

Washington State Medicaid Transformation Waiver Delivery System Reform Incentive Payment (DSRIP)

Health Management Associates

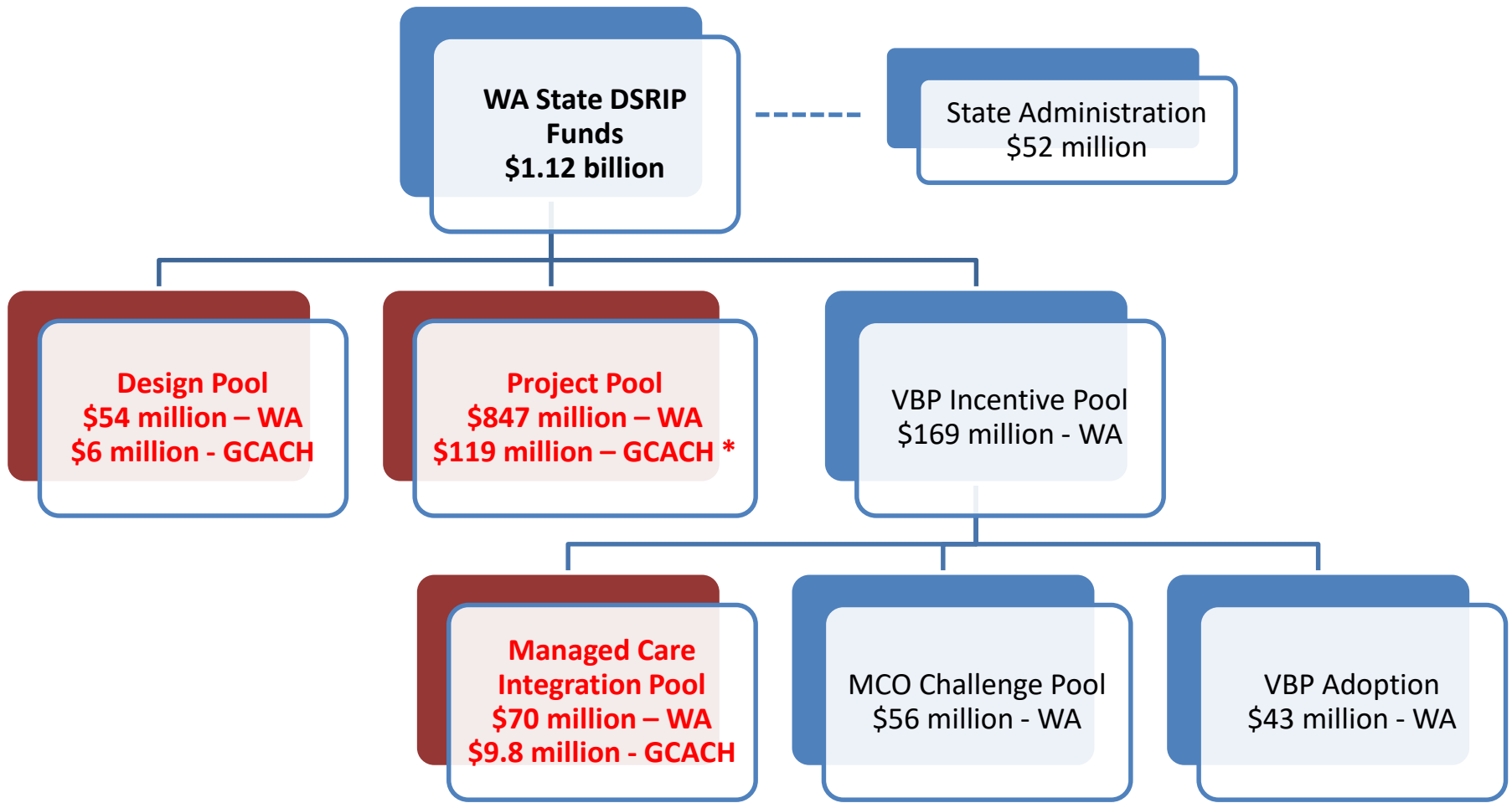
Prepared for Greater Columbia Accountable Community of Health

October 3, 2017

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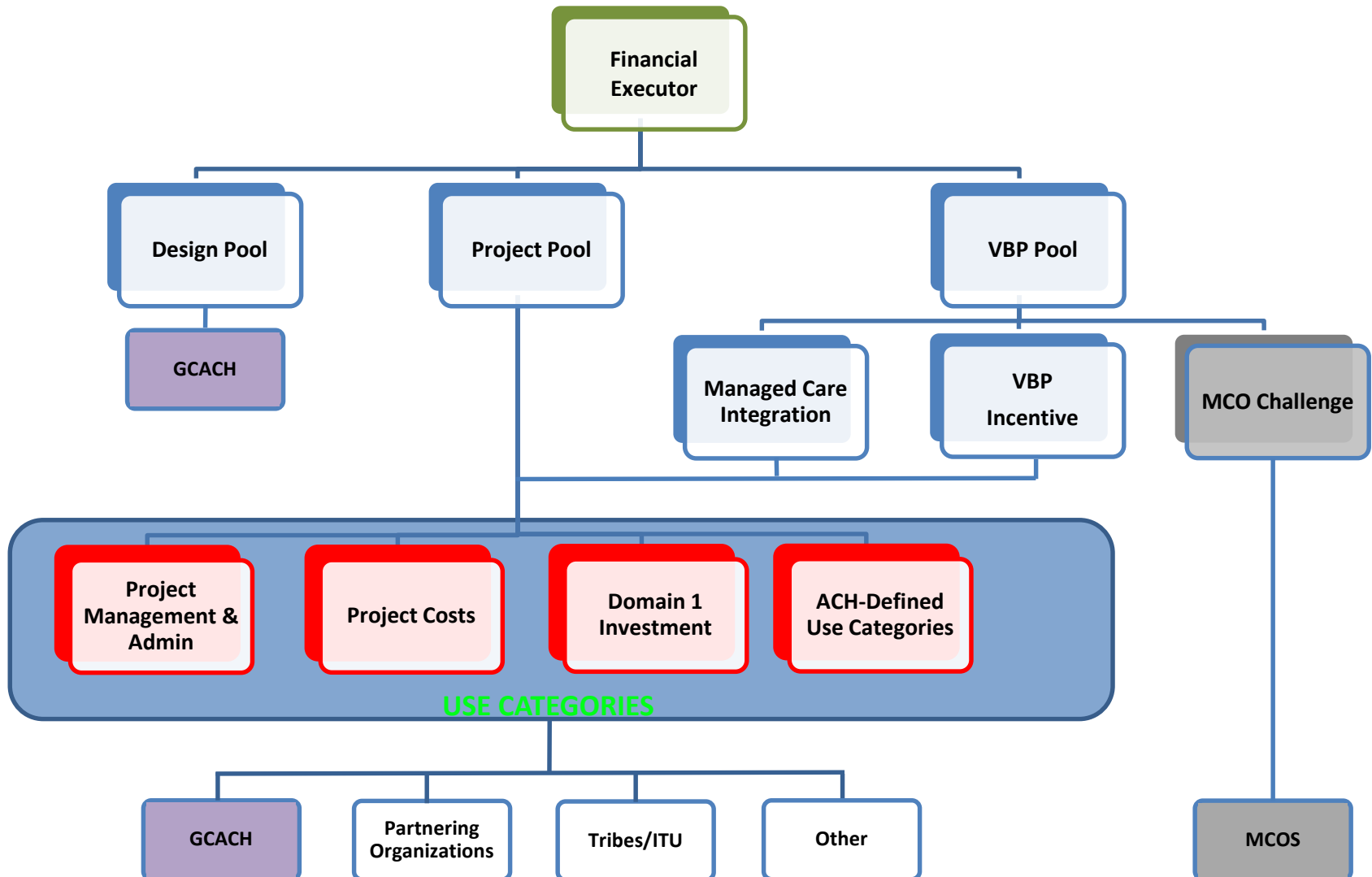


Overview of State of Washington DSRIP Waiver Funding



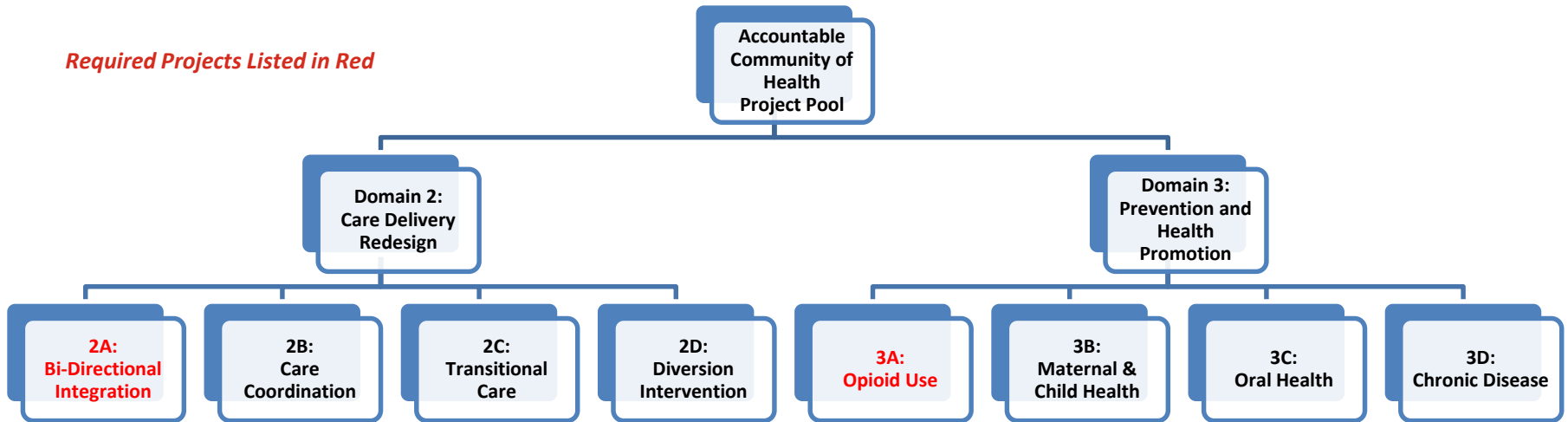
* Before 36% DY1 reduction for revised DSHP/IGT projections
Revised total = \$112M

Delivery System Reform Incentive Payment (DSRIP) Funds **Outflow**



Project Pool

Required Projects Listed in Red



Domain 1: Health Systems and Community Capacity Building

1A: Financial Stability Through VPB 1B: Workforce 1C: Systems for Population Health Management

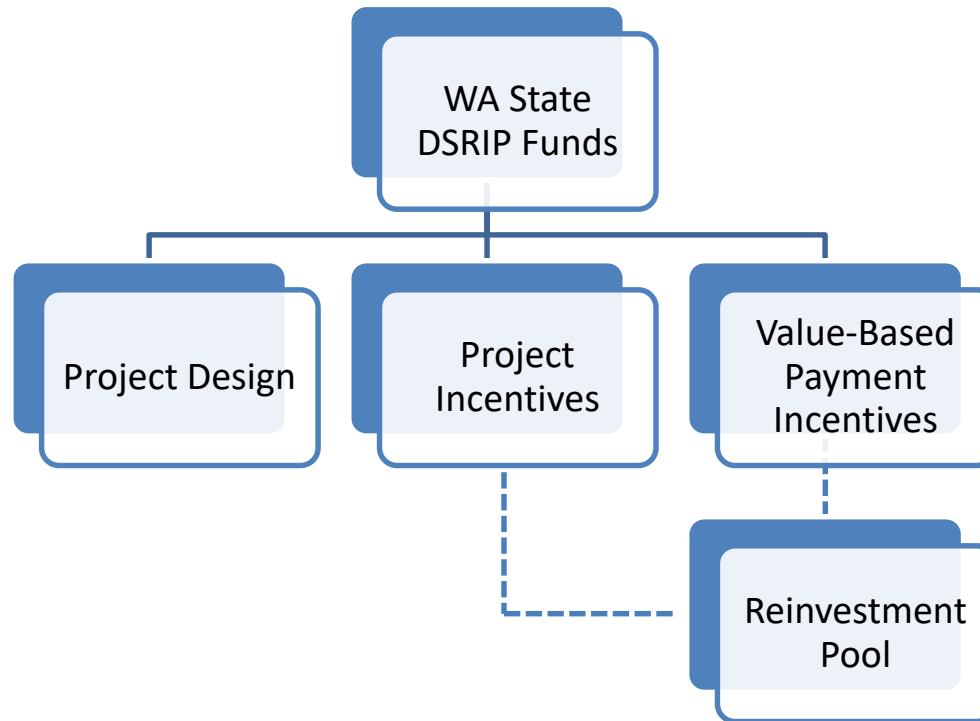
Project Pool

- Maximum potential ACH Project funding proportional to Medicaid attribution:
Greater Columbia ACH = \$119 million (14.0%); \$112 million after DSHP/IGT adjustment
- Factors affecting actual Project funding
 - Year 1 : Project plan application, number of projects selected
 - Year 2: 100% Pay-for-Reporting
 - Year 3: 75% Pay-for-Reporting, 25% Pay-for-Performance
 - Year 4: 50% Pay-for-Reporting, 50% Pay-for-Performance
 - Year 5: 25% Pay-for-Reporting, 75% Pay-for-Performance
- Potential High Performance Incentive if six or greater projects selected (see Reinvestment Pool)

Value Based Payment Incentive Pool

- Managed Care Integration: GCACH = \$9.8 million
 - CMS payment of Year 4 and 5 DSRIP funds is subject to Washington achieving statewide integrated physical and behavioral health managed care by January 2020
 - Phase 1: 40% of potential ACH revenue earned if a binding letter of intent (LOI) to integrate physical and behavioral health managed care is submitted to the state Medicaid director by September 15, 2017
 - Phase 2: 60% of potential ACH revenue earned if implementation of new, integrated MCOs is underway by January 2019
- VBP Adoption
 - State DSRIP funding depends in part on achievement of statewide VBP adoption targets
 - Eligible ACH partnering providers may receive incentives based on provider-level progress and attainment in meeting VBP targets (*methodology in development*)
 - Funds must be spent on demonstration objectives (*parameters in development*)
- MCOs eligible for VBP Incentive “Challenge Pool”

Reinvestment Pool



- The Reinvestment Pool will be used to re-distribute un-earned funds from other pools based on quality performance (*methodology in development*)

VALUE BASED PAYMENT

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VBP and DSRIP

The shift from FFS to VBP requires delivery system changes. DSRIP funds allow providers to make these changes (through initial investment in the transformation process) and the goal is for VBP to help sustain them.

Existing Health Care System

Fee-for-Service-Based, Largely Fragmented & Uncoordinated

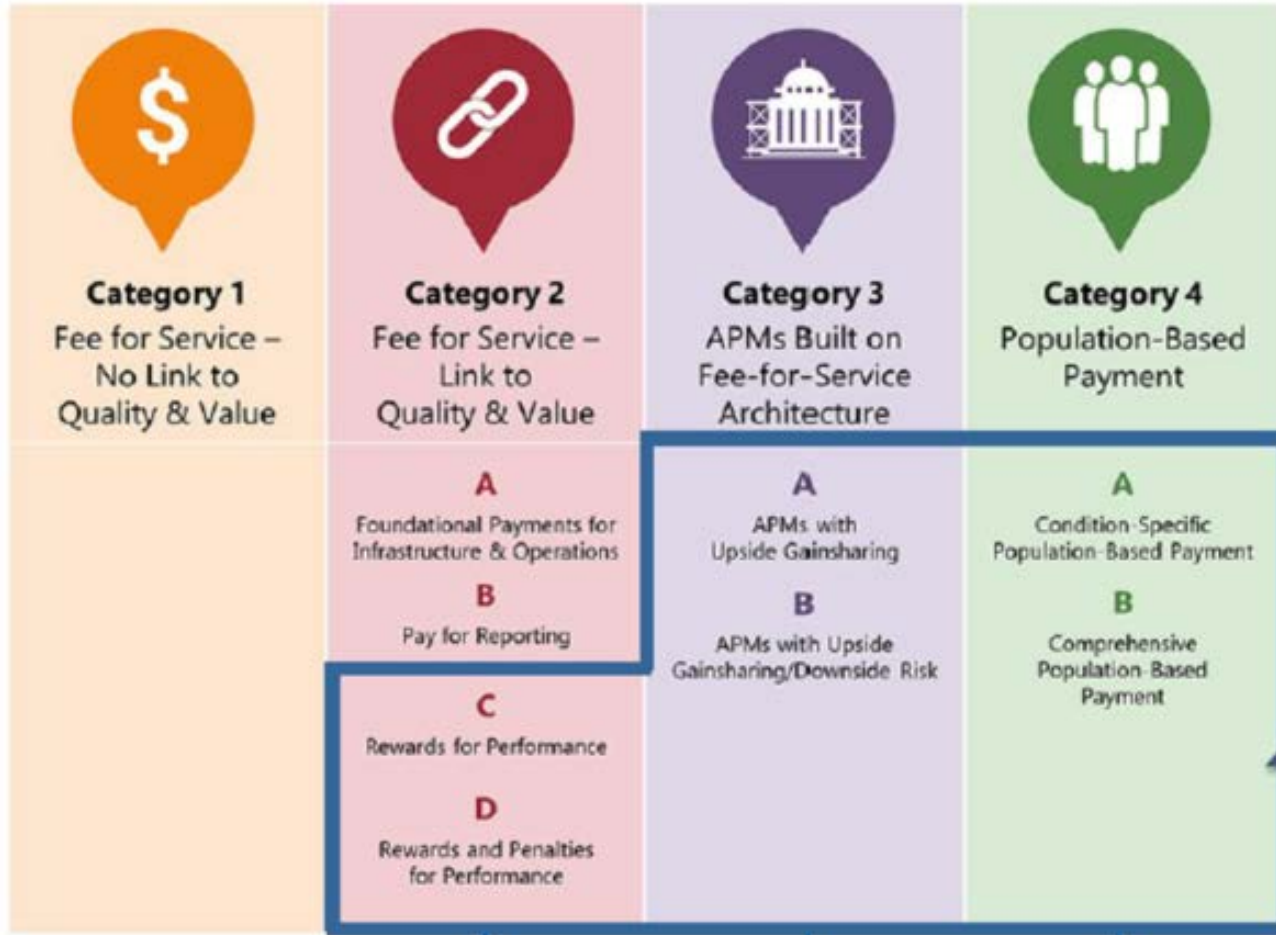
Time-Limited DSRIP Incentive Payments in Support of Health System Transformation

Longer-Term Payer, Provider, Member & Community Partnerships & Investments in Population Health Management

Transformed System of Health & Wellness

Value-Based Payments with Coordinated Care

Defining VBP



HCA's
Definition of
VBP:
Categories 2C
through 4B

EXAMPLES:

*FFS with bonus
payments for
quality performance*

*Bundled payments
with upside only, or
upside & downside risk*

*Capitation (full or % of
premium population-
based payment)*

Key Elements of VBP Capabilities [DRAFT]

Infrastructure components required to manage VBP contracts successfully

Governance and Organization

- Leadership buy-in and organizational vision
- Workforce development
- Effective practice management system
- Revenue cycle management
- Performance management
- Legal evaluation, contract management
- Change management

Provider Engagement

- Provider network identification and engagement
- Referral management
- Engagement with and links to non-physician staff/organizations
- Co-location (if applicable)
- Performance feedback and management

Care Coordination/Management

- Coordination across specialties and sites of care
- Comprehensive care plans
- Patient engagement
- Evidence-based case management

Population Health Management

- Data aggregation
- Ability to define patient sub-populations based on evidence-based methods
- Patient stratification
- Data exchange
- Performance monitoring
- Link to care coordination/management approaches

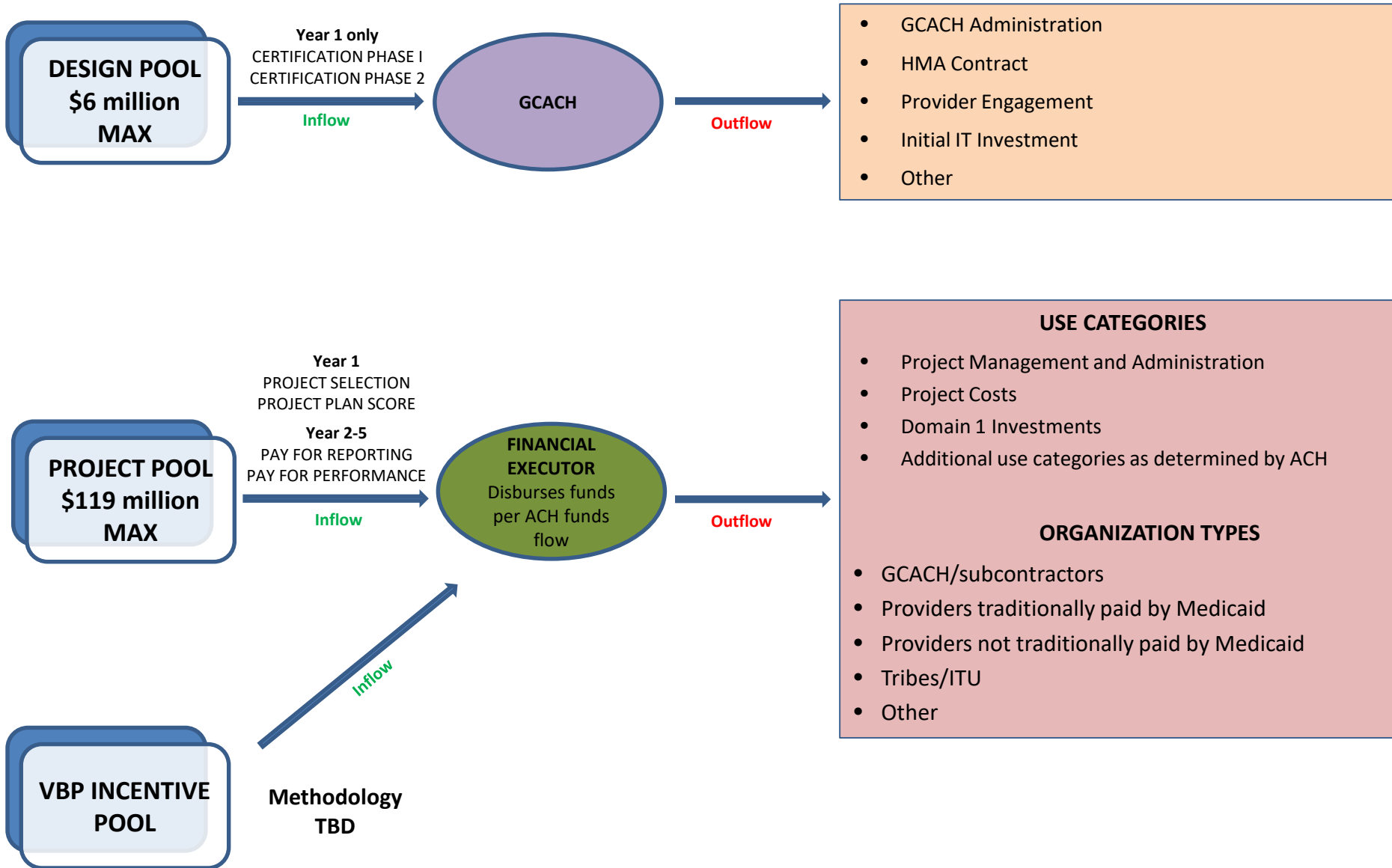
Links to Social Determinants of Health

- Member social needs assessment
- Knowledge of available services and organizations
- Integration into clinical and care management protocols
- Social services referral staff/programs

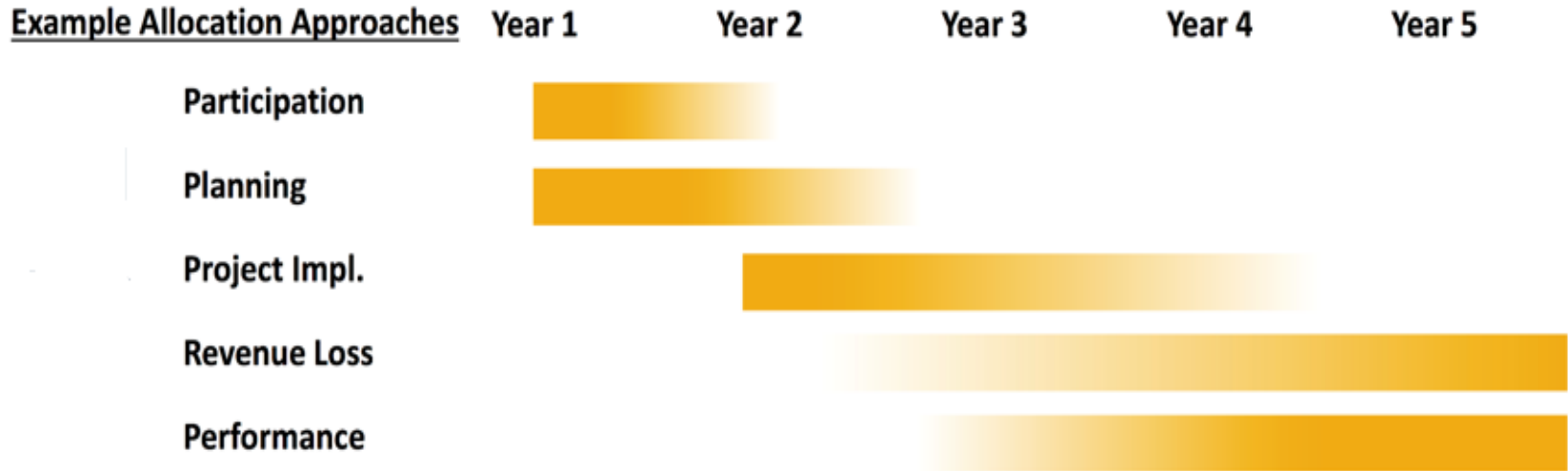
BUDGET & FUNDS FLOW

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Funds Flow – Greater Columbia ACH



Funds Allocation Timing - Example



Year 1 Project Incentives—Project Selection & Project Plan Score

6 PROJECTS

100% PROJECT PLAN

Project Plan Score (0 - 100%)		100%			
Number of Projects Selected		6			
Preliminary Project Plan Application to Year 1 Funds	Base Valuation	Project Selection Bonus	Total Y1 Valuation	Year 1 Project Incentives (Millions)	Eligible for Share of Unearned Y1 Funds? (Amount based on unearned funds total across all ACHs; distribution methodology TBD)
	90%	10%	100%	\$19.32	yes

↑
Project Selection bonus reduced

75% PROJECT PLAN

Project Plan Score (0 - 100%)		75%			
Number of Projects Selected		6			
Preliminary Project Plan Application to Year 1 Funds	Base Valuation	Project Selection Bonus	Total Y1 Valuation	Year 1 Project Incentives (Millions)	Eligible for Share of Unearned Y1 Funds? (Amount based on unearned funds total across all ACHs; distribution methodology TBD)
	70%	10%	80%	\$15.46	yes

↑ ↑
Both Base Valuation and Selection Bonus affected

Year 2-5 Project Incentives—P4R* & P4P

6 PROJECTS

100% P4P

	Calendar Year Program Year	2018 Y2	2019 Y3	2020 Y4	2021 Y5
2A: Bi-Directional Integration of Care		\$ 9.40	\$ 9.20	\$ 8.52	\$ 7.40
2B: Community-Based Care Coordination		\$ 6.46	\$ 6.33	\$ 5.86	\$ 5.09
2C: Transitional Care		\$ 3.82	\$ 3.74	\$ 3.46	\$ 3.01
2D: Diversions Interventions		\$ 3.82	\$ 3.74	\$ 3.46	\$ 3.01
3A: Addressing the Opioid Use Crisis		\$ 1.17	\$ 1.15	\$ 1.07	\$ 0.93
3B: Maternal and Child Health		\$ -	\$ -	\$ -	\$ -
3C: Access to Oral Health Services		\$ -	\$ -	\$ -	\$ -
3D: Chronic Disease Prevention / Control		\$ 2.35	\$ 2.30	\$ 2.13	\$ 1.85
		\$ 27.02	\$ 26.46	\$ 24.50	\$ 21.28
<i>Unearned Incentive</i>		\$ -	\$ -	\$ -	\$ -

90% P4P

	Calendar Year Program Year	2018 Y2	2019 Y3	2020 Y4	2021 Y5
2A: Bi-Directional Integration of Care		\$ 9.40	\$ 8.63	\$ 7.46	\$ 6.01
2B: Community-Based Care Coordination		\$ 6.46	\$ 5.93	\$ 5.13	\$ 4.13
2C: Transitional Care		\$ 3.82	\$ 3.51	\$ 3.03	\$ 2.44
2D: Diversions Interventions		\$ 3.82	\$ 3.51	\$ 3.03	\$ 2.44
3A: Addressing the Opioid Use Crisis		\$ 1.17	\$ 1.08	\$ 0.93	\$ 0.75
3B: Maternal and Child Health		\$ -	\$ -	\$ -	\$ -
3C: Access to Oral Health Services		\$ -	\$ -	\$ -	\$ -
3D: Chronic Disease Prevention / Control		\$ 2.35	\$ 2.16	\$ 1.86	\$ 1.50
		\$ 27.02	\$ 24.81	\$ 21.44	\$ 17.29
<i>Unearned Incentive</i>		\$ -	\$ 1.65	\$ 3.06	\$ 3.99

* All scenarios shown assume 100% P4R

Illustration of P4P Impact (6 projects selected)

ESTIMATED PERFORMANCE-ADJUSTED PROJECT INCENTIVES DSRIP REVENUE BY PROJECT (MILLIONS)

Calendar Year Program Year	2017 Y1	2018 Y2	2019 Y3	2020 Y4	2021 Y5
2A: Bi-Directional Integration of Care	\$ 6.72	\$ 9.40	\$ 9.20	\$ 8.52	\$ 7.40
2B: Community-Based Care Coordination	\$ 4.62	\$ 6.46	\$ 6.33	\$ 5.86	\$ 5.09
2C: Transitional Care	\$ 2.73	\$ 3.82	\$ 3.74	\$ 3.46	\$ 3.01
2D: Diversions Interventions	\$ 2.73	\$ 3.82	\$ 3.74	\$ 3.46	\$ 3.01
3A: Addressing the Opioid Use Crisis	\$ 0.84	\$ 1.17	\$ 1.15	\$ 1.07	\$ 0.93
3B: Maternal and Child Health	\$ -	\$ -	\$ -	\$ -	\$ -
3C: Access to Oral Health Services	\$ -	\$ -	\$ -	\$ -	\$ -
3D: Chronic Disease Prevention / Control	\$ 1.68	\$ 2.35	\$ 2.30	\$ 2.13	\$ 1.85
Incentives Earned	\$ 19.32	\$ 27.02	\$ 26.46	\$ 24.50	\$ 21.28
Unearned Incentive	\$ -	\$ -	\$ -	\$ -	\$ -

← 100% on all P4P metrics

50% on “Percent Homeless” and “Percent Arrested” →

Calendar Year Program Year	2017 Y1	2018 Y2	2019 Y3	2020 Y4	2021 Y5
2A: Bi-Directional Integration of Care	\$ 6.72	\$ 9.40	\$ 9.20	\$ 8.52	\$ 7.40
2B: Community-Based Care Coordination	\$ 4.62	\$ 6.46	\$ 6.17	\$ 5.70	\$ 4.88
2C: Transitional Care	\$ 2.73	\$ 3.82	\$ 3.58	\$ 3.34	\$ 2.85
2D: Diversions Interventions	\$ 2.73	\$ 3.82	\$ 3.51	\$ 2.88	\$ 2.26
3A: Addressing the Opioid Use Crisis	\$ 0.84	\$ 1.17	\$ 1.15	\$ 1.07	\$ 0.93
3B: Maternal and Child Health	\$ -	\$ -	\$ -	\$ -	\$ -
3C: Access to Oral Health Services	\$ -	\$ -	\$ -	\$ -	\$ -
3D: Chronic Disease Prevention / Control	\$ 1.68	\$ 2.35	\$ 2.30	\$ 2.13	\$ 1.85
Incentives Earned	\$ 19.32	\$ 27.02	\$ 25.91	\$ 23.64	\$ 20.16
Unearned Incentive	\$ -	\$ -	\$ 0.55	\$ 0.86	\$ 1.12

Project Incentives: Earned vs. Paid (6 projects selected)

Project Incentives Earned

Y1	Y2	Y3	Y4	Y5
2017	2018	2019	2020	2021
\$19.32	\$27.02	\$26.46	\$24.50	\$21.28
16%	23%	22%	21%	18%

Project Incentives Paid

	Y1		Y2		Y3		Y4		Y5		Post-Demo Y1		Post-Demo Y2	
	2017		2018		2019		2020		2021		2022		2023	
	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec
Project Plan			\$19.32											
P4R			\$13.51	\$13.51	\$9.92	\$9.92	\$6.13	\$6.13	\$2.26	\$2.26				
P4P								\$6.62		\$12.25				\$15.96
	\$0.00	\$0.00	\$19.32	\$13.51	\$13.51	\$9.92	\$9.92	\$6.13	\$12.74	\$2.66	\$14.91	\$0.00	\$15.96	\$0.00
	0%		28%		20%		14%		13%		13%		13%	

DISCUSSION

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