



# Finance & Rates Update

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# Topics

1. CYE 21 Rate Guidance
2. Directed Payments on Lump Sum Basis
3. CYE 22 Capitation Rate Development
4. Value-Based Purchasing (VBP) Updates

# CYE 21 Rate Guidance

- Please refer to detailed guidance sent on 9/4/20 & 12/10/20
- Base Rate Increase - Pass-Through Requirements
  - BHOP targeted rate increases
  - HCIF funded rate increases for physician, MSIC, and dental
- DAP Rate Increase Requirements
- 438.6(c) Lump Sum Payment Information
  - AHCCCS to engage with MCOs on contracted status of providers

# CYE 21 Directed Payments on Lump Sum Basis

\$1.2 Billion

Hospital Enhanced Access Leading to Health Improvements Initiative (HEALTHII)

\$120 Million

Access to Professional Services Initiative (APSI)

\$104.1 Million

Nursing Facility Assessment (NFA)

\$73.4 Million

Pediatric Services Initiative (PSI)

# Process for Lump Sum Payments

- Quarterly, AHCCCS will provide a deadline for payments to be made to providers
- AHCCCS requests that MCOs work to set-up providers on EFT
- AHCCCS will provide an MCO contact list to providers
  - Primary and back-up contacts
  - Quarterly, AHCCCS will request an updated list

# CYE 22 Capitation Rate Development - Timeline

#	Key Activity	Date
1	MCO Encounter Data Submission for CYE 22 Rate Setting (first cycle)	2/4/2021
2	MCO Encounter Data Submission for CYE 22 Rate Setting (final cycle)	2/18/2021
3	MCO Identification of Items for Consideration by Actuaries via email or meeting	February 1 through March 5, 2021
4	AHCCCS Send MCO Data Request (non-exhaustive list: MMs, admin, encounters, anything noted during MCO meetings)	On or before 3/19/2021
5	MCO Data Request Responses Due	(2 weeks after sent)
6	AHCCCS Send Projected Trends to MCOs	On or before 5/28/2021
7	MCO Feedback to AHCCCS on Projected Trends	(2 weeks after sent)
8	AHCCCS Send Projected Admin, Case Management (CM), and HCBS Mix % (if applicable) to MCOs	On or before 6/25/2021
9	MCO Feedback to AHCCCS on Projected Admin, CM, and HCBS Mix % (if applicable) to MCOs	(2 weeks after sent)
10	AHCCCS Send Rates to MCOs with Summary of Key Items	Send on 7/16/2021
11	MCO Feedback to AHCCCS on Rates	(1 week after sent)
12	AHCCCS Submit Actuarial Certifications to CMS	Send on 8/13/2021



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# VBP Update

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## AHCCCS Value-Based Purchasing Strategy

- Enhanced alignment
- Increased transparency
- Preservation of flexibility to drive innovation
- Guidance to foster consistency





# AHCCCS VBP Guiding Principles



Stakeholder Engagement



Movement Along the LAN-APM Continuum

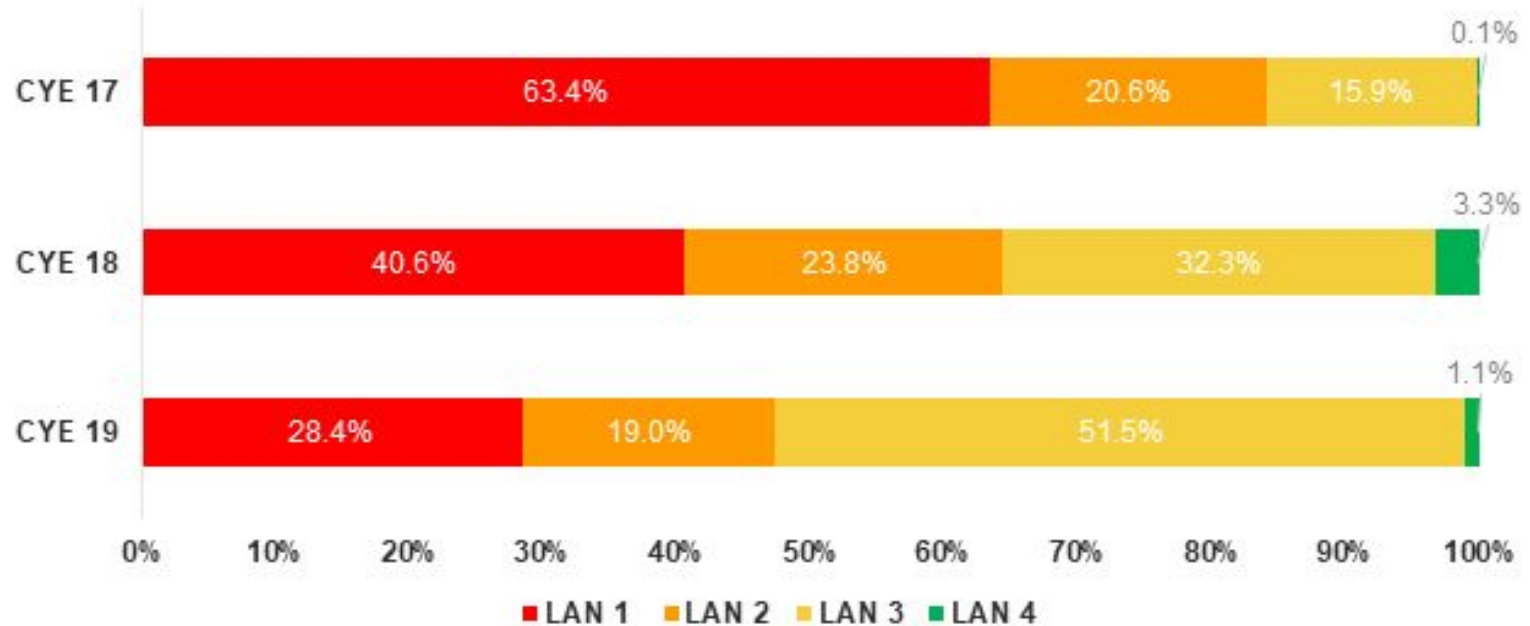


Balancing Prescriptive Requirements while Preserving MCO Flexibility

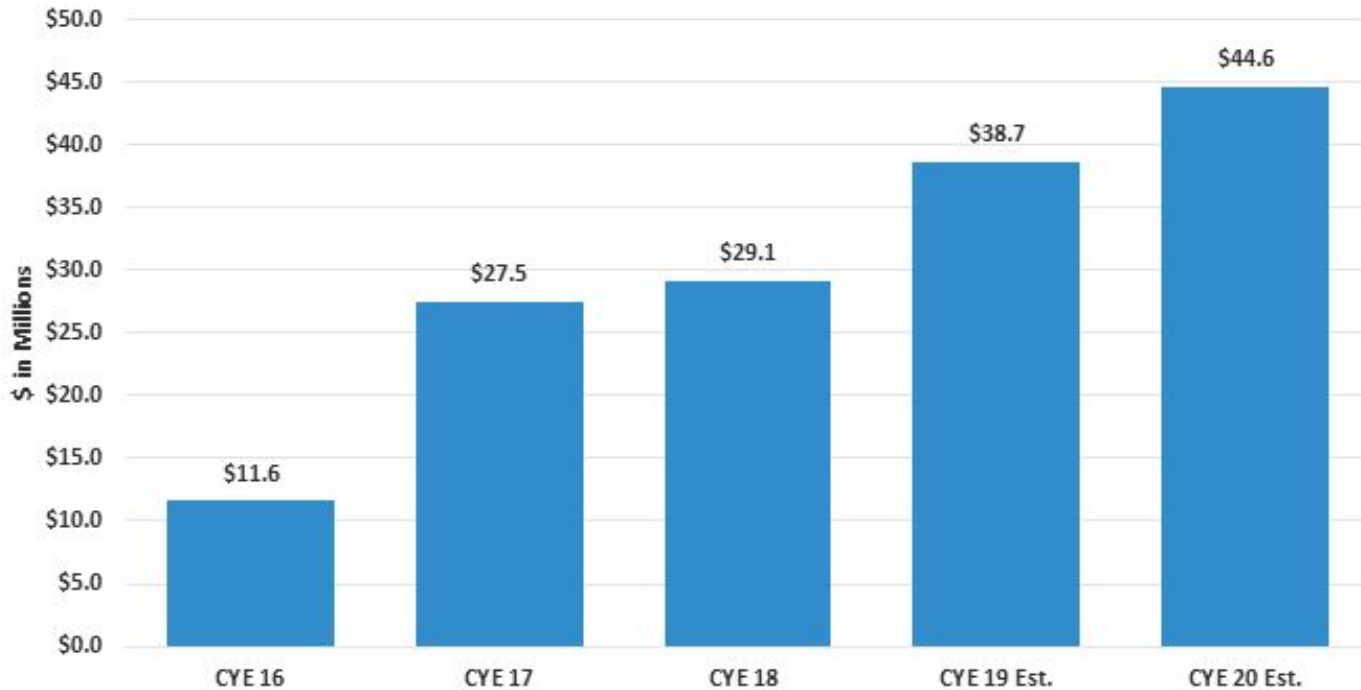


Data-Driven Decision Making

# Progress Along the LAN-APM Continuum



# AHCCCS PBP Reimbursement



\*CYE 16 excludes RHBA as PBP expenses were not reimbursed until CYE 17

# CYE 21 PBP Improvements

- Gain insight into the relationship between MCOs and ACO-type entities
- Transparent Financial Reporting Requirements



# CYE 21 PBP Improvements

- MCO Performance Measure & Medical Loss Ratio Reporting
  - Provider performance on measures
  - Quality/cost of care measures for VBP vs non-VBP providers
  - Demonstrated improvement over time
- Transition PBPs to a Calendar Year Basis



# CYE 22 PBP Improvements

- Require a % of PBPs align with AHCCCS performance measures and CMS Core Set measures for reimbursement
- MCOs will have flexibility to:
  - Set Minimum Performance Standards for VBP arrangements with providers
  - Allocate a % of PBPs to providers who many not fall into either of two categories above

# Targeted Investment (TI) Sustainability



## CYE 21

- Attribution and/or Assignment Modeling Guidelines
- TI Provider PBP Data Analysis



## CYE 22

- Require a % of PBPs to be allocated to TI providers or similar providers who did not participate in TI
  - Ensures PBPs fund TI principles
  - MCOs have flexibility to define specific contract requirements



## CYE 23

- Implement TI Sustainability Differential Adjusted Payment (DAP) Initiatives

# Fall 2020 MCO Stakeholder Engagement

- AHCCCS Stakeholder Engagement Memo - 10/28/2020
  - Defining ACO-type entities → Medicaid ACOs
  - Attribution and/or Assignment Modeling Guidelines
- Stakeholder Meeting - 12/4/2020
- AHCCCS Follow-Up Memo - 12/14/2020
- Feedback Received from MCOs - 12/30/2020
- Internal Review and Decision Making - January 2021



# Defining Medicaid ACOs

A Medicaid ACO is an entity that enters into value-based payment arrangements with a MCO, which:

- Improves the health care delivery system by increasing the quality of care while reducing costs.
- Enters into value-based contracts with provider groups and/or networks of groups.
- Coordinates provider accountability for the health of their patient population, often through shared savings, shared risk, or capitated alternative APMs, combined with quality incentives (to ensure both quality outcomes and cost containment).
- Supports providers participating in APMs by providing services such as data analytics, technical assistance, provider education, and provider recruitment.
- Operates as an intermediary between the MCO and provider, and is not a provider itself.

# Preliminary Attribution/Assignment Modeling Guidelines



MCOs share VBP measure specific denominator lists and methodology with providers at least quarterly.



MCOs review PCP assignment v. member utilization to consider aligning quarterly.



MCOs explain to providers when/why measures deviate from NCQA/HEDIS.



MCOs share interim reporting for prior periods with providers quarterly.



MCOs implement technical assistance and training for providers.

# Future VBP Considerations & Issues

- Workgroup on Subcapitated Arrangements (To Be Scheduled)
  - Inclusive of only MCOs at this time
  - Encouraging providers and Medicaid ACOs to work through MCOs

# CYE 22 DAP Timeline

<b>Date</b>	<b>Activity</b>
1/29/2021	Preliminary Public Notice
By 2/28/2021	Tribal Consultation
2/28/2021	Public Notice Comments Due
3/15/2021	Qualifying Providers Identified
3/26/2021	Final Public Notice
Early June 2021	Post Notice of Proposed Rulemaking (NPRM)
Mid-July 2021	NPRM Public Comments Due
7/2/2021	Requests for Approval Due to CMS
8/13/2021	MCO Capitation Rates Due to CMS (including funding for DAPs)

# Questions & Discussion



Thank You!