

Primary Care Reform Collaborative Technical Subcommittee Meeting

Tuesday, July 7, 2020

10:00-11:00 a.m.

<https://us02web.zoom.us/j/82632763612?pwd=ZEJlamlkyd1N6WURBNTZQT1BVRI9vUT09>

Meeting ID: 826 3276 3612

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Meeting Attendance

Technical Subcommittee Members:

Present:

Dr. James Gill

Jamie Clarke

Lisa Schaffner

Organization:

Medical Society of Delaware

Nemours

Highmark Delaware

Absent:

Jacqueline Ball

Faith Rentz

Organization:

Aetna

State Benefits Office/DHR

Staff:

Leslie Ledogar

Mary Jo Condon

Vinayak Sinha

Organization:

Department of Insurance

Freedman HealthCare

Freedman HealthCare

Attendees:

Dr. Nancy Fan

Ayanna Harrison

Organization:

Delaware Healthcare Commission

Department of Health and Social Services/DHCC

The meeting was called to order at 10:05 a.m.

Welcome

The meeting was convened at 10:05 a.m. via web conference. Leslie Ledogar and Mary Jo Condon welcomed all members and attendees announced their presence. Ms. Condon reviewed the meeting agenda.

Review of Office of Value-Based Health Care Delivery (OVBHCD) Statutory Mandate

Ms. Condon discussed that the OVBHCD (the Office) was established within the Delaware Department of Insurance (DOI) to reduce health-care costs by increasing the availability of high quality, cost-efficient health insurance products that have stable, predictable, and affordable rates. She then explained further that one of the Office's key tasks is to develop and annually evaluate affordability standards, through an open and transparent process, in collaboration with

the Primary Care Reform Collaborative (PCRC). Ms. Condon highlighted that the Office is seeking input from the PCRC Technical Subcommittee (PCRC TS) on its provisional approach to measurement and establishment of affordability standards. She mentioned that DOI would then finalize its approach and the affordability standards. Ms. Condon then described the goal of the affordability standards to create a sustainable, incremental process positioned to evolve as care transformation efforts mature and that reflects DOI and stakeholder priorities as well as DOI statutory obligations.

Review Role of PCRC TS to Inform Work

Ms. Condon described how the PCRC and its subcommittees' role is to provide a multi-stakeholder table to formulate a strategic vision for care transformation to improve healthcare value. She mentioned that The Office would define affordability standards, provide targets and measure progress and that payers and providers would have flexibility in care delivery to achieve those targets. Dr. Nancy Fan commented that the strategic vision for care transformation will include discussions on funding and payment models for care and that leveraging ACO network's experiences will be informative.

Review of Provisional Affordability Standards

Ms. Condon provided an overview of affordability standards contemplated nationally. The affordability standards reviewed were total cost of care benchmarks, primary care spend targets, enhanced rate review and other payer reforms, market consolidation monitoring, and alternative payment model adoption targets. Ms. Condon then introduced the provisional affordability standards being considered by the Office: a primary care investment target, provider rate review through the payer rate review process, and an alternative payment model target.

Ms. Condon discussed that the data collection to inform these targets and measure progress in achieving them would be integrated with the DOI payer rate review process. She added that accountability in achieving targets would be integrated with the DOI rate review process and that progress to achieving targets would inform rate review decisions, but not be the sole deciding factor as the rate review process considers additional information submitted by payers.

Ms. Condon went on to describe each provisional approach to affordability standards. For primary care investment targets Ms. Condon mentioned that the Office would calculate direct and indirect primary care spend for fee-for-service and non-fee-for-service payments using data from the Delaware Health Information Network's Health Care Claims Database (HCCD), the benchmark process, and the DOI payer rate filings. This would inform the establishment of a primary care spending target as a percentage of total cost of care. Information reported by payers on strategy, programs and accountability would augment the data collected. Jamie Clarke mentioned that it will be important to measure baseline primary care spending as a percentage of total cost of care. Ms. Condon explained that analyses from the Statewide Benefits Office's analysis of their primary care spending for state employees and an analysis through the HCCD would be presented at the next PCRC TS meeting to provide context for potential target development. Lisa Schaffner mentioned that place of service information on care delivery

locations such as retail clinics, urgent care clinics and school-based wellness centers will be important to capture, as this can result in lower attribution to primary care practices and that Highmark uses vaccination registry information to cross reference provision of care when necessary. Ms. Schaffner went on to explain that Highmark has focused increased investment in primary care on value-based contracting through their True Performance program. Ms. Condon explained that every claim has a box for “place of service” so data on where the care was delivered can also be captured.

Ms. Condon then described how a provider rate review through the payer rate filings process would allow the Office to review unit price trends in rate filings. If the trends were above a certain trigger, to be determined based on cost trends analyses, DOI would ask payers for reasons why this may be necessary. As part of its review DOI may require a hearing or retrospective audit. Dr. James Gill asked whether the review of rates would be to consider decreasing the increase in unit rates by service category or be focused on re-arranging provider reimbursement rates. Ms. Condon mentioned that DOI does not determine how health plans arrange contracts with providers, but rather would seek to gain context for unit price trends that influence the development of premium rates by payers.

Ms. Condon described how the Office’s data collection process through the supplemental filing would collect data on alternative payment model (APM) payments, which would be coupled with the PCRC’s strategic vision for care transformation to set an APM target. She mentioned that Delaware already had a target of having 60% of Delawareans in an APM by 2021, but that the target did not further characterize what these meaningful APM arrangements would include. Ms. Clarke mentioned that 60% of Delaware providers may already be participating in some kind of APM. Ms. Clarke mentioned that the Medicaid five-year plan to shift care towards APMs was already in place and asked whether there was progress on this work. Ms. Condon mentioned that the affordability standards being discussed were for commercial plans and that DOI does not have regulatory authority over Medicare or Medicaid. She mentioned that the Office is working to align affordability standards with the Department of Health and Social Services including the Division of Medicaid and Medical Assistance, but that there is nuance in calculating total cost of care for public payers because they provide additional services that are specific to the populations they serve. Ms. Schaffner mentioned that Highmark works to conduct assessments where provider readiness to move from pay for performance models to downside risk is evaluated. She indicated that it is vital to have a meaningful number of patients in the system to measure readiness of a practice to move to different levels of risk. Dr. Gill commented that if shifting care to APMs was based on achieving a percent of payments flowing through APM payments, then it is important to note that primary care is a small share of spending. Ms. Condon mentioned that the data collection would focus on both primary care and non-primary care payments as the affordability standards would apply to all types of care.

Technical Subcommittee Work Ahead

Ms. Condon informed the PCRC TS members that the next four meetings would focus on a review primary care spend analyses and definitions, an analysis of the APM landscape and trade-

offs and implementation of an APM target, a review of cost trends, and finally a discussion of affordability standards' targets. Ms. Clarke commented that supplemental filings may not be able to show where a health system is taking significant financial losses to increase value and therefore have increases in other areas of spending that are higher than expected to cross-subsidize their services. Ms. Condon mentioned this data collection and review of provider rates would help get the conversation on appropriate reimbursement for important, but financially difficult, services. Ms. Clarke mentioned that if the process results in a conversation that works towards ensuring that services are appropriately reimbursed that will be important and particularly helpful to address gaps in care in Delaware. Ms. Condon encouraged members to contact the Office on any questions regarding the information discussed and mentioned that the subsequent meetings would be scheduled shortly.

Public Comment

Hearing no comments or other business, the meeting was adjourned at 11:00 a.m.