Medi-Cal Value Payments

P4P Program Overview

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Anthem Blue Cross | CA Medicaid Plan

Our Purpose, Vision & Values

Purpose Statement
Together, we are transforming health care with trusted and caring solutions.

Vision
To be America's valued health partner.

Values
Accountable, Caring, Easy to Do Business With, Innovative and Trustworthy.

1.2M

Members

29

Counties

VBP/P4P Challenge

Design a new value-based payment (VBP) P4P program for **Medicaid** Physician Group Organizations (PMGs / IPAs).

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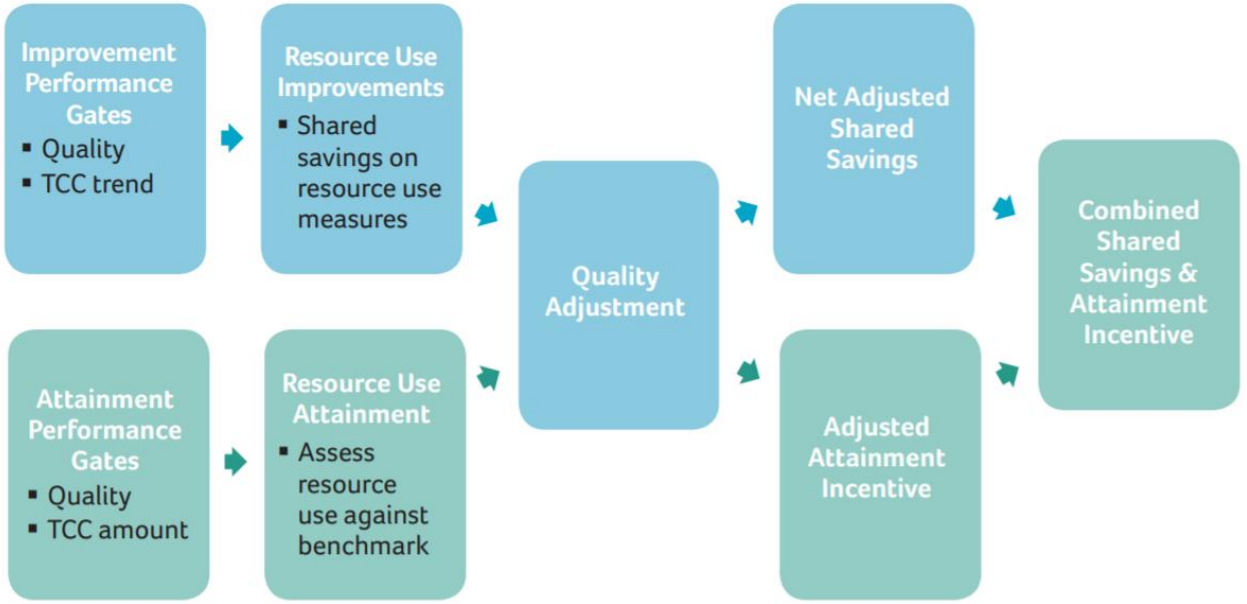
"Five key design decisions gaining critical mass across public and private payers in holding providers accountable for both the quality and cost of care through aligned performance measures, incentives, and public reporting is essential to scaling the triple aim of better care, better health, and smarter spending."

1. Rewarding performance improvement vs. attainment.
2. Basing incentive payments on total cost of care vs. utilization.
3. Setting meaningful benchmarks.
4. Developing tools to enable performance improvement.
5. Fostering broad and public use of results.

IHA Value Based P4P Incentive Pathways



Measurement Domains in Medi-Cal Managed Care Plan P4P programs

Measurement Domains	Number of Health Plans Measuring in 2014 P4P Program	Number of Health Plans Measuring in 2017 P4P Program
Access	8	9
Clinical	13	15
Patient Experience	5	7
Utilization	7	9
Encounter Submission	6	8

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Report to Congress | CMS MACRA MIPS

"**MIPS as presently designed is unlikely to succeed** in … helping clinicians change practice patterns to improve value or helping the Medicare program reward clinicians based on value…The structure of MIPS creates an inequitable system"

- **Medicare Payment Advisory Commission (MedPac),** June 2017

Potential Drivers:

1. The first inequity results from the use of [a large list of] self-reported quality measures, in which clinician **performance is measured using different metrics for each clinician.**
2. The second inequity occurs because **clinicians who select measures for which there is room for improvement** (and that assess real, meaningful gaps in care) **are much less likely to do well** than clinicians who select measures on which they score highly.
3. [Due to variation in selected measures]…It will be **difficult to ascertain any distinction among clinicians on their performance**…and it will impose a considerable reporting burden on clinicians.
4. Other MIPS categories rely on clinician attestations; clinicians will likely score high on those measures.

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Source - http://www.medpac.gov/docs/default-source/reports/jun17_ch5.pdf?sfvrsn=0

Value-Based Purchasing Programs | Current State

"Overall **effectiveness of VBP programs has been marginal thus far.** While many studies have examined VBP programs…the answers still elude us." - **George WA School of Medicine**, May 2016

Potential Drivers:

1. The **financial incentives may be inadequate** to drive change.
2. The quality measurement systems may be **overly complex** such that providers are confused as to which measures are most closely linked to the incentives.
3. …**Delay in time between measure performance and incentive [payment]** decouples the two events such that providers do not closely connect cause and effect.
4. Incentives are often **rolled into standard payments** as a percentage adjustment, rather than being called out as a separate payment to highlight the incentive.
5. …**Multiple programs create a confounding environment for providers.**

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Source: http://circ.ahajournals.org/content/133/22/2197.long

Value-Based Purchasing Programs | Design

"There is much that is not known about how to best design incentive structures, including the size of the incentive, the recipient (individual versus organization), how reward eligibility is determined (attainment, improvement), frequency of information feedback or incentive, and inclusion of nonfinancial incentives (recognition)." - **George WA School of Medicine**, May 2016

- Studies have showed varied results where programs with **incentives of as little as $2 per patient incentive have been effective** and others with $10,000 per practice have not.
- Studies in behavioral economics have shown that people tend to discount future losses at lower rates than gains and larger outcomes more than smaller outcomes, suggesting that **a high incentive frequency may be more effective, especially for the risk-adverse.**
- Behavioral economics also demonstrates loss and risk aversion: **people have stronger preferences to avoid losses compared to acquiring gains**, even when the objective value is equivalent.
- In terms of incentive recipients, one systematic review showed that **targeting incentives directly to providers versus the organization had greater positive results**

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Source: http://circ.ahajournals.org/content/133/22/2197.long

Developing a New Program

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Medi-Cal **V**alue **P**ayment (MVP) program

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MVP | Design Decisions

- ✓ Standard concepts
- ✓ Fixed program budget
- ✓ Standalone domains
- ✓ Full payment for Attainment or Improvement
- ✓ Upfront partial payment
- ✓ Proportional performance scoring
- ✓ Bonus points - exceptional Improvement and Attainment
- ✓ Wildcard quality measures
- ✓ Additional direct to provider quality incentive payments
- ✓ Regional / organizational level weighting flexibility

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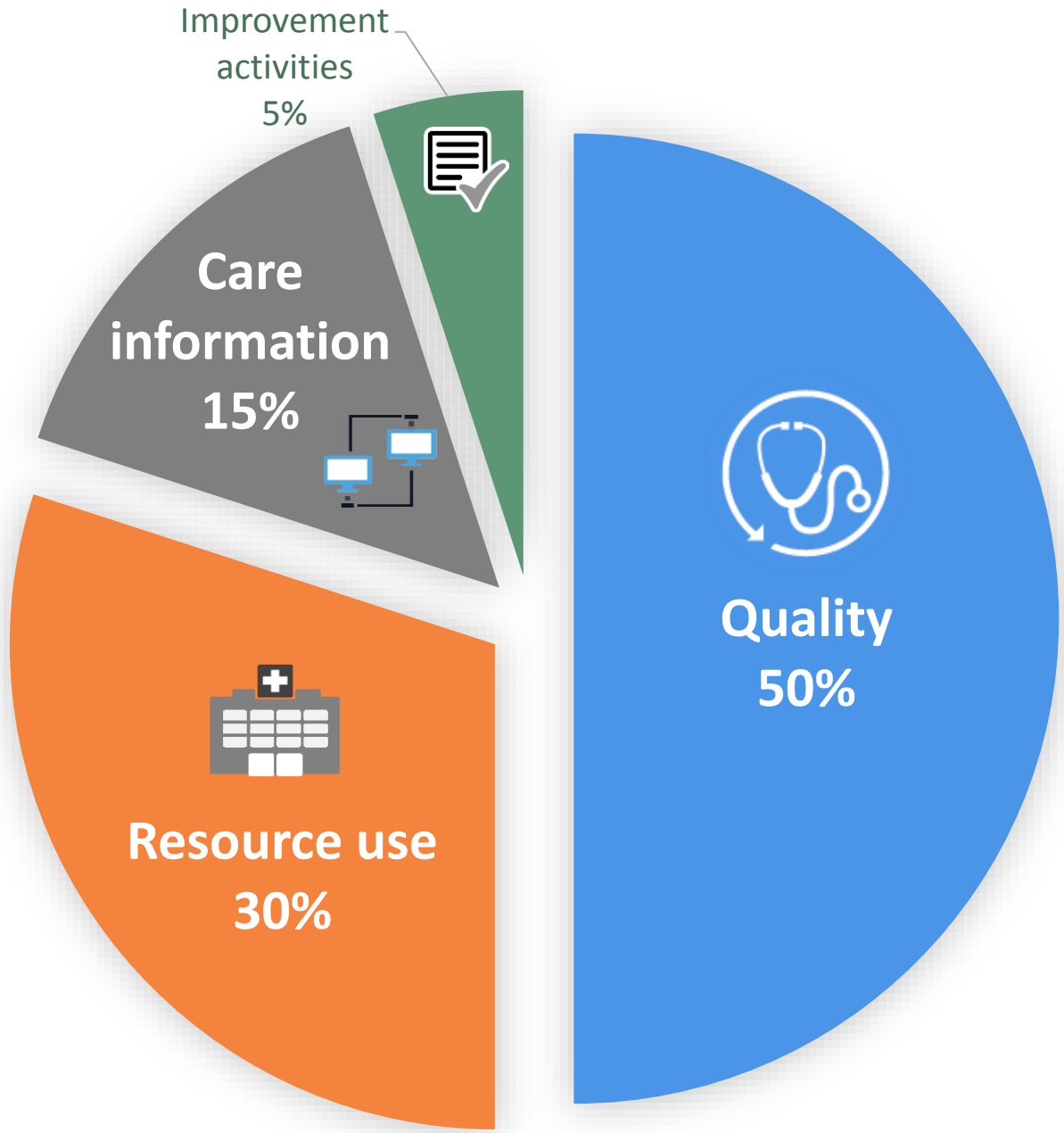
MVP Program Overview

4 Domains

16 Performance measures

$ Fixed PMPM



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MVP | Weighted Domains

Quality	Resource Use	Care Information	Improvement Activities		Total Performance Score
100 points X **50%**	100 points X **30%**	100 points X **15%**	100 points X **5%**	=	100 points **100%**
• **HEDIS®** focus • 7 measures • +1 wildcard measure • Bonus points	• **Utilization** focus • 3 to 4 measures	• **Encounter** focus • 2 measures	• **Partnership** and **Collaboration** focus • Library of Measures		• Total of weighted points for each domain • PMPM multiplied by score to calculate final payment
[$] PMPM	**[$] PMPM**	**[$] PMPM**	**[$] PMPM**		**[$ Total] PMPM**

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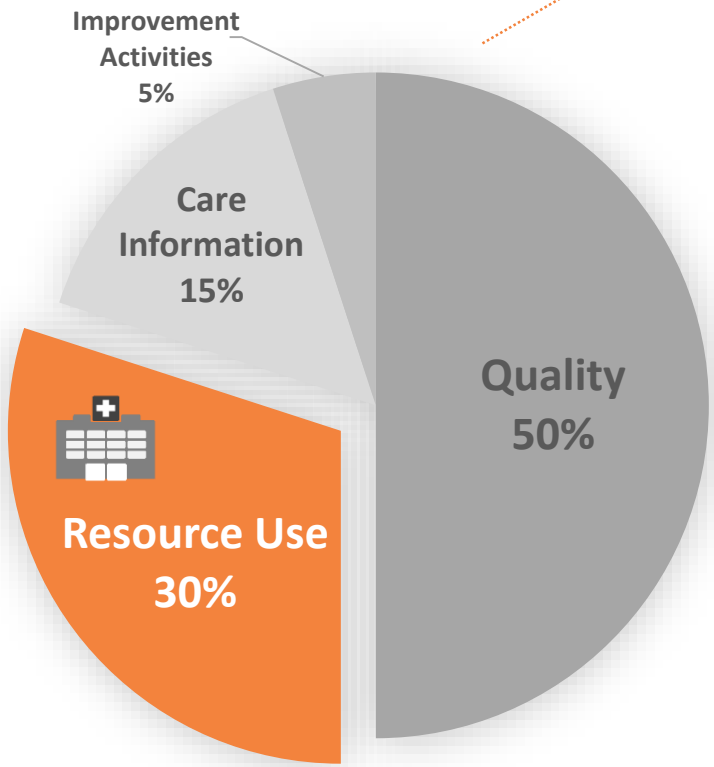
HEDIS is a registered trademark of the National Committee for Quality Assurance (NCQA).

Resource Use | Domain Measures



100 POINTS	Points	Weighted Measures*	Attainment Threshold	Improvement Threshold
	20	Measure #1	20% - 16%	X% to X%
	20	Measure #2	X to X	X% to X%
	30	Measure #3	X to X	X% to X%
	30	Measure #4	X to X	0% to 10%

** Weighted points/thresholds shown are for illustration purposes only*

12 points

20 points

30 points

- Attainment scores are worth 60% to 100% of measure points.
- Improvement is measured by actual percentage **improved** from your baseline score.
- Each percent of improvement is worth 10% of measure points.
- Points are rewarded **proportionally** to exact score in the attainment and improvement threshold range.

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MVP | Future Design Considerations

- ✓ Auto Member Assignment Incentive
- ✓ Patient Experience / Satisfaction
- ✓ Network Access and Availability
- ✓ Directory Accuracy
- ✓ Avoidable ER
- ✓ Cost / Shared Savings Component

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Thank you!

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