Increasing Investment in Primary Care through Medicaid Managed Care

May 12, 2022, 3:30-4:30 PM ET

Part of CHCS’ Strengthening Primary Care through Medicaid Managed Care learning series.

Made possible through support from The Commonwealth Fund.
Questions?

To submit a question online, please click the Q&A icon located at the bottom of the screen.
Welcome & Introductions
National Overview on Primary Care Spending
Oregon’s Approach to Primary Care Investment
Audience Q&A
Wrap Up and Next Steps
Welcome & Introductions
Center for Health Care Strategies

Dedicated to strengthening the U.S. health care system to ensure better, more equitable outcomes, particularly for people served by Medicaid.

Together with our partners, our work advances:

- **Effective models for prevention and care delivery** that harness the field’s best thinking and practices to meet critical needs

- **Efficient solutions for policies and programs** that extend the finite resources available to improve the delivery of vital services and ensure that payment is tied to value.

- **Equitable outcomes for people** that improve the overall wellbeing of populations facing the greatest needs and health disparities.
Core Features of Advanced Primary Care and Levers to Drive Uptake and Spread

- Integrate Behavioral Health Care
- Enhance Team-Based Care
- Use Technology to Improve Access
- Engage Communities and Achieve Health Equity
- Identify and Address Social Needs
- Integrate Behavioral Health Care

Setting Primary Care Delivery Standards
- Promote Accountability for MCOs
- Move to Value-Based Payment in Primary Care
- Setting Primary Care Delivery Standards
- Monitor Primary Care Spending and Investment

Center for Health Care Strategies
Advancing Primary Care Innovation in Medicaid Managed Care: A Toolkit for States

For implementation considerations, state examples, and sample managed care contract language, access the toolkit at: www.chcs.org/primary-care-innovation.
Design Considerations

- What are the state’s goals related to primary care investment?
- How will primary care be defined?
- What “counts” as improvement in primary care spending levels?
- Will the state set a specific benchmark for primary care investment, or begin by monitoring spending and/or improvement levels?
- Which organizations will be subject to primary care spending requirements?
- How will the state monitor primary care spending, especially for any non-claims-based care or investments (e.g., bonus payments, shared savings, capitation)?
- How will states monitor primary care in conjunction with overall health care spend? Will the state include other accountability standards?
Today’s Presenters

Diana Crumley
Senior Program Officer
Center for Health Care Strategies

Summer Boslaugh
Transformation Analyst
Oregon Health Authority
National Overview on Primary Care Spending
Primary care is foundational, essential ... and in trouble.

“Primary care is the only health care component where an increased supply is associated with better population health and more equitable outcomes. For this reason, primary care is a common good, making the strength and quality of the country’s primary care services a public concern.”

Why measure primary care spend?

**Transparency**
- “How far do we have to go?”
- “Where, and for whom?”

**Accountability**
- “What gets measured gets done.”

**Transformation**
- “Right the ship.”
Measuring Primary Care Spending and Investment

• This is a national movement, with some great resources:
  → Primary Care Collaborative
  → Primary Care Matters: Lessons from Other States (Freedman HealthCare LLC), made possible by the California Health Care Foundation

• In many states, Departments of Insurance take on this work, which sometimes leaves Medicaid out of the picture.

• Here, we’ll focus on Medicaid and Medicaid managed care.
Primary Care Spending: Medicaid

KEY
- Medicaid Primary Care Spend is available/will be available
- Medicaid MCO Requirement
Medicaid Primary Care Spend

- California’s Medi-Cal study (coming soon)
- Colorado’s Report [7.1%]
- Delaware’s Report [5.9%]
- New England States’ All-Payer Report [10.4%]
- Oregon’s Reports [16.2%]
- Utah’s Report [7.3% / 9.3%]
- Washington’s Report [5.1%-6.8%] (more to come, with 2022 legislation)
- West Virginia’s Report (2019 legislation)
Hawai‘i: Requirements for Medicaid Managed Care Organizations (Current)

• Three concentric definitions of “primary care”
  → Provision of care in the primary care setting by primary care providers.
  → Plus: provision of preventive services, including behavioral health integration, in the primary care setting.
  → Plus: wraparound support services including team-based care and SDOH supports that augment and enhance the provider’s capacity to manage the Member’s care in the outpatient setting

• MCOs will be responsible for tracking primary care investment, and will be expected to increase this investment in the future.
California: Requirements for Medi-Cal Managed Care Plans (2024)

- Report on:
  - Total primary care spend, as defined by the Integrated Healthcare Association (IHA), and the percent of spend within each HCP LAN APM framework category.
  - Percentage of spend within each HCP LAN APM framework category as a percentage of its total spend.

- Stratify the reporting of primary care spend (and as a percentage of total spend) by:
  - Age (children and youth ages 0-20, adults ages 21+)
  - Race/ethnicity

- Work with DHCS and other stakeholders to analyze the relationship between the percent of spend for primary care services with performance of the overall delivery system.

- Meet targets for minimum primary care spend, if rebalancing is shown to improve quality/drive lower total cost of care
1115 Demonstrations: Investment in Advanced Primary Care & Health Equity

• 1115 demonstration approved by CMS:
  → California
    • Providing Access and Transforming Health funds
    • Global Payment Program

• Pending/expected 1115 demonstration proposals
  → New York
    • Health Equity Regional Organizations
  → New Jersey
    • Regional Health Hubs
  → Oregon
    • Community Investment Collaboratives
Increasing Investment in Primary Care through Medicaid Managed Care in Oregon

Summer Boslaugh
Oregon Health Authority

May 12, 2022
Oregon’s Patient-Centered Primary Care Home Program
Oregon passed legislation to increase, measure, report on and change payment for primary care spend across all markets.

Senate Bill 934 (2017) requires coordinated care organizations (CCOs) and commercial carriers to allocate 12% of their medical spending to primary care by 2023.

Senate Bill 231 (2015) created the *Primary Care Spending in Oregon* report:
- Oregon Health Authority (OHA) and Department of Consumer and Business Services (DCBS) joint annual legislative report
- Provides information for lawmakers to monitor and assess the percentage of total medical expenditures directed toward primary care
- Published starting 2016
Primary care spending by payer is publicly reported annually.

Both claims-based and non-claims-based payments are reported.

- Claims-based payments are reported from OHA’s All Payer All Claims Data Reporting Program (APAC).
- Information about non-claims-based payments is gathered from a reporting template completed by all payers.
Primary care as a percent of total medical expenditures: 2020 report

- CCOs: 16.2%
- Prominent carriers: PEBB and OEBB: 14.1%
- Prominent carriers: Commercial plans: 13.9%
- Prominent carriers: Medicare Advantage: 10.8%
Primary Care Spending in Oregon 2021

Primary care spending

Select Line of Business

Medicaid

As percent of total

- Eastern Oregon CCO: 22.5%
- Umpqua Health Alliance: 21.9%
- Trillium Community Health Plan, Inc.: 20.3%
- InterCommunity Health Network CCO: 19.2%
- PacificSource Community Solutions CCO: 18.8%
- Yamhill Community Care Organization: 17.8%
- Cascade Health Alliance, LLC: 17.0%
- AVG (UNWEIGHTED): 16.9%
- AllCare CCO: 16.8%
- AVG (WEIGHTED): 16.2%
- Jackson Care Connect: 16.0%
- PacificSource Community Solutions CCO: 14.3%
- Advanced Health: 13.5%
- Health Share of Oregon: 12.8%
- Columbia Pacific CCO, LLC: 8.9%
Non-claims primary care spending by prominent carrier or CCO

Selecting dollars ($) compares amount of spending by prominent carrier or CCO. Selecting percent (%) compares non-claims spending versus spending from claims.

Percent (%) of primary care spending that is non-claims versus claims-based

- Advanced Health
- Cascade Health Alliance, LLC
- Eastern Oregon CCO
- PacificSource Community Solutions C.
- PacificSource Community Solutions C.
- InterCommunity Health Network CCO
- Columbia Pacific CCO, LLC
- Umpqua Health Alliance
- AllCare CCO
- Jackson Care Connect
- Yamhill Community Care Organization
- Trillium Community Health Plan, Inc.
- Health Share of Oregon
The chart below digs deeper into how prominent carriers and CCOs are spending for primary care with non-claims payments. Percentages across prominent carriers and CCOs add to 100%.

<table>
<thead>
<tr>
<th>Non-claims primary care spending, by category</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Percent (%)</td>
</tr>
<tr>
<td>Capitated or salaried expenditures</td>
</tr>
<tr>
<td>Health Information Technology (HIT) structural changers</td>
</tr>
<tr>
<td>Patient-Centered Primary Care Homes/Medical Homes (PCPCH/PCMH)</td>
</tr>
<tr>
<td>Provider incentives</td>
</tr>
<tr>
<td>Risk-Based reconciliation</td>
</tr>
<tr>
<td>Workforce expenditures</td>
</tr>
</tbody>
</table>

Advanced Health
Cascade Health Alliance, LLC
Eastern Oregon CCO
PacificSource Community Solutions C.
InterCommunity Health Network CCO
Columbia Pacific CCO, LLC
Jackson Care Connect
PacificSource Community Solutions C.
AllCare CCO
Health Share of Oregon
Yamhill Community Care Organization
Umpqua Health Alliance
Trillium Community Health Plan, Inc.
The 2015 legislation also directed OHA to create the Primary Care Payment Reform Collaborative.

The Collaborative advises and assists OHA in the implementation of a Primary Care Transformation Initiative to:

• Increase investment in primary care (without increasing costs to consumers or increasing the total cost of health care)

• Improve reimbursement methods, including by investing in the social determinants of health

• Align primary care reimbursement by purchasers of care
Primary Care Payment Reform Collaborative 2018 Recommendations

Develop an infrastructure to support the Primary Care Transformation Initiative

$ Adopt complementary multi-payer payment models

• Primary care payment: 4 types of payments - 3 for all clinics, 1 for advanced
• Primary care and behavioral health integration payment model – support integration

Gain stakeholder support for implementation and coordination of the Initiative
OHA contracts with CCOs require at least 12% primary care spend and infrastructure payments for Patient-Centered Primary Care Homes.

- CCOs are required to provide per-member-per-month (PMPM) payments to their Patient-Centered Primary Care Home (PCPCH) clinics.
- CCOs are required to also vary their PMPMs such that higher-tier PCPCHs receive higher payments than lower-tier PCPCHs.
- The PMPMs must increase each year over the five-year contract and be meaningful amounts. Although OHA is not defining a specific minimum dollar amount, the payments should meaningfully support clinics’ work to deliver patient-centered care.
Oregon’s path for statewide VBP adoption

- Cost Growth Target legislation established by Implementation Committee (2019)
- Committee recommended principles for accelerating adoption of advanced VBP as key strategy to meet the target (2020)
- VBP Compact developed based on Committee’s principles (2021)
VBP Targets: From Cost Growth Target Implementation Committee

All payments under advanced VBP payment models (Shared savings/3A and higher)

Payments to primary care practices and general acute care hospitals under advanced VBP models (Shared risk/3B and higher)
VBP Compact

signatories, including commercial payers, Medicaid, Medicare Advantage, health systems and clinics.

47

73% of Oregonians are represented by compact signatories.

http://www.orhealthleadershipcouncil.org/oregon-value-based-payment-compact/
Implementation of integrated strategies can accelerate VBP adoption.

- Short VBP Menu
- VBP Toolkit
- Equity
- $ Mitigating financial risk
- Policy alignment
- Attribution
The Primary Care Payment Reform Collaborative is developing a primary care VBP model to be included in the short menu.

Principles guiding model development include:

• Design to address health equity
• Promote flexibility for different populations
• Support interdisciplinary teams and “upstream” impacts on health
• Not reduce primary care spending
• Use appropriate risk adjustment models
• Reduce administrative burden
VBP features can drive higher quality and more equitable health outcomes.

- **CARE DELIVERY REDESIGN** to establish expectations within VBP contracts for how care is delivered.
- **PAYMENT INCENTIVES AND STRUCTURES** that reward better, more equitable care and outcomes.
- **PERFORMANCE MEASUREMENT** to capture performance and drive accountability.
Thank You
Question & Answer
Questions?

To submit a question online, please click the Q&A icon located at the bottom of the screen.
UPCOMING WEBINAR:
Working with Medicaid Managed Care Organizations to Ensure Equitable Access to Advanced Primary Care

• Join us on to wrap up our *Strengthening Primary Care through Medicaid Managed Care* learning series!

• We’ll be exploring how states, Medicaid MCOs, and primary care teams can stay accountable to the communities they serve by ensuring equitable access to high-quality, culturally congruent primary care.

• June 2, 3:00-4:00 pm ET.

• Today’s attendees will receive the registration link when available.
Visit CHCS.org to...

• Download practical resources to improve health care for people served by Medicaid.

• Learn about cutting-edge efforts from peers across the nation to enhance policy, financing, and care delivery.

• Subscribe to CHCS e-mail updates, to learn about new resources, webinars, and more.

• Follow us on Twitter @CHCShealth.