



# Innovative Value-Based Payment Models

JANUARY 21, 2022



**MARYLAND**  
**Health Care**  
**Commission**

# AGENDA

- ▶ Overview of Innovations in Value-based Payment and Maryland's Total Cost of Care Model  
  
Caitlin Plitt, JD
- ▶ CareFirst's Payment Model and Value-based Payment Initiatives  
  
Zachary Rabovsky, MPH
- ▶ Whither From and To for Primary Care Transformation  
  
Hoangmai Pham, M.D., MPH
- ▶ Q&A



# CME and Disclosures

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- ▶ The planners and reviewers for this activity have reported no relevant financial relationships to disclose
- ▶ The presenters have reported no relevant relationships to disclose

# CMS Innovation Center

Caitlin Plitt

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Center for Medicare and Medicaid Innovation  
January 21, 2022

# Overview

**History of APMs**

Future APM Trends

MD TCOC Model

# Defining “innovation,” in terms of payment and delivery structures

The CMS Innovation Center tests [alternative payment models \(APMs\)](#) which reward health care providers for novel approaches to delivering cost-efficient, high-quality care.

APMs can apply to a specific:

- **Health condition**, like end-stage renal disease
- **Care episode**, like joint replacement
- **Provider type**, like primary care providers
- **Community**, like rural areas
- **Innovation** within Medicare Advantage or Medicare Part D

**Technology solutions** and **care redesign** are important to changing payment and service delivery structures but ***outside*** the CMS Innovation Center’s scope of work.

# CMS Innovation Center all-inclusive portfolio

## Accountable Care

- ACO Investment Model
- Comprehensive End Stage Renal Disease (ESRD) Care Model
- Medicare Health Care Quality Demonstration
- Next Generation Accountable Care Organization (ACO) Model
- Vermont All-Payer Accountable Care Organization (ACO) Model
- *Kidney Care Choices Model*

## Episode-based Payment Initiatives

- *Bundled Payments for Care Improvement Advanced*
- Bundled Payment for Care Improvement
- Comprehensive Care for Joint Replacement Model
- *End Stage Renal Disease (ESRD) Treatment Choices Model*
- Oncology Care Model
- *Radiation Oncology Model*

## Primary Care Transformation

- Comprehensive Primary Care Plus Model
- *Direct Contracting Model Options*
- *Geographic Direct Contracting Model\**
- Graduate Nurse Education Demonstration
- Independence at Home Demonstration
- *Primary Care First Model Options*
- Transforming Clinical Practice Initiative

## Initiatives Focused on Medicare-Medicaid Enrollees

- Medicaid Innovation Accelerator Program
- Financial Alignment Initiative for Medicare-Medicaid Enrollees
- Initiative to Reduce Avoidable Hospitalizations among Nursing Facility Residents, Phase Two
- *Integrated Care for Kids Model*
- *Maternal Opioid Misuse Model*

## Initiatives to Speed the Adoption of Best Practices

- Health Care Payment Learning and Action Network
- Medicare Diabetes Prevention Program Expanded Model
- Million Hearts®
- Million Hearts: Cardiovascular Disease Risk Reduction Program
- Partnership for Patients

## Initiatives to Accelerate the Development & Testing of Payment and Service Delivery Models

- Accountable Health Communities Model
- *Artificial Intelligence Health Outcomes Challenge*
- *Community Health Access and Rural Transformation Model*
- *Emergency Triage, Treat, and Transport Model*
- Frontier Community Health Integration Project Demonstration
- *Home Health Value-Based Purchasing Proposed Model*
- *International Pricing Index Proposed Model*
- Maryland All-Payer Model
- Maryland Total Cost of Care Model
- *Medicare Advantage Value-Based Insurance Design Model*
- Medicare Care Choices Model
- Medicare Intravenous Immune Globulin Demonstration
- Part D Enhanced Medication Therapy Management Model
- *Part D Payment Modernization Model*
- *Part D Senior Savings Program Model*
- Pennsylvania Rural Health Model
- Rural Community Hospital Demonstration

*Blue text:* Announced in 2018-2020

\*Currently under review

## CMMI Successes

### **Maryland All-Payer Model**

Through **hospital global budgets**, which established a ceiling on hospital revenue for inpatient and outpatient services, MDAPM **achieved \$975 million in Medicare total cost of care savings over 4.5 years**. A 17.2 percent reduction in outpatient department service expenditures and a 30.6 percent reduction in emergency department visit expenditures drove savings without decreasing quality of care.



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**Future APM Trends**

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# Vision: What's to Come Over the Next 10 Years



# Five Strategic Objectives



Increase the number of people in a care relationship with accountability for quality and total cost of care.



Embed health equity in every aspect of CMS Innovation Center models and increase focus on underserved populations.



Leverage a range of supports that enable integrated, person-centered care such as actionable, practice-specific data, technology, dissemination of best practices, peer-to-peer learning collaboratives, and payment flexibilities.

# Five Strategic Objectives



Pursue strategies to address health care prices, affordability, and reduce unnecessary or duplicative care.



Align priorities and policies across CMS and aggressively engage payers, purchasers, providers, states and beneficiaries to improve quality, to achieve equitable outcomes, and to reduce health care costs.

# Overview

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**MD TCOC Model**

# Maryland Total Cost of Care (TCOC) Model

## New Model in Maryland Covering Full Continuum of Care

### Components of Maryland Total Cost of Care Model



#### Hospital Global Budgets

Population-based payments for Maryland hospitals; Continuation of policy from Maryland All-Payer Model

*Hospital only*



#### Care Redesign Program

Gainsharing between hospitals, hospital-based specialists, non-hospital providers

*Inpatient and outpatient settings*



#### Maryland Comprehensive Primary Care Program

Financial support for primary care providers performing care management for high-risk patients

*Primary care and community settings*

#### Benefits of TCOC Model

- ✓ Adds new providers and settings into care transformation effort
- ✓ Links disparate providers to create more patient-centered care
- ✓ Aligns incentives across providers to reduce hospitalizations and total cost of care

# Where can innovators go for more information?

[Sign up to receive regular email updates](#) about the CMS Innovation Center, including opportunities to engage with, provide input on and potentially participate in model tests.

Visit the [CMS Innovation Center](#) website and [Strategic Direction](#) webpage.

Visit the [CMS Innovation Center Models](#) webpage (and [Medicare Shared Savings Program](#) site) to see current participant geographic and contact information\*. You can also see which models are currently [enrolling](#).

[Follow us](#) @CMSinnovates on Twitter.

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# Volume to Value: Building and Implementing Value Based Models

Innovative Care Symposium

January 21 , 2022

**Proprietary and Confidential**

1. Overview of CareFirst
2. Current landscape of the healthcare system and current challenges with payment models
3. CareFirst's road from volume to value
4. How CareFirst is supporting value-based care models
5. Results from a decade of PCMH
6. The future of value-based care

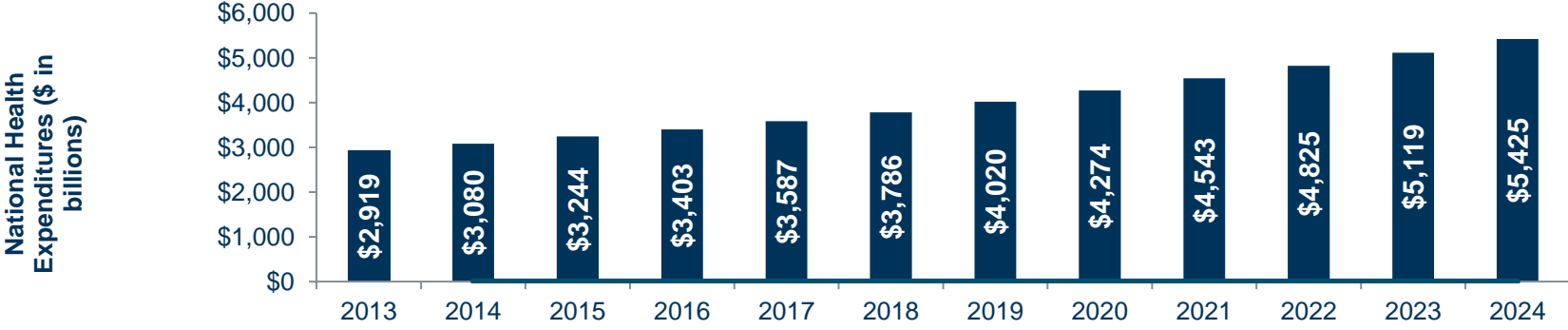
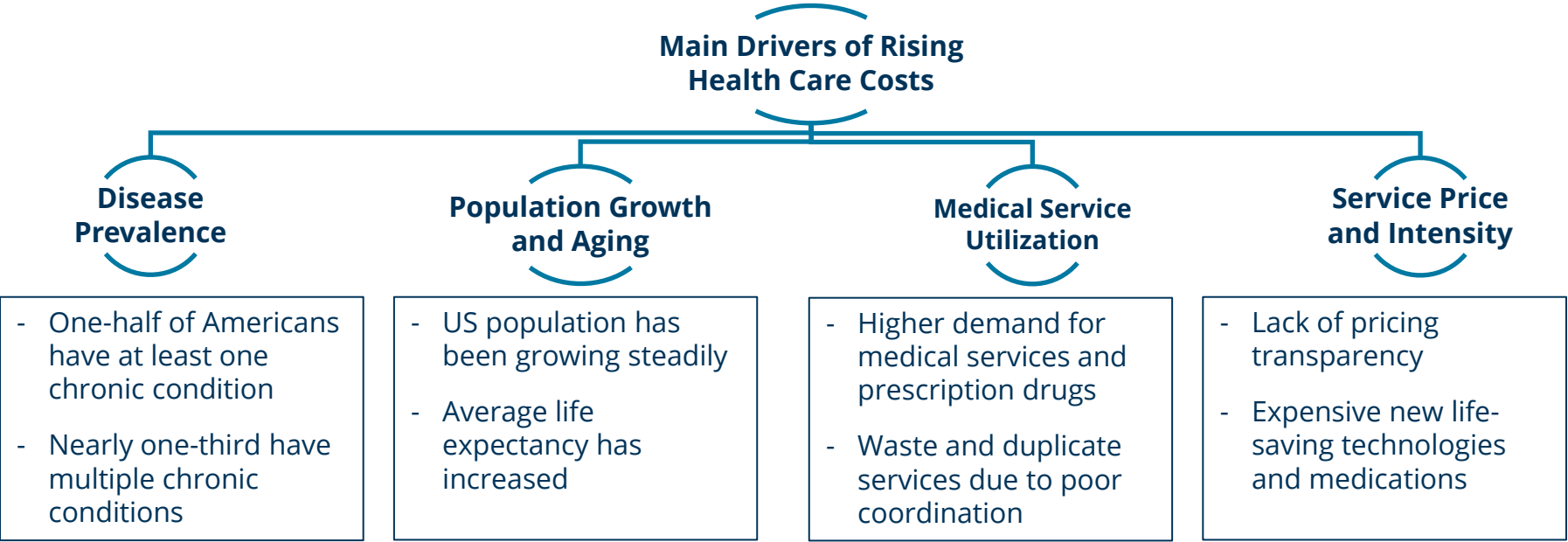


Transform  
Core  
Business

Innovate  
Health Care  
Value

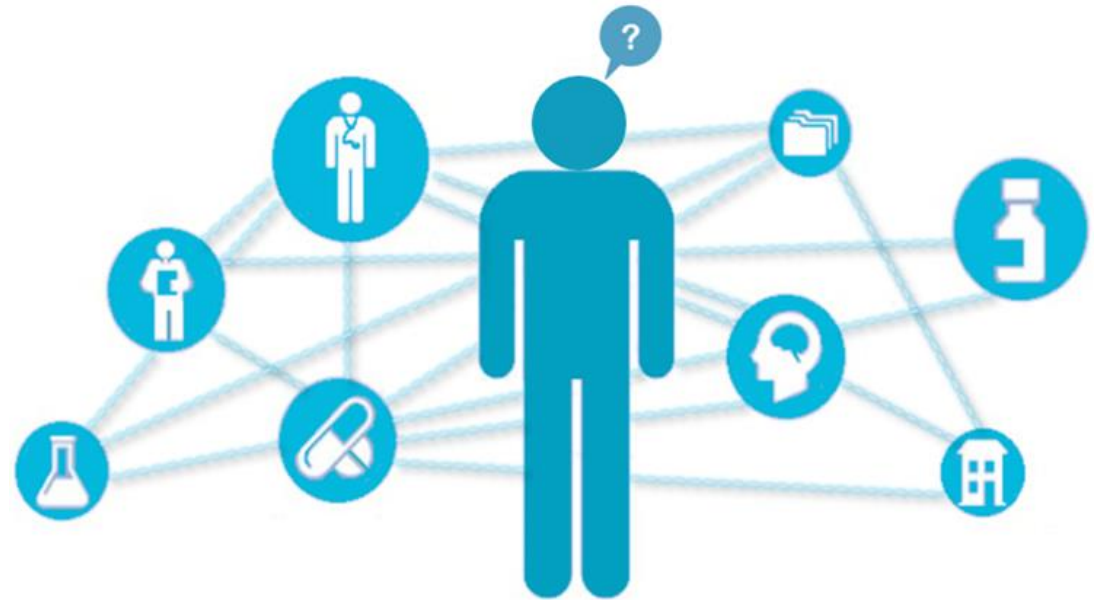
Expand  
Reach

# Main Drivers of Rising Health Care Costs



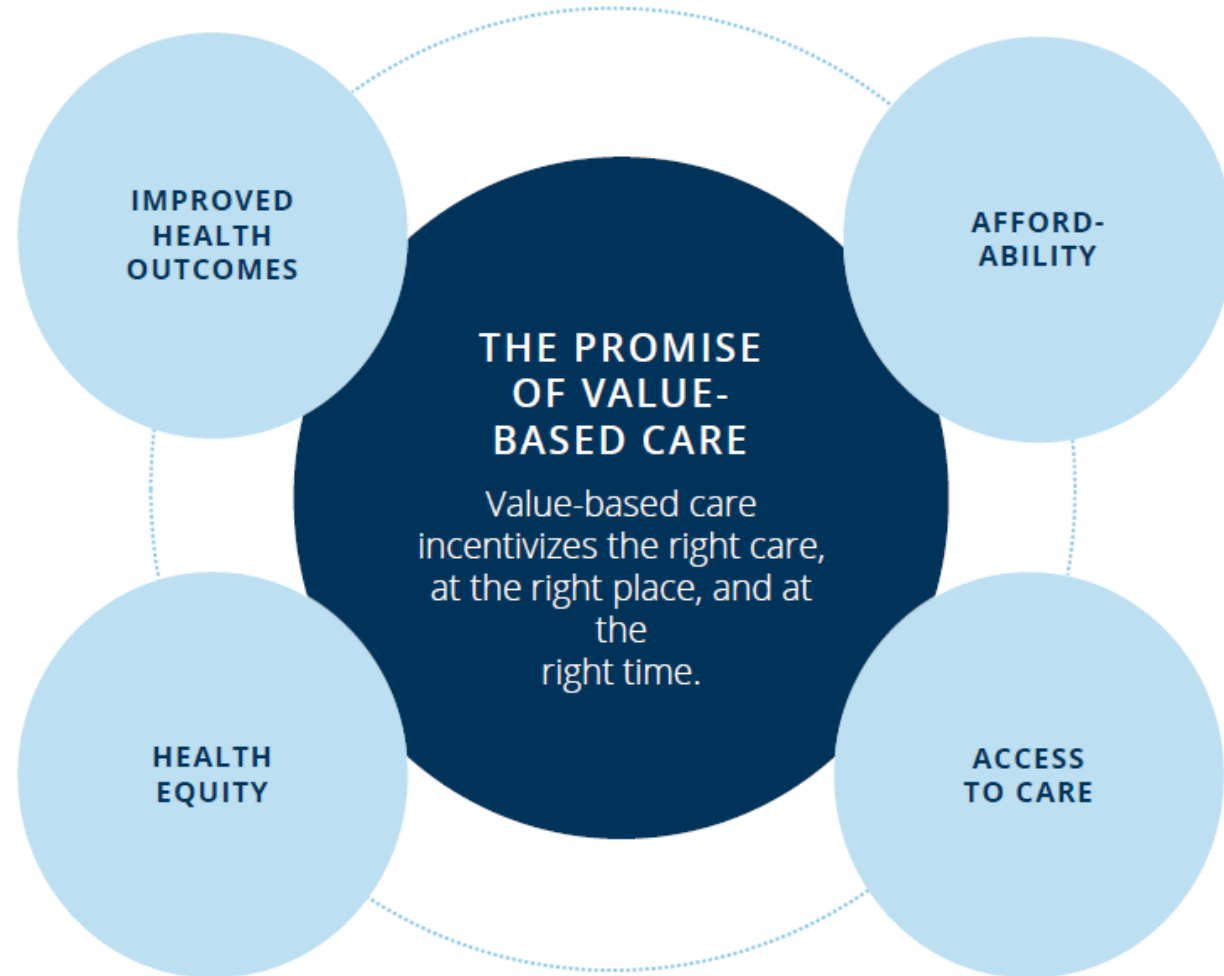
# Challenges with Current Health Care Delivery Models

- Fragmentation and complexity of the U.S. Healthcare System
- Dependence on fee-for-service
- Claims data and quality reporting is limited
- Managing multiple chronic conditions
- Breakdowns in communication between health care providers leads to gaps in care
- Poor outcomes and increased health care costs

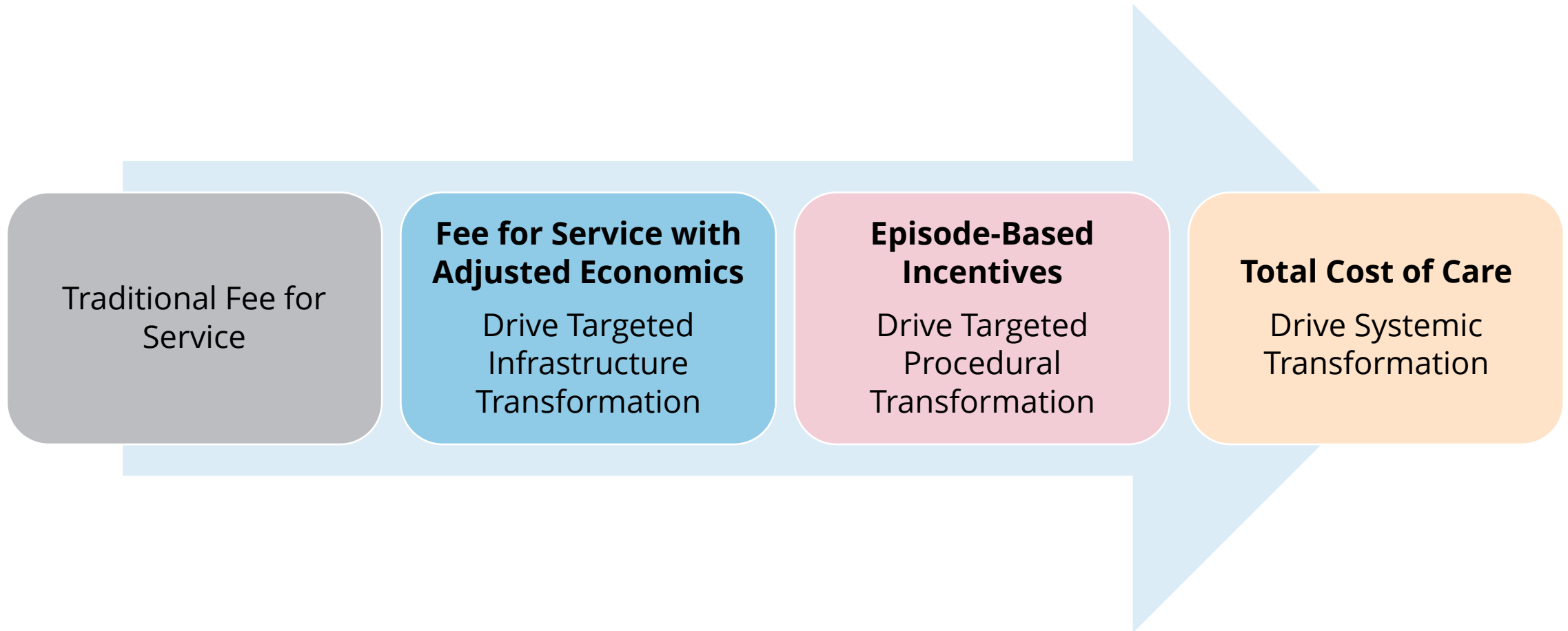


# Why Value-Based Care ?

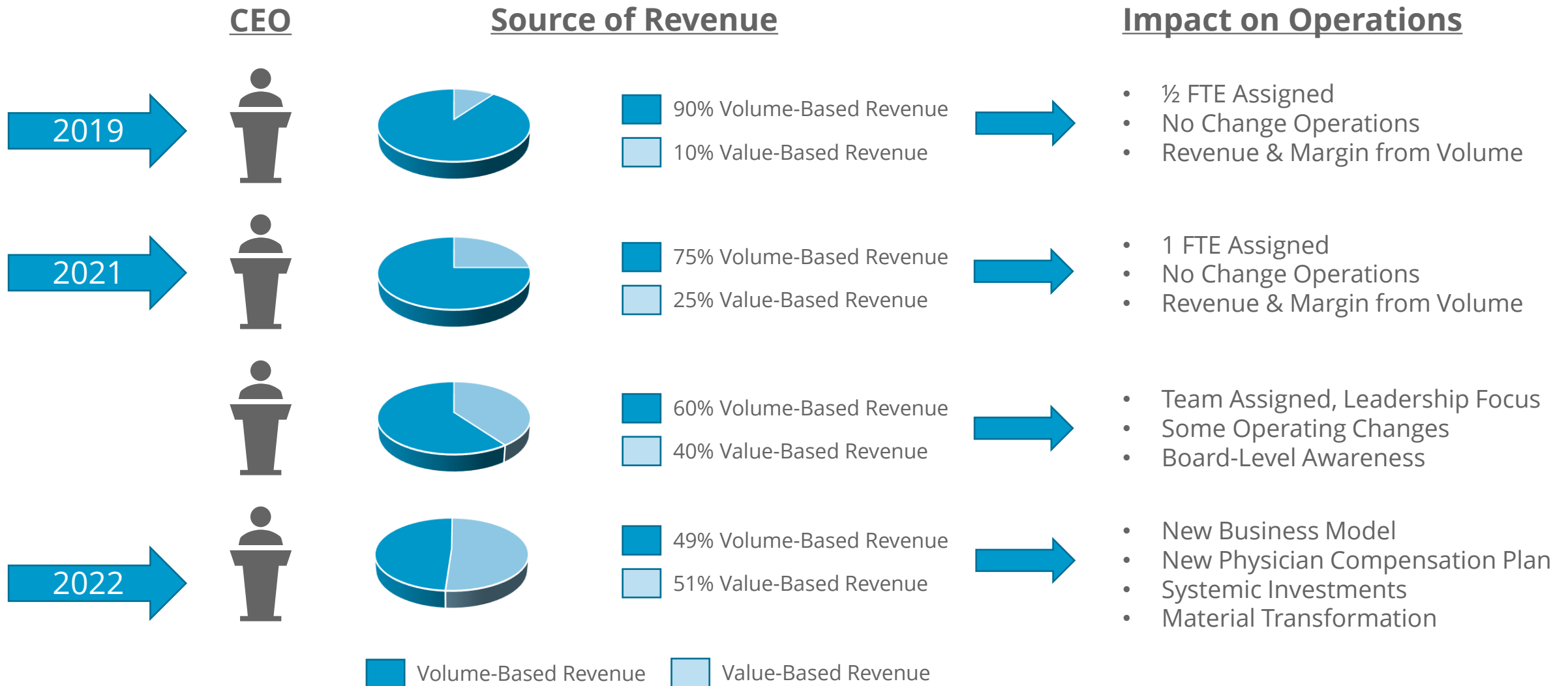
- **Need to transition health reimbursement from volume to value through pursuit of the Triple Aim**
  - **Improve the care experience (including quality and satisfaction)**
  - **Improve the health of populations**
  - **Reduce the per capita cost of healthcare**
- **Develop a new culture of accountability for population management**



# Volume-to-Value Roadmap



# Story: Local Health System CEO Decision Process





# What Types of Value-Based Contracts Are Available?



## Independent Primary Care Providers

Patient-Centered Medical Home

Nearly 4,500 primary care providers participate, earning incentives for keeping care costs below targets



## Independent Specialists

Episode of Care Programs  
Alternative Payment Models

Focus on high-cost specialties: OB-GYN, orthopedic surgery, gastroenterology, general surgery



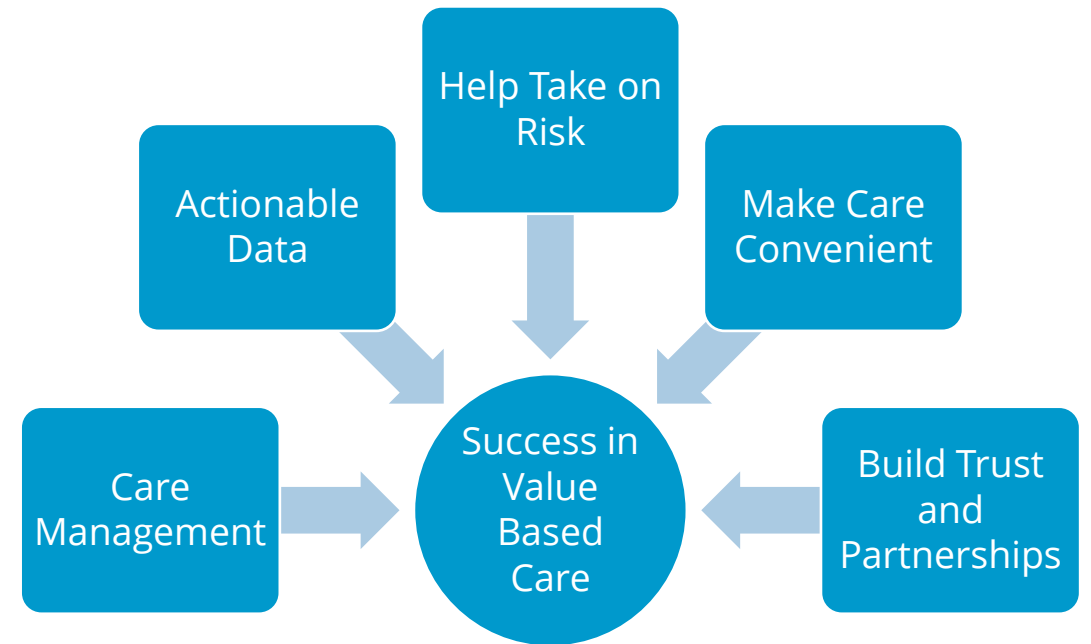
## Hospitals and Health Systems

Accountable Care Organizations

Developing partnerships to improve accessibility, quality and patient experience

# How CareFirst is Supporting Value Based Models

- IT and data integration
  - Systems to pay for value
  - Data collection- FIGmd
  - SDOH and health equity reporting
- Partnerships with providers and health systems
- Multi-payer alignment
- Community based strategies
- Analytics and consulting support
- Choosing the right quality and performance measures
- Establishing a base line and measuring for progress, and paying for improvement with meaningful incentives



# Details of an ACO Payment Model

1. Establish a base period: typically, 1 to 2 years prior to the performance year
2. Calculate base period PMPM, adjust for trend (inflation), adjust for change in risk of population
3. Determine quality measures- mix of population health, event based, risk adjusted, and survey measures
4. Define incentives- 50% shared savings and 10% shared losses (increasing year over year)
5. Monthly data reporting

Base Period Costs (2021)	\$175,000,000	
Base Period Attribution: 21,000 Members		\$694.44
Trend Adjustment (inflation)		2.50%
Risk Adjustment		3.82%
Illness Burden Score increase from 1.57 to 1.63		
Expected PMPM in 2022		\$738.85
2022 Attribution		21,500
2022 Expected Spend	\$190,624,375	
Actual Spend in 2022	<b>\$180,500,000</b>	
Savings	<b>\$10,124,375</b>	
Shared Savings	<b>\$5,062,188</b>	



# Patient Centered Medical Home (PCMH) Program

Primary care providers earn financial incentives by improving outcomes, quality, and managing cost of care for their patient population

- Launched in 2011
- Investment in primary care
- Over 4,400 participating PCPs
- Over 1 million CareFirst Members
- Manages \$5.4 billion a year in total health care spend
- Over \$1.4 Billion in net savings since 2011

## Care Coordination

Identify and stabilize the sickest members with personalized Care Plans

**Provider & Member support**

## Population Health

Tools, resources, and support to improve quality and outcomes for all Members

# Practice Transformation Team

- Masters prepared (MPH, MBA, MS, MHA)
- Support practices in CareFirst's Value Based Programs including PCMH, ACOs, Episode of Care
- Influence behavior change to improve outcomes and value

## Practice Consultants

Primary care practice transformation experts

## Specialty Practice Consultants

Specialty care practice transformation experts

## Enterprise Managers

Relationship owners and drivers of change with our large health systems

# Collaboration Between CareFirst and MDPCP to Transform Practices

## Aligned Goals

- Quality
- Outcomes
- Value

## Reducing Duplication of Efforts

- Consistent messaging
- Data analysis and reporting
- Collaboration with Providers
- Aligning quality measures

## Sharing Experiences & Best Practices

- Payment structures
- Practice transformation and clinical workflows
- Local resources



Multi-Payer Alignment



# Growing Value-Based Care in 2022 and Beyond

- Breaking the traditional care payment paradigm so providers can more freely engage with their patients and manage population health

## Capitation



- Creating value-based incentives for specialists leading care for members with chronic conditions (e.g., cancer)

## Specialty Medical Home



- Increase participation in our existing programs to future align the region towards value-based care

## Program Expansion

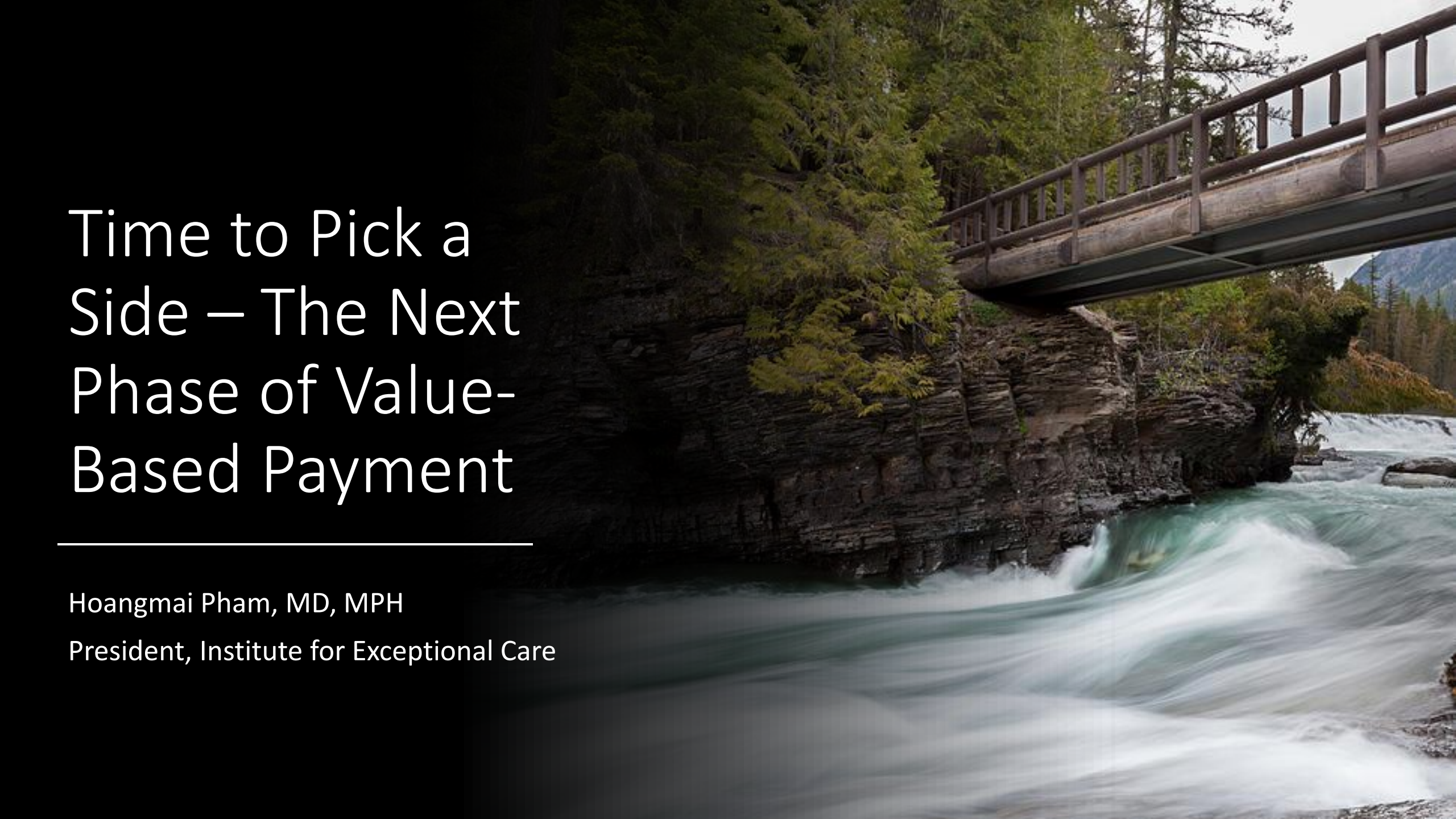


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# Time to Pick a Side – The Next Phase of Value-Based Payment

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# Evolution of a movement

- Pre-ACA accumulation of data on “unhealthy trends”
- ACA – new authorities and resources
- Setting vision, standards, and highways
- Building momentum
- Taking stock of lessons learned

# Meeting the moment

- Plateauing life expectancy (pre-COVID)
- Mental health crisis
- Demand to address inequities
- An exhausted and fractured health system
- Widening gap between Have's and Have-Nots
- A new era of mistrust in science, experts, institutions

# What have we learned?

- Primary care can't do it all
- The middle of the bridge is no place to stay
- Disparities persist at multiple levels & lead to worse system outcomes
- People we serve need voice in all phases of the work
- Life goals drive health goals
- All the action is upstream of healthcare delivery

# How to get to the far side of the bridge?

- Make the counter-factual to VBP really, really, unattractive
- Don't try to save money *everywhere*; key parts of the system require *more* investment to produce value
- More accountability for the Have's
- Fix other market distortions
- Go upstream with data, community input, interventions
- Pay as if health is the goal, not healthcare
- Focus on outcomes that matter to people
- Share power with patients, caregivers, communities







# Upcoming Event

- ▶ Cyber Liability Insurance Lunch and Learn Webinar on **February 18th from 12pm to 1PM ET**
  - ▶ *Cyber Liability Insurance: What Practices Need to Know about Risk, Selecting Coverage, and Avoiding Common Pitfalls*
- ▶ Hear about strategies to mitigate cyber risk, and steps practices can take to minimize disruption to practice operations and protect patient data
- ▶ Learn about how to evaluate the different types of cyber liability coverage, select the right amount of coverage, and tips for completing questionnaires required by carriers
- ▶ **Scan the code or click here to register:**  
**[tinyurl.com/2p9b87k7](https://tinyurl.com/2p9b87k7)**





# THANK YOU

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