

Ohio PCMH External Advisory Panel

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Goals for today's discussion

- Provide an overview of Arkansas Medicaid's choices for PCMH design and implementation as a point of context for Ohio
- Focus on support for care coordination and practice transformation
- Focus on shared savings model

Elements of a comprehensive PCMH strategy – Arkansas Medicaid PCMH approach

	Critical design decisions	Ex. AR Medicaid elements
Care delivery model	<ul style="list-style-type: none"> • Target patients and scope • Target sources of value • Care delivery improvements 	<ul style="list-style-type: none"> • Broad population w/ few exclusions (i.e., duals, health home participants) • Establish meaningful ROI for care delivery innovation
Payment model	<ul style="list-style-type: none"> • Technical requirements for PCMH • Attribution / assignment • Quality measures • Payment streams/ incentives 	<ul style="list-style-type: none"> • Adapted from CPCI • Based on PCCM • Adapted from CPCI (added pediatrics) • Total Cost of Care shared savings, e.g., 70% increase in reimbursement for top 10% of performance • Care Coordination and Practice Transformation fees
Infrastructure	<ul style="list-style-type: none"> • PCMH infrastructure • Payer infrastructure • System infrastructure 	<ul style="list-style-type: none"> • PCMH reports (from Medicaid) and provider submission shared through payment initiative multi-payer portal • Patient engagement, e.g., secure messaging • Predictive modelling and analytics
Scale-up and practice performance improvement	<ul style="list-style-type: none"> • Clinical leadership / support • Practice transformation support • Workforce / human capital • Legal / regulatory environment • Network / contracting to increase participation • ASO contracting / participation • Performance transparency • Ongoing PCMH support • Evidence, pathways, & research • Multi-payer collaboration 	<ul style="list-style-type: none"> • Provider advisory groups • Prequalified PT vendor (must use to access PT fee) • Prequalified CC vendors as options for practices to use (PCMH discretion on fee use) • Linkages with CPCI • QHP participation requirement

Primary care providers in Arkansas PCMH receive support to invest in improvements and incentives to improve quality and cost of care

1 Practice support

Invest in primary care to improve quality and cost of care for all beneficiaries through:

- Care coordination
- Practice transformation



2 Shared savings

Reward high quality care and cost efficiency by:

- Focusing on improving quality of care
- Incentivizing practices to effectively manage growth in costs



Arkansas Medicaid also provides performance reports and patient panel information to enable improvement

Practices receive monthly care coordination payments and Medicaid-contracted vendor support for practice transformation

Care coordination

- Practices receive payment from Arkansas Medicaid
- Have option to use payment on vendor of choice or use payment to build capabilities internally
- Intended to be ongoing for successful practices

- Average of \$4 per beneficiary per month¹ (PBPM)
 - Risk adjusted – ranges between \$1-\$30
 - A practice with 2,000 Medicaid attributed patients could receive up to \$96,000 a year
- Qualified care coordination vendor expected in Q2 2014

Practice transformation

- In-kind support to practices via access to vendor that was pre-qualified by Arkansas Medicaid
- Practice choice on whether or not to utilize in-kind support (no impact on care coordination payments)
- Intended to catalyze transformation for first 24 months

- Vendor is paid fixed amount of ~\$1 per beneficiary per month (PBPM) to support practices
- Qualified practice transformation vendor available January 1, 2014

Requirements to sustain practice support

- Have at least 300 attributed beneficiaries
- Achieve practice support activities and metrics

¹ Average for Medicaid patients based on historical data.

Medicaid partners with providers to invest in improvement through care coordination and practice transformation support

**Care coordination
(on-going activities)**

**Support will help PCPs
improve quality and cost
of care**

**Practice
transformation (up-
front activities)**

Support to ensure that all patients – especially high-risk patients – receive holistic, wrap-around, coordinated care across providers and settings, e.g.,

- Develop care plans to manage care and prevent new problems
- Enable adherence to care plans
- Coordinate services across providers to reduce waste

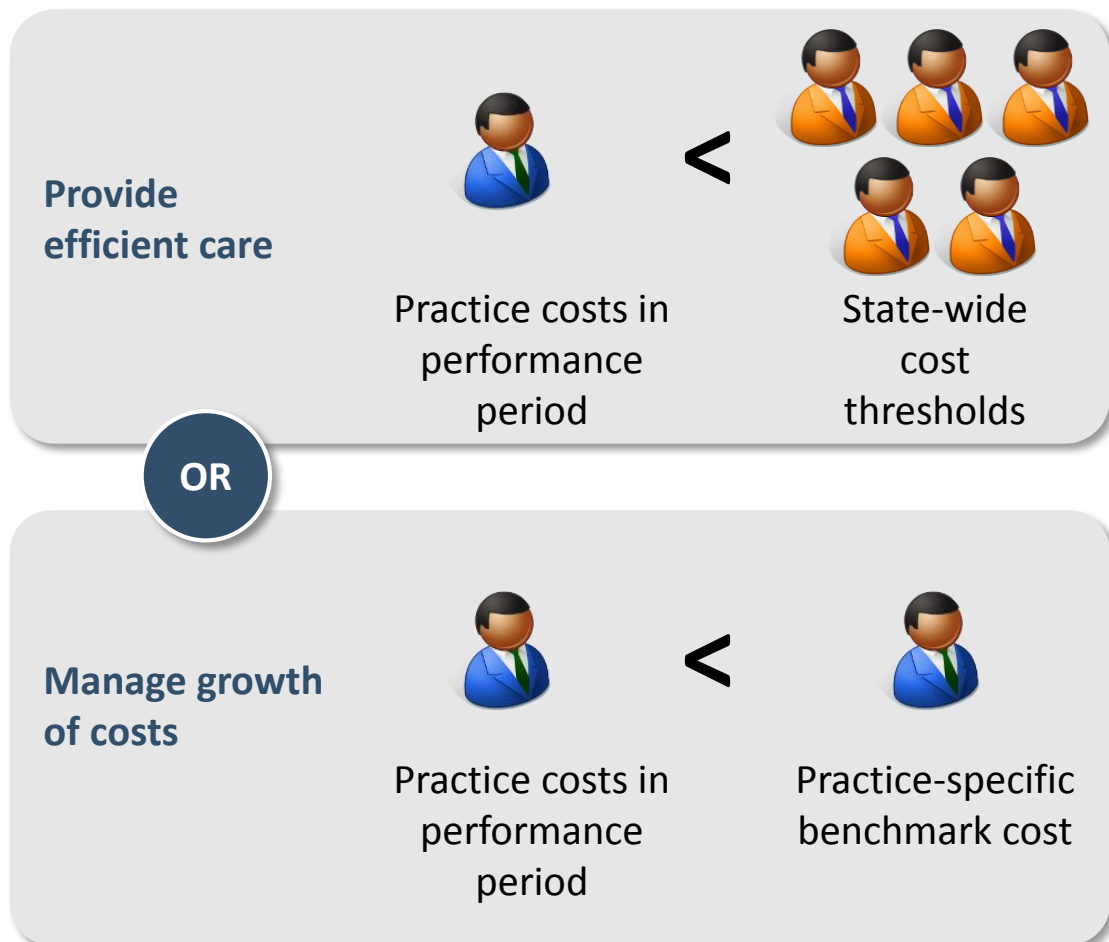
Support to enable practices to integrate approaches, tools, and infrastructure needed to improve performance and realize goals of the PCMH, e.g.,

- Update workflows / processes such as team huddles
- Improve access to treat symptoms at appropriate level (e.g. 24/7 phone line)
- Use data / technology to inform care

Providers are rewarded for performance on quality and cost of care through shared savings

- Shared savings eligibility is conditioned on
 - Achieving targets on quality metrics
 - Qualify for practice support
 - 5,000 beneficiaries for at least 6 months
- Model is **upside-only**—providers do not risk-share
- Providers are assessed based on **risk-adjusted average** per member cost

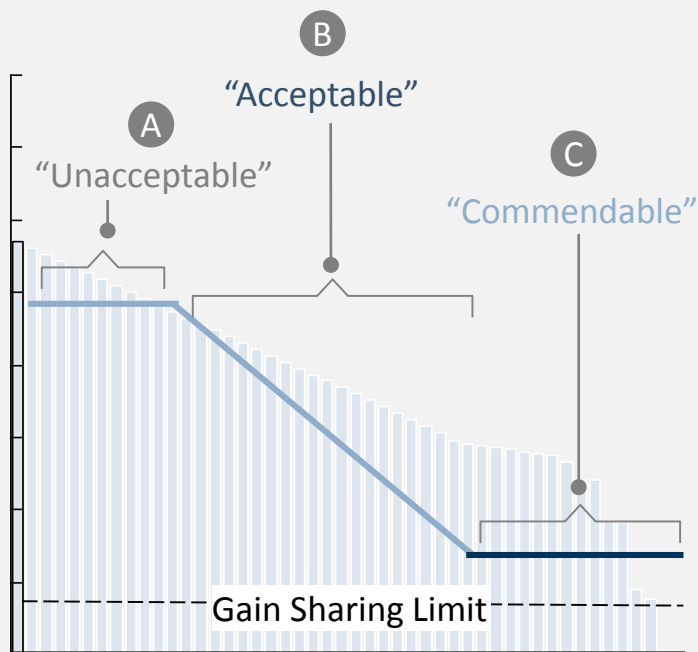
Providers receive greater of two shared savings incentives if they have met performance on quality



Arkansas Medicaid elected a model that blends rewards for trend with rewards for absolute efficiency

Distribution of provider performance

Average total cost of care



Provider performance (\$)

Description of potential shared savings approach

- A** “Unacceptable” baseline performers

 - Share in 10% of savings based on provider **performance improvement** relative to benchmark trend, if move to acceptable zone

- B** “Acceptable” baseline performers

 - Share in 30% of savings based provider **performance improvement** relative to benchmark trend

- C** “Commendable” baseline providers

 - Share in 50% of savings based on greater of (1) **absolute performance** vs “commendable” level or (2) **performance improvement**