maryland
health services
cost review commission

Total Cost of Care Workgroup

September 2020

Agenda

Ad Hoc TCOC Workgroup

1. MDPCP Accountability
2. MPA Buyout
3. SIHISS

Maryland Primary Care Program

Options for Increasing Accountability

Options for Increasing Accountability for MDPCP

- HSCRC is concerned about the accountability of hospitals participating in the MDPCP program.
  - There are large investments made in MDPCP, including to hospitals.
  - There is little accountability for producing TCOC savings in the MDPCP program.
- In order to increase accountability for hospital affiliated MDPCP practices, the HSCRC is considering two options:
  - Option 1 would require hospitals to participate in a primary care CTI.
  - Option 2 would add a supplemental MPA adjustment based on the MDPCP performance.
- Based on stakeholders' feedback expressing concerns about incorporating the MDPCP into CTI on a short notice, staff are considering Option 2 as part of the MPA Recommendation.

Option 1: CTI Option

Overview

1. All hospitals affiliated with an NPI that is participating in the MDPCP will be required to submit a panel-based CTI.
2. Hospitals that do not participate will be a penalty equal to the amount of care management fees that the hospital has received.
3. The panel-based CTI will use the HSCRC's attribution algorithms and will require that NPIs are included in both the baseline period and the performance period.
4. Hospitals will be required to have at least 50% of the MDPCP beneficiaries covered under the CTI in order to avoid the penalty.

Option 1: CTI Option

NPI Lists

- The intention of the program is to measure the TCOC impact of the MDPCP program.
  - However, NPIs must be included in both the baseline period and the performance period for the CMMI methodology to work.
  - NPIs ‘churn’ substantially from year to year.
  - A CTO’s NPIs might include independent physicians who choose to partner with the CTO but whom the CTO has only weak influence over.
- HSCRC will allow the hospital to submit a subset of its NPIs in order to exclude new or independent NPIs.
- The penalty will be assessed if the CTI includes fewer than 50% of the beneficiaries attributed to NPIs affiliated with the hospitals.

Option 1: CTI Option

Overlaps with Other CTI

- The panel-based CTI will overlap substantially with other CTI.
  - This may result in those CTI having too few episodes to be effectively measured.
  - Hospital's planned on building their portfolio of CTI under the premise that hospitals could choose and allocate between different CTIs.
- In order to preserve hospital's flexibility, we will allow hospitals to 'hierarchy' their CTIs.
  - This approach will measure the MDPCP per beneficiary per month savings estimate using the full panel of beneficiaries.
  - Payments to the hospital will be made based on which CTI the hospital assigned the beneficiary to.

Option 1: CTI Option

Savings Overview

	Baseline	Performance Period
Number of Beneficiaries in a Panel Based CTI	10,000	12,000
Overlap with Care Transitions CTI	2,000	2,250
Per Capita Total Cost of Care	$ 14,000	$ 13,000
Per Capital Total Cost of Care Savings	$ -	$ (1,000)
Programmatic Savings = 12,000 benes x $1,000 savings = $12 mil.		
Aggregate Payments = (12,000 benes - 2,250 overlap benes) x $1,000 savings = $9.75 mil.		

	Baseline	Performance Period
Number of Beneficiaries in a Care Transition CTI	3,000	3,500
Overlap with Panel Based Primary Care	2,000	2,250
Per Capita Total Cost of Care	$ 25,000	$ 23,000
Per Capita Total Cost of Care Savings	$ -	$ (2,000)
Programmatic Savings = 3,500 benes x $2,000 = $7 mil.		
Aggregate Payments = 3,500 benes x $2,000 savings = $7 mil.		

Option 1: CTI Option

Baseline Year

- The CTI policy general allows hospitals to choose the baseline period for their CTI interventions.
  - A 2018 baseline period will measure the impact of MDPCP since the beginning of the program. However, the attribution may be less accurate because of NPI drift.
  - A 2019 baseline period will measure the incremental impact of MDPCP but will is more likely to correctly track with the NPIs who are in the program.
- The care management fees will be included in the TCOC for the CTI.
  - Hospitals will be required to offset the care management fees before they receive a payment.
  - Reminder: Hospitals will not be penalized if they fail to achieve savings.
- Staff intend to require a common baseline period for all primary care CTI and would like comment from the industry on the most appropriate choice.

Option 2: Supplemental MPA Adjustment

Overview

1. HSCRC will use CMMI's actual attribution to assign beneficiaries to hospitals.
2. Savings will be measures by comparing the 2019 MDPCP panel with the 2021 MDPCP panel.
3. There are two options for savings accountability:
   A. Require hospitals to offset their care management fees.
   B. Apply payments on a net neutral manner across all hospitals.

Option 2: Supplemental MPA Adjustment

Attribution

- CMMI attributes beneficiaries to MDPCP beginning in 2019.
  - Calculating a baseline period of costs for 2018 requires HSCRC to replicate the attribution algorithm, which introduces error into the attribution.
  - This problem can be avoiding by using a 2019 baseline period. This measures the incremental impact of MDPCP not the full program impact.
- HSCRC will use the actual CMMI attribution for MDPCP to assign beneficiaries to hospitals.
  - This perfectly matches CMMI's attribution.
  - HSCRC will not try to replicate – or explain – CMMI's attribution algorithms.
- HSCRC will attribute patients after the end of the performance period in order to accommodate CMMI's mid-year attribution changes.

Option 2: Supplemental MPA Adjustment

NPI Lists

- All hospitals will be required to submit the list of NPIs that are participating in MDPCP.
  - Submission of all participating MDPCP NPIs for 2019 and 2021 will be required.
  - NPI submissions will use the existing MATT infrastructure.
- The NPIs must include all physicians and practices that are affiliated with the hospital or its health system.

Option 2: Supplemental MPA Adjustment

Savings Accountability

There are two options for holding hospitals accountable for MDPCP costs:

A. Hold hospitals accountable to the Care Management Fees

- The care management fees will be included in the TCOC for the baseline (2019) panel and performance (2021) panel.
- HSCRC will apply a penalty to hospitals equal to any dissavings produced between the baseline period and performance periods.
- The 'risk' will be capped at the amount of the care management fees that the hospital receives.

B. Apply a net zero payment adjustment across all hospitals

- HSCRC will measure the TCOC savings for all hospitals.
- HSCRC will pay hospitals that have reduced TCOC by applying an 'offset' on all hospitals. This would function like the CTI offset.
- The total offset will be capped at the amount of the aggregate care management fees.

Option 2: Supplemental MPA Adjustment

MDPCP Net Neutral Adjustment

1. HSCRC will add up all positive savings produced by the MDPCP practices.
2. HSCRC will reduce the payments to the hospitals by the total savings x the hospital's share of MDPCP beneficiaries.
3. HSCRC will make a positive adjustment equal to the savings that the hospital produced under MDPCP.

	2019	2021
Hospital Attributed Benes	20,000	30,000
Hospital TCOC	$ 280,000,000	$ 390,000,000
Per Capita TCOC	$ 14,000	$ 13,000
Statewide Attributed Benes	250,000	350,000
Statewide TCOC	$ 3,500,000,000	$ 4,725,000,000
Per Capita TCOC	$ 14,000	$ 13,500
Statewide Offset	$	(175,000,000)
Hospital Offset	$	(15,000,000)

Overview of MDPCP Accountability Options

Request for Comments

HSCRC would like comment from the industry on which option is preferable. There are pros and cons with each option. Specifically:

- The CTI option would disrupt existing CTI strategies but would only hold hospitals accountable for beating their peers.
- The MPA Supplemental option would hold hospitals directly accountable for MDPCP costs (if using Option 2.A for savings accountability; Option 2.B is like the CTI approach where the care management fees are not directly at risk).

The timeline for deciding on whether to use the CTI approach is tight. So comments in the next week would be appreciated.

Traditional MPA

Buyout using Care Transformation Initiatives

CTI Buyout Option for the Traditional MPA

Request for Comments

At the previous TCOC Workgroup Meeting, staff outlined the draft MPA recommendation. Stakeholders requested more information on the CTI 'buyout' option.

- Staff prefer the CTI as an accountability method for the TCOC because the hospitals self-define the population that they are accountable for.
- However, the MPA requires that 95% of all Maryland beneficiaries are attributed to hospitals.
- In order to reduce the influence of the traditional MPA, the CTI buyout option reduces the 'weight' that is placed on the traditional MPA.

CTI Buyout Option for the Traditional MPA

Example

The hospital's MPA penalty (rewards are unaffected) will be based on two components:

1. The traditional MPA adjustment, described previously.
2. The ratio of TCOC under the MPA to the TCOC under the CTI.
3. The hospitals MPA penalty is equal to (1 - CTI TCOC / MPA TCOC) x Traditional MPA adjustment.

MPA Attributed Benes		50,000
MPA Attributed TCOC	$	700,000,000
CTI Attributed Benes		15,000
CTI Attributed TCOC	$	345,000,000
CTI TCOC / MPA TCOC		49%
Weight on Traditional MPA		51%
Traditional MPA Penalty	$	5,000,000
Weighted MPA Penalty	$	2,535,714

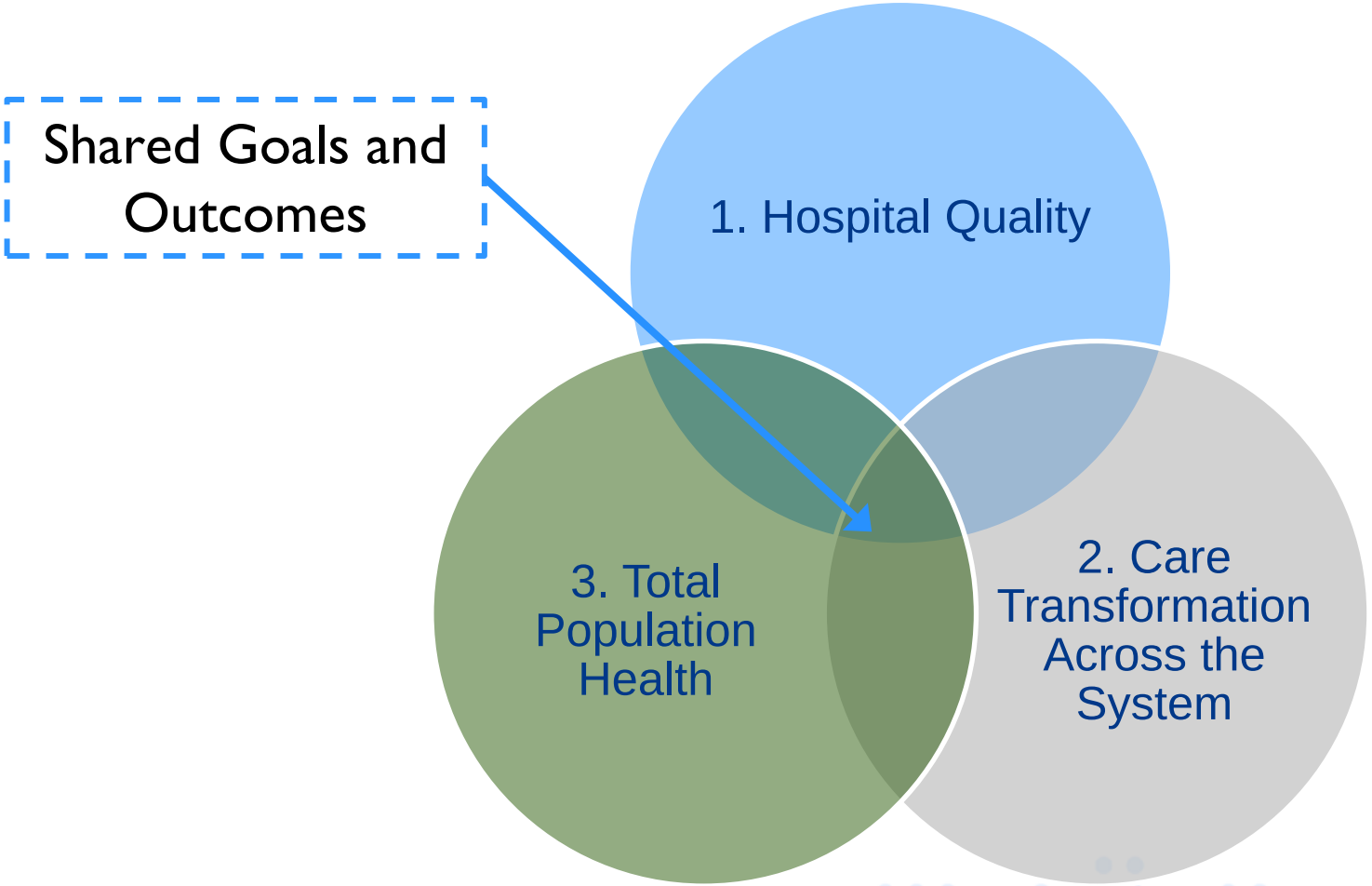
State Integrated Health Improvement Strategy

Care Transformation Requirements

Statewide Integrated Health Improvement Strategy

- In December 2019, Maryland & CMS signed a Memorandum of Understanding (MOU) agreeing to establish a Statewide Integrated Health Improvement Strategy.
- This initiative is designed to engage more state agencies and private-sector partners than ever before to collaborate and invest in improving health, addressing disparities, and reducing costs for Marylanders.
- **The MOU requires the State to propose goals, measures, milestone and targets in three domains by the end of 2020.**
- CMMI insists that for the Maryland TCOC Model to be made permanent, the State must:
  - Sustain and improve high quality care under the hospital finance model
  - Achieve annual cost saving targets
  - **Set goals, targets, milestones and achieve progress on the Statewide Integrated Health Improvement Strategy**

Domains of Maryland's Statewide Integrated Health Improvement Strategy



Care Transformation Targets

Measuring Care Transformation Activities Across the State

The SIHIS requires the State to identify system-wide care transformation goals that reflect activities under:

- The Care Redesign Program.
- The Maryland Primary Care Program.
- Other care transformation activities measured by the State.

The State's Statewide Integrated Health Improvement Strategy Proposal must include:

- A “goal.”
- A measure and the State’s baseline performance on that measure.
- A Model Year 3 milestone, a Model Year 5 interim target, and a Model Year 8 final target.

CMMI has stated that the measure must include some element of TCOC risk (thus MDPCP Tracks 1 and 2 will not count).

Potential Care Transformation Goals for the SIHIS

Using CTI to measure Care Transformation Across the State

HSCRC Staff recommend setting at care transformation 'goal' based on the number of beneficiaries or TCOC covered by a Care Transformation Initiative.

- The CTI process is already underway and has robust participation. About 20% of Medicare TCOC is included in the initial CTI.
  - These numbers are based on the preliminary submissions and first year participation is expected to be slightly higher.
  - Final preliminary numbers will be available in December, prior to the SIHISS submission.
- The initial purpose of the CTI is to catalogue interventions and quantify savings under the CTI.
- The State should encourage CMMI to evaluate both CTI and CRP Tracks together, since CRP Tracks serve a narrow purpose and thus have low participation.

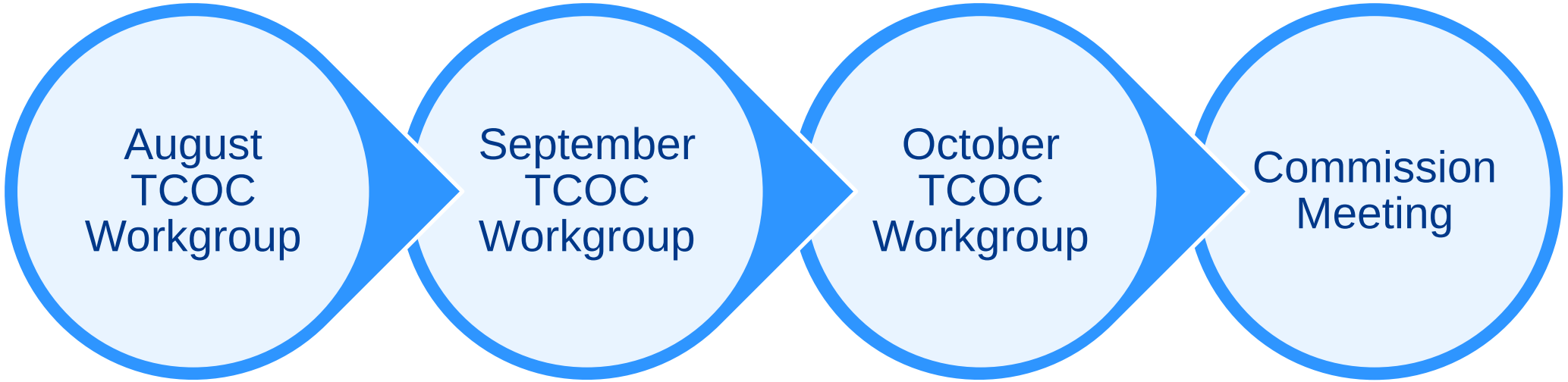
SIHISS Care Transformation Goals

Preliminary Targets

Staff are proposing the follow targets for the Care Transformation goals under the SIHISS. Comments from stakeholders are welcome.

- Interim Milestone (Calendar Year 2021): 25% of Medicare TCOC or 15% of Medicare Beneficiaries covered under a CTI or CRP or successor payment model.
- Interim Target (Calendar Year 2023): 37% of Medicare TCOC or 22% of Medicare Beneficiaries covered under a CTI or CRP or successor payment model.
- Final Target (Calendar Year 2026): 50% of Medicare TCOC or 30% of Medicare Beneficiaries covered under a CTI or CRP or successor payment model.

SIHIS Development Timeline



Discuss Goals
- Overview of SIHIS Goals & Process
- Potential Targets for Care Transformation Domain

Draft Targets:
- Staff to present options for Goals and Measures
- Discuss potential targets for each measure

Finalize Targets:
- Staff to present Interim and Final targets

Recommendation:
- Includes the final care transformation targets
- Other SIHIS Targets

Next Steps

September TCOC Workgroup Agenda

1. Data Update
2. MPA Implication on Long Term Utilization
3. SIHISS Follow-Up
4. Draft Recommendation of the 2021 MPA