

Moving Apple Health to Value

Changes to contracts for 2018

Background

The Health Care Authority's (HCA) [Value-based Roadmap](#) sets a target for 90 percent of provider payments under state financed health care to be linked to quality and value by 2021. This includes both the state's public employees benefits program and Washington Apple Health (Medicaid).

In Apple Health, HCA is implementing value-based contracts with the five Apple Health managed care organizations (MCOs). Starting in January 2018, MCOs will have the opportunity to earn back 1.5 percent of premium payments if they meet VBP targets and quality attainment goals.

1.5 percent premium withhold

HCA pays MCOs a per-member-per-month (PMPM) premium rate that covers all of a client's care. The MCOs pay providers with the premiums to perform services for Apple Health clients. To connect payment to quality of care and to value, HCA is withholding 1.5 percent of a MCO's monthly premium, to be returned based on performance in the following areas:

Qualifying provider incentives and disincentives	Earn back up to 12.5% of 1.5% withhold
Value-based purchasing arrangements with providers	Earn back up to 12.5% of 1.5% withhold
Achieving quality improvement targets (QIS Score)	Earn back up to 75% of 1.5% withhold

Provider Incentive Payments and VBP Arrangements

HCA has adopted the Health Care Payment Learning and Action Network (HCP-LAN) [framework](#) created by the Centers for Medicaid and Medicare Services (CMS) to define value-based payment (VBP). To meet HCA targets, at least 1 percent of premium payments

must be incentives and disincentives in LAN Category 2c or higher. Provider incentives are defined as additional payments or withholds based on provider performance. Additionally, an MCO needs to pay at least 50 percent of provider payments in the form of VBP arrangements in LAN Category 2c or higher, which is HCA's definition of VBP. Both the provider incentive payments and VBP arrangements are self-reported by the networks by August 2019. A third party validates the reported arrangements.

Quality Improvement Score (QIS)

The QIS model rewards improvement **and** achievement of targets for seven quality measures. The QIS model was built by HCA to be used in performance based contracts. HCA will compare each MCO's scores from 2017 to 2018, and to national benchmarks, for each of the following quality measures:

Blood sugar testing for people with diabetes	Staying on antidepressant medication (12 weeks)
Blood pressure control for people with diabetes	Staying on antidepressant medication (6 months)
Controlling high blood pressure	Well-child visits in the 3 rd , 4 th , 5 th and 6 th years of life
Immunization (child-combo 10)	Asthma medication management (ages 5-11)
Asthma medication management (ages 12-18)	

Timeline

Performance year	Jan.-Dec. 2018
Self-report provider incentive payments; VBP arrangements	August 2019
Percentage of withhold determined	October 2019
Premium withhold payment	November 2019