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Care Transformation Steering Committee Meeting

April 15, 2022

Agenda

1. Next Steps for CRP
2. CTI / MPA Supplemental Adjustment Overlaps
3. Review of CTI Risk Adjustment
4. Next Steps

Next Steps for CRP

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Evaluation of the Care Redesign Program

CMMI has asked the State to report on the effectiveness of the Care Redesign Program (CRP) to support hospitals Care Redesign Program.

- The purpose of the CRP is to provide fraud and abuse waivers, like those provided to ACOs.
- The waivers allow hospitals to pay incentive payments / provide resources that would be prohibited under the Stark and Anti-Kickback Statute.
- Relatively few hospitals have used the waivers to make incentive payments to physicians and/or other provider types.

Next Steps on CRP

HSCRC staff intends to make the following changes to the CRP programs:

1. HCIP will be phased out in 2022 and will not be offered in 2023.
2. ECIP will require that all participating hospitals make incentive payments to their care partners OR provide a significant amount of care management resources.
   A. Hospitals are not required to participate an in ECIP.
   B. Hospitals that do not use the waiver but still the possibility of earning incentive payments can participate in an CTI using similar definitions.
   C. This decision is intended to ensure that hospitals participating in ECIP use the fraud and abuse waivers in order to satisfy CMMI. It is not intended to change the financial supports for care transformations.

We will finalize this decision in June when we submit our CRP proposal to CMMI. Anyone wishing to comment or suggest alternatives should do so prior to April 29, 2022.

CTI and MDPCP Supplemental Adjustment

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MPA Supplemental Adjustment

HSCRC created a MDPCP Supplemental Adjustment in the MPA in order to add some accountability for managing the TCOC to MDPCP practices.

1. It is our intention to maintain the MDPCP Supplemental Adjustment until MDPCP includes some TCOC risk.
2. We expect that Track 3 of MDPCP will be included in 2023. Once the approval / timing of MDPCP is known we will reevaluate the supplemental adjustment for 2023.

The Supplemental Adjustment attributed beneficiaries to hospitals using a similar attribution algorithm to the MDPCP.

1. The panel-based primary care CTIs also attribute beneficiaries based on the MDPCP algorithm.
2. Therefore, there is an overlap problem between the CTI and the supplemental adjustment.

MPA Supplemental Adjustment “Buyout”

HSCRC Staff had previously discussed creating an MPA Supplemental Buyout.

1. But these details were not finalized in the MPA recommendation.
2. We want to clarify the buyout policy now before finalizing the MPA adjustments for 2021.

We have several options:

1. Apply the MPA Buyout for both CY 2021 and 2022
2. Apply the MPA Buyout only for CY 2022

Supplemental Adjustment “Buyout” Mechanics

As a reminder, the MPA Supplemental Adjustment is calculated as follows:

(Hospitals Per Capita Savings – Statewide Per Capita Savings) x Number of MDPCP Attributed Beneficiaries.

Thus, the Supplemental Adjustment rewards / penalizes hospitals by the extent to which the hospital’s MDPCP program does better / worse than the state average.

- For example, if the State on average savings $100 per MDPCP member and the hospital savings $125 per MDPCP member, then that hospital would earn $25 per MDPCP beneficiary.
- Conversely, if the hospital had saved $75 per MDPCP member, then that hospital would be penalized by $25 per MDPCP beneficiary.

Supplemental Adjustment “Buyout” Mechanics

For the Supplemental Adjustment Buyout, we will reduce the number of MDPCP Attributed Beneficiaries by the number of beneficiaries that are also in a panel-based CTI. In other words, the supplemental adjustment would be:

(Hospitals Per Capita Savings – Statewide Per Capita Savings) x (Number of MDPCP Attributed Beneficiaries – Number of MDPCP also in a panel CTI)

The amount of the overlap be the MDPCP beneficiaries and panel-based CTI is typically between 40 and 70%.

1. This could be because hospital choose different NPIs to include in their CTI than their MDPCP program or hospital could have applied additional selection criteria.
2. This would reduce the MDPCP Supplemental Adjustment by an equivalent amount.

The buyout would apply equally to the upside and downside rewards. This is necessary to ensure that the overall policy does not result in a degradation on the State’s waiver test.

Timing of the Supplemental Adjustment and the CTI

The Supplemental Adjustment works on a calendar year basis and the CTI works on a fiscal year basis. This results in the following periods:

- MDPCP Supplemental Yr 1: January 2021 – December 2021
- CTI Yr 1: July 2021 – June 2022
- MDPCP Supplemental Yr2: January 2022 – December 2022
- CTI Yr 2: July 2022 – June 23

In order calculate the offset, we propose the following:

- Yr 1 CTI benes (as of July 2021) determine the offset of Yr 1 MDPCP supplemental adjustment (calendar year 2021).
- Yr 2 CTI benes (as of July 2022) determine the offset of Yr 2 MDPCP supplemental adjustment (calendar year 2022).

Questions for Stakeholders

Staff does not believe that Supplemental Adjustment offset was well described prior to the start of the CTI period.

1. Therefore, hospitals may not have realized the full implications of their CTI submissions on the MPA offset.
2. Staff are concerned about applying the offset policy for Yr 1 because it may change the results for hospitals.
3. For example, a hospital doing well on the supplemental adjustment may be surprised if we offset their rewards based on CTI participation.

Therefore, we would be interested in stakeholders' opinion on whether to apply the buyout to Year 1 of the Supplemental Adjustment. We could

1. Apply the Buyout to Year 2 only; or apply the Buyout to both Year 1 and Year 2.
2. Our default policy will be to apply the offset to both Year 1 and Year 2. Stakeholders are welcome to comment on the policy by April 29th. We will make the decision and inform on May 2nd

Overview of Risk Adjustment Methodology

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Questions for Stakeholders

Completion Flag: Yes

CTI Performance Summary

Convening Entity	Thematic Area	CTI Name	Baseline				Performance			
			Episodes Initiated	Total Payments	Preliminary Target Price	Preliminary Aggregate Target Price	Episodes Initiated	Total Payments	Preliminary Target Price	Preliminary Aggregate Target Price
MedStar Health	Care Transitions	01-059:MedStar Palliative Care Program	701	$27,422,384	$35,929	$25,186,212	861	$33,518,903	$35,945	$30,948,472
	Primary Care	03a-001:Shah Medical Group Care Management	4,514	$34,774,905	$8,021	$36,206,062	6,150	$48,423,701	$8,159	$50,179,899
		03b-003:MDPCP Panel	33,633	$220,819,391	$6,465	$217,451,269	37,290	$237,064,908	$6,073	$226,474,740
Grand Total			**38,848**	**$283,016,679**	**$7,178**	**$278,843,543**	**44,301**	**$319,007,513**	**$6,943**	**$307,603,112**

Overview of the Risk Adjustment Methodology

The hospitals baseline period costs per person are $6,565 but the preliminary target price is $6,465.

- The target price and the baseline period costs differ slightly.
- The difference is due to the risk adjustment process.

Risk adjustment has 3 steps:

- Step 1: Regress TCOC on the HCC and / or APR-DRG Weights
- Step 2: Risk normalize baseline period target prices
- Step 3: Update the target price with the performance period risk score

Step 1: Regression analysis

For a given CTI, we construct statewide CTI episodes for our regression sample.

- Every episode of care that meets the definition of the CTI, whether or not the provider to whom the episode was attributed elected to participate in that CTI.
- Example: a panel-based primary care CTI with 3+ chronic conditions, would include every primary care eligible beneficiary with 3+ chronic conditions.

We then estimating the following linear regression model on the statewide, baseline data for that specific CTI:

$$\text{Total Episode Cost} = \alpha_P + \beta(\text{Risk Score})$$

- α_P captures the unique baseline average cost of the CTI for each provider in the state
- Risk Score is the average HCC score of patients comprising the CTI episodes
- β is the coefficient for each risk score (which equals the average change in total episode cost given a one-unit change in the average risk score)

In the example given, the regression analysis is:

Intercept	Baseline HCC Score	HCC Coefficient
$1095	1.15	$4660

Step 2: Calculation of the Preliminary Target Price

We assigns a preliminary target price to each CTI participant based on the following components of the regression above:

- The participant's unique regression intercept, αP. Roughly, this is interpreted as "the average baseline cost of the episodes attributed to the given participant, for this CTI, conditional on the risk scores."
- The average baseline risk-score Risk Score among the patients who triggered the CTIs attributed to the participant.
- The coefficients on the risk score(s), which are not unique to the participant but common to all providers within a given CTI.

Applying this calculation to the example gets,

$$\text{Preliminary Target Price} = \$1095 + (1.15 \times \$4660) = \$6,454$$

Note: the differences between the results here an in the target price are due to rounding. The CTP does not use any rounding.

Implications of the Risk Adjustment Process

The Preliminary Target Price might be different from their baseline period costs. The implications of a different target price are as follows:

- If a target price is below a participant's baseline average spending, then the participant's baseline average was higher than expected given the average risk score of beneficiaries with CTI episodes (i.e., the participant's episodes were more expensive than average at any given point on the risk score distribution).
- If a target price is above a participant's baseline average spending, then the participant's baseline average was lower than expected given the average risk score of beneficiaries with CTI episodes (i.e., the participant's episodes were less expensive than average at any given point of the risk score distribution).

Step 3: Calculation of the Performance Period Target Price

The final Target Price will be different from the preliminary target price due to the change in the risk of the population. In the example,

- The Risk Score decreased slightly
- In the baseline, the HCC score contributes (1.15 x 4660) = $5359.
- In the performance period, the HCC score contributes (1.07 x 4660) = $4986.
- The difference is $372 dollars, which is the difference between the baseline period target price and the performance period target price.

	Intercept	HCC Score	HCC Coefficient	Target Price
Baseline	$1095	1.15	$4660	$6,454
Performance	$1095	1.07	$4660	$6,081

Reporting Update

We intend to update the CTP reporting system to show hospitals their risk scores in the baseline and the performance period and the results of the regression analysis.

- This will allow hospitals to calculate the difference between their baseline costs and their target price.
- Additionally, hospitals will be able to track changes in the risk mix of their CTI.

Next Steps

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Next Steps

CTI Submissions are due by May 13th. Reminder: please submit additional CTI through the CTP website.

- If you do not want to make any changes to your CTI there is no need to do anything. CTI will automatically roll over.
- If you want to withdraw from an existing CTI, please email hscrc.care-transformation@maryland.gov.

Please send any comments or suggestions on the future of CRP to Willem.Daniel@maryland.gov by April 29.