**Title Slide**

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**Duals Demonstration 2.0  
Listening Session #2**

Executive Office of Health & Human Services

MassHealth

One Care and Senior Care Options (SCO)

August 7, 2018

DRAFT – FOR POLICY DEVELOPMENT PURPOSES ONLY

**Slide 1**

*This footnote appears on slides 1-22:*“draft – for policy development purposes only”

**Agenda**

* Updates
* Medicare Bidding Approach
* Risk Sharing
* Provider Payments
* Value-Based Payment for Plans and Providers
* Measuring and Incenting Quality
* Next Steps

**Slide 2**

**Updates – Status and Timeline**

* Request for Information on High Utilizers - May 25, 2018
* Draft Concept Paper - June 13, 2018
* One Care Implementation Council/MassHealth Duals Demonstration 2.0 Meeting - June 14, 2018
* Listening Session #1 - July 27, 2018
* Listening Session #2 - August 7, 2018: *(Note: this session is highlighted with a red box around it)*
  + Medicare bidding approach
  + Risk sharing
  + Provider payments
  + Value-Based Payments for plans and providers
  + Measuring and incenting quality
* Listening Session #3 - August 20, 2018:
  + Continuity of care
  + Passive enrollment
  + Enrollment churn
  + Fixed Enrollment/Special Enrollment Periods
  + HCBS Waiver participant access to integrated care in the future
* One Care Plan Procurement Release August 2018 (tentative)

**Slide 3**

**Anticipated Procurement Timeline for One Care Plans**

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| **August 2018 (tentative)**   * One Care Plan Procurement Release   **September 2018 (tentative)**   * Letters of Intent Requested by MassHealth   **October 2018 (tentative)**   * Bidder Reponses Due   **November 2018**   * Medicare Notice of Intent to Apply (NOIA) Due\*   **January 2019 (tentative)**   * One Care Plan Selection | **February 2019**   * Medicare Applications Due\*   **March 2019**   * Network Submissions Due for Validation\*\*   **February – July, 2019 (tentative)**   * Joint Readiness Reviews\*\*   **June 3, 2019**   * Medicare Bids Due\*   **January 1, 2020**   * First Enrollment Effective Date |
| *\* Milestone is a part of CMS’ annual Medicare application and contracting process*  *\*\* Joint MassHealth and CMS/Medicare process* | |

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| MassHealth will post updates about the One Care procurement process:   * On COMMBUYS: [www.commbuys.com](http://www.commbuys.com/) * On the One Care and Duals Demo 2.0 websites: [www.mass.gov/service-details/information-for-organizations-interested-in-serving-as-one-care-plans](http://www.mass.gov/service-details/information-for-organizations-interested-in-serving-as-one-care-plans) |

**Slide 4**

**Medicare Bidding Approach – Background**

* One Care and SCO plans receive capitated payments from both MassHealth and Medicare for each dual eligible enrollee
* One Care and SCO Medicare capitation rates are experience-based and risk-adjusted
* SCO plans participate in the Medicare Advantage bidding process; where they bid against Medicare benchmark rates in each county they cover

**Slide 5**

**Medicare Bidding Approach – Proposal**

**The Medicare Advantage bidding methodology combined with experience-based, risk-adjusted, right-size Medicaid rates would ensure fiscal sustainability.**

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|  | **One Care** | **SCO** |
| **Medicare Financial Methodology** | * Would **align with SCO methodology** * Plans would **participate in the D-SNP bidding process**, while maintaining demonstration status * Proposed access to **frailty adjuster** (if applicable) * Proposed continued access to **bad debt adjustment** | * Will **remain largely the same as today** * Plans would continue to participate in the **D-SNP bidding process** * Advantage benchmark for their capitation * Would continue to have access to **frailty adjuster** (if applicable) * Proposed access to **bad debt adjustment** |
| **Medicaid Capitation Rates** | * Medicaid rates will be increasingly **experience-based** * Continue to develop **risk adjustment methodology** based on **functional status** and **social determinants** | * Medicaid rates will be increasingly **experience-based** * Continue to develop **risk adjustment methodology** based on **functional status** and **social determinants** |

**Slide 6**

**Medicare Bidding – Draft Concept Paper Comments**

* General interest in using the Medicare Advantage bidding process for One Care
* Considerations:
  + Want to fully understand how changes to the SCO bidding instructions may impact finances
  + How to transition One Care to Medicare Advantage financial methodology (e.g. Stars rates, bidding relative to other Medicare Advantage products)

**Slide 7**

**Medicare Bidding – Discussion Questions**

* What should MassHealth consider in transitioning from the current One Care Medicare financial methodology to the Medicare Advantage bidding methodology?
* How would this change impact plans, plan enrollees, network providers, or others?
* What should MassHealth consider in adding risk adjustment to the Medicaid rate-setting methodology for One Care and SCO?

**Slide 8**

**Risk Sharing – Background**

* One Care – losses and gains exceeding a certain level are shared between the plans, Medicare, and MassHealth
* SCO – has a bidding process, with rebates and quality bonuses and no risk corridors
* MassHealth proposes high-utilization risk corridors would share losses and gains between the plans, Medicare, and MassHealth for costs associated with the delivery of care to members with extraordinarily high utilization
* Other risk mitigation strategies, such as stop-loss, also could be used to protect against program instability that might occur as a result of the delivery of services to members with extraordinarily high utilization
* MassHealth also proposes two-sided risk corridors applicable to both One Care and SCO to protect plans against financial instability

**Slide 9**

**Risk Sharing – Draft Concept Paper Comments**

* General support for a high-utilizer stop-loss program
* Some prefer maintaining the existing financial methodology for SCO (bid process, rebates, and quality bonuses – with no risk-corridor)
* Considerations:
  + The impact of adding two-sided risk corridors to the SCO program
  + Construct a high-utilizer stop-loss program to be budget neutral to rate-setting process

**Slide 10**

**Risk Sharing – Discussion Questions**

* What (if any) downsides should MassHealth consider in including a two-sided risk corridor in SCO?
* What other financial methodologies should MassHealth consider to assure the stability of One Care and SCO products until member enrollment reaches a minimum level for sustainability?
* What other approaches should MassHealth consider so that plans, CMS, MassHealth, and providers share in both risks and potential gains?

**Slide 11**

**Provider Payments – Background**

* For dual eligibles in Massachusetts who do not participate in One Care and SCO, providers receive MassHealth fee-for-service rates from their combined Medicare primary and MassHealth secondary payments
* We understand that One Care and SCO plans often pay hospitals and physicians at least the Medicare allowable amount, and in some circumstances, they pay those providers significantly higher amounts
* MassHealth proposes limiting the Medicaid wrap portion of provider payments for One Care and SCO

**Slide 12**

**Provider Payments – Background: Hospital Illustrative Example**

**Potential limits on Medicaid wrap payments in One Care and SCO**

As enrollment volume shifts from FFS to One Care/SCO, impact of any limits would be mitigated

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| **Non-Dual (Medicare Only) Provider Payments** | **Dual Member (Medicare + Medicaid) Provider Payments** | | |
| **$100.00 total**  (Medicare allowable: $100) | **$97.55 total** | **≥$100.00 total** | **More than $97.55, but less than $100.00**  Payment from One Care / SCO plan with provider pricing benchmark |
| **$20.00**  Patient Copay | **$4.55** Bad debt reimbursement | **$100.00**  Payment from  One Care / SCO plan |
| **$13.00** Medicaid Payment |
| **$80.00**  Medicare Payment | **$80.00**  Medicare Payment |
| **Medicare only (non-duals)** | **Dual in FFS** | **Dual in One Care/ SCO** | **Demo 2.0: Dual in One Care/SCO** |

**Slide 13**

**Provider Payments – Background: Professional Services Illustrative Example**

**Potential limits on Medicaid wrap payments in One Care and SCO**

As enrollment volume shifts from FFS to One Care/SCO, impact of any limits would be mitigated

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| **Non-Dual (Medicare Only) Provider Payments** | **Dual Member (Medicare + Medicaid) Provider Payments** | | |
| **$100.00 total**  (Medicare allowable: $100) | **$88.00 total** | **≥$100.00 total** | **More than $88.00, but less** than $100.00  Payment from One Care / SCO plan with provider pricing benchmark |
| **$20.00**  Patient Copay | **$8.00** Medicaid Payment | **$100.00**  Payment from  One Care / SCO plan |
| **$80.00**  Medicare Payment | **$80.00**  Medicare Payment |
| **Medicare only (non-duals)** | **Dual in FFS** | **Dual in One Care/ SCO** | **Demo 2.0: Dual in One Care/SCO** |

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**Provider Payments – Draft Concept Paper Comments**

* Some interest in placing limits on the Medicaid crossover portion of provider payments for both One Care and SCO
* Considerations:
  + Concern over the impact of payment caps for hospitals and other providers
  + One response expressed concern with introducing a payment policy where hospitals and other providers are paid the lower rate (due to proposed limits on Medicaid wrap payments)

**Slide 15**

**Provider Payments – Discussion Questions**

* How can we balance the need for broader provider networks with the need for greater provider accountability and responsibility (i.e., deeper engagement with care teams)?
* Are there other mechanisms to encourage sustainable plan-provider network contracting that MassHealth should consider?
* How should creating choices in networks be balanced with contracting efficiently, particularly if few providers are geographically available?

**Slide 16**

**Value-Based Payment – Background**

* Value-Based Payments (VBP) are encouraged for One Care and SCO
* MassHealth Accountable Care Organizations (ACOs) and Managed Care Organizations (MCOs) have established thresholds for VBP as a percent of total business
* Proposal seeks to align Value-Based Payment strategies across all MassHealth and Medicare programs (ACO, MCO, One Care, and SCO)

**Slide 17**

**Value-Based Payment – Draft Concept Paper Comments**

* VBP generally acknowledged to hold potential, with many details to work out before implementation
* Considerations:
  + How can VBP encourage plans to enroll high cost members?
  + How would plans use VBP to improve quality of life, and medical outcomes for enrollees?

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**Value-Based Payment – Discussion Questions**

* How would additional incentives for VBP impact provider networks, both from the plan and provider perspective?
* Are plans and providers interested in VBP methodologies that include shared risk?
* Which (if any) existing Medicare and Medicaid VBP models should be considered to improve One Care and SCO performance?
* What other strategies should we consider to better engage Medicare ACOs in plan networks?

**Slide 19**

**Measuring and Incenting Quality – Background**

* For measuring quality, the proposal seeks to:
  + Create a MassHealth quality slate specific to dual eligible populations (e.g., under 65 with disabilities, 65+)
  + Create One Care specific Stars, to be phased in over time
  + Use a reasonable number of measurable metrics
* Plans would also have the opportunity to gain back a quality withhold for high quality scores

**Slide 20**

**Measuring and Incenting Quality – Draft Concept Paper Comments**

* General support for a One Care specific “Stars” proposal
* Considerations:
  + Make One Care plans eligible for rebates and quality bonuses
  + In developing and implementing new quality measures:
    - * Consider using the CMS rules for adding, updating, or removing measures
      * Allow for a comment period before adopting measure
      * Fully define, test, and validate measures before inclusion in the quality program

**Slide 21**

**Measuring and Incenting Quality – Discussion Questions**

* What should MassHealth consider in developing One Care Stars (e.g., quality withhold, slate of quality measures tailored to population) for the population under age 65 with disabilities?
* How could MassHealth further align One Care and SCO quality measurement with the approaches and measures used in MassHealth ACOs, and incentivize improved quality across the MassHealth portfolio of products?

**Slide 22**

**Next Steps**

**Listening Session #3**

**Date:** August 20, 2018 **Time:** 2:00pm – 4:00pm

**Location:** 1 Ashburton Place, 21st Floor, Boston, MA

Expected Topics for Discussion

* + - Continuity of care
    - Passive enrollment
    - Enrollment churn
    - Fixed Enrollment/Special Enrollment Periods
    - HCBS Waiver access to integrated care in the future

**Slide 23**

**One Care logo which includes this text:
One Care
MassHealth+Medicare
Bringing your care togetherSCO logo which includes this text:
Senior Care Options**

**VISIT US ONLINE** [**www.mass.gov/duals-demonstration-20**](http://www.mass.gov/one-care)

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