Medicaid and Value-Based Care: Update and Next Steps

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Agenda

- Medicaid and Value-Based Payment *(Elizabeth Kasper)*
  - ➢ What this means, where we are and what comes next

- State Transformation Collaborative *(Rebecca Whitaker)*
  - ➢ What this is and how can it support our goals

We encourage feedback and questions throughout the presentation.

Medicaid Transformation and VBP

- Medicaid moved to prepaid health plans for most beneficiaries in July 2021

- Transition is intended to shift Medicaid delivery system towards more integrated whole-person care, where both physical health and behavioral health needs are covered under a managed care plan

Medicaid Transformation and VBP

- A central goal of Medicaid's managed care transformation is to <u>improve health through whole-person and well-coordinated care</u>

- To reinforce and align incentives with these changes to the Medicaid delivery system, the Department also set out a vision to advance **<u>value-based payment</u>** (VBP) and **<u>alternative payment models</u>** (APMs)

  ➢ Reward health care providers for delivering high-quality, high-value care and achieving improved health outcomes, as opposed to paying for the volume of services delivered

A Means, Not An End

- Value based care and alternative payment models are a tool to support our goals of delivering equitable, high quality high value care and improving health outcomes

Medicaid Transformation and VBP

- Contracts between the State and Standard Plans/Tailored Plans include several requirements related to VBP arrangements

- Medicaid has also established infrastructure within which VBP arrangements from the PHPs must operate
  - Standard quality measures
  - Advanced Medical Home program for primary care

- Under Medicaid managed care, prepaid health plans (PHPs) implement VBP arrangements through provider contracts

Medicaid Transformation and VBP

- Medicaid's Advanced Medical Home program provides underlying infrastructure for primary care value-based care across all PHPs

  - Medical home payments to all AMHs
  - Care management payments for practices that take on this work
  - Performance incentive payments from a set of common quality measures

  ➢ AMHs provide a medical home to more than 95% of Standard Plan members

AMH Participation by FQHCs

There are a substantial number of AMHs that are FQHCs or LHDs, with over 70% of these AMHs in Tier 3 (e.g., providing care management). Around 14% of AMH members are in FQHC or LHD AMHs

Landscape of AMHs as of 2022

Tier	AMHs	AMHs that are FQHCs	AMHs that are LHDs
Tier 1	236	4	2
Tier 2	407	16	10
Tier 3	677	40	39
Total	**1320**	**60**	**51**

Member Count* of AMHs as of 2022

AMHs	Member Count (Estimate)	% out of all members in AMHs
AMHs that are FQHCs	215,548	10.50%
AMHs that are LHDs	64,435	3.14%
All AMHs	2,052,182	

*Note: Member Count is an estimate. For practices with member data entered as "Member Count between 1 and 11", the average value of 6 was used.

CIN Participation by FQHCs

Landscape of CINs as of 2022

Type of CIN	Number
CINs that serve FQHCs	11
CINs that serve LHDs	10
Total Number of CINs	**49**

*Notes:
1. Practice count is based on NPI + location code (AMH level)
2. Member Count is an estimate. For practices with member data entered as "Member Count between 1 and 11", an average value of 6 was used.
3. In the data, certain CINs lacked a name entry, but still had practice and member counts. These CINs were still factored in the totals.
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Top CIN partners for FQHC AMHs

Partner	Practice Count	Member Count
CIN A	82	74,191
CIN B	108	61,961
CIN C	33	9,914

Top CIN partners for LHD AMHs (by Member Count)

Partner	Practice Count	Member Count
CIN B	41	42,725
CIN C	12	2,614

Context is Important

- Your work is happening in particularly challenging environment

- Value-based payment structures should provide as much support for our shared goals as possible with minimal burden

- We hope to establish thoughtful guidelines and infrastructure to advance our goals, in partnership with stakeholders including providers, Medicaid PHPs, other payers

Seeking Your Input

- Medicaid intends to pursue reform efforts around primary care (and maternal and infant health) and seeks stakeholder input on the direction of future reforms

- Have heard from providers:
  - Heavy admin burden for VBP arrangements – due to the variety of arrangements as well as the specific requirements
  - Need to get the basics right: member assignment, payment (claims and PMPM), accurate and timely data
  - Challenging context: workforce, fragmented system (many payers)
  - Interest in more flexible payment arrangements

Seeking Your Input

- Will be releasing a paper soon with specific questions around delivery and payment reform for formal feedback
  - What is working, what is not working, what should the Medicaid consider in future reforms for primary care?
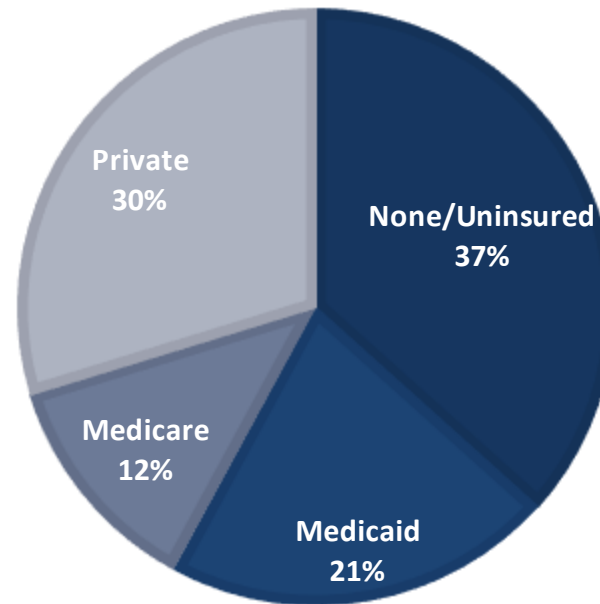
Importance of Alignment

- In developing value-based payment structures, <u>alignment</u> is a key priority
  - Both with payers outside Medicaid and, to the extent appropriate, within Medicaid payers
- Alignment can improve participation and effectiveness, reduce administrative burden, support equity

Importance of Alignment

Medicaid is not the only payer that matters (though we hope with Medicaid expansion our role will grow!)

PAYERS FOR NC COMMUNITY HEALTH CENTER PATIENTS (2021)

- None/Uninsured 37%
- Medicaid 21%
- Medicare 12%
- Private 30%

2021 UDS Data: https://data.hrsa.gov/tools/data-reporting/program-data/state/NC/table?tableName=4

State Transformation Collaborative

- We are excited that NC was selected as one of four states to participate in the **State Transformation Collaborative** (STC)
  - Initiative through CMS and HCP-LAN intended to accelerate the shift away from fee-for-service to a value-based, person-centered approach to health through an alignment among payers

State Transformation Collaborative

- STC work is bi-directional – not just advancing Medicaid's goals but also helping us to align with other initiatives – to maximize impact and minimize burden

- We have been excited about the stakeholder engagement, including from CMS, and the interest in making this initiative meaningful

State Transformation Collaborative

- Duke-Margolis Center for Health Policy is doing the legwork for this initiative for NC – convening stakeholders and identifying potential areas for work

- Rebecca Whitaker, PhD, MSPH, will cover this in more detail

Priorities for North Carolina's State Transformation Collaborative

Rebecca Whitaker, PhD, MSPH
Research Director, NC Health Care Transformation

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Agenda

- Status of Health Care Transformation in NC

- The Role of Multi-Stakeholder Alignment

- Priority Areas for the State Transformation Collaborative

- Questions For You

We want to hear from you on your priority areas for relieving pain points, advancing health improvement, and promoting greater alignment across payers

Status of Health Care Transformation in NC

Status of Health Care Transformation in NC

- Steps toward supporting better population health – **primary care payment reforms, social services data sharing, public health/health care collaboration** – helped NC achieve relatively good results relative to other states in terms of limiting deaths and disparities in the pandemic

- NC DHHS, Medicare, and other health insurers remain committed to the **transformation goals of improving equity, outcomes, and affordability** – while recognizing complications caused by COVID-19 and economic disruptions

- Health care systems are stressed with **staffing shortages and rising costs** – need to focus on steps that can reduce the workforce burdens and inefficiencies in care delivery

- Recognizing the importance of federal-state and multi-stakeholder alignment to address these challenges, CMS is supporting a new **State Transformation Collaborative** in North Carolina to support NC reform and to inform its national strategy on advancing comprehensive care and equity

The Role of Multi-Stakeholder Alignment

Multi-Stakeholder Alignment Can Help Advance Reform Efforts

Reduce variability and administrative burden by creating a single set of expectations that helps providers pursue the same goals for all patients, regardless of which payer or program insures them.

Improve health system capabilities, including addressing rising costs and disparities, identifying and tracking data that can improve provider performance, building technical infrastructure, and sharing best practices.

Accelerate participation in new payment and delivery models and improve provider performance.

NC's State Transformation Collaborative (STC): One Vehicle for Pursuing Multi-Stakeholder Alignment

CMMI and the Health Care Payment Learning & Action Network announced they are **partnering with four states undertaking multi-stakeholder initiatives.**

- The goal of the STC is to accelerate the shift away from fee-for-service payment to a **value-based, person-centered approach to health** through alignment among Medicaid, Medicare, Medicare Advantage, and commercial payers and purchasers in selected states.

- The STCs will offer supports for reform efforts that:
  - Move payments and other key supports for health care reform toward person-centered, value-based care that emphasizes strong primary care
  - Integrate community perspectives
  - Support new or existing state efforts to improve health equity
  - Help inform further CMS and other stakeholder activities to advance value-based care

The State Transformation Collaborative in NC

In North Carolina, the State Transformation Collaborative will:

Build on and inform North Carolina's Medicaid managed care transformation work

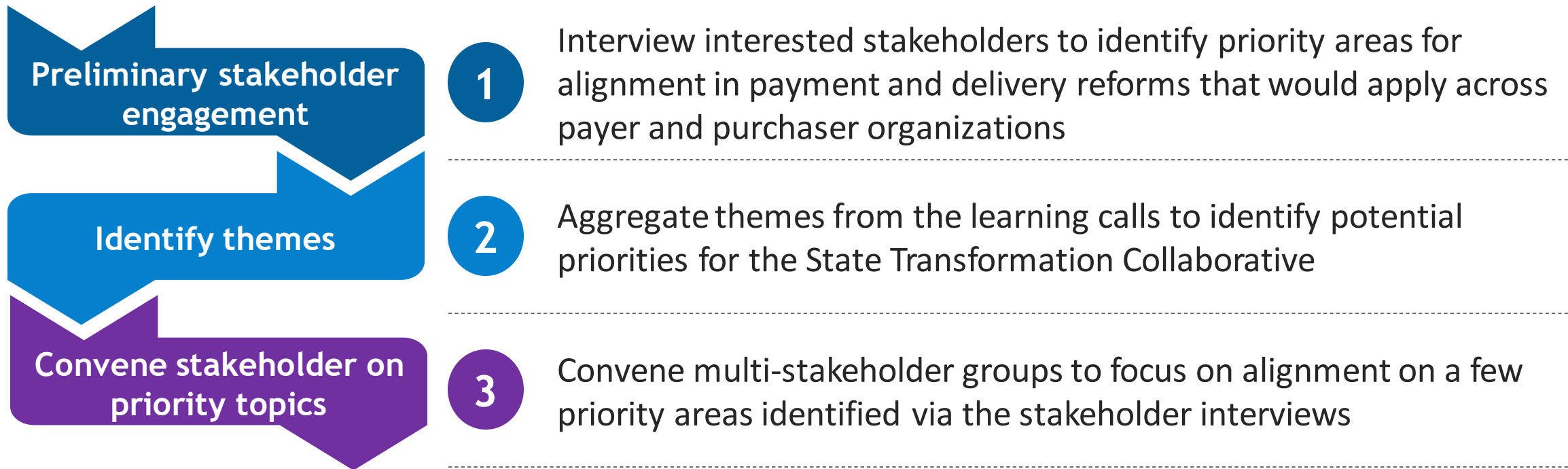Support many of the transformation efforts that your organizations are involved in already

Advance programs that support high-quality, whole-person care and health equity

Help inform further CMS actions to promote alignment and progress toward these goals

Priority Areas for the State Transformation Collaborative (STC)

Identifying and Exploring Priority Areas for Action

At the request of the NC Division of Health Benefits, Duke-Margolis is serving as the convener for the State Transformation Collaborative. The image below describes the roadmap for early activities.

Preliminary stakeholder engagement

1 Interview interested stakeholders to identify priority areas for alignment in payment and delivery reforms that would apply across payer and purchaser organizations

Identify themes

2 Aggregate themes from the learning calls to identify potential priorities for the State Transformation Collaborative

Convene stakeholder on priority topics

3 Convene multi-stakeholder groups to focus on alignment on a few priority areas identified via the stakeholder interviews

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Potential Action Areas

Improve Health Equity Data

- Standardize race, ethnicity, language (REL) data collection and validation methods
- Prioritize collecting patient-reported data at enrollment then linking to clinical data later for updates
- Educate staff on collection and use to build trust with patients
- Hone messaging, reporting and workflow support for addressing disparities and building trust
- Coordinate with CMS efforts on standardized approaches to REL data collection

Further Align Quality Measurement

- Use STC as an opportunity to align measures and reporting requirements across PHP, commercial, and Medicare plans

Identify Key Focus Areas

- To maximize impact, focus on a critical, equity-focused area (i.e. maternity care, diabetes, CVD, behavioral health, patient-reported measures, social drivers of health screening, immunizations)
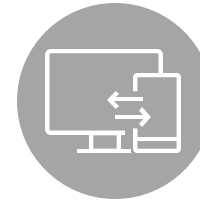
Strengthen Data Pipelines

- Support NCHIE and build infrastructure to help accelerate NCHIE goals
- Build or leverage tools that can be used to crosswalk quality measures across different measurement scales or data elements

Support Learning Collaboratives

- Identify successful programs that stakeholders in NC and other states are implementing to draw on those models and best practices
- Identify areas where there are not entrenched models where stakeholders can innovate together (i.e. behavioral health integration, total cost of care models, pediatric ACOs)

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Questions For You

Questions for You

- Are there additional action areas you would add to the list (health equity data, quality measure alignment, data supports, and learning collaboratives)?
  - Where do you think is the most important place to start?
- How can a group of payers, providers, and policymakers reduce burden for you and create meaningful change in the short and long term?
- What organizations/stakeholders are essential to bring to the table?
- Do you have any questions or comments about the STC and how your organization could be connected to its work?

Key Takeaways

- Looking beyond Medicaid, further multi-stakeholder alignment can help with both reducing administrative burden and supporting engagement in value-based payment models that enable more flexibility for whole-person health and new models of care.

- Through the NC State Transformation Collaborative, we have a unique opportunity to bring multiple payers to the table – Medicaid, Medicare, commercial payers, and employer-purchasers – to pursue streamlined and coordinated approaches for health care delivery and payment reforms.

- Early priority areas for greater alignment through the State Transformation Collaborative include:
  - Advancing health equity starting with better data,
  - Aligning quality measures to advance health equity goals, and
  - Supporting these activities with better data sharing and learning collaboratives to share best practices.

Interested in continuing the discussion?

Send us an email!

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