Delaware Office of Value-Based Healthcare Delivery

Primary Care Reform Collaborative Technical Subcommittee

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Today's Agenda

- Discuss OVBHCD statutory mandate
- Review role of PCRC Technical Subcommittee to inform work
- Provide overview provisional affordability standards and approach
- Review PCRC Technical Subcommittee work ahead

Our Charge

Office of Value-Based Health Care Delivery enabling language:

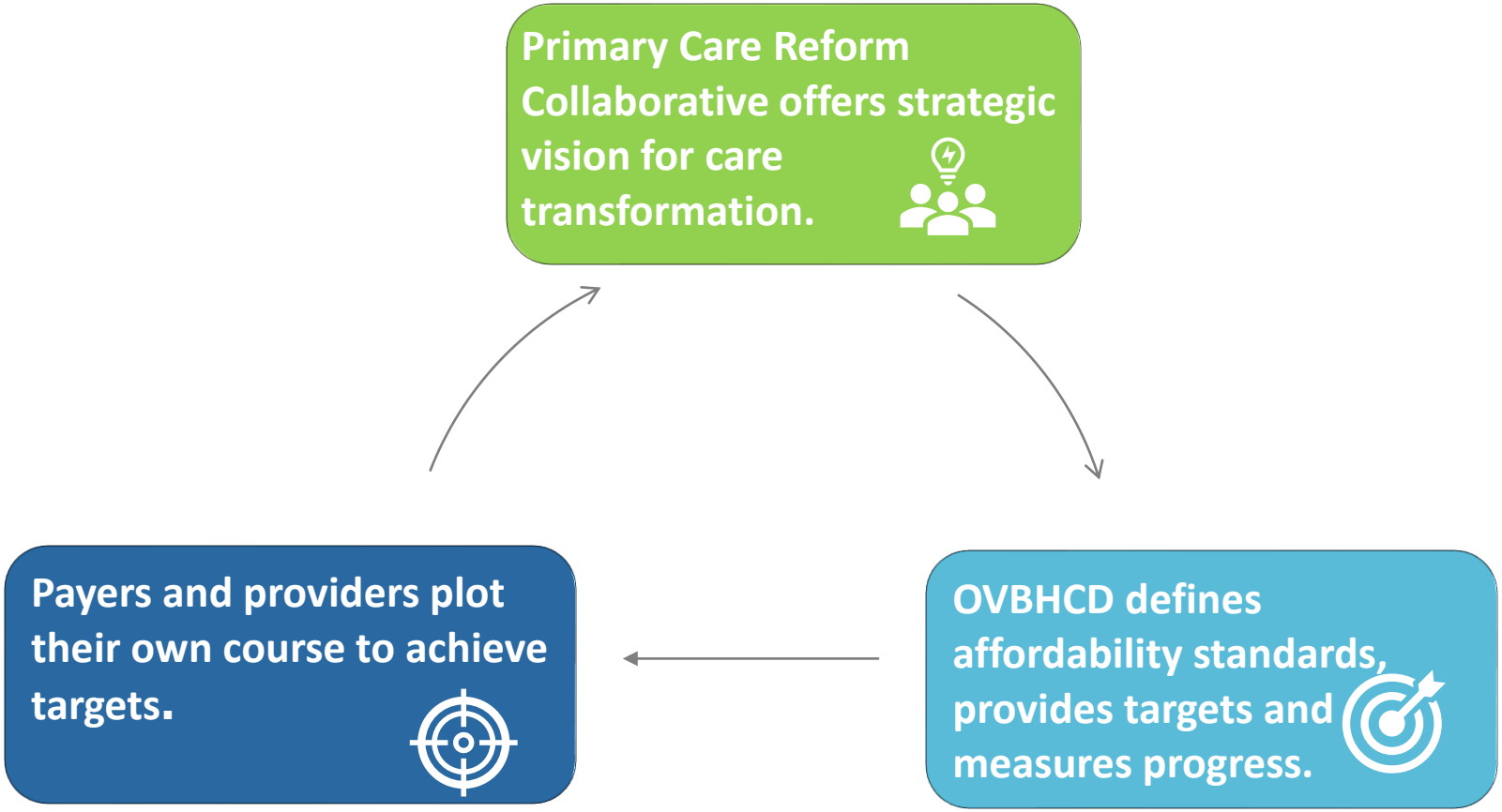
- Title 18, Chapter 3: The Office of Value-Based Health Care Delivery is established to **reduce health-care costs by increasing the availability of high quality, cost-efficient health insurance products** that have **stable, predictable, and affordable rates**.

- Title 18, Chapter 3: Develop and annually evaluate affordability standards, through an open and transparent process, **in collaboration with the Primary Care Reform Collaborative.**

Goals for Delaware Affordability Standards

- Improve health care value
- Reflect DOI and stakeholder priorities
- **Create a sustainable, incremental process positioned to evolve as care transformation efforts mature**
- Comply with Office of Value-Based Health Delivery and DOI statutes

Division of Responsibility



Approaches to Achieving Affordability

Domain	Definition	Examples
Total cost of care benchmarks	Mandated healthcare spending growth target, typically with hearings, performance improvement plans if failure to meet targets	DE benchmark of 3.5% for 2020
Primary care spend targets	Mandated primary care investment as a percentage of total healthcare spending	RI 11% primary care spend target; CT 10% by 2025
Enhanced rate review and other payer reforms	Consumer subsidies; limits on rate increases, cost sharing; minimum MLR, Rx pricing legislation, surprise billing legislation	RI limits hospital rate increases to Medicare price index plus one percentage point
Market consolidation monitoring	Analysis of change in quality, cost, and access due to changes in the market	MA, CT conduct Cost and Market Impact Reviews on proposed consolidation
Alternative payment model adoption targets	Mandated requirements on APM adoption, quality incentive payments, provider risk-sharing, global budgets	OR to require 70% of Medicaid payments to be for value-based contracts by 2024

Provisional Affordability Standard Domains (ASD) for Delaware

Affordability Standard Domains (ASDs)	Affordability Goals			
	Better Health	Improve Access and Quality	Lower Premiums	Attract Workforce
#1 Primary Care Investment Target	Yes	Yes	Maybe	Yes
#2 Provider Rate Review	No	No	Yes	No
#3 Alternative Payment Model Targets	Maybe	Maybe	Maybe	Maybe

Proposed Approach to Implement

Data Collection Integrated with DOI Rate Review

- Data on primary care spending, provider unit costs, advanced alternative payment models is collected as part of rate review process through a simple Excel template that will be posted in SERFF

Accountability Integrated with DOI Rate Review

- Payer accountability for achieving targets becomes part of the rate review process
- Progress toward meeting OVBHCD targets informs the rate review process but does not decide it

Provisional Approach:
Primary Care Investment Targets

1. Calculate “direct” and “indirect” primary care spend (FFS & non-FFS) using data from DHIN, benchmark, and rate filings

2. Target incremental increases (e.g. X % of total cost of care) in direct primary care spend for X years, or until X% primary care spend

3. Reporting on strategy, programs, accountability augments data

Provisional Approach:
Provider Rate Review

1. OVBHCD reviews unit price trends in rate filings

2. Trend above X triggers DOI review and questions to insurers

3. Depending on review, DOI may require hearing or retrospective audit

Provisional Approach:
Alternative Payment Model Targets

1. OVBHCD will begin by collecting data on APM use

2. PCRC develops a strategic vision for care transformation

3. Data collection and PCRC vision are used to set APM targets

Technical Subcommittee Work Ahead

- Review primary care spend analysis, definitions, and provide input on target (August)
- Analyze ACO and health system APM landscape, discuss trade-offs and provide input on implementing an APM target (September)
- Review cost trends analysis (September)
- Provide input on affordability standards' targets (October)

How to Reach Us

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Appendix: Affordability Examples

Examples of States' Primary Care Investment Target Standards

STATE	STANDARD	DATA	ENFORCEMENT
Colorado	• Carriers to increase primary care spend as a percent of total medical expense 1% per year in 2021, 2022, 2023	• Supplemental reporting part of rate review on previous year's actual primary care spend and subsequent year's anticipated spend in 2021 • In 2022, data reported in 2021 and strategies for increasing primary care expenditure as part of annual rate filing. • In 2023, data previously reported and report primary care activities and spending of previous year.	• Carriers unable to meet investment target provide justification and proposed remedies in subsequent year. • DOI to annually publish primary care spend percentage of total medical expense.
Rhode Island	• At least 11% of medical spend to primary care.	• Supplemental reporting part of rate review process each quarter in the Primary Care Spend Report template created by OHIC.	• Health Insurance Commissioner can reject rate filings based on supplemental filings.
Oregon	• Medicaid and private health insurance have a 12% primary care spend target by 2023 and must increase by 1% each plan year.	• Submit a plan on increase primary care payments with annual rate filing.	

Rhode Island Regulation of Insurers' Contracts with Providers

- Hospital contracts shall include a quality incentive program using state's core measure set
- Average rate increases including quality incentives greater than CPI +1% must be approved. Approval also required if less than 50% of increase is for quality incentives
- Limited adjustments can be made for hospitals which have been paid below the median, if certain quality and safety measures are met
- Contracts can be made public; plans can request some specific terms be kept confidential

Rhode Island
Population-Based Contracts

- Annual increases above CPI plus 1.5% must be approved
- Adjustments, up to 2% or health insurer's average, allowed if budget statistically significantly below the health insurer's risk-adjusted commercially insured average for 3 yrs.
- Contracts can be made public; plans can request some specific terms be kept confidential

Examples of States' Alternative Payment Model Target Standards

STATE	STANDARD	DATA	ENFORCEMENT
Colorado	**Alternative Payment Model Target:** • 2023: > 50 percent of TME made through alternative payment models • DOI will publish % spending through APMs (except ERISA) including CMS to extent feasible • DOI will work with employers and health care purchasing alliances to obtain APM data for ERISA plans • DOI will collaborate with stakeholders to develop interim APM goals, host semi-annual meeting, offer resources and best practices.	Supplemental reporting via rate filings: **APM Implementation Plan** • Distribution across (LAN) APM categories, payment model names and lives, financial and quality measurement, how strategy supports statewide goals. **APM Expenditure Worksheet** • Summary of total APM expenditures for the following year, categorized by LAN APM Framework and provide the expected percentage of total medical expenditures across lines of business in each APM category.	• Prospective reporting part of insurer rate review process • Retrospective reporting to CIVHC (CO APCD); Carriers with insufficient progress will be put on performance improvement plan

Examples of States' Alternative Payment Model Target Standards

STATE	STANDARD	DATA	ENFORCEMENT
Rhode Island	**Prospective Primary Care APM Targets*:** • 2021: > 20% • 2022: > 40% • 2023: > 60% • By April 2021, working group to assess health insurer, provider and patient experience under these models. **Risk Sharing/Global Capitation Targets:** • 2021: > 30% **All percentages reflect RI insured residents attributed* • OHIC requires specific contract terms (i.e. risk sharing rate, risk exposure cap, and minimum loss rate) depending on number of attributed lives and whether provider organization is physician-led or integrated system. • RI also requires development of specialist focused VBPs	• Supplemental data collection via template	• Periodic audits, have found compliance • Developed via multi-stakeholder process • Informed by data gathered on APM use, aimed to reflect where market was headed

Examples of States' Alternative Payment Model Target Standards

STATE	STANDARD	DATA	ENFORCEMENT
Oregon	**Patient-Centered Primary Care Home VBP CCOs** • CCOs make (PMPM) payments to their Patient-Centered Primary Care Home (PCPCH) clinics. Payments must reflect performance, increase over the contract period and be meaningful. **Medicaid Coordinated Care Organization APM Targets** • 2020: >20% • 2021: >35% • 2022: > 50% • 2023: > 60% • 2024: > 70% *APMs targets above must meet LAN Category 2B (P4P)* • 2023: > 20% • 2024: > 25% *APMs targets above must meet LAN Category 3B (shared savings or downside risk)* • CCOs must also develop and implement some specialist focused VBPs	• Interviews • Prospective and retrospective supplemental reporting via templates.	• CCOs commit to meeting the thresholds as part of their RFP response to the state.