PRIMARY CARE REFORM COLLABORATIVE

APRIL 24, 2023

VIRTUAL MEETING- HOUSEKEEPING

- Public- please send your name, email contact, and organization affiliation (if applicable) to stephanie.hartos@delaware.gov or write in the meeting chat box.
- Please keep your computer/phone on mute unless you are making a comment, and if you are not on visual, please identify yourself as well.
- This meeting will be recorded for minutes.

AGENDA

- Call to Order
- Approval of March 2023 Meeting Minutes
- Department of Insurance Office of Value Based Health Care Delivery- Update
- Delaware Primary Care Payment Model
  - Payment and Attribution Workgroup- Payment Methodology
  - Care Coordination Workgroup
- Continuation of NASEM Discussion
- Meeting Schedule
- Public Comment

MARCH MEETING MINUTES

- Vote on March 13th Meeting Minutes

UPDATES

- Office of Value-Based Health Care Delivery
  - Cristine Vogel, Director

Affordability Standards 2023: Quarter 1 Update & Market Forces Review

April 2023

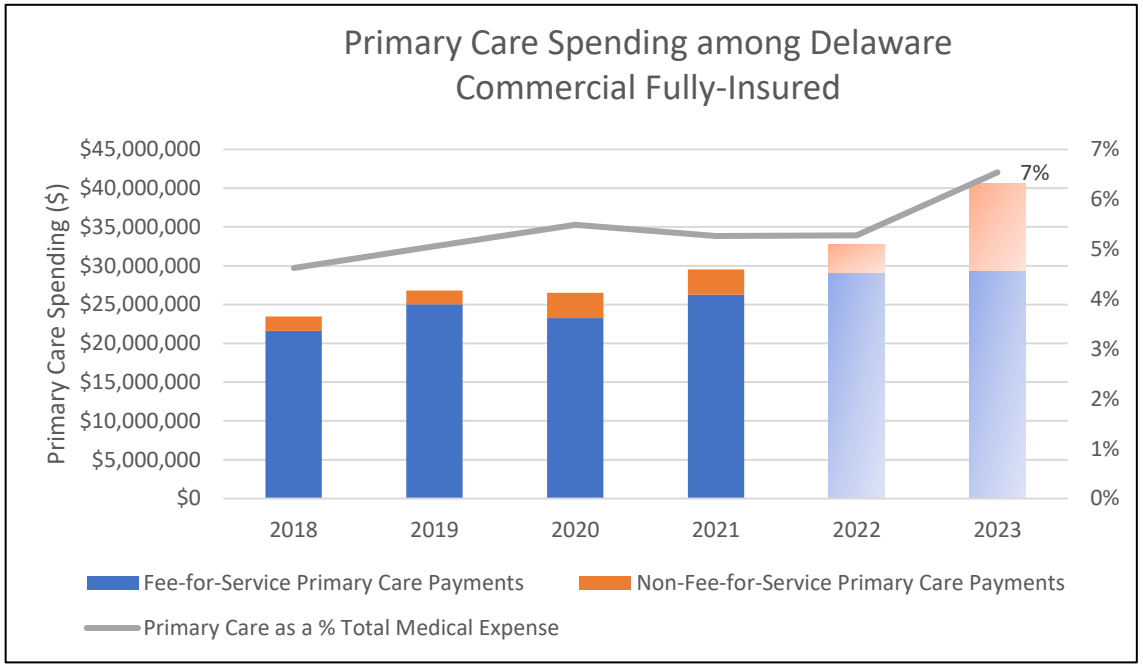
Cristine Vogel, MPH
Director, Office of Value-Based Health Care Delivery

Mary Jo Condon, MPPA
Principal Consultant, Freedman Health Care

Agenda

- Recap 2023 Projections from March's PCRC meeting
- Review 2023 Quarter 1 Updated Projections
- Overview Market Forces Report

2023 Primary Care Investment Projections

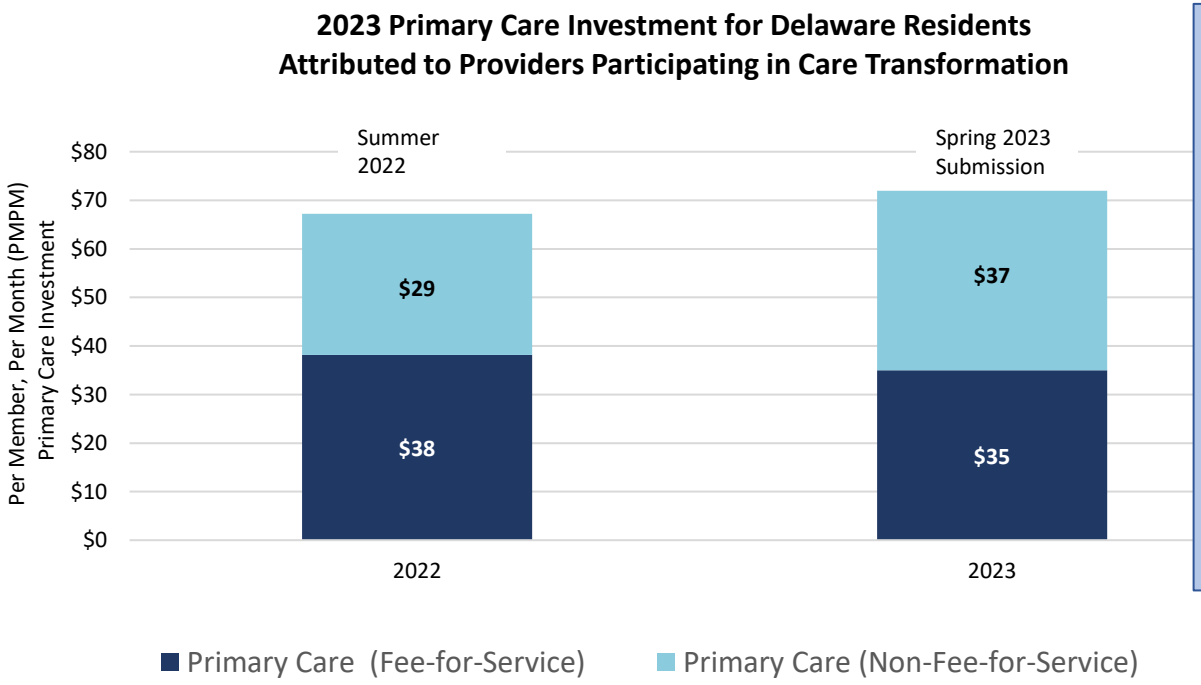


Highlights:

- **2023 projections show 7% Primary Care Investment of Total Medical Spend ($40 million), total population**
- **Non-FFS primary care spend is projected at $11 million, an $8 million increase from 2022**
- **Non-FFS PMPM increased from $3 to $11 (2022 and 2023 respectively); for members attributed to care transformation, up to $29 PMPM**

Implemented a quarterly update progress report to standardize the information being provided by carriers

Quarter 1 Updated 2023 Projections



Quarterly Progress Report Highlights:

- **More providers deemed "participating in care transformation"**
- **More members attributed to those providers**
- **Slightly higher proportion of primary care spend via non-FFS**
- **Some increases in non-professional price growth; all remain in compliance**
- **Some carriers having difficulty developing programs; may require expansion of standards to define providers in care transformation**

Increased Primary Care Spending in 2023

Additional Primary Care spending in the fully-insured market is successful:

- FFS reimbursement has improved; parity met, providers must negotiate further
- Non-FFS has increased so providers can begin/continue value-based care tactics

Increasing Primary Care spending alone likely will not save money or provide value as it is currently structured – needs to be paired with other interventions

- Increases in primary care spending must be offset by lower spending (patients using lower cost settings, chronic care management and integrated behavioral health)
- Providers must focus on developing necessary workforce skills and encouraging well visits to document patient-provider relationship

JAMA, October 2019, vol. 322, No. 14

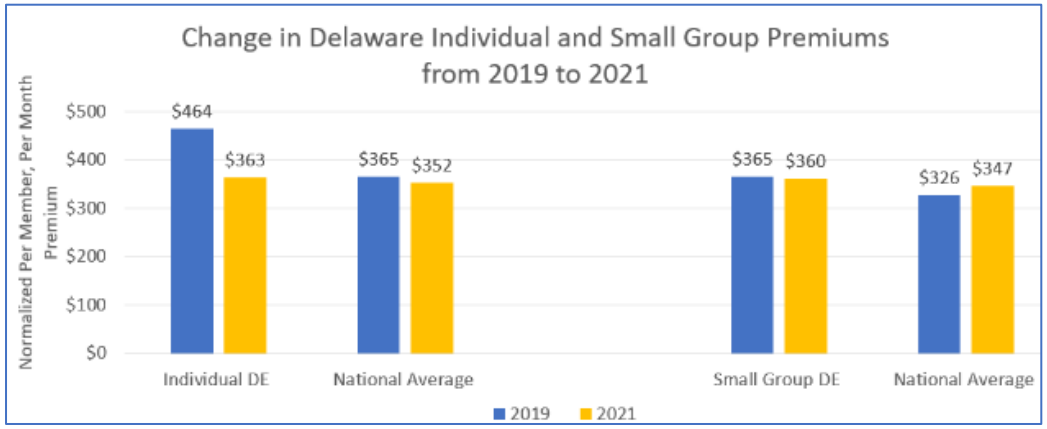
Delaware's Market Forces

Delaware has been challenged with some of the highest healthcare costs in the nation

Progress is occurring:

- ✓ **Two additional carriers are offering coverage on the individual market this year.**
- ✓ **Commercial fully-insured premiums are decreasing.**

  - Premiums for the individual market decreased 12% from 2019 to 2021, likely due to the introduction of the reinsurance program.
  - Premiums also decreased slightly in the small group market during the same period



"Summary Report on Permanent Risk Adjustment Transfers for the 2019 Benefit Year" and "Summary Report on Permanent Risk Adjustment Transfers for the 2022 Benefit Year." Data from Appendix A was analyzed and adjusted to reflect Statewide Average Plan Liability Risk Score, Statewide Average Allowable Rating Factor, Statewide Average Actuarial Value and Statewide Average Induced Demand.

We still have work to do …

Delaware's Market Forces

Multi-Payer Alignment to Leverage Primary Care Transformation

For most primary care practices, fewer than 10% of patients have coverage through fully-insured commercial insurance.

Why It Matters:

- Provider practices must focus efforts on patient care, not managing multiple payer programs
- Large-scale changes in care delivery for a few patients doesn't make good business sense

Participation in Meaningful Value-Based Care

Only a few provider organizations participate in programs with accountability for cost

Why It Matters:

- Meaningful provider accountability for cost can motivate health systems to improve care delivery, focus on those at risk for costly chronic health complications and identify opportunities for efficiency
- Without accountability for cost, health systems have less financial motivation to use dollars intended for primary care to transform primary care.

Delaware's Market Forces

Limited Hospital Price Growth

Price growth limits exist for the fully-insured commercial market but fewer than 10% of residents are covered by these plans.

Why It Matters:

- Carriers reported that hospitals will honor the price growth limit for the fully-insured, leaving the majority of the commercial market (self-funded) with no price growth limits.
- Lack of competition makes it difficult for carriers to negotiate reasonable price increases as each of the Delaware hospitals has become a "must-have" for every network.
- Unchecked levels of hospital price growth is unsustainable:
  - Most Delaware hospitals have reported strong financial results in recent years – often double-digit total profit margins.
  - Delaware hospitals are among the highest paid in the nation as a percent of Medicare
  - These gains accumulate over time, increasing health systems' net assets and compounding their market power.

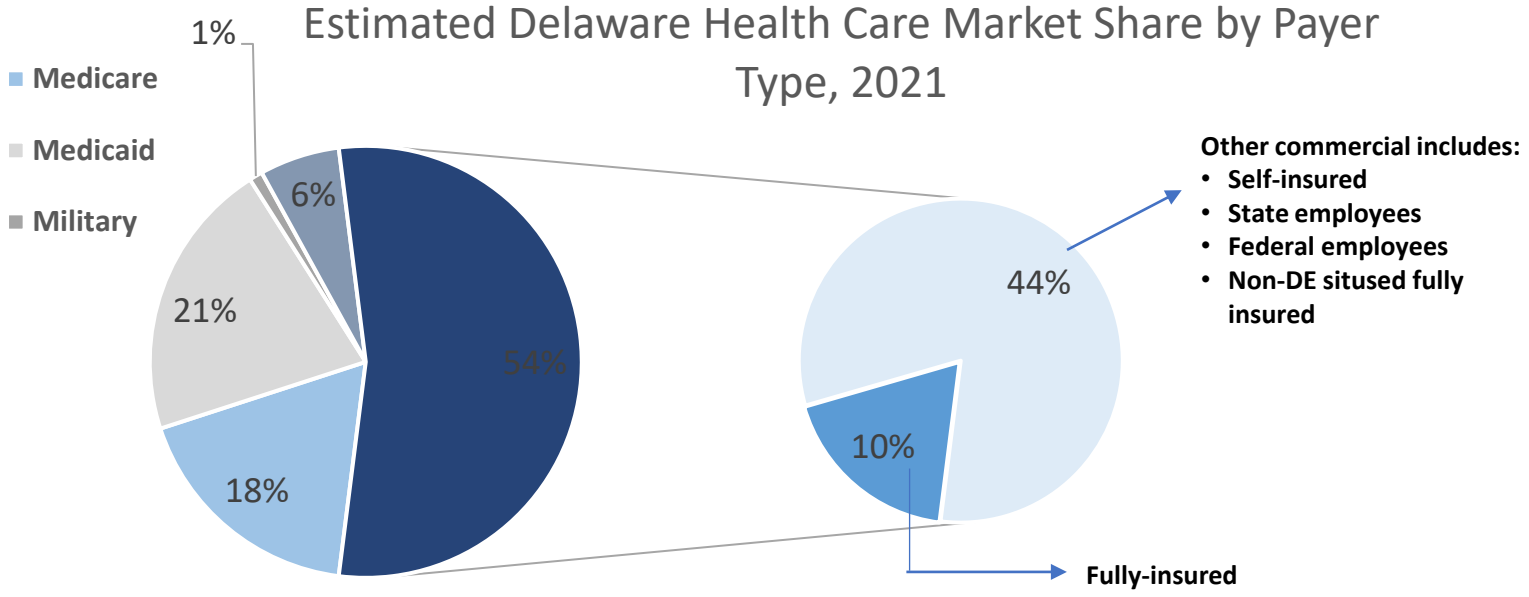
Proposed Next Steps

Evolving to a sustainable, accountable care delivery and payment system will take time. The recommendations below could catalyze this movement and accelerate progress.

1. Develop a strategic plan
2. Convene an intra-agency working group (DMMA, OVBHCD, SEBC)
3. Explore opportunities to coordinate and expand on existing population-based payment efforts (Medicaid ACO, Affordability Standards requirement, Medicare MSSP)
4. Review Centers for Medicare and Medicaid Services Innovation Center payment model program opportunities and consider how the Delaware model could bring coordination to these efforts

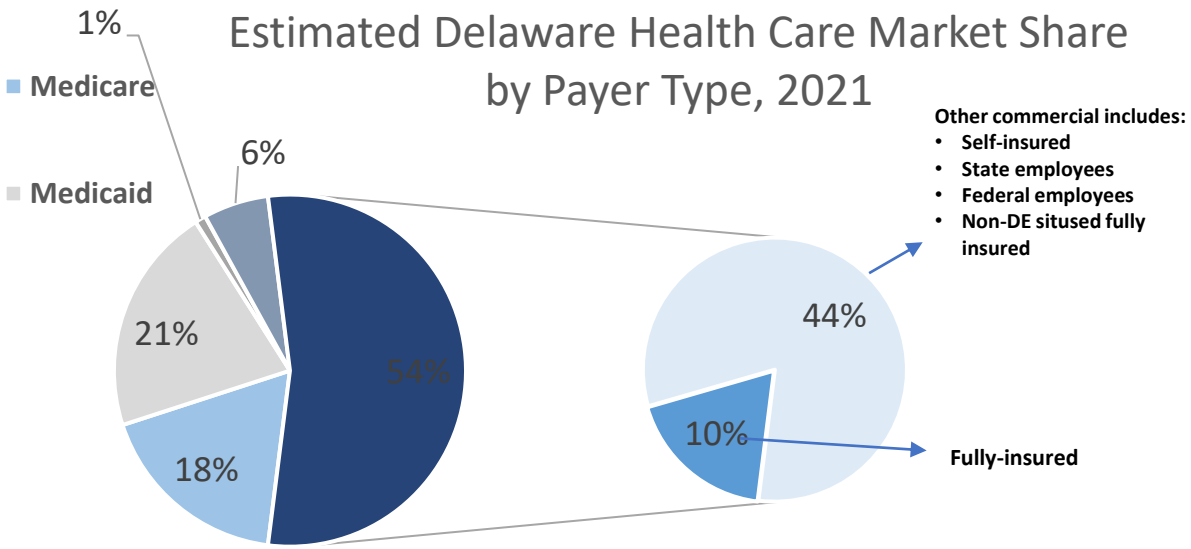
Appendix

2023 Primary Care Investment: Challenges



Sources: OVBHCD ASDS Templates (Fully-Insured)
Kaiser Family Foundation (Medicare, Medicaid, Military, Uninsured)
US Census Bureau (Other Commercial)

2023 Primary Care Investment: Challenges



Key Challenges:

- **Fully-insured portion is relatively small**
- **Carriers with low membership reluctant to design value-based programs**
- **Provider practices with low attributed members reluctant to invest in value-based infrastructure**
- **Lack of multi-payer program alignment (e.g., care delivery, payment, etc.)**
  - **DE Model opportunity**

Sources: OVBHCD ASDS Templates (Fully-Insured)
Kaiser Family Foundation (Medicare, Medicaid, Military, Uninsured)
US Census Bureau (Other Commercial)

2023 Primary Care Investment: Challenges

FULLY-INSURED PORTION TOO SMALL TO DRIVE CHANGE ALONE

SELF-INSURED MAY LACK ACCESS TO "ALIGNED VALUE-BASED" CARE

SEPARATE HOSPITAL/PHYSICIAN FEES FOR SELF AND FULLY INSURED UNDER CONSIDERATION

Key Challenges:

- **Hospital price growth cap (CPI+1) would apply to only fully-insured and not self-insured**
- **Carriers and providers would need to re-think care delivery approach**
- **Bifurcating the market will add administrative burden**

Potential Opportunities

- Consider ways to include additional payer types and funding mechanism (e.g., Medicaid, self-funded)
- Consider creative solutions for carriers with low membership counts to offer non-FFS programs
- Consider opportunities to provide certain care transformation activities in a more "centralized" manner (for smaller practices)
- Consider expanding OVBHCD's ability to require financial amounts within categories of Non-FFS activities or how investment is spread across providers
- Consider policy options to enhance physician fee-for-service reimbursement (avoid Medicare parity from being ceiling)

UPDATES

- Delaware Primary Care Payment Model
  - Payment and Attribution Workgroup- Payment Methodology
    - Health Management Associates (HMA)

HEALTH MANAGEMENT ASSOCIATES

Draft SQI and CQI Payment Methodology

Delaware Primary Care Reform Collaborative Meeting

April 24th, 2023

AGENDA

- HMA Team Introduction
- Background: SQI and CQI
- Data
- Recommendations: SQI and CQI
- Payment and Attribution Workgroup Recap
- Conclusion

HMA TEAM INTRODUCTION

Gaurav Nagrath, ScD, MBA
Managing Principal

Kyle Edrington
Managing Director

Alessandra Campbell, MPH
Consultant

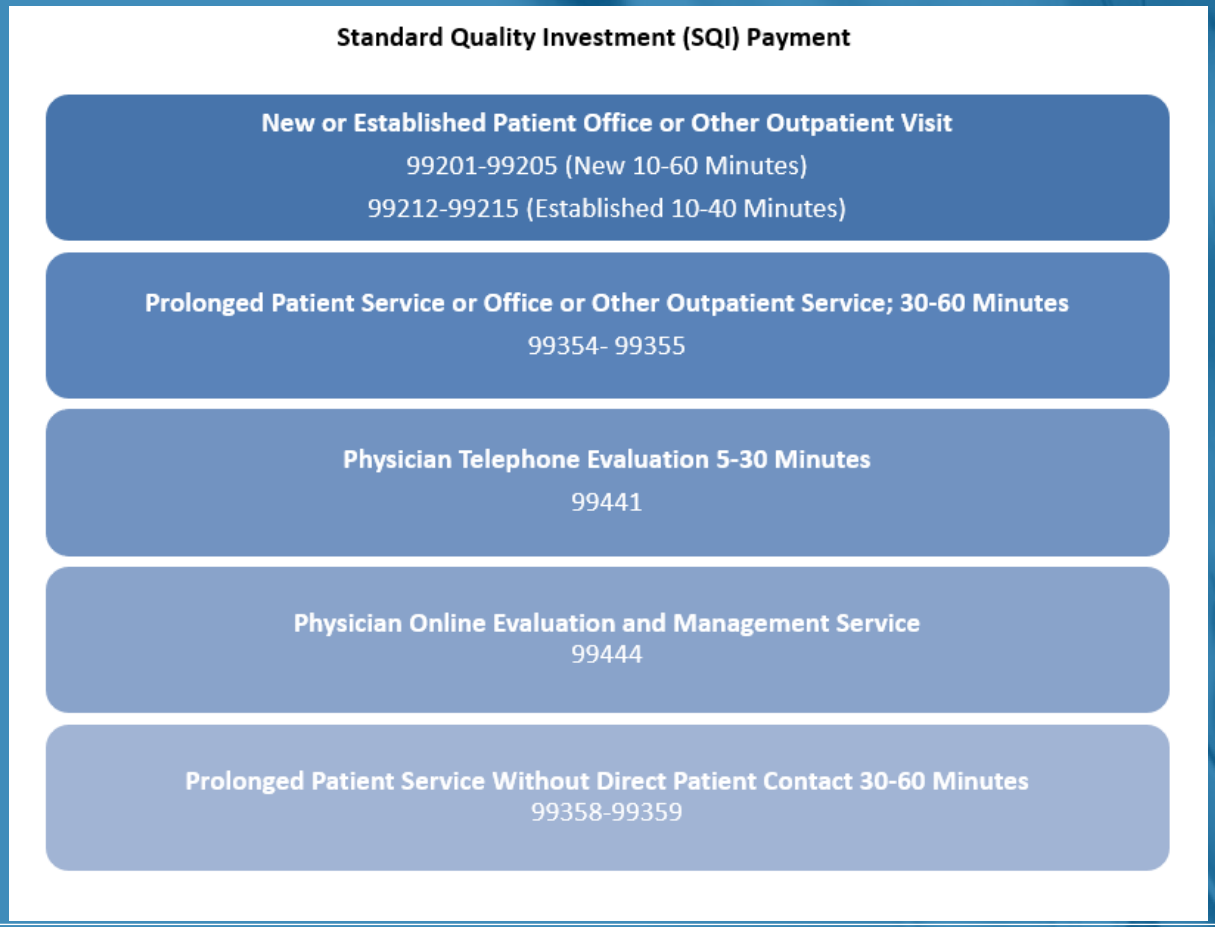
Daniel Nemet, ASA, MAAA
Consulting Actuary

Ainsley Ramsey, MS
Actuarial Consultant

Andrew Rudebusch
Senior Actuarial Consultant

Joanna Powers, MPH
Research Associate

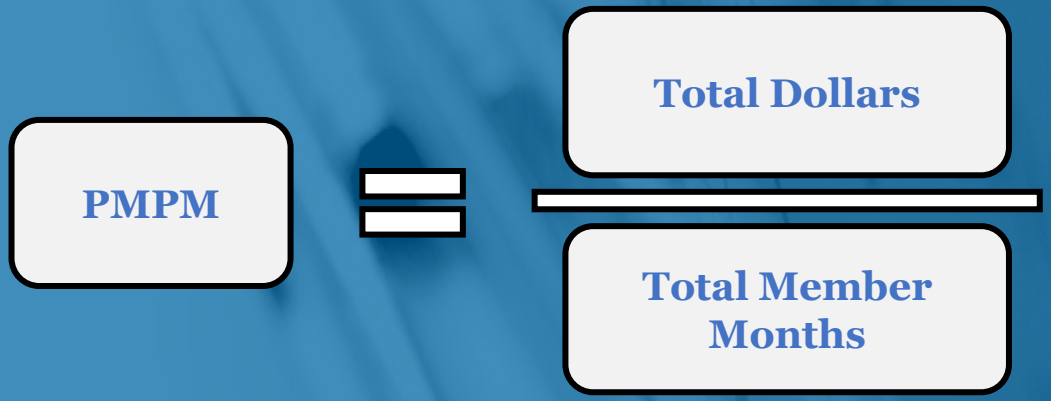
Background: Standard Quality Investment (SQI)



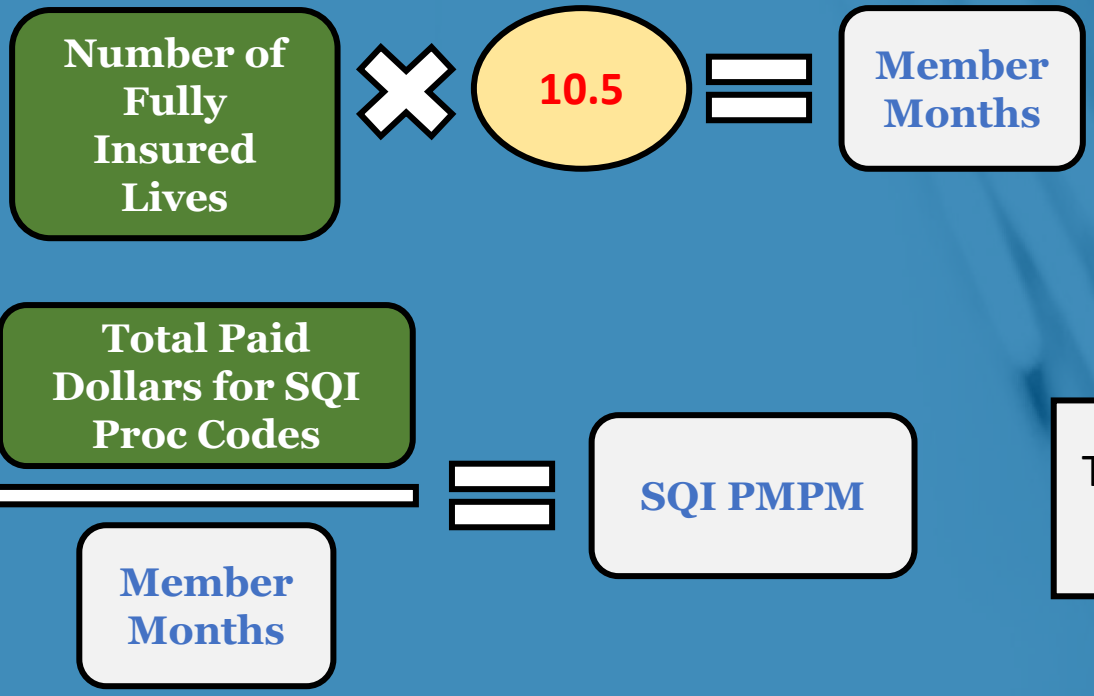
Background: Continual Quality Investment (CQI)

SQI and CQI Payment Characteristics

- Prospective payments
- What is a Per-Member-Per-Month?



SQI Payment Methodology



Trend is applied to project future PMPMs.

CQI Recommendation

- CQI recommendation is tiered PMPMs by practice size.
  - Small practices have fewer than five providers.
- CQI framework is kept simple.
- CQI framework in the future could expand to be tiered.

CQI Grid	2024		2025	
	Small	Large	Small	Large
% of SQI	10%	5%	10%	5%

Key Themes: Payment & Attribution Workgroup Meeting

- Attribution Monitoring Capabilities
- Impact of Primary Care Payment Reform on Cost Sharing
- CQI Payment
  - After how long should the CQI be tied to quality measures?
  - How is compliance ensured regarding use of the CQI payment?

Questions

UPDATES

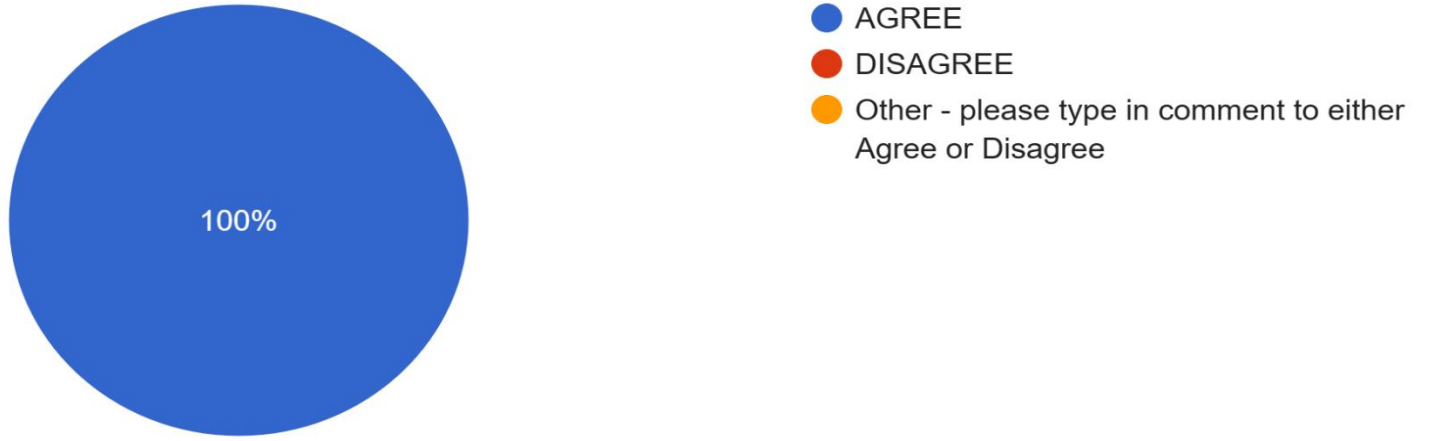
- Delaware Primary Care Payment Model
  - Care Coordination Workgroup
    - Dr. Nancy Fan and Dr. Sarah Mullins

UPDATES AND DISCUSSION

- NASEM Recommendations- Survey sent to PCRC members
  - Dr. Nancy Fan

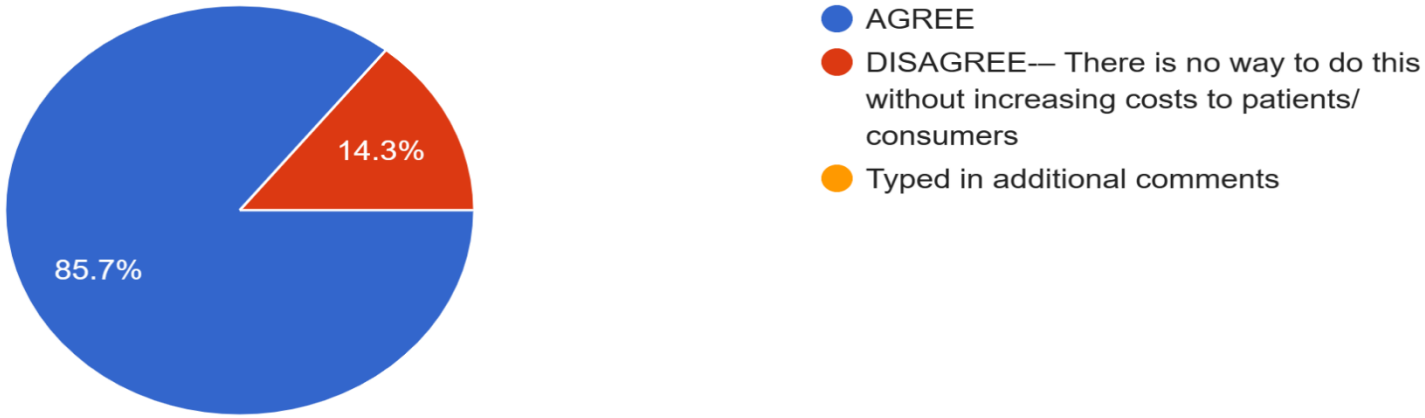
The PCRC agrees with the goals of the NASEM as provided in the email

7 responses



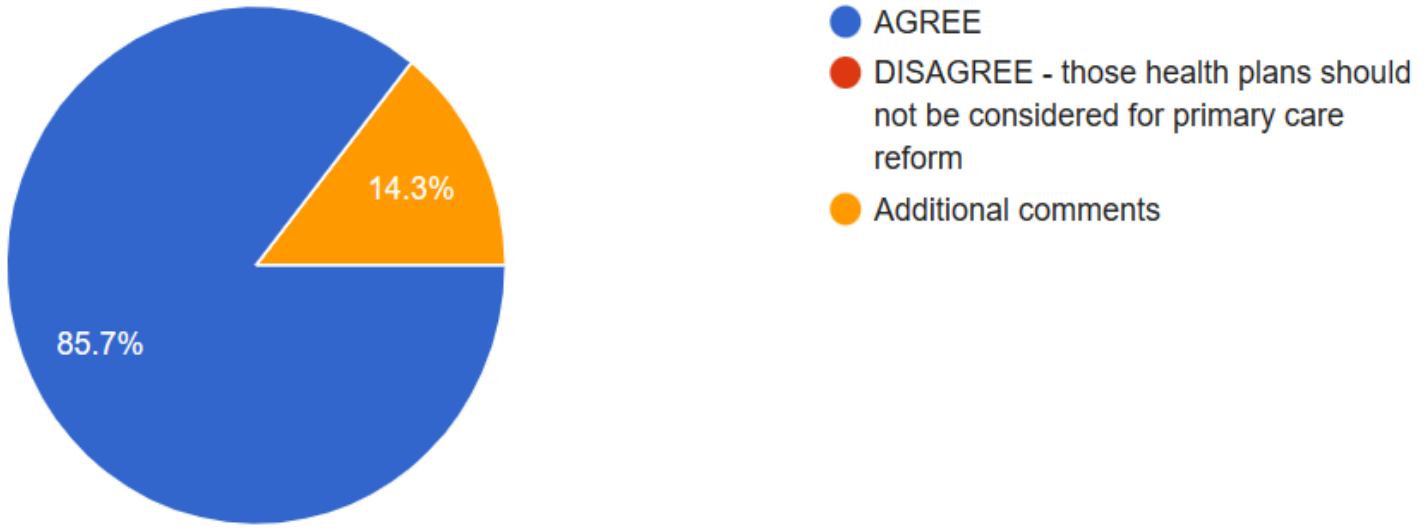
2. If there is an increase in total cost of care, the cost should not be passed onto patients/consumers.

7 responses



3. With the information provided by the OVBHCD and through the DHSS Benchmarking and Costaware data, there should be an effort to decrease inpatient costs, even for those health plans not covered under SB120 (Medicaid, self-insured plans)

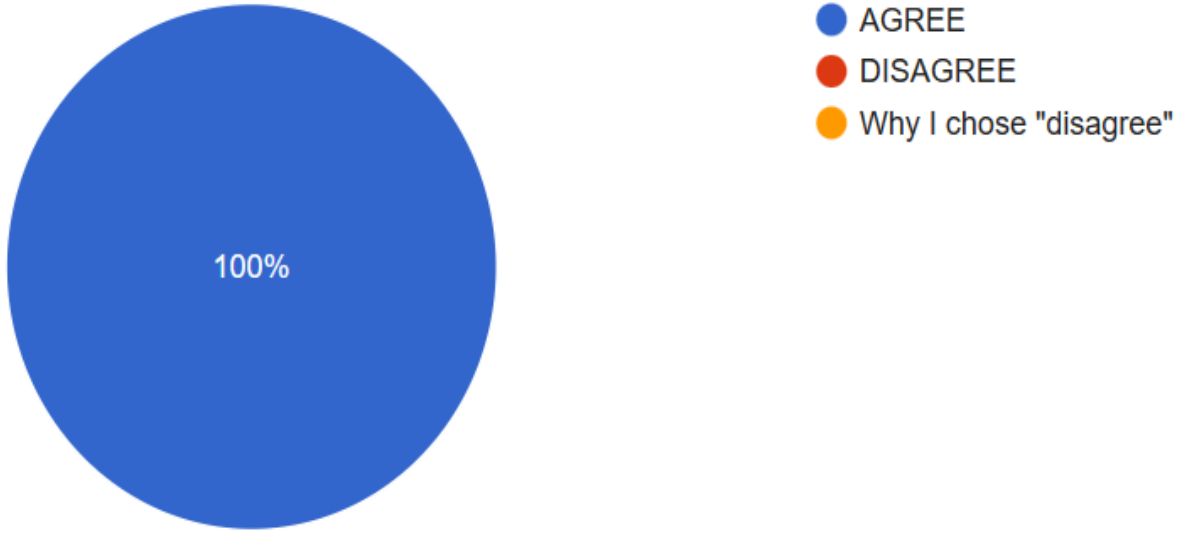
7 responses



ADDITIONAL COMMENTS: AGREE, BUT SHOULD NOT BE THE JOB OF THE PCRC

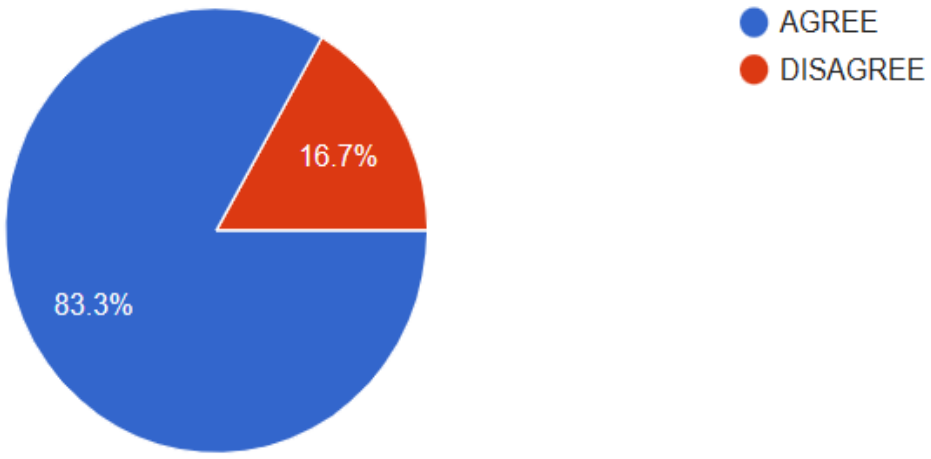
4. If #3 is a STRONG RECOMMENDATION from the PCRC, should there be a recommendation for an established regulatory body regarding health care systems and their contracted payment schedules with carriers, such as a set schedule for annual increases in service payments, similar to what is in SB120?

6 responses



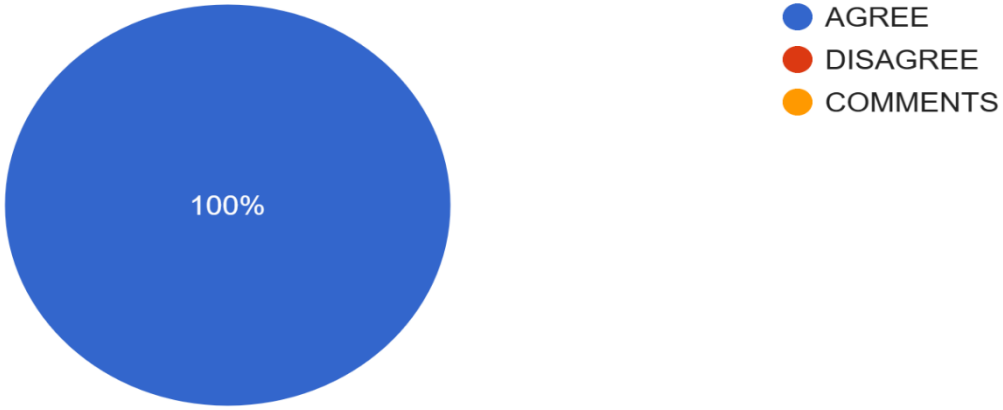
5. If #4 is NOT a STRONG RECOMMENDATION, then should the PCRC recommend that those health plans which are not under SB120 contribute to a statewide Primary Care Investment Safety Net, which may cover but is not limited to, costs associated with practice transformation for practices to reach PMCH quality of care; infrastructure costs to establish resource for patients and providers alike regarding primary care access; patient and provider education regarding the benefits of primary care, behavioral health, as well as social determinants of health.

6 responses



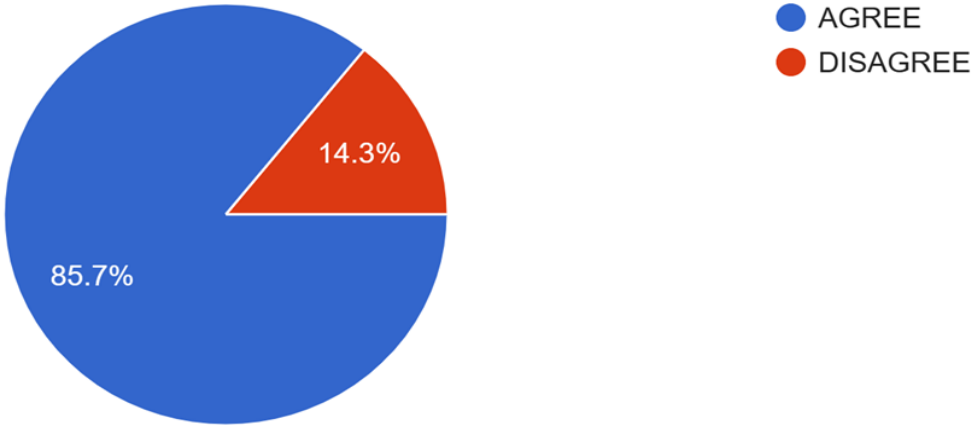
6. The PCRC should recommend that telehealth services, which would need to be defined, be included as essential services of primary care?

7 responses



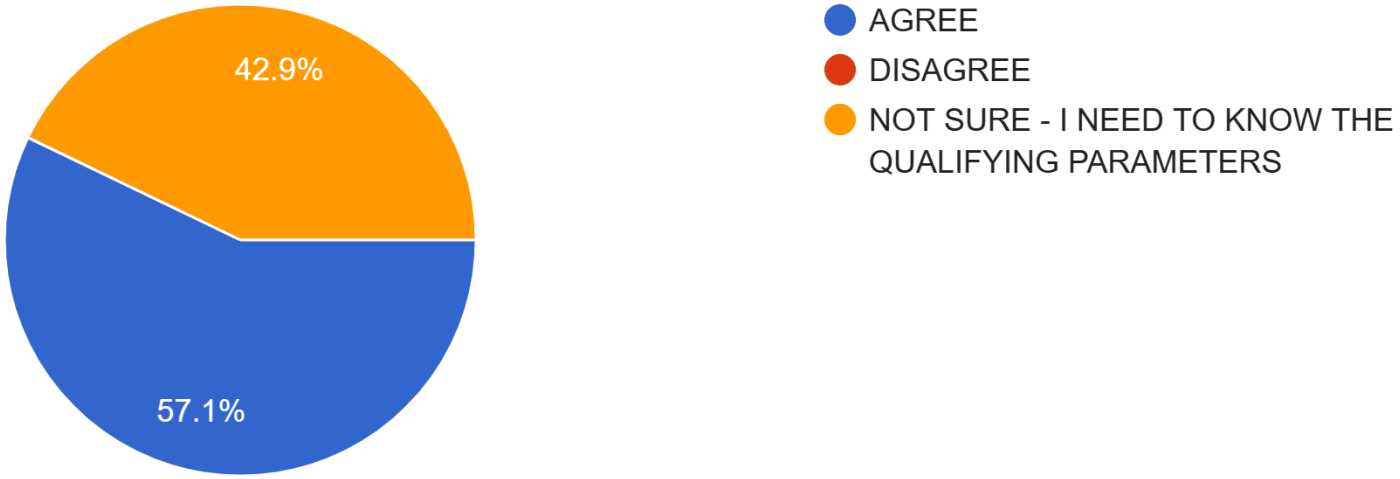
7. The Delaware Primary Care Delivery Model should be incorporated into all health plan options, whether through regulation or legislation.

7 responses



8. The PCRC should recommend that the certification of PCMH level of care not be limited only NCQA certification and can qualify for higher reimbursement if the practice meets certain parameters.

7 responses



ADDITIONAL COMMENTS: NCQA IS NOT A PARTICULARLY GOOD MEASURE OF PCMH; IT IS HEAVILY BURDENSOME TO THE PRACTICES

MEETING CADENCE

- June 12, 2023- Potentially Reschedule
- Public Health Emergency has expired- all public meetings are required to have an anchor location starting on May 11.

PUBLIC COMMENT