Medicaid Payment & Delivery System Innovation: Integrated Health Partnerships

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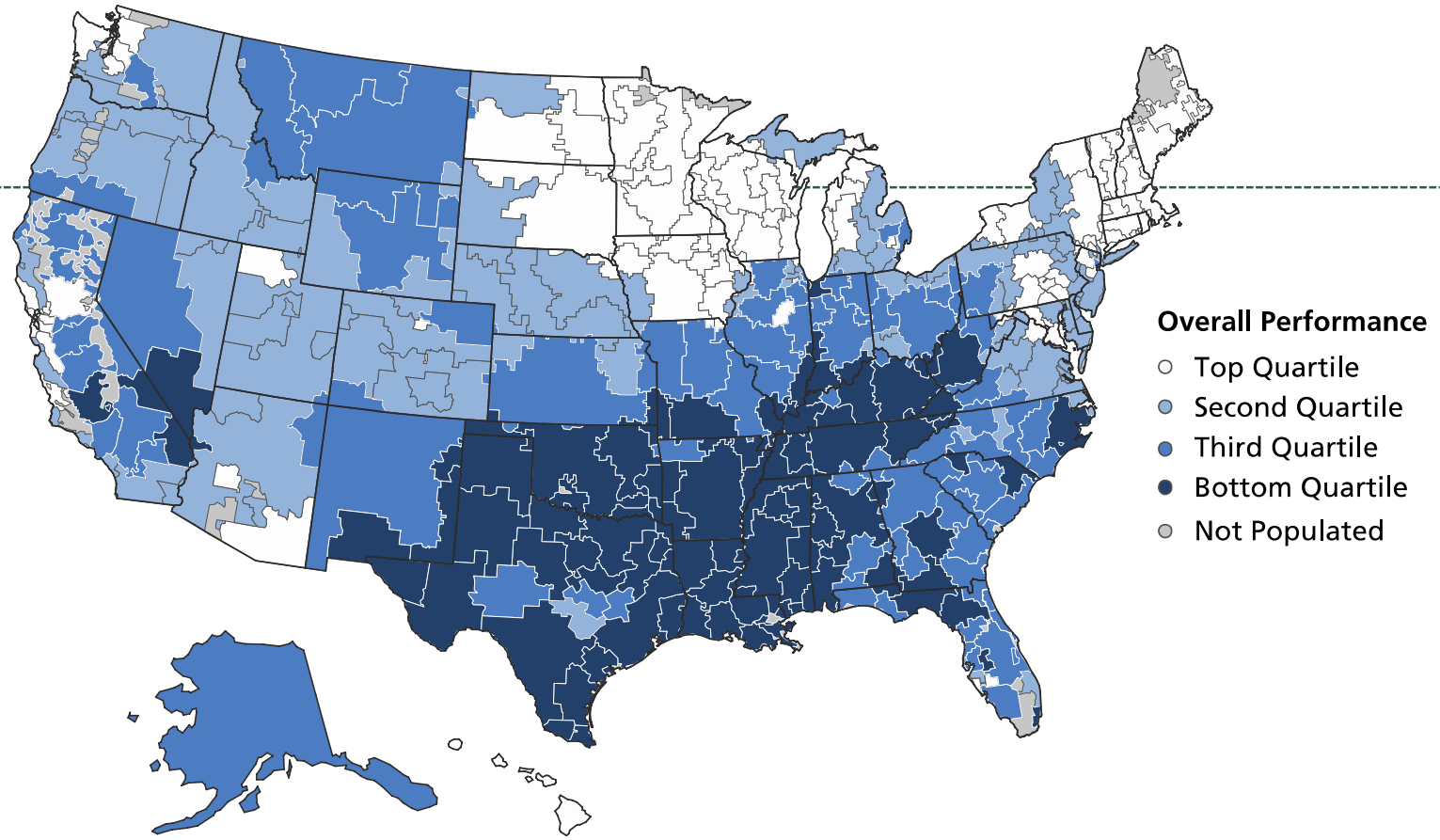
Overall Health System Performance



Source: Commonwealth Fund Scorecard on Local Health System Performance, 2012.

What's the context?
Minnesota Medicaid Overview

- 900,000 enrollees, approx. $9 billion annual expenditures
- Mature Medicaid Manage Care Program
  - Contracts with only non profit plans
  - 8 local non profit plans participating, includes 4 sponsored by counties
  - Mandatory managed care for all except for people with disabilities (opt out)
  - Fee-for-service program primarily people with disabilities opt outs
- Families and Children and Adults without children: 800,000
  - Medicaid and MinnesotaCare
- Seniors 65+ with MLTSS: 50,000 enrollees
  - MSHO (voluntary-integrated with Medicare D-SNPs)
  - MSC+ (mandatory default)
- People with Disabilities 18-65: 50,000 enrollees
  - Special Needs Basic Care (opt out, does not include LTSS)

What is Minnesota's approach to Medicaid ACO development?

- **Integrated Health Partnership (IHP) demonstration** – Predates SIM; authorized in 2010 by Minnesota Statutes, 256B.0755
- Builds on a long history of health reform – wanted to define the **"what"** (better care, lower costs), rather then the **"how"**
- Allow for **broad flexibility and innovation** under a common framework of accountability
- **Framework of accountability** includes:
  - Models that drive rapidly **away from the incentive "to do more"** and **towards increasing levels of integration**
  - **"Locus of care"** provider responsible for patient pops' overall health
  - Accountability for patients' **total cost of care (TCOC)**
  - Robust and consistent **quality measurement**

Who can be an IHP?
Provider Requirements

IHP providers must:

- Deliver the full scope of **primary care** services.
- **Coordinate** with specialty providers and hospitals.
- Demonstrate how they will **partner** with community organizations and social service agencies and integrate their services into care delivery.

- Model allows **flexibility** in governance structure and care models to encourage innovation and local solutions.

How are IHPs Accountable? Same Framework, Multiple Model Options

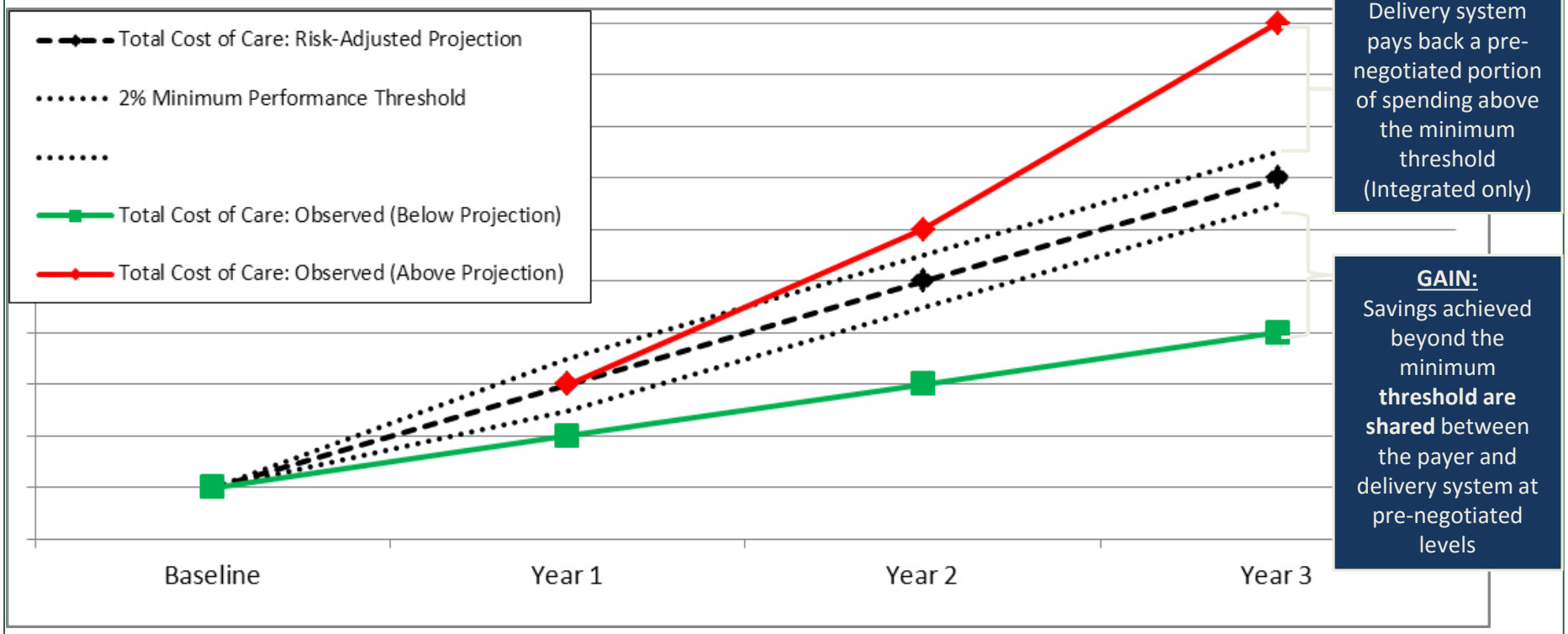
- Providers voluntarily contract with DHS under two broad model options: **Integrated** or **Virtual**
- **Flexibility** within these two models to accommodate provider makeup, size and capacity, and risk tolerance with the goal to ensure broadest possible participation.
  - Integrated = Delivery system providing spectrum of care as a common entity; move toward symmetrical "downside" risk; can propose variable risk corridors and distributions (doesn't have to be 50/50)
  - Virtual= collaborative, not affiliated with a hospital, or serving <2000 enrollees; "up-side" only; savings beyond min. threshold shared 50/50

How are IHPs Accountable? Total Cost of Care (TCOC)

- Existing provider payment persists during the Demo.
- **Medicaid recipients** (under 65, not dually eligible) - across both FFS and managed care organizations - attributed using past encounters/claims
- **Gain-/loss-sharing payments made annually** based on risk-adjusted TCOC performance, **contingent on quality performance.**
- Performance compares each IHP's base year TCOC (across core set of services) to subsequent years.

How do we calculate TCOC shared savings?

- Total Cost of Care (TCOC) target (risk adjusted, trended) is measured against actual experience to determine the level of claim cost savings (excess cost) for risk share distribution



LOSS: Delivery system pays back a pre-negotiated portion of spending above the minimum threshold (Integrated only)

GAIN: Savings achieved beyond the minimum **threshold are shared** between the payer and delivery system at pre-negotiated levels

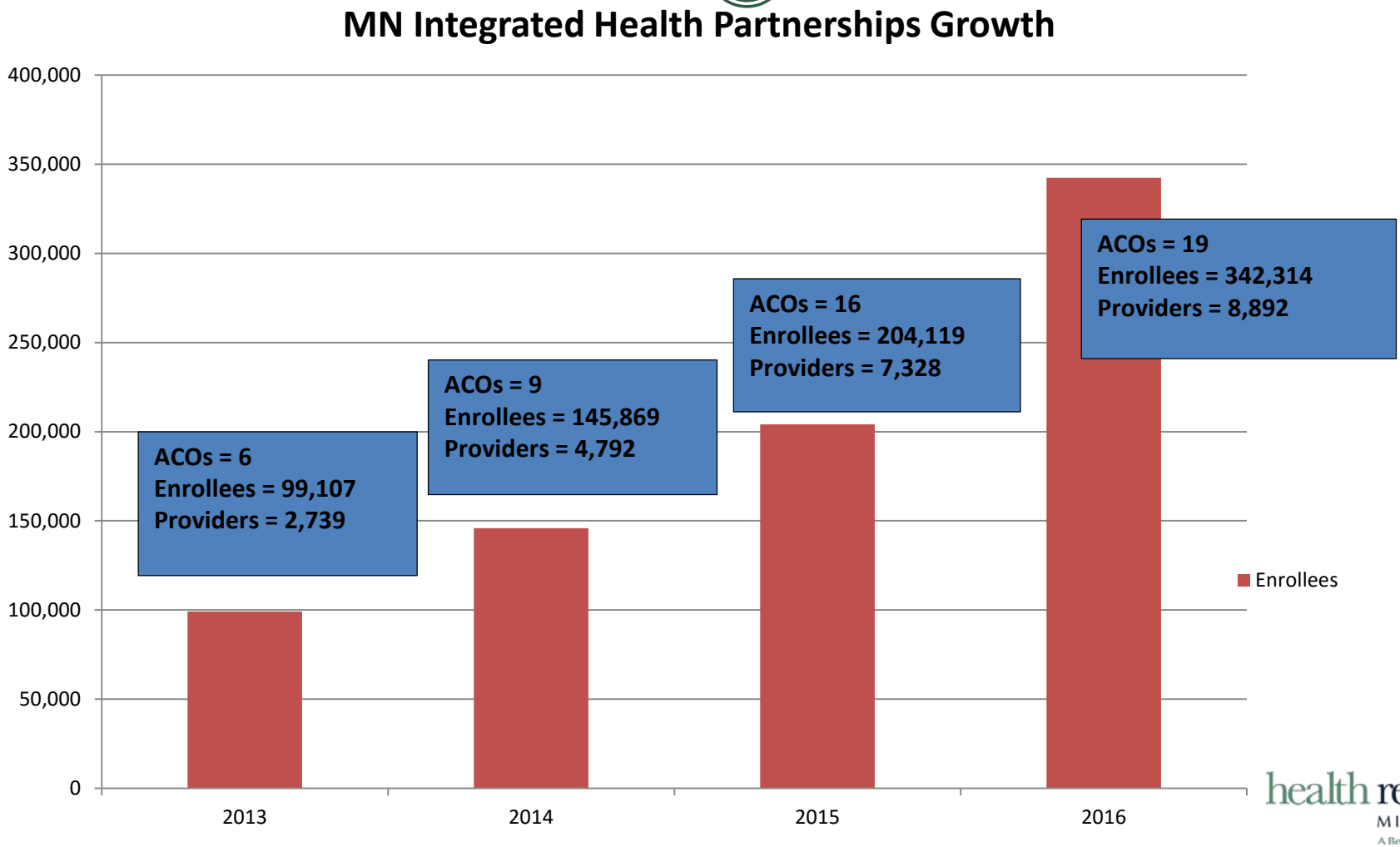
How *else* are IHPs Accountable? Quality Measurement

- Performance on quality measures impacts the amount of shared savings an IHP can receive; phased in over initial 3-year program period
  - Year 1 – 25% of shared savings based on *reporting* only
  - Year 2 – 25% of shared savings based on *performance*
  - Year 3 and beyond – 50% of shared savings based on *performance*
- Core set of measures based on existing state reporting requirements – Minnesota's **Statewide Quality Reporting and Measurement System**
- Core includes **7 clinical measures** and **2 patient experience measures**, totaling 32 individual measure components – across both **clinic** and **hospital** settings
  - IHPs have flexibility to propose alternative measures and methods
- Each individual measure is scored based on **either *achievement* or *year-to-year improvement*** *(when possible)*

How do we help the IHPs succeed? Reporting and Data Feedback

- **MN-ITS Mailbox ("Raw" File Distribution System)**
  - Monthly Claim and Pharmacy Utilization files
    - Line level detail (1 yr. of history) for attributed recipients of Facility, Professional, and Pharmacy encounters - excludes service level paid amounts and CD treatment data
  - Monthly Recipient Demographic file
- **IHP Portal Analytical Reports ("Cooked" SAS BI Reports)**
  - Care Coordination
  - Utilization
  - Quality
  - Total Cost of Care
- **Quarterly Data User Groups** – IHPs influence, provide feedback on reports and data available
- **SIM Data Analytics Grants** – $4m total across 11 IHPs; $$s used to enhance individual analytics capacities

What does the IHP demo look like right now? Consistent growth



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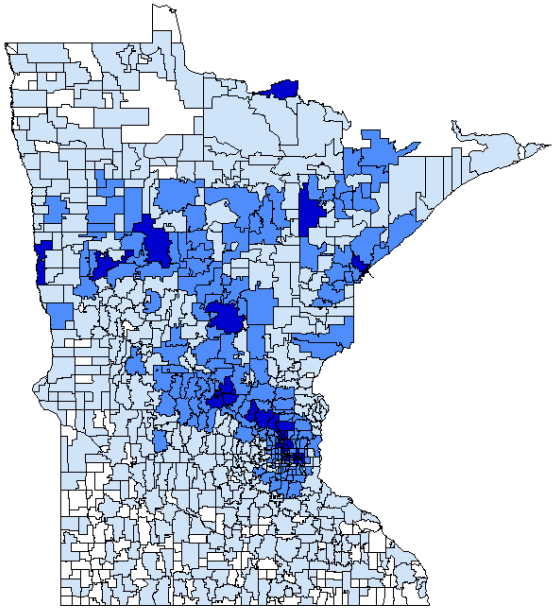
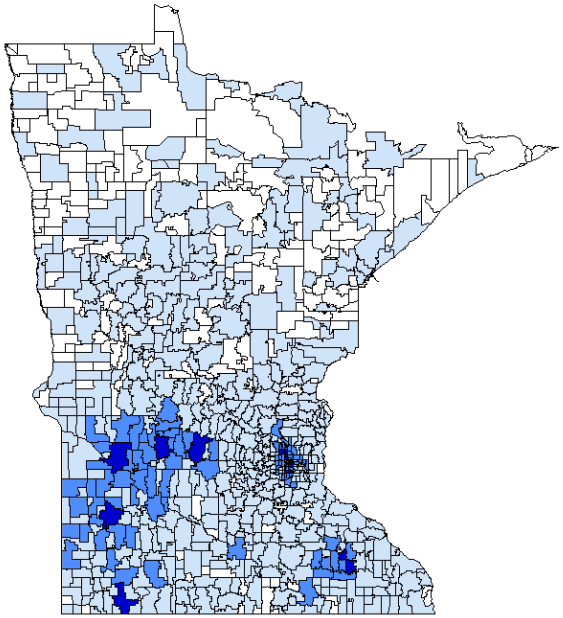
What does the IHP demo look like right now? Geographic spread

IHP membership by round

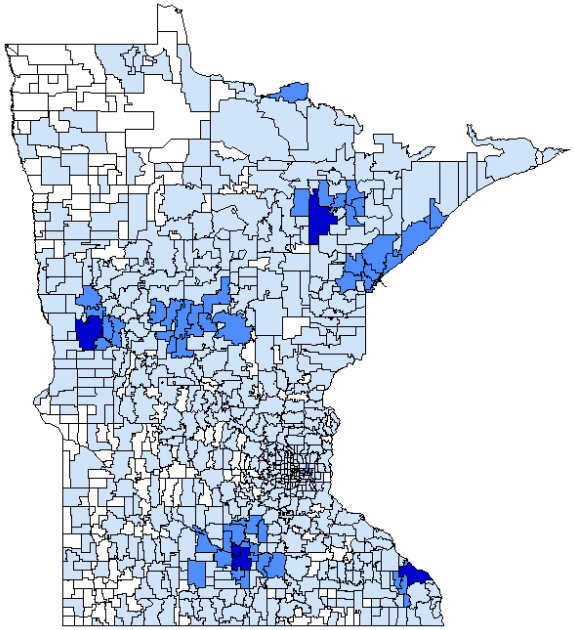
Round 1

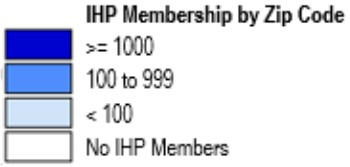


Round 2



Round 3





Data Source: 3M; MN DHS Medicaid Data 1/2014-12/2014, claims paid through 7/2015.

What does the IHP demo look like right now?
11 Integrated IHPs

IHP	Geographic area	Size (# Attributed)
Allina Health*	Greater Minnesota	62,107
CentraCare*	Central MN, N of Mpls/SP	22,961
Children's Hospital	Minneapolis/St. Paul	22,142
Essentia Health*	Duluth/NE MN	43,906
Hennepin Healthcare System/HCMC	Minneapolis/St. Paul	38,998
Lake Region Healthcare*	West Central MN	4,776
Lakewood Health System*	Central MN	4,572
Mayo Clinic	Rochester/SE MN	3,175
North Memorial	Minneapolis/St. Paul	20,045
Northwest Health Alliance (Allina/HealthPartners)	Minneapolis/St. Paul	19,342
Winona Health*	Winona/SE MN	5,022

** IHPs that include rural health providers*

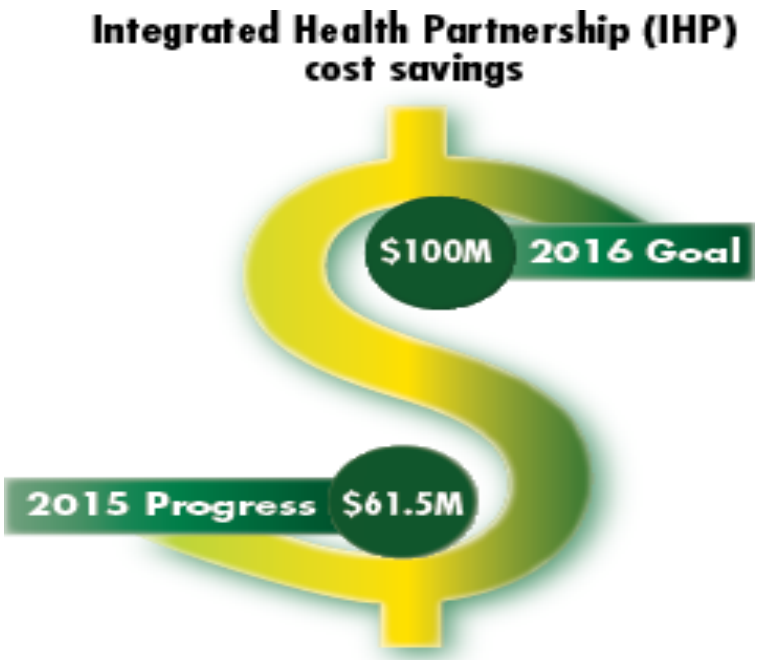
What does the IHP demo look like right now?
8 Virtual IHPs

IHP	Geographic area	Size (# Attributed)
Bluestone Physician Services	Minneapolis/St. Paul	~1,000
Courage Kenney (Allina Health)	Minneapolis/St. Paul	1,933
FQHC Urban Health Network (10 FQs)	Minneapolis/St. Paul	33,256
Gillette Children's Specialty Healthcare*	Greater Minnesota	~1,000
Integrity Health Network*	NE MN	9,346
Mankato Clinic	Mankato	9,814
Southern Prairie Community Care*	Marshall/SW MN	28,509
Wilderness Health*	NE MN	11,660

** IHPs that include rural health providers*

How are the IHPs doing?

- In **2013** providers saved **$14.8 million** compared to their trended targets.
- **2014 interim** TCOC savings estimated at **$61.5 million**
  - For 2013, all beat their targets and met quality requirements; 5 received shared savings payments ($6 million total ranging from $570,000 to $2.4 million)
  - In 2014, all 9 providers received shared savings (interim) settlements ($22.7 million in total)
- **Final 2014, interim 2015 results** due June 2016



What's next?

- Continue current model, enabling additional provider systems to join January 2017– **Round 5 RFP published April 25th**
- Explore **Medicare/Medicaid Integrated ACO** model for under 65 duals
- Seek stakeholder feedback to develop advanced model tracks (IHP 2.0) - **RFI published April 18th**

Questions?

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