



# Alternative Payment Model Arrangements in Maryland

BASELINE OVERVIEW OF THE COMMERCIAL FULLY INSURED MARKET IN 2022



# Background

- ▶ In 2022, the Maryland legislature recognized the national movement toward APMs and the need for the commercial market to better align with the MD TCOC and MDPCP model.
- ▶ Chapter 297 of 2022 Laws of Maryland and the Code of Maryland Regulations requires the Maryland Health Care Commission (MHCC), an independent regulatory agency, to collect data and report on APM arrangements.



# Purpose of Inaugural Report

- ▶ Since the law passed in October 2022, few of these arrangements existed during that year.
- ▶ This initial report includes the limited data that was available from 2022.
- ▶ However, it demonstrates that this data collection is possible and provides an important baseline for future reporting.

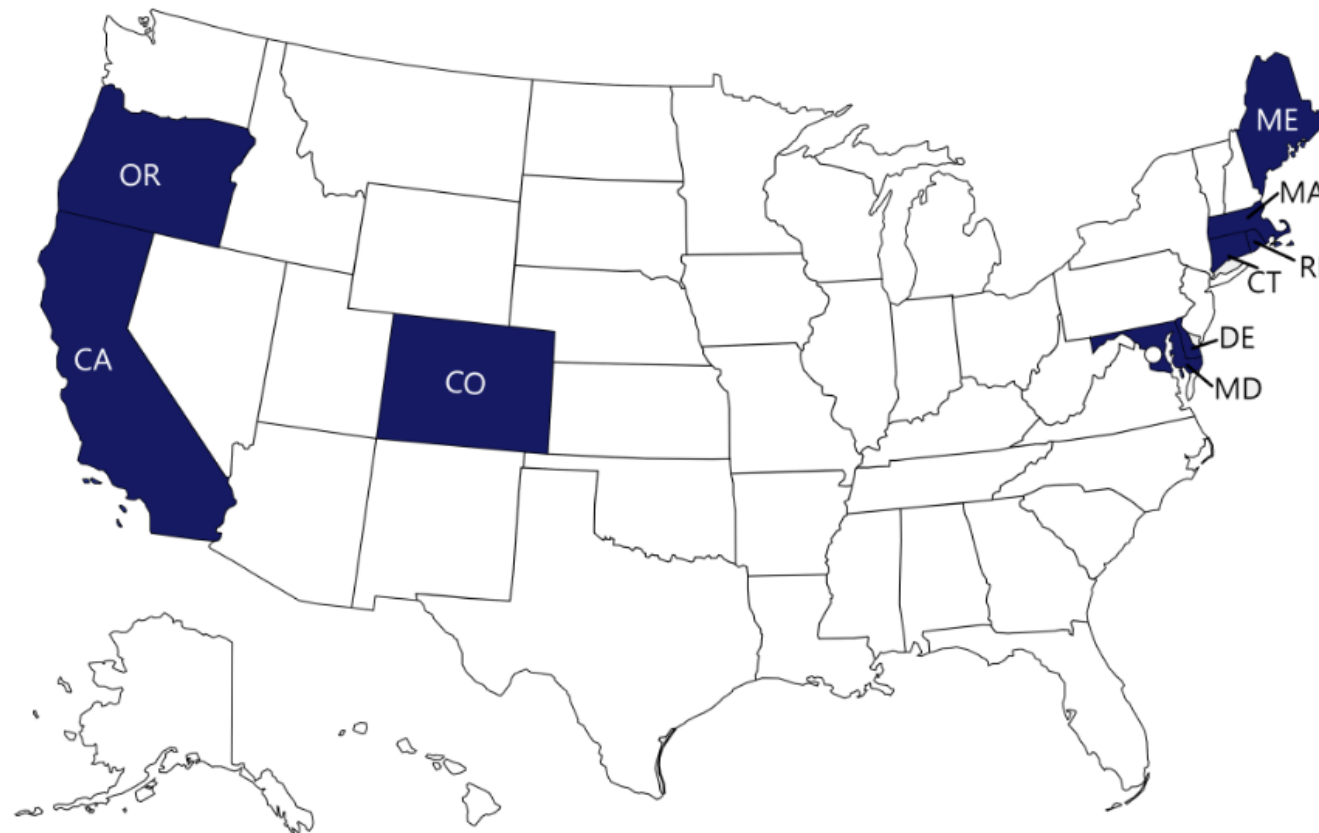


# Alignment with National Trends and Other States

Currently, 9 states including Maryland monitor and collect data on value-based arrangement adoption.

## States with Published Reports






- ▶ Colorado
- ▶ Delaware
- ▶ Massachusetts
- ▶ Oregon



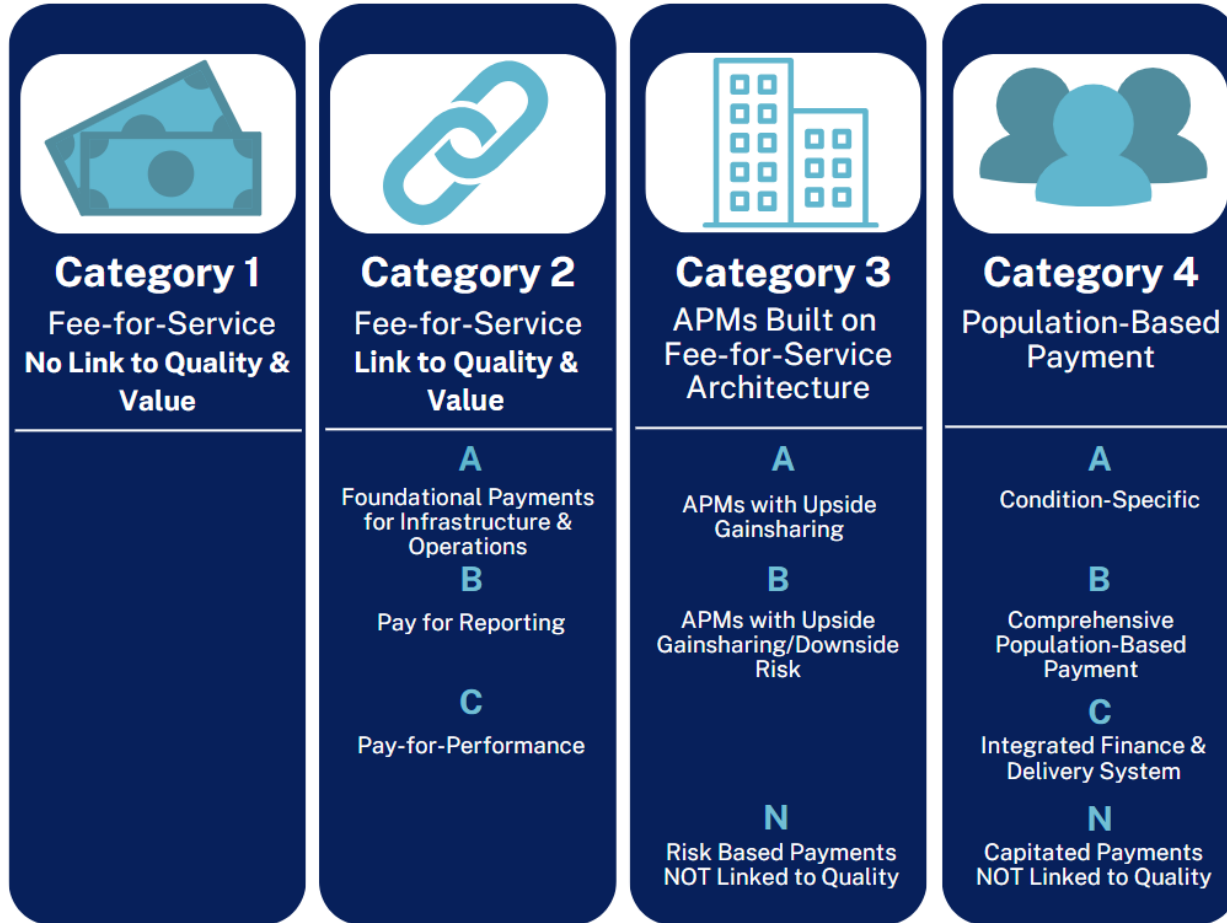


# Chapter 297 of 2022 Laws of Maryland Requirements

- ▶ Enabled payors and providers to engage in capitation and two-sided risk contracting
- ▶ Effective October 1, 2022
- ▶ MHCC required to gather data and develop annual report on:

				
Number & type of value-based arrangements	Quality outcomes of value-based arrangements	Number of complaints made regarding value-based arrangements	Cost-effectiveness of value-based arrangements	Impact of two-sided incentive arrangements on fee schedules

# Overview of Data Collection Methodology



- ▶ Collected on September 30th, 2023
- ▶ MHCC provided technical assistance and worked collaboratively with payers to improve submissions
- ▶ Payors reported non-FFS payments by provider organization for each HCP-LAN Category.



# Key Findings and Summary Statistics

Metric	Statistic
<b>Total APM Arrangements</b>	47
<b>Covered Maryland residents</b>	117,747
<b>Shared savings and downside risk arrangements (two-sided)</b>	12
<b>Episode of Care Arrangements (including colonoscopies, knee replacements, etc.)</b>	19
<b>Episode of care Arrangements with downside risk (two-sided)</b>	8
<b>Complaints to Maryland Insurance Administration</b>	0

- ▶ Aetna, CareFirst, and Cigna submitted APM arrangement data.
  - ❖ Kaiser and United HealthCare offered APM arrangements not linked to quality.
  - ❖ Humana only offers Medicare Advantage plans which were not collected.
  - ❖ CareFirst provided an incomplete submission with only Category 3 payments.
- ▶ Episode of care arrangements included Colonoscopies, Knee replacements, Hysterectomies, Pregnancy, etc.
- ▶ No Pediatric arrangements reported in 2022.



# Number and Type of APM Arrangements

Payors	Aetna		CareFirst*		Cigna		Kaiser		UnitedHealthcare		Total	
	Contracts	Members/ Episodes	Contracts	Members/ Episodes	Contracts	Members /Episodes	Contracts	Members /Episodes	Contracts	Members/ Episodes	Contracts	Members/ Episodes
<b>HCP-LAN Payment Category</b>												
<b>2C – FFS (Pay for Performance)</b>	6	771	Did not Report	Did Not Report	0	0	0	0	0	0	6	771
<b>3A – APM built on FFS (Shared Savings Only)</b>	4	1,457	3	1,5826	11	18,865	0	0	0	0	18	36,148
<b>3B – APM built on FFS (Shared Savings/ Downside Risk)</b>	0	0	4	49,143	0	0	0	0	0	0	4	55,764
<b>3A – APM built on FFS - Episodes of Care (Shared Savings Only)</b>	0	0	3	18,777	8	256	0	0	0	0	11	19,033
<b>3B – APM built on FFS - Episode of Care (Shared Savings/ Downside Risk)</b>	0	0	8	1,777	0	0	0	0	0	0	8	1,777

# Quality Measures



## Quality Measures for Non-Episode-Based APM Arrangements

### APM Data Collection Template- Worksheet B.1 Quality

Domain	Acronym	Measure
Prevention & Screening	BCS	Breast Cancer Screening
Diabetes	CDC	Comprehensive Diabetes Care
Behavioral Health	FUM	Follow-up After Emergency Department Visit for Mental Illness
Overuse & Appropriateness	COU	Risk of Continued Opioid Use
Utilization	AHU	Acute Hospital Utilization
	EDU	Emergency Department Utilization

\*Note: MHCC did not collect data on quality metrics in reporting year 2023. MHCC will use billing provider membership to review information on these metrics.



# Other Assessments

- ▶ The Maryland Insurance Administration received no complaints from health care practitioners in 2022.
- ▶ MHCC was not able to assess the cost-effectiveness of the programs in the first year of reporting.
- ▶ The impact of two-sided incentive arrangements on traditional fee for service schedules cannot be analyzed with the one year of data collected.
  - ❖ Two-side incentive arrangements began to be offered in October 2022 in Maryland.



# Looking Ahead

- ▶ APM data will be collected annually until 2032 according to [Chapter 297 of 2022 Laws of Maryland](#)
- ▶ MHCC will continue to work with payors to limit the burden of APM data submissions
- ▶ Additional years of data will provide a better understanding of the following:
  - ❖ Quality of arrangements,
  - ❖ Cost effectiveness of arrangements, and
  - ❖ The impact of two-side arrangements on the value and quality of care.



# Appendix