Medicaid Transformation Project Accountability

Introduction to the metric accountability
September 2020
## Glossary of common acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Term</th>
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<tbody>
<tr>
<td>ACHs</td>
<td>Accountable Communities of Health</td>
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<tr>
<td>AIHC</td>
<td>American Indian Health Commission</td>
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<tr>
<td>AV</td>
<td>Achievement value</td>
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<tr>
<td>DY</td>
<td>Demonstration year</td>
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<tr>
<td>IA</td>
<td>Independent assessor</td>
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<tr>
<td>IHCP</td>
<td>Indian Health Care Provider</td>
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<tr>
<td>IMC</td>
<td>Integrated managed care</td>
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<tr>
<td>MCO</td>
<td>Managed care organization</td>
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<tr>
<td>MTP</td>
<td>Medicaid Transformation Project</td>
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<tr>
<td>P4P</td>
<td>Pay-for-performance</td>
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<tr>
<td>P4R</td>
<td>Pay-for-reporting</td>
</tr>
<tr>
<td>PY</td>
<td>Performance year</td>
</tr>
<tr>
<td>QIS</td>
<td>Quality improvement score</td>
</tr>
<tr>
<td>SAR</td>
<td>Semi-annual report</td>
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<tr>
<td>STCs</td>
<td>Special terms and conditions</td>
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<tr>
<td>SWA</td>
<td>Statewide accountability</td>
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<tr>
<td>VBP</td>
<td>Value-based purchasing</td>
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Video series

1. **MTP accountability (presented by HCA)**
2. ACH Project incentives (GTG, IOS, AV calculations) (presented by IA)
3. ACH QIS methodology and high-performance pool achievement (presented by IA)
4. Statewide accountability and VBP P4P (presented by HCA)
Agenda

1. MTP performance accountability overview
   - Statewide accountability
   - P4P and P4R
   - High-performance metrics

2. Systematic flow of the AV process and how each AV process connects
   - AV and VBP P4P breakdowns
   - High-performance and QIS

3. Performance and funds flow overview

4. AV process overview, including how it all works

5. MCO AV overview

6. IHCP AV overview

7. P4P data source
Performance and funds flow

**Statewide accountability** represents the only true risk of funding reductions due to underperformance:

<table>
<thead>
<tr>
<th></th>
<th>DY3</th>
<th>DY4</th>
<th>DY5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max allowable funds</td>
<td>$235,900,000</td>
<td>$151,510,022</td>
<td>$124,210,022</td>
</tr>
<tr>
<td>% at-risk for performance</td>
<td>5%</td>
<td>Waived</td>
<td>20%</td>
</tr>
<tr>
<td>$ amount at-risk for performance</td>
<td>$11,795,000</td>
<td>0</td>
<td>$24,842,000</td>
</tr>
</tbody>
</table>

- Due to the COVID-19 pandemic, statewide accountability has been waived for DY4.
- At-risk funding is reduced from 10 percent to 0 as of June 8, 2020.
Performance and funds flow, continued

- **P4R** was designed to support full achievement and earlier distribution of funds.

Percent of annual ACH project incentives, by P4R and P4P:

<table>
<thead>
<tr>
<th>ACH project incentives</th>
<th>DY1</th>
<th>DY2</th>
<th>DY3</th>
<th>DY4</th>
<th>DY5</th>
</tr>
</thead>
<tbody>
<tr>
<td>P4R</td>
<td>100%</td>
<td>100%</td>
<td>75%</td>
<td>50%</td>
<td>25%</td>
</tr>
<tr>
<td>P4P</td>
<td>0%</td>
<td>0%</td>
<td>25%</td>
<td>50%</td>
<td>75%</td>
</tr>
</tbody>
</table>

- Regional **P4P** incentives are based on regional performance and change based on performance.

- Overall, P4P incentives will not be “lost” due to the reinvestment construct that was designed in conjunction with the high-performance pool.
Funding flow

- **Integration Activities**
- **Project Incentives**
- **ACH Projects**
  - ACH P4P: 25%
  - ACH P4R: 75%
- **IHCP**
  - IHCP: $3,725,000
  - IHCP P4R: $3,725,000
- **Performances Met?**
  - No: Funds to ACHS
  - Yes: HPP
- **HPP Incentives**
  - No: QIS
  - Yes: Funds to MCOS

- **Statewide Accountability Report**
- **Reinvestment Pool**
  - VBP: $4,500,000
- **Performances Met?**
  - No: VBP P4P: 25% $1,125,000
  - Yes: MCO VBP P4P: 75% $6,000,000
- **MCO VBP Activities**
  - $6,000,000
- **Performances Met?**
  - No: MCO VBP P4R: 25% $2,000,000
  - Yes: Funds to MCOS

- **At-Risk funds**
  - $11,795,000
- **QIS 80%**
- **VBP Adoption 20%**
- **Challenge Pool**
  - $8,000,000 annually

**Total statewide DSRIP dollars**
$235,900,000
ACHs can earn P4P project incentives by demonstrating achievement and improvement toward ACH-specific improvement targets for project-specific metrics.

Improvement targets are determined based on prior ACH performance on the metric.

- Gap-to-goal (GTG) establishes the gap amount to be used as an improvement target for the ACH baseline result:
  - Improvement assessed by closing baseline to performance gap by 10 percent
- Improvement-over-self (IOS):
  - IOS metrics is set at 1.9 percent improvement over performance in the reference baseline year
P4P value-based purchasing

ACHs will be rewarded on reported progress in the early years, and increasingly on full attainment of targets in later years.

Annual percent of potential earnable ACH VBP incentives by P4R and P4P:

<table>
<thead>
<tr>
<th>ACH VBP incentives</th>
<th>DY1</th>
<th>DY2</th>
<th>DY3</th>
<th>DY4</th>
<th>DY5</th>
</tr>
</thead>
<tbody>
<tr>
<td>P4R</td>
<td>100%</td>
<td>75%</td>
<td>50%</td>
<td>25%</td>
<td>0%</td>
</tr>
<tr>
<td>P4P</td>
<td>0%</td>
<td>25%</td>
<td>50%</td>
<td>75%</td>
<td>100%</td>
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</table>

Annual Delivery System Reform Incentive Payment (DSRIP) program funding available for ACH VBP incentives:

<table>
<thead>
<tr>
<th>DY1</th>
<th>DY2</th>
<th>DY3</th>
<th>DY4</th>
<th>DY5</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>$3,600,000</td>
<td>$4,500,000</td>
<td>$5,400,000</td>
<td>$6,300,000</td>
</tr>
</tbody>
</table>
Indian Health Care Provider overview

- IHCPs, or a group of Tribes and IHCPs, can work directly through HCA to receive MTP funds.
- Each IHCP, with support from the AIHC and HCA, will identify a project to improve the health of the population they serve.
- All ICHP-specific projects are supported through P4R for the duration of MTP.
MCO VBP incentives

- MCO VBP incentives ("challenge pool"), is set at $8,000,000 annually.
  - Incentives were established to reward MCO attainment and progression toward VBP adoption performance targets.
- The potential earnable incentives for each MCO will be based on the MCO’s share of the total Apple Health (Medicaid) managed care member months for the year.
- Remaining incentives are redirected to reward MCO performance on a set of clinical quality metrics.
- MCO VBP incentives are measured by:
  - VBP P4R
  - VBP P4P
Performance results will be calculated from ProviderOne Medicaid claims and enrollment data. Measures that also require medical record-level data are generated from MCO performance results reported to HCA.
References

- DSRIP Measurement Guide
- Project Toolkit
- Special terms and conditions (STCs)
- Funding and mechanical protocol
- Healthier Washington Dashboard
Contacts

If you have questions, please contact HCA’s:

• MTP Team: MedicaidTransformation@dca.wa.gov
• Analytics, Research and Measurement Team: HCAHWARM@dca.wa.gov