

## Section II: Value Based Purchasing in Medicaid Audience Participation Questions

1. What is one way you think Medicaid in New Hampshire can improve value to its members?
2. What do you see as the most significant barrier to the improvement?



# VALUE BASED PURCHASING IN NH: OPPORTUNITY AND REGULATORY BARRIERS

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# Today's Landscape

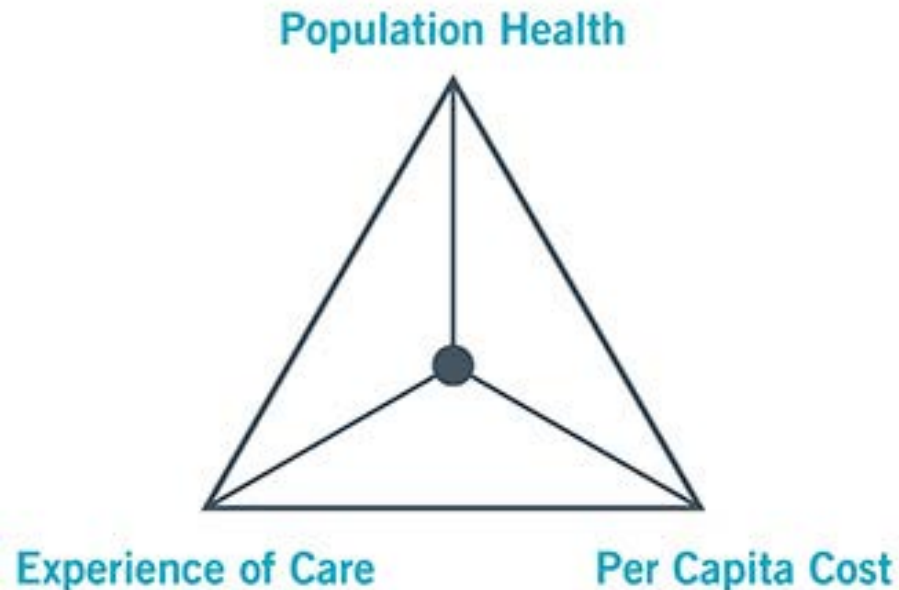
- What does paying for value mean in Medicaid?
- What are other non-Medicaid purchasers and payers in the state doing re: VBP and are there opportunities for alignment?
- How ready is the provider community to accept risk and reward without negatively impacting access to care?
- What can we learn from our neighboring states?

# Reminder: What do you mean by value based payment?

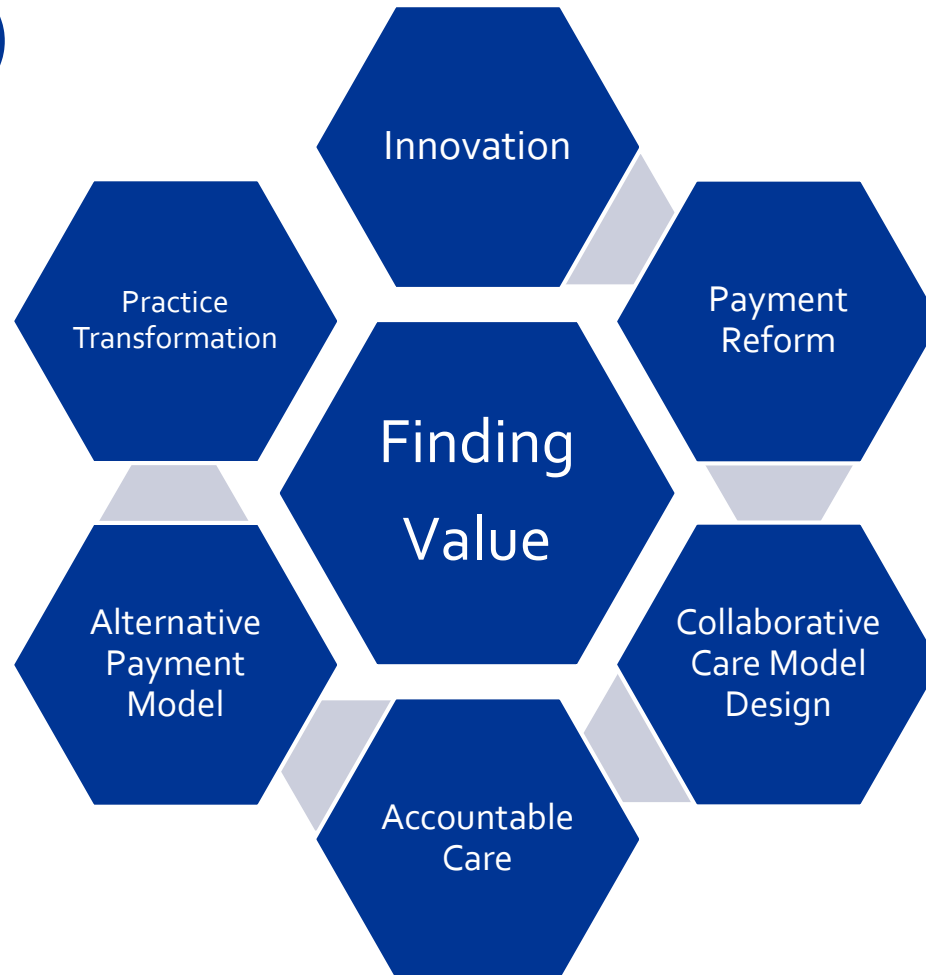
The process by which the payments for services to address health needs are made in exchange for valuable care measured by the best achievable quality of the outcome and the patient experience for the price offered.

# Cost Effective and Tied to Quality Measures

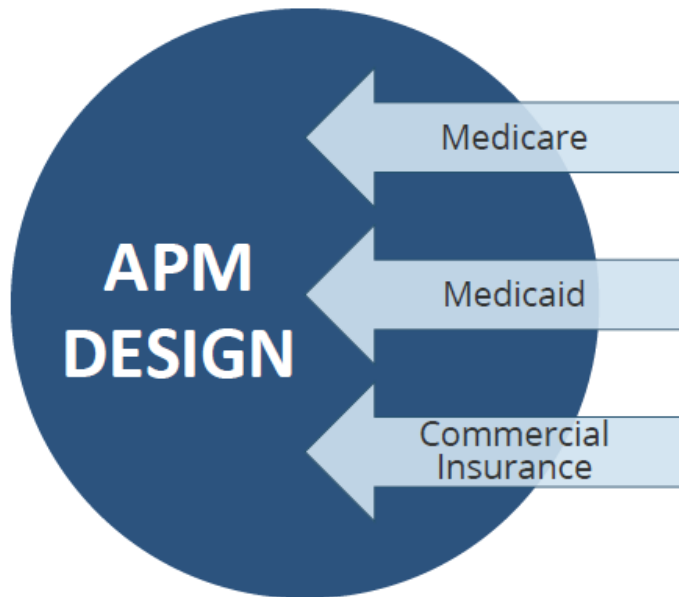
## The IHI Triple Aim



# Value Based Payment – Alternative Payment Models (APMs)



# What are other payers (and providers) doing in the State around alternative payment models?



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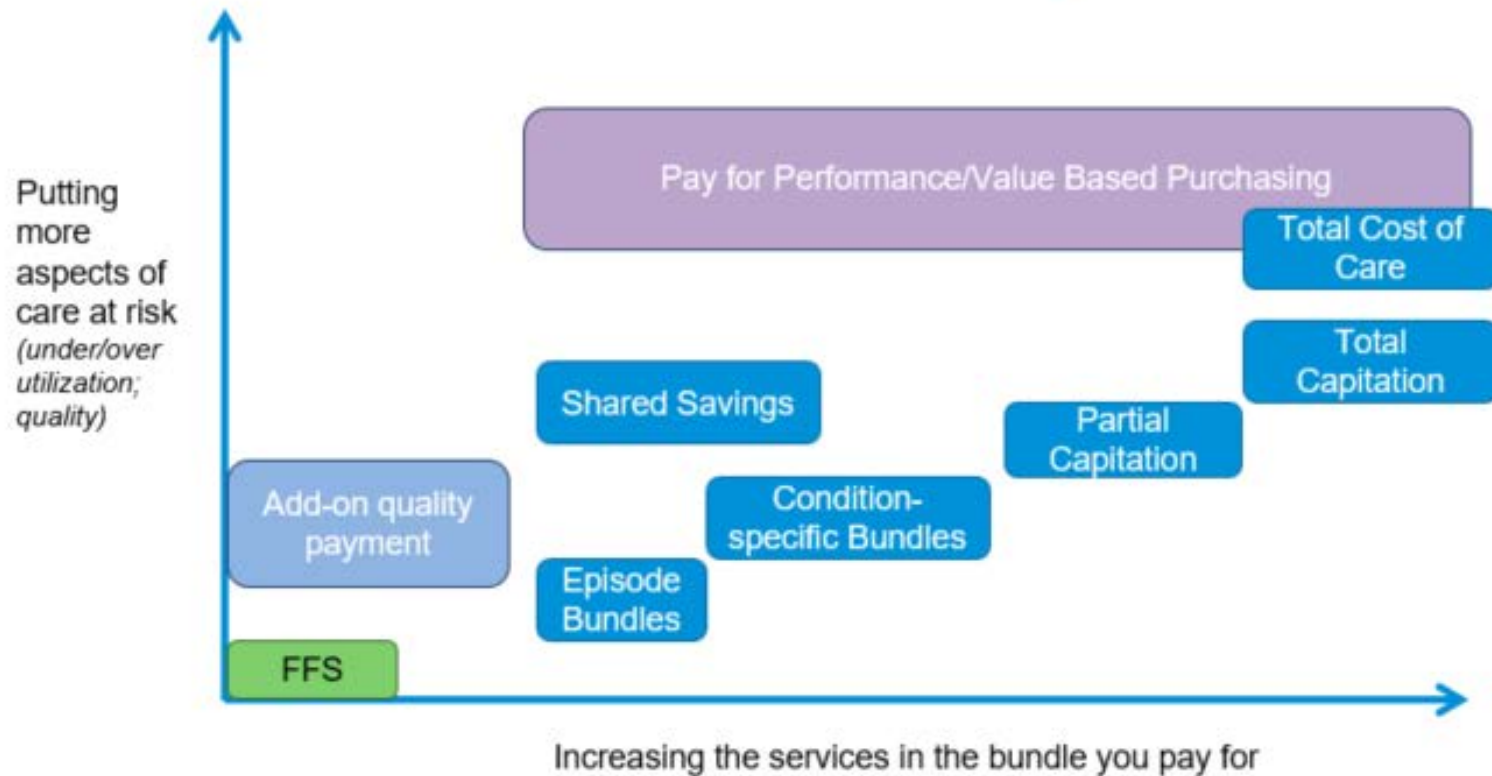
## Leveraging Investments\*

Are enough payers participating in the model or aligned with your proposal to create a strong business case and supportive business relationships for providers to participate?

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## Provider-Directed Interventions: Payment Reform





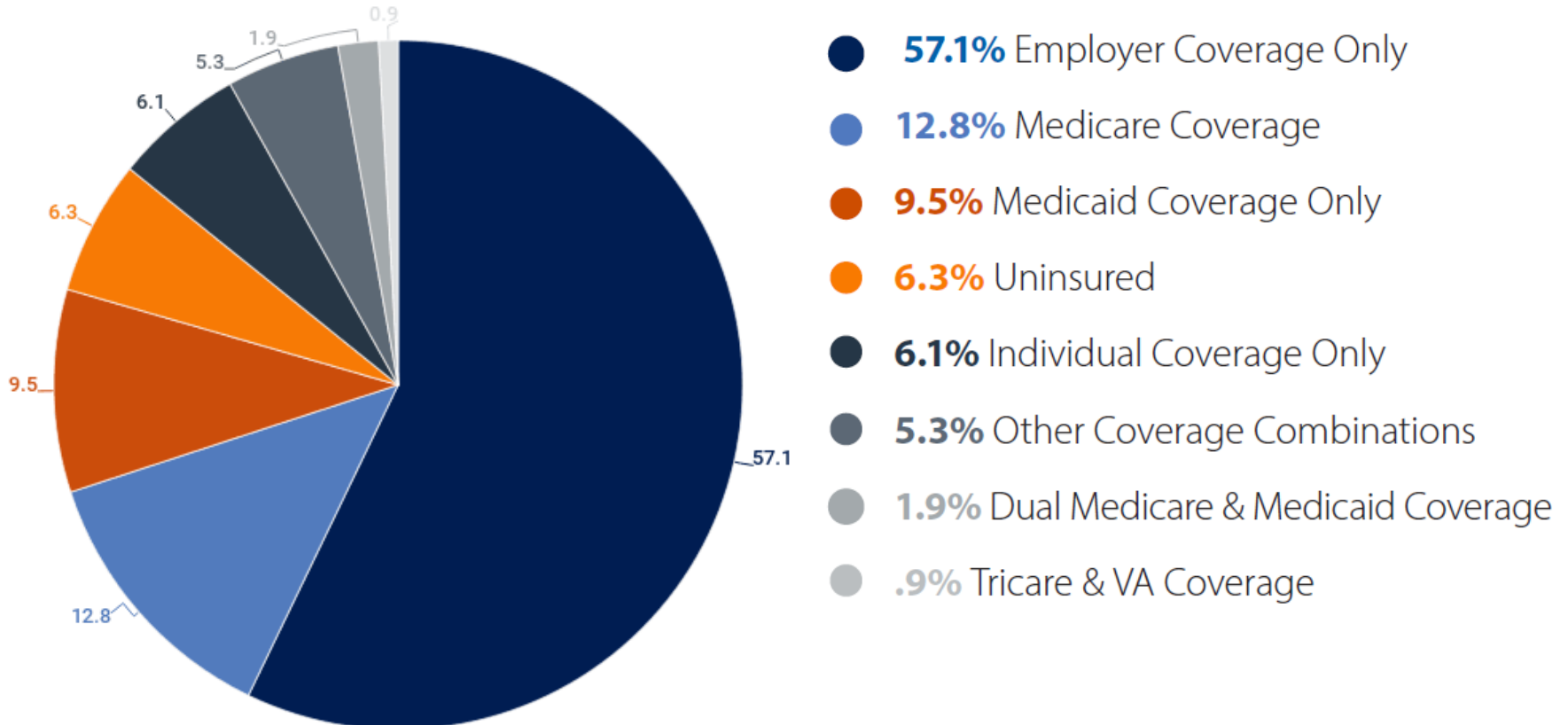


# Looking Beyond Medicaid

## NH Facts About Coverage

- Number Enrolled in Medicaid: 187,003 (2017)
  - Including 53,000 NHHPP
  - Approximately 134,000 Medicaid members receive short term medical services through NH MCOs
- 106,000 use the “Marketplace”
  - 53,042 *healthcare.gov*
  - 53,462 NHHPP
    - 42,000 NHHPP receive services through Anthem, Harvard Pilgrim, Minuteman and Ambetter
- 57% are covered through employer group plans only (2015)
  - Over half are in self-funded plans
- About 125,000 are covered by state or local government plans
- About 6.3% (79,000) uninsured

# NH Facts About Coverage, cont.



The largest decrease in the uninsured rate from 2011-2015 in people under 65 was among those who were unemployed. Within that group, the uninsured rate decreased from 33.5% to 24.5% from 2014 to 2015.

# What's happening in NH?

## APMs in Medicare, Commercial, Medicaid

### Global Payments and Accountable Care

- ACOs -MSSP
- Bundled payments for episodes of care (retrospective)
- Case rates/capitation

### Practice Transformation – Paying for Quality

- MACRA/MIPS
- Primary Care enhancements
- Medical Homes
- Other pay for performance options

### Collaborative Care

- Integrated Behavioral Health
- Case or care management enhancement payments
- DSRIP Waiver projects

# Value Based Insurance Design

## Network Strategies

- Formulary Design
- Tiers and co-pays
- Reference Pricing
- Centers of Excellence
- Narrow networks

## Wellness Incentives

- Promoting wellness
- Incentivizing prevention and preventative care
- Family planning

## Consumer Engagement

- Pricing tools
- Low cost provider options
- Telemedicine
- High deductible plans

# Medicare Transformation

## Medicare Setting Goals for Transformation

- **CMS Value Based Payment Goals**

- **30%** of Medicare payments are tied to quality or value through Alternative Payment Models by the end of 2016, and **50%** by the end of **2018**

- **85%** of all Medicare FFS payments are tied to quality or value by the end of 2016, and **90%** by the end of **2018**

***Let's look at where NH is with practice transformation and accountable care shared savings?***

# Primary Care Transformation is a Medicare APM goal

- 1,885 PCPs (1531 active according to DHHS)
- As of July 2015, 477 PCPs and NPs achieved Patient Centered Medical Home recognition
  - 21 organizations/82 sites
- 11 Federally Qualified Health Centers, 14 rural health centers and several additional health clinics.
- 20 clinic sites for family planning
  - 5 Planned Parenthood clinics (serving over 50% of the FP patients)
- All CMHCs, FQHCs and hospitals (and hospital owned practices) and a high percentage of independent practices have adopted Electronic Health Records in NH.

<https://www.ruralhealthinfo.org/states/new-hampshire>

Primary Care Physicians by Field. Kaiser Family Foundation. Accessed May 2017 from <http://kff.org/other/state-indicator/primary-care-physicians-by-field/?currentTimeframe=0&selectedDistributions=internal-medicine--family-medicinengeneral-practice--total-primary-care&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>  
State of Health Transformation in New Hampshire. NH DHHS. 2015. Prepared by the Center for Evidence Based Policy.

# Northern New England Practice Transformation Network – Medicare

**Partnership** of NH Citizens Health Initiative, Maine Quality Counts, Vermont Program for Quality in Health Care. Funded by CMS.

**NH Partners:** North Country Health Consortium, NH Health Information Organization

## GOALS – CMS Innovation in Preparation for MIPS

### Improve health of patients

- Build better systems for providing high-quality, patient-centered care

### Improve health of clinicians & practice team

- Get support for building stronger team-based care
- Access resources to strengthen individual and team resilience

### Improve health of the practice

- Get help to avoid penalties & succeed in rapidly evolving value-based payment systems







# Enrolled Practices and Providers by Specialty

Overall Specialty	Total Practices	% of Practices
Specialty	98	56%
Primary Care	59	34%
Behavioral Health	17	10%
<b>Total</b>	<b>174</b>	<b>100%</b>

Specialty	No. of Providers	% of Total Providers
PCPs	282	33%
Specialists	354	42%
Behavioral Health	213	25%
<b>Total</b>	<b>849</b>	<b>100%</b>

# Accountable Care - Medicare Models Pave the Way

- **Medicare Accountable Care Organizations (ACO)** are groups of doctors, hospitals, and other **health care providers**, who come together voluntarily to give coordinated high quality care to their Medicare patients. ACOs allow for different forms of Medicare payment:
  - Medicare Shared Savings Program
  - Advanced Payment Model
  - Pioneer ACO Model
  - NextGen
- **NH Accountable Care Project:** a collaboration of the NH Citizens Health Initiative/IHPP and a broad interdisciplinary group of providers, payers and practices.

# NH's Medicare ACOs

- **Dartmouth-Hitchcock Health Next Generation ACO**
  - Dartmouth-Hitchcock health clinics (Concord, Keene, Bed/Manch, Nashua), numerous Skilled Nursing Facilities
  - DHMC's net Medicaid revenue represents **28.4%** of reported total Medicaid Net Revenue by NH hospitals for FY 2015\*
  - # Enrollees attributed (2017): **22,607**
- **NH Accountable Care Partners MSSP ACO (6 hospitals/1 FQHC/1 CMHC/1 VNA)**
  - Concord Hospital, Catholic Medical Center, Wentworth Douglass Health System (MGH affiliate), Elliot Health Systems, Exeter Health Resources, Southern NH Health System, Mid-State, Riverbend, Concord VNA
  - Participating hospitals' net Medicaid revenue represents **37.4%** of reported total Medicaid Net Revenue by NH hospitals for FY 2015
  - # Enrollees attributed (2017): **55,000**
- **New Hampshire Rural ACO – initial Level 1 (6 hospitals/3FQHCs)**
  - AVH, Weeks Medical Center, UCVH, Littleton RH, Cottage Hospital, Monadnock Community Hospital, Coos County FHC, Indian Stream HS, Ammonoosuc HC,
  - Participating hospitals' net Medicaid revenue represents **9%** of reported total Medicaid Net Revenue by NH hospitals for FY 2015
  - # Enrollees attributed (2017): **11,788**

# Developments in NH Commercial Markets – Taking on Risk

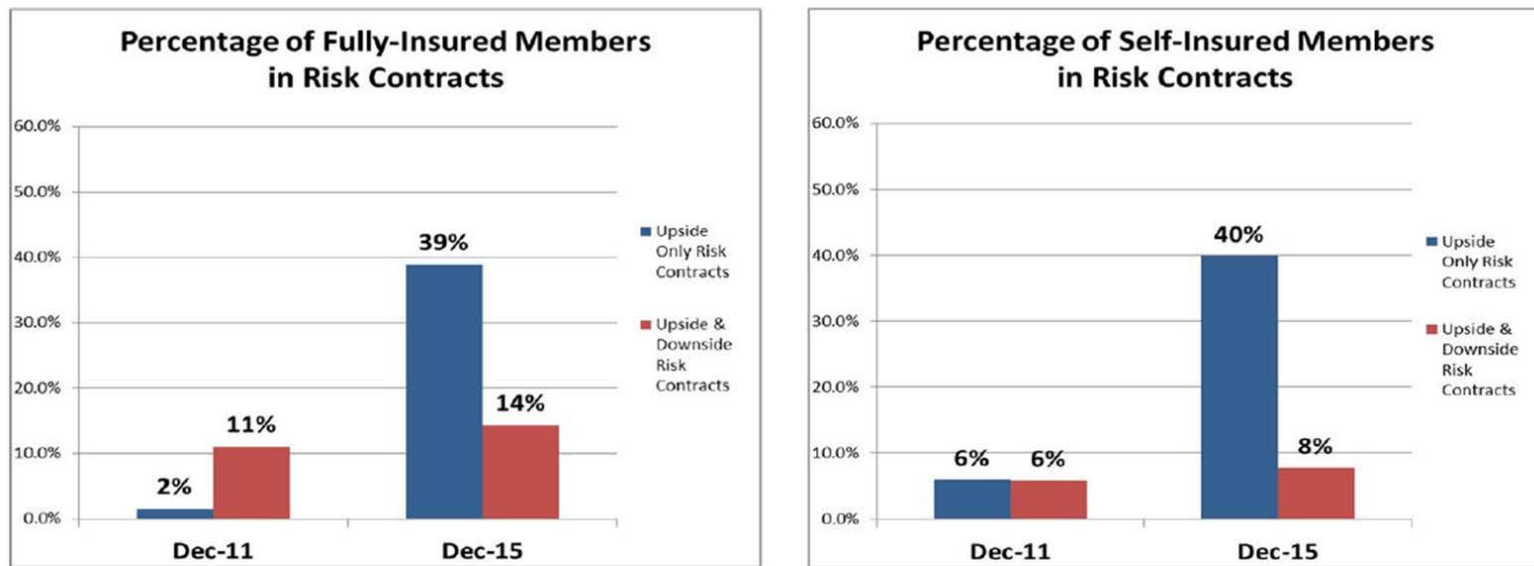


Figure 27: Members in Risk Arrangements for Fully-Insured and Self-Insured Markets<sup>76</sup>

# Integrated Innovation – Commercial Markets

- **Benevera Health- 1/1/16**
  - A partnership among Harvard Pilgrim Health Care, Dartmouth-Hitchcock, Elliot Health System, Frisbie Memorial Hospital, and St. Joseph Hospital
  - Integrated joint venture in care management for HPHC patients focusing on care management for patients with high needs
  - Practice based care managers for high need patients connecting with patients and with community services
  - Shared upside risk for outcomes of **35,000 enrollees**
- **Tufts Freedom Plan – 1/1/16**
  - A joint venture health insurance plan between Granite Health and Tufts Health Plan sharing up and downside risk
  - Catholic Medical Center, Concord Hospital, LRGHealthcare, Southern NH Health, Wentworth-Douglass Hospital (MGH affiliate)
  - Focusing on practice centered care management
  - Data sharing for population health care management
  - **16,500 members** in first year

# Collaborative Care Efforts across all payers- Behavioral Health

- **Integrated Behavioral Health**
  - Citizen's Health Initiative: Behavioral Health Learning Collaborative
  - Rate based CMHC-MCO contracts
- **New Hampshire DSRIP Waiver: Building Capacity**
  - Focusing on behavioral health
  - 7 Integrated Delivery Networks
  - Statewide HIT task force
  - Statewide behavioral health integration goals and projects
  - IDN Specific Projects including:
    - Care transition teams
    - Expanded Intensive SUD Treatment Options
    - Enhanced Care Coordination for High Need Populations
    - Community Re-entry Program for Justice Involved Adults and Youth
    - Medication Assisted Treatment of SUD
    - Integrated Treatment for co-occurring disorders

# Hurdles!



# What are key hurdles for APMs?

- Regulatory

- Payment and Reimbursement Requirements
- Fraud and Abuse Regulations
- Federal/State Privacy Law Regulations
- Anti-trust Laws and Regulations of Health Care Entities
- Professional responsibility/licensing/ethics

- Fee-For-Service (FFS) infrastructure

- Misaligned motivations/incentives

- Complexities of payment
- Complexities of funding

- Risk of financial loss

- Access to information and data

- Lack of centralized information source regarding health care delivery and payment



# Our Neighboring States

## Medicaid Overview

State	Population (2016 Census estimate)	Medicaid Enrollees (as of March 2017)	Number of Hospitals and FQHCs	Percentage of Federal and State Budget on Medicaid (CY2015)
Maine	1,331,479	267,252 (20.1% population)	34 hospitals (16 critical access) 18 FQHCs	State – 37.5%, Federal – 62.5%
Massachusetts	6,811,779	1,631,999 (24% population)	76 hospitals (3 critical access) 39 FQHCs	State – 45.9%, Federal – 54.1%
New Hampshire	1,334,795	186,941 (14% population)	28 hospitals (13 critical access) 11 FQHCs	State – 40.1%, Federal – 59.9%
Rhode Island	1,055,607	282,368 (26.8% population)	11 hospitals (no critical access) 8 FQHCs	State – 41.1%, Federal – 58.9%
Vermont	624,594	168,961 (27.1% population)	14 hospitals (8 critical access) 11 FQHCs	State – 39.4%, Federal – 60.6%

# Our Neighboring States

## Medicaid Overview

State	Managed Care	Alternative Payment Model focus	Medicaid Expansion	Payment Reform Goals
Maine	No, operates a FFS Model	Accountable Communities; Patient Centered Medical Homes	No	(SIM) Transformation
Massachusetts	Yes, but also operates FFS Models	Accountable Care Organizations	Yes	By 7/1/15 pay for healthcare using APMs for 80% eligible members
New Hampshire	Yes, 2 MCOs, no LTSS or DD yet	Integrated Delivery Networks – integrated behavioral health	Yes	50% of Medicaid payments based on APMs; plan due 7/17
Rhode Island	Yes, 2 MCOs	Broad spectrum of APMs – ACO focused	Yes	50% APMs in commercial and Medicaid; 80% payment linked to value 2018
Vermont	Yes, implementing All-Payer Model	All Payer Transformation Model	Yes	Global Commitment to Health Waiver – accountable care

# Accountable Care in Medicaid – Examples from Other States

**Alabama/Colorado:** Regional Care Coordination Organizations  
(regionally based orgs that coordinate providers)

**Iowa/NJ/Utah:** Accountable Care Organizations (provider based)

**Illinois:** Accountable Care entities (provider based)

**Maine:** Accountable Communities

**Minnesota:** Integrated Health Partnerships

**Oregon:** Coordinated Care Organizations (locally  
governed/regional organizations)

States use both provider directed and payer directed APM models  
for accountable care/risk models

*Comparing State Medicaid Accountable Care Organization Governance Models.* Center for Health Care Strategies, Inc. July 2015. Accessed May 2017 from  
<http://www.chcs.org/resource/comparing-state-medicare-accountable-care-organization-governance-models/>.

Purrington, Kitty and Rachel Yalowich. *Measuring Physical and Behavioral Health Integration: A Look at State Approaches in the Context of Value-Based Purchasing.* National Academy for State Health Policy. January 3, 2017. Accessed May 2017 from

<http://www.nashp.org/measuring-physical-behavioral-health-integration-look-state-approaches-context-value-based-purchasing/>.

# Where are we going in NH Medicaid?

- NH's goals for payment reform are set forth in our 1115 DSRIP transformation waiver
- As part of the waiver goals, NH must move at least 50% of payments to Medicaid providers to alternative payment models (APMs)
- By July 1, 2017, NH must submit a roadmap for how it will amend contract terms and reflect new provider capacities and efficiencies in Medicaid rate-setting.

*How does NH Medicaid structure a value based APMs?*

*Who are enrollees? Highest cost? Highest volume? Broadest impact?  
Greatest opportunity for value?*

# What can we learn from other states? Regional Innovation Panelists

- Barbara Crowley, MD, Chief Transformation Officer, Maine General Health
- Kevin Stone, Senior Consultant and Principal, Helms and Co
- Stephanie Brown, Director, Office of Behavioral Health, Massachusetts Medicaid
- Dianne Hasselman, Deputy Director, National Association of Medicaid Directors