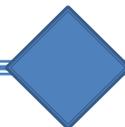




# Commonwealth of Massachusetts

## Division of Insurance



Risk-Bearing Provider Organizations

Tuesday, September 16, 2014

Kevin P. Beagan

Deputy Commissioner of the Health Care Access Bureau

Robert C. Macullar

Acting Director of Financial Surveillance and Company Licensing

# Risk-Bearing Provider Organizations (RBPO)

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## Meeting Agenda

- 1.) Introductions
- 2.) Important Dates
- 3.) Risk Certificate Waiver Application Process
- 4.) Risk Certificate Application Process
- 5.) Questions

# Risk-Bearing Provider Organizations (RBPO)

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## **Division of Insurance Contacts**

Anna Lu  
Financial Analyst  
(617) 521-7746  
[anna.lu@state.ma.us](mailto:anna.lu@state.ma.us)

Jacob White  
Financial Analyst  
(617) 521-7566  
[jacob.white@state.ma.us](mailto:jacob.white@state.ma.us)

Robert C. Macullar  
Acting Director of  
Financial Surveillance  
(617) 521-7398  
[robert.macullar@state.ma.us](mailto:robert.macullar@state.ma.us)

Kevin P. Beagan  
Deputy Commissioner  
Health Care Access Bureau  
(617) 521-7323  
[kevin.beagan@state.ma.us](mailto:kevin.beagan@state.ma.us)



# Risk-Bearing Provider Organizations (RBPO)

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## Important Dates

**September 30, 2014** - Risk Certificate Waiver  
Application Deadline

**December 15, 2014** – Risk Certificate  
Application Deadline

**March 1, 2015 through March 1, 2016**

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## **Risk Certificate Waiver Application Process**

A Risk Certificate Waiver Application needs to be submitted to the Division on or before September 30, 2014.

Applicant RBPO Name and FEIN

RBPO Primary Contact information including:

Name and Title

Mailing Address

Email Address

Phone Number (and Fax)

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The applicant needs to answer the following:

“Was the applicant’s Net Patient Services Revenue (NPSR), where NPSR is defined as the total dollar amount of a Provider Organization’s charges for services rendered in a Fiscal Year, less any contractual adjustments, from carriers and third party administrators in the 2013 fiscal year *less than* \$ 15,000,000?”

## Risk-Bearing Provider Organizations (RBPO)

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If the RBPO Applicant had NPSR from carriers and third party administrators in the 2013 fiscal year that was *less than* \$ 15,000,000 then the Applicant should:

- 1) provide the calculation and documentation supporting the calculation
- 2) provide the \$ 250 filing fee
- 3) proceed to the Certification.

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If the RBPO Applicant had NPSR from carriers and third party administrators in the 2013 fiscal year that was equal to or more than \$ 15,000,000, then the Applicant should proceed to the following information requests and questions:

- 1) Provide a list of the official names of the Health Care Payers and Employers with which the applicant is seeking to enter into an arrangement, or has already entered into an arrangement to manage the treatment of a group of patients, and a statement describing the type(s) of payment arrangement entered into with each Health Care Payer and Employer.

# Risk-Bearing Provider Organizations (RBPO)

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- 2) Explain whether the Applicant is seeking to enter into an arrangement, or has already entered into an arrangement, directly with individuals to manage the treatment of a group of patients.
  
- 3) Each RBPO that applies for a Risk Certificate Waiver must submit information to the Division to demonstrate that its existing or proposed arrangements to manage the treatment of a group of patients according to the terms of one or more Alternative Payment Contracts do not contain significant Downside Risk

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This information should include the following:

- The amount and proportion of projected or budgeted organizational revenue that is subject to Downside Risk during the applicable period.
- The steps that the RBPO has taken to prepare for the Downside Risk.
- The reasons that the RBPO believes that the contractual Downside Risk should not be considered significant.

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The application shall be certified by at least two officers of the RBPO, including a senior executive officer or partner, and either the treasurer or an assistant treasurer. Suggested certification language could include:

I, \_\_\_\_\_, am the \_\_\_\_\_ for [RBPO]. I have reviewed the materials that are being submitted to the Massachusetts Division of Insurance to apply according to the provisions of 211 CMR 155.05(3) and find that they are correct and accurate representations of the [RBPO] in reference to the items required under 211 CMR 155.05(3).

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## **Filing Fee**

Each Risk Certificate Waiver applicant should submit the required filing fee of \$250 mailed directly to the Division of Insurance. The required filing fees should be sent by mail, by courier or by hand to the Division, referencing “RBPO Application Filing Fee”. The Division of Insurance is located at:

**1000 Washington Street, Suite 810  
Boston, MA 02118-6200**

## **Submitting Materials**

Risk Certificate Waiver applications and supporting materials should be sent to the Division via electronic mail at [DOI.RBPO@state.ma.us](mailto:DOI.RBPO@state.ma.us).

## Risk-Bearing Provider Organizations (RBPO)

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An RBPO's application for an initial or renewal Risk Certificate Waiver shall not be considered complete until all materials and information required by the M.G.L. c. 176T and 211 CMR 155.00 have been received by the Division.

An applicant RBPO shall respond to any request for additional information by the Division within 15 days of the date of the Division's request.

# Risk-Bearing Provider Organizations (RBPO)

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If an RBPO applicant is issued a Risk Certificate Waiver:

- (a) the Division shall forward a copy of the Risk Certificate Waiver to the RBPO, the Health Policy Commission, and the Center for Health Information and Analysis;
- (b) the Division shall post the names of all Risk-bearing Provider Organizations who have been issued a Risk Certificate Waiver on the Division's website.

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If an applicant is not issued a Risk Certificate Waiver:

- (a) the Division shall notify the RBPO, the Health Policy Commission, and the Center for Health Information and Analysis in writing that a Risk Certificate Waiver has not been issued; and
- (b) the RBPO must begin the process to apply for a Risk Certificate.

## Risk-Bearing Provider Organizations (RBPO)

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An RBPO that has been issued a Risk Certificate Waiver shall report to the Division any material change to the information contained in its initial or renewal Risk Certificate Waiver application, in a document certified by an officer of the RBPO, within 30 days of such change.

A material change could include, but is not limited to, the addition of new Alternative Payment Contracts, amendments to Downside Risk provisions in existing Alternative Payment Contracts, changes to the number or types of patients that are covered under existing Alternative Payment Contracts or changes to the organizational structure of any Provider Organization.

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# **Risk Certificate Application Process**

During the Transition Period, an RBPO that has previously been granted a Transition Period Waiver or an RBPO that has been managing the treatment of a group of patients according to the terms of an Alternative Payment Contract but has not applied for a Transition Period Waiver, may apply for an initial Risk Certificate, but must do so by December 15, 2014 (the date established by the Division through additional guidance).

## Risk-Bearing Provider Organizations (RBPO)

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- 1) Each RBPO that has not been granted a Risk Certificate Waiver shall be required to file an application for an annual Risk Certificate.
  
  - 2) The “Risk Certificate Application” needs to be properly filled out and submitted to the Division on or before December 15, 2014.
- \* Integrated care organizations or senior care organizations contracted under M.G.L. c. 118E, § 9D or 9F that have been certified in accordance with M.G.L. c. 118E, § 9D(q) or 9F(b) shall be deemed to have satisfied the Risk Certificate requirements for purposes of 211 CMR 155.00 and M.G.L. 176T.

## Risk-Bearing Provider Organizations (RBPO)

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The application shall include the following:

- a) The most recent materials submitted by the applicant RBPO to the Health Policy Commission pursuant to M.G.L. c. 6D, § 12 as a Registered Provider Organization, unless such materials are already on file with the Division, or unless such registration has not yet occurred;
- b) A list of the official names of the Health Care Payers and Employers with which the applicant is seeking to enter into an arrangement, or has already entered into an arrangement to manage the treatment of a group of patients;

# Risk-Bearing Provider Organizations (RBPO)

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- c) A statement about whether the applicant is seeking to enter into an arrangement, or has already entered into an arrangement directly with individuals to manage the treatment of a group of patients;
- d) The most recent audited financial statements, where available, or other financial statements and/or documents that show the assets, liabilities, Reserves and sources of working capital and other sources of financial support and projections of the results of operations for the succeeding three years for the applicant RBPO and each entity: (i) with whom the RBPO has a Contracting Affiliation; and (ii) assumes Downside Risk in its arrangement with the RBPO;

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- e) a financial plan, including the following:
1. a statement indicating the anticipated timing for receipt of income from Alternative Payment Contracts with Downside Risk versus the anticipated timing of the incurrence of expenses associated with those Alternative Payment Contracts with Downside Risk;
  2. a statement of the applicant RBPO's plan to establish and maintain sufficient financial resources that will protect the applicant RBPO and those entities with which it has a Contracting Affiliation from the potential losses from Downside Risk;
  3. evidence of any insurance coverage or other agreements that protects the applicant RBPO Organization from potential losses from Downside Risk; and
  4. a detailed description of mechanisms put in place by the applicant RBPO to monitor the financial solvency of any subcontracting Provider(s) or Provider Organization(s) where the subcontracting entity assumes Downside Risk in its arrangement with the applicant RBPO or Provider Organization;

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- f) a utilization plan describing the methods by which the applicant RBPO will monitor inpatient and outpatient utilization under the Alternative Payment Contracts with Downside Risk;
  
- g) an actuarial certification, consistent with 211 CMR 155.07, that provides a statement that, after examining the terms of all the applicant RBPO's intended or existing Alternative Payment Contracts with Downside Risk, the actuary concludes that such Alternative Payment Contracts are not expected to threaten the financial solvency of the applicant RBPO;

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- h) demonstrations that contracts between the applicant RBPO and other Providers or Provider Organizations include provisions that conspicuously prohibit Health Care Providers from collecting or attempting to collect from a patient money that is owed to the Health Care Provider by the applicant RBPO, or other Provider Organization;
- i) a description of the level and nature of risk assumed across all the Provider Organization's contracts, including details about aggregate number of members that are covered under Alternative Payment Contracts, and with respect to those contracts of each entity: (i) with whom the RBPO has a Contracting Affiliation; and (ii) assumes Downside Risk in its arrangement with the RBPO;

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- (j) a certification that the applicant has established an internal appeals process pursuant to M.G.L. c. 176O, § 24 and any regulation promulgated thereunder;
- (k) a statement that indicates whether or not the applicant RBPO has entered into any Alternative Payment Contracts with Downside Risk with any Employers or individuals, and if the applicant RBPO has entered into any such Alternative Payment Contracts with Downside Risk, a detailed description of the number of contracts the applicant RBPO has entered into with Employers or individuals;

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## **Filing Fee**

Each Risk Certificate applicant should submit the required filing fee of \$ 500 directly to the Division of Insurance. The required filing fees should be sent by mail, by courier or by hand to the Division, referencing “RBPO Application Filing Fee”. The Division of Insurance is located at:

**1000 Washington Street, Suite 810  
Boston, MA 02118-6200**

## **Submitting Materials**

Risk Certificate Waiver applications and supporting materials should be sent to the Division via electronic mail at [DOI.RBPO@state.ma.us](mailto:DOI.RBPO@state.ma.us).

# Risk-Bearing Provider Organizations (RBPO)

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## **Completeness of Application**

An RBPO's application for an initial or renewal Risk Certificate shall not be considered complete until all materials and information required by M.G.L. c. 176T and 211 CMR 155.00 have been received by the Division. An applicant RBPO shall respond to any request for additional information by the Division within 15 days of the date of the Division's request.

## Risk-Bearing Provider Organizations (RBPO)

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If an RBPO applicant is issued a Risk Certificate:

(a) the Division shall forward a copy of the Risk Certificate to the RBPO, the Health Policy Commission, and the Center for Health Information and Analysis;

(b) the Division shall post the names of all Risk-bearing Provider Organizations who have been issued a Risk Certificate on the Division's website.

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## **Material Changes**

An RBPO that has been issued a Risk Certificate shall report to the Division any material change to the information contained in its initial or renewal Risk Certificate application, in a document certified by an officer of the RBPO, within 30 days of such change.

A material change could include, but is not limited to, the addition of new Alternative Payment Contracts, amendments to Downside Risk provisions in existing Alternative Payment Contracts, changes to the number or types of patients that are covered under existing Alternative Payment Contracts or changes to the organizational structure of any Provider Organization.

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## **Appeal of Denials**

An applicant that has been denied an initial Risk Certificate, or an applicant's Risk Certificate renewal request has been denied, may make written demand upon the Commissioner within 30 days of receipt of such final notification for a hearing before the Commissioner to determine the reasonableness of the denial. The hearing shall be held pursuant to M.G.L. c. 30A.

# Risk-Bearing Provider Organizations (RBPO)

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Anna Lu  
Financial Analyst  
(617) 521-7746  
[anna.lu@state.ma.us](mailto:anna.lu@state.ma.us)

Jacob White  
Financial Analyst  
(617) 521-7566  
[jacob.white@state.ma.us](mailto:jacob.white@state.ma.us)

Robert C. Macullar  
Acting Director of  
Financial Surveillance  
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## WHAT'S NEXT?

