j) New Jersey</td>
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Polling Question #1b:

Which CPC+ Region are you from?

- a) North Dakota (2018 Start)
- b) Hudson/N Capital NY
- c) Ohio/N Kentucky
- d) Oklahoma
- e) Oregon
- f) Philadelphia
- g) Rhode Island
- h) Tennessee
- i) Payer in multiple regions
Medicaid Payers Participating in CPC+

CPC+ includes a mix of Medicaid FFS and Medicaid Managed Care payers spanning 11 regions; 8 Medicaid Agencies are participating in the model. And, more than half of the participating payers in CPC+ offer a Medicaid Managed Care line of business.
Discussion from Medicaid Payers

What is the pre-CPC+ primary care payment model you are building on?

How are you thinking of the difference between Track 1 and Track 2 in Medicaid?

What questions do you have about Track 2 payment in Medicaid?

Are there Track 2 challenges or barriers specific to Medicaid other than the need to obtain Medicaid authority?

Please feel free to use the chat
Wrap-up and Thank You!
Polling Question #2:

Please rate your overall satisfaction with this event.

a. Very satisfied
b. Somewhat satisfied
c. Somewhat dissatisfied
d. Very dissatisfied

Please type additional thoughts in the chat
Polling Question #3:

Today’s Lab enhanced my knowledge of the subject area.

a. Strongly Agree
b. Agree
c. Disagree
d. Strongly Disagree

Please type additional thoughts in the chat
Polling Question #4:

I will take action or work with others in my organization to take action based on today’s lab.

a. Strongly Agree
b. Agree
c. Disagree
d. Strongly Disagree

Please use the chat to tell us what you will act on, or why the information was not actionable.
Polling Question #5:

Of the implementation areas discussed today, which, if any, do you feel better equipped to move forward on?

a. Aligning w/CPC+ principles
b. SPA Authority for Track 2
c. 1115 Demonstration Authority for Track 2
d. Managed Care Authority and Track 2

Please type any additional thoughts in the chat.
Polling Question #6:

The PAC is helping my organization make progress towards its goals in CPC+

a. Strongly Agree
b. Agree
c. Disagree
d. Strongly Disagree

*Please type any additional thoughts in the chat.*
Thank you for participating in this series of LAN PAC webinars!

Introduction → Lab 1: Design → Lab 2: Implementation → Lab 3: Implementation (continued) → Lab 4: Implementing Primary Care Payments in Medicaid

Today!