



Payment Model Work Group

February 5, 2016

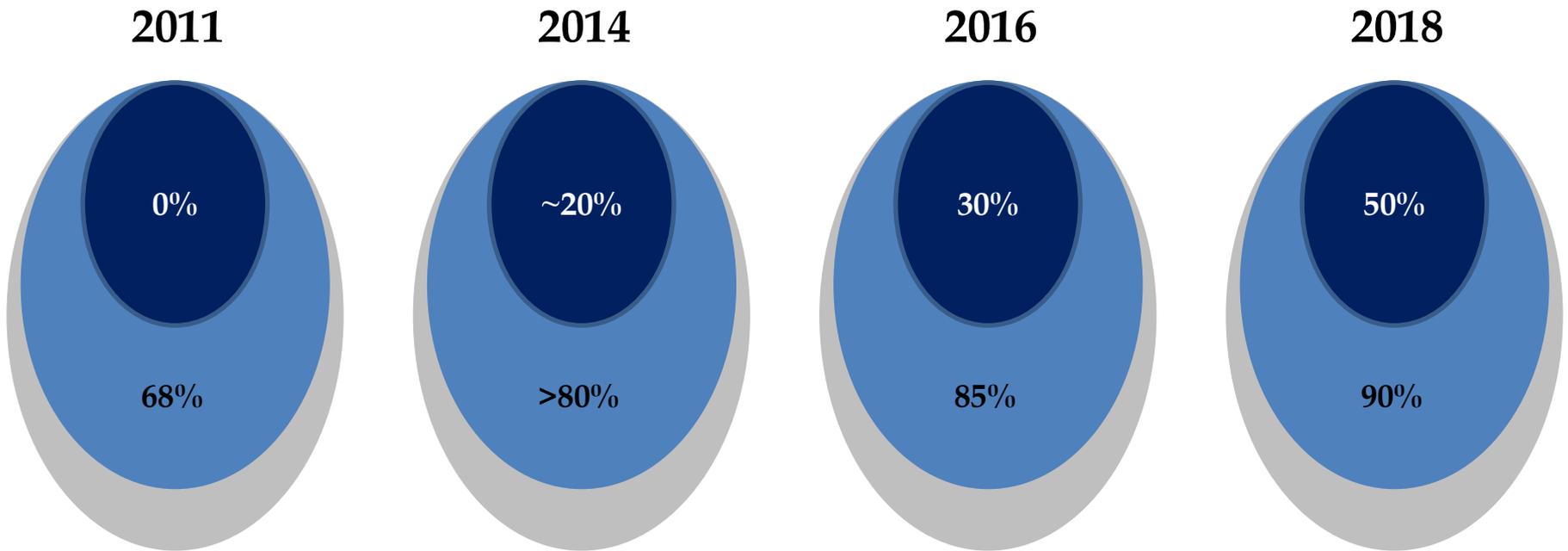
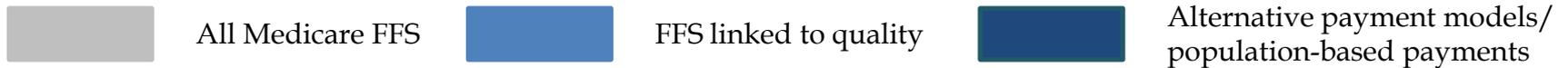
Today's Goals

- Set quantitative goals to recommend to the Advisory Committee
- Discuss APMs and associated goals for the District
- Discuss capacity needed to support the APMs

Qualitative Principles

| Category | Principles |
|--|---|
| <u>A:</u> Care Delivery Transformation | <ol style="list-style-type: none">1. Put the patient first and meet the patients where they are2. Deliver the right care, right time, right place, right cost3. Foster team-based care4. Align across all providers (e.g. housing entities, behavioral health, etc.)5. Include effective transitions of care, resourced at the provider level |
| <u>B:</u> Infrastructure/ Resources to Support Care Delivery Transformation | <ol style="list-style-type: none">1. Develop more integrated system(s) that aim to eliminate disparities and reduce inappropriate utilization of services2. Share information that is accurate, actionable and accessible3. Leverage existing strategies/resources4. Align financial incentives with health system goals (e.g. shared accountability) |
| <u>C:</u> District's Transformation Process | <ol style="list-style-type: none">1. Allow all options to remain on the table2. Be bold, but thoughtful with the timeline3. Drive more alignment between Medicaid MCO and FFS |

CMS Payment Reform Goals



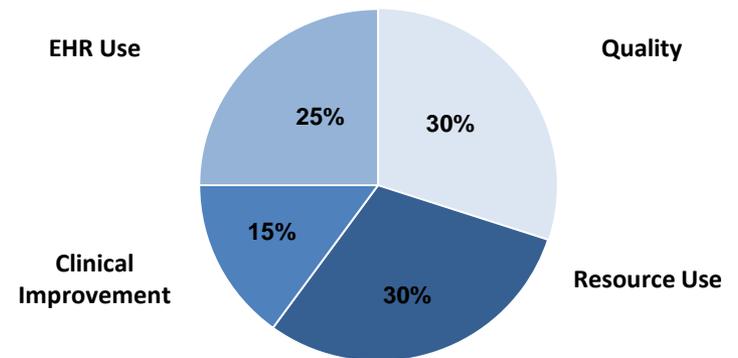
Historical Performance

Goals

New Value-Based Medicare Physician Payment Law

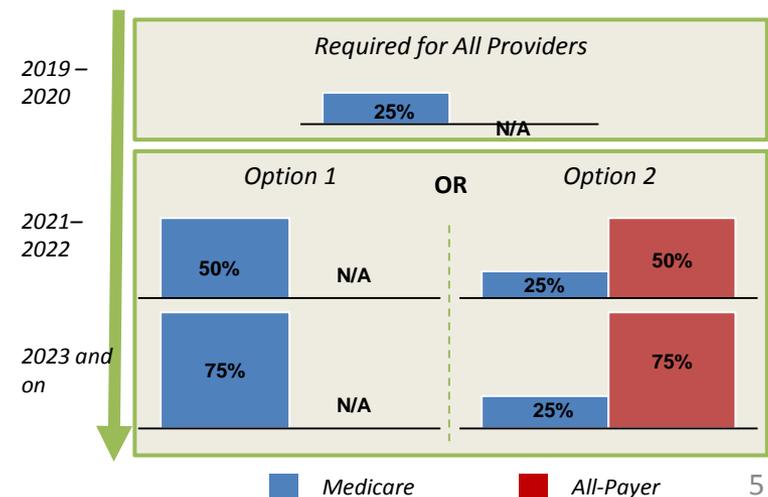
Track 1: Enhanced Fee-For-Service (MIPS)

- Sunsets current Meaningful Use, Value-Based Modifier, and Physician Quality Reporting System penalties at the end of 2018, rolling requirements into a single composite program
- Two-sided risk on the fee-for-service payment, based on score on composite program



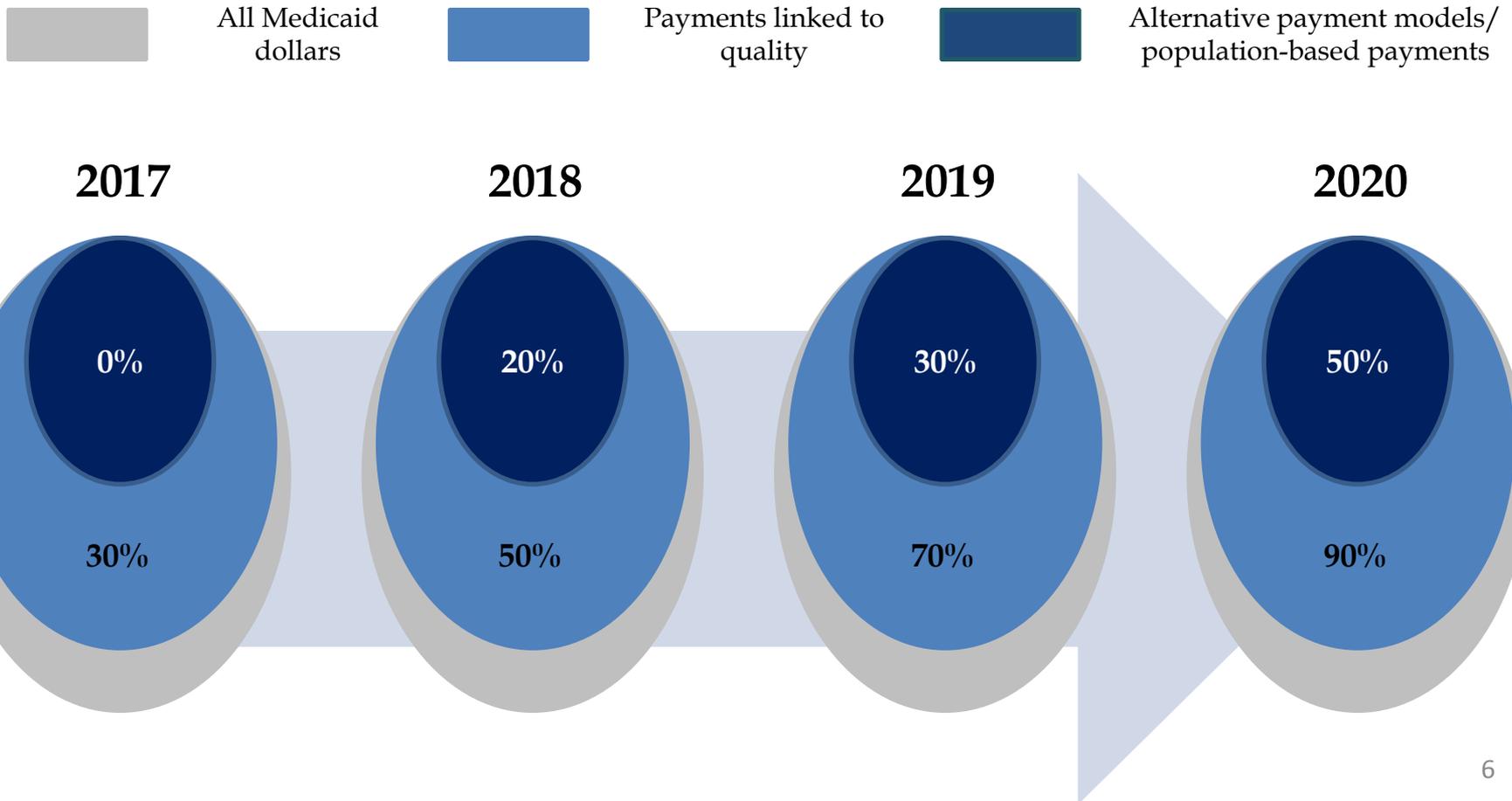
Track 2: Alternative Payment Models (APM)

- Requires significant share of provider revenue in APM with two-sided risk, and quality measurement; or participation in PCMH
- Provides financial incentives (5% annual bonus in 2019-2024) and exemption from MIPS



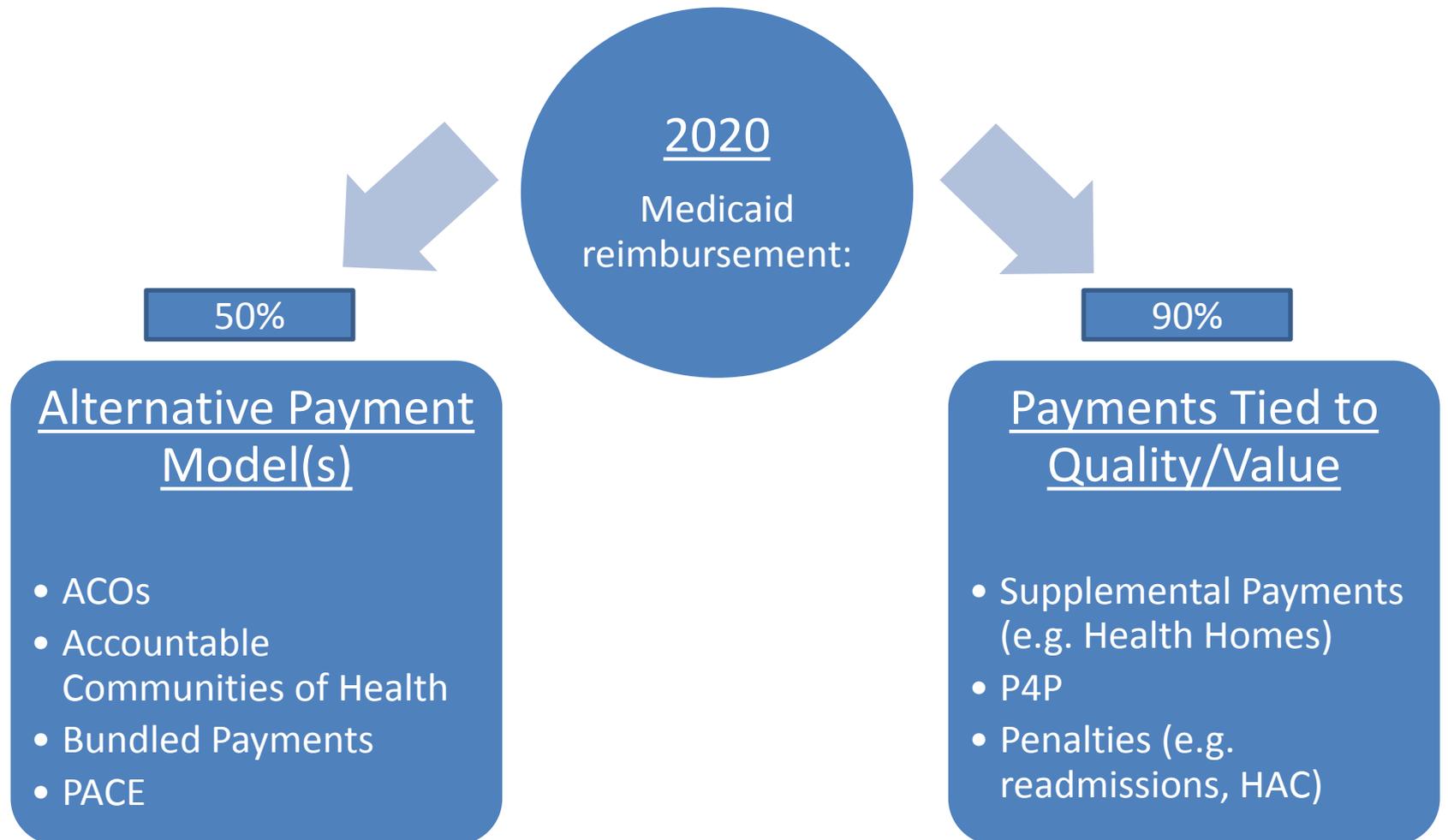
DC Medicaid Payment Reform Goals?

NOTE: Illustrative example, for the PMWG. For discussion purposes only.



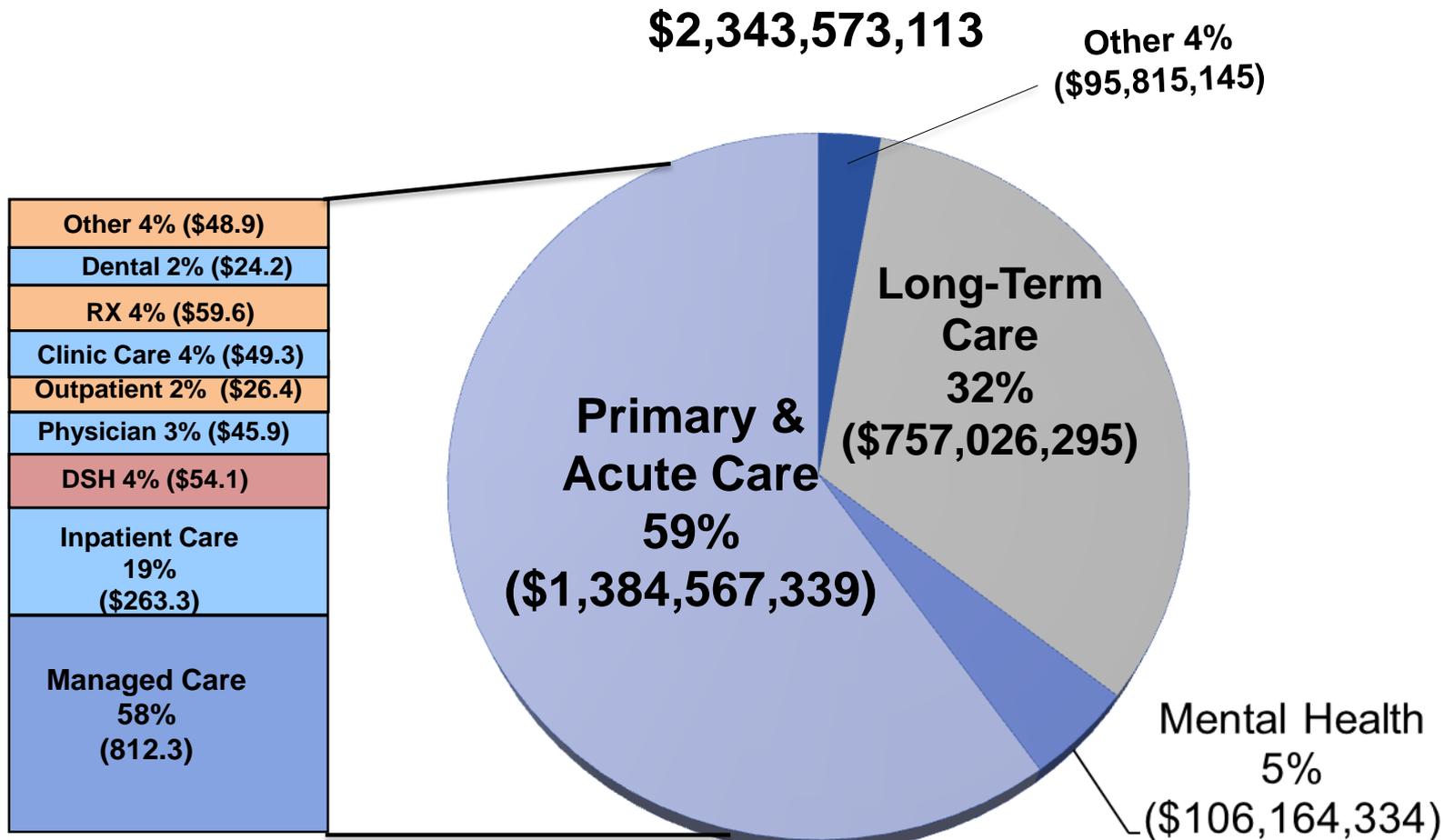
DC Medicaid Payment Reform Goals? (Continued)

NOTE: Illustrative example, for the PMWG. For discussion purposes only.



Distribution of Medicaid Spending

Total Medicaid Program Expenditures, FY2014



Source: Data extracted from MMIS, reflecting claims paid during FY2014

DC Medicaid Payment Reform Goals? (Continued)

NOTE: Illustrative example, for the PMWG. For discussion purposes only.

| Payment Model | Medicaid Population Served by 2020 (%) | Medicaid Providers Participating by 2020 (Types and # of entities) | |
|---------------------------------------|--|---|-----|
| Accountable Health Community | 30% | FQHCs, Community Providers, Hospitals, Local Gov't, Non-Profits | 1+ |
| Accountable Care Organizations (ACOs) | 25% | FQHCs, Community Providers, Hospitals, Specialists, Post-Acute Care Providers | 3+ |
| Bundled Payments | 15% | Hospitals, PCPs, Specialists, Post-Acute Care Providers | 50+ |
| PACE | 1% | Long-Term Care Providers | 3+ |
| Alternative Hospital Payments | 50% | Hospitals, PCPs, Specialists, Outpatient, Post-Acute Care Providers | 8+ |
| P4P | 90% | FQHCs, Hospitals, MCOs, PCPs, Specialists | All |
| TOTAL | 90% | 90% | |