MassHealth Payment & Care Delivery Reform: Update to the Health Policy Commission

Executive Office of Health & Human Services

Discussion document

September 16, 2015

WORKING DRAFT – FOR POLICY DEVELOPMENT PURPOSES ONLY

MassHealth received extensive feedback during the stakeholder listening process April-July

- MassHealth held **8 stakeholder listening sessions** across the state
- Turnout was very strong, and **MassHealth received extensive input** from a broad array of stakeholders
- MassHealth sought feedback on six key priorities:
  - Improve **customer service and member experience**
  - Fix **eligibility systems and operational processes**
  - Improve **population health and care coordination through payment reform** and value-based payment models
  - Improve **integration of physical, behavioral health and LTSS care** across the Commonwealth
  - Scale **innovative approaches for populations receiving long term services and supports**
  - Improve **management of our existing programs** and spend

- Stakeholders urged MassHealth to be bold in **integrating the delivery system** and **transforming the member experience of care**
- Strategies and perspectives differed – MassHealth has several **strategic design questions** about how to achieve these goals

Feedback from listening sessions – Payment and Care Delivery Reform

- Consider **flexible and broadly applicable** approaches, not “one size fits all” solutions
- **Address fragmentation of care**; improve integration between physical, oral, behavioral health, pharmacy, and long term services and supports (LTSS)
- Ensure focus on **care coordination and management** for frail elders, members with disabilities and/or significant behavioral health needs under accountable care models
- Move towards a **provider based care management approach** and resource it appropriately
- Address **concerns of small providers** in new payment models
- **Reduce avoidable ED, hospital and institutional utilization**, and build in protections to ensure cost savings are not at expense of primary care, behavioral health, or community-based LTSS
- Incorporate **social determinants of health** (e.g., support access to housing, nutritional access and support)
- Develop a **robust risk adjustment methodology**, ideally including social determinants
- Facilitate access to **peer services and community resources**
- Ensure new models value **member choice** and support providers’ ability to **manage patient populations**
- Include incentives for **member engagement** and satisfaction, protections for **quality and access**
- Ensure such standards prevent “**over-medicalization**” of care
- Evaluate ACOs on **LTSS outcomes**
- Draw on the **expertise of community mental health centers and community addiction treatment providers** to coordinate care of their clients, including seniors
- Examine the behavioral health “**carve out”** relationship; improve the integration of behavioral and physical health
- Improve the quality, transparency, availability, and usability of **MassHealth data**

The complex issues discussed revealed divergent opinions among stakeholders that will require in-depth discussion

MassHealth is launching the next phase of stakeholder engagement for soliciting more targeted input on payment and care delivery transformation

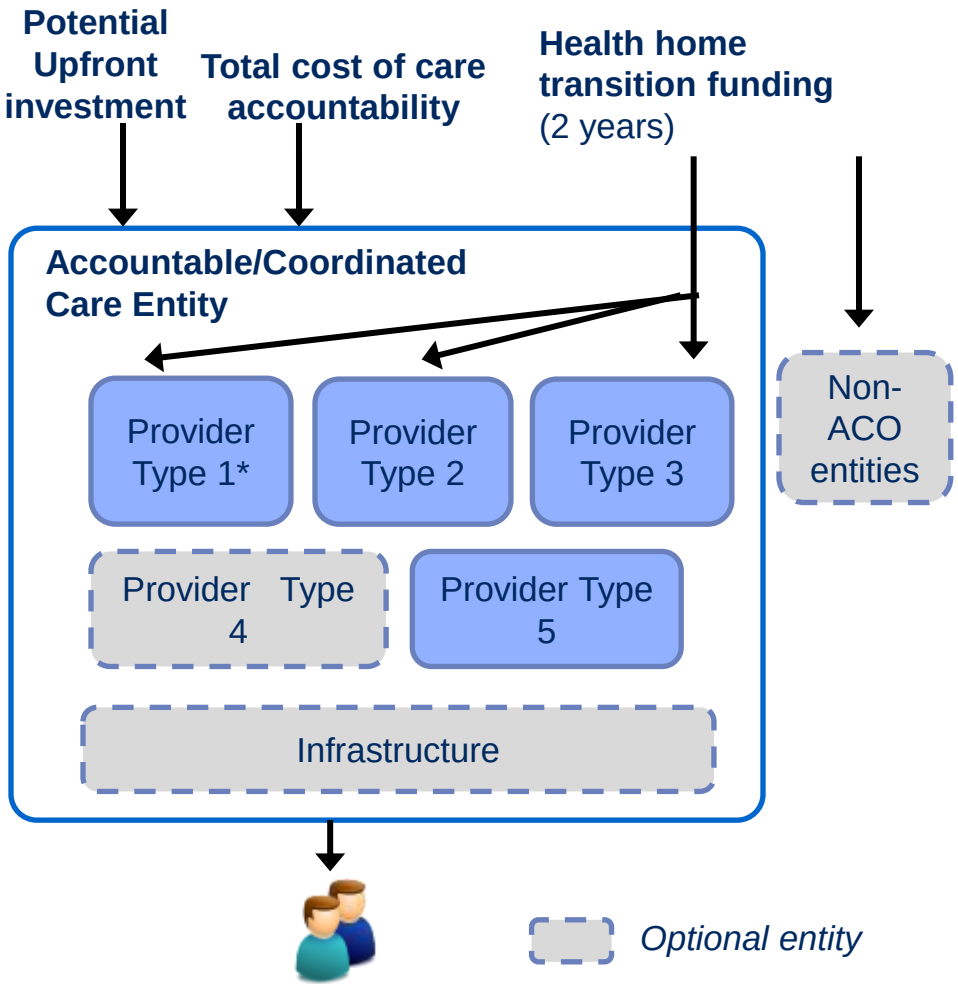
- **Regular public meetings** between August 2015 and March 2016 to solicit broad public input and provide transparent updates on progress
- A **standing forum for members and/or their families and caregivers** to provide ongoing guidance and feedback on the development, implementation, and performance of its programs and reforms;
- **Workgroups on payment and care delivery transformation**
  - Strategic Design
  - Payment Model Design
  - Attribution *(co-led by the Health Policy Commission)*
  - Quality
  - Health Homes
  - Certification and Criteria *(co-led by the Health Policy Commission)*
  - BH
  - LTSS

  - Meetings roughly every 2 weeks
  - 10-12 meetings each
- **A separate, additional workgroup on customer service**

Workgroups will not be responsible for making policy decisions, such decisions will be made by the Executive Office of Health and Human Services (EOHHS) using inputs from the workgroups. Findings, products, and issues raised in the workgroups will be brought to the regular open, public meetings

Payment and Care Delivery Reform – Concepts under consideration

State will set performance goals for performance improvement over the next 5 years around total cost of care, avoidable utilization, quality and member experience



- **Cross continuum partnerships** will be the care cornerstone of new accountable care models
- **Explicit goals** on reducing avoidable utilization (e.g., avoidable ED visits) and increasing primary, BH, and community-based care;
- A feasible and **financially sustainable transition** for provider partnerships that commit to accountable care
- **A statewide Health Homes program** to deliver care management and coordination services to appropriate populations of members with eligible chronic conditions
- **Explicit incorporation of social determinants of health**, through the technical details of the payment model and in care delivery requirements;
- Valuing and explicitly incorporating the **member experience and outcomes**

** Providers defined broadly to include social and human service providers*

Payment and Care Delivery Reform – Concepts under consideration

- **Overall goal: Developing a model that promotes integration and coordination of care to reduce siloes, improve care coordination, enhance population health, and take on financial accountability for total cost of care**

- **MassHealth is committed to moving forward with the development and launch of an accountable payment model to catalyze delivery system reform. MassHealth is also exploring ways to enhance its approach through broader support from our federal partners**

Example approach with federal partners:

- **State sets goals for performance improvement over 5 years, e.g.,**
  - Reduction in total cost of care trend
  - Reduction in avoidable utilization (e.g., avoidable admissions)
  - Improvement in quality metrics

- **Make case to receive federal investment upfront through waiver**
  - Seek upfront CMS investment in new care delivery models
  - Incentive payments at risk for meeting performance targets
  - Creates access to new funding to support transition and system restructuring

- **Access to new funding contingent on providers partnering to better integrate care**
  - ACO-like model with greater focus on delivery system integration
  - Total cost of care accountability

- **Partnering with other payers to** improve **alignment and consistency**

Key design questions / discussion points for the Strategic Design workgroup

Not exhaustive

1. What potential **cost, quality and member experience targets** can the Commonwealth commit to?
2. What types of **changes in utilization and care delivery patterns** are needed to reach the cost, quality and member experience targets?
3. What is a **feasible and financially sustainable transition path**? What are the range of possible supports (e.g. financial investment, technical assistance, timing) needed to ensure the success of accountable payment models?
4. What **partnerships/ types of providers need to be represented** through an ACO?
5. Who is the **right accountable provider** for different types of members?
6. How should **MCOs and ACOs** fit together?
7. How can ACOs best **engage members**? How should we account for **member choice**?
8. How can MassHealth set expectations and payment structures to support effective **care coordination?**
9. Should we consider **specialized models** for members with **significant BH and LTSS needs?** (applies throughout)

Key design questions / discussion points for other workgroups

Examples only, not exhaustive

Attribution	• How should **patients be attributed to ACOs or ACO providers**? (i.e., who is best positioned to direct care for different types of members?) • How should members be **notified and communicate with** ACOs?
Payment Model Design	• What **services** should be included in ACO total cost of care (TCOC)? • How should ACO payment be **structured**? • Which **risk adjustment** methodology should MassHealth use? • What **data** is necessary to support providers ?
Certification and Criteria	• How should ACO requirements link to **HPC ACO certification and DOI's RBPO regulations**? • What **partnerships/ types of providers** need to be represented in an ACO? • What role should the state play in ACO **governance** criteria? • Which specific **patient protection criteria** should be built into certification?
Health Homes	• How many **different types of health home models** should MassHealth consider? (e.g., primary care based, BH, other specific chronic conditions) • How can MassHealth create a **streamlined approach to care management and coordination**? • Which **service delivery and staffing models** will best serve the needs of different populations?
Quality	• Which **quality metrics** should MassHealth choose for its ACO program? • What **performance improvement expectations** should MassHealth expect over time?
BH	• How should integrated care look for members with **SPMI or substance abuse needs**? • How can ACO-like care delivery models best support such models?
LTSS	• How should integrated care look for members with **disabilities, frail seniors or others with significant LTSS use?** • How can ACO-like care delivery models best support such models?

HPC certification and MassHealth ACO program alignment

- HPC ACO certification criteria will be developed on an all payer basis; whereas MassHealth ACOs might have additional requirements, especially regarding BH and LTSS capabilities
- HPC and MassHealth requirements will be coordinated and aligned to the extent possible, but could differ in specific aspects
- MassHealth and HPC have jointly launched a certification workgroup, which will provide input on:
  - Key capabilities required to be certified as an ACO in the Commonwealth
  - Options for coordination of and alignment for the HPC and MassHealth programs
- Coordination and alignment for HPC and MassHealth programs could take different forms, e.g.,
  - HPC certification is a prerequisite for participating in the MassHealth ACO program (e.g., MassHealth ACOs need to fulfill all or a subset of the HPC certification criteria)
  - Those selected to participate in the MassHealth ACO model will be required to fulfill certification criteria by a specified date
  - In addition to HPC certification criteria, MassHealth ACOs will be required to fulfill additional requirements (e.g., LTSS capabilities/expertise)