Primary Care Reform Collaborative: PCRC

April 6, 2020

Agenda:

- Approval of Minutes
- DOI Update
- Funding proposals
- Annual Report Draft
- Recommendations
- Subcommittees:
  - Technical/Data
  - ERISA

Rhode Island	Oregon	Delaware	Connecticut
• Each health insurer's annual, actual primary care expenses (direct and indirect) shall be at least 10.7% of annual medical expenses for all insured lines of business • At least 50% of medical payments should be under an alternative payment model, with a minimum downside risk for providers	• Prominent carriers (annual health insurance premium income ≥ $200 million) offering commercial and MA plans, state public employee board plans, and Medicaid CCOs must spend at least 12% of total expenditures for physical and mental health on primary care services by 2023 • If spend less, must document how will increase spending by at least 1% annually	• *Recommendation:* State should mandate payers to progressively increase PC spending to reach percentage milestones that eventually account for 12% of total health care spending (based on RI and OR) • Increase will occur either through 1% point increase per year or within 5 years, whichever is faster • Standard will apply to at least Medicaid, MA, self-insured, fully insured, state employees' health plans • Performance measured by standard definition of primary care spending and total medical spending	• Developing primary care bundled payments that cover office visits, with supplemental bundles that include a PMPM fee to allow practices to hire care managers or invest in HIT, as part of multi-payer model • Multi-payer reform model aims to gradually double revenue stream to primary care providers while maintaining TCC trend through combination of upfront supplemental payments to PC providers who agree to assume risk on controlling TCC
Background: PC spending increased through combination of structural payments (loan repayment, care management fees, and value-based payment opportunities) while hospital rates were capped	*Background:* Primary care spending requirements follow a series of delivery and payment model reforms over the past decade, which had already boosted primary care spending on average to the 12% benchmark	*Background:* State facing acute PC workforce issues, growing health care costs; series of legislative resolutions and EOs focused attention on costs and quality; first state to set health care spending growth target and track quality and health measures	*Background:* Planned investment is strictly in upfront supplemental payment revenue made with the expectation that primary care providers transform practices to offer alternative means of accessing primary care services that are not billable and by using a more extensive care team

Other key features:
• 2010 - OHIC required each insurer to annually increase total commercial medical payments to PC
• Capital investments in PC, including supporting PT and EHR systems, count toward primary care spending
• Each payer must contract with specified share of PC physicians in PCMHs, increasing annually
• To help contain costs, hospital rates are capped at CPIU+1% and ACO total cost of care budgets are capped at CPI-U+1.5%
	Other key features:
	• 2015-2016 - legislation required state to report on percentage of PC spend
	• Analysis includes claim-based and non-claims-based payments
	  ○ Claims-based collected through state's APCD
	  ○ Non-claims based collected through reporting template
	• SB 231- established PC Payment Reform Collaborative, tasked with helping develop and implement the Primary Care Transformation Initiative
		Other key features:
		• PC spend increase should include upfront investment of resources to build infrastructure and capacity, not just increase in FFS rates for PCPs
		• Support/incentives for use of HIT, support for team-based model of care across range of PC setting, value-based incentive payments
		• PC spend requirements should be compatible with state benchmarking process of promoting only sustainable increases in TCC
			Other key features:
			• Building off SIM (thru Jan 2020)
			• Goal: enhance provider performance on shared savings or shared risk arrangements via PC payment reform
			• State priorities: building diverse care teams; expanding patient access to PC via email, home visits, telemedicine; adopting technology with likely ROI; integrating care to better treat behavioral health, address SDOH; developing practice specializations to better treat certain patient subpopulations

Current Comments:

- Increase participation in VBM
  - Develop new programs and “relax” criteria currently in place
  - Use a combination of payments for PC management infrastructure and APM
  - Ensure PC investment policies support advanced care delivery care models, e.g. ACOs, CINs
  - Encourage contracting with CIN to increase clinicians participating in VB contract
    - Not to increase admin burden but modify quality metrics for additional levers for reimbursement
    - Increase CC fees which align with quality and efficiency metrics

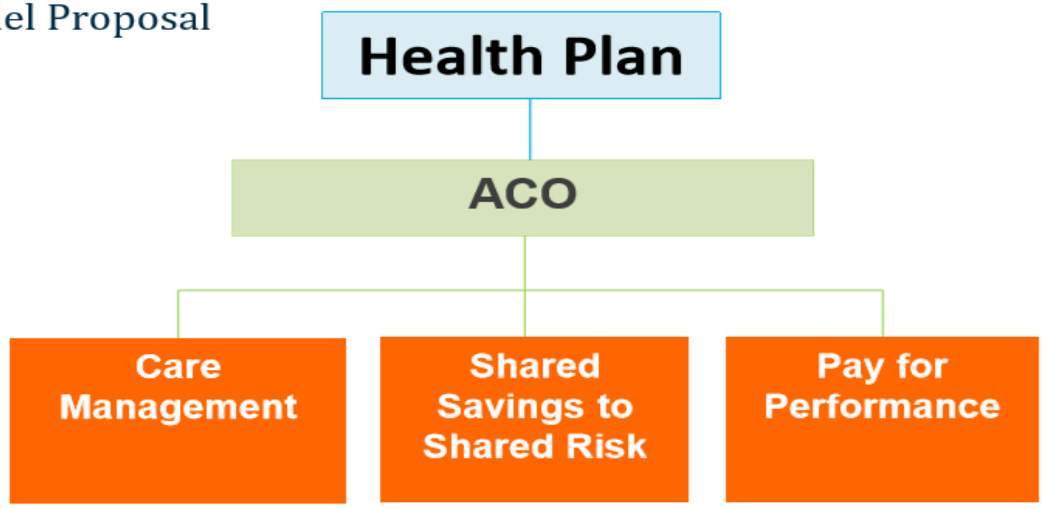
PAST PROPOSALS:

Delaware Primary Care Funding Model Proposal

Proposed Funding Model

3 funding streams:

1. **Delegated** Care Management Fees
2. **Shared Savings**
3. **Pay for Performance**



- Upfront PMPM CM Fees with task accountability
  - Used to fund CM staffing and infrastructure
  - Amount related to % premium with both a cost of service and ROI perspective
  - Included as an expense in calculating shared savings/risk pool

- Savings split between ACO and Plan
- Transition to Shared Risk over Time
- Stop-loss for high dollar cases
- Risk corridor when transition to risk
- Quality gate
- Guard against price increases eliminating savings from improved utilization

- Key measures associated with Plan withhold or quality goals
- Metric choice aligned across payers for similar populations
- Number of metrics allows providers to focus their QI programs
- Improvement and attainment goals achievable

Trinity Health ACO

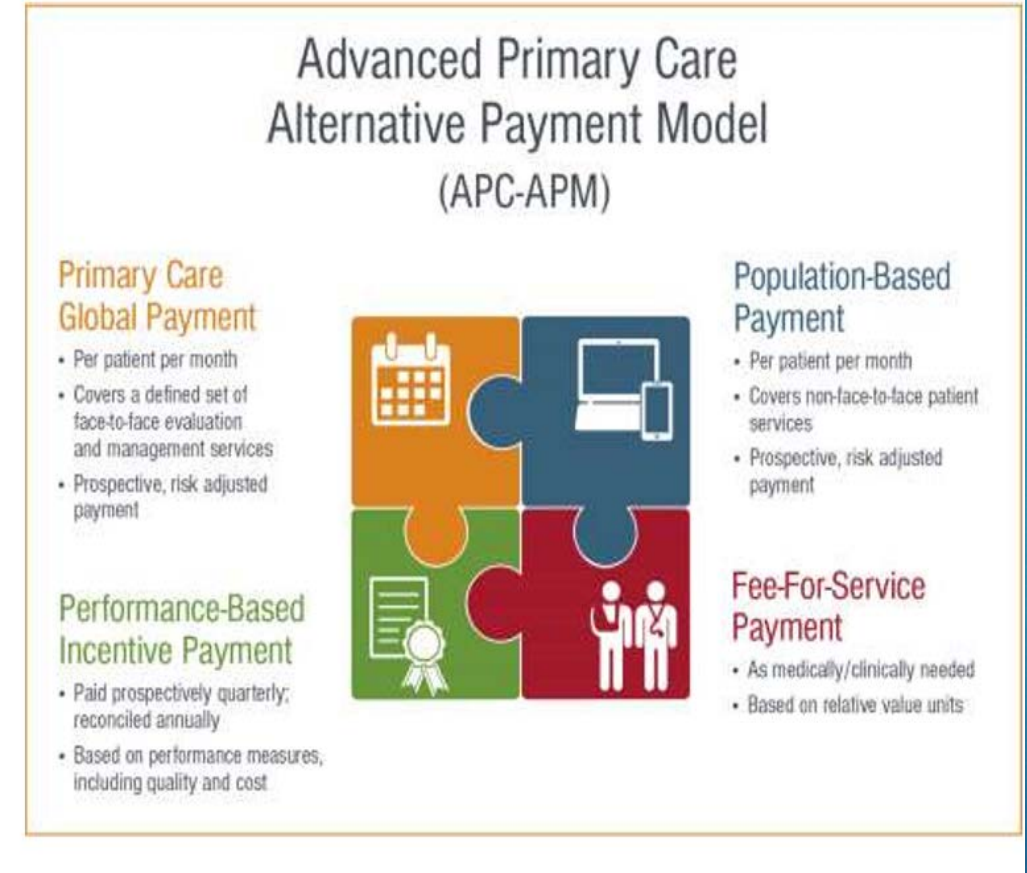
- Next Generation ACO with upside and downside risk
- Included patients from health systems and private groups in Illinois, Michigan, New Jersey, and Ohio
- 100K Medicare patients with up to 15% of medical spend at risk
- Centralized team that provided actuarial support and data analytics at the system level
- Local teams responsible for care management, social work, care coordination, clinician engagement, and leadership
- Expectation that local group spent $22 PMPM on the infrastructure above

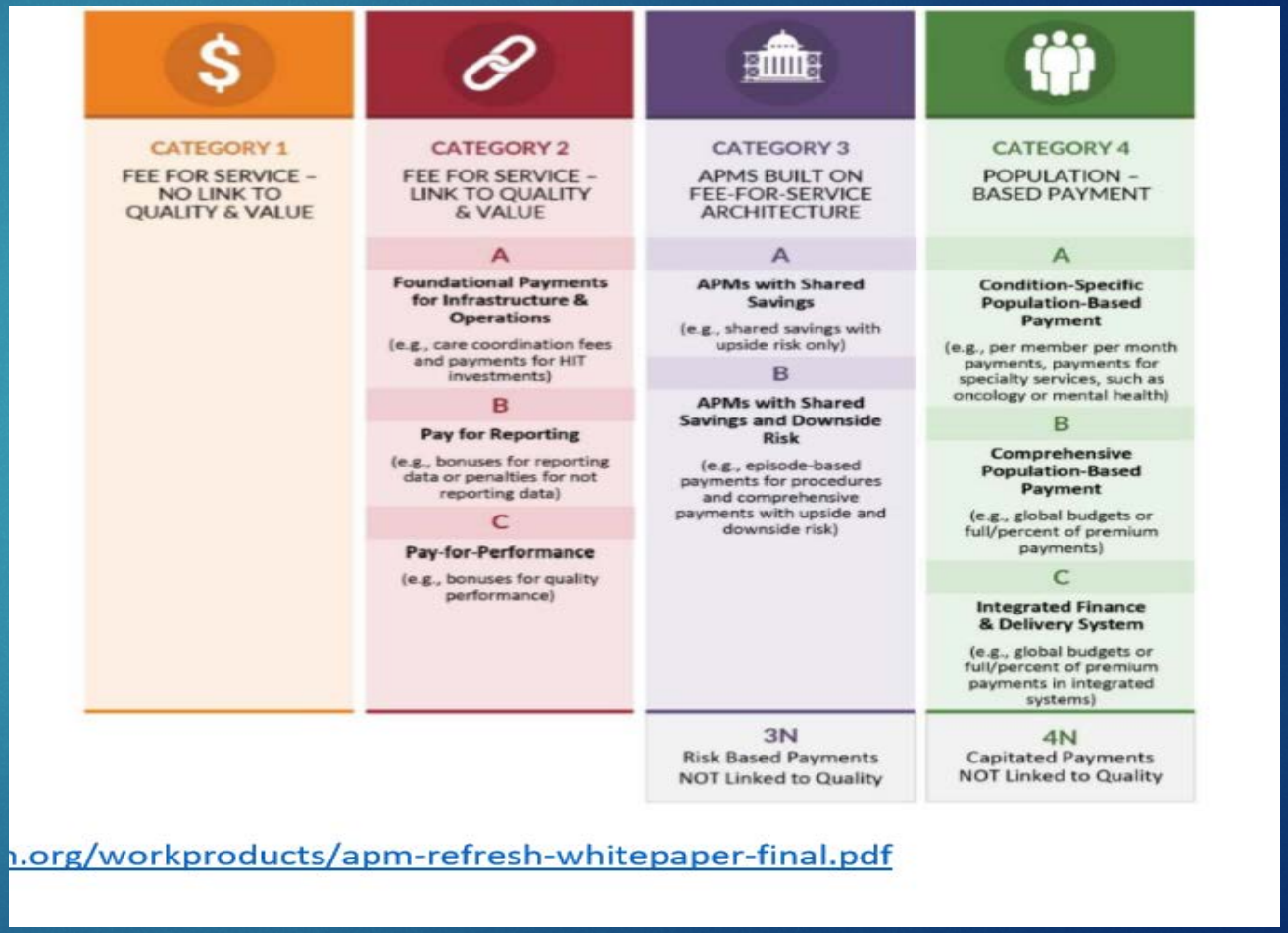
Current Recommendations from Survey:

- Primary Care is foundational to health care delivery in DE
- Practices which demonstrate a team-based or PCMH like delivery of care should have more upfront investment
- Initial increase in upfront investments should be tied to an agreed upon definition of “risk” “accountability” and “value”
  - Increased PMPM, care coordination payments, non claims payment
- ERISA Plans:
  - Provide a Learning collaborative – creation of subcommittee
  - Voluntary contribution of data - ?aggregated from TPA or specifications in to APCD

Past Proposals

AAFP APC-APM





.org/workproducts/apm-refresh-whitepaper-final.pdf

Current Comments:

- Determine and monitor outcome measures to evaluate the benefit of increasing PC investment
- Develop a broad “inclusive” definition of Primary care in terms of health care specialties/ professionals
- Assist/Issue to the Insurance Commissioner an annual report on increasing primary care investment
- Use of DHIN to measure PC investment and monitor amount of PC spend with claims and non-claims based payments
- Collaborate with “provider partners” to reallocate funds, on an increasing scale, which have been contributing to a higher cost of care

- State Office of Financial Management
- Evaluated expenditures for 2018
  - Included copays,deductibles and pharmacy claims for total medical expenditures but not non-claims based expenditures
  - Also used IOM definition of PC and the 4Cs: contact, continuity, comprehensive and coordinated care
  - Calculated narrow and broad definition of providers and services
  - Included commercial, Medicaid, Medicare but not Self-insured, federal and VA benefits
  - 4.4-5.6% with highest in age group <18: 10.4-11.2%

- PC providers: SB 227
  - Family practice, internal medicine, geriatics, pediatrics
  - Physicians, NPs, PAs
- OVBHCD:
  - Use of APCD
  - Specifications:
    - Formulated by OVBHCD with input by PCC>>>?PCC data subcommittee
    - Outpatient and office expenditures
    - ?non –claims payments – aggregated data from payors who are also contributing data to DHIN
    - NO TOPIC RECOMMENDATIONS PROVIDED

Current Comments: Increase PC spend without increasing overall health care costs

- Reduce spend on hospital inpatient services to the same level in PA
  - Decrease hospital rates by 10% of Medicare rate each year until 190% as that in PA, probably over 5 yrs
  - Overall represent decrease 1% in total spend to be shifted to PC spend

Current Comments: Increase PC spend without increasing overall health care costs

- Global Reference Based Pricing
  - Montana: 2016>>234% Medicare rates across all service types with $13.6 m savings/3 yrs
  - Oregon: 2017 legislation effective 2020>>200% Medicare
  - North Carolina: 2019, effective 2020
    - 155% of Medicare hospital inpatient/200% for critical access hospitals
    - 200% for hospital outpatient/ 235% for critical access
    - 160% Medicare for professional services

Future Meetings:

- THIRD MONDAY OF EACH MONTH:
- 4/20/20
- 5/18/20
- 6/15/20 (If needed)